



Ugly Job Figures Turn Kasich's Ohio Miracle to Ohio Mediocrity August 24, 2015

So much of Ohio Governor John Kasich's argument for supporting him in the 2016 Republican presidential nomination process is his "Ohio Miracle" story. A large part of this story rests upon the raw number of jobs generated during his tenure. Thus far, he has been able to push this story to the lazy national media which doesn't take the time to think about whether that metric is an apples-to-apples comparison with the other 49 states and District of Columbia. After all Ohio is the 7th largest state in America so will generate large numbers of jobs during a national recovery. The proper number to look at is the net percentage growth of private sector jobs during Governor Kasich's tenure and how that percentage stacks up to other governors during the same period of time.

Looking at that number and comparison turns Governor Kasich's Ohio Miracle to Governor Kasich's Ohio Mediocrity.

Specifically, from January 2011 to June 2015 (the latest final data from the U.S. Bureau of Labor Statistics), [Governor Kasich oversaw a private sector job growth netting a 7.9% increase, which is the 27th best in America during the span](#) -- a four spot drop from one month ago when he was ranked 23rd. That puts his stewardship smack dab in the middle of the pack. If the preliminary job data for July remains unchanged a month from now, his ranking will drop even more.

According to BLS, Ohio added a net of 14,900 jobs in July. The problem for Governor Kasich is that [government job growth of 25,300 in July masks a private sector loss of 10,400 jobs](#). If those figures stick, Governor Kasich will see his private sector job growth for 2015 drop to just 12,000 jobs over seven months for the entire state. With this week's stock market drop and global economic troubles, it may become very hard to improve upon those 12,000 jobs from August to December. In fact, Governor Kasich's job story could go negative in 2015.

Here is what his annual private sector job growth looks like each year:

[2011: 93,400](#)

[2012: 75,100](#)

[2013: 83,400](#)

[2014: 71,600](#)

[2015: 22,400 \(12,000 if the July preliminary figures don't change\)](#)

In the year before he became governor, Ohio added 61,800 private sector jobs under Democrat Ted Strickland. Without the ugly July figures, the 22,400 mark is the third

weakest growth year since 1990. The 12,000 figure would be the worst. Ohio still has not recovered the private sector jobs it lost going back to March 2000 when it had a peak of 4.85 million private sector jobs.

With the latest BLS figures, [the best case recovery for Ohio is now September 2018 \(a 3-month drop from a month ago\); the most likely recovery date is June 2020 \(a 6-month drop\); and the worst case recovery won't happen until January 2022 \(a 7-month drop\)](#). Take a minute to let that soak in -- it may take nearly 22 years for Ohio's private sector to hit the population-adjusted peak it hit back in March 2000. That means a kid born in March 2000 would be heading into his last semester of college when Ohio gets BACK to where it was at the turn of the century.

Now, Governor Kasich can try to blame President Barack Obama for his job woes, but every state faces the same headwinds from President Obama's wrong-headed policies. The mark of a good governor is one who can navigate the turbulent waters across the country and world to achieve the best case possible for his or her state.

For those of you who have read our work over the years, you know that Ohio's job woes are a direct result of (1) [not being a right-to-work state](#), which Governor Kasich has opposed changing; (2) the growth of state and local government spending -- [state spending is up nearly 40%](#) during Governor Kasich's tenure; and (3) the high state and local tax burden on Ohioans -- [Governor Kasich has shifted taxes](#) (versus cutting one and not raising another) due to his need to keep revenue coming in to feed the higher spending.

If the private sector job losses continue to mount over the coming months, [personal income tax and non-auto-sales tax revenues will drop \(the top two sources of state funding -- besides federal deficit spending for Medicaid expansion\)](#). Should that occur, the state budget will turn red as revenues fail to keep up with spending. The rainy day fund quickly will run dry.

At the same time, the newly unemployed will add to the expanded Medicaid rolls, which are already [well past the 275,000 and 366,000 estimates](#) Governor Kasich told Ohioans about when he pushed for the Obamacare expansion. That growing entitlement roll nearing 600,000 will put enormous pressure on the state budget beginning in 2017 when [Ohioans start to pick up the tab for Governor Kasich's Obamacare Medicaid expansion](#).

Perhaps the ugly June and July job figures will be a mere Summer dip followed by a more robust Fall and Winter expansion. Perhaps this week's stock market declines and global uncertainty won't continue. Perhaps cheap Chinese steel, aluminum, and other manufactured products won't undermine Ohio's manufacturers enough to cause broad layoffs. If things remain ugly, however, Governor Kasich's presidential narrative will be in shambles, except for his Medicaid expansion. Unfortunately, Ohio will be, too.