

# Quarterly Employment Indicators for Virginia



## Third Quarter Summary:

During the third quarter of 2019, Virginia's employment situation remained positive as economic data indicated continued growth in the Virginia economy and nationwide. The U.S economic expansion, which began a decade ago, became the longest in U.S. history during the third quarter while Virginia's unemployment rate and the number of initial claims for unemployment insurance remained at near record-lows. Yet while these key indicators of household conditions were positive, payroll employment and some other Virginia business indicators fell in September.

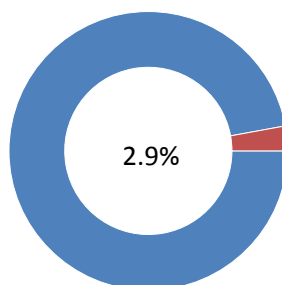
As more Virginians were employed than ever before, the unemployment rate in Virginia declined 0.1 percentage point to 2.7 percent in September, 0.1 percentage point below the rate reported in September 2018. This was nearly a full percentage point lower than the 3.5 percent U.S. rate. In the second quarter of 2019, real personal income in Virginia rose 0.9 percent and grew 3.4 percent from the second quarter of 2018 which helped to maintain consumer confidence and spending.

However, some other Virginia business indicators weakened in September including a payroll employment decline. Total payroll employment in Virginia decreased by 0.5 percent (-18,800 jobs) in September. While over-the-year employment growth had been positive for more than five years, its rate of growth was less than the U.S. growth rate during 3rd quarter. For example, Virginia payrolls grew by 0.6 percent year-over-year compared to 1.5 percent growth nationwide in July.

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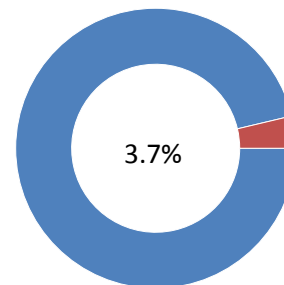
## 3rd Quarter Unemployment - Virginia vs. U.S. (Seasonally Adjusted)

Virginia July 2019



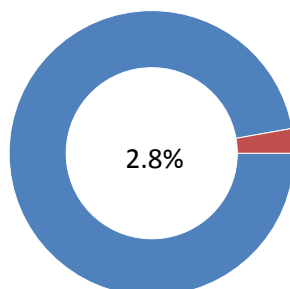
■ Employment 4,264,144  
■ Unemployment 126,144

U.S. July 2019



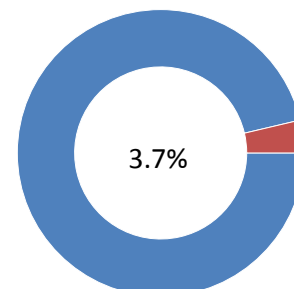
■ Employment 157,288,000  
■ Unemployment 6,063,000

Virginia August 2019



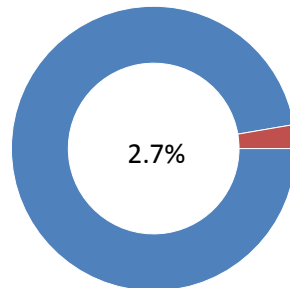
■ Employment 4,281,815  
■ Unemployment 122,574

U.S. August 2019



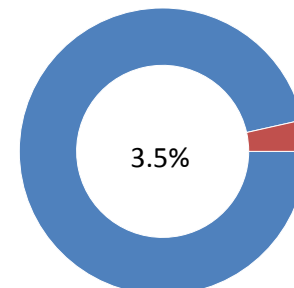
■ Employment 157,878,000  
■ Unemployment 6,044,000

Virginia September 2019



■ Employment 4,295,198  
■ Unemployment 119,008

U.S. September 2019

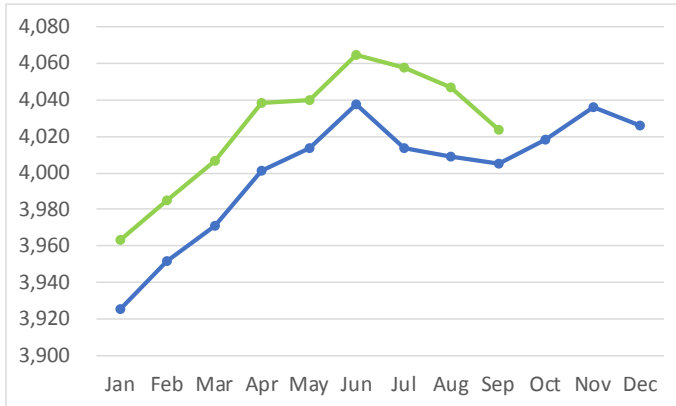


■ Employment 158,269,000  
■ Unemployment 5,769,000

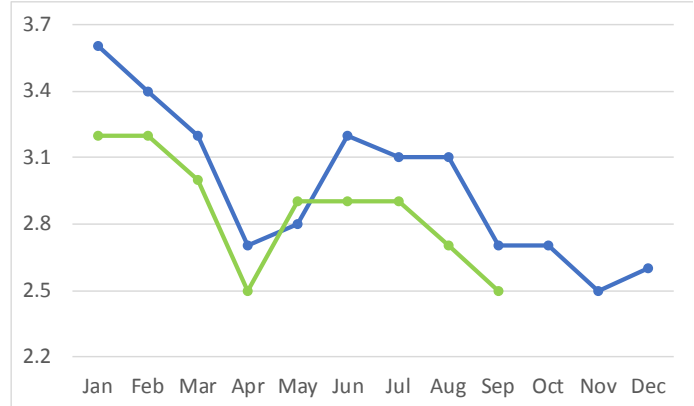
Sources: Virginia Employment Commission, Economic Information & Analytics, Local Area Unemployment Statistics, and Bureau of Labor Statistics.

# Total Nonfarm Employment and Unemployment\*

**Nonagricultural Wage and Salary Employment  
(Thousands)**



**Total Unemployment Rate  
(Percent)**



Note: The previous source of adjusted data is no longer available. We are evaluating alternative methodology.

2018

2019

January 2018 - September 2019 (Unadjusted)

	Nonagricultural Wage and Salary Employment (Thousands)		Total Unemployment Rate (Percent)
2019	Unadjusted	Seasonally Adjusted	Unadjusted
January	3,963.1	4,029.0	3.2
February	3,984.7	4,025.6	3.2
March	4,006.5	4,033.0	3.0
April	4,038.6	4,035.4	2.5
May	4,039.6	4,032.8	2.9
June	4,064.2	4,027.3	2.9
July	4,057.7	4,040.7	2.9
August	4,047.0	4,040.5	2.7
September	4,023.4	4,021.7	2.5
October			
November			
December			
2018			
January	3,925.2	3,988.2	3.6
February	3,951.5	3,994.5	3.4
March	3,971.1	3,998.1	3.2
April	4,001.4	3,998.0	2.7
May	4,013.8	4,000.2	2.8
June	4,037.3	4,004.0	3.2
July	4,013.8	4,007.7	3.1
August	4,008.6	4,005.2	3.1
September	4,005.1	3,999.9	2.7
October	4,018.1	4,000.1	2.7
November	4,035.7	4,009.2	2.5
December	4,025.6	4,008.6	2.6

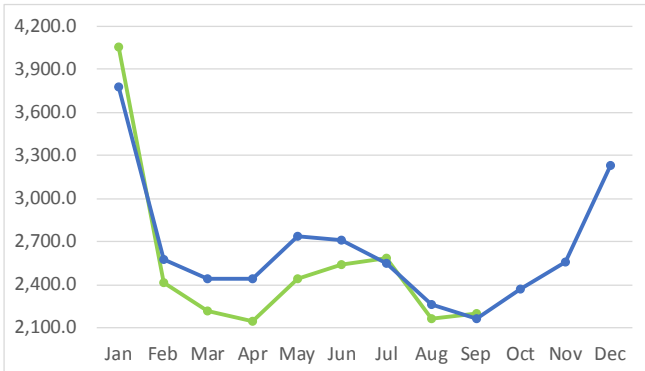
\*These series have been adjusted to First Quarter 2019 benchmarks.

