

Quarterly Employment Indicators for Virginia



Third Quarter Summary:

During the third quarter of 2021, rising payroll employment helped in the Commonwealth's recovery from the 2020 recession. However, growth was held back by the continued challenge that employers faced in filling job openings. According to VEC analysis of BLS Job Openings and Labor Turnover Survey (JOLTS) data, in September 2021 there were a record-setting 328,000 Virginia job openings while the number of quits rose to 123,000; only 4,000 fewer than the April 2021 peak. At the same time, the labor force in September was little changed from a year earlier and five percentage points lower than at the end of 2019. This year's trends have brought the labor force down to 2016 levels, erasing five years of growth.

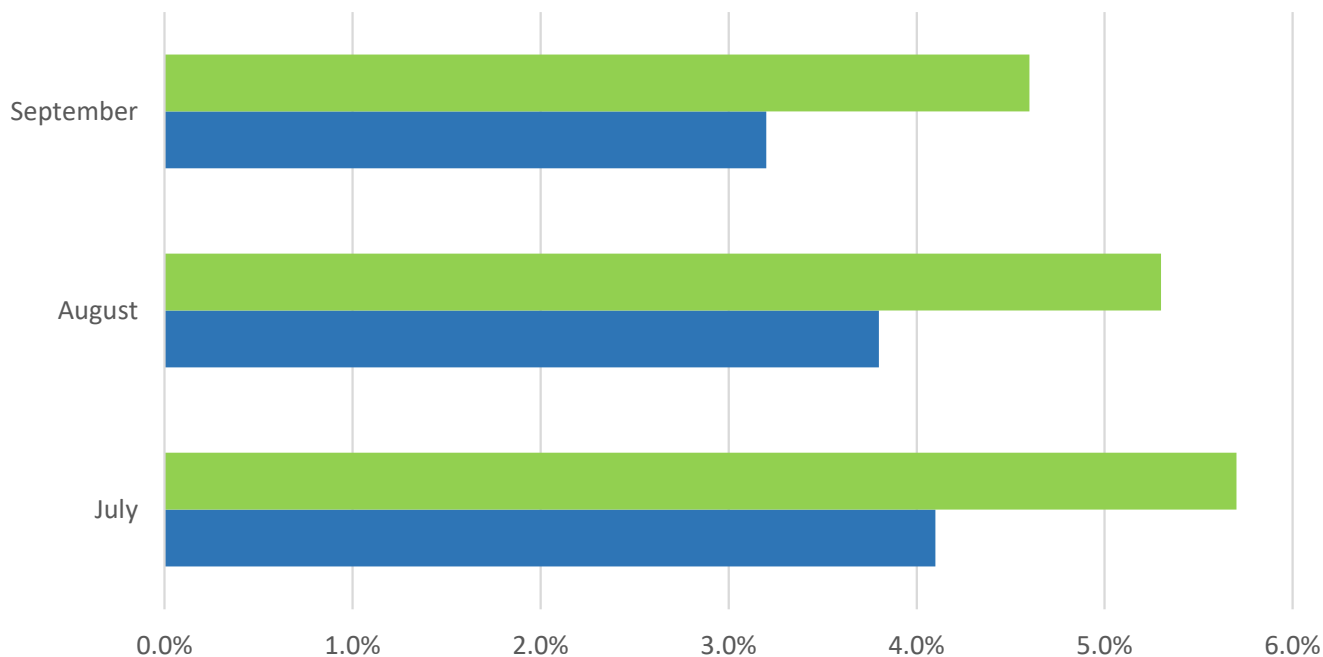
Conditions at the end of the third quarter may have begun to signal a turning point in the tight labor market that has hindered the post-pandemic recovery. September saw the end of expanded federal unemployment benefits while continued claims totals steadily trended downward as filers found jobs, left the labor force, or exhausted benefits. At the end of the quarter, continued weeks claimed totaled just over 44,000, which was 73% lower than the continued claims total from the comparable week in 2020.

The VEC's payroll employment figures in the third quarter confirmed that the recovery continued but moderated when compared to the 'v-shaped' job growth seen in the second quarter of 2020 and varied by industry sector.

Senior Economist: Timothy Aylor: timothy.aylor@vec.virginia.gov

3rd Quarter 2021 Unemployment Virginia vs. U.S. (Unadjusted)

Unemployment Rates



	July	August	September
■ U.S.	5.7%	5.3%	4.6%
■ Virginia	4.1%	3.8%	3.2%

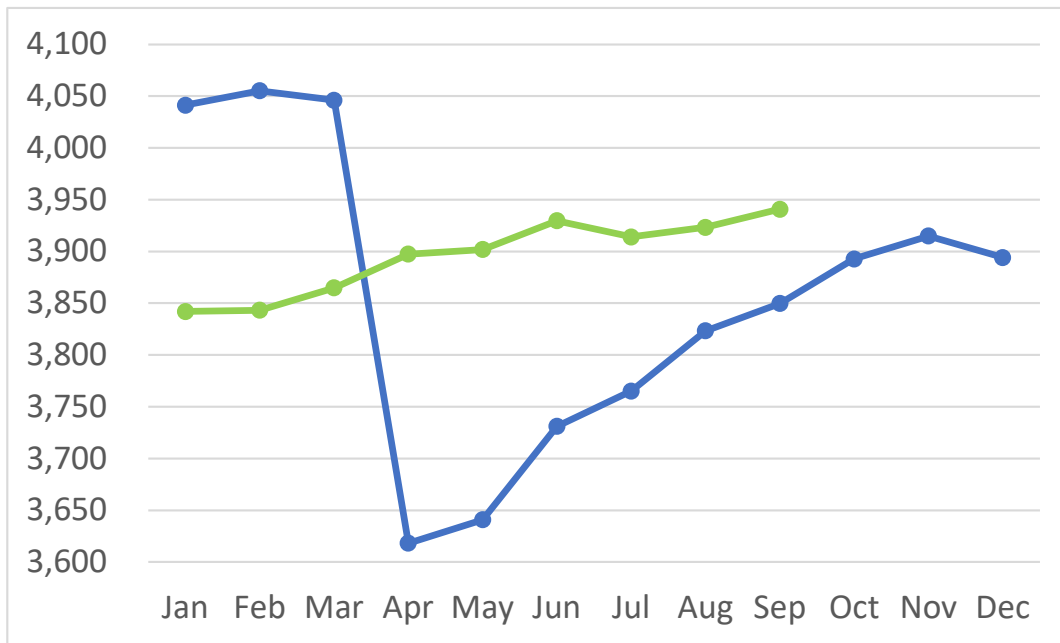
Employment/Unemployment

Virginia			U.S.	
Month	Employment	Unemployment	Employment	Unemployment
July	4,140,815	174,890	153,596,000	9,221,000
August	4,105,492	161,031	153,232,000	8,556,000
September	4,083,600	135,652	154,026,000	7,366,000

