



*2nd Quarter 2023*

# VIRGINIA

## EMPLOYMENT INDICATORS

*A Publication of the Virginia Department of Workforce Development and Advancement*

[www.VirginiaWorks.com](http://www.VirginiaWorks.com)



# Quarterly Employment Indicators for Virginia

## Second Quarter Summary:

Virginia's employment situation continues to strengthen. Leisure and Hospitality had the largest quarter-over-quarter increase at 4.6%, or 15,800 jobs. Second was Retail, with an increase of 2.4% or 9,300. Information and Finance were tied for third, with increases of 2.3% or 1,600 and 4,800 jobs respectively. Mining and Logging was unchanged from the previous quarter.

Only two industries saw declines over-the-quarter. The largest job losses were in State Government, which declined 9.1% or 14,800 jobs. Second largest was Private Education and Health Services, which declined 0.7%, or 3,900 jobs over-the-quarter.

Year-over-year employment saw increases in twelve industries, no change in Retail and decreases in two. The biggest gain was in Leisure and Hospitality with 6.5%, and the biggest loss was from Federal Government with a decrease of 0.3%

Household conditions also improved. In June, Virginia's unadjusted unemployment rate hit 2.8%, which is far below the historic high of 10.8% during COVID, and lower than the U.S.'s rate of 3.8%, and the same rate we were at before COVID.

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## Around the State Highlights

### Northern Virginia

The largest metropolitan statistical area (MSA) in terms of employment, Northern Virginia ended the second quarter of 2023 at 1,582,100 nonfarm payroll jobs in June. This was an addition of 29,600 over the end of the first quarter of 2023 and 40,700 (+2.6 percent) over the year. The Northern Virginia metro area was impacted by the pandemic economic downturn's effect on business and tourism spending, but this has changed as the region continued to catch up in hard-hit industries. For example, Accommodation added 1,100 jobs year-over-year in June (not seasonally adjusted) for an increase of 9.6 percent. At 12,600 jobs, Accommodation remained 3,000 jobs lower than in June 2019.

Reports of tech industry layoffs began to surface in 2023, primarily on the West Coast but also in other parts of the country. How this will affect the much-anticipated influx of tech industry jobs into the area is uncertain. Computer Systems Design and Related Services is an important part of it, both in terms of employment and good wages. Not seasonally adjusted, June employment in that industry fell by 6,700 jobs (-4.8 percent) over the year to 134,900. This was the largest percentage decrease among industries. A significant number of major companies have headquarters in the area or are moving into the area. Not seasonally adjusted, Management of Companies and Enterprises totaled 37,600 jobs, growing by 3,100 (+9.0 percent) compared to June 2022. June year-over-year Information job growth performed better in Northern Virginia than in most other large Virginia metro areas.

### Richmond

The Richmond MSA ended the second quarter at 713,800 payroll jobs in June. Seasonally unadjusted, this was an increase of 9,000 jobs (+1.3 percent) compared to March 2023, which was the third fastest growth rate among metros. Richmond also added 21,100 jobs (+3.1 percent) over the year. Richmond and Staunton were third-fastest growing metros over that period and 0.7 of a percentage point faster than statewide.

Richmond has historically been a center for government jobs, and the government sector is currently the third largest payroll employer in the area, with sixteen percent of all nonfarm jobs. The state government subsector accounts for a third of those government sector jobs. Not seasonally adjusted, State Government reached 37,200 at the end of the second quarter of 2023. This was an increase of 1,100 jobs (+3.0 percent) over the year.

Since its founding, Richmond has also been a hub of commerce and transportation. Signaling growing business travel and tourism activity, the number of passengers in June flying from/to Richmond International Airport rose twenty percent over the year to 222,280 passengers, according to figures from the Bureau of Transportation Statistics. This trend showed up in June job growth, as the Trade, Transportation, and Utilities sector rose over the year by 3,000 (+9.1 percent) to 35,900. It was the fastest growing industry sector, followed by Leisure and Hospitality, which added 5,800 jobs (+8.5 percent) totaling 74,200 jobs.

With rising prices nationwide over the past two years, a metro's affordability has become a bigger selling point. In the second quarter of 2023, the Richmond MSA had a cost-of-living index of 96.9, more than three points below the U.S. average of 100, according to the Council for Community and Economic Research. Compared to the same period in 2022, the Richmond MSA's Cost of Living Index is down 0.5 points from 97.1, meaning the area grew in affordability.

### **Virginia Beach-Norfolk-Newport News**

Virginia Beach-Norfolk-Newport News had 805,800 payroll jobs in June 2023, which was the second largest number of payroll jobs among MSAs. This was an increase of 14,800 jobs over the quarter and the same amount (+1.9 percent) compared to June 2022. Over the past three years, the three largest MSAs in the Commonwealth have each led job growth at various times, but this metro's growth rate was slower than Northern Virginia and Richmond in June.

The area has a large, diverse economy though perhaps it is best known for its ship building industry and port facilities. In June, ship and boat building employment stood at 30,100, an increase of 800 jobs (+2.7 percent). After a record-breaking year in 2022, the area's port facilities should continue to benefit from the recent transfer of some ocean-borne shipping away from the West Coast and more to East Coast ports. The Port of Virginia experienced record volumes for fiscal year 2022, boosted by consumer activity and shippers' desire to avoid congestion at West Coast ports. At the Norfolk port, 2022 volumes came in at a record 3.7 million twenty-foot equivalent units, up 14.7 percent from fiscal year 2021.

The area is also a popular tourist destination, with miles of oceanfront and historical destinations, including Colonial Williamsburg, Jamestown Settlement, and Yorktown Battlefield. At the end of the second quarter of 2023, not seasonally adjusted, tourism related industries like Accommodation and Food Service added jobs. It rose to 85,000, an increase of 6,800 (+8.7 percent) over the year.

Though not highly concentrated in the area, white-collar industries like Professional, Scientific, and Technical Services (57,000 jobs) grew as rapidly. For many years, healthcare has been one of the area's fastest growing sectors. Not seasonally adjusted, Hospital jobs increased by 900 jobs (+4.1 percent) in June to 22,700 jobs.

### **Charlottesville**

Charlottesville MSA payroll employment stood at 123,000 in June 2023. It added 5,000 jobs (+4.2 percent) compared to June 2022 and grew the fastest among MSAs over the year. Charlottesville is reliant on state government jobs, primarily in education and healthcare. Not seasonally adjusted, State Government employed 23,400 in June 2023. Over the year, it increased by 8.8 percent, which was fastest among industry sectors.

During the second quarter of 2023, Leisure and Hospitality was second-fastest in year-over-year job growth in the Charlottesville area as it rose by nearly 7.2 percent (+1,000 jobs) to 14,800. Travel and tourism is an important driver of the local economy and attractions include the national historic landmark of Monticello; the walkable downtown mall in the city of Charlottesville; and year-round activities that include skiing, golfing, winetasting, and weddings. Heading into the third quarter, Virginia taxable retail sales figures indicate that leisure and hospitality industries in the Commonwealth saw strong growth in sales during June. Accommodation revenues strongly rebounded, jumping by nearly 60 percent over the year, while amusement, gambling, and recreation industries rose by nearly a third over that period. Food services and drinking places increased by 13.3 percent. Higher prices at the pump and on store shelves began to be reflected in changes in spending habits. Retail sales tax revenues rose modestly in June compared to the same period in 2022. But that implies flat real sales growth at best considering the rate of inflation. Gasoline stations (non-gas items) led the growth, followed by health and personal care retailers. Food and beverage stores and miscellaneous retailers also led growth. In perhaps a retreat from the strong sales during the pandemic shutdown era, electronics stores and home and garden centers saw small sales decreases.

