

Quarterly Employment Indicators for Virginia



Third Quarter Summary:

During the third quarter of 2020, employment trends in the Commonwealth improved from the second quarter's historic economic disruptions stemming from the COVID-19 pandemic. The third quarter's labor market data included several positive signs relative to the prior quarter's severe labor market downturn. Initial claims for unemployment insurance trended steeply downward during the third quarter. At the close of the quarter, initial claims in Virginia fell to their lowest level since the onset of the Pandemic's impacts on employment in mid-March—approximately the average weekly volume seen during The Great Recession during 2009.

Declining claims volumes coincided with generally improving labor market conditions during the third quarter. Virginia's unemployment rate reflected positive trends, but at the same time there were fewer people in the labor force. During the third quarter, there was also a continued rebound in payroll employment. After the historic ten percent plunge in payrolls in April, over 200,000—or half of those jobs—were regained by the close of the third quarter.

The VEC's employment figures in the third quarter confirmed that the recovery begun in recent months continued, and though recovering a little slower than nationwide, was still on track to be a quick labor market recovery compared to other economic crisis in history.

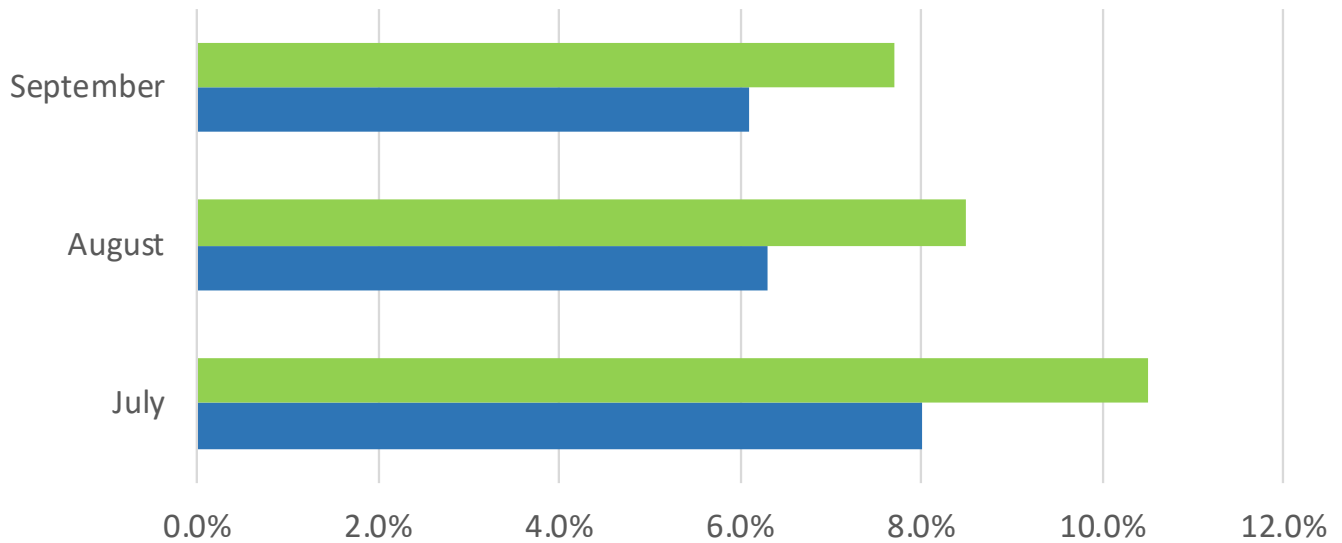
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3rd Quarter Unemployment - Virginia vs. U.S.

(Unadjusted)

Unemployment Rates



	July	August	September
■ U.S.	10.5%	8.5%	7.7%
■ Virginia	8.0%	6.3%	6.1%

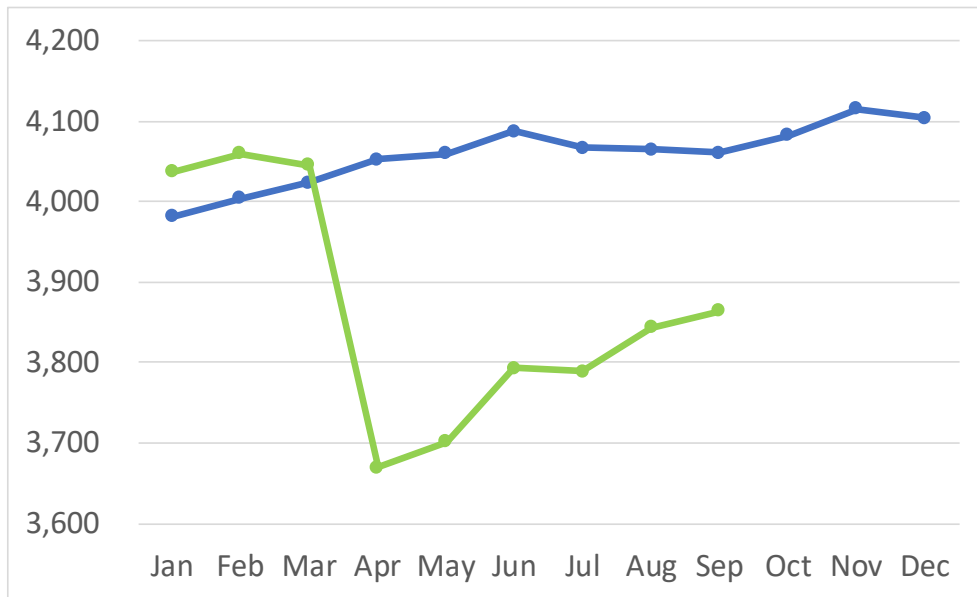
Employment/Unemployment

Month	Virginia		U.S.	
	Employment	Unemployment	Employment	Unemployment
July	4,027,517	349,288	144,492,000	16,882,000
August	4,075,503	274,118	147,224,000	13,742,000
September	4,011,895	262,055	147,796,000	12,277,000

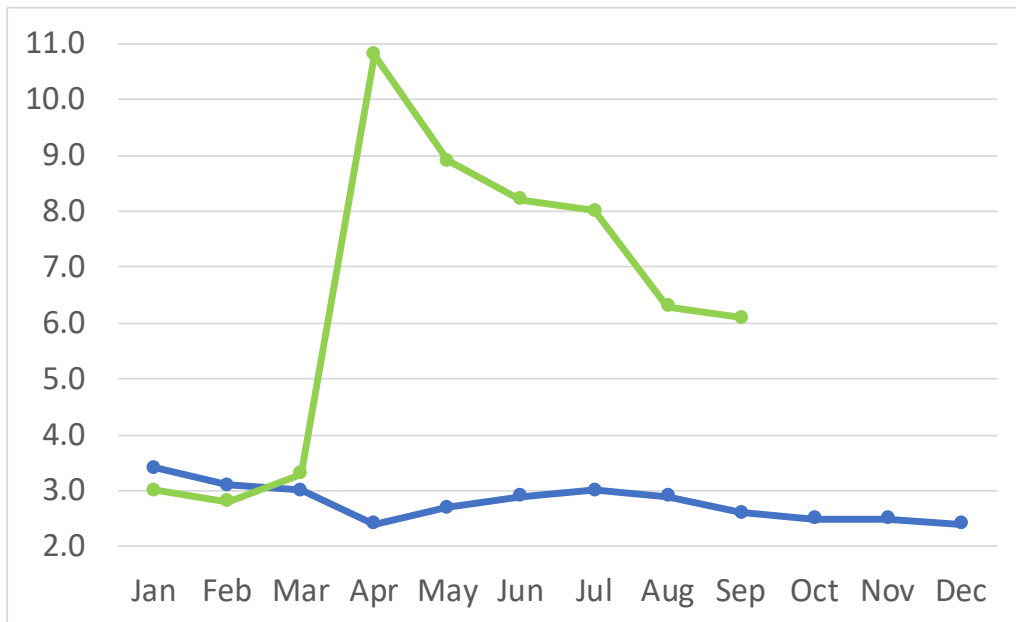
Sources: Virginia Employment Commission, Economic Information & Analytics, Local Area Unemployment Statistics, and Bureau of Labor Statistics.

