

# Quarterly Employment Indicators for Virginia



## First Quarter Summary:

During the first quarter of 2021, labor market conditions in the commonwealth improved heading into the spring, sprouting green shoots up from the severe economic tumult brought about by the COVID-19 pandemic. Nationwide, real gross domestic product (GDP) increased at an annual rate of 6.4 percent in the first quarter of 2021, while Virginia rose by 6.0 percent, according to the Bureau of Economic Analysis (BEA). The District of Columbia had the slowest growth rate at 2.9 percent. A large contributor to this economic growth was personal income. Virginia personal income increased 54.5 percent at an annual rate in the first quarter of 2021. Economic impact payments associated with the American Rescue Plan Act of 2021 (in addition to other pandemic assistance) were distributed in March.

The first quarter of 2021 witnessed historic labor market disequilibrium as employers piled into online job boards seeking workers in the midst of high rates of job quitting and weakening labor force participation. At the same time, indicating progress, the number of initial claims for unemployment insurance filed at the end of the first quarter was 75% lower than in the comparable week in 2020 when pandemic employment impacts first began to be felt. Virginia business formation was much more positive in the first quarter than the view from a typical Main Street might have suggested. According to the Census Bureau, business formation applications were up two thirds over the same period in 2020 and up by half from 2019! This spike doesn't appear to have been correlated to bankruptcies as they actually declined across the country during 2020.

The VEC's employment figures in the first quarter of 2021 confirmed that the recovery from the pandemic continued. And though economic indicators were lackluster in some cases, others hinted at the potential for more robust job growth later in 2021 and into 2022.

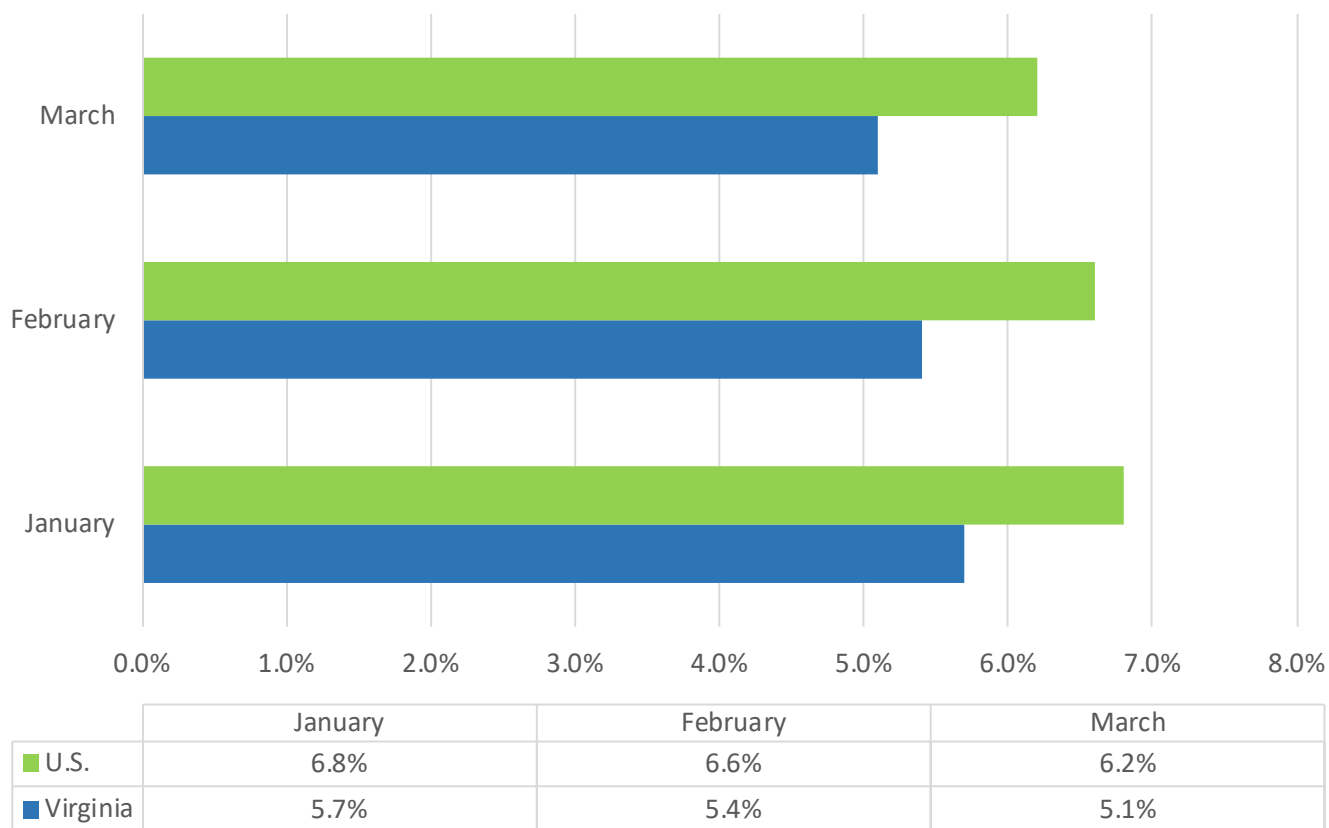
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# 1st Quarter 2021 Unemployment Virginia vs. U.S.

(Unadjusted)

## Unemployment Rates



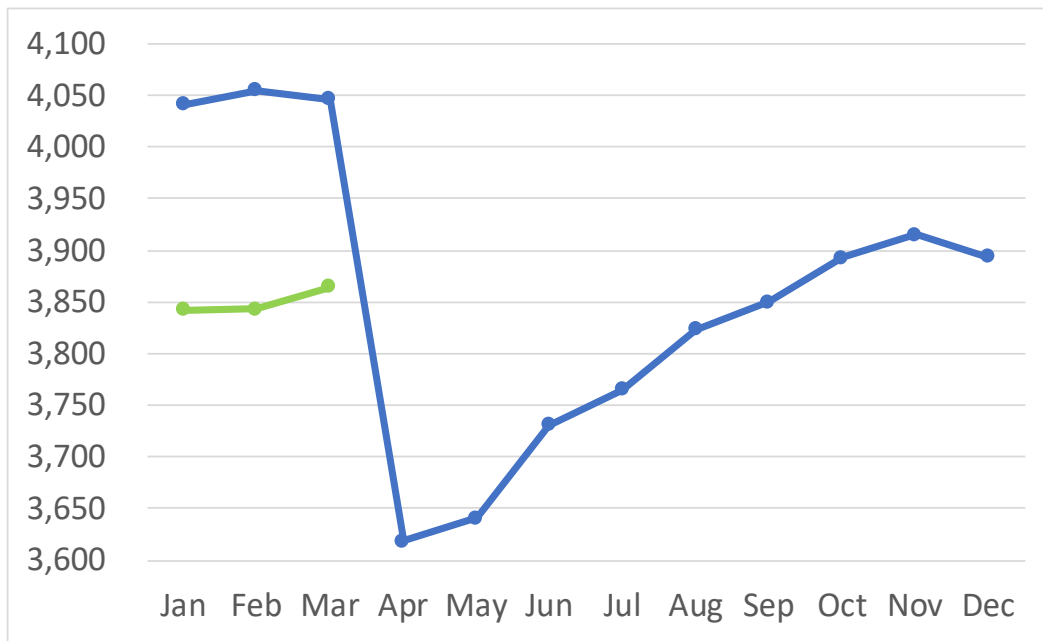
## Employment/Unemployment

Virginia			U.S.	
Month	Employment	Unemployment	Employment	Unemployment
January	3,978,432	239,627	148,383,000	10,851,000
February	3,998,727	226,104	149,522,000	10,486,000
March	4,031,716	216,835	150,493,000	9,905,000