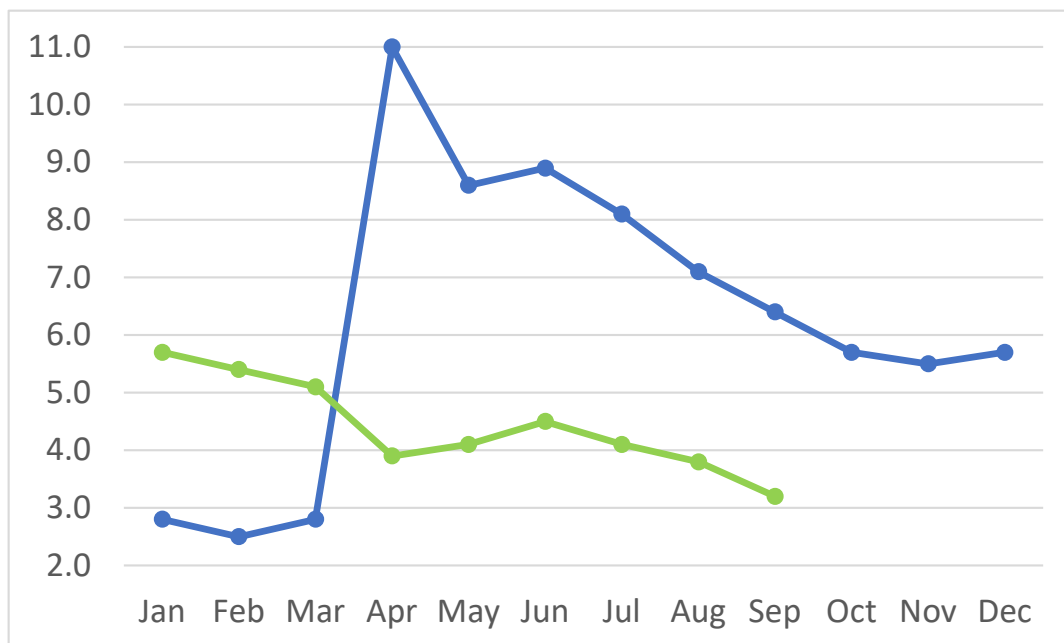
Sources: Virginia Employment Commission, Economic Information & Analytics, Local Area Unemployment Statistics, and Bureau of Labor Statistics.

Total Nonfarm Employment and Unemployment

Nonagricultural Wage and Salary Employment
(Thousands)



Total Unemployment Rate
(Percent)



2020 2021 3rd Quarter (Unadjusted)

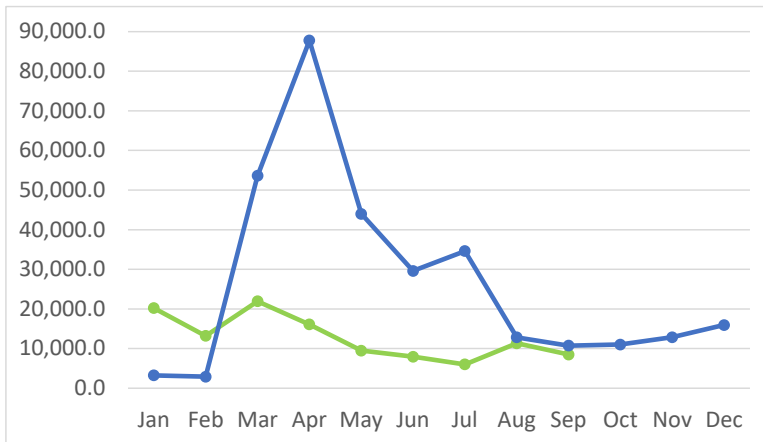


	Nonagricultural Wage and Salary Employment (Thousands)		Total Unemployment Rate (Percent)	
2021	Unadjusted	Adjusted	Unadjusted	Adjusted
January	3,842.0	3,897.4	5.7	5.3
February	3,843.2	3,886.8	5.4	5.2
March	3,864.9	3,887.3	5.1	5.1
April	3,897.5	3,892.0	3.9	4.7
May	3,901.8	3,891.0	4.1	4.5
June	3,929.6	3,900.2	4.5	4.3
July	3,914.0	3,902.7	4.1	4.2
August	3,923.4	3,926.3	3.8	4.0
September	3,940.8	3,938.3	3.2	3.8
October				
November				
December				

2020	Unadjusted	Adjusted	Unadjusted	Adjusted
January	4,041.4	4,089.1	2.8	2.5
February	4,055.2	4,091.0	2.5	2.5
March	4,046.2	4,069.6	2.8	2.6
April	3,618.2	3,611.0	11.0	11.3
May	3,640.8	3,633.2	8.6	8.5
June	3,731.1	3,703.8	8.9	8.8
July	3,765.2	3,758.7	8.1	7.9
August	3,823.3	3,830.7	7.1	7.0
September	3,849.7	3,856.0	6.4	6.6
October	3,892.8	3,878.2	5.7	6.1
November	3,915.0	3,888.1	5.5	5.8
December	3,894.2	3,881.1	5.7	5.6

Unemployment Insurance

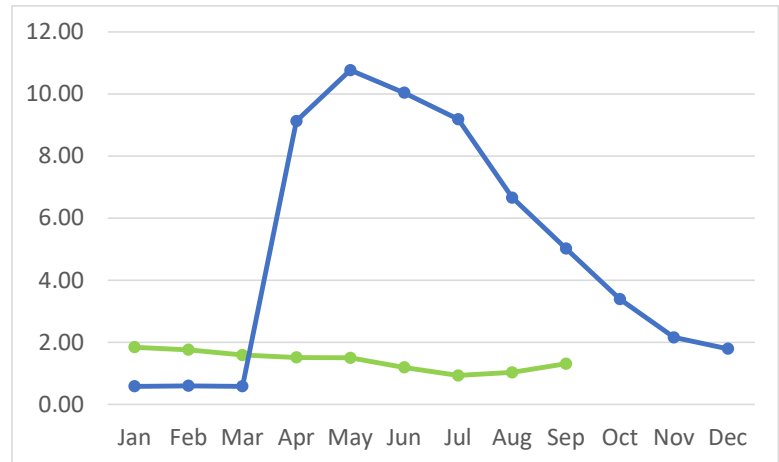
Average Weekly Initial Claims



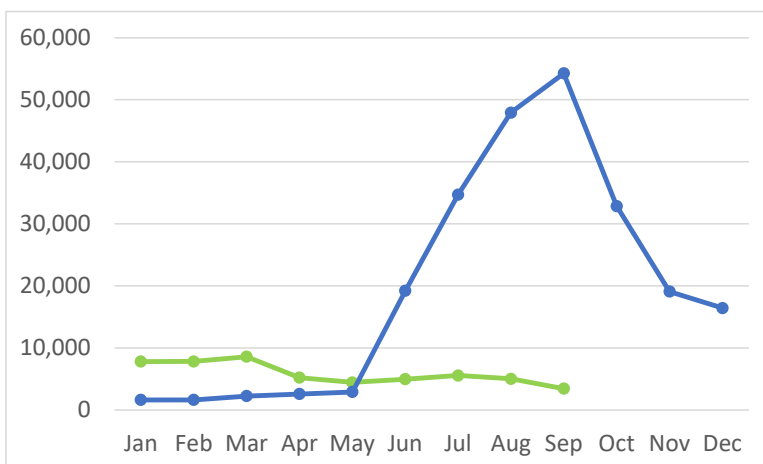
INSURED UNEMPLOYED : The average weekly number of weeks claimed for the three months of the quarter.

INSURED UNEMPLOYMENT RATE (IUR): The rate computed by dividing Insured Unemployed for the current quarter by Covered Employment for the first four of the last six completed quarters.