Total Nonfarm Employment and Unemployment

Nonagricultural Wage and Salary Employment
(Thousands)



Total Unemployment Rate
(Percent)



■ 2019
 ■ 2020
 3rd Quarter (Unadjusted)

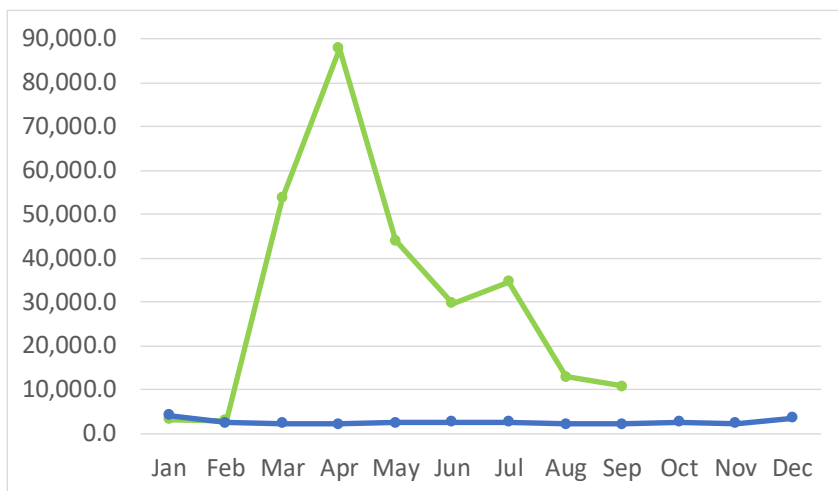


2020	Nonagricultural Wage and Salary Employment (Thousands)		Total Unemployment Rate (Percent)	
	Unadjusted	Adjusted	Unadjusted	Adjusted
January	4,037.0	4,095.7	3.0	2.7
February	4,059.2	4,099.9	2.8	2.6
March	4,045.2	4,067.4	3.3	3.3
April	3,669.9	3,661.8	10.8	11.2
May	3,701.2	3,687.0	8.9	9.0
June	3,792.7	3,765.7	8.2	8.1
July	3,788.8	3,782.2	8.0	7.9
August	3,843.6	3,847.9	6.3	6.1
September	3,864.2	3,864.8	6.1	6.2

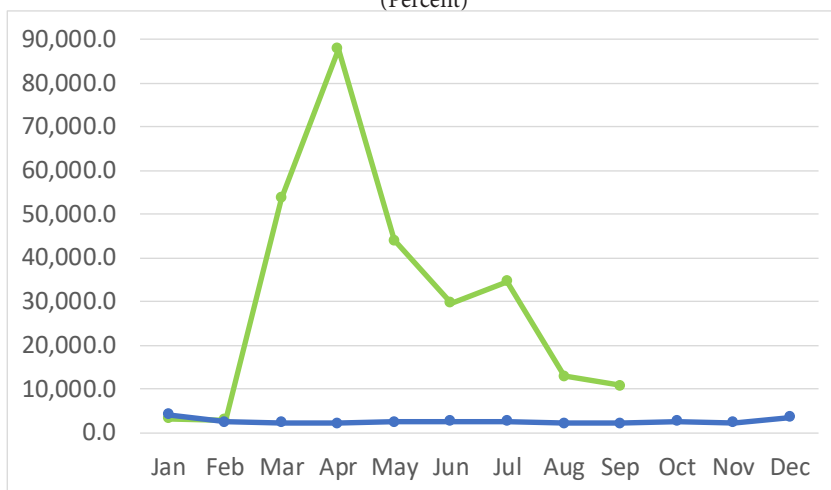
2019	Unadjusted	Adjusted	Unadjusted	Adjusted
January	3,981.6	4,042.0	3.4	3.0
February	4,004.1	4,043.4	3.1	3.0
March	4,023.6	4,048.6	3.0	2.9
April	4,052.4	4,049.2	2.4	2.9
May	4,059.2	4,049.7	2.7	2.8
June	4,087.6	4,056.9	2.9	2.8
July	4,066.6	4,059.1	3.0	2.7
August	4,064.6	4,062.8	2.9	2.7
September	4,060.7	4,064.2	2.6	2.7
October	4,082.0	4,063.6	2.5	2.7
November	4,115.6	4,087.6	2.5	2.7
December	4,104.3	4,087.9	2.4	2.7

Unemployment Insurance

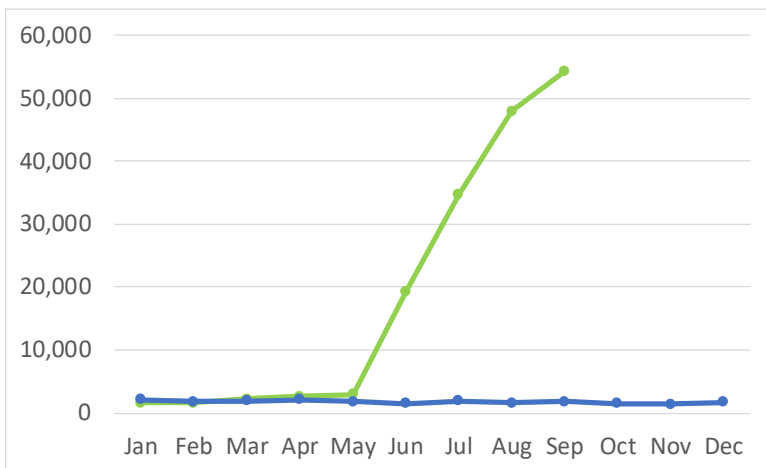
Average Weekly Initial Claims



Insured Unemployment Rate (Percent)



Unemployment Insurance Final Payments



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.

