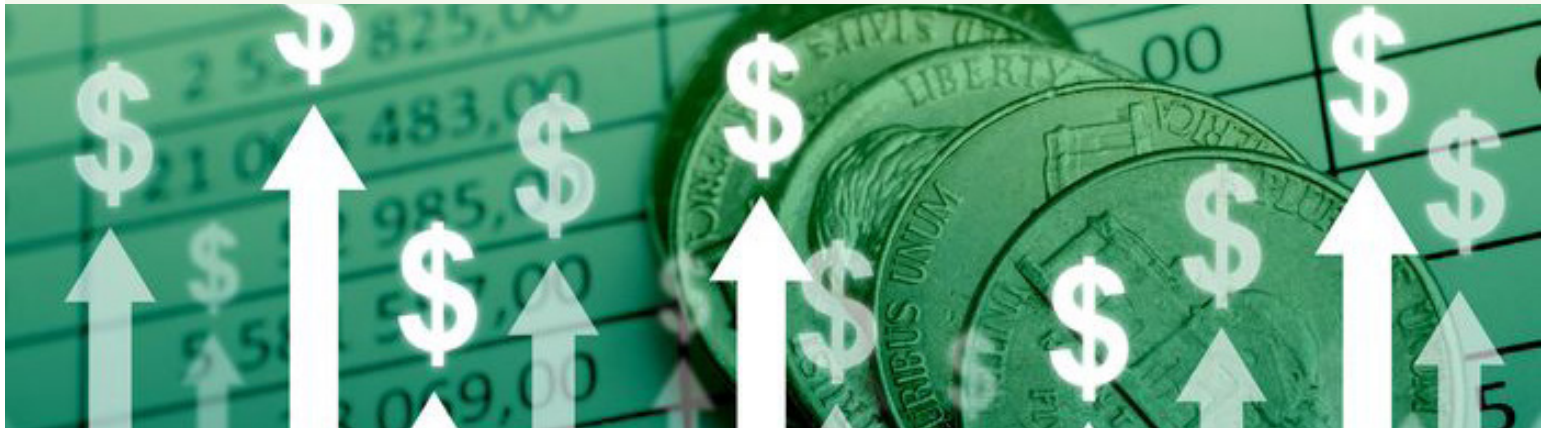


Quarterly Employment Indicators for Virginia



Third Quarter Summary:

Virginia's job market continued to outperform its overall economy in some ways during the third quarter of 2022. The quarter arrived on the heels of weak economic news as Virginia's economy contracted a little faster than nationwide in the previous quarter. Real gross domestic product (GDP) in the second quarter declined at an annual rate of -0.9%, compared to -0.6% nationwide, and -0.3% in the Southeast region overall, according to the U.S. Bureau of Economic Analysis (BEA). And, despite a positive print, third quarter GDP nationwide pointed toward weakening spending on goods and housing, but increased spending on services—especially healthcare.