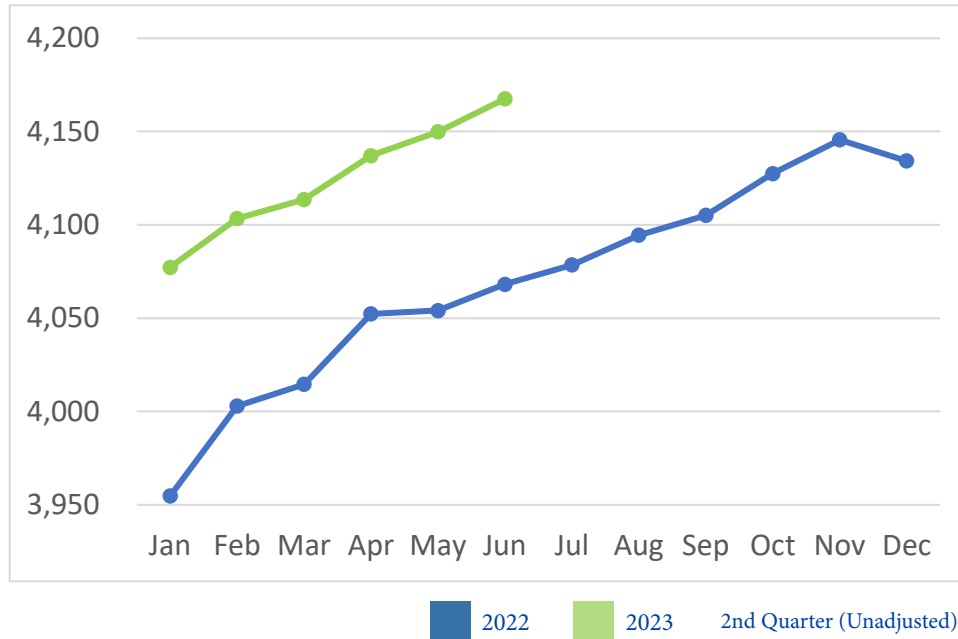
### **Roanoke**

Roanoke MSA payroll employment stood at 165,300 at the end of the second quarter 2023. It added 3,700 jobs (+2.3 percent) compared to June 2022, which was slightly slower than statewide. Roanoke has been rated one of the places in the country to retire due to its low cost of living and rich scenic environment, including Smith Mountain Lake in Franklin County. Approximately 20 percent of the metropolitan area population is aged sixty-five or older and this often is associated with increased healthcare employment. At 17 percent of payroll employment, Private Education and Healthcare is the area's largest industry employer with 28,200 jobs, not seasonally adjusted. It increased by 900 jobs (+3.3 percent) over the year. Professional and Business Services is also an important driver to the area's economy, numbering 23,900 jobs and growing by 1,400 jobs (+6.2 percent) over the year. State and Federal Government were also leaders in year-over-year job growth.

# Employment Indicators

## Total Nonfarm Employment and Unemployment

Nonagricultural Wage and Salary Employment  
(Thousands)



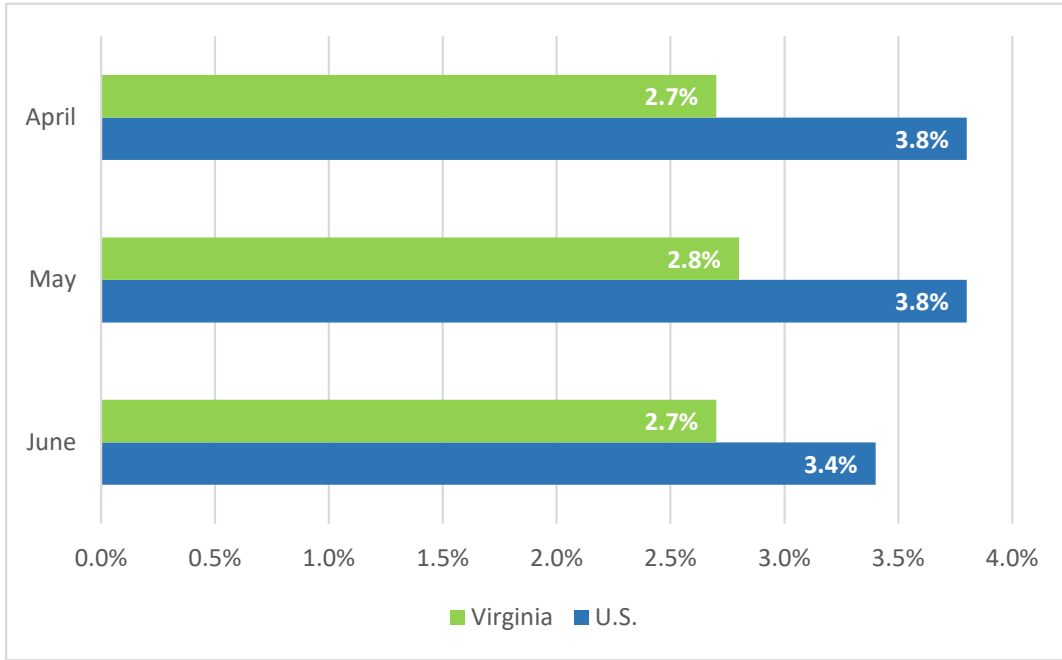
Virginia vs. U.S. Employment/Unemployment

Month	Virginia		U.S.	
	Employment	Unemployment	Employment	Unemployment
April	4,456,880	113,021	161,075,000	5,146,000
May	4,483,405	123,710	161,002,000	5,700,000
June	4,503,903	131,507	161,559,000	6,351,000

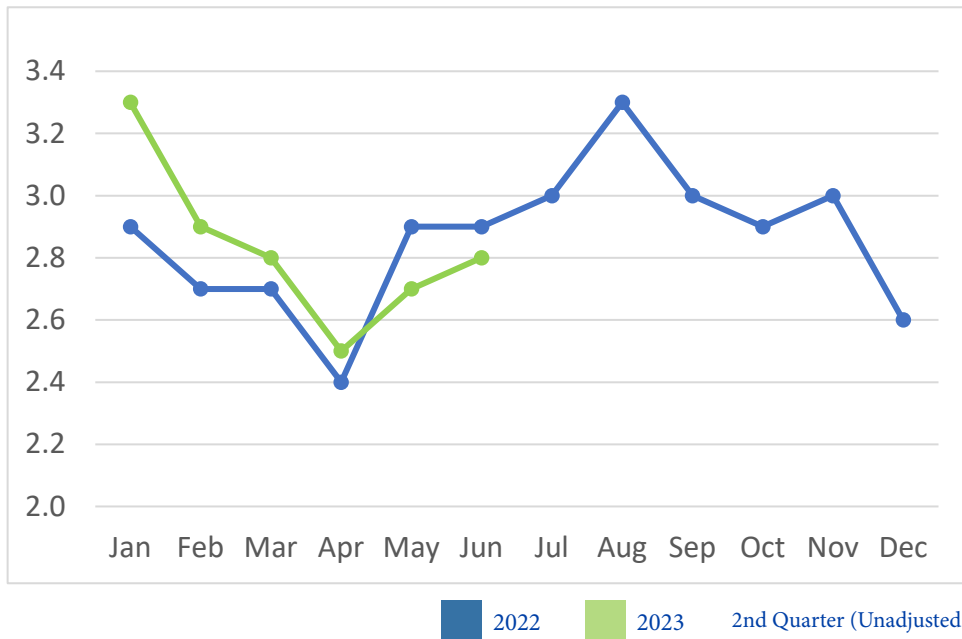
Sources: Department of Workforce Development and Advancement, Economic Information & Analytics, Current Employment Statistics, Local Area Unemployment Statistics, and Bureau of Labor Statistics.

# 2nd Quarter Unemployment (Unadjusted)

Virginia vs. U.S. Monthly Unemployment Rates



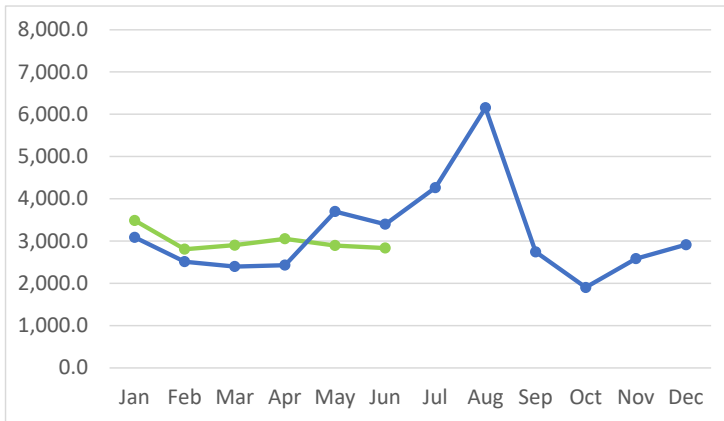
Total Unemployment Rate  
(Percent)



Sources: Department of Workforce Development and Advancement, Economic Information & Analytics, Local Area Unemployment Statistics, and Bureau of Labor Statistics.