Sources: Virginia Employment Commission, Economic Information & Analytics, Current Employment Statistics, and Bureau of Labor Statistics.

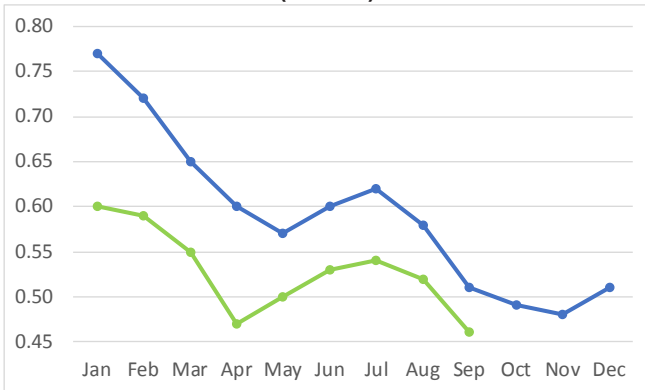
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# Unemployment Insurance

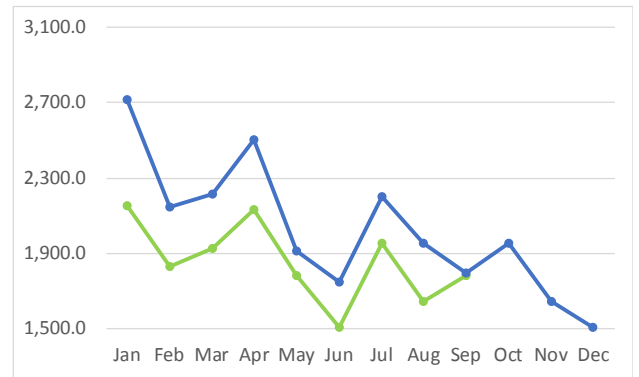
**Average Weekly Initial Claims**



**Insured Unemployment Rate (Percent)**



**Unemployment Insurance Final Payments**



Note: The previous source of adjusted data is no longer available. We are evaluating alternative methodology.

**2018** **2019** **January 2018 - September 2019 (Unadjusted)**

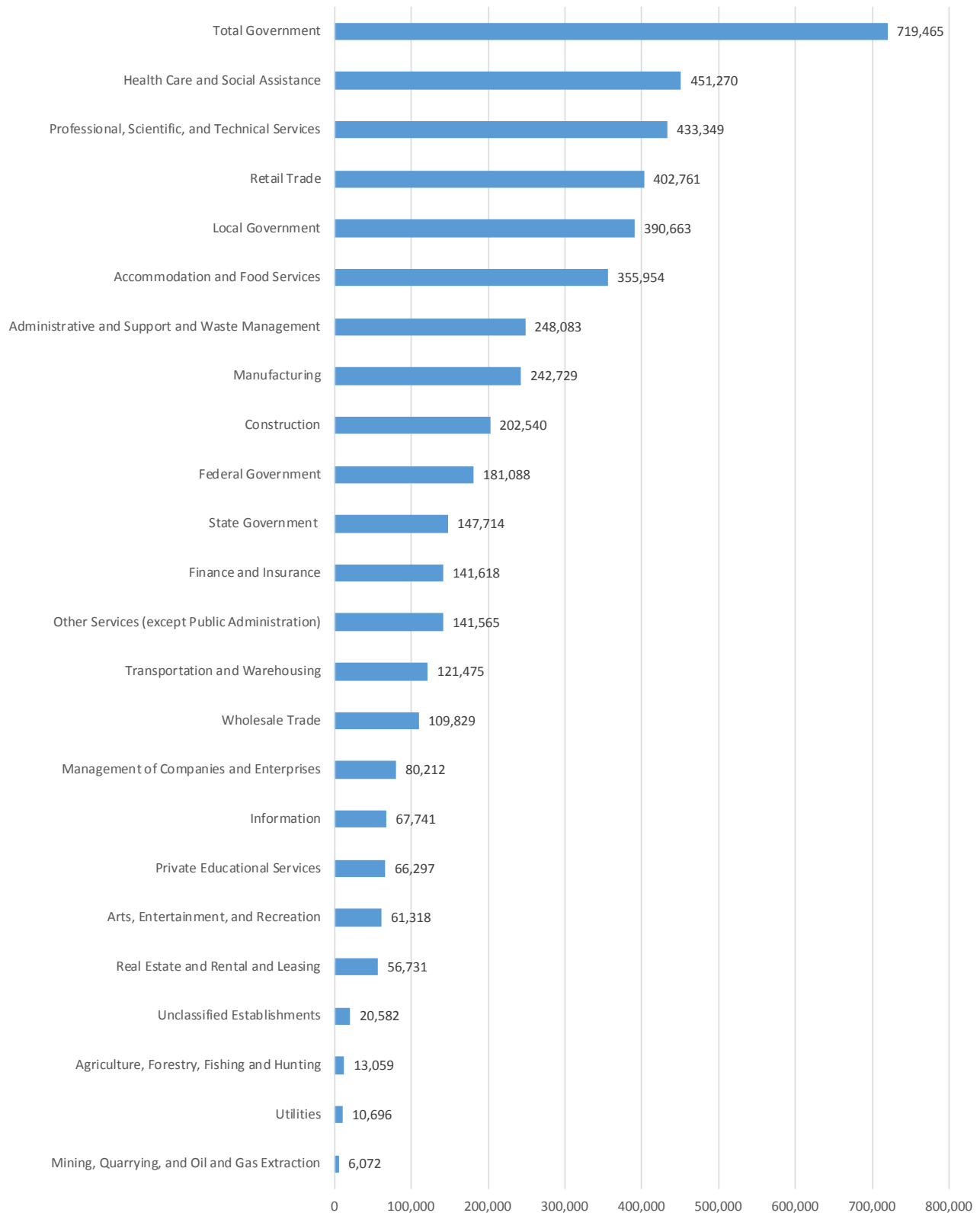
	Average Weekly Initial Claims	Insured Unemployment Rate (Percent)	Unemployment Insurance Final Payments
<b>2019</b>	<b>Unadjusted</b>	<b>Unadjusted</b>	<b>Unadjusted</b>
January	4,054	0.60	2,155
February	2,412	0.59	1,827
March	2,213	0.55	1,926
April	2,146	0.47	2,133
May	2,438	0.50	1,782
June	2,540	0.53	1,507
July	2,584	0.54	1,953
August	2,165	0.52	1,643
September	2,196	0.46	1,779
October			
November			
December			
<b>2018</b>			
January	3,779	0.77	2,717
February	2,577	0.72	2,143
March	2,444	0.65	2,215
April	2,441	0.60	2,505
May	2,735	0.57	1,916
June	2,714	0.60	1,748
July	2,546	0.62	2,204
August	2,260	0.58	1,955
September	2,166	0.51	1,799
October	2,371	0.49	1,952
November	2,562	0.48	1,645
December	3,228	0.51	1,508

Sources: Virginia Employment Commission, Economic Information & Analytics, Unemployment Insurance, and Bureau of Labor Statistics.

