Right-to-work testimony draws crowd, but Chairman declares bill dead in his committee

The chairman of a House panel that heard testimony on controversial right-to-work legislation Tuesday said there would be no further hearings on the matter in his committee. The House Manufacturing & Workforce Development Committee hearing on a pair of proposals to prohibit anyone from being required to join a union as a condition of employment quickly galvanized opposition. Union members filled the public seats and spilled over into several overflow rooms in the Statehouse. Primary co-sponsors Rep. Kristina Roegner (R-Hudson) and Rep. Ron Maag (R-Lebanon) said the bill (HB 151) and a similar constitutional amendment (HJR 5) would make the state more competitive in attracting new businesses to improve Ohio's economy. However, Chairman Rep. Kirk Schuring (R-Canton) said after the hearing that members of the panel had unanimously agreed not to continue deliberations on the proposals. "I've surveyed the committee and for a wide variety of reasons, the committee has determined that it would not be appropriate to have additional hearings on the legislation," he said in an interview. "My individual thoughts are that I've been in the legislature now for 20 years and I have not had one union shop - an owner of a company that is a union shop or an executive from a company that is a union shop - has come to me and asked for this type of legislation," the chairman said. "So I think it's something that does not need to be addressed at this point in time. There are a whole host of other issues regarding our economy and how we can improve the economic climate in this state that we need to address." The chairman's comments reflect the radioactive nature of the issue currently for majority Republicans who saw an attempt to curb union collective bargaining thrown out by voters last session (SB5, 129th General Assembly). Senate President Keith Faber (R-Celina) had already stated he had no interest in moving on the proposals, and Rep. Schuring said earlier this week he had scheduled the measures for a hearing because House rules required as much. The mere mention of the bill's introduction and the hearing schedule had triggered fundraising pleas from Democrats and cringes amongst the GOP faithful looking ahead to pivotal 2014 elections. Nevertheless, the issue has plenty of support from the Republican right wing. Tea party groups have been circulating a ballot issue proposal since last year, but it has yet to gather steam. During the hearing, Rep. Roegner said the "Workplace Freedom Act" would expand private sector workers' rights to decide whether or not to join a union or pay dues. "Freedom resonates at the heart of this bill, freedom to decide for yourself if you want to be part of a labor union or not," she said, prompting sarcastic chuckles from the audience. The sponsor said states with similar measures in place have fared better economically than "their forced unionism counterparts." She pointed to data from the National Institute for Labor Relations Research showing that private sector employment in right-to-work states grew 12.5% between 2001 and 2011, while other states saw growth of only 3.5%. The 24 states that passed right-to-work laws have a competitive advantage over "closed shop" states, she said, noting that Indiana and Michigan recently adopted similar legislation. "Ladies and gentlemen, right-to-work is on our doorstep. That fact, if for no other reason, should compel us to at least engage in a dialogue whether this this is something our state wishes to pursue or continue to ignore." Rep. Roegner also argued that public opinion polls show a majority of Ohioans support the idea of prohibiting the practice of forcing workers to join a union. The joint sponsors said they had decided to introduce several variations - two bills focusing separately on private and public sector workers, and a constitutional amendment that would put the issue before voters. Rep. Maag said passage of any one of the proposals would make Ohio the 25th "right-to-work state." "This legislation promotes economic growth and, above all, personal freedom," he said. "These two principals go hand-in-hand." Rep. Tom Letson (D-Warren) said Ohio law already allows employees to choose not to belong to unions and instead contribute "fair share" payments. "It seems as though the freedom you are espousing here is already in the body of the law," he said, suggesting the proposal was redundant. The Democrat's statement drew a roar of applause from the audience, prompting Chairman Schuring to slam the gavel and warn spectators to observe proper decorum or be ejected from the room. Rep. Roland Winburn (D-Dayton) questioned whether the measure would allow workers who choose not to pay union dues to benefit from the union's representation and called it "a right-to-freeload law more than the workplace freedom law." Rep. Maag rejected the argument, saying there were a lot of workers who would prefer to be able to bargain for themselves rather than through a union. "I think, in some instances, the union could be holding down the worker," he said. Responding to a question from Rep. John Patterson (D-Jefferson), Rep. Maag said unions shouldn't be afraid of the proposal if they really are as effective in representing employees' interests as they say they are. "If unions are doing all these wonderful things, why would anyone not want to be in it?" Rep. Patterson said he believed allowing individual workers to "cut their own deals" with management effectively undermines the efficacy of collective bargaining and asked the sponsors if they thought the measure would weaken labor unions in the state. Rep. Roegner said she didn't think it would. "I think unions will become stronger because, if you look at it, in some ways there will be competition," she said, anticipating unions would be forced to prove their value to workers and become more effective. "I believe that unions need to exist. I also believe that individuals have the right to choose whether or not they want to belong to any organization as a condition of employment," she said. Democratic candidates and leadership blasted out statements condemning the proposal. Rep. Bob Hagan (D-Youngstown), who has announced a challenge U.S. Sen. Rob Portman (R-Terrace Park) in 2016, said the proposals were "an absolute slap in the face of Ohio voters" that overwhelmingly rejected a separate proposal to restrict collective bargaining (SB5, 129th General Assembly) in 2011. "Once again, the Republican caucus has proven itself to be more interested in appeasing big business than standing up for the average worker," he said. David Pepper, who is running for attorney general in next year's election, said House Republicans "show a flagrant disregard for the interests and opinions of their constituents." House Minority Leader Tracy Heard (D-Columbus) suggested the measure was a Republican attempt "to appease the extremist right wing." "I sincerely hope that my friends across the aisle heard the millions of Ohioans who stood up and spoke out during senate bill 5, and that this will be the only hearing on these anti-workers' rights bills," she said. Rep. Armond Budish (D-Beachwood), who recently stepped down as minority leader to pursue a run for Cuyahoga County executive, said Democrats would "work to ensure Ohio does not become the next casualty on the growing list of states that have rammed through so-called right to work legislation in the dead of the night."

