Policy Matters Ohio

JOBWATCH

May 1, 2026
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Ohio added jobs, lost workers in March

Today, the Ohio Department of Job and Family Services (ODJFS), in partnership with the Department of Labor, released job and unemployment indicators for March. Ohio employers added 12,500 jobs that month, more than making up for February's losses (-4,700). State and national unemployment rates both ticked down 0.1 percentage points in February, to 4.1% in Ohio and 4.3% nationwide. Inflation climbed to 3.3% in March, up 0.9 percentage points from February.

The takeaway: Both Ohio and the U.S. saw unexpected employment gains in March, making up for February's losses and then some. Ohio's unemployment rate has been trending downward since September of 2025, driven by changes in Ohio's labor force population, which has been shrinking over the same period. As of March 2026, there are 44,000 fewer workers in Ohio's labor force, compared to this time last year.

"While March's job growth could provide a much-needed boost to Ohio's economy," said Bryden, researcher with Policy Matters Ohio, "we shouldn't overstate these monthly estimates, which are always subject to revision – especially considering the stalled growth in 2025, indicated by net annual losses. At the same time, March's jobs report gives mixed signals: The continued decrease in Ohio's labor force participation rate is a cause for concern, exacerbating Ohio's economic challenges. Ohio's labor force population has been on the decline since the beginning of 2025. Between February of 2025 and March of 2026, an average of nearly 500 Ohioans have exited the labor force each month."

The numbers: According to seasonally adjusted data released today by the ODJFS, Ohio employers added 12,500 jobs in March, from an upwardly revised 5,669,200 (+700 from initial estimates) jobs in February to 5,681,700 in March.

Goods producers' gains (+3,600) were driven by growth in construction jobs (+5,300), while manufacturers shed 1,700 jobs (-1,500 durable goods, and -200 nondurable goods manufacturing jobs).

Service providers added 6,900 jobs in March, offsetting February's losses (-2,400). The trade, transportation, and utilities sector's growth (+2,500) was concentrated in retail trade (+1,200) and transportation, warehousing, and utilities (+1,300). Professional and business service providers added 1,800 jobs, partially offset by losses in administrative, support, and waste service jobs (-1,100). Leisure and hospitality service jobs increased by 1,600, with modest growth in both arts, entertainment, and recreation (+900), and in accommodation and food service jobs (+700).

Growth in local government employment (+1,500) drove the public sector's gains (+2,000). State government employment increased by 700, while federal government jobs fell by 200. The public sector's growth in March, however, failed to make up for February's losses (-3,400).

"Ohio's economy has been shaky since the beginning of 2025," said Bryden. "Thanks to overall job gains made in 2026, so far, there has been moderate growth in private goods-producing and service-providing industries, since January of 2025. At the same time, however, public

sector jobs are down 3,200. Unsurprisingly, federal government employment has sustained the steepest losses, falling by 7,800 since January of 2025 – a 9.2% decrease."

The household survey: The separate household survey shows that the number of unemployed Ohioans decreased by 8,000, largely due to the departure of 7,000 Ohioans from the labor force, while 1,000 Ohioans gained employment. The contraction caused Ohio's unemployment rate to tick down to 4.1% (-0.1 percentage points), as the labor force participation rate decreased to 62.1% (-0.1 percentage points). Ohio's unemployment and labor force participation rates hover below national rates, which also dipped in February, bringing the U.S. unemployment rate to 4.3% and the labor force participation rate to 61.9%.

"We've been raising alarm about Ohio's dwindling labor force for over a year now," said Bryden. "Although Ohio maintains a stronger labor force participation rate than the U.S. rate, which has also seen a downward trend over the last year, Ohioans are leaving the labor force at a far faster pace than workers nationwide. Ohio lawmakers must prioritize pro-worker policies to connect Ohioans to good-paying jobs with good benefits – like protecting and strengthening Ohio's unions, which benefit all workers."