



News Release

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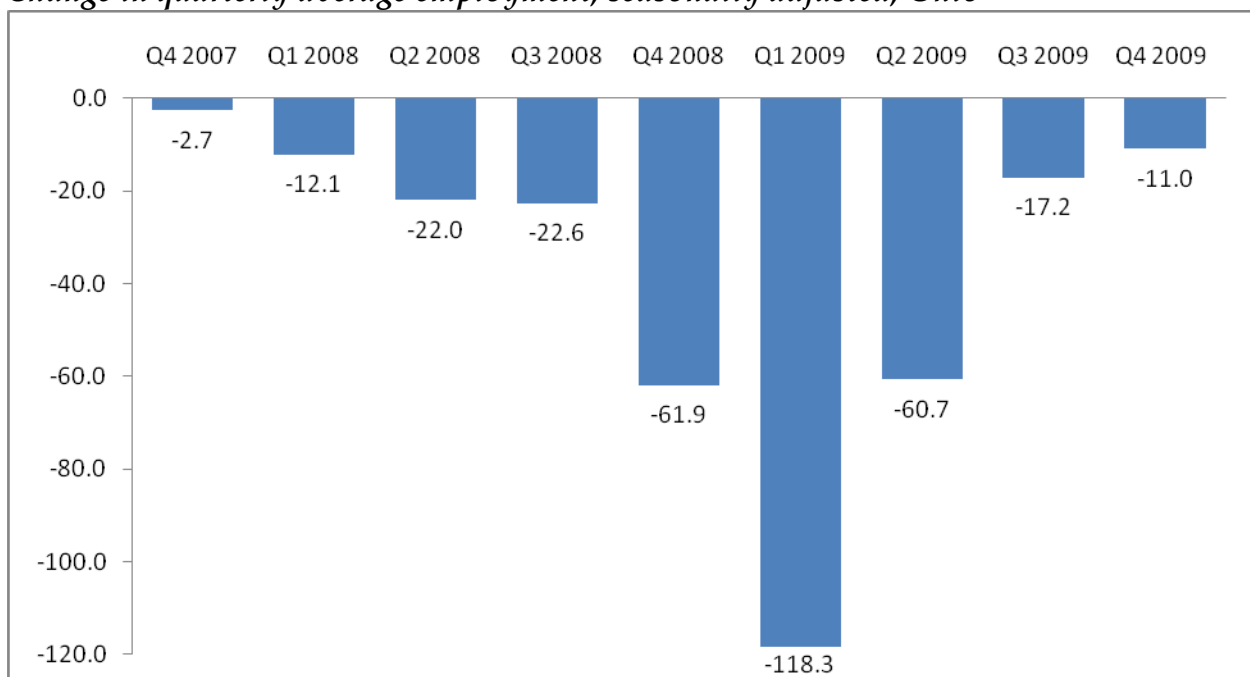
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Since Enactment of ARRA, Ohio's Job Loss has Slowed Significantly **One Year Later:** Evidence indicates that ARRA has desired effect

(Cleveland) One year ago, the nation's economic outlook was grim. As the recession deepened, job loss in Ohio and around the country mounted. The enactment of the American Recovery and Reinvestment Act of 2009 (ARRA) on February 17, 2009, sought to make crucial public investments, cushion the economic downturn, and save and create jobs. The Council of Economic Advisors estimates that the Recovery Act raised employment by up to 2 million nationwide relative to what it would have been as of the fourth quarter of 2009. In Ohio, this translates to an increase in employment of 79,000.

Job losses in Ohio peaked in the first quarter of 2009, as the full impact of the recession was felt here. In the following quarter, at precisely the time when Recovery dollars started to flow, job loss began to abate. It has continued to slow in subsequent quarters.

Change in quarterly average employment, seasonally adjusted, Ohio



Data Source: Bureau of Labor Statistics

As a result of ARRA, Ohio entities have already been awarded more than \$800 million in competitive grants, the state will receive a total of more than \$8 billion in formula funding, and Ohioans have already collected more than \$2.5 billion in direct benefits.

“Such an injection of emergency fiscal medicine into an ailing economy has undoubtedly had an impact,” commented Emily Campbell, policy and planning associate with The Center for Community Solutions. “The fact that the trajectory of the economy has changed in the 12 months since the Recovery Act became law is early evidence that it had the desired effect.”

The Recovery Act provided direct support to state and local governments to preserve the jobs of teachers, police officers and other public employees. It funded infrastructure projects and job training programs. It increased and extended Unemployment Compensation, boosted food stamp benefits, provided a \$250 check to Social Security recipients, and increased the paycheck of nearly every American through the Making Work Pay tax credit. Such measures were meant to increase consumer spending, helping business save jobs.

While the economy appears to be improving, it is not yet on firm footing. Hundreds of thousands of Ohioans are relying on unemployment compensation to help their families get through this period of economic uncertainty. Without Congressional action, key provisions of ARRA that help unemployed workers will expire at the end of the month, and thousands of Ohioans will exhaust their benefits or lose assistance in purchasing health coverage. Ohio would also greatly benefit from an extension of aid to state governments, such as additional federal Medicaid funding or money to support state and local spending on education and general government services.

“Ohio, as a large state and one with unemployment rates that have been running above the national average, has seen greater benefit from the Recovery Act than most others,” explained Campbell. “But our state will continue to struggle for some time after the national recession officially ends. Congress must act to extend key programs that will ensure that the recovery takes hold here and across the country.”

The Center for Community Solutions is a nonpartisan, nonprofit organization focused on policy and system reform. It provides strategic leadership to improve targeted health, social, and economic conditions. Established in 1913, it is a United Way agency.

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