Gongwer News Service. 6/4/13

Fast-growing upscale Latino segment wields nearly half of Hispanic spending power

As part of its Thought Leadership strategy to provide in-depth understanding of the diversity of the Hispanic market, AHAA: The Voice of Hispanic Marketing explores the Upscale Latino segment as part of its research series released during the AHAA 2013 Conference. The study revealed that this viable and sophisticated market boasts 40 percent of Hispanic Spending Power, lives in a world of cultural duality, and provides lifetime value and upside opportunities for many high-end and luxury brands. The most influential segment since the baby boomers, Upscale Hispanics will drive shifts in category consideration, purchasing behavior and brand relationship. In alliance with Nielsen, AHAA conducted a comprehensive study on Hispanic households earning $50-100K annual income dissecting demographics, lifestyle, financial and investment behavior, purchasing habits, media consumption and technological adoption. At the direction of AHAA, this preliminary meta-study mined Nielsen's responder data, including P$ycle, Homescan, and Nielsen People Meter. In 2012, Upscale Latinos accounted for 29 percent, or 15 million, of the U.S. Hispanic population - that figure is expected to double by 2050. Younger than Upscale Non-Hispanic Whites (33 years old compared to 39 years old), they are living active lifestyles, often with young families - in fact, 85 percent of Upscale Hispanics having a household size of three or more, compared to 65 percent of Upscale Non-Hispanics. While they reside across the country, they are mostly concentrated in urban areas, such as Los Angeles, New York, Houston and Miami, and the surrounding communities. They also are boosting the Hispanic populations of secondary markets, like Jacksonville, Honolulu and Washington D.C., and smaller communities, such as Salt Lake City, Raleigh and Oklahoma City, which has seen its Hispanic populations jump by 191 percent. A force behind new businesses with higher educational and professional attainment, Upscale Latinos are technologically savvy, often seen as trendsetters among their peers. They are more likely to use smartphones, own iPads and subscribe to one of the top four U.S. mobile providers. With more than half having attended college, Upscale Latinos are more likely to be business owners than Upscale Non-Hispanics. Accordingly, the Upscale Hispanic segment has a higher concentration of White Collar professionals than total U.S. Hispanics. They also have a larger share within the work force with only 19 percent currently not working. Heavily involved with wealth creation and preservation, Upscale Hispanics are building a brighter future for their children with a greater emphasis on saving for education compared to Upscale Non-Hispanics. This segment tends to be homeowners and are very financially savvy with half having investments and 86 percent using savings accounts and 50% more likely to manage their financial accounts from their mobile device. Mutual funds and stocks are the most commonly used investment opportunities among Upscale Hispanics with the majority more likely to invest in stock plans provided by their employers. In addition, more Upscale Hispanics use mutual funds compared to total U.S. Hispanics (21 vs. 16 percent). Deeper pockets do not translate to increased assimilation. Upscale Hispanics live in two cultures with three-quarters speaking both English and Spanish. While they are slightly more English-dominant, their strong cultural duality and bicultural behavior is reflected in their media consumption. More than a third of Upscale Hispanics watch content in both languages, with English-language comedies, documentary-style programming and children's weekly programming as the most watched. However, Upscale Latinos will switch to Spanish-language television for cultural events, concerts and sports. Upscale Latinos have the disposable income to pamper their image, with health and beauty products comprising the overwhelming majority of categories above and beyond Upscale Non-Hispanic Whites and Hispanics overall. Men's toiletries, women's fragrances, hair care and cosmetics dominate with an emphasis on brand choices, while alcohol and baby care categories skew to store labels. In addition, Upscale Hispanics over-index on fresh ingredients, as feeding their growing families healthy and nutritious food is a priority. The study also identified sub-segments within Upscale Latinos:

Young Accumulators, Young Achievers, Urban Uptowners, and Affluentials. Marketers have a unique opportunity to identify the needs of an evolving Upscale Hispanic household. With an interest in building net worth and simplifying their lives, Upscale Latinos are fueling the growth of America's middle class, while benefiting from a bicultural lifestyle, streamlining their multi-generational responsibilities and enriching their American Dream. Key touch points for this segment include:

* Bringing financial services to their specific needs.
* Supporting small businesses.
* Expanding investment and retirement education.
* Strengthening higher learning opportunities.
* Aligning with segment's interest in (image related), beautification and wellness.

With Upscale Hispanics controlling $4 out of every $10 Hispanic spend dollars, this growing segment will be an essential component not only for Hispanic marketers but also for successful total market upscale marketers. For more information on this study, please visit http://ahaa.org.