# Unemployment Insurance

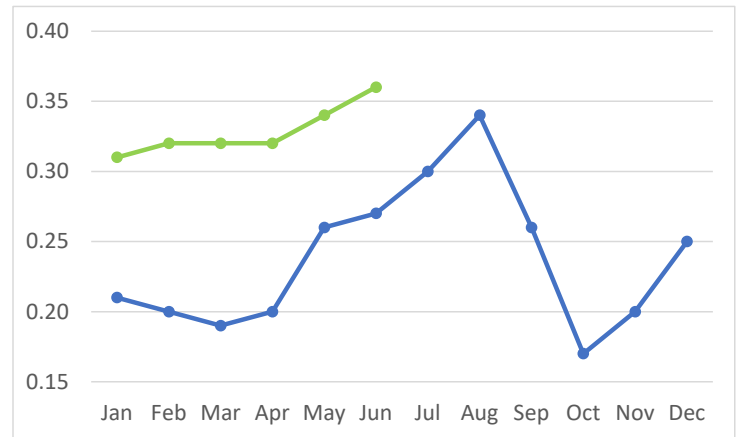
## Average Weekly Initial Claims



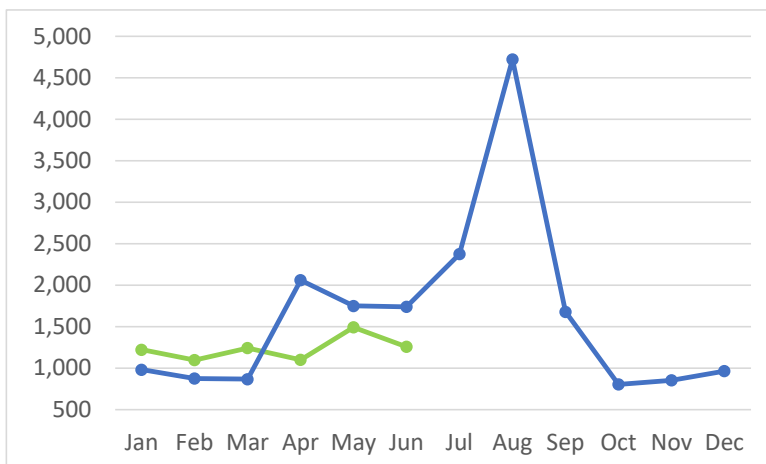
**INSURED UNEMPLOYED** : The average weekly number of weeks claimed for the three months of the quarter.

**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



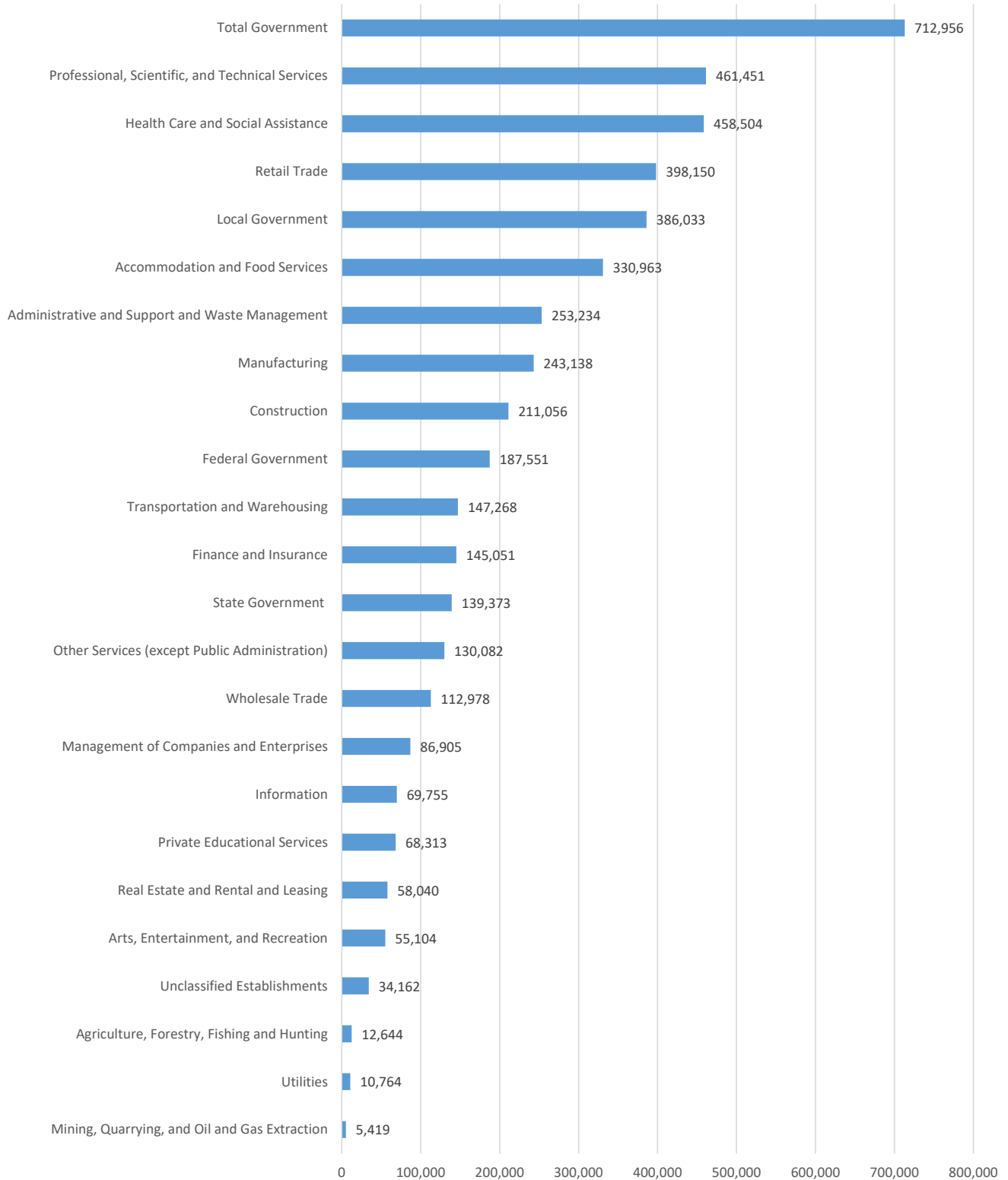
■ 2022   
 ■ 2023   
 2nd Quarter (Unadjusted)

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Sources: Department of Workforce Development and Advancement, Economic Information & Analytics, Unemployment Insurance, and Bureau of Labor Statistics.