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

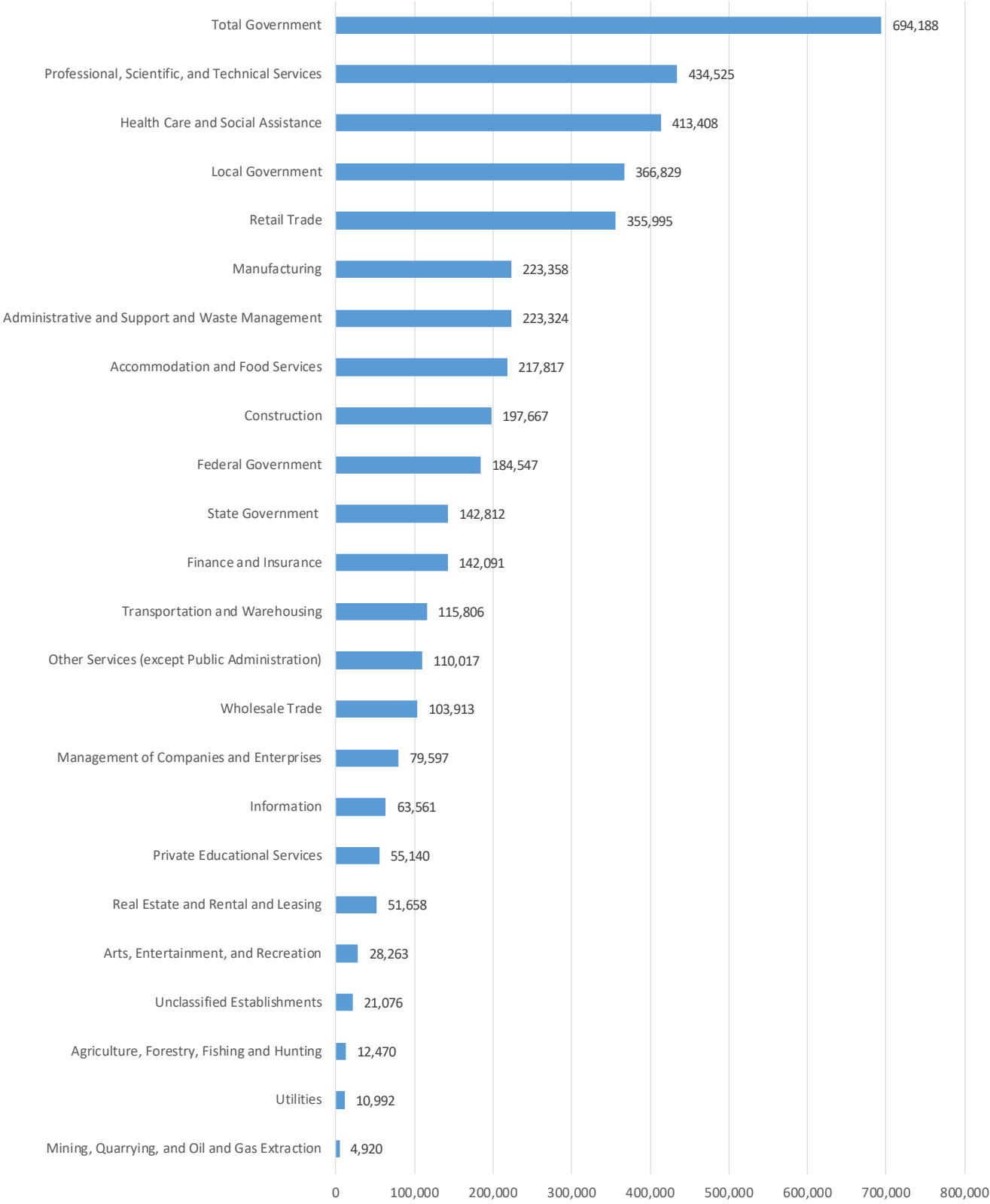
2019 2020 3rd Quarter (Unadjusted)



	Average Weekly Initial Claims	Insured Unemployment Rate (Percent)	Unemployment Insurance Final Payments
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
2019	Unadjusted	Unadjusted	Unadjusted
January	4,053.9	0.60	2,155
February	2,412.0	0.59	1,827
March	2,212.6	0.55	1,926
April	2,145.9	0.47	2,133
May	2,438.0	0.50	1,782
June	2,539.8	0.53	1,507
July	2,583.7	0.54	1,953
August	2,165.2	0.52	1,643
September	2,196.4	0.46	1,779
October	2,628.7	0.45	1,455
November	2,328.1	0.47	1,446
December	3,484.3	0.52	1,730