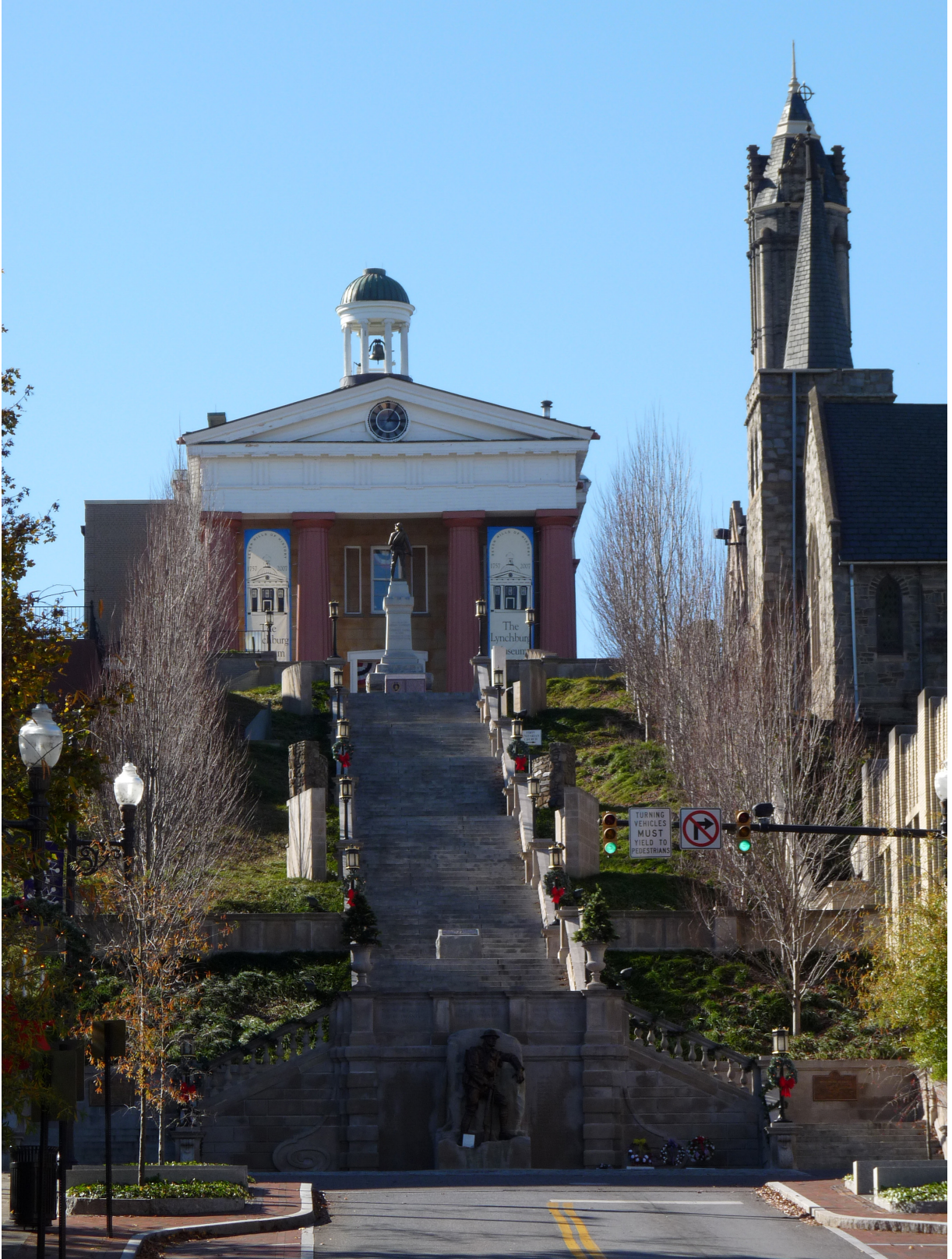
Boosts in personal income, in part driven by pandemic assistance over the prior two years, spurred on consumption in 2022. But that pent up demand, as well as supply chain issues and other factors, grew to weigh on consumers in the form of growing inflation. Higher prices at the pump and on store shelves began to be reflected in changes in spending habits, while rising home prices and climbing mortgage rates crowded out some Virginians from participating in early 2022's red-hot housing market. Rising apartment rents began to spread from new leases only to effect overall, average lease rates.

Despite these conditions, jobs continued being added broadly across many sectors of the Virginia economy. Growing by 0.4 of a percentage point (+16,100 jobs) over the quarter, the Commonwealth saw the quarterly average of payroll jobs exceed four million. This represented an increase of 2.7% over the same period in 2021 and was driven by private sector job growth. Virginia's private sector added 30,300 jobs, growing by 0.9%. At the same time, the public sector in Virginia fell by 14,200 jobs. Compared to the same period in 2021, private-sector payrolls in Virginia added nearly 97,000, or 3.0%, while public-sector jobs added 8,800, or 1.3%.

Yet, as employers added jobs during the quarter, they also continued to experience labor shortages. BLS Job Openings and Labor Turnover Survey (JOLTS) figures for September provide evidence of continued confidence among job changers and competitiveness for staff among employers during the third quarter. JOLTS data indicates that there were three job openings for every unemployed worker in Virginia in September of 2022. Moreover, hiring continued to significantly outpace job separations while job quitting made up three quarters of those separations. Counts of continuing claims for unemployment insurance also suggest that laid off workers found it relatively easy to secure new employment.

During the third quarter of 2022, few were sure exactly which gear Virginia's economy and labor market were in. The stimulative effect of pandemic-era assistance was wearing off as both consumers and businesses contended with higher costs. Many job openings remained unfilled even as the rate of labor participation remained below pre-pandemic levels. And, adding to the mixed signals, job growth continued across many industries in the Commonwealth amidst some signs of weakening in the economy.