# Employment by Industry

First Quarter 2022



**All Industry Total: 3,985,962**  
(Seasonally Unadjusted)

**Economist: Erica Lashley** [erica.lashley@vec.virginia.gov](mailto:erica.lashley@vec.virginia.gov)

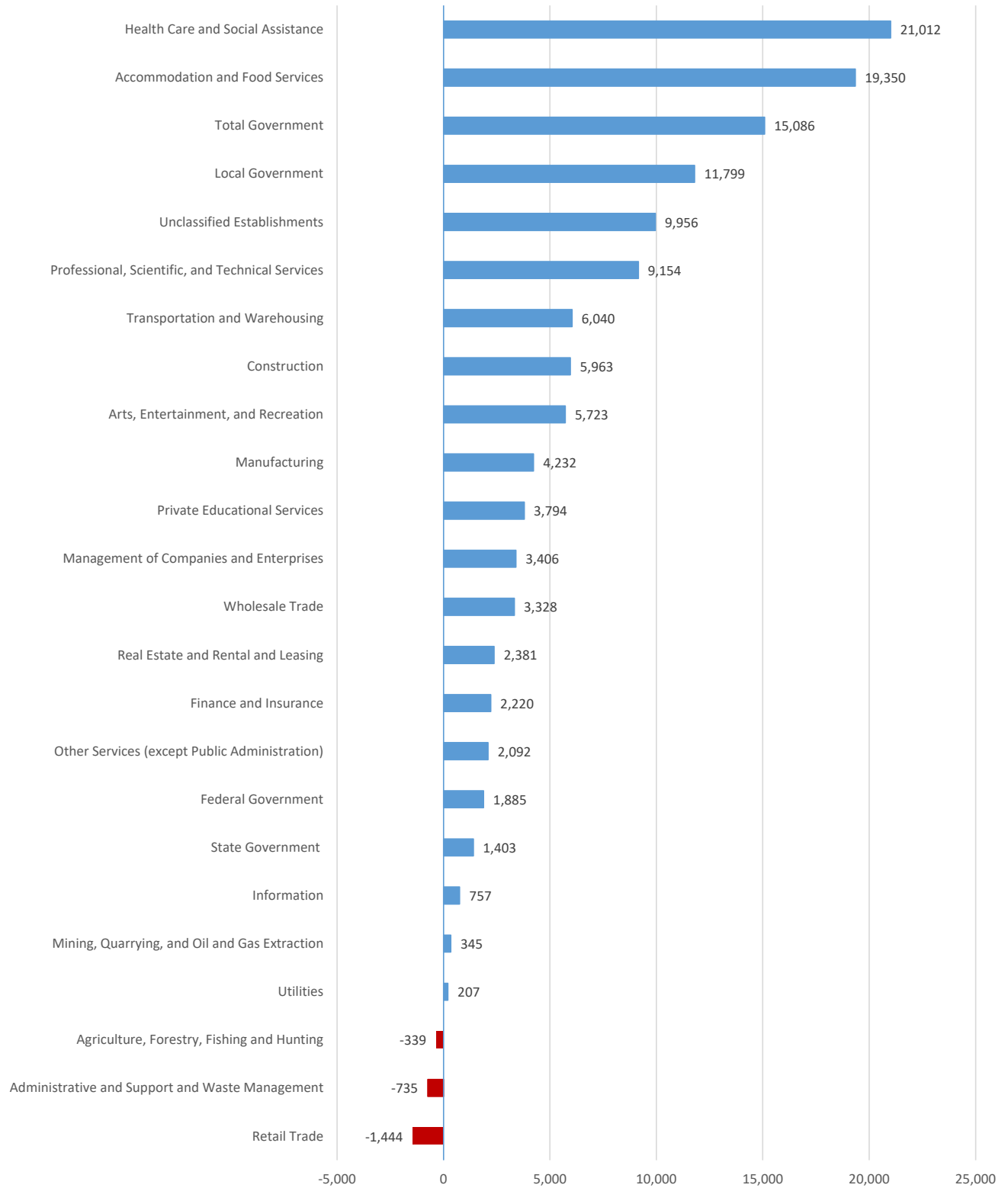
Note: Total Government includes: public education, federal, state, and local governments.

Source: Department of Workforce Development and Advancement, Economic Information & Analytics: Quarterly Census of Employment and Wages (QCEW), 1st Quarter 2023



# Employment Change

First Quarter 2021 - First Quarter 2022



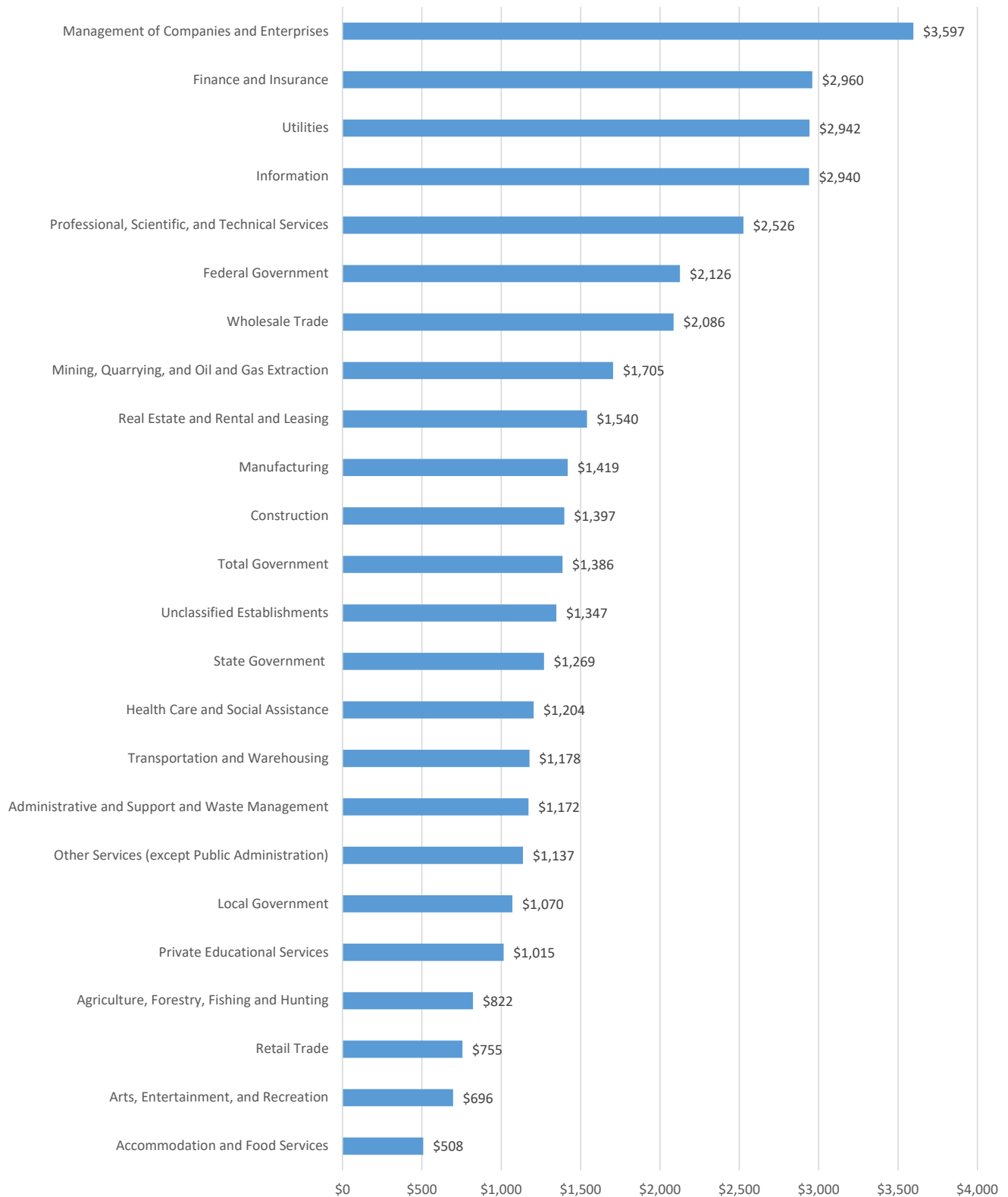
**All Industry Total: 112,529**  
(Seasonally Unadjusted)

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

Source: Department of Workforce Development and Advancement, Economic Information & Analytics: Quarterly Census of Employment and Wages (QCEW), 1st Quarter 2023

# Average Weekly Wage by Industry

First Quarter 2022



**All Industry Total: \$1,478**

(Seasonally Unadjusted)

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

Source: Department of Workforce Development and Advancement, Economic Information & Analytics: Quarterly Census of Employment and Wages (QCEW) 1st Quarter 2023