Insured Unemployment Rate (Percent)



Unemployment Insurance Final Payments



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

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

2020

2021

3rd Quarter (Unadjusted)

Kyle.Davis@vec.virginia.gov

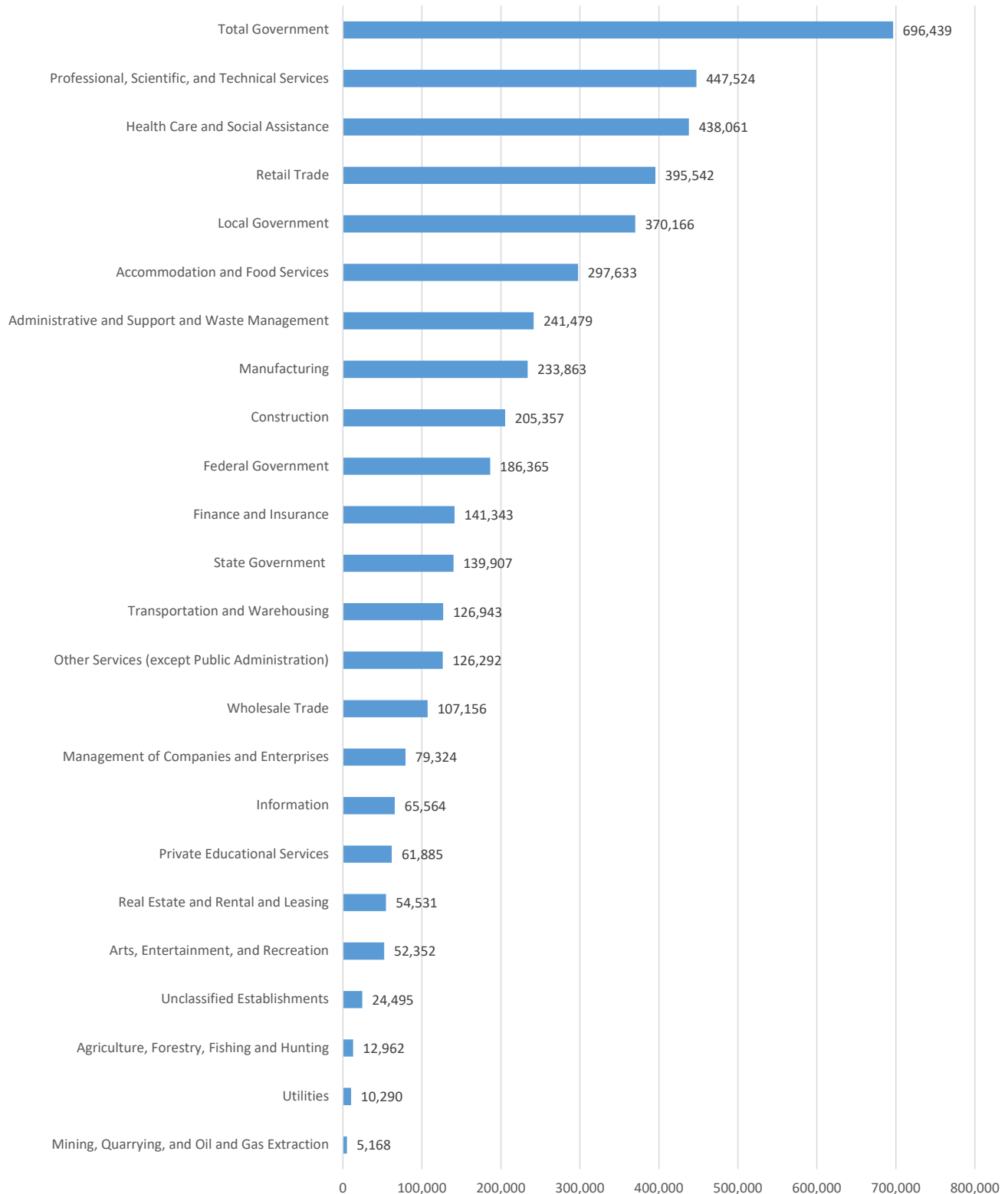


	Average Weekly Initial Claims	Insured Unemployment Rate (Percent)	Unemployment Insurance Final Payments
2021	Unadjusted	Unadjusted	Unadjusted
January	20,203.8	1.84	7,821
February	13,187.3	1.76	7,832
March	21,919.1	1.59	8,591
April	16,101.8	1.51	5,230
May	2,533.8	1.50	4,460
June	1,783.9	1.19	4,972
July	6,000.0	0.93	5,570
August	11,332.5	1.03	5,036
September	8,489.8	1.31	3,453
October			
November			
December			

2020	Unadjusted	Unadjusted	Unadjusted
January	3,219.5	0.58	1,648
February	2,910.8	0.60	1,650
March	53,602.0	0.58	2,253
April	87,755.9	9.13	2,588
May	43,990.5	10.77	2,928
June	29,597.7	10.04	19,213
July	34,590.5	9.19	34,700
August	12,825.5	6.66	47,926
September	10,723.8	5.02	54,246
October	11,002.9	3.39	32,870
November	12,854.5	2.16	19,104
December	15,938.9	1.79	16,437