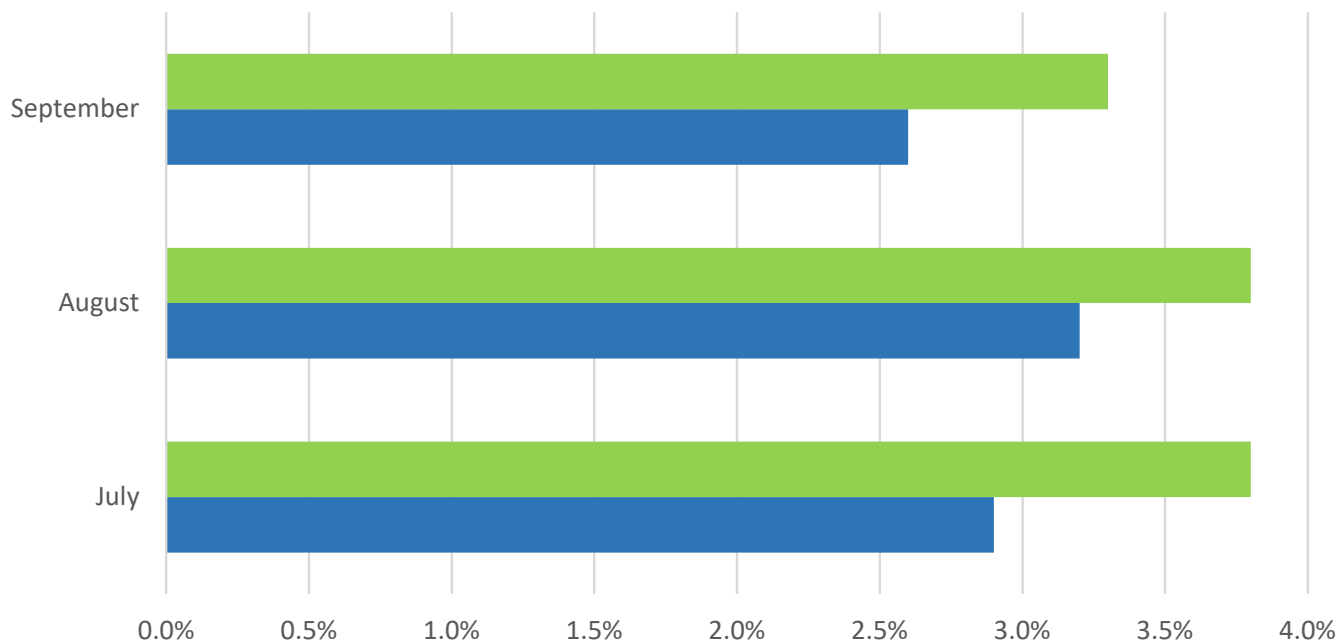
Senior Economist: Timothy Aylor: timothy.aylor@vec.virginia.gov



3rd Quarter 2022 Unemployment Virginia vs. U.S.

(Unadjusted)