Sacramento Bee. 5/31/13

Cooper Tire acquired by India firm for $2.2 billion

A tire company based in India will spend $2.22 billion to buy Cooper Tire & Rubber Co., but officials said there were no plans to pull out of Findlay or shut down any of Cooper’s four U.S. manufacturing plants. The deal, announced on Wednesday, gives India’s Apollo Tyres Ltd. a large and well-established presence in the U.S. market, something it currently lacks but desperately wants. Cooper, which has been headquartered in Findlay for 96 years, is the fourth-largest tire manufacturer in the United States, predominately making replacement tires for cars and light trucks. The company posted record revenues of $4.2 billion last year. It was a Fortune 500 company from 1983-94 and again from 2001-05. Cooper fell off the list after selling its Cooper-Standard Automotive subsidiary in 2004. Cooper has little market overlap with Apollo, which is part of what made the acquisition so appealing. Together, the combined company will be the seventh-largest tire company in the world, with 2012 revenues of $6.6 billion, officials said. Speaking Wednesday with The Blade, Cooper’s chief executive officer said the company had not been looking for suitors, but Apollo’s offer was too good to ignore. “We’re in a position of strength,” Roy Armes said in a phone interview. “We came off 2012 with a record year in sales and profitability. We think this [offer] is a very good value for our company. I think we’ve been undervalued with our performance the last few years, and this is a very compelling offer.” Apollo will pay Cooper stockholders $35 per share in the all-cash deal, a 43 percent premium over where Cooper’s shares closed Tuesday. It’s also 25 percent more than Cooper’s highest share price in the last decade. Shares of Cooper’s stock soared 41 percent Wednesday, closing at $34.66 per share. The purchase agreement has been unanimously approved by both companies’ boards of directors. The deal is expected to be finalized in the second half of 2013, pending regulatory approval and approval by Cooper’s stockholders. Mr. Armes said Cooper expects to keep its current management team in Findlay and maintain all its manufacturing and distribution facilities. That includes a tire plant in Findlay that employs more than 1,000 people. Apollo is expected to honor Cooper's existing labor contracts at those plants. "They want us to keep operating as we have been, because that's been what's made us successful," Mr. Armes said. Union leaders at Cooper's Findlay plant didn't return phone calls Wednesday. A union official at the company's Texarkana, Ark., plant said the news was surprising. He said the general feeling was that business would go on as usual. In a statement, Neeraj Kanwar, Apollo's vice chairman and managing director, said that with Cooper on board, Apollo will have a significant presence in the United States, Europe, and China — the three largest and most important automotive markets in the world. He said Apollo is committed to keeping much of Cooper's existing structure in place. "Importantly, both Apollo and Cooper have built strong reputations on the strength of their people, and this transaction will maintain the networks and work forces in each organization's respective regions, while creating new opportunities in others," Mr. Kanwar said. "We are excited by the possibilities created by our partnership and look forward to welcoming Cooper's employees to the Apollo family." Dennis M. Byrne, an economics professor emeritus at the University of Akron and an expert on the global tire industry, said the deal makes sense for Cooper Tire because it mostly is stuck in the United States market and would like to break out. "They were trying to become a name-brand player internationally but they just weren't nearly the size of a Bridgestone, Michelin, or Goodyear. They tried to go to China [in 2003], but all the bigger companies already had gone to China," Mr. Byrne said. "They looked to go elsewhere overseas but weren't big enough to do it. In India, Apollo was looking to get into North America, so it made perfect sense from a cooperative view for both of them to get together," Mr. Byrne said. "For Cooper, they are a small player in a competitive and increasingly stagnant [North American] market, and India is beginning to show signs of really developing economically," Mr. Byrne said. "Apollo now will have access to technology and distribution in the United States. This allows them entry into a market they couldn't get entry into," he said. "They get access to a new market, new technologies. This seems very much a good thing and I can't imagine Apollo wanting to close down any Cooper operations. "I don't see a lot of downside to this deal," Mr. Byrne added. John Healy, an equity analyst at Northcoast Research in Cleveland, said Apollo's acquisition of Cooper Tire was somewhat of a surprise given that rumors of such a deal last fall seemed to die out. "I felt Apollo could end up in some sort of relationship with Cooper, but the rumors had been dying down and most were being seen, to us, as just speculative in nature. Then this re-emerged somewhat out of nowhere," Mr. Healy said. "But from a strategic standpoint, we can really see why Apollo would want to do this," the analyst said. "Apollo wants to be a top-10, top-tier global company, but they concluded that they couldn't build that themselves. "So they looked at Cooper and they saw the great job Cooper has done with $4.2 billion in revenues and $220 million in earnings. Apollo saw that as very attractive," Mr. Healy said. "And Cooper saw, for them, the opportunity to take the next step that they needed for a global footprint." While calling the joining good for both, Mr. Healy said he has doubts it will have any major impact on the tire industry. The new firm "will only be the seventh-largest combined company when it gets approved, so I don't think it will change the competitive dynamics of the industry." Mr. Healy agreed that Apollo is unlikely to change Cooper Tire much. "Apollo really doesn't have a presence in America and Cooper has strong assets and a great reputation, and a dealership distribution network," he said. "I think Apollo's main strategic objective was to become a major global company and they needed Cooper to do that. Both were looking for something the other had," Mr. Healy said. "Both seem to be getting what they want." While the sale of Cooper generated a lot of talk in Findlay, officials there didn't seem worried about the future of one of the city's top employers. "I think there's a lot of concern of what the future is of Cooper, because they are such a large player in Findlay," Findlay Mayor Lydia Mihalik said. "What I'm able to tell [people] is by all accounts this is a great move for Cooper, ensuring Cooper's long-term sustainability." Tony Iriti, director of the Findlay-Hancock Economic Development office, also said there are few concerns that Findlay or Hancock County will be much affected by the sale. "I've been following it and trying to think it through, and the fact that the two companies are so complementary," Mr. Iriti said. "When you have two companies that have their own hierarchies, I would think on the administrative side there's got to be some overlap. That could be affected," he said. "But I don't see anything else being affected. That's kind of the word that we've gotten today. We're pretty optimistic." Greg Smith, publisher of industry trade publication Modern Tire Dealer, said the deal could trigger mergers between other tire companies not anxious to give up market share to a new, stronger Cooper Tire in North America. "We went through a flurry of purchases in the late '80s. Bridgestone bought Firestone and soon after that Pirelli bought Armstrong. That was the first notice this industry took that it was becoming a global industry," Mr. Smith said. Although Cooper Tire has performed very well financially over time, "People in the industry have long wondered a) how long they would stay in business or b) when it would be acquired." Mr. Smith said it's reasonable to assume that Apollo soon will use Cooper Tire's distribution network to introduce its own brands into the U.S. market. Although both Cooper Tire and Apollo will be stronger, the new company isn't going to challenge the industry leaders soon, Mr. Smith said. Bridgestone, with sales of $31 billion, Michelin at $26 billion, and Goodyear at $21 billion are all too strong to lose much in the way of market share. Cooper Tire and Apollo had combined sales of $6.6 billion last year.

Toledo Blade. 6/12/13

IN-DEPTH: The effects of House, Senate tax cut proposals

Mike Siska doesn't like to pay taxes. No one does. But the Ohio House of Representatives' proposed 7 percent personal income tax cut would only save the downtown Cincinnati resident $100 a year. "I would not notice," said Siska, 42. That's one reason the Ohio Senate has a different idea: Instead of cutting taxes a bit for all Ohioans, Senate Republicans have proposed essentially a 50 percent tax cut on business owners' first $750,000 in income. The two General Assembly houses will start to meet this week to hash out their tax plans, a key difference in their two versions of the state budget scheduled to take effect July 1. Democrats have said neither plan would reduce taxes enough to make a noticeable economic difference. For instance, they say, even the Senate's tax cut won't be enough for most business owners to add new employees. Raymond Schneider, 62, owns Red Dog Pet Resort & Spa in Madisonville and other businesses that include nursing homes and self-storage facilities. His businesses net him a seven-figure income, he said, so he'd save the maximum amount any business owner could save under the Senate plan – about $22,000. Even that comparably small amount would make a difference, he said. "My money's always gone back into the business. I have completely repainted. I have improved my (dog) park," the Blue Ash resident said of his upscale pet daycare and boarding business. "I hire more people if my business looks good and I can sell that business to my prospective client." Still, many business owners wouldn't see as much benefit as Schneider. For starters, an estimated 15 percent to 30 percent of business owners have set up their businesses to pay them a salary, rather than booking the businesses' profits as their personal income, said Gary Gudmundson, spokesman for the Ohio Department of Taxation. Those business owners wouldn't qualify for the Senate's tax cut. For those who do qualify, the Senate tax cut would allow business owners to pay taxes on only half of their first $750,000 in income. But many earn much less than that. Roughly 80 percent of U.S. small-business owners either report a tax loss or earn less than $25,000, according to a 2011 report by the U.S. Office of Tax Analysis, which studied 2007 data. Bonnie Sturgill makes about $90,000 running From Scratch Restaurant and Catering in Bethel. She'd save about $1,800 under the Senate tax cut, which she says she'd probably use to upgrade equipment or remodel. "I would notice it, because I'm a small business," said Sturgill, 52. But she wouldn't save enough to add an employee, she said. That's one concern Democrats have – that the tax cut isn't likely to prompt the creation of new jobs. Both the House and Senate proposals will reduce Ohio's tax revenue by about $700 million a year. That money could be spent in ways that better help the economy, said Sen. Tom Sawyer, D-Akron, the ranking Democrat on the Senate Finance Committee. "Great schools, access to higher education and thriving communities ... makes companies want to invest in Ohio," Sawyer said Thursday in a Senate speech. Senate Republicans insist even a small tax break for business owners will lead to economic growth, "whether a small business owner chooses to upgrade equipment, give an employee a raise or possibly add a new worker," Sen. Scott Oelslager, R-North Canton, chairman of the Senate Finance Committee, said Thursday in a Senate speech. But Republicans in the House had a different idea of the preferred way to encourage the economy to grow. When they created their budget plan this spring, they wanted to keep cutting Ohio's personal income-tax rate for everyone, building on decreases of 21 percent that started in 2005. This year, Ohio's top-bracket rate of 5.925 percent is higher than 22 other states, according to the Tax Foundation, a research group in Washington. That tax cut affects Siska, the downtown Cincinnati resident. He owns his own business: Ideal Cards and Coins in Green Township. But he's set up to earn a $50,000 salary from the business, so he said he wouldn't qualify for the Senate tax cut. The about $100 in taxes he'd save from the House plan "is not a big deal," he said. "I package up all of my stuff every month, I give it to my accountant and then it's out of my brain." Instead, he'd rather see legislators focus on other tax changes, such as lowering business licensing fees. Siska's $100 in savings is huge compared with what many Ohioans would receive. In 2011, the most recent year on file, more than half of Ohio tax returns reported income of $40,000 or less. Those Ohioans would save $11 to $50 annually under the House tax cut, according to data from the Department of Taxation. Still, it's a start, said economists at the Tax Foundation, which generally supports lower taxes. The Senate's 50 percent tax cut sounds great, economist Scott Drenkard wrote in an analysis, but in reality only growing firms create jobs. "These businesses are exceptionally hard to target with tax preferences," he said. The Senate plan "even phases out the small business deduction after the firm reaches an arbitrary size." If anything, he wrote, the Senate plan might encourage some entrepreneurs to restructure their business so that they can file their profits as personal income instead of taking a salary. That's exactly what Andrew Pappas will consider if the General Assembly passes the 50 percent tax cut for business owners. His two Cleaner Concepts dry cleaning businesses in Hyde Park and Anderson Township are structured to pay him a salary with the businesses' profits. But he'd save roughly $2,000 under the Senate bill if he recorded the profits as part of his income instead. "I know I could spend $2,000 better than the government could," said Pappas, 47. With the savings, he might expand his workers' hours or upgrade equipment.

