Policy Matters Ohio

JOBWATCH

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Ohio sees modest job gains in June, as 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 June, showing Ohio employers added 5,500 jobs. State and national unemployment rates both ticked down 0.1 percentage points in February, to 3.6% in Ohio and 4.3% nationwide, both due to a decline in labor force participation. Inflation dropped to 3.5% in June, down 0.7 percentage points from May.

The takeaway: June's jobs report – for both Ohio and the U.S. – is a mixed bag. While statewide and national jobs numbers continued trending upward, the separate household survey indicates a drop in the number of employed and unemployed workers, statewide and nationally.

"Ohio's reported job growth doesn't tell the full story," said Molly Bryden, researcher with Policy Matters Ohio. "Establishment survey data has shown moderate, albeit slowing, job growth in 2026, at conflict with household survey data signaling a weakening labor market. Meanwhile, Ohio's growth following the COVID-19 pandemic lags the nation, with a 1.4% increase in jobs since February 2020, compared to the U.S.'s growth of 4.4%. More Ohioans continue to opt out of the labor force – as 66,000 have in the past year, despite a 36,000 increase in the working age population over the same period – suggesting Ohio could face greater challenges in maintaining a robust, resilient economy, threatening long-term economic growth."

"Workers' exodus from the labor force, however, is not unique to Ohio," said Bryden. "In fact, in June, the decline in the national labor force drove the U.S. labor force participation rate down to 61.5% – the lowest it's been since June of 1976, excluding the pandemic era. There are likely myriad factors at play – whether it's declining confidence in the job market or the economy overall, undue transportation and childcare costs, or increasing fear generated by the rise in immigration enforcement activity. To reinforce Ohio's economy and support long-term growth, lawmakers must consider these and other economic forces to inform measured policy decisions to draw Ohioans back into the labor force."

The numbers: According to seasonally adjusted data released today by the ODJFS, Ohio employers added 5,500 jobs in March, from a downwardly revised 5,682,100 (-2,900 from initial estimates) jobs in May to 5,687,600 in June. June's gains offset May's losses (-5,300 from April to May), which were understated by initial estimates.

Goods producers drove job growth in June, with little change in service providing industries (+300) and a small decrease in public sector employment (-900). Construction employers led good-producing industry growth (+3,900), while manufacturers added another 2,200 jobs – all in durable goods manufacture, with no change in non-durable goods manufacturing jobs.

Most private service-providing industries saw little change in employment. The leisure and hospitality industry, however, shed 2,100 jobs (-700 in arts, entertainment, and recreation, and -1,400 in accommodation and food services). Employers in the information sector reported 700 fewer jobs, more than a 1% decrease. The largest gains were seen among professional and business service employers, adding 2,300 jobs.

Within the public sector, state government jobs fell by 400 while local government jobs decreased by 600, with a marginal increase in federal government jobs (+100).

“The construction industry has seen notable growth in 2026, with 11,900 more construction jobs compared to this time last year,” said Bryden. “Gains in construction jobs – which represent nearly half of Ohio’s job growth since June of 2025 – could be partially attributed to rapid data center expansion across the state, though additional analysis is needed to better understand this growth. While the increase in construction jobs supported by data center development can expand pathways to good-paying careers in the union trades, data centers have also been linked to skyrocketing electricity bills for Ohio ratepayers, along with growing concerns about data centers’ public health and environmental impacts.

“Rather than handouts to wealthy corporations, Ohioans need better transparency, ratepayer protections, a strong regulatory framework for siting decisions, and tax policy that pays for the public services necessary to build an economy from the middle out. Ohio lawmakers should focus on policy protections for Ohio communities and tax policy that supports a diversified economy – which hinges on affordable childcare and transportation, closing health coverage gaps, and supporting main street businesses.”

The household survey: The separate household survey shows that 15,000 working Ohioans left the labor force from May to June, as both the number of unemployed Ohioans and employed Ohioans decreased (-500 employed, -10,000 unemployed Ohioans). Changes in Ohio’s unemployment and labor force participation rates mirror national trends, corresponding with a shrinking national and statewide labor force population: Both Ohio’s and the U.S. unemployment rate ticked down 0.1 percentage points – Ohio’s from 3.7% in May to 3.6% in June, while the U.S. rate fell from 4.3% to 4.2%. Ohio’s labor force participation fell to 61.6%, down 0.2 percentage points from May, hovering above the U.S. labor force participation rate at 61.5%.