Unemployment Rates



	July	August	September
■ U.S.	3.8%	3.8%	3.3%
■ Virginia	2.9%	3.2%	2.6%

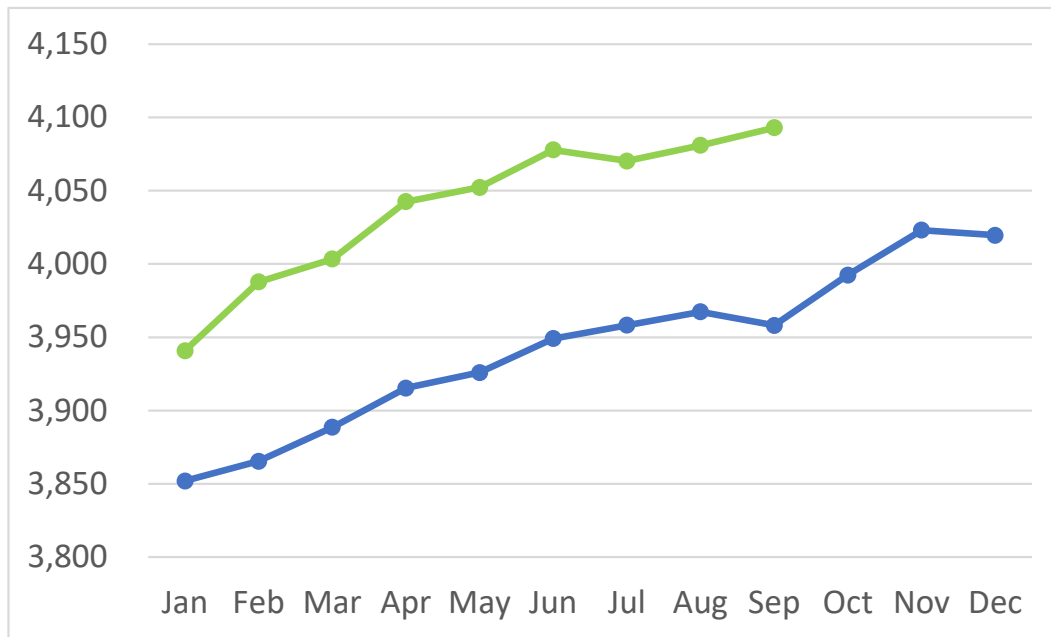
Employment/Unemployment

Virginia			U.S.	
Month	Employment	Unemployment	Employment	Unemployment
July	4,261,677	127,576	159,067,000	6,255,000
August	4,215,615	137,348	158,714,000	6,256,000
September	4,228,288	111,132	159,003,000	5,460,000

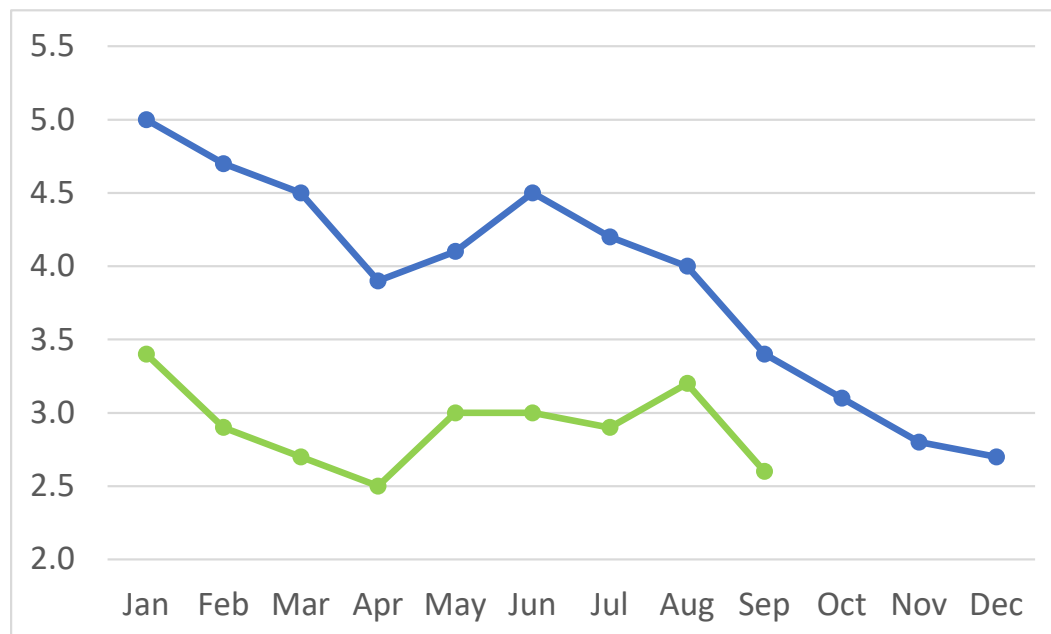
Sources: Virginia Employment Commission, Economic Information & Analytics, Local Area Unemployment Statistics, and Bureau of Labor Statistics.

Total Nonfarm Employment and Unemployment

Nonagricultural Wage and Salary Employment
(Thousands)



Total Unemployment Rate
(Percent)



2021 2022 3rd Quarter (Unadjusted)