# 2nd Quarter 2023 Total Nonfarm Employment by Metropolitan Statistical Area (MSA) (Seasonally Unadjusted)



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	81,200	82,200	80,100	-1,000	-1.22%	1,100	1.37%
Charlottesville	123,600	122,300	119,000	1,300	1.06%	4,600	3.87%
Harrisonburg	72,000	70,800	70,000	1,200	1.69%	2,000	2.86%
Lynchburg	105,300	105,100	103,000	200	0.19%	2,300	2.23%
Richmond	710,900	709,800	687,900	1,100	0.15%	23,000	3.34%
Roanoke	164,900	165,100	161,700	-200	-0.12%	3,200	1.98%
Staunton	53,300	53,300	51,600	0	0.00%	1,700	3.29%
Virginia Beach-Norfolk-Newport News	797,000	797,900	785,200	-900	-0.11%	11,800	1.50%
Winchester	70,700	70,700	68,900	0	0.00%	1,800	2.61%
Northern Virginia	1,569,800	1,559,800	1,523,600	10,000	0.64%	46,200	3.03%
<b>Virginia</b>	<b>4,147,100</b>	<b>4,136,700</b>	<b>4,053,900</b>	<b>10,400</b>	<b>0.25%</b>	<b>93,200</b>	<b>2.30%</b>

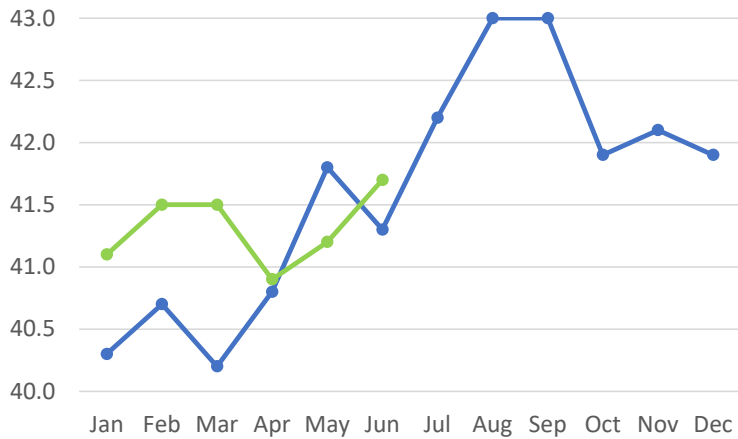
Economist: Erica Lashley [erica.lashley@vec.virginia.gov](mailto:erica.lashley@vec.virginia.gov)

Source: Department of Workforce Development and Advancement, Economic Information & Analytics: Current Employment Statistics (CES) Seasonally Unadjusted - (Not Preliminary)

# Industry Focus: Manufacturing

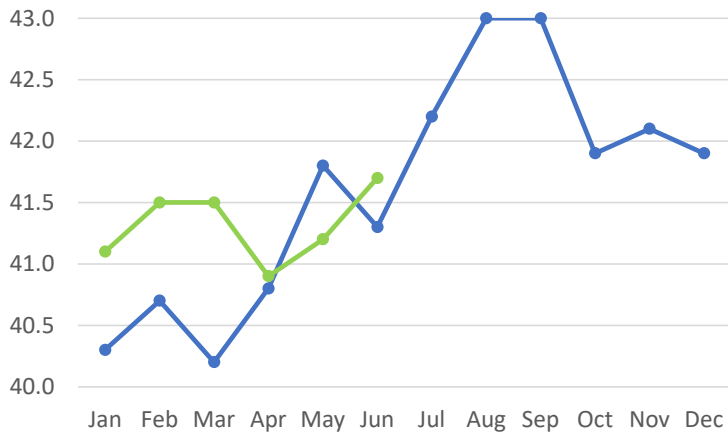
## Manufacturing Production Worker Indicators

### Average Weekly Hours



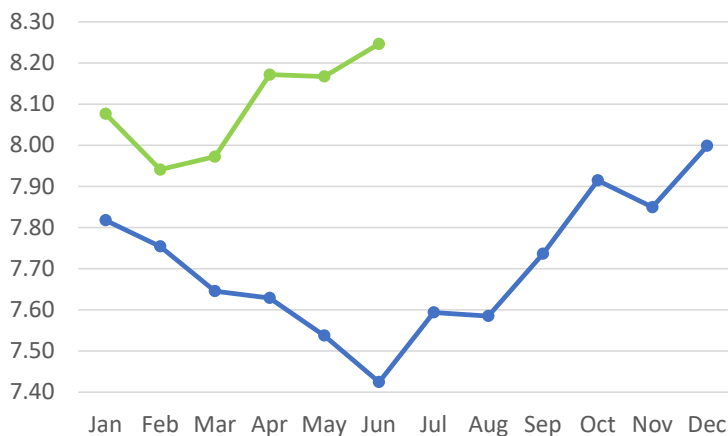
2nd Quarter	Unadjusted
April	40.9
May	41.2
June	41.7

### Average Hourly Earnings (Dollars)



2nd Quarter	Unadjusted
April	\$24.33
May	\$24.37
June	\$24.69

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



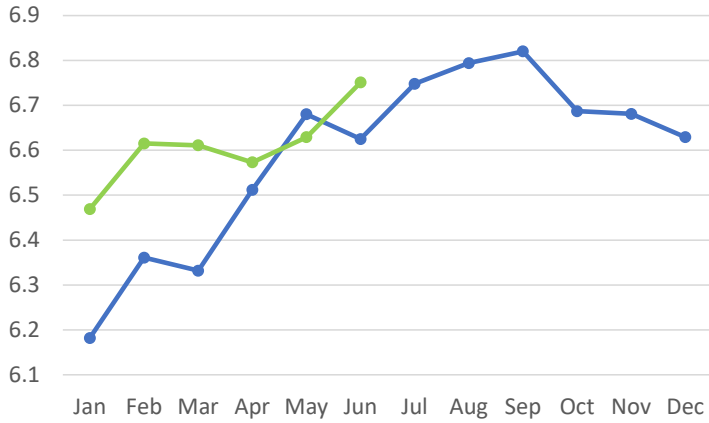
2nd Quarter	Unadjusted
April	\$8.17
May	\$8.17
June	\$8.25

■ 2022   
 ■ 2023   
 2nd Quarter (Unadjusted)

Sources: Department of Workforce Development and Advancement, Current Employment Statistics.

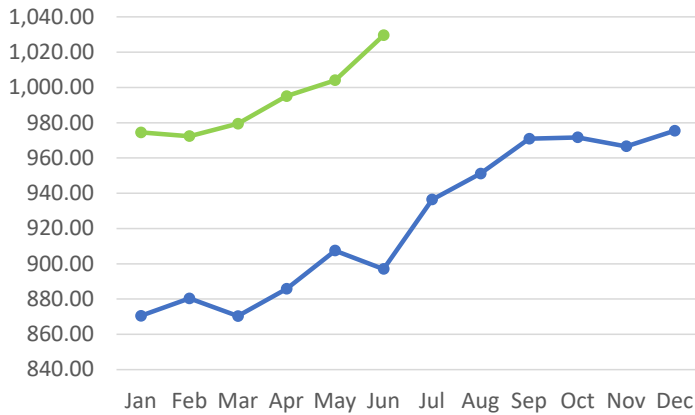
# Manufacturing Production Worker Indicators (cont.)