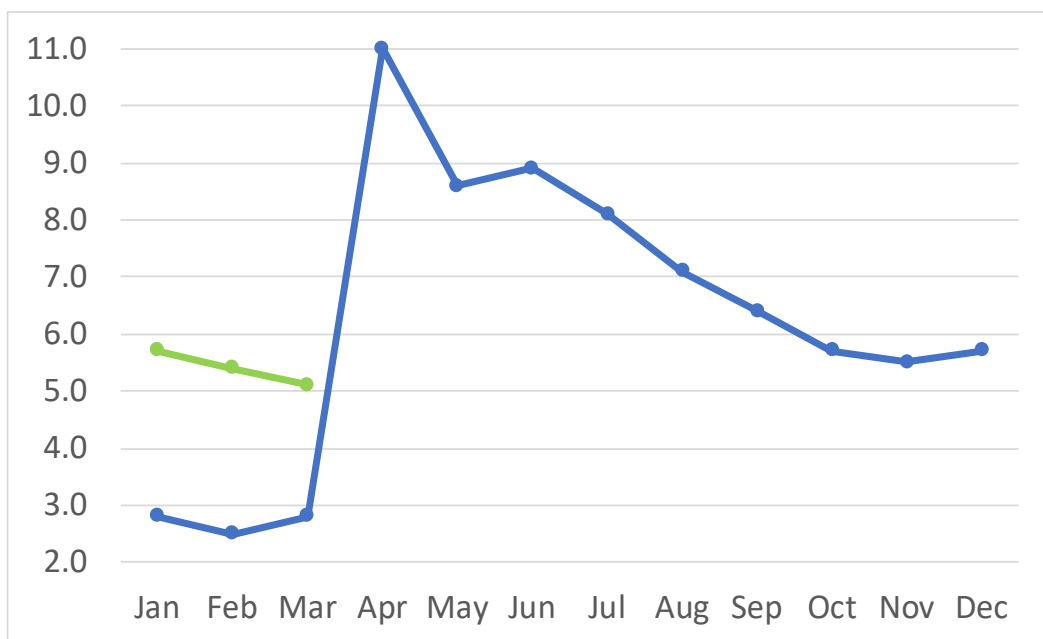
Sources: Virginia Employment Commission, Economic Information & Analytics, Local Area Unemployment Statistics, and Bureau of Labor Statistics.

# Total Nonfarm Employment and Unemployment

Nonagricultural Wage and Salary Employment  
(Thousands)



Total Unemployment Rate  
(Percent)



2020 2021 1st Quarter (Unadjusted)

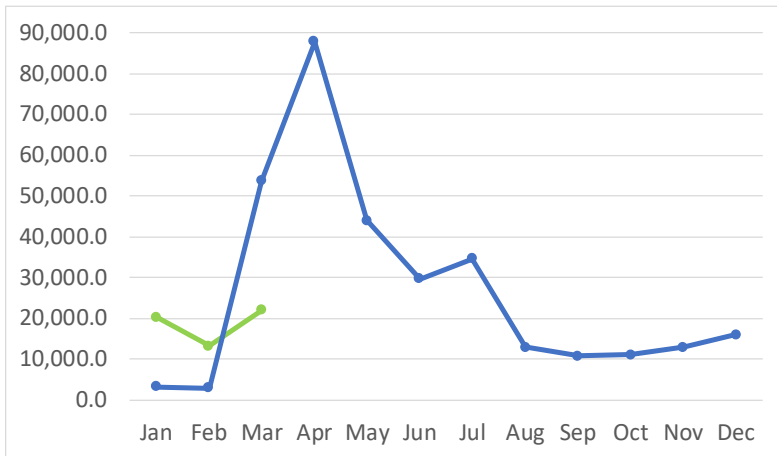


	Nonagricultural Wage and Salary Employment (Thousands)		Total Unemployment Rate (Percent)	
2021	Unadjusted	Adjusted	Unadjusted	Adjusted
January	3,842.0	3,897.4	5.7	5.3
February	3,843.2	3,886.8	5.4	5.2
March	3,864.9	3,887.3	5.1	5.1
April				
May				
June				
July				
August				
September				
October				
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

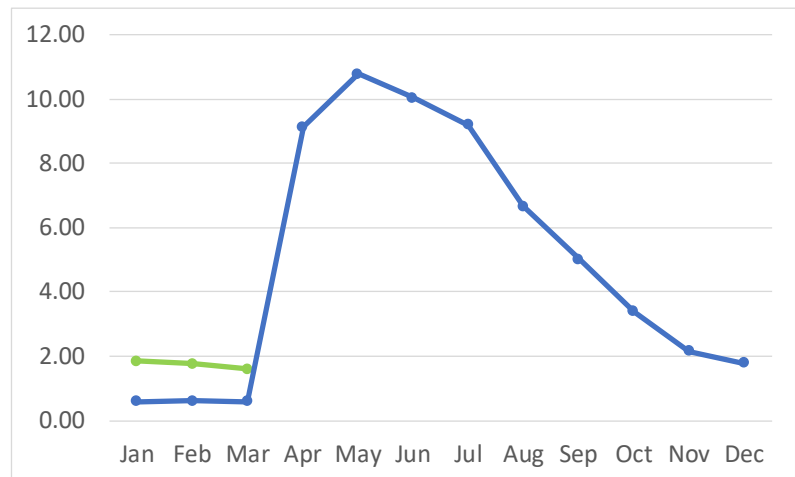
Average Weekly Initial Claims



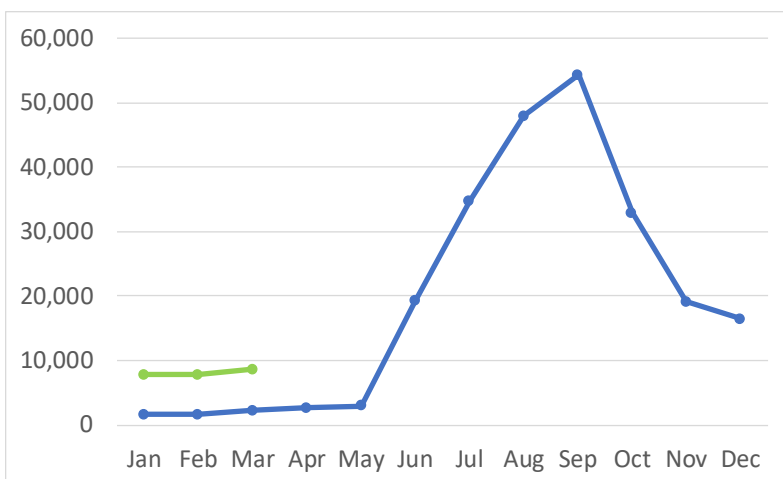
**INSURED UNEMPLOYED** : The average weekly number of weeks claimed for the three months of the quarter.