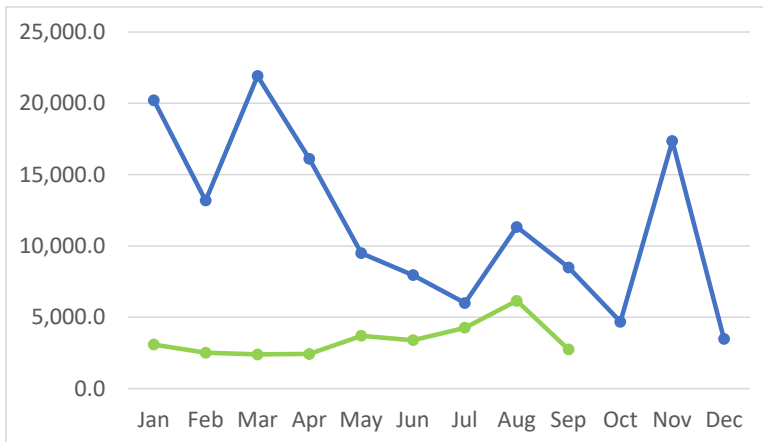


	Nonagricultural Wage and Salary Employment (Thousands)		Total Unemployment Rate (Percent)	
2022	Unadjusted	Adjusted	Unadjusted	Adjusted
January	3,940.9	3,993.6	3.4	3.3
February	3,987.8	4,018.2	2.9	3.2
March	4,003.4	4,024.2	2.7	3.0
April	4,042.5	4,037.4	2.5	3.0
May	4,052.2	4,047.8	3.0	3.0
June	4,077.8	4,050.2	3.0	2.8
July	4,070.3	4,068.6	2.9	2.7
August	4,081.0	4,085.6	3.2	2.6
September	4,093.0	4,094.1	2.6	2.6
October				
November				
December				

2021	Unadjusted	Adjusted	Unadjusted	Adjusted
January	3,852.0	3,899.7	5.0	4.8
February	3,865.5	3,903.0	4.7	4.6
March	3,888.6	3,911.7	4.5	4.5
April	3,915.4	3,913.3	3.9	4.3
May	3,926.0	3,919.4	4.1	4.1
June	3,949.1	3,921.7	4.5	4.0
July	3,958.2	3,950.4	4.2	3.8
August	3,967.4	3,967.2	4.0	3.6
September	3,958.1	3,958.9	3.4	3.4
October	3,992.5	3,973.4	3.1	3.4
November	4,023.1	3,986.8	2.8	3.3
December	4,019.6	3,994.4	2.7	3.3

Unemployment Insurance

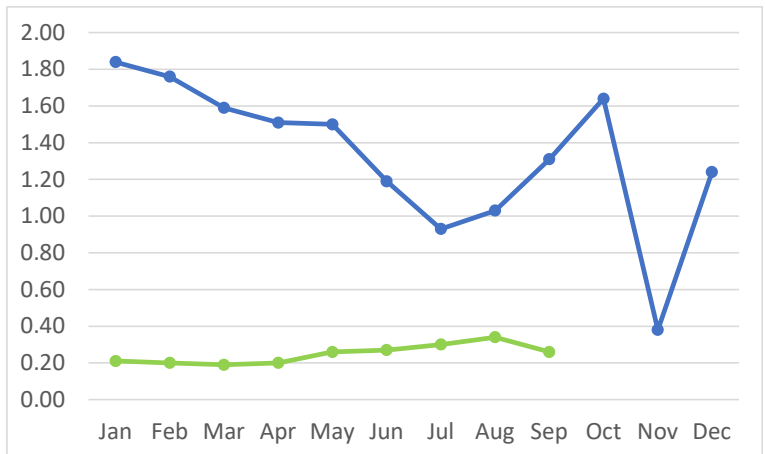
Average Weekly Initial Claims



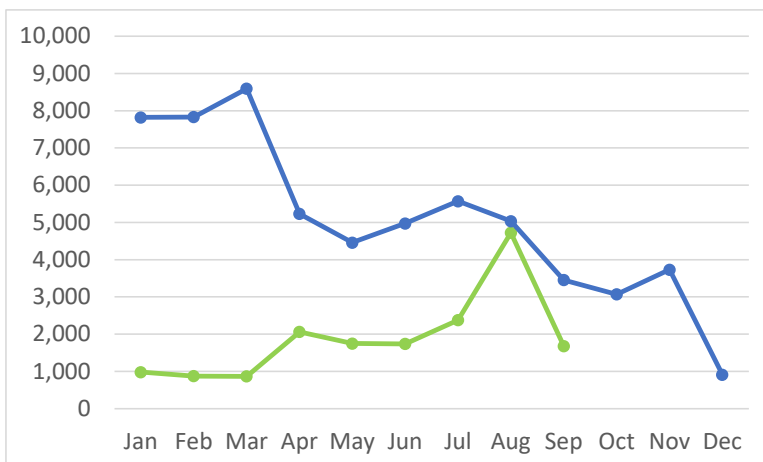
INSURED UNEMPLOYED : The average weekly number of weeks claimed for the three months of the quarter.

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.