Employment by Industry

Second Quarter 2020



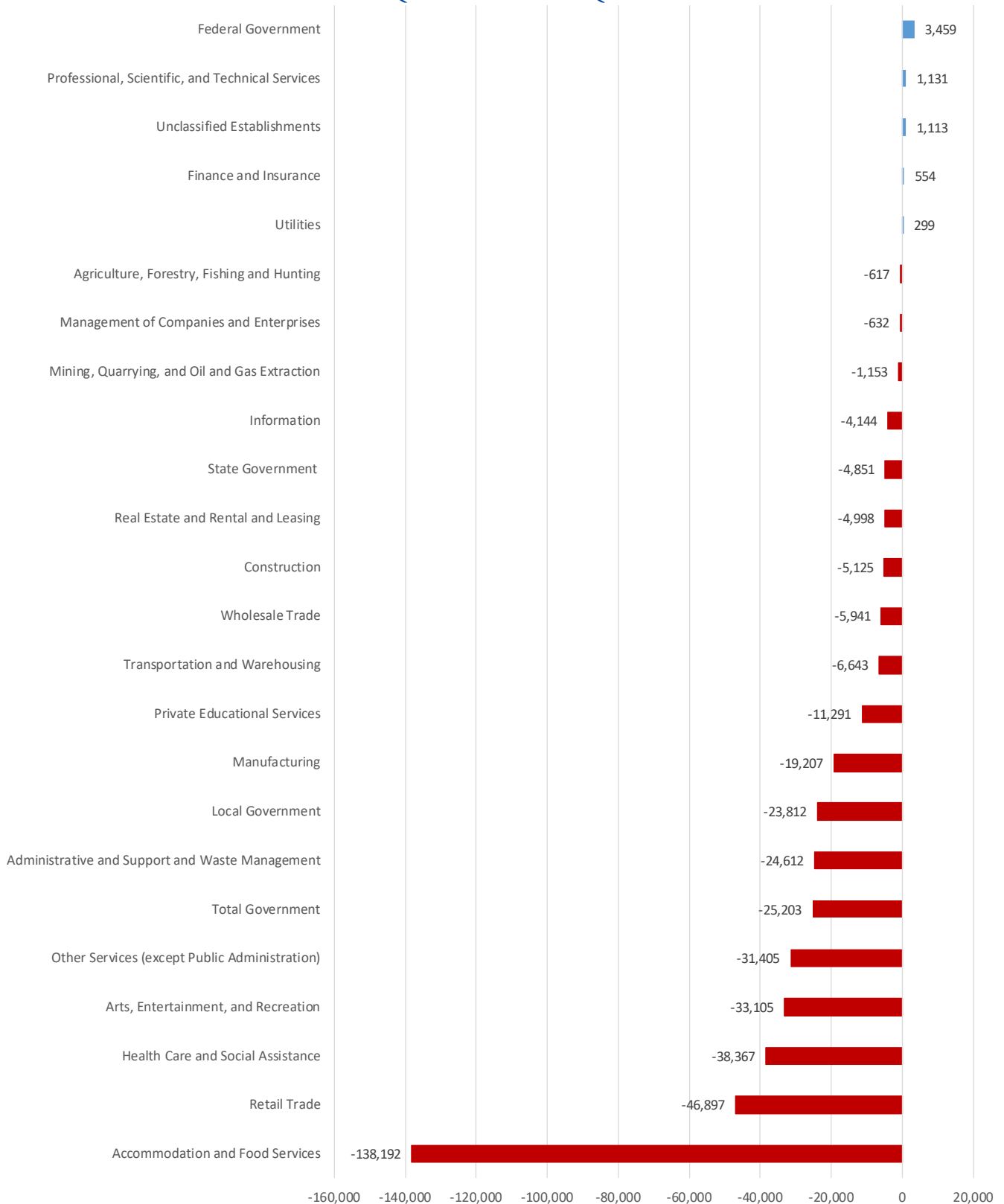
All Industry Total: 3,559,785

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 2020

Employment Change

Second Quarter 2019- Second Quarter 2020



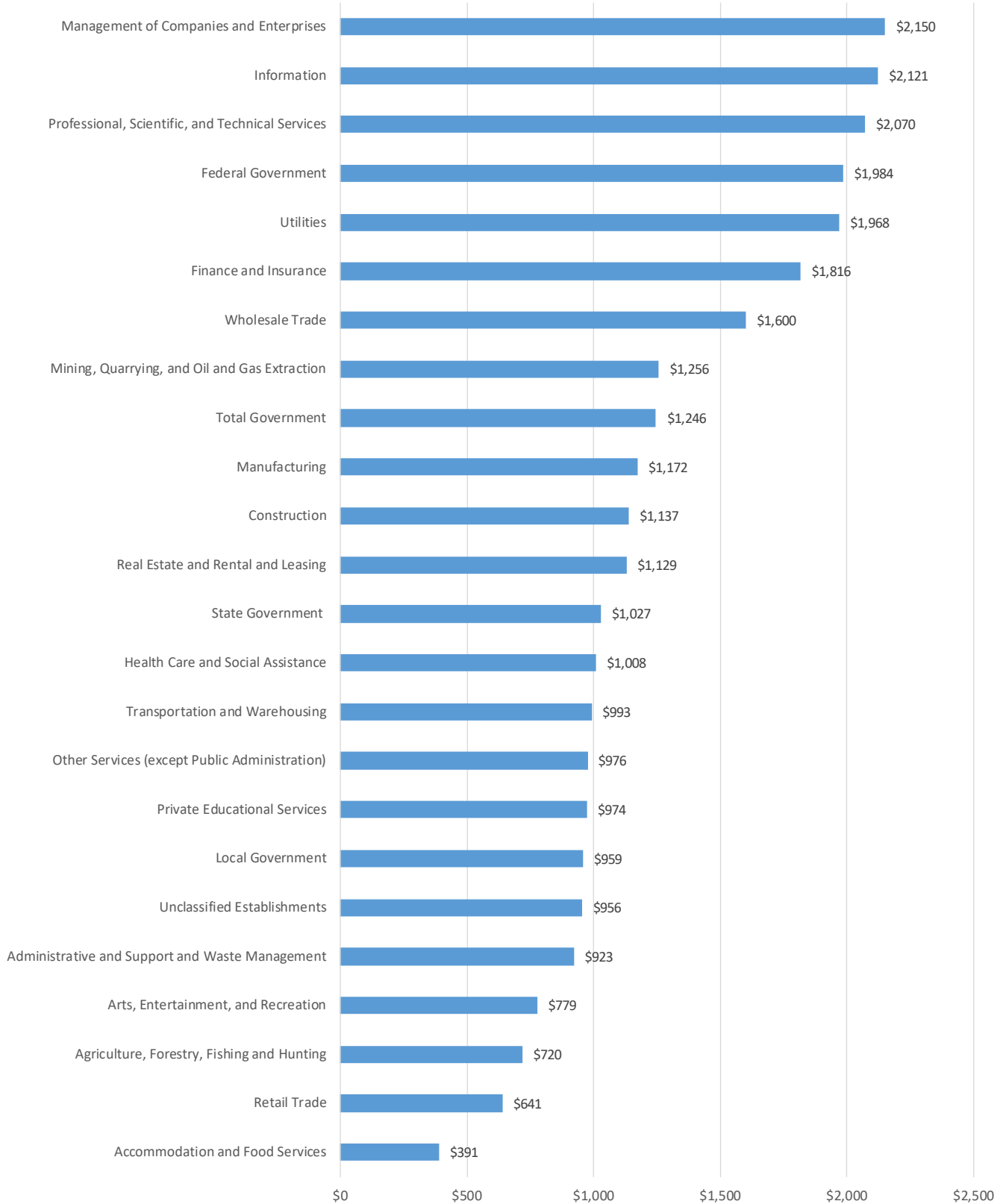
All Industry Total: -394,435

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 2020

Average Weekly Wage by Industry

Second Quarter 2020



All Industry Total: \$1,217

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 2020

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



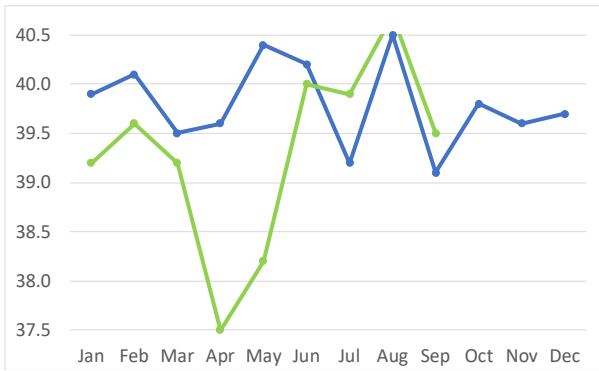
Area	Employment (end of quarter)	Previous Quarter (end of quarter)	Previous Year (end of quarter)	Over-the-Quarter Change	Over-the-Quarter (Percent)	Over-the-Year Change	Over-the-Year (Percent)
Blacksburg-Christiansburg-Radford	73,500	69,700	78,000	3,800	5.45%	-4,500	-5.77%
Charlottesville	115,300	112,100	121,800	3,200	2.85%	-6,500	-5.34%
Harrisonburg	65,800	63,700	69,600	2,100	3.30%	-3,800	-5.46%
Lynchburg	97,400	96,900	105,600	500	0.52%	-8,200	-7.77%
Richmond	654,500	632,600	686,300	21,900	3.46%	-31,800	-4.63%
Roanoke	154,400	148,500	161,800	5,900	3.97%	-7,400	-4.57%
Staunton	52,000	51,100	51,800	900	1.76%	200	0.39%
Virginia Beach-Norfolk-Newport News	756,700	736,400	795,100	20,300	2.76%	-38,400	-4.83%
Winchester	60,600	59,400	65,800	1,200	2.02%	-5,200	-7.90%
Northern Virginia	1,454,500	1,407,200	1,519,900	47,300	3.36%	-65,400	-4.30%
Virginia	3,864,800	3,765,700	4,064,200	99,100	2.63%	-199,400	-4.91%

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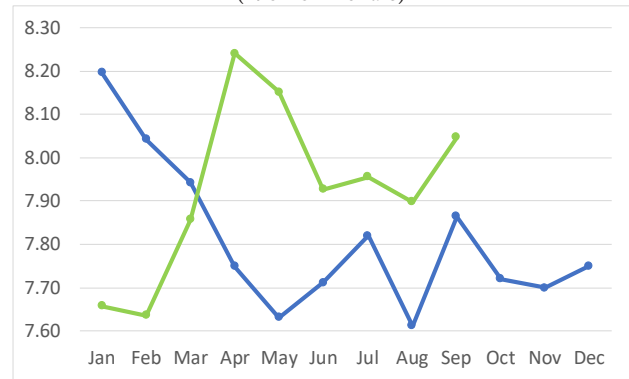
Source: Virginia Employment Commission, Economic Information & Analytics: Current Employment Statistics (CES) Seasonally Adjusted - (Not Preliminary)

Industry Focus: Manufacturing

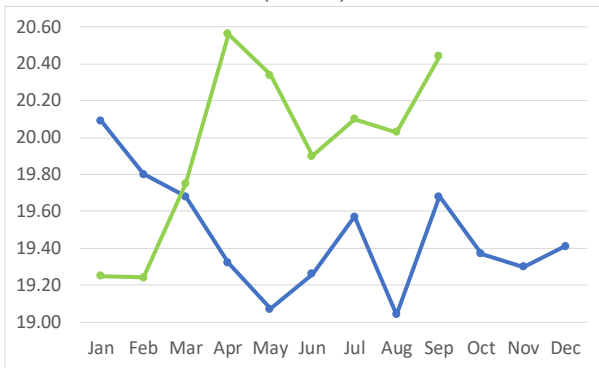
Average Weekly Hours



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



Average Hourly Earnings
(Dollars)