Employment by Industry

Second Quarter 2021



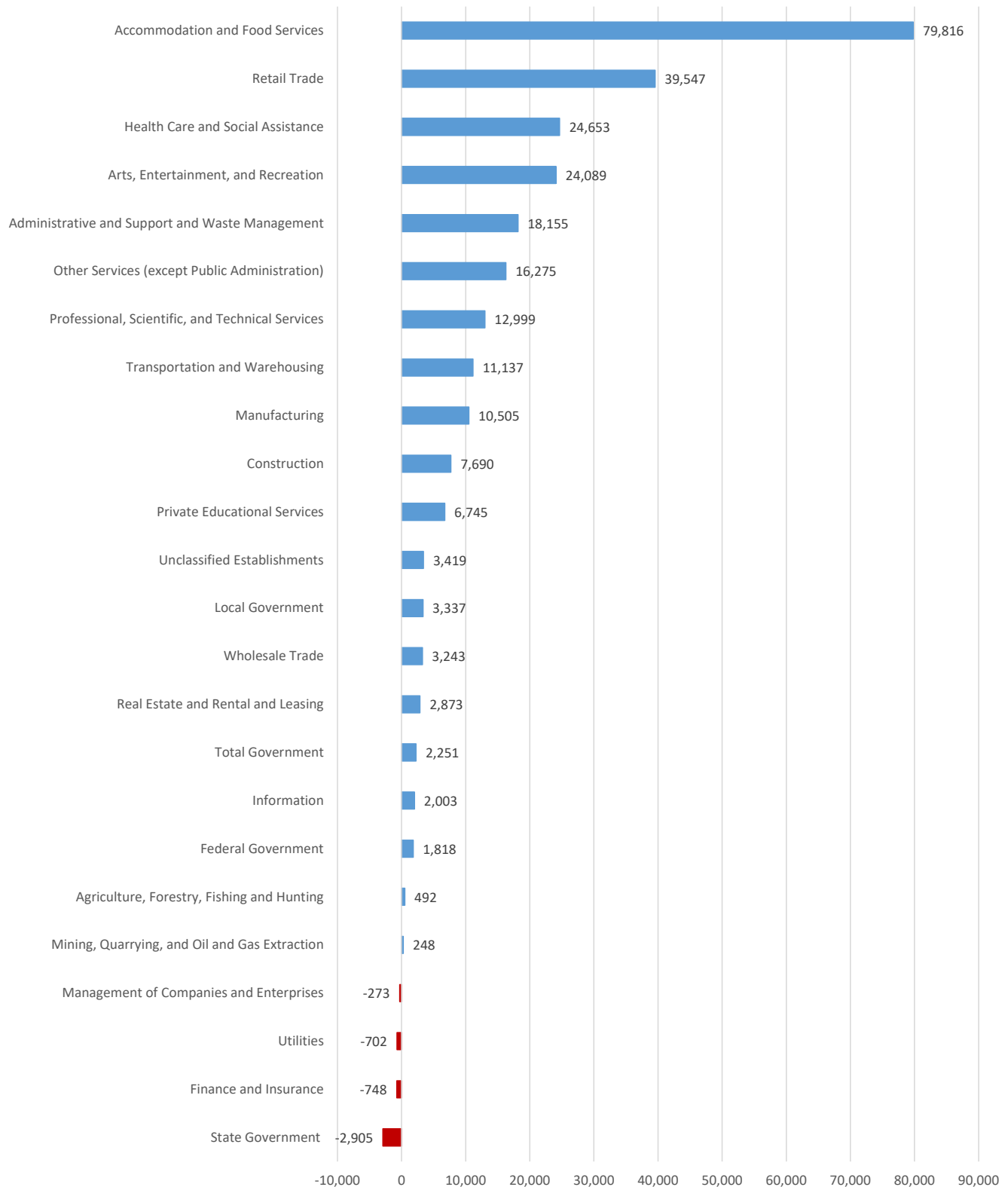
All Industry Total: 3,824,201

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 2021

Employment Change

Second Quarter 2020 - Second Quarter 2021



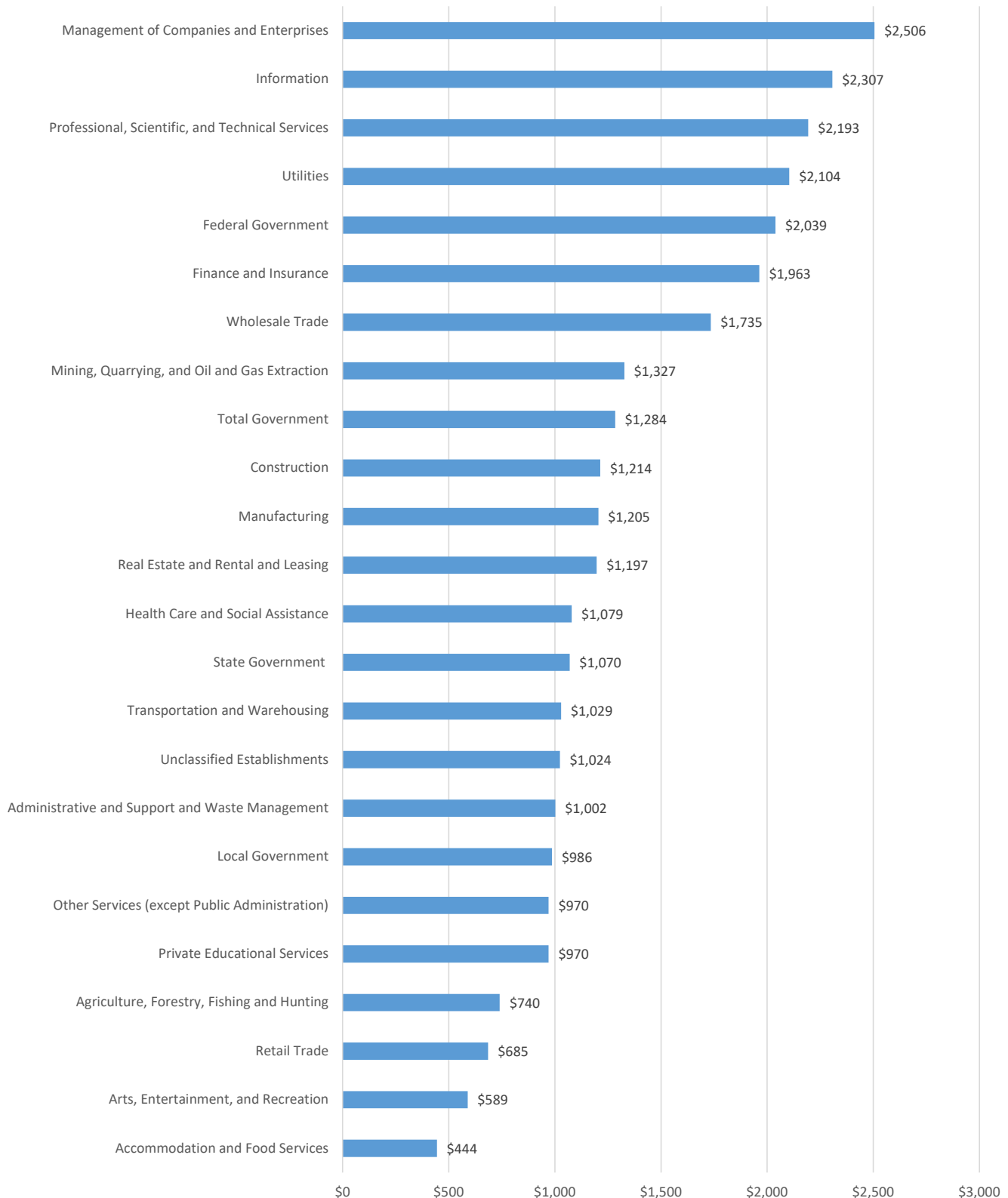
All Industry Total: 264,416

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 2021

Average Weekly Wage by Industry

Second Quarter 2021



All Industry Total: \$1,258

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 2021

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



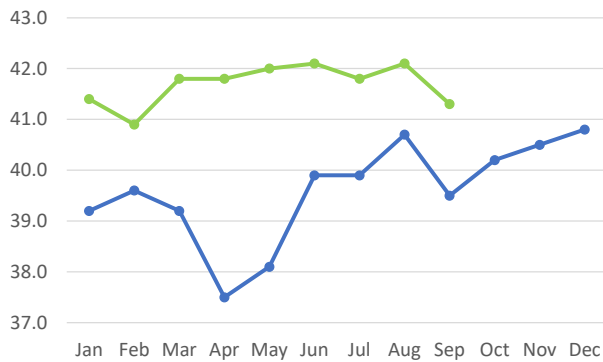
Area	Employment (end of quarter)	Previous Quarter (end of quarter)	Previous Year (end of quarter)	Over-the-Quarter Change	Over-the-Quarter (Percent)	Over-the-Year Change	Over-the-Year (Percent)
Blacksburg-Christiansburg-Radford	77,700	76,200	73,900	1,500	1.97%	3,800	5.14%
Charlottesville	112,800	112,500	111,300	300	0.27%	1,500	1.35%
Harrisonburg	68,400	67,600	65,600	800	1.18%	2,800	4.27%
Lynchburg	100,500	100,000	100,100	500	0.50%	400	0.40%
Richmond	648,400	648,400	650,800	0	0.00%	-2,400	-0.37%
Roanoke	157,800	158,500	155,500	-700	-0.44%	2,300	1.48%
Staunton	51,700	51,100	49,900	600	1.17%	1,800	3.61%
Virginia Beach-Norfolk-Newport News	762,900	762,600	755,600	300	0.04%	7,300	0.97%
Winchester	67,100	67,100	65,400	0	0.00%	1,700	2.60%
Northern Virginia	1,495,300	1,471,100	1,444,800	24,200	1.65%	50,500	3.50%
Virginia	3,938,300	3,900,200	3,856,000	38,100	0.98%	82,300	2.13%