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# Employment by Industry

Second Quarter 2019 (April, May June)



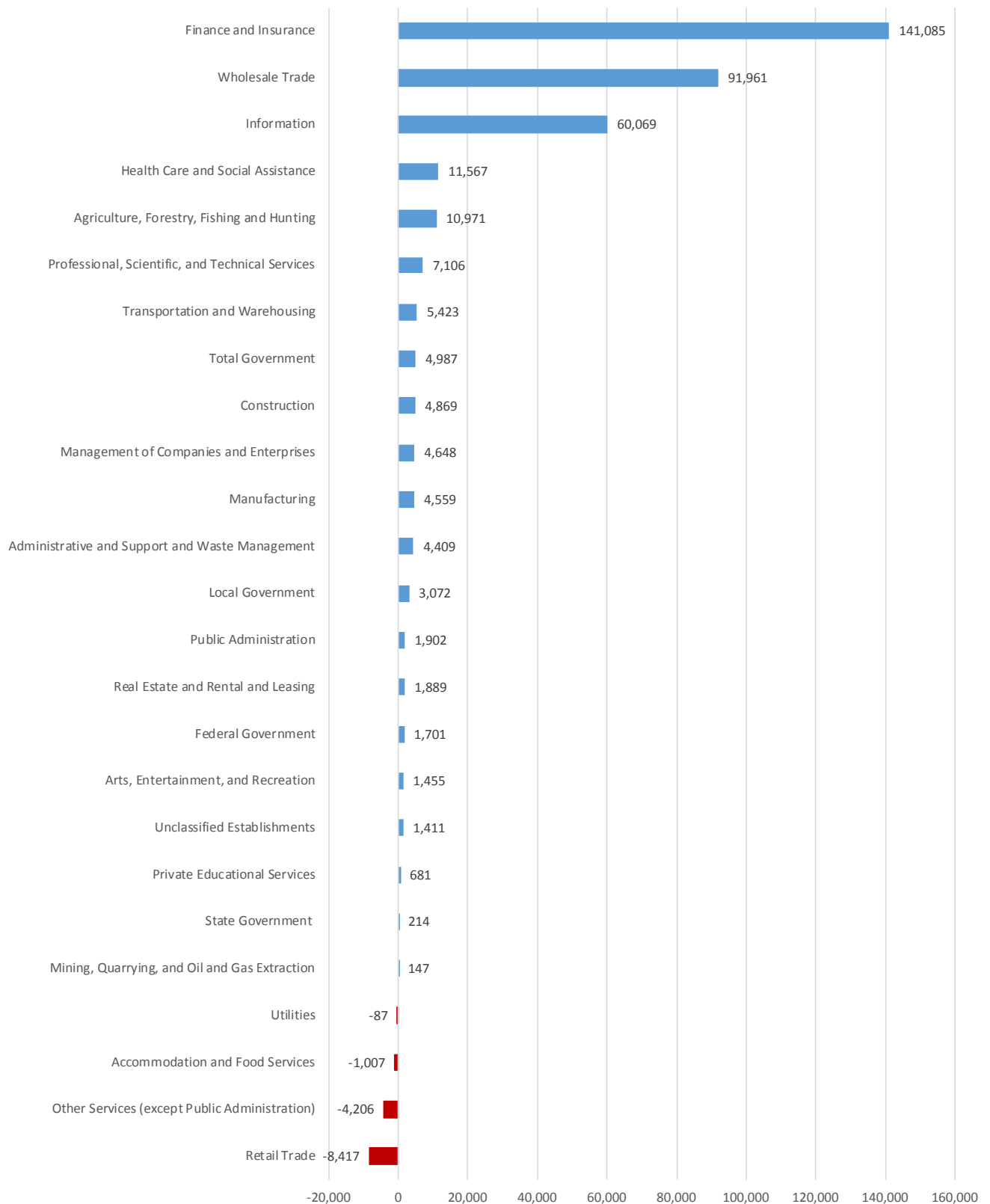
**All Industry Total: 3,953,344**

**Note:** Total Government includes: public education, federal, state, and local governments.

Source: Virginia Employment Commission, Economic Information & Analytics: Quarterly Census of Employment and Wages (QCEW), 2nd Quarter 2019