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

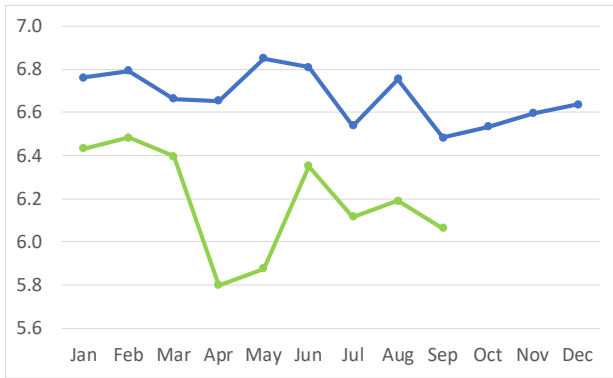
■ 2019 ■ 2020 3rd Quarter (Unadjusted)

	Average Weekly Hours (Million)	Average Hourly Earnings (Dollars)	Inflated-Adjusted Average Hourly Earnings (1982-84 Dollars)
2020	Unadjusted	Unadjusted	Unadjusted
January	39.2	19.25	7.66
February	39.6	19.24	7.64
March	39.2	19.75	7.86
April	37.5	20.56	8.24
May	38.2	20.34	8.15
June	40.0	19.90	7.93
July	39.9	20.10	7.96
August	40.7	20.03	7.90
September	39.5	20.44	8.05
2019	Unadjusted	Unadjusted	Unadjusted
January	39.9	20.09	8.20
February	40.1	19.80	8.04
March	39.5	19.68	7.94
April	39.6	19.32	7.75
May	40.4	19.07	7.63
June	40.2	19.26	7.71
July	39.2	19.57	7.82
August	40.5	19.04	7.61
September	39.1	19.68	7.86
October	39.8	19.37	7.72
November	39.6	19.30	7.70
December	39.7	19.41	7.75

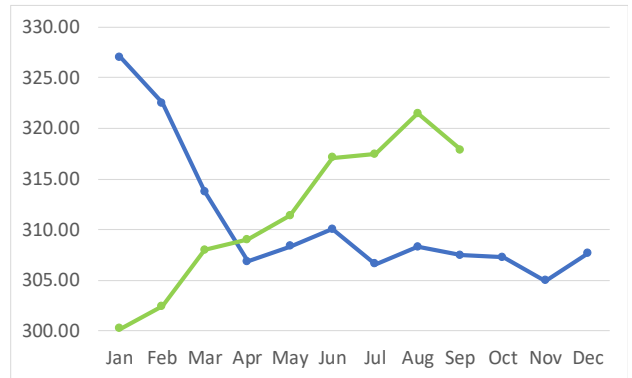
*These series have been adjusted to First Quarter 2019 benchmarks. Sources: Virginia Employment Commission, Current Employment Statistics.

Manufacturing Production Worker Indicators

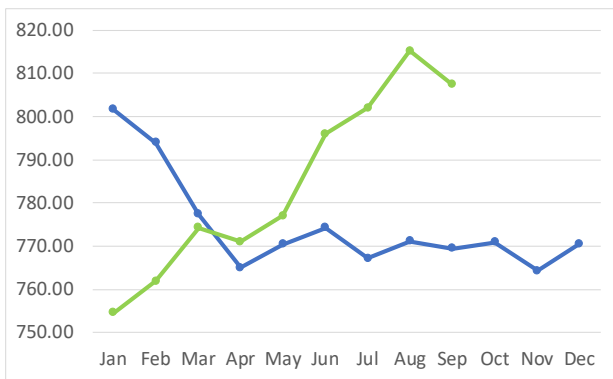
Total Production Hours
(Millions)



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.

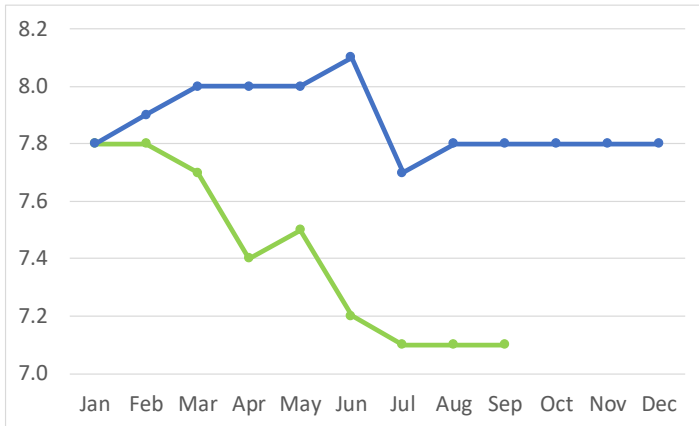
■ 2019 ■ 2020 3rd Quarter (Unadjusted)

	Total Production Hours (Millions)	Average Weekly Earnings (Dollars)	Inflated-Adjusted Average Weekly Earnings (1982-84 Dollars)
2020	Unadjusted	Unadjusted	Unadjusted
January	6.4	754.60	300.21
February	6.5	761.90	302.42
March	6.4	774.20	307.99
April	5.8	771.00	309.00
May	5.9	776.99	311.39
June	6.4	796.00	317.06
July	6.1	801.99	317.45
August	6.2	815.22	321.46
September	6.1	807.38	317.86
2019	Unadjusted	Unadjusted	Unadjusted
January	6.8	801.59	327.00
February	6.8	793.98	322.47
March	6.7	777.36	313.75
April	6.7	765.07	306.85
May	6.9	770.43	308.33
June	6.8	774.25	310.01
July	6.5	767.14	306.57
August	6.8	771.12	308.31
September	6.5	769.49	307.49
October	6.5	770.93	307.27
November	6.6	764.28	304.93
December	6.6	770.58	307.68

Sources: Virginia Employment Commission, Current Employment Statistics.

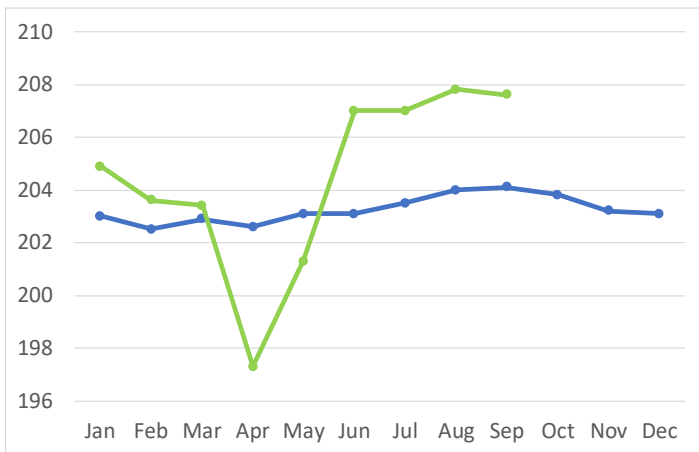
Quarterly Industry Report

Mining and Logging Employment
(Thousands)



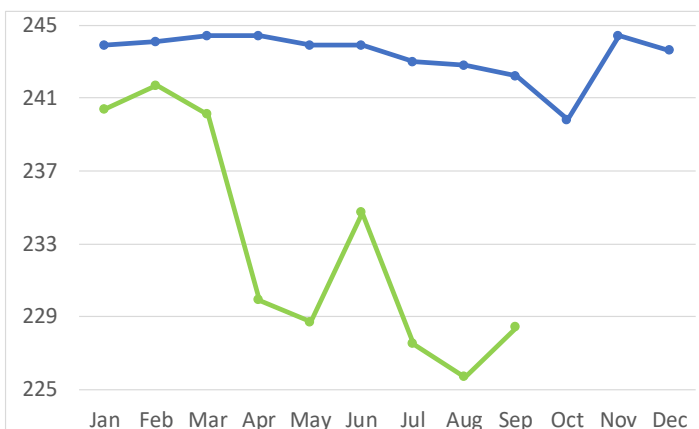
Continuing a multi-year declining employment trend, Mining and logging in the state averaged 7,100 jobs per month in the third quarter of 2020, indicating negative growth from the second quarter of 2020. Industrial energy demand and global trade were recessionary during the third quarter and impacted waterborne coal shipping volumes from the Port of Virginia. Virginia employment in this sector outperformed nationwide as U.S. mining employment declined by 15.4% compared to the third quarter of 2019. A very strong residential construction market boosted demand for lumber during the quarter.