Senior Economist: Conrad Buckler: conrad.buckler@vec.virginia.gov

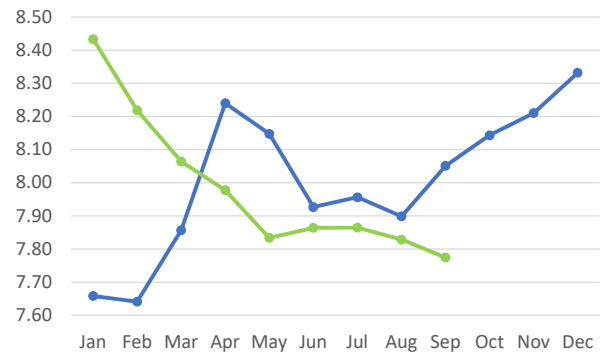
Source: Virginia Employment Commission, Economic Information & Analytics: Current Employment Statistics (CES) Seasonally Adjusted - (Not Preliminary)

Industry Focus: Manufacturing

Average Weekly Hours

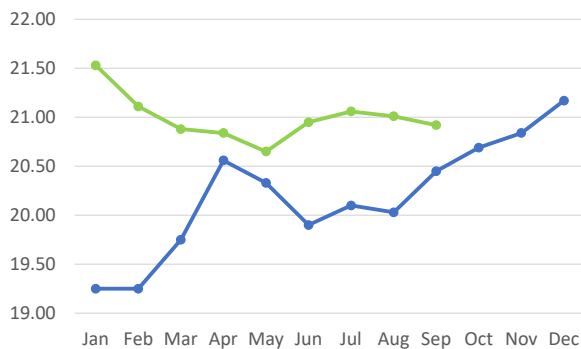


Inflation-adjusted Average Hourly Earnings
(1982-84 Dollars)



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

Average Hourly Earnings
(Dollars)



2020 2021 3rd Quarter (Unadjusted)

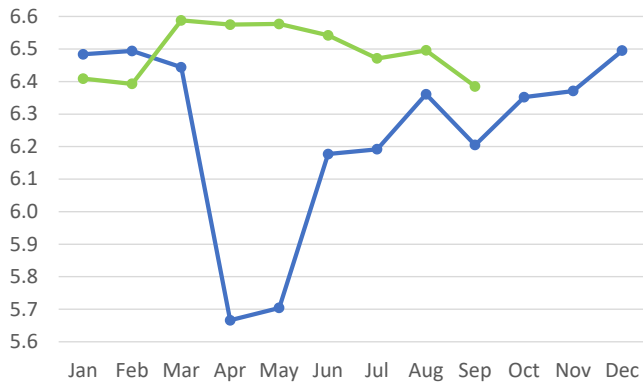
	Average Weekly Hours (Million)	Average Hourly Earnings (Dollars)	Inflated-Adjusted Average Hourly Earnings (1982-84 Dollars)
2021	Unadjusted	Unadjusted	Unadjusted
January	41.4	21.53	8.43
February	40.9	21.11	8.22
March	41.8	20.88	8.06
April	41.8	20.84	7.98
May	42.0	20.65	7.83
June	42.1	20.95	7.86
July	41.8	21.06	7.86
August	42.1	21.01	7.83
September	41.3	20.92	7.77
October			
November			
December			
2020	Unadjusted	Unadjusted	Unadjusted
January	39.2	19.25	7.66
February	39.6	19.25	7.64
March	39.2	19.75	7.86
April	37.5	20.56	8.24
May	38.1	20.33	8.15
June	39.9	19.90	7.93
July	39.9	20.10	7.96
August	40.7	20.03	7.90
September	39.5	20.45	8.05
October	40.2	20.69	8.14
November	40.5	20.84	8.21
December	40.8	21.17	8.33

*These series have been adjusted to First Quarter 2020 benchmarks. Sources: Virginia Employment Commission, Current Employment Statistics.

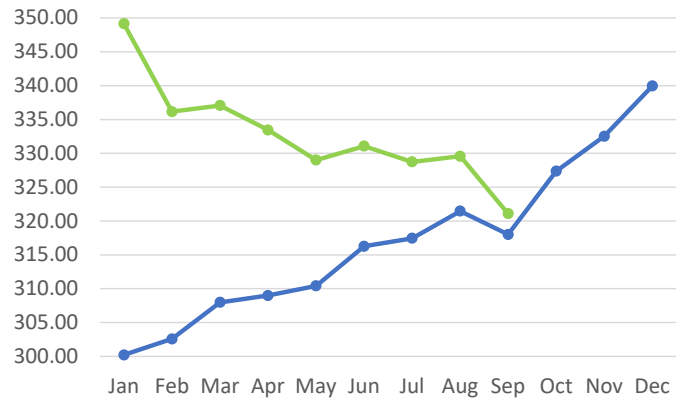
Kyle.Davis@vec.virginia.gov

Manufacturing Production Worker Indicators

Total Production Hours
(Millions)

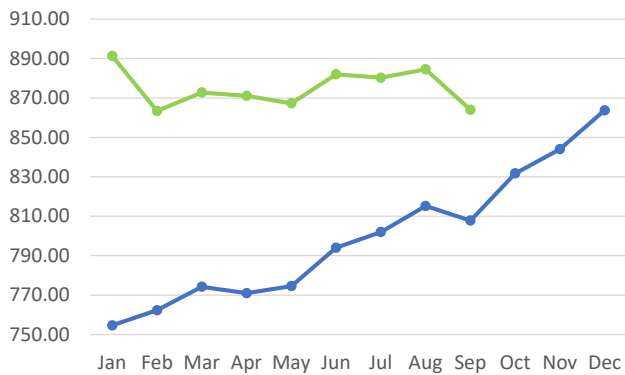


Inflation-adjusted Average Weekly Earnings
(1982-84 Dollars)



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

Average Weekly Earnings
(Dollars)



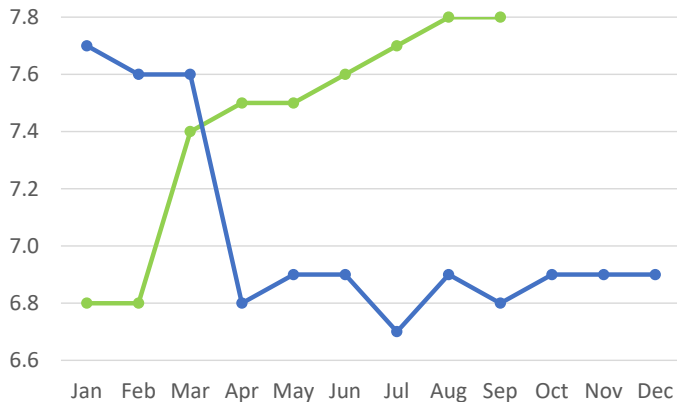
2020 2021 3rd Quarter (Unadjusted)

	Total Production Hours (Millions)	Average Weekly Earnings (Dollars)	Inflated-Adjusted Average Weekly Earnings (1982-84 Dollars)
2021	Unadjusted	Unadjusted	Unadjusted
January	6.4	891.34	349.14
February	6.4	863.40	336.16
March	6.6	872.78	337.07
April	6.6	871.11	333.46
May	6.6	867.30	329.01
June	6.5	882.00	331.07
July	6.5	880.31	328.73
August	6.5	884.52	329.57
September	6.4	864.00	321.09
October			
November			
December			
2020	Unadjusted	Unadjusted	Unadjusted
January	6.5	754.60	300.21
February	6.5	762.30	302.58
March	6.4	774.20	307.99
April	5.7	771.00	309.00
May	5.7	774.57	310.42
June	6.2	794.01	316.27
July	6.2	801.99	317.45
August	6.4	815.22	321.46
September	6.2	807.78	318.02
October	6.4	831.74	327.36
November	6.4	844.02	332.52
December	6.5	863.74	339.95

Sources: Virginia Employment Commission, Current Employment Statistics.