**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

1st Quarter (Unadjusted)

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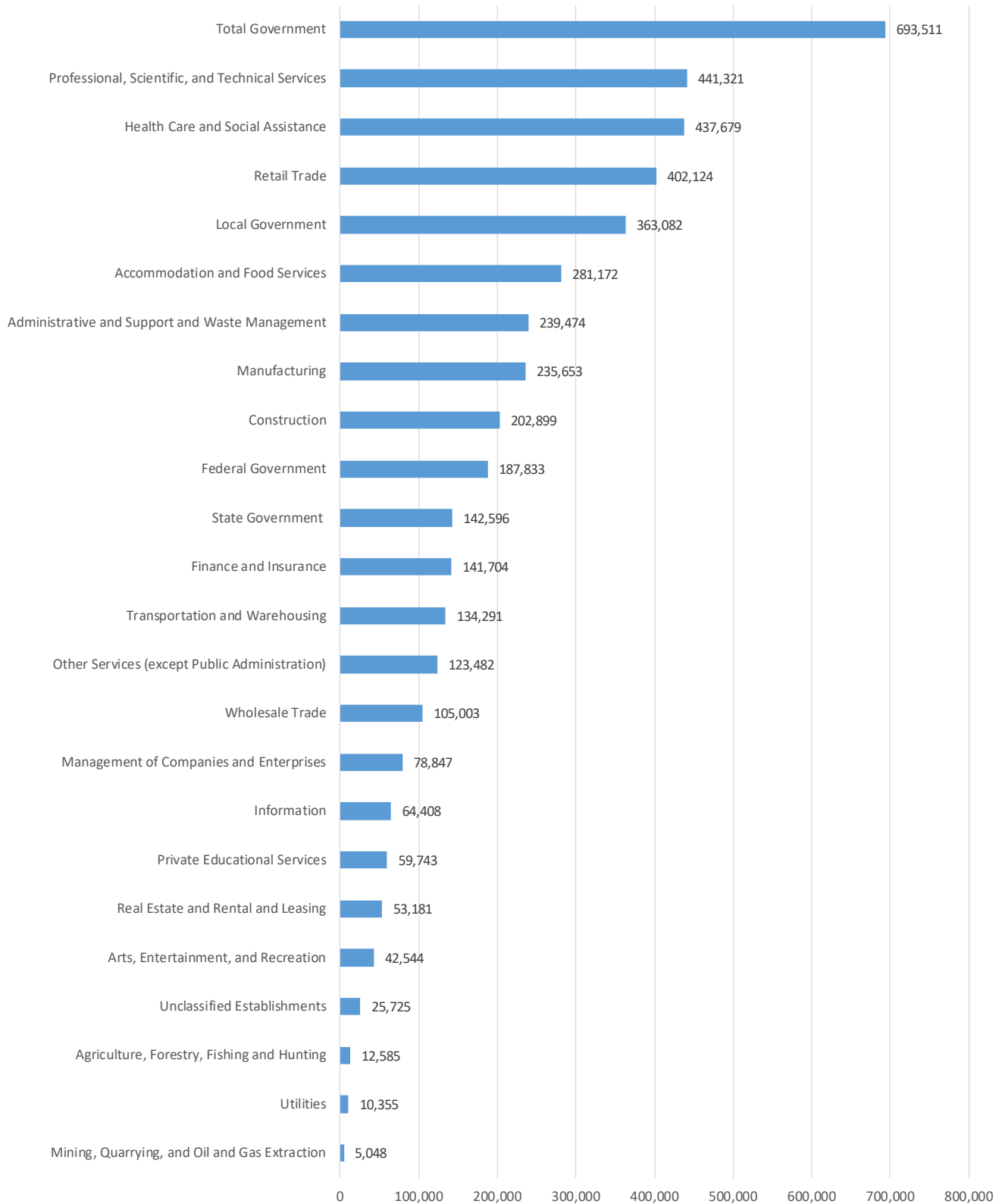


	Average Weekly Initial Claims	Insured Unemployment Rate (Percent)	Unemployment Insurance Final Payments
2021	Unadjusted	Unadjusted	Unadjusted
January	20,203.8	1.84	7,821
February	13,187.3	1.76	7,832
March	21,919.1	1.59	8,591
April			
May			
June			
July			
August			
September			
October			
November			
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

Fourth Quarter 2020



All Industry Total: 3,790,749

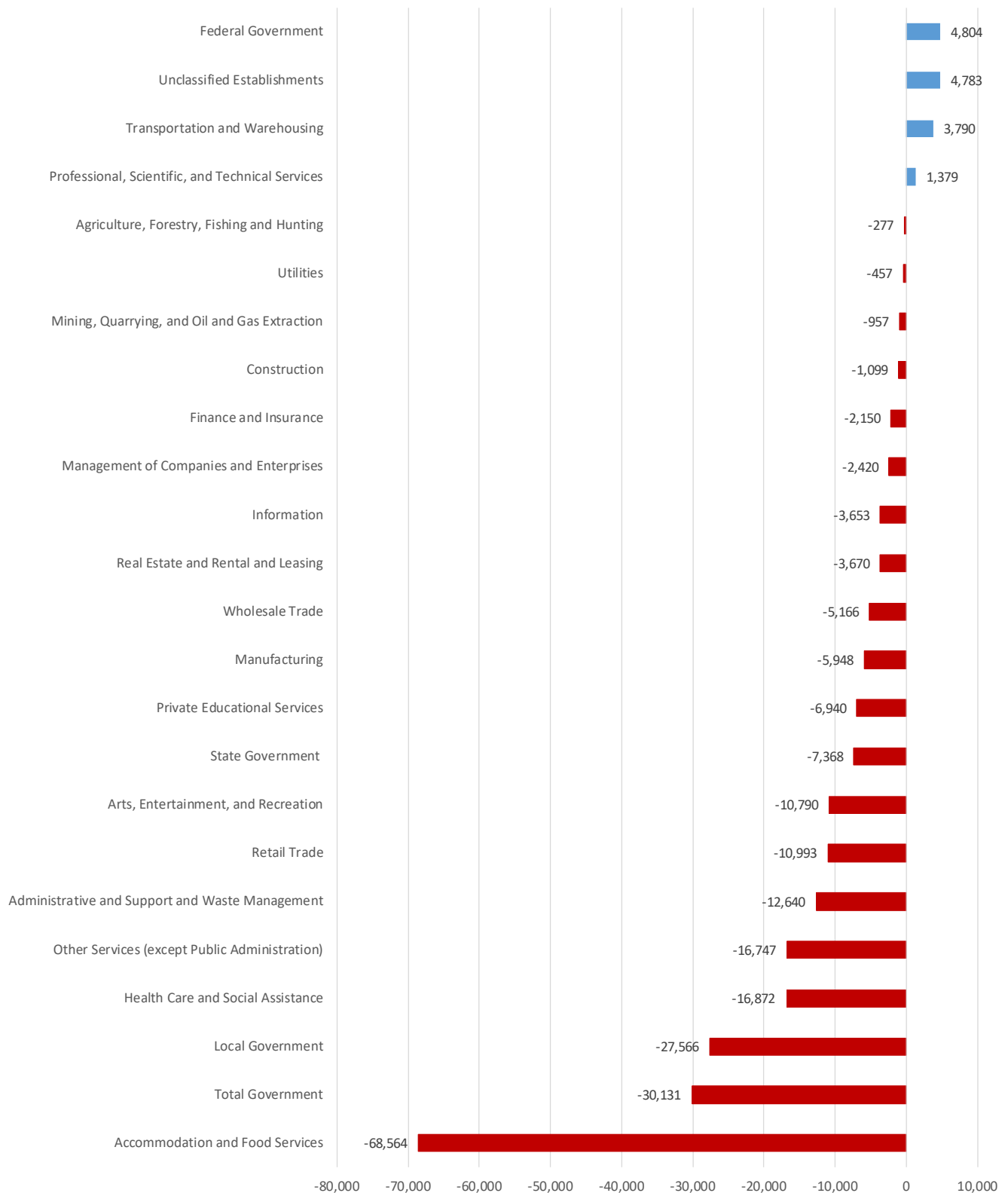
Note: Total Government includes: public education, federal, state, and local governments.