Cincinnati Enquirer. 6/12/13

Ohio’s economy grew by 2.2% in 2012

Ohio’s economy in 2012 grew for the third consecutive year, but once again the growth lagged the national average, according to preliminary data released Thursday. The state’s real gross domestic product increased 2.2 percent last year, compared to a 2.9 percent increase in 2011, according to new and revised data from the U.S. Bureau of Economic Analysis. The national economy grew 2.5 percent in 2012, and it has outperformed Ohio’s economy in 13 out of the last 15 years. But the state’s rate of economic growth more closely aligns with the national trend than it has in the past. “Ohio has been lagging the growth in the U.S. economy for a decade now, and that is the bad news,” said William Even, Glos professor of business with the Farmer School of Business at Miami University. “But even though we are a bit below the national average rate of growth, we are starting to grow at a rate that’s similar — slightly below average — which is an improvement.” Real GDP is the total value of all goods and services produced in the state, adjusted for inflation. “It is the broadest measure of economic activity for a state, and it really is the state-level counterpart to national GDP,” said Thomas Dail, a spokesman for the bureau. In 2012, Ohio’s real GDP increased to $435 billion from $426 billion in 2011, according to new and revised data. The state’s real GDP increased 2.9 percent in 2011, much better than the 1.1 percent growth reported last year by the bureau. It was stronger growth than all but six other states. But last year, Ohio’s real GDP growth ranked 20th in the nation. North Dakota had the fastest growth (13.4 percent) while Connecticut had the slowest (-0.1 percent). North Dakota’s economy is booming because of oil and gas activities in the state. Since 1997, Ohio’s economy has only grown faster than the national average twice in 2002 and 2011. In 2000, Ohio’s economy grew 2.6 percent while the U.S. economy grew 4.2 percent. In 2006, the state’s economy contracted by 1 percent, while the U.S. economy grew 2.7 percent. “Between 2000 and 2007, before the recession, we were growing at a much slower pace than the rest of the country, and then the recession hit us harder than the average state,” said Even, with Miami University. “While we are a little bit below average in growth now, I would say things are looking a little bit better now than they did prior to the recession.” The largest contributors to Ohio’s growing economic output was a 0.73 percent increase in durable-goods manufacturing, and a 0.7 percent increase in management of companies, which mainly reflects corporate headquarters. The largest decreases were in real estate, rental and leasing (-0.3 percent) and professional, scientific and technical services (-0.15 percent). The slowdown in economic growth in Ohio between 2011 and 2012 is likely attributable to job and spending cuts in the public sector, and slower growth in the manufacturing sector, said Brent Campbell, an associate economist with Moody’s Analytics in West Chester, Pa. But Ohio’s economy is “still moving in the right direction” and the risk of another recession is very low, he said. “All of the drivers are still in place, and manufacturing employment has picked up in the last few months in 2013, so it looks like 2013 will be OK for manufacturing as well,” Campbell said. Last year, the state’s economy continued to recover, albeit fitfully, economists said. Ohio’s unemployment rate in 2012 fell to 7.2 percent, the lowest level since 2008, according to data from the U.S. Bureau of Labor Statistics. The state added 25,300 jobs between January and December 2012, and Ohio’s per capita personal income last year also rose at one of the fastest rates in the nation. Economic forecasts predict similar real GDP growth in 2013. “The revival of the motor vehicle industry and development of shale formations in the eastern part of the state seem to be behind the state’s improving fortunes,” said Jim Glassman, managing director and senior economist with commercial banking at JPMorgan

Chase. “So is the leveraging of technology and health care spinoffs around the state’s colleges and universities.”

Dayton Daily News. 6/7/13

Ohio Republican lawmakers unveil income tax cut, sales tax hike days before budget is due