Total Production Hours  
(Millions)



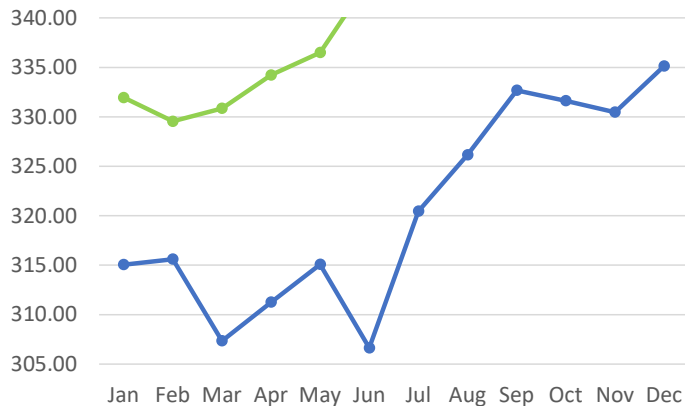
2nd Quarter	Unadjusted
April	6.6
May	6.6
June	6.8

Average Weekly Earnings  
(Dollars)



2nd Quarter	Unadjusted
April	\$995.10
May	\$1,004.04
June	\$1,029.57

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



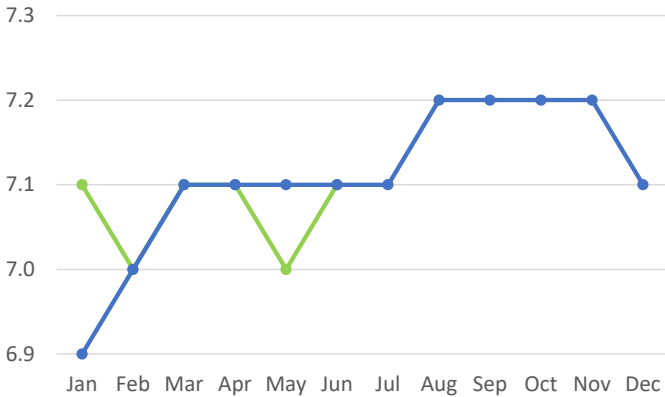
2nd Quarter	Unadjusted
April	\$334.23
May	\$336.49
June	\$343.88

2022 2023 2nd Quarter (Unadjusted)

Sources: Department of Workforce Development and Advancement, Current Employment Statistics.

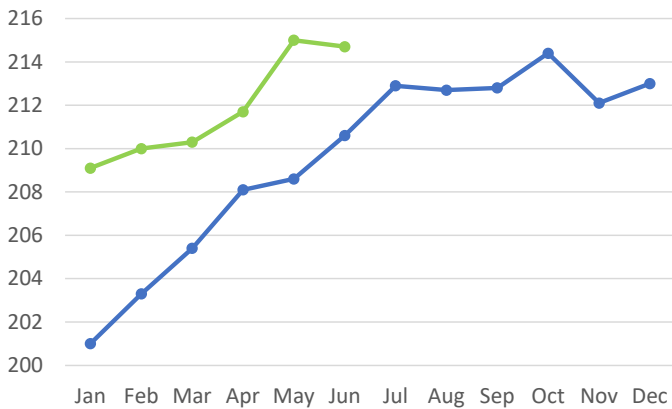
# Quarterly Industry Report

Mining and Logging Employment  
(Thousands)



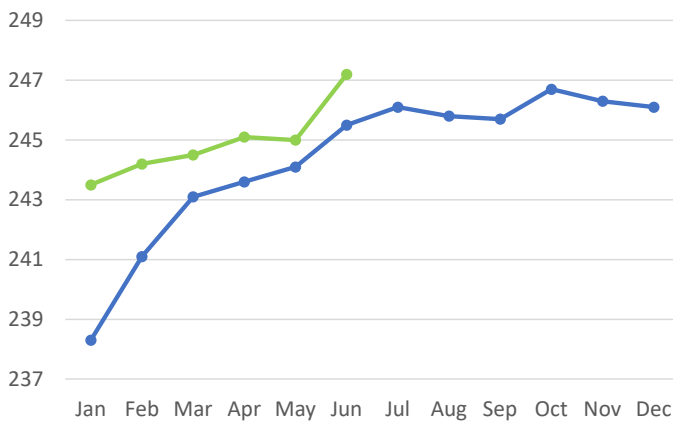
After a slight increase overall in mining employment over 2022, the first half of 2023 has seen employment waver slightly but hold steady, ending the months of March and June at 7,100. This is unchanged from the employment levels of March and June 2022.

Construction Employment  
(Thousands)



Construction employment continued to trend up in the second quarter of 2023, increasing 2.1% (+4,400) from 210,300 since the end of the first quarter in March. This mirrors the general seasonal patterns of construction employment, which tends to peak during the second or third quarter of the year and trend down during fourth quarter, picking up again during the first quarter of the following year. Over the year, employment in construction continued its overall upward trend and grew 1.9% from 210,600, ending the month of June at 214,700.

Manufacturing Employment  
(Thousands)

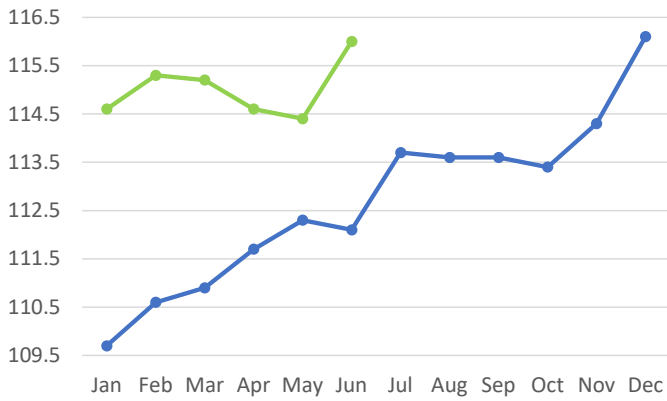


Employment in manufacturing increased slightly over the second quarter of 2023, growing 1.1% (+2,700) to 247,200 since the end of first quarter. Since last June, manufacturing employment has increased by 1,700 (+0.7%). While manufacturing employment was declining from around 2000, to 2009, holding relatively steady since, this continues a five-years-long slight upward trend in industry employment, which was highly disrupted by COVID-19, but which recovered to its peak 2019 point by mid-2022.

2022 2023 2nd Quarter (Unadjusted)

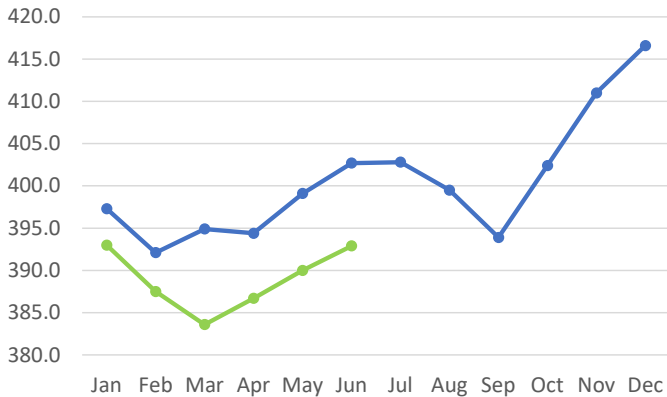
Economist: Erica Lashley erica.lashley@vec.virginia.gov

Wholesale Trade Employment  
(Thousands)



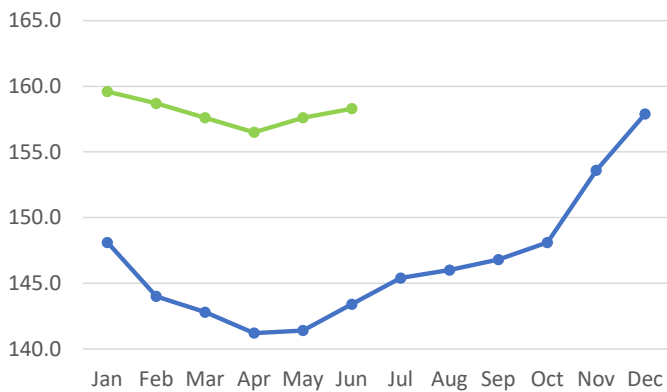
After about 10 years of steady employment centering at about 112,000 and a decline in 2020 due to the pandemic, wholesale trade employment began to trend upward. Surpassing 2019 levels by the end of 2021, wholesale trade employment continues to rise to levels unseen since the beginning of 2009. Over the second quarter of 2023, wholesale trade employment rose slightly by 800 (+0.7%), ending the month of June at 116,000. Since last year, employment in wholesale trade has increased by 3.5% (+3,900).