Construction Employment
(Thousands)



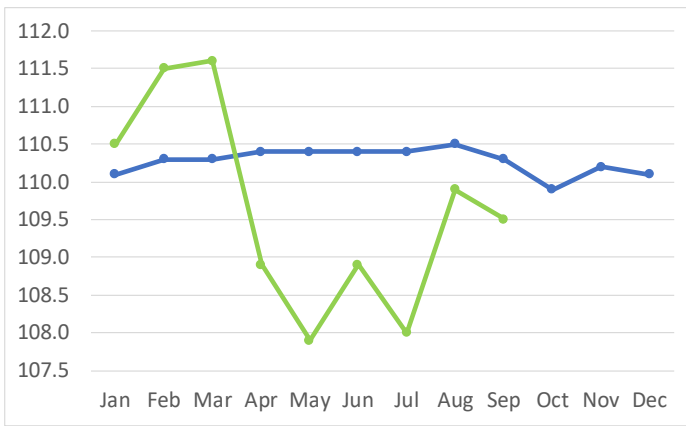
Virginia construction employment averaged 207,500 jobs in the third quarter compared to 201,900 in the second quarter—a jump of 2.8% (+5,600 jobs). Over the year, the quarterly average grew by 1.8%. This was moderate growth on a seasonally adjusted basis. These results may not have captured strongly improving conditions in this sector during the third quarter in 2020. Housing market indicators showed that activity in housing markets improved overall. It began to rebound as buyers took advantage of record-low mortgage rates and the economy reopened more broadly with the lifting of COVID-19 restrictions. Virginia’s construction employment trends outperformed nationwide, which declined by 3.8% over the year.

Manufacturing Employment
(Thousands)



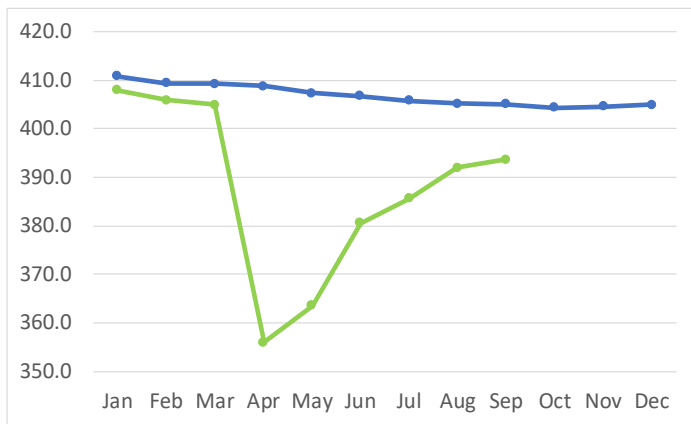
Virginia manufacturing worker demand declined the third quarter, even as demand for many skilled factory positions remained strong. Employment in Virginia manufacturing fell by 1.7% over the quarter to a quarterly average of 227,200 and decreased by 6.4% over the year. However, manufacturing activity in the Fifth District improved in September, according to the Richmond Fed. The composite index climbed from 18 in August to 21 in September, buoyed by increases in the indicators for new orders and employment. U.S. manufacturing employment rose by 3.0% in the third quarter but declined by 5.5% compared to the third quarter of 2019.

Wholesale Trade Employment
(Thousands)



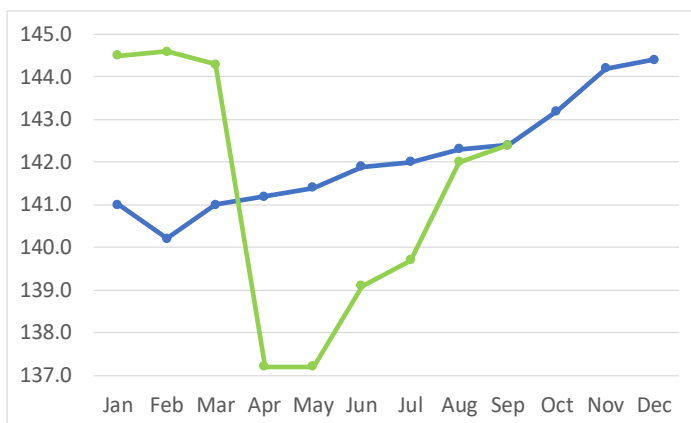
At 109,100 jobs, average monthly employment in wholesale trade grew by 0.5% (+500 jobs) from the second quarter 2020 but -1.1% from the third quarter 2019. Wholesale trade agents and brokers act on behalf of buyers and sellers to distribute goods at a wholesale level. Revenue for the wholesale trade industry was challenged during the quarter as businesses cut back spending in response to the COVID-19 (coronavirus) pandemic, causing a decline in demand for industry services. Although Virginia employment grew slightly over the quarter, U.S. wholesale trade employment declined by 5% compared to the third quarter 2019.

Retail Trade Employment
(Thousands)



Virginia employment in Retail rebounded partially with a 6.5% gain in the third quarter (+23,700 jobs), reaching a monthly average of 390,400 jobs but was 3.7% lower than during the third quarter of 2019. According to Census data leading up to the third quarter, Virginia retail sales—not including nonstore retailers—rose over the year but results varied by type of retailer. Some retail sales trends were expected like lower spending at gasoline stations, largely due to low gas prices and greatly reduced personal and business travel during the pandemic. Also, presumably, spending so much time at home resulted in large increases in building material and garden supply spending (and sporting goods, hobbies, etc.). Increases in online purchasing likely took market share from clothing store sales as did big, general merchandise stores that were allowed to remain open. A lot has been written about the death of retail, especially during the Pandemic, but actual job losses have been much milder nationwide than in leisure and hospitality industries. Retail jobs grew by 7.3% compared to the second quarter and were down 4.2% from the third quarter of 2019.

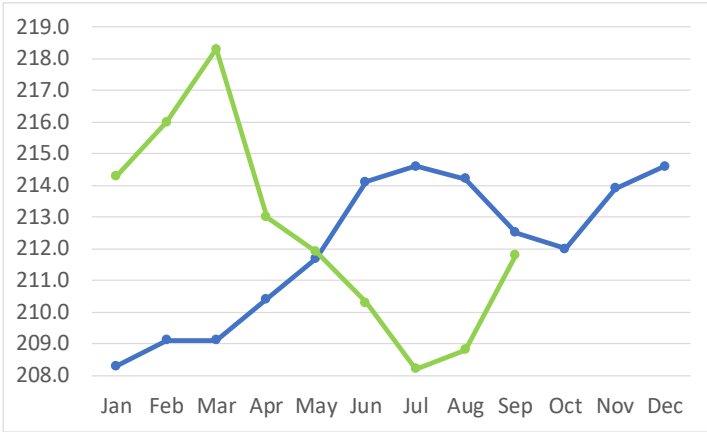
Transportation, Warehousing, and Utilities Employment
(Thousands)



Virginia employment in Transportation, warehousing, and utilities rose to 139,700 jobs during the third quarter of 2020. It increased significantly over the quarter but decreased slightly by -0.6% from the same period in 2019. This sector spans all sectors of the economy and while some sectors performed well, others suffered terribly from the pandemic. Long-distance trucking and local trucking experienced strong demand as inventories were being restocked for many goods and as online shopping gained market share. For many Americans, the obsession with easy online shopping might become permanent. And, as consumers increasingly shop online, less room for goods may be needed in brick and mortar storefronts as more may be needed at large distribution warehouses. Unfortunately, other sectors driven by personal and business travel remain deeply affected. The outbreak of COVID-19 has caused airline revenue to nosedive. According the Bureau of Transportation Statistics, U.S. scheduled passenger airlines reported a third-quarter 2020 pre-tax operating loss of \$15.9 billion. One year earlier, in the third quarter of 2019, the airlines reported a pre-tax operating profit of \$6.4 billion.