Source: Virginia Employment Commission, Economic Information & Analytics: Quarterly Census of Employment and Wages (QCEW), 4th Quarter 2020



# Employment Change

Fourth Quarter 2019 - Fourth Quarter 2020



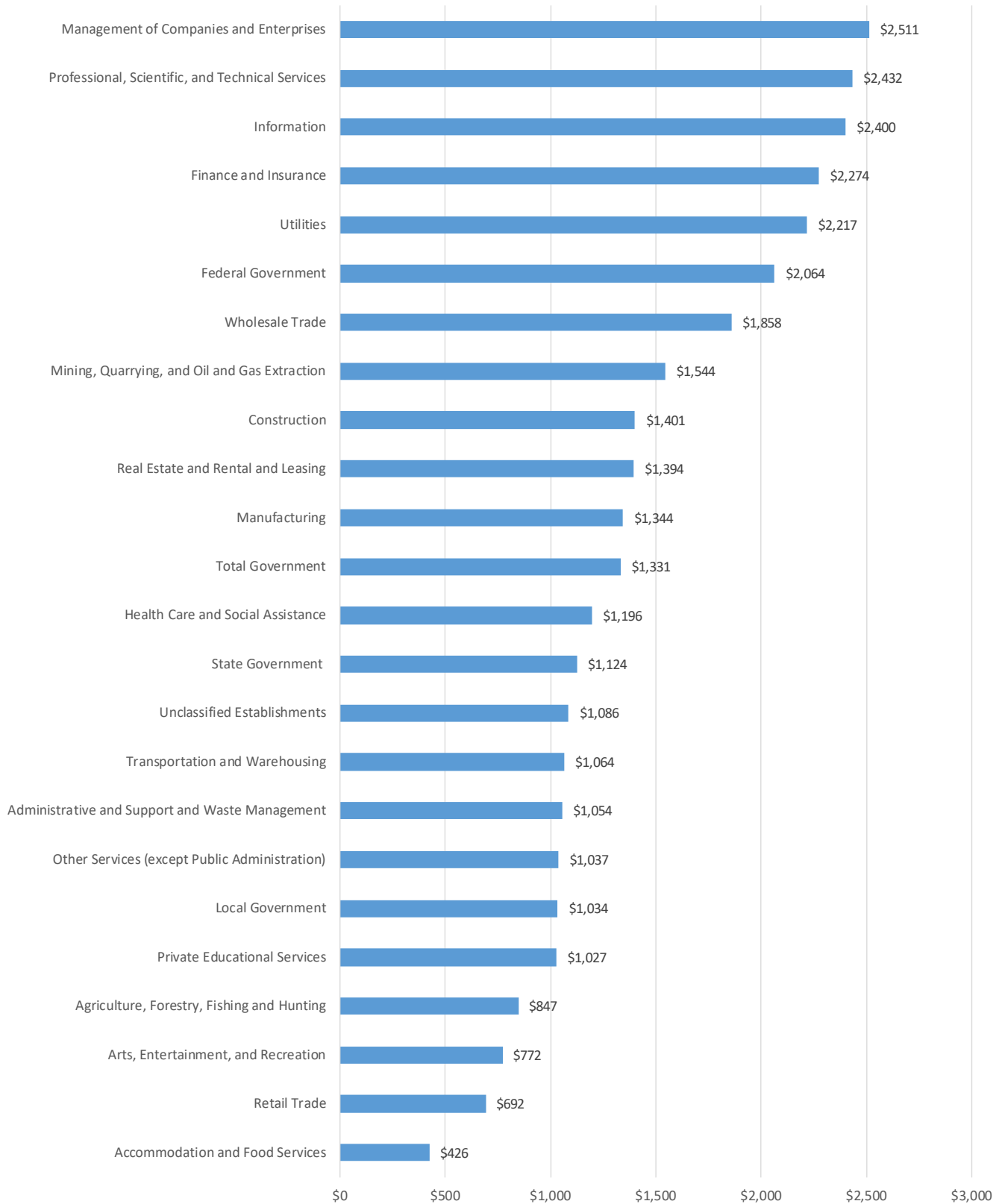
All Industry Total: -189,521

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), 4th Quarter 2020

# Average Weekly Wage by Industry

Fourth Quarter 2020



All Industry Total: \$1,359

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), 4th Quarter 2020

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



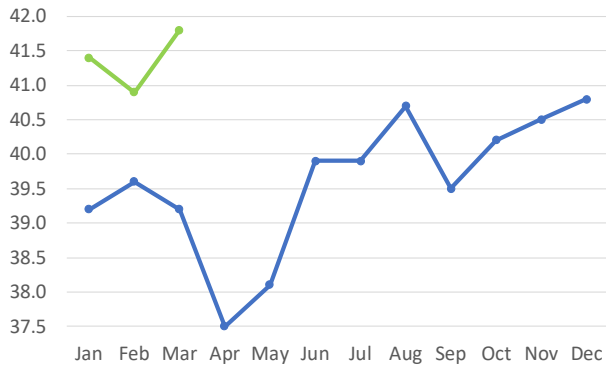
Area	Employment (end of quarter)	Previous Quarter (end of quarter)	Previous Year (end of quarter)	Over-the-Quarter Change	Over-the-Quarter (Percent)	Over-the-Year Change	Over-the-Year (Percent)
Blacksburg-Christiansburg-Radford	75,800	73,400	77,700	2,400	3.27%	-1,900	-2.45%
Charlottesville	112,300	112,700	121,000	-400	-0.35%	-8,700	-7.19%
Harrisonburg	67,000	65,800	69,500	1,200	1.82%	-2,500	-3.60%
Lynchburg	99,500	99,900	105,600	-400	-0.40%	-6,100	-5.78%
Richmond	649,000	651,400	689,200	-2,400	-0.37%	-40,200	-5.83%
Roanoke	157,100	155,600	162,700	1,500	0.96%	-5,600	-3.44%
Staunton	51,000	50,900	51,500	100	0.20%	-500	-0.97%
Virginia Beach-Norfolk-Newport News	763,900	763,400	796,200	500	0.07%	-32,300	-4.06%
Winchester	66,700	66,000	66,800	700	1.06%	-100	-0.15%
Northern Virginia	1,462,100	1,452,700	1,533,200	9,400	0.65%	-71,100	-4.64%
<b>Virginia</b>	<b>3,887,300</b>	<b>3,881,100</b>	<b>4,069,600</b>	<b>6,200</b>	<b>0.16%</b>	<b>-182,300</b>	<b>-4.48%</b>