Retail Trade Employment  
(Thousands)



Retail Trade employment increased over the quarter by 9,300 (+2.4%), ending the month of June at 386,700. Seasonal trends of retail trade typically see a small peak mid-year and a large peak during the fourth quarter holiday season. Generally trending downward since 2017, retail trade employment decreased by 2,800 (-0.7%) over the year

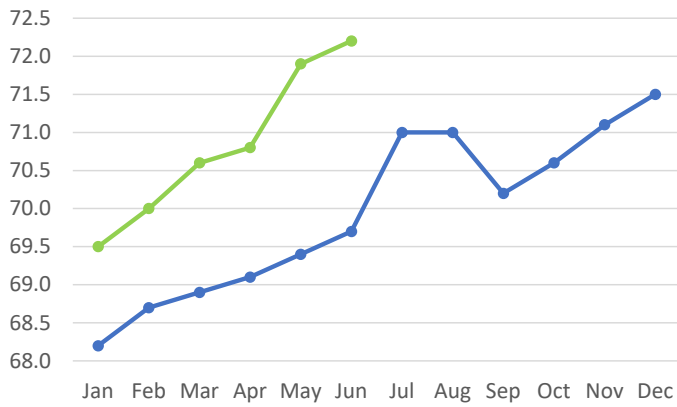
Transportation, Warehousing, and Utilities Employment  
(Thousands)



An industry in which employment is trending up, Transportation, Warehousing, and Utilities saw an increase of 0.4% (+700) over the quarter. In terms of seasonal factors, this is typical, as most years, employment in transportation dips in the first quarter and trends up beginning sometime in the second quarter. Employment in Transportation, Warehousing, and Utilities increased by 5,200 (+3.4%) since the end of the second quarter of 2022, ending the month of June 2023 at 153,100.

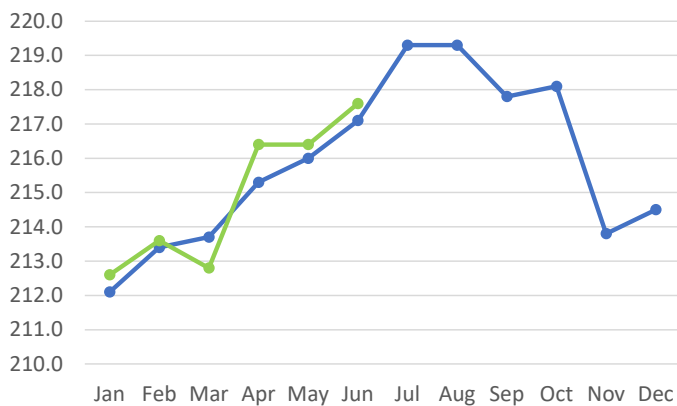
2022 2023 2nd Quarter (Unadjusted)

### Information Employment (Thousands)



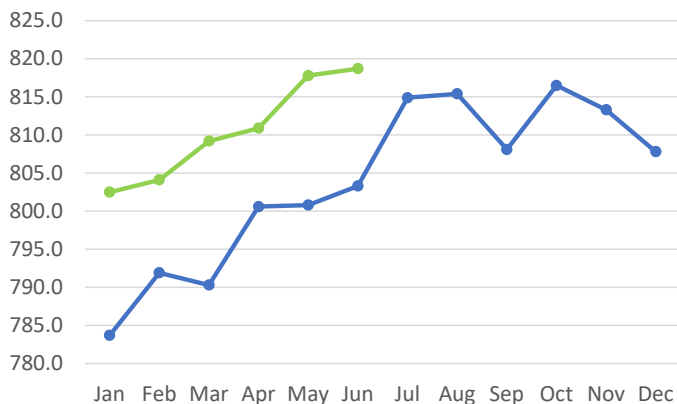
Employment in Information, which trended downward from 2000 to 2019 and declined by almost 5,000 during the pandemic recession, began a recovery upward in June 2020 that continued until pre-pandemic levels were surpassed in February 2022. Since then, employment levels have continued their upward trend, increasing over the second quarter of 2023 by 1,600 (+2.3%), typical of the seasonal patterns. Over the year, information employment has increased by 2,500 (+3.6%).

### Finance Employment (Thousands)



Finance employment increased by 4,800 (+2.3%) over the second quarter of 2023, bringing levels to 217,600 by the end of June. Though employment in Finance generally trends upward, it was highly affected by the 2008 recession and experienced a lesser decline during the COVID-19 pandemic. By July 2021, Finance employment reached 2019 levels and continued to grow over the following years. Beginning in 2023, however, the growth became lesser, but remained positive. Since the end of second quarter 2022, finance employment has increased by 0.2% (+500).

### Professional and Business Services Employment (Thousands)

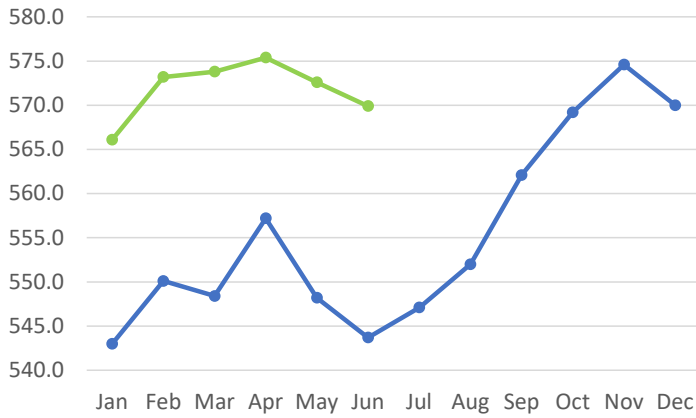


Another industry trending positively over the years, Professional and Business Services, grew 1.2% (+9,500) between March and June 2023, bringing June's employment level to 818,700. This is 1.9% (+15,400) higher than June 2022.

2022 2023 2nd Quarter (Unadjusted)

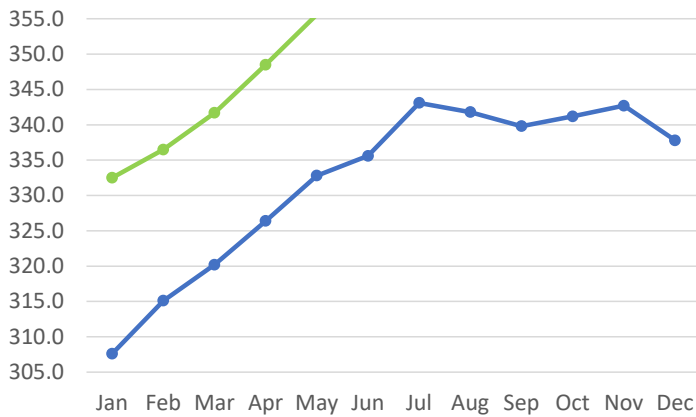


### Private Education and Health Services Employment (Thousands)



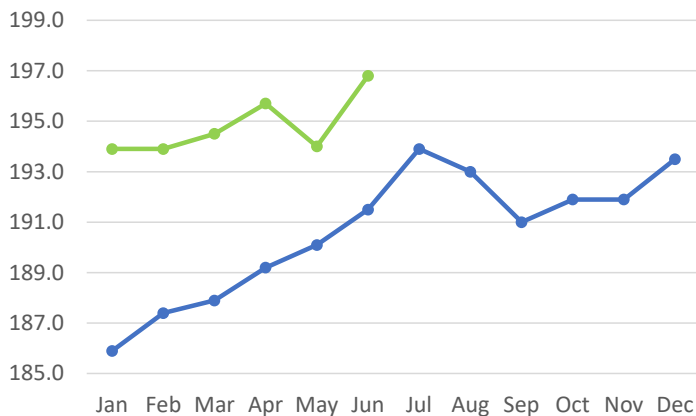
Private Education and Health Services employment declined over the second quarter of 2023 by -0.5% (-3,900), reaching 569,900 by the end of June. This is typical for industry seasonal patterns. Over the year, employment grew by 26,200 (+4.8%). Private Education and Health Services is trending up as an industry and has continued to surpass pre-pandemic levels in terms of employment since September 2022.

### Leisure and Hospitality Services Employment (Thousands)



Leisure and Hospitality continued to grow during the second quarter of 2023, ending June with an employment level of 357,500, which is 15,800 (4.6%) above the March 2023 level of 335,600. While Leisure and Hospitality had a long way to recover from the employment losses of the COVID-19 pandemic, employment levels returned to pre-pandemic levels as of June 2022. Since June 2022, employment in Leisure and Hospitality has grown 6.5% (+21,900).