# Employment Change

## Second Quarter 2018- Second Quarter 2019



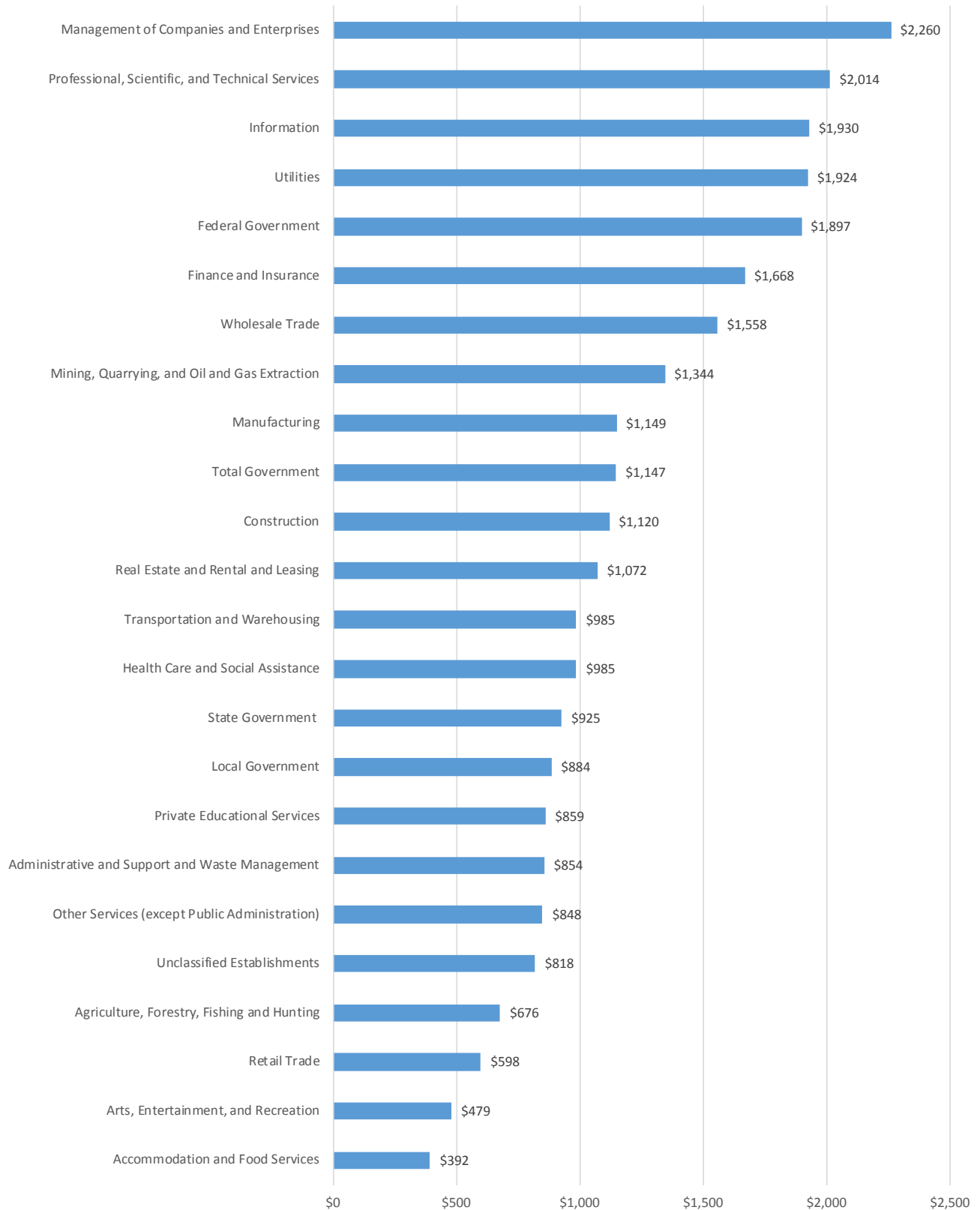
**All Industry Total: 41,049**

**Note:** Total Government includes: public education, federal, state, and local governments.

Source: Virginia Employment Commission, Economic Information & Analytics: Quarterly Census of Employment and Wages (QCEW), 2nd Quarter 2019

# Average Weekly Wage by Industry

Second Quarter 2019 (April, May June)



**All Industry Total: \$1,113**

**Note:** Total Government includes: public education, federal, state, and local governments.

Source: Virginia Employment Commission, Economic Information & Analytics: Quarterly Census of Employment and Wages (QCEW), 2nd Quarter 2019

# Total Nonfarm Employment by Metropolitan Statistical Area (MSA) (Seasonally Adjusted)



Area	Employment (end of quarter)	Previous Quarter (end of quarter)	Previous Year (end of quarter)	Over-the- Quarter Change	Over-the- Quarter (Percent)	Over-the-Year Change	Over-the-Year (Percent)
Blacksburg-Christiansburg-Radford	77,500	77,500	77,500	0	0.00%	0	0.00%
Charlottesville	120,200	120,200	118,600	0	0.00%	1,600	1.35%
Harrisonburg	69,600	68,700	68,100	900	1.31%	1,500	2.20%
Lynchburg	106,100	105,700	105,500	400	0.38%	600	0.57%
Richmond	683,100	685,100	677,000	-2,000	-0.29%	6,100	0.90%
Roanoke	163,500	162,200	161,900	1,300	0.80%	1,600	0.99%
Staunton	51,800	51,400	50,800	400	0.78%	1,000	1.97%
Virginia Beach-Norfolk-Newport News	790,700	798,900	787,500	-8,200	-1.03%	3,200	0.41%
Winchester	66,200	65,900	64,100	300	0.46%	2,100	3.28%
Northern Virginia	1,508,600	1,503,000	1,491,500	5,600	0.37%	17,100	1.15%
<b>Virginia</b>	<b>4,021,700</b>	<b>4,027,300</b>	<b>3,999,900</b>	<b>-5,600</b>	<b>-0.14%</b>	<b>21,800</b>	<b>0.55%</b>

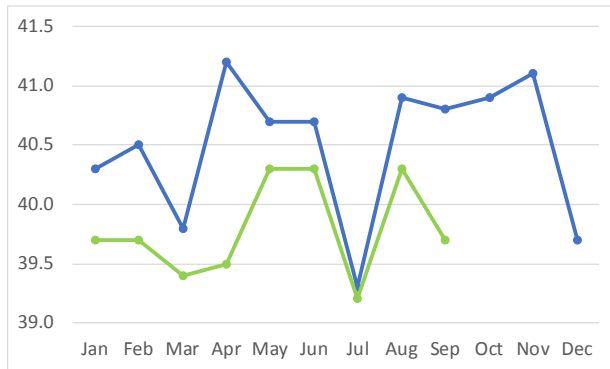
Conrad Buckler: [conrad.buckler@vec.virginia.gov](mailto:conrad.buckler@vec.virginia.gov)

Source: Virginia Employment Commission, Economic Information & Analytics: Current Employment Statistics (CES) Seasonally Adjusted - (Not Preliminary)

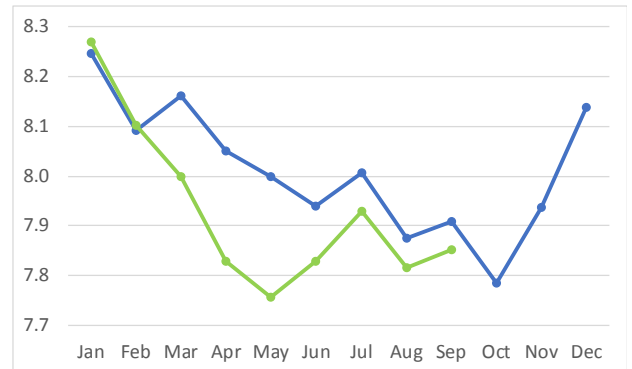


# Industry Focus: Manufacturing

**Average Weekly Hours**

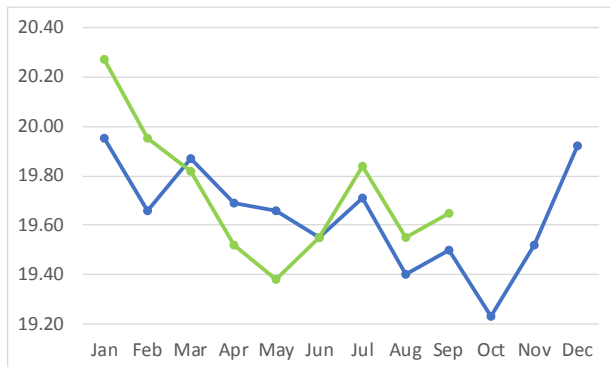


**Inflation-adjusted Average Hourly Earnings  
(1982-84 Dollars)**



Note: The previous source of adjusted data is no longer available. We are evaluating alternative methodology.

**Average Hourly Earnings  
(Dollars)**



2018

2019

January 2018 - September 2019 (Unadjusted)

	Average Weekly Hours	Average Hourly Earnings (Dollars)	Inflated-Adjusted Average Hourly Earnings (1982-84 Dollars)
<b>2019</b>	Unadjusted	Unadjusted	Unadjusted
January	39.7	20.27	8.27
February	39.7	19.95	8.10
March	39.4	19.82	8.00
April	39.5	19.52	7.83
May	40.3	19.38	7.76
June	40.3	19.55	7.83
July	39.2	19.84	7.93
August	40.3	19.55	7.82
September	39.7	19.65	7.85
October			
November			
December			
<b>2018</b>			
January	40.3	19.95	8.25
February	40.5	19.66	8.09
March	39.8	19.87	8.16
April	41.2	19.69	8.05
May	40.7	19.66	8.00
June	40.7	19.55	7.94
July	39.3	19.71	8.01
August	40.9	19.40	7.88
September	40.8	19.50	7.91
October	40.9	19.23	7.78
November	41.1	19.52	7.94
December	39.7	19.92	8.14

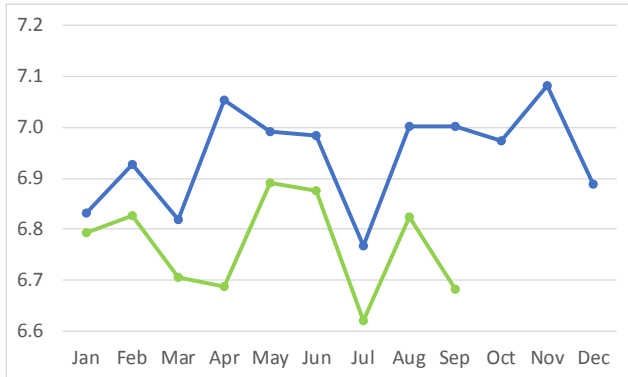
\*These series have been adjusted to First Quarter 2018 benchmarks. Sources: Virginia Employment Commission, Current Employment Statistics.