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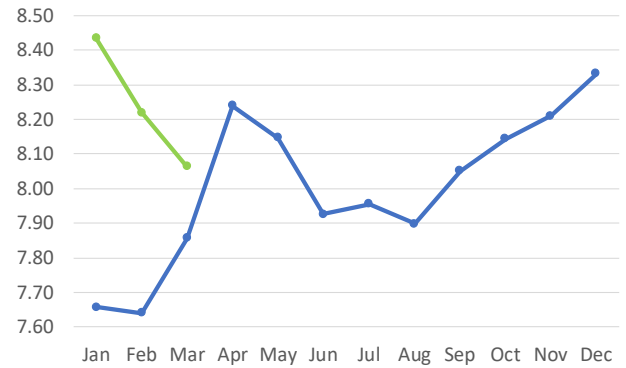
Source: Virginia Employment Commission, Economic Information & Analytics: Current Employment Statistics (CES) Seasonally Adjusted - (Not Preliminary)

# Industry Focus: Manufacturing

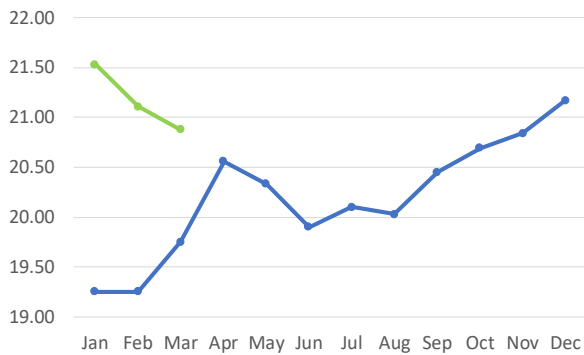
Average Weekly Hours



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



Average Hourly Earnings



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

2020 2021 1st Quarter (Unadjusted)

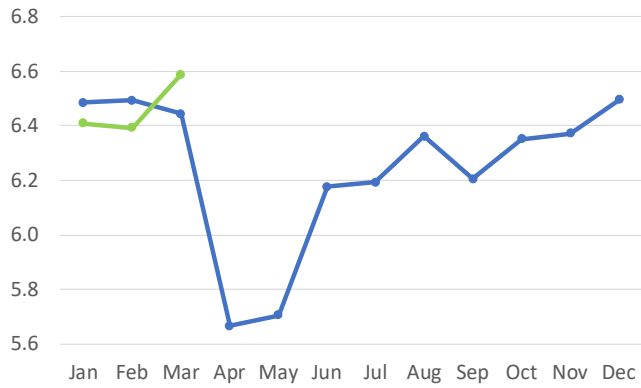
	Average Weekly Hours (Million)	Average Hourly Earnings (Dollars)	Inflated-Adjusted Average Hourly Earnings (1982-84 Dollars)
<b>2021</b>	<b>Unadjusted</b>	<b>Unadjusted</b>	<b>Unadjusted</b>
January	41.4	21.53	8.43
February	40.9	21.11	8.22
March	41.8	20.88	8.06
April			
May			
June			
July			
August			
September			
October			
November			
December			
<b>2020</b>	<b>Unadjusted</b>	<b>Unadjusted</b>	<b>Unadjusted</b>
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.

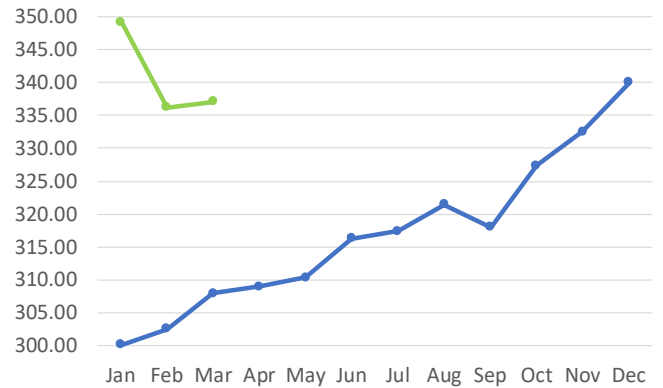
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# Manufacturing Production Worker Indicators

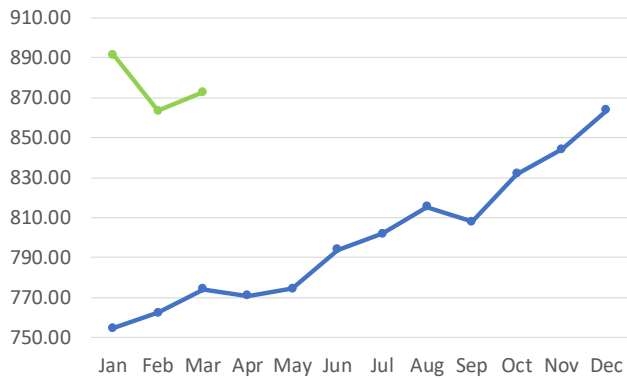
Total Production Hours  
(Millions)



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.

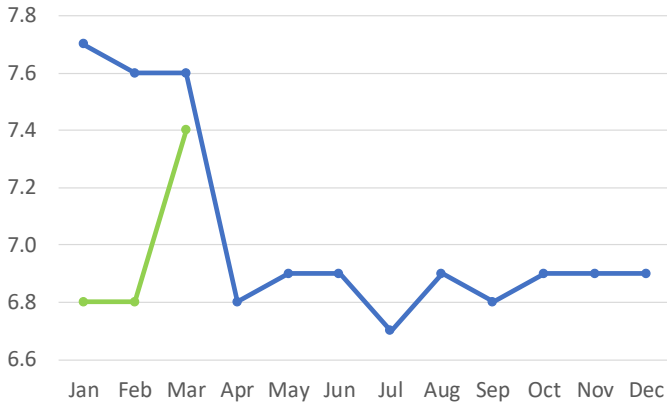
2020 2021 1st Quarter (Unadjusted)

	Total Production Hours (Millions)	Average Weekly Earnings (Dollars)	Inflated-Adjusted Average Weekly Earnings (1982-84 Dollars)
<b>2021</b>	<b>Unadjusted</b>	<b>Unadjusted</b>	<b>Unadjusted</b>
January	6.4	891.34	349.14
February	6.4	863.40	336.16
March	6.6	872.78	337.07
April			
May			
June			
July			
August			
September			
October			
November			
December			
<b>2020</b>	<b>Unadjusted</b>	<b>Unadjusted</b>	<b>Unadjusted</b>
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.

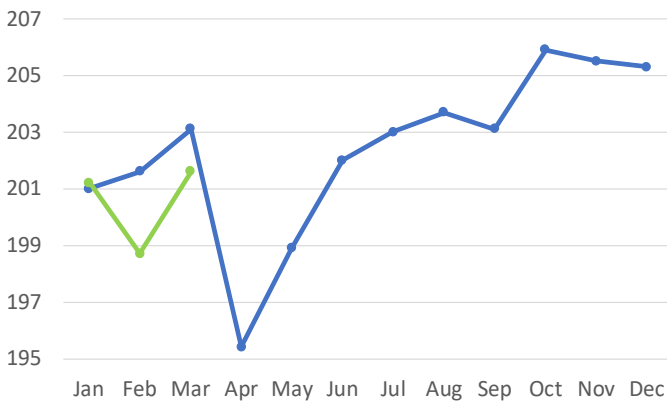
# Quarterly Industry Report

Mining and Logging Employment  
(Thousands)