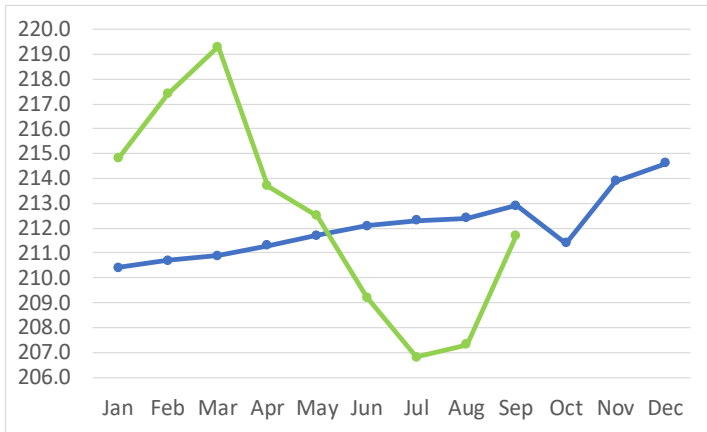
2019 2020 3rd Quarter (Unadjusted)

Information Employment
(Thousands)



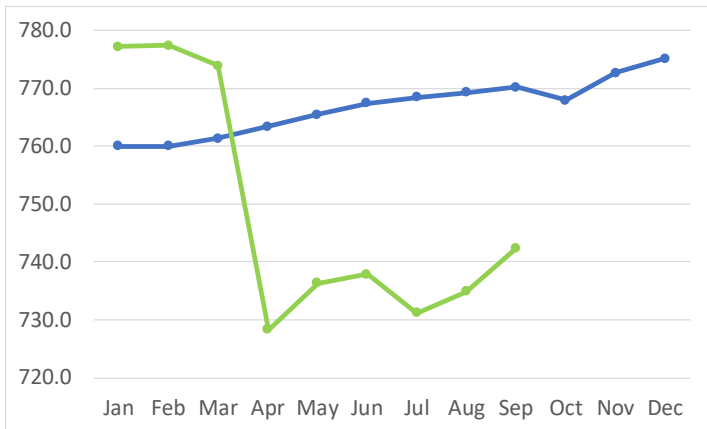
Information employment averaged 66,300 jobs in the third quarter of 2020. It fell by 1.7% (-1,200 jobs) in the third quarter when compared to the second quarter 2020 and was 3.7% lower over the year. Strong demand for some occupations continued in data processing, hosting, and related services and other information services (internet-based publishers and search engines, primarily). Newspaper publishing continued to face revenue challenges in the third quarter amid the pandemic as consumers canceled subscriptions in favor of free online-only news sources. In addition, demand from companies and schools for print subscriptions saw severe declines as those markets often were forced to temporarily close down. Even while consumers had an insatiable demand for news regarding the pandemic, politics, and other current events, the delivery method was rapidly moving toward digital forms. Nationwide, the information sector was largely unchanged from the second quarter but declined by 9.3% over the year.

Finance Employment
(Thousands)



Employment in financial activities fell by 1.5% (-3,200 jobs) during the third quarter and averaged 208,600 jobs. COVID-19 has accelerated the importance of digital processing of financial transactions, or 'fintech' and it is an important intersection for data centers, cybersecurity, and other digital services. The human cost of this reliance on fintech is the reduced need for retail banking branches. Many branches in Virginia were closed due to the pandemic in the third quarter as social distancing requirements and health awareness encouraged consumers to conduct their banking online, rather than in person at branches. Because of this, there is uncertainty regarding how many branches will ever reopen.

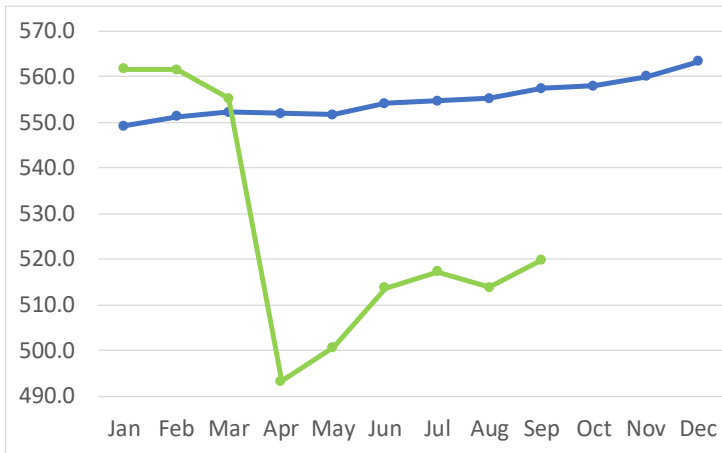
Professional and Business Services Employment
(Thousands)



Employment in Professional and business services reached a monthly average of 736,200 jobs. This represents a gain of 2,000 jobs or nearly flat growth from the previous quarter. Over the year, the industry declined by 4.3%. While this sector has been a vital source of well-paying jobs in the Commonwealth, technological change accelerated by the pandemic may increasingly disrupt industries including management consulting, legal services, accounting services, engineering consulting and many other white-collar industries. While efficiency gains of technology are great for professional services, their disruptive power is also a concern for some industries as businesses are discovering that automated machine processes can complete tasks in a fraction of the time normally required by human labor.

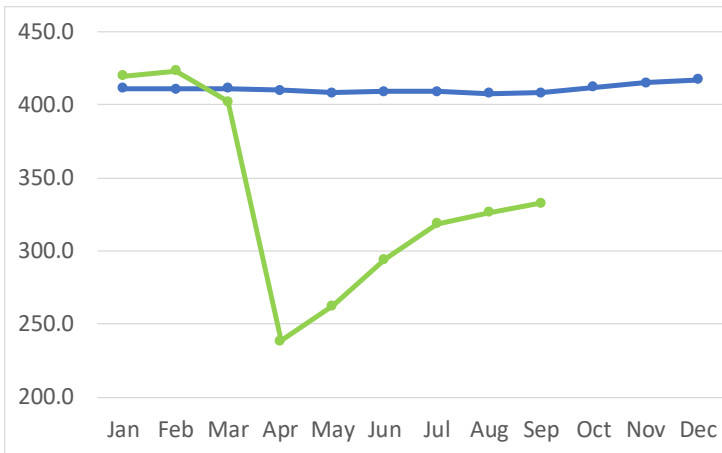
2019 2020 3rd Quarter (Unadjusted)

Private Education and Health Services Employment
(Thousands)



Employment growth rebounded in Private education and health services by 2.9% in the third quarter 2020 to 517,000 jobs. Over the year, the industry declined by 1.6% compared to the third quarter 2019. While some put-off tests and procedures delayed in the second quarter were done in the third quarter, healthcare services remained erratic heading into the third quarter. Across the U.S. in June, the number of patient visits to ambulatory practices had reached 89 percent of the level seen on March 1. Elective inpatient and outpatient hospital volume had also rebounded by early June but remained one-third below pre-pandemic levels. Hospital discharges were down 7.7 percent and ED visits down 19.1 percent. The decrease in office visits, tests, and procedures delivered during the pandemic raises three questions that may greatly impact future healthcare employment demand: (1) Will delayed healthcare services be made up after the current situation has passed? (2) What will the health consequences be from the delayed healthcare services? (3) Has patient behavior regarding healthcare treatment been altered permanently?