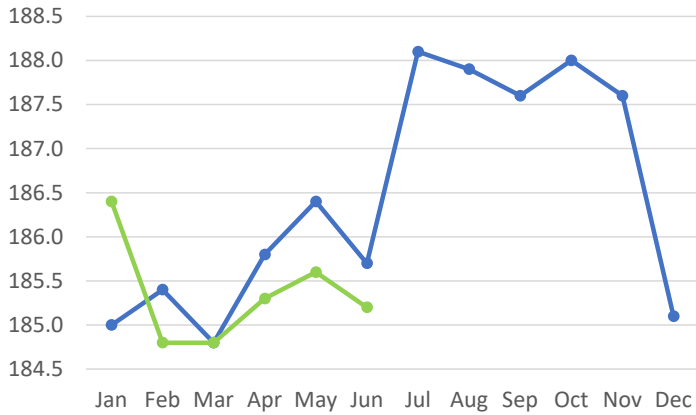
### Miscellaneous Services Employment (Thousands)



Miscellaneous Services ended second quarter 2023 with an employment level of 196,800, which is 2,300 higher (+1.2%) than the level at the end of first quarter 2023. Over the year, employment in the industry grew 2.8% (+5,300).

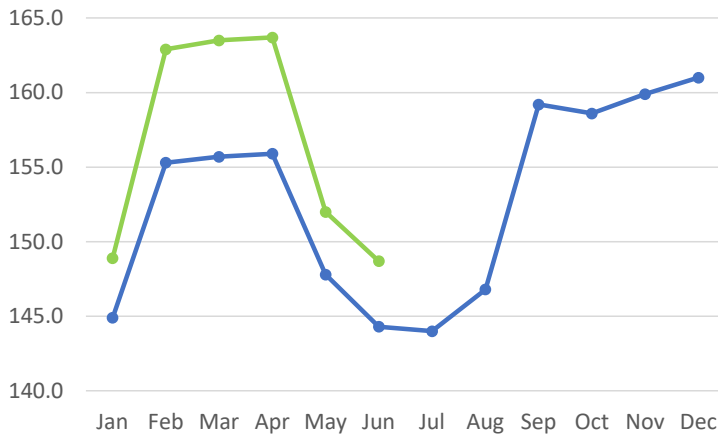
■ 2022 ■ 2023 2nd Quarter (Unadjusted)

Federal Government Employment  
(Thousands)



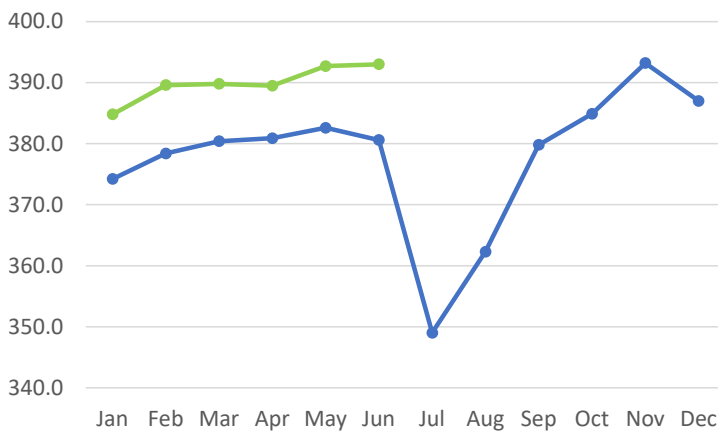
Within Federal Government, employment has generally trended upward since 2002, but growth has essentially plateaued beginning in 2021. Over the quarter, employment in Federal Government has increased by 400 (+0.2%) to 185,200. Over the year, employment decreased by 0.3% (-500).

State Government Employment  
(Thousands)



State Government employment levels fluctuate more than other industries throughout each quarter and year. Ending second quarter at 148,700, employment within State Government declined by 14,800 (-9.1%) since the end of March 2023. Over the year, employment grew 3.0% (+4,400).

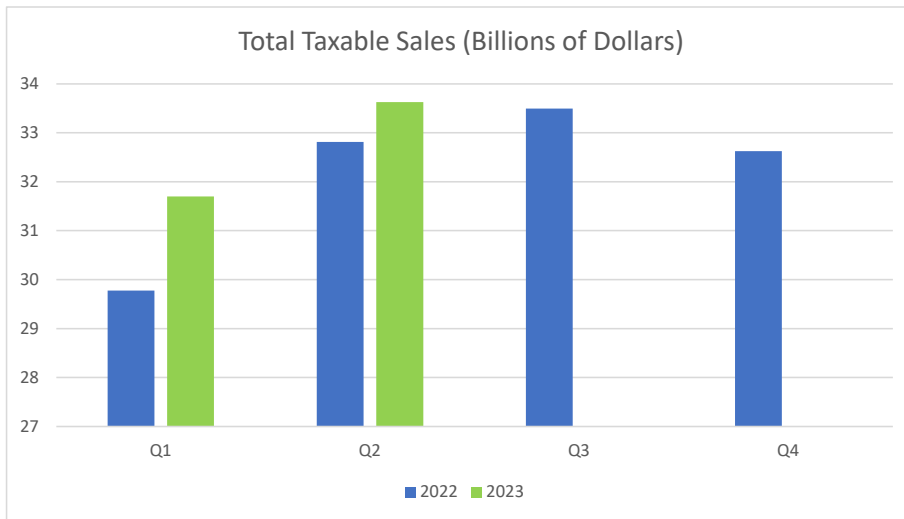
Local Government Employment  
(Thousands)



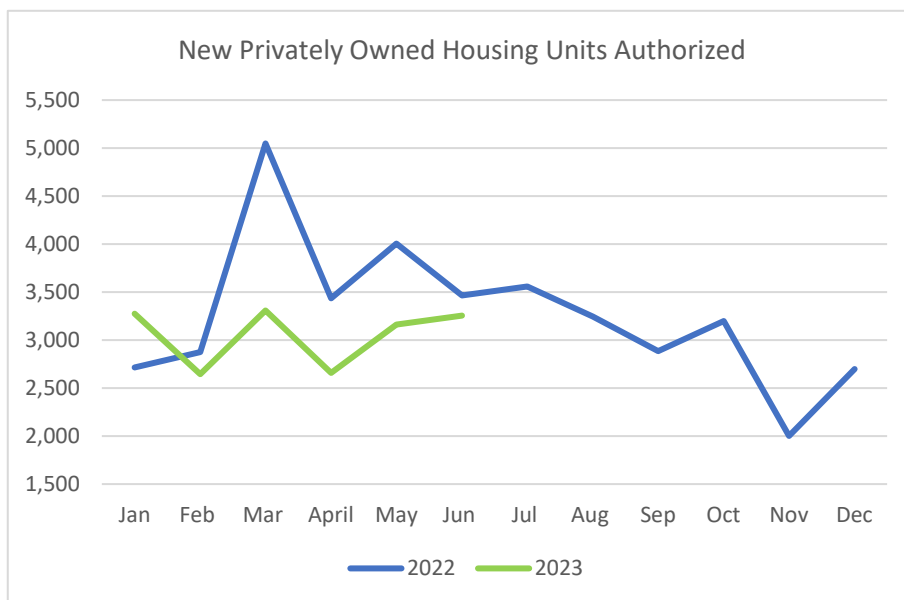
Employment in Local Government was 393,000 at the end of Jun 2023. During the second quarter of 2023, employment increased by 3,200 (+0.8%) from 389,800. Since June 2022, employment levels increased by 3.3% (12,400) from 380,600.

2022 2023 2nd Quarter (Unadjusted)

# Quarterly Business Indicators



Source: <https://ceps.coopercenter.org/taxable-sales>



Source: <https://www.census.gov/construction/bps/statemonthly.html>

# Data Summary and Sources



## 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. Series labeled “adjusted” that are 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 Department of Workforce Development and Advancement (DWDA)/ Economic Information & Analytics (EIA) Current Employment Statistics (CES) program.

U.S. Department of Labor:  
Insured Unemployed Rate

DWDA/EIA Local Area Unemployment Statistics (LAUS):  
Total Unemployment Rate

DWDA/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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