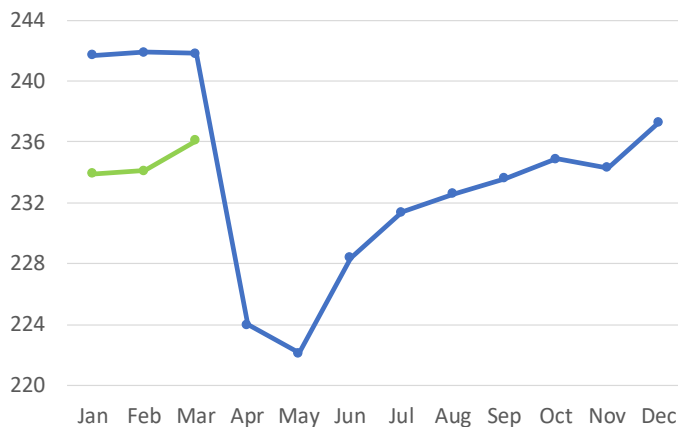
Although it showed signs of reversing course at the end of the quarter, mining and logging in the state averaged 7,000 jobs per month in the first quarter of 2021 and continued the negative growth trend from the first quarter of 2020. However, it was a 7.3% improvement from the fourth quarter of 2020. The 2021 outlook for industrial energy demand and global trade appeared increasingly expansionary during the first quarter which could impact Virginia coal demand into 2022. Anthracite, or industrial, coal could be a driver as steel prices have risen, according to the EIA. Although not a leading source of softwood lumber, Virginia employment in the logging sector should remain strong as wood production reached a 13-year high as a red-hot residential construction market created skyrocketing prices for lumber during the quarter.

Construction Employment  
(Thousands)



Virginia construction employment averaged 200,500 jobs in the first quarter compared to 205,600 in the fourth quarter of 2020—a drop of 2.5% (-5,100 jobs). Over the year, the quarterly average fell by 0.7%. This flat growth indicated continued strong demand for construction labor. Construction activity indicators showed that activity improved overall. Nationwide, housing starts rose 37% over the year in March and were up over 19% from February. However, the value of nonresidential construction put-in-place showed weakness in March as pandemic-impacted lodging and amusement and recreation building led decliners with double-digit drops over the year.

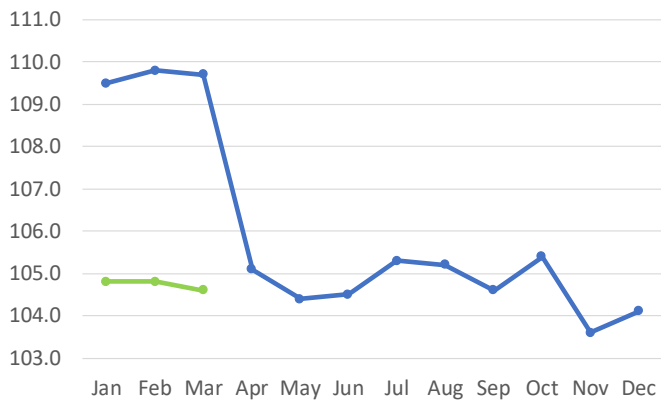
Manufacturing Employment  
(Thousands)



Virginia manufacturing activity remained resilient as global supply chains for goods remained stretched. Employment in Virginia manufacturing was essentially unchanged over the quarter to a quarterly average of 234,700 but decreased by 2.9% over the year. Fifth District manufacturing activity expanded in March, according to April survey from the Federal Reserve Bank of Richmond. Survey results suggested that manufacturers increased employment and wages in March. However, finding workers with the necessary skills remained difficult. Survey participants expected these trends to continue in the second and third quarters of 2021.

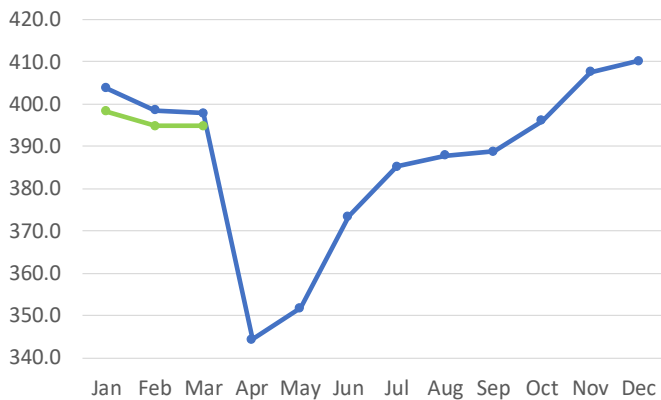


Wholesale Trade Employment  
(Thousands)



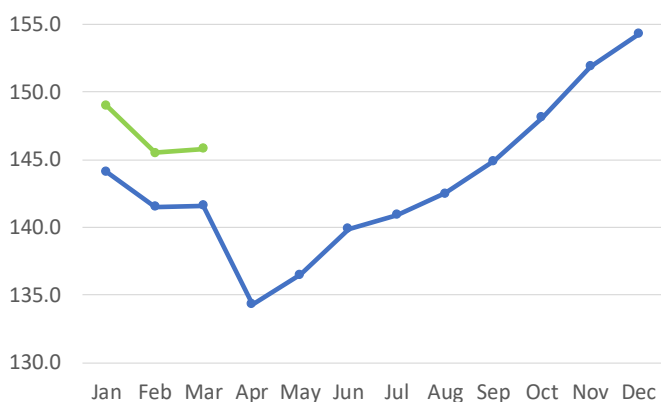
At 104,700 jobs, average monthly employment in wholesale trade grew by 0.4% (+300 jobs) from the previous quarter. Although Virginia employment growth was flat over the quarter, it declined by nearly 5% over-the-year. The wholesale trade sector is an intermediary step in the supply chain process. Companies in the sector distribute goods from producers of products to downstream markets. As such, the wholesale trade industry was pushed during the quarter as the industry tackled pent-up demand for products that caused logistics headaches for supply chains throughout Virginia and nationwide.

Retail Trade Employment  
(Thousands)



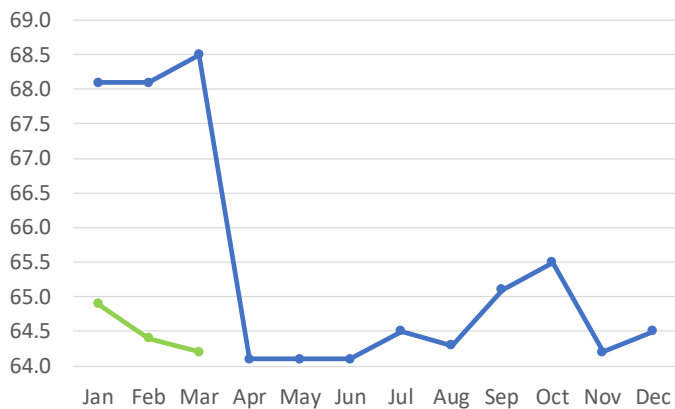
Virginia employment in retail slipped by 2.1% in the first quarter (-15,400 jobs), reaching a monthly average of 396,000 jobs and was 1.0% lower than during the first quarter of 2020. These decreases came even as U.S. disposable personal income (DPI) increased \$4.18 trillion (23.6 percent) in March, according to the Bureau of Economic Analysis. Nationwide, building and supply stores, non-store retailers, food and beverage stores, and general merchandise stores continued to see the largest gains in job growth over the year. Clothing stores continued to be among the biggest job losers. Retail sales for Clothing and Clothing Accessories Stores (not seasonally adjusted) for the United States in February 2021 were down 14% percent from February 2020. Forty-three states and the District of Columbia fell significantly in that industry.