Republican leaders of the Ohio House and Senate on Thursday announced they had agreed to a major tax overhaul as part of the state's two-year budget. The new plan -- the sixth major iteration of the state's next two-year budget -- would raise the 5.5 percent sales tax to 5.75 percent. The latest package also includes deeper income tax cuts than initially proposed by the House, but falls short of what Gov. John Kasich had introduced when he unveiled his "Jobs Budget 2.0" in February. Since the governor and GOP lawmakers who control the House and Senate all support this blend of their tax proposals, the package is likely to end up in the final version of the budget, which Kasich must sign by June 30. Under the latest proposal, Ohioans would receive a phased-in 10 percent personal income tax cut. An 8.5 percent cut from current rates would take effect in fiscal 2014, 9 percent the following year and 10 percent the next -- although this budget applies only to the first two years. "Our challenge is to overcome the disability of this state to have met the needs of its citizens, and indeed these two caucuses have done that in connection with the governor's efforts to make Ohio the greatest location in the nation," said House Speaker William G. Batchelder of Medina. The Plain Dealer analyzed the combined impact of the proposed new sales and income tax rates and found that the higher the income, the larger the savings, both in terms of real dollars and the percent savings. For example, a single person making $25,000 a year would save an estimated $26 in taxes, a 3.1 percent dip. A single person making $110,000 would save about $360, a reduction of more than 7 percent. The same trend held true for families. The Republican governor initially proposed a phased-in 20 percent income tax cut, and hoped to drop the sales tax rate from 5.5 percent down to 5 percent, but bring in more revenue by applying it to more services. Small businesses would get a weaker version of Kasich's 50 percent tax break under the new plan. The governor intended to give small-business owners who claimed small-business earnings on their personal tax filings a break on their first $750,000 in yearly income. The plan would now apply only to the first $250,000 in income, which would save small-business owners at best about $7,000 each year. A Plain Dealer analysis earlier this year found that about 80 percent of small-business owners affected by the tax break would reap less than $400 in yearly savings. Legislative leaders said the combined tax cuts total $2.6 billion over three years. Democratic Sen. Nina Turner decried the budget's current form. "Once again, the GOP has sacrificed the well-being of Ohio's 11 million citizens to pursue a misguided and unfounded tax policy," said Turner, of Cleveland. "Their tax scheme will still disproportionately help the most affluent Ohioans at the expense of good schools and safe streets for the rest of us. The nominal gains Ohioans will see in their paychecks will not offset the inevitable increase in local taxes." Kasich was enthusiastic about the latest changes. "This is another big step forward in Ohio's comeback," Kasich said. "Balancing budgets, strengthening education, reforming regulations and cutting taxes an additional $2.6 billion -- these are the kinds of changes Ohio is making that other states aren't, which are helping drive our state forward better and faster." Kasich's Democratic gubernatorial challenger, Cuyahoga County Executive Ed FitzGerald, also said the tax reforms serve to benefit the privileged. "These tax cuts that benefit the rich mean fewer firefighters and police officers on the street and fewer teachers in our children's classrooms," FitzGerald said in a statement. "This is nothing but another massive tax shift that will put a greater burden on middle class families across Ohio in order to benefit those at the very top." In addition to the sales, small-business and income tax changes, lawmakers said the 12.5 percent property tax reduction homeowners currently get would not apply to any new tax levies, and future seniors above a certain income level would not qualify for the current homestead exemption on property taxes. Eliminating the 12.5 percent property tax rollback for new taxes could make school levies harder to sell to voters. For example, without the rollback, last year's 15-mill Cleveland school levy would have cost $263 a year instead of $230 for the owner of a $50,000 home, and $525 a year instead of $459 for the owner of a $100,000 home. Seniors who now get the homestead exemption would continue to qualify for it, but the eligibility requirements would change over time. Republican Rep. Ron Amstutz, chair of the House Finance and Appropriations Committee, said the homestead exemption changes would alter the current system so that the break would no longer be a "flat out giveaway" to those who don't need it. Lawmakers also included an earned-income tax credit in their plan, and tweaked the commercial activity tax, or CAT. Currently, no CAT is taken from businesses with gross receipts of up to $150,000. Business with gross receipts between $150,000 and $1 million are subject to a flat $150 tax. The new rules would make it so business with gross receipts greater than $500,000 would be subject to the .26 percent tax currently reserved for those with receipts totaling more than $1 million. Lawmakers also said they would close tax loopholes by taxing hard-copy magazines and downloaded entertainment like books and music, and by taxing cigarillos in the same way the state taxes cigarettes. The budget would also stop Ohioans from claiming gambling losses on their tax filings. The Ohio Chamber of Commerce, which testified earlier this year against Kasich's plan, stood by the current proposal. "We thank both the governor and the legislature for crafting a package that supports job creation, improves our economy and lowers taxes," Andrew Doehrel, president and CEO of the Ohio Chamber, said in a statement. "This will make Ohio's business climate – already one of the most improved in the nation – even stronger." Thursday's changes come just days before the budget's June 30 deadline. The budget now sits in conference committee, which held its first public meeting this week. Members of the conference committee said they hope to have their finalized budget delivered early next week to Kasich for approval. The combined impact of a higher sales tax rate and lower income tax rates would result in a smaller annual tax bill for most Ohioans, The Plain Dealer found in analyzing the proposal announced Thursday by Republican leaders of the Ohio House and Senate. Higher income people would realize greater savings.

Single Person							
Income level	**New sales tax**	**Change**	**New income tax**	**Change**	**New total**	**Change**	**Percent change**
$25,000	$436	$19	$388	-$45	$824	-$26	-3.1%
$55,000	$649	$28	$1,400	-$158	$2,049	-$130	-6.0%

$110,000	$916	$40	$3,594	-$401	$4,510	-$361	-7.4%
$190,000	$1,209	$53	$7,518	-$838	$8,727	-$785	-8.3%
Family of Four							
Income level	**New sales tax**	**Change**	**New income tax**	**Change**	**New total**	**Change**	**Percent change**
$25,000	$503	$22	$144	-$24	$647	-$2	-0.3%
$55,000	$748	$33	$979	-$116	$1,727	-$83	-4.6%
$110,000	$1,054	$46	$3,125	-$356	$4,179	-$311	-6.9%
$190,000	$1,389	$60	$6,848	-$769	$8,237	-$709	-7.9%

Sources: Ohio Department of Taxation, Internal Revenue Service and The Plain Dealer

Notes:

- Estimates for the sales tax were based only on the state share, currently at 5.5 percent, not additional amounts that vary by county. Internal Revenue Service estimates were used for how much money people in various income brackets and family situations spend annually on Ohio's sales tax.
- Income tax rates compared 2012 taxes with what someone would have paid after a 10 percent reduction in rates, the proposed change after three years' of phased in cuts.
- Not factored in were changes in the $20 personal income tax credit, which would be preserved for Ohioans making less than $50,000. Details were not available Thursday on how it may be phased out for people making more money.

Cleveland Plain Dealer. 6/21/13

Tax plan called middle-class sellout

A major tax overhaul proposed by legislative Republicans at the 11th hour of the budget process sells out the middle-class by raising the sales tax and adding to Ohioans' local property tax burden to help fund an income tax cut for the wealthy, critics charged Friday. "We're cutting income taxes," said Zach Schiller, research director of the left-leaning Policy Matters Ohio. "Some of it is paid out of natural growth in revenue, but much of it is being paid by a sales tax rate increase and elimination of the $20 credit (for the lower-income), and doing that is regressive. You're shifting the tax load from upper-income Ohioans to people who make less.