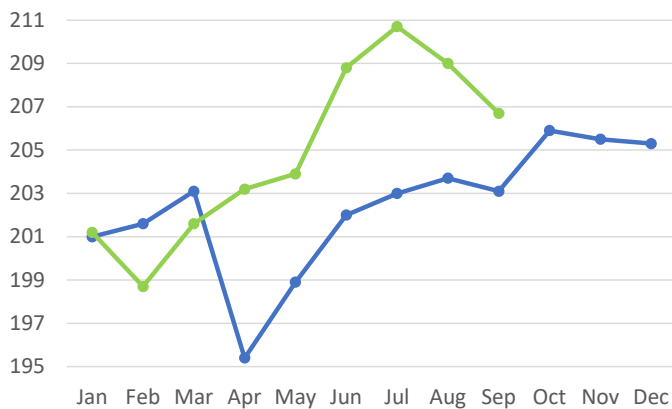
Quarterly Industry Report

Mining and Logging Employment
(Thousands)



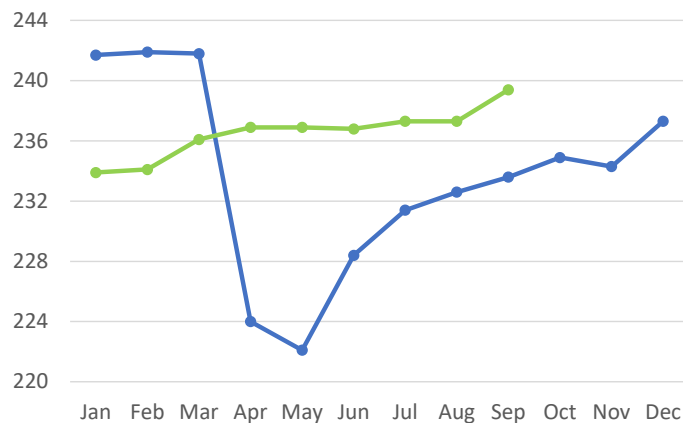
Mining and logging in the state averaged 7,800 jobs per month in the third quarter of 2021, indicating robust growth of 14.2% from the third quarter of 2020. The long-term coal mining job trend in Virginia has been steadily downward from its 1990 peak. But while the industry's long-term outlook is uncertain, the Energy Information Administration expects U.S. coal production to rise by 9% in 2021 and by an additional 6% in 2022. The increase in production reflects more demand and higher prices for coal in the electric power sector because of higher natural gas prices this year compared with last year. Despite the increase in production, growth has not kept pace with rising domestic demand for steam coal in the electric power sector and export growth. Lumber prices have posted double-digit price increases amid strong demand and tight supplies in some areas.

Construction Employment
(Thousands)



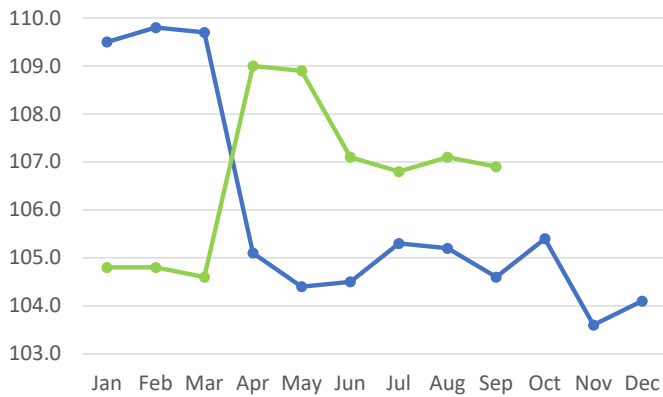
Virginia construction employment averaged 208,800 jobs in the third quarter compared to 205,300 in the second quarter—an increase of 1.7% (+3,500 jobs). Housing market indicators showed that conditions were quite strong overall but sharp increases in home prices in many areas may have contributed to deceleration in Virginia residential building permits, as they declined by 14% over-the-quarter and by nearly four percent over-the-year.

Manufacturing Employment
(Thousands)



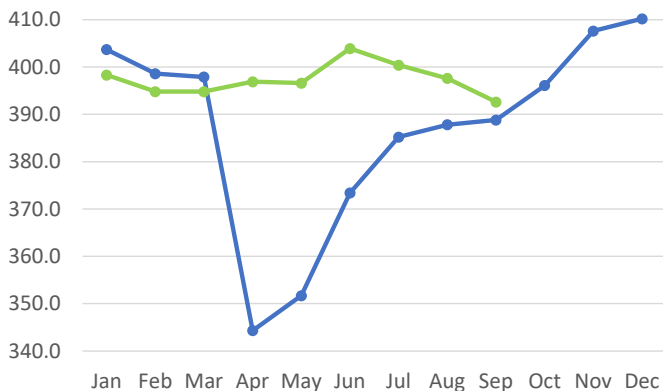
Virginia manufacturing worker demand held steady during the third quarter, even though finding enough skilled workers remained one of the industry's biggest challenges. Employment in Virginia manufacturing rose slightly by 0.4% (+1,000 jobs) over the quarter to a quarterly average of 238,000 and increased by 2.4% over the year. Fifth District manufacturing activity softened slightly in September, according to a recent survey from the Federal Reserve Bank of Richmond. The composite index declined from 9 in August to -3 in September. The indexes for shipments and new orders fell below 0 for the first time since May 2020, but the third component index—employment—remained positive.

Wholesale Trade Employment
(Thousands)



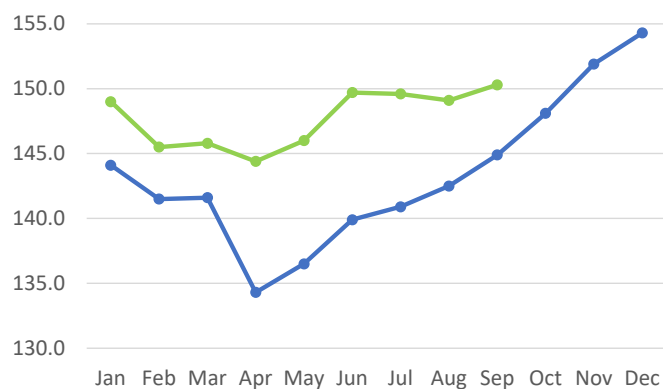
At 106,900 jobs, average monthly employment in wholesale trade fell by 1.3% (-1,400 jobs) from the second quarter 2021 and down 1.8% from the third quarter 2020. Wholesale trade agents and brokers act on behalf of buyers and sellers to distribute goods at a wholesale level. They are vital links in the nation's supply chain, which remained under heightened duress. In recent years, supply chain management has increasingly become digital which has strengthened direct business-to-business relationships. This could explain flat job growth trends in the industry despite wholesalers helping to rebuild business inventory levels nationwide in the third quarter of 2021, according to the Bureau of Economic Analysis.

Retail Trade Employment
(Thousands)



Virginia employment in Retail held steady with -0.6% loss in the third quarter (-2,200 jobs), reaching a monthly average of 396,900 jobs but was 2.5% higher than during the third quarter of 2020. According to Census data, in August of the third quarter, Virginia retail sales rose strongly (15%) over the year, which was slightly faster than nationwide. But these results varied by type of retailer. A reopening economy along with higher gas prices during the peak driving season pushed gas station retail sales up 37% in Virginia compared to August 2020. General merchandise store sales rose by over a quarter in the Commonwealth over that time period. Rising consumer prices also can help to push up retail sales figures.