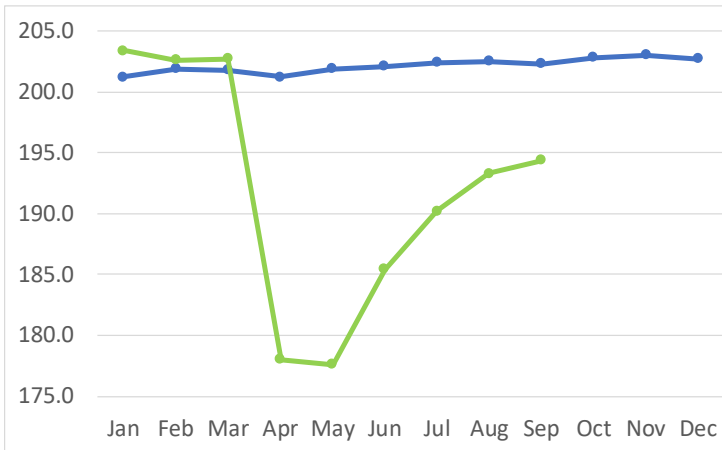
Leisure and Hospitality Services Employment
(Thousands)



In 2020, the COVID-19 pandemic has greatly impacted almost all parts of Virginia's economy. But perhaps no area has been effected more than its travel and tourism sector—leisure and hospitality in particular. At 325,900 jobs, Leisure and hospitality employment rebounded somewhat in the third quarter 2020. While it suffered a record-large drop (-20.2%) from the third quarter 2019, it rose 23.0% compared to second quarter 2020.

In the third quarter, Virginia's economy was reopening in phases, with the food service and hospitality industries in the one of the last phases as a precaution. Even though some restaurants were able to keep operating by offering pickup and delivery services, others had to close completely. Hotels and motels were also impacted as a result of temporary closures due to the COVID-19 pandemic. The accommodation subsector saw a severe decline and, as of July 13, only an estimated 20.0% of rooms at hotels and motels were occupied, according to the American Hotel and Lodging Association (AHLA).

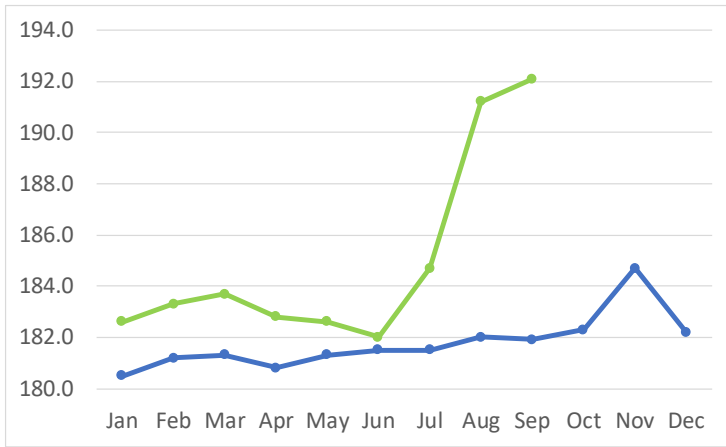
Miscellaneous Services Employment
(Thousands)



Employment in Miscellaneous services rebounded to 192,600 in the third quarter 2020 and increased 6.8% compared with the second quarter 2020. It fell by 4.8% over the year. In this environment, some services have performed better than others in terms of jobs growth. Illustrating a really important trend, pet-related retail and services grew rapidly and that shows no signs of slowing. Personal care and appearance retail and services also did well. The growth of big-name cosmetic and beauty supply retail stores was a big retail success story while small businesses like nail salons and barber shops also grew rapidly. Unfortunately, here too, Covid-19 shut down rules really hurt this group. But, as the economy recovers, these businesses will continue to be an important source of jobs for many. Photography studios, and photofinishing labs are examples of stores that have suffered from technological change. Every phone has a camera with digital image storage while most households and businesses own printers.

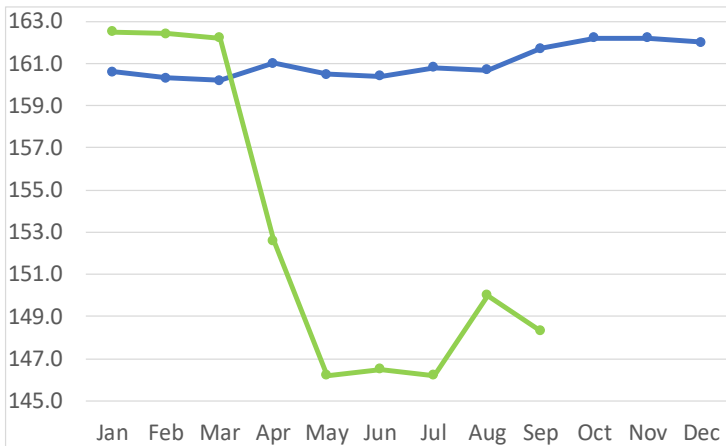
2019 2020 3rd Quarter (Unadjusted)

Federal Government Employment
(Thousands)



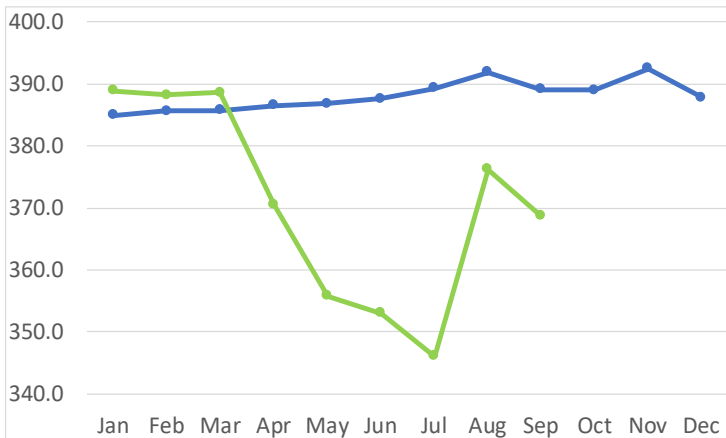
Averaging 189,300 jobs on a seasonally adjusted basis during the third quarter 2020, Federal government employment in Virginia rose over the quarter (+6,800 jobs) or 3.8% and up 4.1% over the year. Nationwide, Federal government grew by 6.4% (+181,000 jobs) during the third quarter from the second quarter driven, in part, by Census 2020 hiring. It increased by 7.7% compared to the third quarter 2019.

State Government Employment
(Thousands)



State government employment in Virginia decreased slightly to a third quarter average of 148,200. This was just 200 fewer jobs than in the second quarter 2020 but 8.0% fewer than during the third quarter of 2019. Nationwide, State government job growth exhibited a flatter trend on a seasonally adjusted basis. State government jobs decreased across the U.S. during the third quarter by 0.3% (-16,000 jobs) to 4,958,000 from the second quarter 2020.

Local Government Employment
(Thousands)



Virginia Local government employment growth averaged 363,700 jobs in the third quarter—a 1.1% increase (3,900 jobs) compared to the prior quarter but a 6.8% decrease over the third quarter of 2019. Nationwide, Local government employment saw 1.2% growth (+172,000 jobs) added over the quarter. However, Local government jobs decreased across the U.S. during the third quarter by 5.7% (-835,000 jobs) to a quarterly average of 13,763,000 from the third quarter 2019.

■ 2019 ■ 2020 ■ 3rd Quarter (Unadjusted)

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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