It’s as simple as that.” Supporters of the plan, however, argued before the House Ways and Means Committee on Friday that the shift away from taxing income toward taxing consumption is exactly what Ohio needs to spur job growth. “This revenue package is not a giveaway to the rich,” said Richard Vedder, professor emeritus at Ohio University, an adjunct scholar with the conservative American Enterprise Institute, and a big fan of Gov. John Kasich’s now dead proposal to greatly expand the sales tax base to professional services. “[The latest plan] on the whole is good on equity grounds...,” Mr. Vedder said. “It is very rare to have a pro-growth tax plan that also scores well on equity and transparency grounds, which, I think, this one seems to do.” Either way, the plan is expected to become law. Majority Republicans on a joint House-Senate conference committee will insert it into the $61.7 billion, two-year budget by Tuesday. It is expected to reach Mr. Kasich’s desk by the end of next week. The various changes of the latest plan shake out as a net income tax cut of nearly $2.6 billion, phased in over three years. It will start with an 8.5 percent cut this year, climb to 9 percent the second year, and reach 10 percent by the third. According to the Department of Taxation, taxpayers in the $22,000-to-$43,800 tax bracket would see an average annual cut of $79 once the full 10 percent cut is implemented. By comparison, a tax return in the $109,600-to-$219,050 bracket would see an average break of $672. While budget debate began in February with Mr. Kasich proposing his sales tax expansion along with a cut in the overall tax rate, the legislative Republican plan settled on a sales tax rate hike from 5.5 cents on the dollar to 5.75 cents. The GOP plan also sets the stage for the state to gradually reduce its role of the last 40 or so years of subsidizing local property tax bills. The state currently pays 10 percent of local property taxes in general, plus another 2.5 percent for owner-occupied homes as part of what is commonly called the property tax rollback. The new language, however, would stop paying that for new levies passed by local governments or schools while continuing it for existing levies. “The taxpayer would be responsible for the full amount of their tax bill for new levies, an effective tax increase of 12.5 percent over what they pay under current law ...,” said Barbara Shaner, associate executive director for the Ohio Association of School Business Officials. “We believe these changes will make it more difficult for school districts to pass new levies,” she said. At the least, she said the effective date of the change should be delayed until after this November’s election because some school districts with new levies on the ballot have already put price tags on them for voters. Mr. Vedder, however, argued that the current system misleads voters as to who really pays the bill. "It adds confusion and complexity to the tax code and violates basic canons of public finance calling for transparency," he said. "Since state funds used to compensate local governments for the property tax rollback are themselves the product of taxation [at the state level], this is just a move to use a disguised method of tax payment instead of taxing people directly."

Toledo Blade. 6/22/13

Ohio's labor force continues to shrink

People have vanished from Ohio's labor force, but they remain in plain sight. Many are discouraged workers who have sidelined their job searches. Some are waiting for the economy to improve. Others just need to take a break after months, and sometimes years, of constant rejection by prospective employers. Still others have opted to get out of the game for good by retiring early -- even if it means enduring financial loss, going on disability or dropping out of the labor force all together. Whatever the reason, Ohio's labor force first showed signs of shrinking about a decade ago, and the trend accelerated during the recession. Even though figures released Friday showed the state gained the most jobs in the nation in May, Ohio's labor force was still smaller than it had been a year earlier. Today, as the economy crawls back to life, the shrinking labor force is at the center of many debates about how fast progress is coming -- and whether Ohio is worse off than the nation as a whole. In 2007, Ohio's labor force participation rate was 66.8 percent. (The recession began in December 2007 and ended August 2009.) By 2012, only 63.7 percent of the state's population 16 years and older were working or seeking work. Though jobless, discouraged workers don't factor into the monthly unemployment figures because they neither hold jobs nor actively seek them, either of which is required to be a member of the labor force. Having many discouraged workers has distorted what is really going on in Ohio's labor market, said Keith Hall, who served as commissioner for the federal Bureau of Labor Statistics from 2008 to 2012, and recently authored a report on Ohio's shrinking labor force. The state's official unemployment rate for 2012 was 7.2 percent, but he said the rate really was 11.5 percent when those who have either temporarily or permanently put their job searches on hold are factored in. "It looks like there have been a fair number of people who have dropped out of the labor force, and they may not get re-engaged," said Hall, now a senior research fellow at the Mercatus Center at George Mason University in Virginia. Tom Graves of Sagamore Hills plans to resume his job search in August. He worked at a specialty steel company for about 26 years, and planned on retiring from there. Then in 2009, shortly after a change in management, Graves was called in and told he was being laid off. He eventually landed another good job in the steel industry, but was laid off in 2010, after less than three months, because of the economic downturn. Since then, Graves said his exhaustive job searches netted him only temporary jobs. The constant rejection has been draining. Either employers told him he was overqualified or he never heard back from them, not even a form rejection email. After months of this energy-sapping ritual, Graves found himself pulling back from the job search, even if it was for only a few days. "I had to let the discouragement pass, and re-fire myself, in the hope that something would come along," he said. "But sometimes you get to a certain point, where you say, 'This is senseless,' " he said. "What much more can you do? How much more can you try, when every call you make, you hear: 'We're not hiring.' " Graves spent much of January and February of 2012 on the sidelines, hoping to get back into the job search game by March. Then he had a stroke. The stress of long-term unemployment, especially the financial problems it created, had taken an emotional toll. Graves believes that stress exacted a physical toll as well. Unable to get disability benefits, he resumed looking for a job after several months spent recuperating. However, he pulled back after a short time because he didn't feel ready, even though bill collectors were becoming a constant. The stroke had somewhat affected his vision and balance, leaving him less confident about facing prospective employers. He is counting on being ready by August. A detailed look at the state's monthly unemployment figures during the last year points to the effect of discouraged workers. During a few months, the unemployment rate decreased even though the state actually lost jobs. The explanation lies in how the statistics are calculated. A survey of Ohio businesses gives a count of how many jobs were gained or lost. That is separate from the unemployment rate, which is based on a national household survey in which people are asked whether they are actively seeking work. A rise in discouraged workers can make the rate seem lower because those who are jobless, but not looking for work, aren't counted. Hall believes Ohio's shrinking labor force is more pronounced than the nation's as a whole. While labor participation rates here are about what they are nationally, he said the state had rates that were roughly 0.5 to 1.0 percentage points higher than the nation before the recession. That means Ohio's drop has been steeper, he said. Ugur Aker, an economics professor at Hiram College, and Veronica Kalich, an economics professor at Baldwin Wallace University said the difference between Ohio and the nation isn't great enough to be alarming. Kalich said this is further supported by government statistics measuring the proportion of the working-age population that is employed. For Ohio, it is 59.1 percent, compared with only 58.6 percent for the country. (This measure differs from those which look at the labor force because it doesn't include unemployed workers.) Aker said both the Ohio and national figures confirm the same thing. "All of these depressing numbers indicate to me the unusualness of the Great Recession," he said. "Typically, economies recover in a couple of years, but this time it is already four years since the end of the recession and the recovery is still not complete." Hall said the shrinking labor force has particularly affected workers under 34. Younger workers have the highest unemployment rates. They -- like all workers -- are suffering from jobs lost during the recession, that have not been recovered. He said this group has traditionally relied on openings created by others' career advancement, often triggered by retirements. So as older workers hold on to jobs, often because of financial insecurity, they inadvertently affect entry-level openings. At 21, D'Shana Chandler has been both a discouraged worker and in the ranks the long-term unemployed, or those who have been jobless at least six months. "I used to put in four or five applications a day," she said. "I couldn't get to the bottom of why I wasn't being called for jobs, so I quit trying. It came to a point where I lost hope." She said she was turning into a coach potato. While watching television in the wee hours of the morning, she saw a commercial for 1-800-733-JOBS. She was hesitant to call. During her job search, she said she had been scammed by commission-only jobs, which offered few prospects of making commission. The number turned out to be one for Job Corps. Chandler was soon leaving her Toledo home headed to the program in Cleveland. Through Job Corps connections, she began working at the Cleveland Clinic in April as a patient care nursing assistant. She intends to enroll in college and eventually hopes to earn a doctorate in psychology. Chandler believes she would still be jobless without a program that would serve as her advocate to an employer. Candace James, youth manager for Employment Connection, the public work force agency in Cuyahoga County, agrees that younger workers often need an advocate in order to find a job. She said many employers still have stereotypes about younger workers, including that they are impatient and irresponsible. With so many experienced workers willing to take entry-level jobs in this economy, employers find it easy to pass over younger workers, she said. Unable to find jobs, many of these young workers become discouraged and stop looking for work, James said. When they finally decide to get back in the game, some are so battered by rejection that a lot of the staff's effort goes into building their confidence. Employment Connection decided to open a separate resource room where youths could get help with resumes and participate in mock interviews. James said they found it discouraging to be mixed in with experienced workers. "Young people were coming in before and seeing 40- and 50-year-olds who were out of work, and they thought: 'What does this mean for me, when I don't even have that kind of experience?' " The experts agree that the shrinking labor force shouldn't be allowed to go unchecked. Some, like Hall, believe it will take reduced government regulations to make it feasible for businesses to hire. Others, like Aker, think government intervention is needed, even if it entails low-interest borrowing. "(S)urely, our children will be better off even if they have to pay higher taxes in the future, not to mention the social and psychological benefit of seeing their parents and grandparents employed," he said. Graves, the laid off worker who hopes to resume his job search in August, said he doesn't know specifically what should be done, but he's not opposed to government action. He questions why companies -- even those with strong profits -- are not inclined to hire, especially during a period of still high unemployment. "I thought I would always have a job," he said. "I had been working since I was a teenager.