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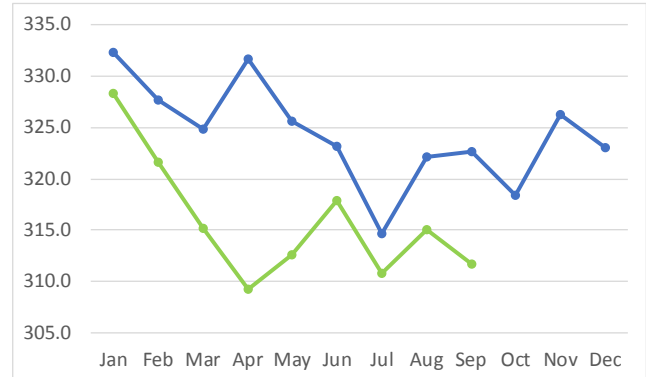


# Manufacturing Production Worker Indicators

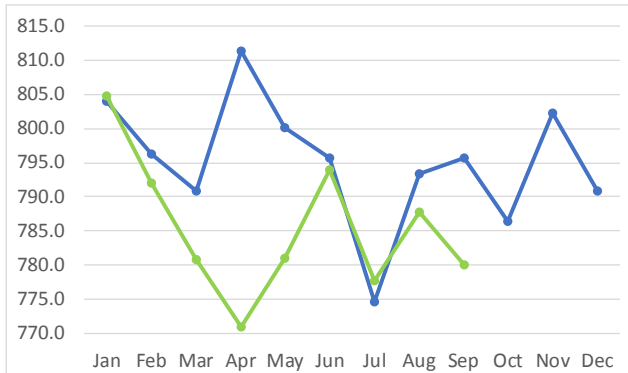
**Total Production Hours  
(Millions)**



**Inflation-adjusted Average Weekly Earnings  
(1982-84 Dollars)**



**Average Weekly Earnings  
(Dollars)**



Note: The previous source of adjusted data is no longer available. We are evaluating alternative methodology.

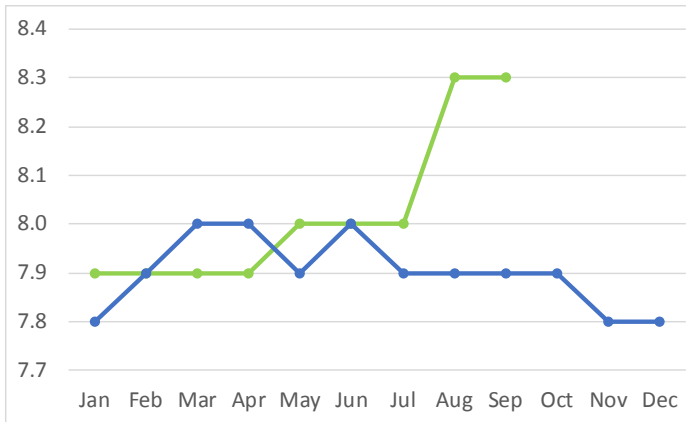
2018 2019 January 2018 - September 2019 (Unadjusted)

	Total Production Hours (Millions)	Average Weekly Earnings (Dollars)	Inflated-Adjusted Average Weekly Earnings (1982-84 Dollars)
<b>2019</b>	Unadjusted	Unadjusted	Unadjusted
January	6.8	804.72	328.28
February	6.8	792.02	321.67
March	6.7	780.91	315.18
April	6.7	771.04	309.24
May	6.9	781.01	312.57
June	6.9	793.91	317.89
July	6.6	777.73	310.80
August	6.8	787.87	315.01
September	6.7	780.11	311.73
October			
November			
December			
<b>2018</b>			
January	6.8	803.99	332.34
February	6.9	796.23	327.68
March	6.8	790.83	324.83
April	7.1	811.23	331.65
May	7.0	800.16	325.57
June	7.0	795.69	323.19
July	6.8	774.60	314.68
August	7.0	793.46	322.10
September	7.0	795.60	322.67
October	7.0	786.51	318.38
November	7.1	802.27	326.22
December	6.9	790.82	323.07

Sources: Virginia Employment Commission, Current Employment Statistics.

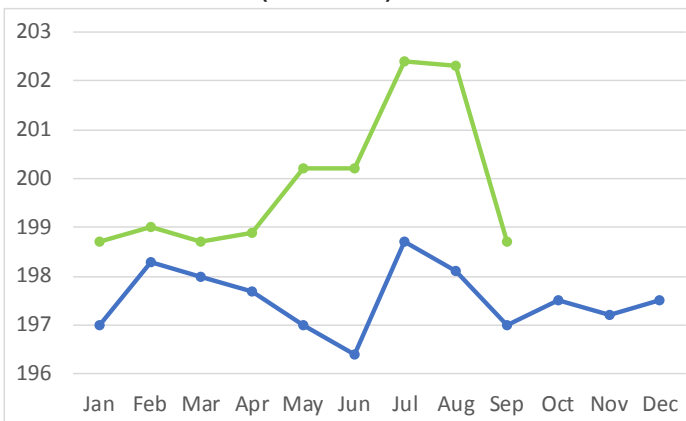
# Quarterly Industry Report

**Mining and Logging Employment  
(Thousands)**



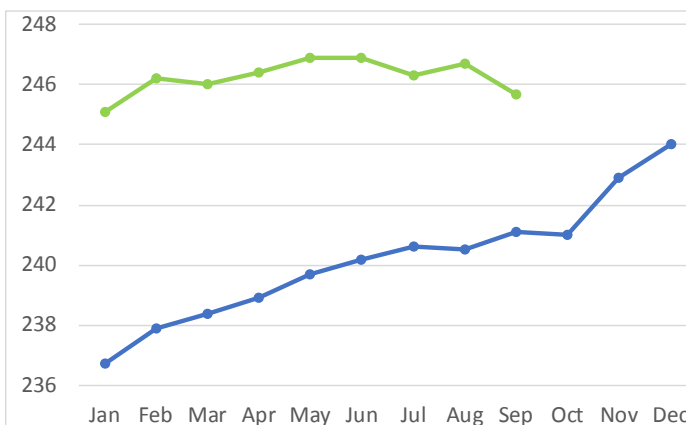
After a multi-year declining employment trend, **mining & logging** in the state averaged 8,200 jobs per month in the third quarter of 2019, or 200 more jobs than the second quarter average. Although the numbers of jobs gained was modest, the industry posted the largest industrial percentage gain over-the-quarter and over-the-year with gains of 2.5% and 3.8%, respectively. Whether this trend continues is uncertain. Southwestern Virginia's coal mining industry has been hit hard in recent years with declines driven primarily by power generation, which is moving away from coal-powered plants to other energy sources like natural gas. Regional exports of metallurgical coal used in manufacturing have been hurt by a weak global economy.

