Policy Matters Ohio

JOBWATCH

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April job gains followed by May losses, as Ohio's labor force continues to shrink

Today, the Ohio Department of Job and Family Services (ODJFS), in partnership with the Department of Labor, released job and unemployment indicators for May. Ohio employers shed 2,400 jobs that month, following two consecutive months of job gains (+8,100 in April, and +10,100 in March). Ohio's unemployment rate continued to drop over the last two months, decreasing from 3.9% in April (-0.2 percentage points from March) to 3.7% in May, while the U.S. unemployment rate held at 4.3%.

NOTE: This month's JobWatch covers BLS jobs and employment data for April and May of 2026.

The takeaway: Ohio saw small job losses in May. However, Ohio has seen strong job growth in 2026, adding 21,600 jobs since December of 2025. Inflation rose from 3.8% in April (up 0.5 percentage points from March) to 4.2% in May.

"Both statewide and U.S. job gains have consistently surpassed expectations this year," said Molly Bryden, researcher with Policy Matters Ohio. "While Ohio's job losses in May don't give cause for concern on their own — as monthly job estimates are always subject to revision — job growth doesn't tell the full story. There are 58,000 fewer working Ohioans in the labor force than there were at this time last year, despite growth in Ohio's working age population, which increased by 38,000 over the same period. Ohio's shrinking labor force has been driving down the labor force participation rate, which, until May, had hovered above the U.S. rate. Now, that gap has closed. The weakening labor force participation rate could have long-term consequences for Ohio's economic growth.

"We'll need to continue monitoring job trends in the coming months to understand whether May's losses represent the beginning of a tightening job market, or a blip," said Bryden. "Even if Ohio sees a hiring turnaround next month, economists warn that stagnant wage growth nationwide could exacerbate the growing affordability crisis. At 4.2%, inflation is the highest it's been in three years, reflected by the ongoing decline in consumer confidence. In the near term, Ohio's working families are vulnerable to the inflationary impacts of U.S. economic policy, facing greater challenges to afford the rising cost of groceries and other necessities, along with global energy price shocks caused by the war in Iran."

The numbers: According to seasonally adjusted data released today Ohio employers added 8,100 jobs in April, from a downwardly revised 5,679,300 jobs in March to an upwardly revised 5,687,400 jobs in April. April's gains were slightly moderated by May's losses (-2,400), when statewide employment decreased to 5,685,000.

In May, the decrease in private sector jobs (-3,300 from April) was driven by losses in the trade, transportation, and utilities sectors (-2,800), which were concentrated in the transportation, warehousing, and utilities sectors (-2,600). Over the last two months, however, trade, transportation, and utilities sectors have seen small job growth (+600 from March to

May), since consistent gains in retail trade jobs (+2,400 in April, and +300 in May) offset losses in the wholesale trade employment (-1,700) and in the transportation, warehousing, and utilities sectors (-500) over the same period.

Goods producers added 3,900 jobs between March and April, followed by small gains in May (+200). This growth was concentrated in manufacturing employment (+4,100 in April and +1,100 in May), with a net increase of 3,400 durable goods manufacturing jobs and 1,800 nondurable goods manufacturing jobs from March to May.

Public sector employment saw moderate fluctuations, increasing by 300 in April and by 700 in May. State government jobs decreased by 1,600 between March and May (-500 in April, and -1,100 in May), while local government jobs increased by 2,300 (+600 in April, and +1,700 in May). There was little change in federal government employment, with 300 jobs added over that two-month period (+200 in April, and +100 in May).

The household survey: The separate household survey shows a continued downward trend in Ohio's unemployment rate (down from 3.9% in April to 3.7% in May) due to a decline in Ohio's labor force population (-11,000 in April, and -15,000 in May). At the same time, the number of unemployed Ohioans decreased by 14,000, while 2,000 Ohioans lost employment. (These numbers don't sum to 15,000 due to rounding). As a result of the continued contraction in Ohio's labor force (-26,000 from March to May), which far outpaced the increase in the working age population (+5,000), Ohio's labor force participation rate ticked down from 61.9% in April (-0.2 percentage points from March) to 61.8% in May.

"We've previously noted that although Ohio's labor force participation rate remains higher than the U.S. rate, Ohioans are leaving the labor force at a faster rate than workers nationwide. As of May, Ohio's labor force participation has dropped to the U.S. rate, which has hovered at 61.8% over the last couple months. If this downward trend continues, Ohio could face a harder time maintaining job growth and economic resilience amidst soaring inflation and ongoing economic uncertainty."