Transportation, Warehousing, and Utilities Employment
(Thousands)

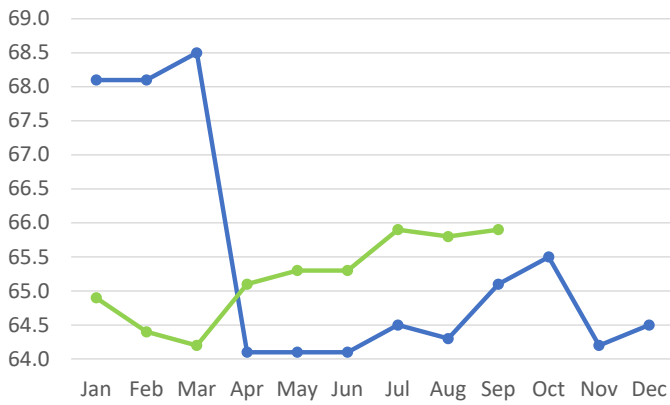


Virginia employment in transportation, warehousing, and utilities rose to 149,700 jobs during the third quarter of 2021. It increased by two percent (+3,000 jobs) over the quarter and by 4.8% from the same period in 2020. This sector reaches all sectors of the economy and job gains can vary significantly by type of industry. Long-distance trucking and local trucking continued to be pushed amidst stretched supply chains. The American Trucking Associations estimates that in 2021 the truck driver shortage will hit a historic high of just over 80,000 drivers nationwide. At the same time, the U.S. trucking industry saw record numbers of trucking license applications that they hope will help to allay that shortage.

U.S. ports continued to struggle to clear the backlog of container ships trying to unload in the third quarter. The Port of Virginia also experienced this as it processed the largest quarterly number of containers in at least five years—and probably in its history.

Although travel and tourism have been severely impacted by the pandemic, there are reasons to be optimistic about the long-term career prospects of those in these industries. According to BEA, U.S. transportation spending totaled nearly \$400 billion during the third quarter, up from \$320 billion a year earlier.

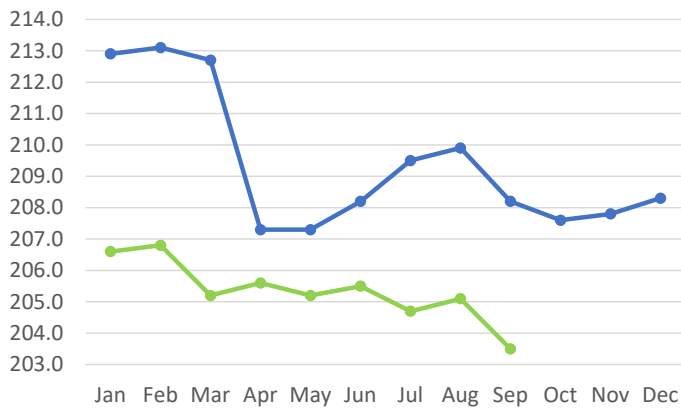
Information Employment
(Thousands)



Virginia information employment averaged 65,900 jobs in the third quarter of 2021. It rose by 1.0% (+700 jobs) in the third quarter when compared to the second quarter 2021 and was 1.9% higher over the year.

At the end of the third quarter, U.S. Job Opening and Labor Turnover Survey (JOLTS) data indicate that the information industry was typical of a white-collar, better-paying sector of the economy in that it had a lower rate of job quitting than average but was one of the only parts of the economy with a slightly elevated and growing prevalence of layoffs.

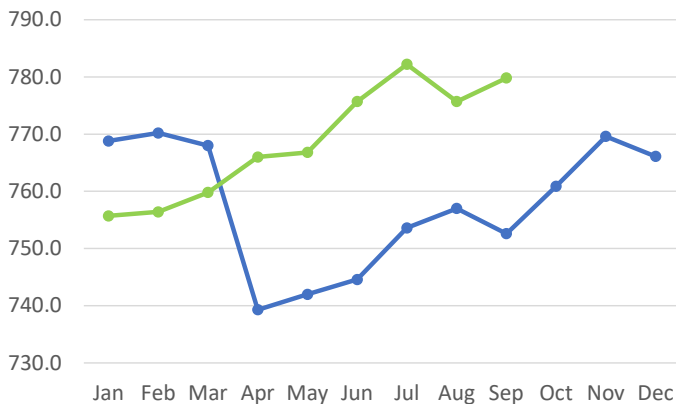
Finance Employment
(Thousands)



Employment in financial activities fell slightly by 0.5% (-1,000 jobs) during the third quarter and averaged 204,400 jobs. The growing adoption of digital processing of financial transactions has reduced the need for retail banking branches. This adds uncertainty regarding how many retail bankers and customer service representatives will be needed in coming years. Real estate payrolls nationwide have also underperformed in job growth despite the red-hot residential housing market in 2021.

At the end of the third quarter, U.S. Job Opening and Labor Turnover Survey (JOLTS) data indicated that job growth in financial activities was held back by relatively low numbers of job openings and hires compared to total industry employment. But the industry also had relatively low rates of quitting during that period.

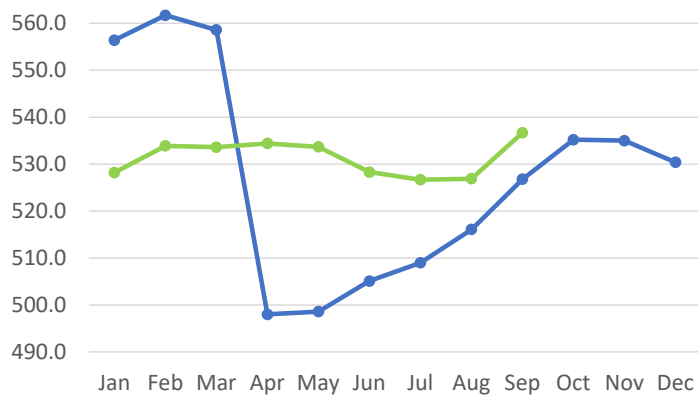
Professional and Business Services Employment
(Thousands)



Employment in professional and business services reached a monthly average of 779,200 jobs. This represents a gain of 9,700 jobs or 1.3% growth from the previous quarter. Over the year, the industry rose by 3.3%. In 2021, efficiency gains from technology continued to benefit professional services overall but their disruptive power may have also been a constraint on payroll growth.

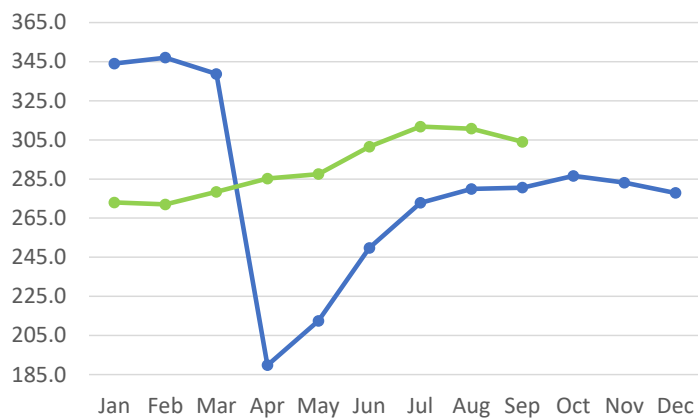
At the end of the third quarter, U.S. Job Opening and Labor Turnover Survey (JOLTS) data presented mixed signals as professional and business services experienced elevated levels of job openings and hires compared to total employment yet also had a slightly elevated prevalence of layoffs and quits.