**Construction Employment  
(Thousands)**



Virginia **construction** employment averaged 201,100 jobs in the third quarter compared to 199,800 in the second quarter—an increase of 0.7% (+1,300 jobs). Over the year, the quarterly average grew by 1.6%. This was steady growth on a seasonally unadjusted basis. Low mortgage rates, rising prices with tight housing inventories in some areas, and millennial household formation have helped the home construction industry to recover from the most recent housing recession. However, the quarter ended with some job loss in September and steep declines in Virginia residential construction permits and starts. Virginia issued 2,403 new residential permits in September, down 35.1% from the previous month and down 27.3% from September 2018.

**Manufacturing Employment  
(Thousands)**



Virginia **manufacturing** worker demand held steady even as a sense of uncertainty and weakening global economic conditions dampened manufacturer sentiment. Employment in Virginia manufacturing reached a quarterly average of 246,200 in the third quarter or essentially flat growth from the second quarter but 2.3% higher than the same period in 2018. At the same time, however, the Institute for Supply Management (ISM) U.S. index of national factory activity dropped 1.3 points to a reading of 47.8, the lowest level since June 2009. These U.S. trends were echoed regionally by Fifth District Manufacturing Survey data that dipped in September, according to the Federal Reserve Bank of Richmond.

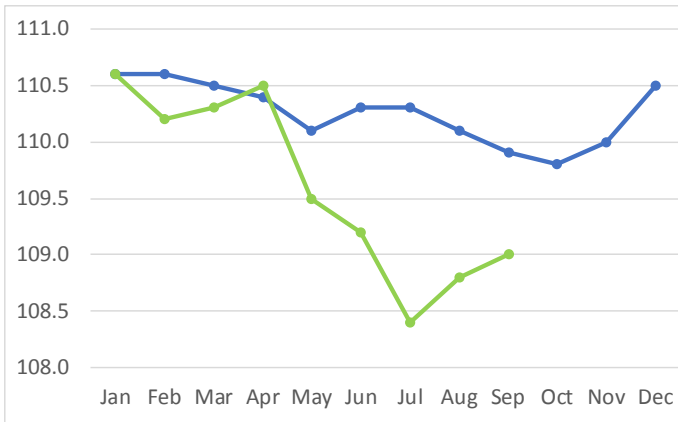
2018

2019

January 2018 - September 2019 (Unadjusted)

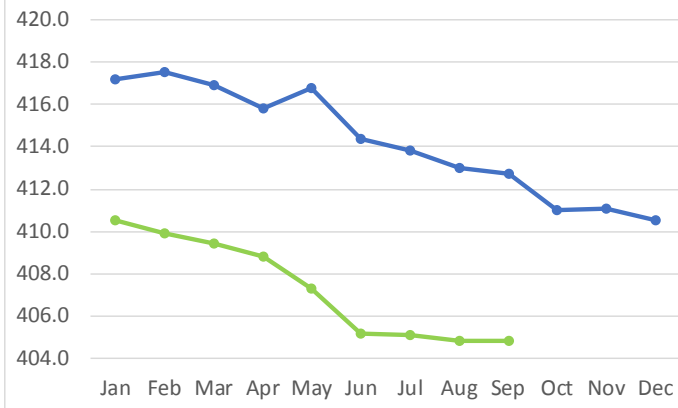
Timothy Aylor: [Timothy.Aylor@vec.virginia.gov](mailto:Timothy.Aylor@vec.virginia.gov)

### Wholesale Trade Employment (Thousands)



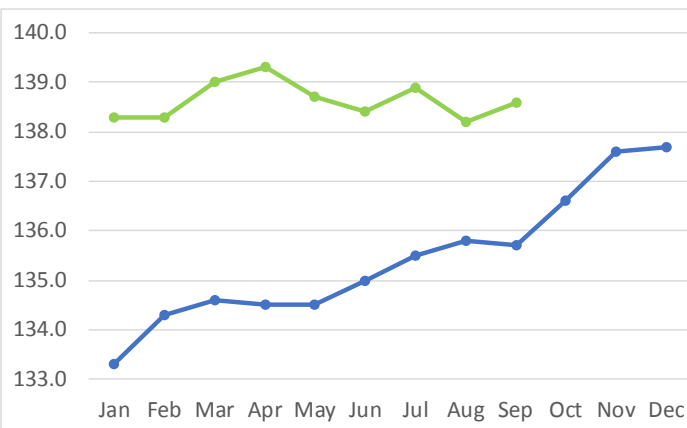
At 108,700 jobs, average monthly employment in **wholesale trade** slipped by 0.9% (-1,000 jobs) from the second quarter 2019 and 1.3% from the third quarter 2018. Nationwide, this industry had a monthly average of six million jobs in the third quarter. Seasonally adjusted, U.S., computers/software, medical equipment, and motor vehicle wholesalers, among others added jobs from June to September. Construction material wholesalers (lumber, masonry, and plumbing materials) also added jobs but home furnishings wholesalers shed them, as did farm supply and paper/periodical wholesalers.

### Retail Trade Employment (Thousands)



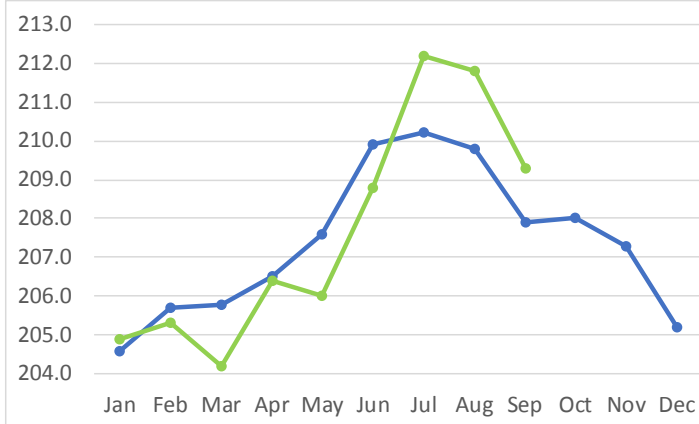
Virginia employment in **retail trade** continued to lack strength with a 0.5% decline in the third quarter (-2,200 jobs) reaching a monthly average of 404,900 jobs. It was 2.0% lower than during the third quarter of 2018. These are similar to weakening retail employment trends nationwide that have occurred in spite of a healthy U.S. consumer. Nationwide, real consumer spending grew 2.9% at an annual rate in the third quarter, up from a 2.6% pace during the preceding four quarters. While consumer spending has remained steady, a growing portion of it is migrating to online shopping and away from malls and shopping centers. Seasonally adjusted motor vehicle and parts dealers, home and garden stores, and food and beverage stores were examples of U.S. retailers that added jobs from June to September. Clothing, electronics, and home furnishings stores are some that shed jobs.