Cleveland Plain Dealer. 6/24/13

Ohio unemployment rate unchanged in May, ODJFS says

Ohio's unemployment rate remained unchanged at 7% in May, the Ohio Department of Jobs and Family Services revealed Friday. It remains below the national unemployment rate of 7.6% and below Ohio's 7.3% unemployment rate from May 2012. ODJFS reported that nonfarm wage and salary employment increased 32,100 in May, with the number of workers unemployed in Ohio reaching 405,000 – up from April's 400,000.

Gongwer News Service. 6/21/13

Ohio farmers glum after U.S. House plows under farm bill

The House dealt a surprising defeat yesterday to a five-year, nearly $1 trillion bill regulating farm programs — a blow to Ohio farmers who had hoped for some certainty in federal farm policy, but a victory for those who said the bill was an example of taxpayer waste. The measure, which covers both federal farm policy and food-assistance programs, irritated Democrats because it cut spending for food stamps for low-income families. And it irked some conservative Republicans who said it didn't cut spending enough. Despite those criticisms, many had expected the bill to ultimately pass. In the end, the bill was defeated on a 195-234 vote, with Reps. Steve Stivers, R-Upper Arlington; Mike Turner, R-Dayton; and Pat Tiberi, R-Genoa Township, supporting it, and Reps. Joyce Beatty, D-Jefferson Township; and Jim Jordan, R-Urbana, voting against it. A spokesman for Beatty said she voted against it because of the cuts to food stamps. House Speaker John Boehner, R-West Chester, who rarely votes because of his leadership position, voted for the bill. In all, 172 Democrats voted against it, along with 62 Republicans. "After promising significant support, congressional Democrats walked away from years of bipartisan work on the farm bill at the last minute," said Brittany Bramell, a spokeswoman for Boehner. The defeat surprised farmers, who had expected the bill to pass with little controversy. The bill would have eliminated direct payments to farmers regardless of market conditions, cut nearly $40 billion in mandatory funds and cut food stamps by more than $20 billion. Tadd Nicholson, executive director of the Ohio Corn & Wheat Growers Association, said the organization had high hopes that the bill would pass. "From a farmer's standpoint, this is not good news," he said. "It points to an additional one-year extension, which is the fallback position traditionally when they couldn't get things done in other years. That's not a good thing. We need long-term certainty so farmers can plan." Adam Sharp, vice president for public policy at the Ohio Farm Bureau Federation, said the vote surprised and disappointed the organization. He said the bureau liked the bill because it provided " critical" programs such as crop insurance and conservation programs. "We don't know what the next step is. But one thing's for sure — we have to pass a farm bill." But others applauded the House for opposing the bill. Ryan Alexander, president of Taxpayers for Common Sense, said the bill would have been a boon for special interests and “an unmitigated disaster for taxpayers.” “The House farm bill was not a deficit-reduction bill, but a prime example of business-as-usual Washington,” he said. Jordan said the bill “missed an opportunity to restrain federal spending in a meaningful way." “We still have the opportunity to pass free-market reforms to federal farm programs, and we can still consider separate nutrition legislation that establishes work requirements and time limits for able-bodied individuals to receive food stamps,” Jordan said. The House also rejected an amendment that would have cut back subsidies to sugar producers. That amendment — supported by Ohio companies such as Spangler Candy, based in Bryan, Ohio — was defeated 206-221. Beatty, Jordan, Stivers, Tiberi and Turner supported the amendment. Tiberi called the subsidy program — a combination of import restrictions, production quotas and a loan program aimed at protecting sugar producers — “horrible protectionist policy.” Companies that use high levels of sugar — such as Spangler, Anthony-Thomas Candy in Columbus and Buckeye Donuts in German Village — have told regional lawmakers that the policy drives the cost of sugar to about twice the level they would pay in other countries. “These companies are asking for the free market,” Stivers said. “Why shouldn’t we give it to them?” The Senate passed its version of the farm bill last week.