Private Education and Health Services Employment
(Thousands)



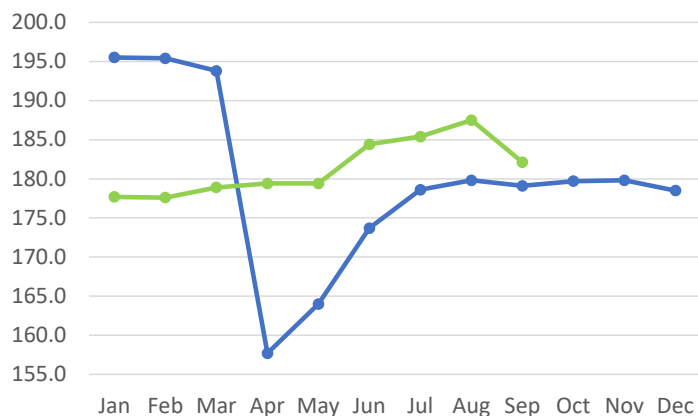
Employment growth was flat in private education and health services as it inched downward 0.4% in the third quarter 2021 to 530,100 jobs. Over the year, the industry increased by 2.5% compared to the third quarter 2020.

Leisure and Hospitality Services Employment
(Thousands)



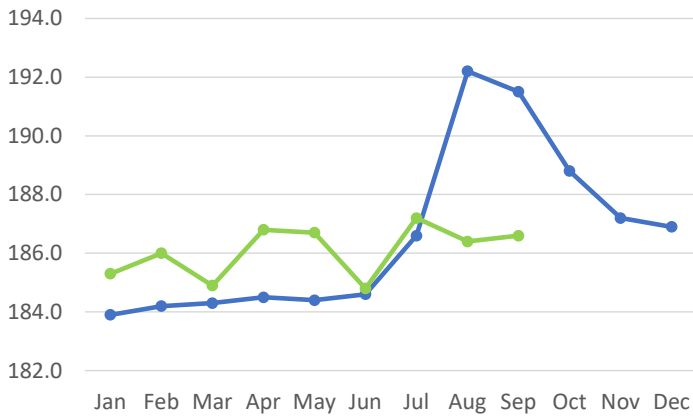
At 308,800 jobs, leisure and hospitality employment rebounded strongly in the third quarter 2021. While it suffered a record-large drop in the second quarter 2020, it rose 6.0% (+17,400 jobs) compared to the second quarter 2021 and 11.2% from the third quarter 2020. Virginia's economy continued to reopen during this time, with the food service and hospitality industries hoping to restore business to pre-pandemic conditions. However, in what some call the Great Resignation, increasing numbers of workers jumped ship in search of more favorable working conditions. In August 2021, according to Census survey data, two thirds reported that Virginia small businesses had difficulties hiring employees in the COVID-impacted accommodation and food service sector. At the same time, U.S. Job Opening and Labor Turnover Survey (JOLTS) data indicated record levels of job quitting, led by workers in the leisure and hospitality industry.

Miscellaneous Services Employment
(Thousands)



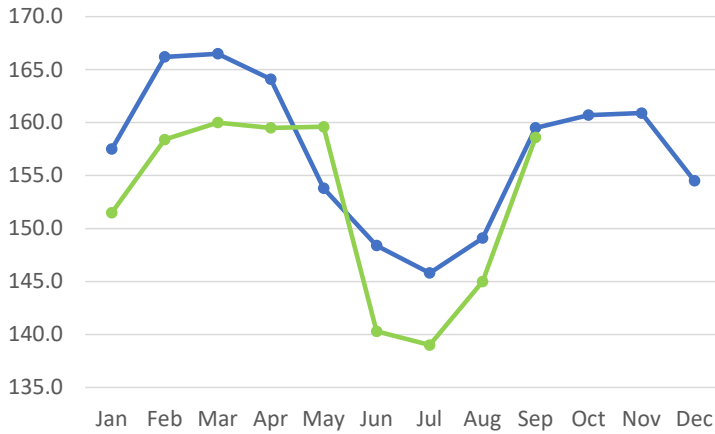
Employment in Miscellaneous services rose 2.2% (+3,900 jobs) to 185,000 in the third quarter 2021 and increased 3.3% compared with same period in 2020. Many Virginians, like other Americans, increasingly seek specialty businesses to perform personal services that free them up for other things. But some services are more in demand than others. For example, photofinishing labs are examples of stores that have suffered from technological change because most households and businesses own printers. On the other hand, community organization service establishments like; voluntary health organizations, human rights organizations, grant-making organizations, and social advocacy organizations have grown in the Commonwealth in recent years.

Federal Government Employment
(Thousands)



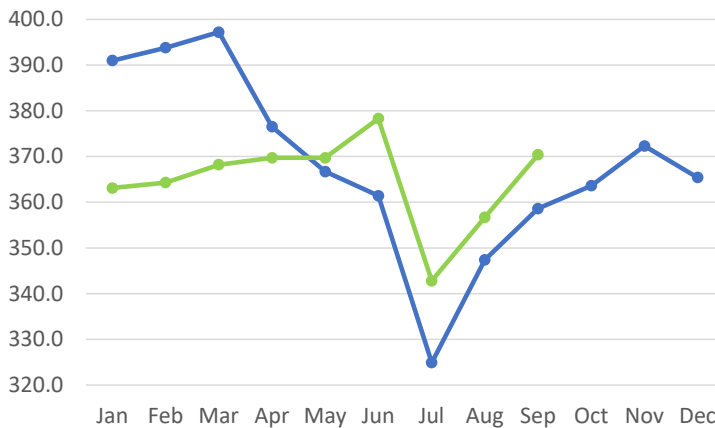
Averaging 186,700 jobs on a seasonally adjusted basis during the third quarter 2021, federal government employment in Virginia was little changed over the quarter (+600 jobs) but down 1.8% over the year.

State Government Employment
(Thousands)



State government employment in Virginia fell 3.7% to a third quarter average of 147,500. This was 5,600 fewer jobs than in the second quarter 2021 and 2.6% less than during the third quarter of 2020.

Local Government Employment
(Thousands)



Virginia Local government employment growth averaged 356,600 jobs in the third quarter—a 4.3% decline (-16,000 jobs) compared to the prior quarter but a 3.8% increase over the third quarter of 2020.

2020 2021 3rd Quarter (Adjusted)

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

This workforce product was funded by a grant awarded by the U.S. Department of Labor's Employment and Training Administration. The product was created by the recipient and does not necessarily reflect the official position of the U.S. Department of Labor. The Department of Labor makes no guarantees, warranties, or assurances of any kind, express or implied, with respect to such information, including any information on linked sites and including, but not limited to, accuracy of the information or its completeness, timeliness, usefulness, adequacy, continued availability, or ownership.

This product is copyrighted by the institution that created it. Internal use by an organization and/or personal use by an individual for non-commercial purposes is permissible. All other uses require the prior authorization of the copyright owner.

Contributing Staff



Timothy Kestner
Director, Economic Information & Analytics



Timothy Aylor
Senior Economist



Conrad Buckler
Senior Economist



Stacy Maher
LMI/BLS Manager



Kyle Davis
Statistician



Linda Simmons
Graphic Design