Transportation, Warehousing, and Utilities Employment  
(Thousands)



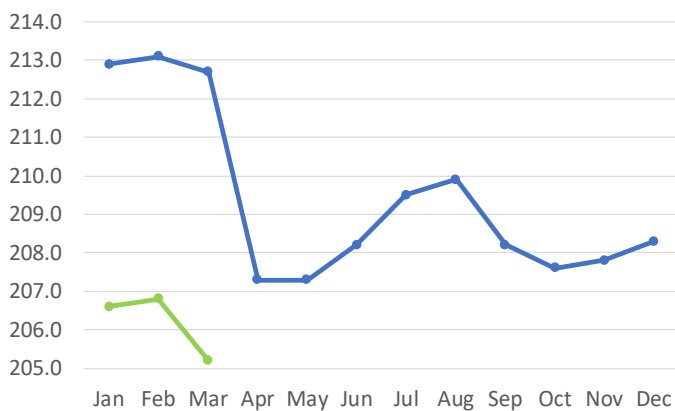
Virginia employment in transportation, warehousing, and utilities fell by 3.1% to 146,800 jobs during the first quarter of 2021. However, the sector grew increasingly vital to the overall economy as it increased by 3.1% over the year. This sector spans all corners of the economy and while some parts of the industry performed well, others suffered terribly from the pandemic. Ports experienced strong demand as inventories were being restocked for many goods. Anchorages across the country filled up with ships off multiple ports. For example, the Port of Virginia was much busier in the first quarter of 2021. Container traffic at the facility grew by 21% while tonnage shipped rose by 13%, led by imports which grew by 17%. Nationwide, couriers and messenger jobs grew the fastest over the year, with warehousing and storage jobs coming in third. Air transportation jobs were among the biggest job losers over the year. According to the Bureau of Transportation Statistics, U.S. scheduled passenger airlines reported nearly 32 million passenger flights in February which was driven by increased domestic travel. International flights headed in the wrong direction, falling significantly from January.

Information Employment  
(Thousands)



Information employment averaged 64,500 jobs in the first quarter of 2021. It fell by 0.4% (-200 jobs) in the first quarter when compared to the fourth quarter 2020 and was 5.5% lower over the year. Important components of this sector include publishing industries, including software publishing, and both traditional publishing and publishing exclusively on the Internet. An important trend seen throughout the Commonwealth in recent years has been the 'shift' of information jobs (traditional publishing, etc.) from rural areas to growing information jobs (tech-sector information, etc.) in metropolitan areas like Northern Virginia. The motion picture and sound recording industries are typical of pandemic tremors felt by those in the entertainment sector as it was among the most impacted by job loss nationwide in March.

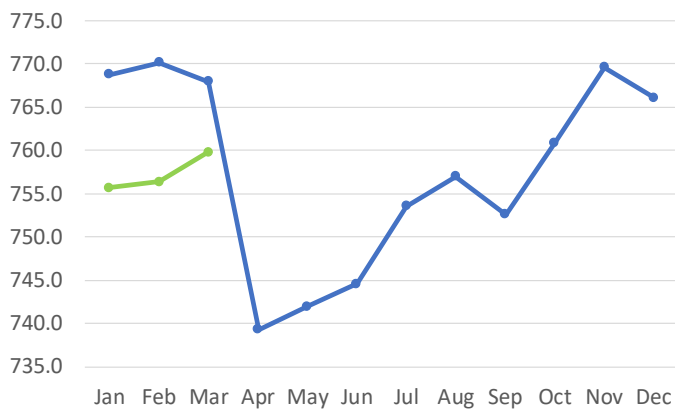
Finance Employment  
(Thousands)



Employment in financial activities fell by 0.8% (-1,700 jobs) during the first quarter and averaged 206,200 jobs. Finance industry jobs decreased by 3.1% over the year. Nationwide, the banking industry continued to change as employment in depository credit intermediation (often retail branch banking) declined by 2.5% over-the-year while jobs in nondepository credit intermediation (often 'fintech' or other non-branch activities) grew by 4.1% over that period.

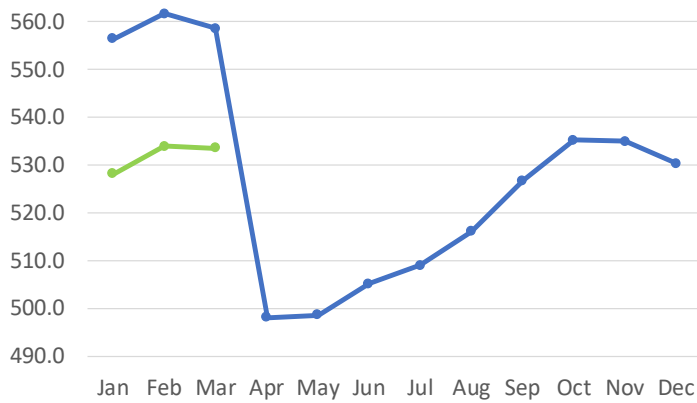
Despite high unemployment, the economic recovery – propelled by favorable monetary and fiscal policies – has created the hottest housing market in nearly 50 years. The marketplace has surpassed pre-pandemic levels in terms of sales. According to the April 2021 Home Sales Report released by Virginia REALTORS®, the commonwealth saw a 12% increase in the number of new listings on the market between March and April. This double-digit rise brings positive news amid months of staggeringly low inventories of available homes. Homeowners who were concerned about putting their home on the market during the pandemic may be ready to sell now. Prospective buyers will eagerly snap up new listings.

Professional and Business Services Employment  
(Thousands)



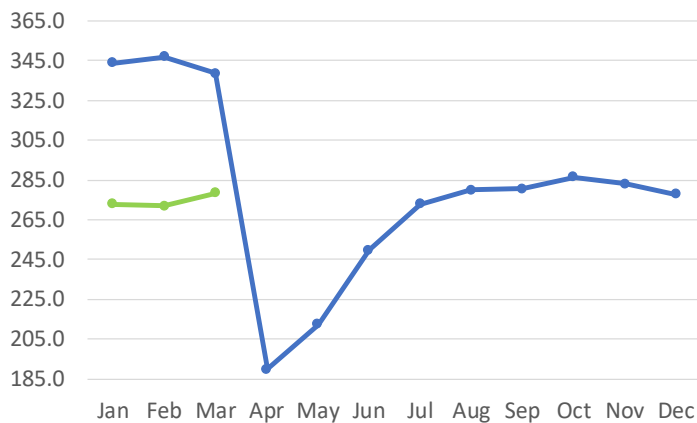
Employment in professional and business services reached a monthly average of 757,300 jobs. This represents a loss of 8,200 jobs or a decrease of 1.1% from the previous quarter. Over the year, the industry declined by 1.5%. While this industry has been a driver of well-paying jobs in the Commonwealth, changes in the way work is conducted may increasingly disrupt this industry. At the end of the first quarter, 72% of white-collar workers continued to conduct their work remotely. This rate was stable since the fall of 2020, after declining from their peaks in April 2020, when most schools and non-essential businesses were shuttered.