### Transportation, Warehousing, and Utilities Employment (Thousands)



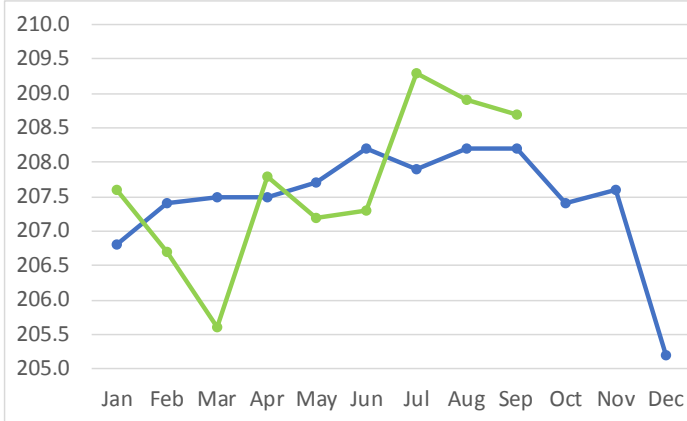
Virginia employment in **Transportation, warehousing, and utilities** reached 138,600 jobs during the third quarter of 2019. It declined slightly over the quarter, but grew by 2.1% (+2,900 jobs) from the same period in 2018. Ongoing trade disputes and slowing waterborne container traffic have created uncertainty in the transportation and logistics sector as the percentage of Virginia exports to China fell by nearly half from its recent 2018 peak. But flying in the face of this narrative was strong job growth in U.S. marine cargo handling which rose by 7.4% from June to September. In Virginia, FY19 saw record-setting volume shipped through Port of Virginia facilities and strong results at its expanded container terminals. While the outlook for long distance transportation is uncertain, some local transportation has grown steadily as E-commerce and the rapid growth of home delivery have created many driver and warehouse jobs.

**Information Employment  
(Thousands)**



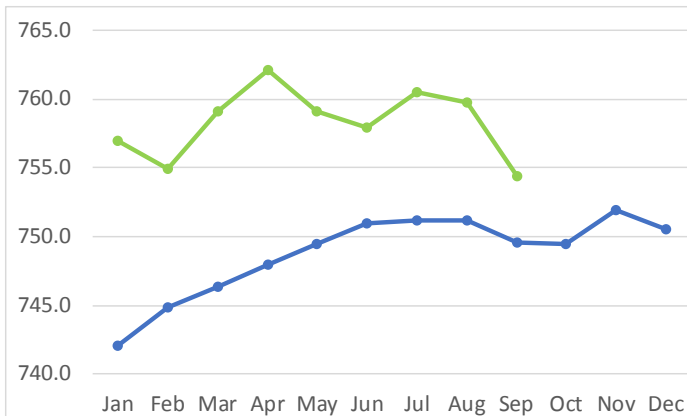
**Information employment** averaged 63,400 jobs but fell by 1.6% (-1,000 jobs) in the third quarter when compared to the second quarter 2019. It was also 5.5% lower over the year and significantly underperformed national employment trends. Technological change continued to impact information employment across the U.S. during the third quarter as industries like newspaper, paper promotional advertising, and directory publishers lost market share to digital media. Seasonally adjusted, newspaper and book publishing jobs fell by 2.0% nationwide from June to September while software publishers added jobs at that rate. Similarly, the ongoing 'cord cutting' trend showed up in employment losses in cable and telecommunications while data processing, hosting, and internet-related employment grew by around 2.0% over that time span.

**Finance Employment  
(Thousands)**



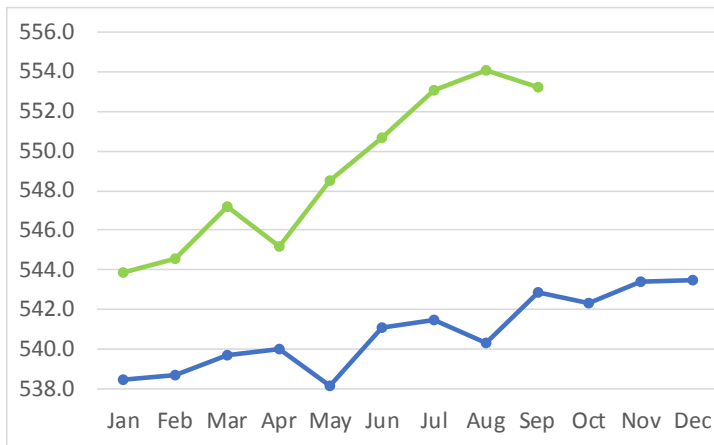
Employment in financial activities grew by 0.8% (+1,600 jobs) during the third quarter and averaged 209,000 jobs. The monthly average employment in **financial services** sector rose 0.4% (+ 900 jobs) when compared to the same period in 2018. Perhaps modest growth is not surprising in a low interest rate environment where technological change continues to affect the industry. Retail branch banking, retail investment banking, insurance, and other financial activities are increasingly automated or conducted online where that work is passed to firms that process electronic financial transactions—'fin tech'—with call centers providing centralized customer care.

**Professional and Business Services Employment  
(Thousands)**



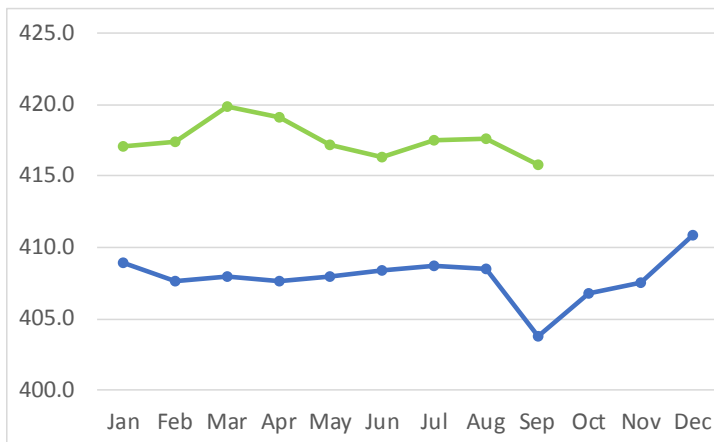
Employment slowed in **Professional and business services** during the third quarter, reaching a monthly average of 758,200 jobs. This represents a loss of 1,500 jobs from the previous quarter. Over the year, the industry grew by 1.0% (+7,500 jobs). Professional and business services jobs are more prevalent in Virginia than nationwide—18.9% of Virginia payroll jobs versus 14.2% nationwide in September—and have been an important driver of job growth in the state in recent years. Nationwide, the industry showed slow job growth on a seasonally adjusted basis during the third quarter and was held back by employment declines in call centers, collection agencies, and telemarketing among others.