Columbus Dispatch. 6/21/13

Ohio still is a manufacturing powerhouse, report card says

Ohio has one of the strongest manufacturing sectors in the country, according to an analysis released Tuesday grading all 50 states. But low education and skills among the work force could jeopardize the success, according to the 2013 Manufacturing and Logistics Report Card from the Center for Business and Economic Research at Ball State in Muncie, Ind. The report doesn't rank states, but economist Michael Hicks, the center's director, said Ohio sits in the top five, along with Indiana, Michigan Wisconsin and Illinois. "Ohio continues to be one of the manufacturing powerhouses of the nation," he said. Ohio received an "A" in three of nine categories: manufacturing, global reach and logistics, which involves moving goods, storing inventory and managing the distribution and processing of manufactured wares. The state rated lower than the last report card in 2012 in human capital, which includes the educational and skill levels of workers; tax climate; and sector diversification. Ohio received a C- in human capital and tax climate and a C+ in sector diversification. Of greatest concern to Hicks is the state's challenges with human capital. He said Ohio isn't producing enough people with associate's degrees in technology-related fields, or even those with certificates or a concentration of specific classes giving them necessary skills to hold advanced manufacturing jobs. "The thing is that can really start dragging down Ohio in the arena of being able to get manufacturers to locate there is not having an abundance of appropriately trained workers -- maybe not a problem, now, but more so in the future," Hicks said. Since turnover in manufacturing is more than 10 percent a year, employers are always in search of skilled workers, he said. "If you operate a factory of 500 people outside of Cleveland, that means you are going to go through 500 people in the next decade," he said. Hicks said Ohio can begin addressing the deficit of trained workers by "alerting K-12 student about the opportunities that will appear in manufacturing."A former Dayton-area resident, Hicks said schools here have not done a good job of presenting manufacturing jobs as career option. "I don't remember the high schools ever emphasizing the type of vocational education that manufacturers are looking for today. They are looking for people who can read statistics and operate a computer," he said. Dan Berry, president of MAGNET, the Manufacturing Advocacy & Growth Network, which focuses on expanding and improving the sector, said the report card was accurate. "We were not at all surprised that Ohio ranked very high on basic rankings related to manufacturing," he said. "This is very much a major manufacturing state, about 12 percent of our work force in Ohio is in manufacturing, and they produce a disproportionate share of the state's output -- 16 percent." Berry said Ohio was third in the nation in terms of manufacturing employment, behind only California and Texas, states with considerably higher populations. The "A" for global reach was also not surprising, Berry said, adding that manufacturing produces about 95 percent of Ohio's exports. He agreed that the limited pool of qualified workers continues to be an issue the manufacturing community and others have been trying to address. "I think the C- reflects the fact that companies have started hiring a little bit more, and they are having a tough time filling positions" he said. "There are a lot of efforts under way in the community to look at what we can do to strengthen our work force development efforts, working with the high schools and the community colleges and colleges and universities; and trying to figure out if we need to be attracting more talent from outside the region."

Cleveland Plain Dealer. 6/19/13

Ohio may be stemming 'brain drain'

A newspaper analysis shows that Ohio may be starting to turn around its “brain drain.” The Dayton Daily News reports that an analysis of census data shows that Ohio may finally have seen the end of a decades-long trend of losing young adults to other states. Beginning in 2010, the numbers show, Ohio actually showed an increase in the population of people ages 20 to 34. The analysis found that the state lost more than 420,000 young adults between 1990 and 2010 — a drop of more than 16 percent. But from July 1, 2010, to last July, the state gained 42,562 young people in that age range. That’s a 2-percent increase. Experts attribute it to more good job opportunities available in the state.

Associated Press. 6/17/13

Report finds Ohio job growth lagging; Administration cites other indicators for improving economy

Ohio added 4,400 jobs during the past year for a total employment increase of 1%, which was the fourth-slowest growth rate in the U.S., according to a recent report. Democrats blamed Gov. John Kasich for the relatively sluggish job creation numbers, but the Republican administration pointed to a slew of other data indicating ongoing improvement in Ohio's economy. The Pew Charitable Trusts' analysis, which is based on U.S. Bureau of Labor Statistics data from April 2012 through April 2013, shows Ohio added fewer new jobs and had an overall job creation rate much slower than most other states. Ohio tied Alaska for the fourth smallest employment increase during the previous 12 months. Wisconsin, Maine and Wyoming actually saw a net decrease in job growth, with rates of -0.2%, -0.3% and 0.5%, respectively, according to the report. North Dakota, which has been experiencing a shale drilling boom for several years, had the highest job growth rate at 3.7% over the past year, Pew said. Texas added the most jobs at 326,100. While the private sector in Ohio has been adding jobs over the past year, reductions in the public sector have chipped away at the state's job creation figures. Policy Matters Ohio recently noted that a gain of 18,400 private sector jobs over the past year was largely erased by the loss of 14,000 public sector jobs, including 7,200 at the local level. House Minority Leader Tracy Heard (D-Columbus) said the Pew report was an indictment of Gov. Kasich's economic policy. "The fact that we have had one of the lowest job growth rates in the nation over the past year is disturbing. Clearly, such a troubling trend underscores the failure of Gov. Kasich's 'trickle-down' approach to job creation in our state," she said in a statement. "Prioritizing our schools, communities and middle-class families will create a strong environment for job growth. Yet, Gov. Kasich has turned his back on those priorities. Instead, he has made deep cuts to our schools and communities while at the same time he's given tax breaks that favor the wealthy and taxpayer funded handouts to large corporations," Rep. Heard said. "This report is a clear indication that Gov. Kasich's top-down economic policies aren't working." Kasich spokesman Rob Nichols said the report simply indicates how difficult it is to reverse the lingering effects of the previous Democratic administration's economic neglect. "She knows now how hard it is to undo the economic damage that she helped inflict when she supported the last administration's policies that led to the loss of 400,000 jobs in this state," he said. "We've made tremendous progress in a short amount of time by cleaning up their fiscal mess and by cutting taxes, and because there's much more work to do, the governor welcomes her support of our job-creation agenda to get more Ohioans back to work." Mr. Nichols pointed to a wide variety of other statistics to show how much the state's economy has improved since the Republican took office in January 2011. Ohio's unemployment rate has decreased from 9.0% to 7.0% during the past 2.5 years, which is more than a half-point better than the national rate improvement, he said. Since January 2011, more than 147,000 private sector jobs have been created. Since 2010, per capita personal income has increased by 9.3%, higher than all of Ohio's neighbors and significantly stronger than the national rate of 7.3%, he said. Other positive economic indicators that Mr. Nichols cited include:

- The state collected more than $1 billion more in income taxes this year compared to the same point in the previous fiscal year due to job creation and higher wages.

  939 more entities filed to do business in the state so far in 2013 compared to January thru April of 2012.

- Year-to-date initial unemployment claims are 1.0% below where they were at the same point in 2012, 20.1% below where we were at this time in 2011, and 28.5% below 2010 levels.

- Ohio's U-4 rate, which includes the unemployment rate as well as discouraged workers who stopped job seeking, is 7.7%, down from 8.8% at the same point last year.

- There were 30,000 fewer adults in the welfare program in January compared to December 2010.

Gongwer News Service. 6/17/13