Private Education and Health Services Employment  
(Thousands)



Employment growth was essentially unchanged in private education and health services, declining by 0.3% in the first quarter 2021 to 531,900 jobs. Over-the-year, the industry declined by 4.8% compared to the first quarter 2020. While a lot has been written about healthcare employment dislocation caused by the pandemic, the education sector has also been impacted. In March of 2021, U.S. private education employment fell by 6.5% over the year, compared to 3.4% in health services. In March, one year into the COVID pandemic, American colleges and universities suffered the greatest decline in enrollment in a decade, with 603,000 fewer Americans enrolled in college or university than were enrolled in 2020. The impact was not, however, uniform across the board. Nationally, private schools were impacted less than public and the number of graduate students actually increased by 4.6%. By contrast, the number of undergraduates in four-year institutions declined by 4.9%. Although typically public, community college enrollment also posted surprising enrollment declines.

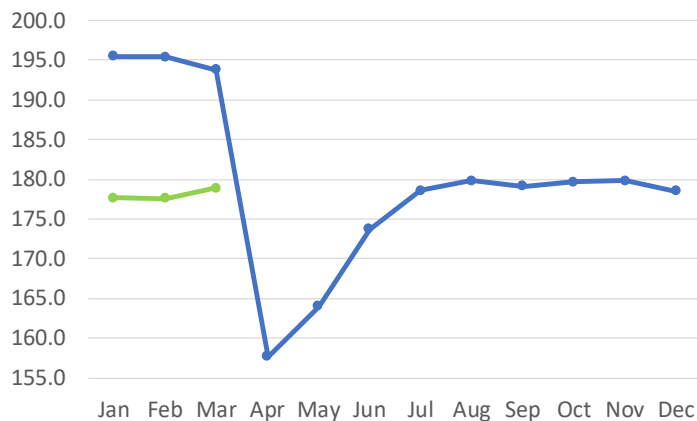
Leisure and Hospitality Services Employment  
(Thousands)



Heading towards the spring travel and tourism season, the Commonwealth began to provide hints regarding the direction of the leisure and hospitality recovery from the pandemic in 2021. At 274,500 jobs, leisure and hospitality employment experienced an 8,000 job decrease (-2.8%) from the fourth quarter 2020 despite some relaxing of COVID dining and mass-gathering rules. The industry declined by 20.0% compared to the same period in 2020. Although restaurant workers are more numerous, entertainment and tourism work was hit hardest in over-the-year job loss in March nationwide. This includes jobs in: performing arts and spectator sports; amusements, gambling, and recreation; and museums and historical sites.

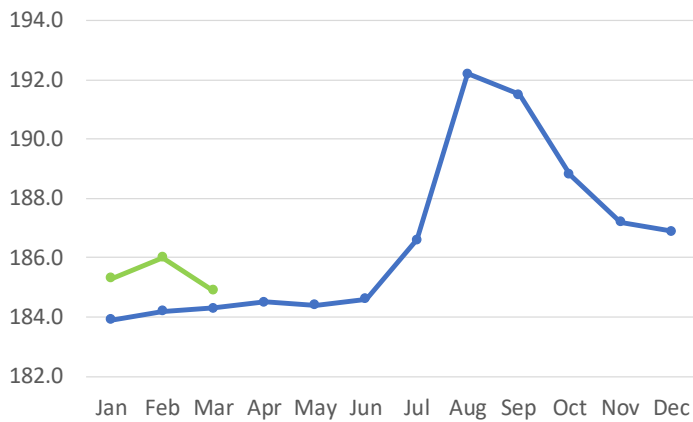
During the pandemic, the Northern Virginia region greatly underperformed in the industry affected most by the pandemic, which could be attributed to the loss of business travel and tourism in the Washington, DC area. The large number of professionals working from home could have contributed as well. One consolation is that the Northern Virginia region is less reliant on restaurant and hotel jobs due its economy's large size and industrial diversity.

Miscellaneous Services Employment  
(Thousands)



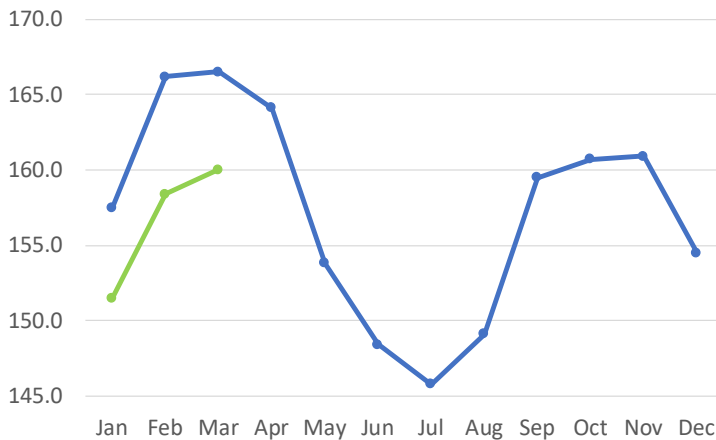
Employment in miscellaneous services was essentially unchanged at 178,100 in the first quarter 2021 but decreased 8.6% compared with the first quarter 2020. Nationwide, personal and laundry services fell by 11.1% over the year in March while repair and maintenance jobs were little-impacted with only a 1.6% decline. Membership associations and organizations fell by 3.9% from March 2020. Establishments like; voluntary health organizations, human rights organizations, grant-making organizations, and social advocacy organizations have added jobs while civic and social organizations have shed jobs in recent years.

Federal Government Employment  
(Thousands)



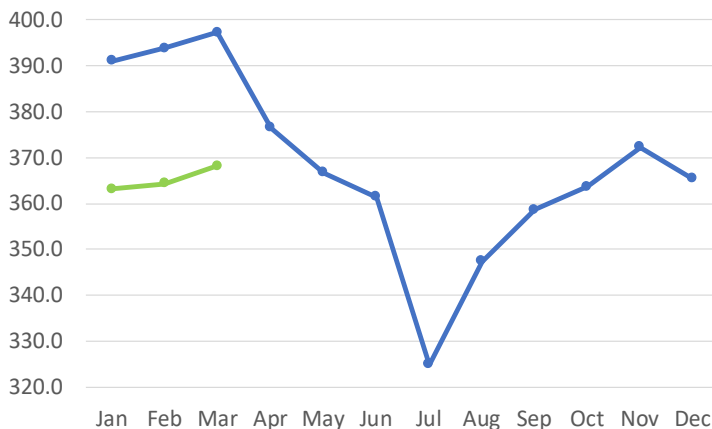
Averaging 185,400 jobs on a seasonally adjusted basis during the first quarter 2021, federal government employment in Virginia fell over the quarter (-2,200 jobs) or 1.2% and essentially unchanged over the year. Nationwide, federal government jobs grew by 0.3% (+9,000 jobs) during the first quarter compared to the first quarter 2020.

State Government Employment  
(Thousands)



State government employment in Virginia decreased slightly to a first quarter average of 156,600. This was 1.3% (-2,100 Jobs) less than in the fourth quarter 2020 and 4.1% fewer than during the first quarter of 2020. Nationwide, state government job growth exhibited a similar trend on a seasonally adjusted basis. State government jobs decreased across the U.S. during the first quarter by 5.2% (-275,000 jobs) to 4,967,000 from the first quarter 2020.

Local Government Employment  
(Thousands)



Virginia local government employment growth averaged 365,200 jobs in the first quarter—a 0.5% decrease (-1,900 jobs) compared to the prior quarter but a 7.3% decrease over the fourth quarter of 2020. Nationwide, local government employment decreased across the U.S. during the first quarter by 6.6% (-966,000 jobs) to a quarterly average of 13,687,000 from the first quarter 2020.

2020 2021 1st 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

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