**Private Education and Health Services Employment  
(Thousands)**



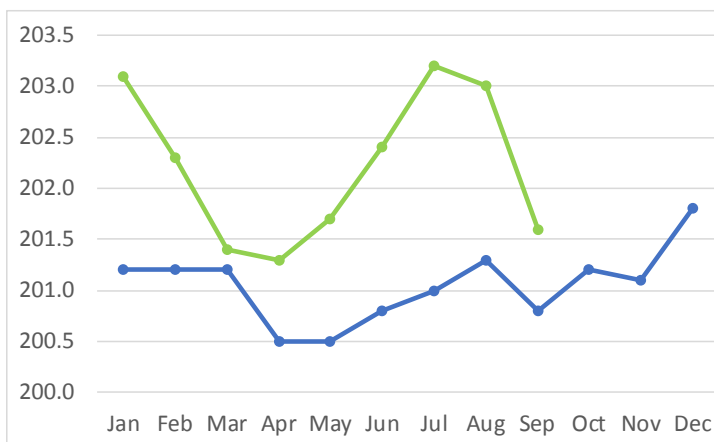
Employment continued to trend upward in **Private education and health services** in the third quarter 2019 as it reached 553,500 jobs and grew by 1.0% (+5,400 jobs) from the previous quarter. Over the year, the industry added a monthly average of 11,900 jobs for a growth rate of 2.2% compared to the third quarter 2018. With an aging population, healthcare has been a major source of skilled occupational employment growth even as technology continuously transforms that industry in the face of rising costs. Remotely delivered care, robotics, encouraging wellness instead of treating illness, and home care instead of hospital stays are trends that will continue to influence the numbers and occupations of health care workers. Seasonally adjusted, home health care, freestanding emergency medical centers and diagnostic imaging centers saw strong job growth nationwide in the third quarter.

**Leisure and Hospitality Services Employment  
(Thousands)**



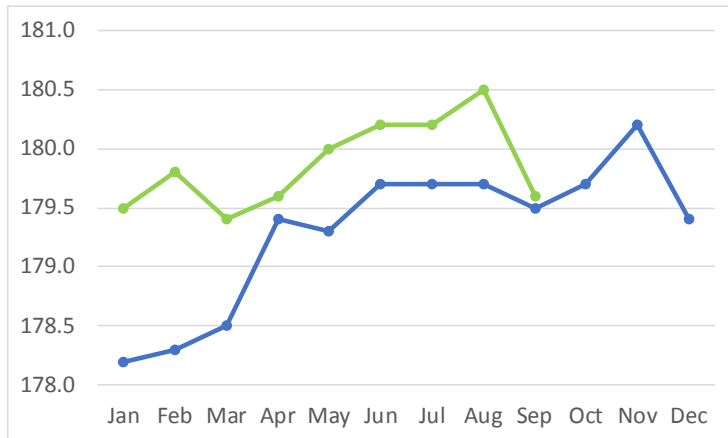
At 417,000 jobs, **Leisure and hospitality** employment remained almost flat in the third quarter 2019. While it was little changed from the second quarter 2019, it rose 2.5% compared to third quarter 2018. On a seasonally adjusted basis, U.S. hotels and restaurants exhibited small job growth over the quarter. Nationwide, leisure industries varied in job growth as amusement parks took on many summer peak-season workers. Perhaps anticipating an early, harsh winter, ski resorts also took on staff, as did fitness centers. However, performing arts, theater, and sports teams shed jobs over the quarter. At the same time, the number of U.S. promoters and agents grew by nearly 5% from June to September.

**Miscellaneous Services Employment  
(Thousands)**



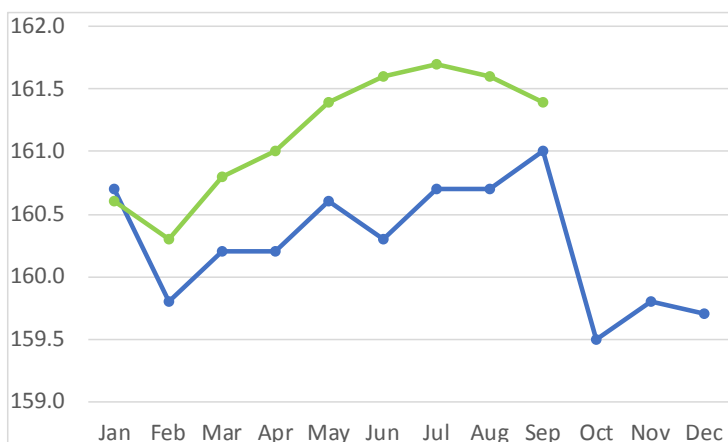
Employment in **Miscellaneous services** rose by 0.4% (+800 jobs) to a monthly average of 202,600 in the third quarter 2019. This was 0.8% growth (+1,600 jobs) compared with the third quarter 2018. Many Virginians, like other Americans, increasingly seek specialty businesses to perform personal services that free them up for other things. Auto repair and maintenance, help around the house, and landscaping are some examples in this industry. Seasonally adjusted, U.S. auto-related services like oil changes, car washes, glass replacement, and other miscellaneous services added jobs over the quarter. Establishments like; voluntary health organizations, human rights organizations, grant-making organizations, and social advocacy organizations added jobs while civic and social organizations shed jobs over the course of the third quarter.

### Federal Government Employment (Thousands)



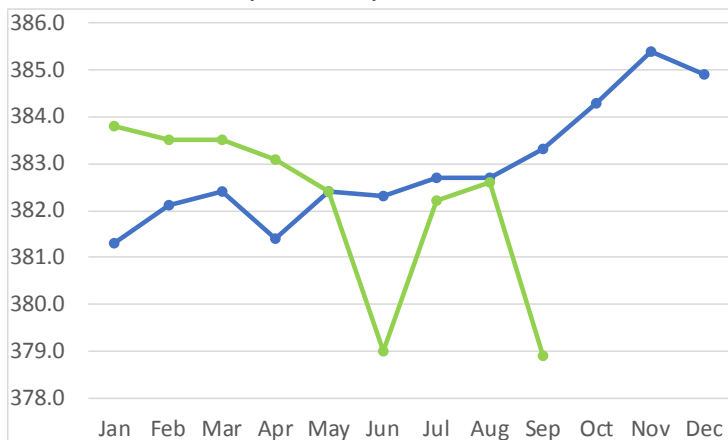
Averaging 180,100 jobs on a seasonally adjusted basis during the third quarter 2019, **Federal government** employment in Virginia was essentially unchanged over the quarter (+200 jobs) and over the year (+500 jobs).

### State Government Employment (Thousands)



**State government** employment in Virginia inched upward to a third quarter average of 161,600. This was just (300) more jobs than in the second quarter 2019 and (800) more than during the third quarter of 2018.

### Local Government Employment (Thousands)



Virginia **Local government** employment averaged 381,200 jobs in the third quarter—flat growth compared to the prior quarter and a slight 0.4% decline (-300 jobs) over the third quarter 2018.



# Data Summary and Sources



## Performance of Indicators Over the Business Cycle

For those interested in studying the business cycle in Virginia, this publication includes several of the economic time series for which data is readily available on a monthly basis. From time to time, new series will be added and, if necessary, others presently included will be discontinued.

## Seasonal Adjustment

To correlate changes in a time series and changes in the business cycle, it is desirable to eliminate, insofar as possible, the effect of irrelevant factors from the data comprising the series. All series currently published in the *Virginia Employment Indicators* have been adjusted to minimize regular seasonal fluctuations in the data in order to show only activity related to the business cycle.

## Data Sources

Except for the following, the data source for all series in this publication is the Virginia Employment Commission (VEC)/ Economic Information & Analytics (EIA) Current Employment Statistics (CES) program.

### U.S. Department of Labor:

Insured Unemployed Rate

### VEC/EIA Local Area Unemployment Statistics (LAUS):

Total Unemployment Rate

### VEC/EIA Data Collections Unit (DCU):

Average Weekly Initial Claims

Unemployment Insurance Final Payments

### Bureau of Labor Statistics' Local Area Unemployment Statistics program, <https://www.bls.gov/lau/stalt.htm>:

Alternative Measures

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