2021

2022

3rd Quarter (Unadjusted)

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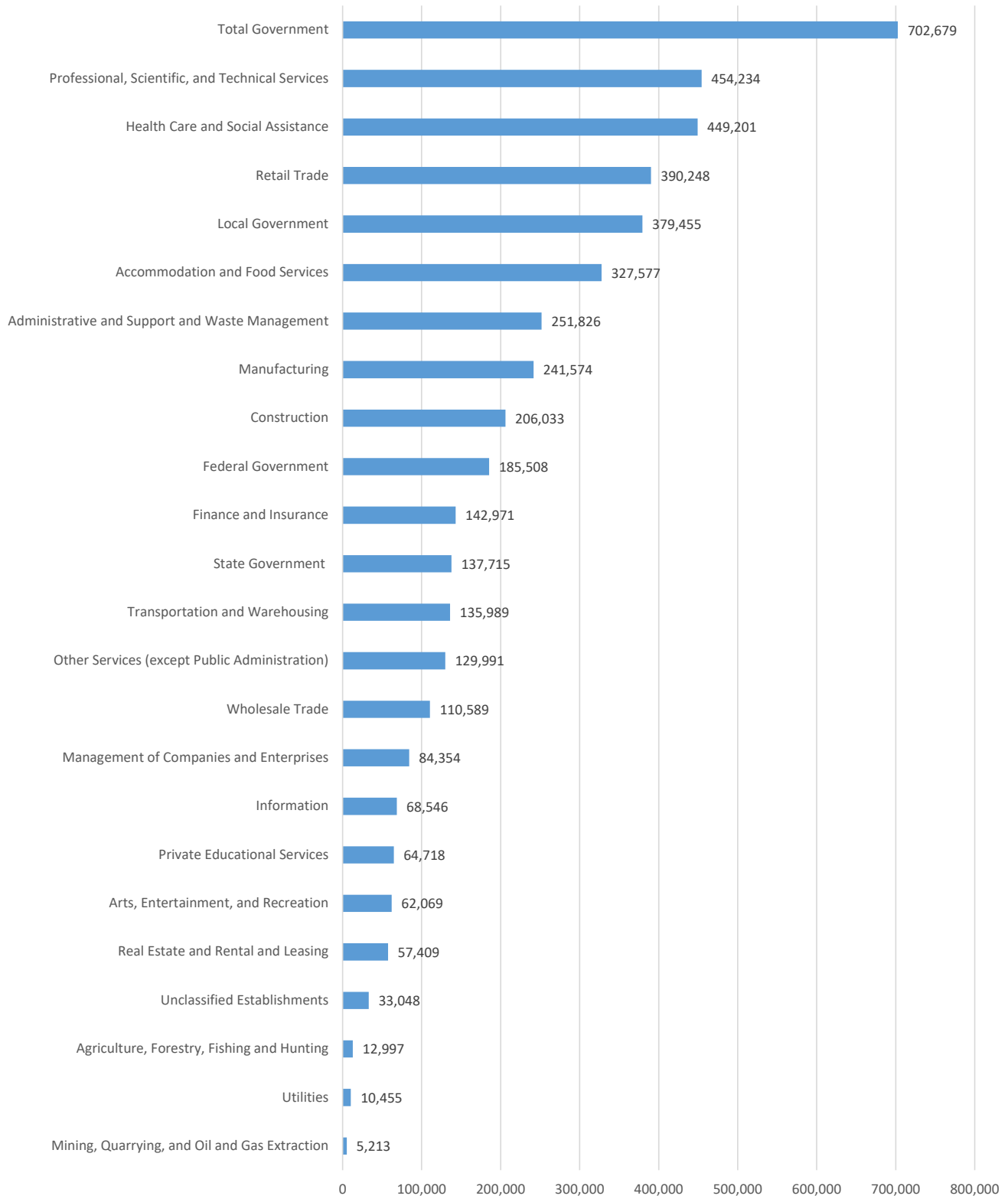


	Average Weekly Initial Claims	Insured Unemployment Rate (Percent)	Unemployment Insurance Final Payments
2022	Unadjusted	Unadjusted	Unadjusted
January	3,088.8	0.21	981
February	2,512.8	0.20	875
March	2,396.7	0.19	867
April	2,429.3	0.20	2,061
May	3,698.4	0.26	1,750
June	3,396.8	0.27	1,739
July	4,263.8	0.30	2,376
August	6,153.0	0.34	4,724
September	2,743.9	0.26	1,680
October			
November			
December			

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	9,492.1	1.50	4,460
June	7,954.5	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	4,681.0	1.64	3,069
November	17,355.5	0.38	3,732
December	3,474.3	1.24	911

Employment by Industry

Second Quarter 2022



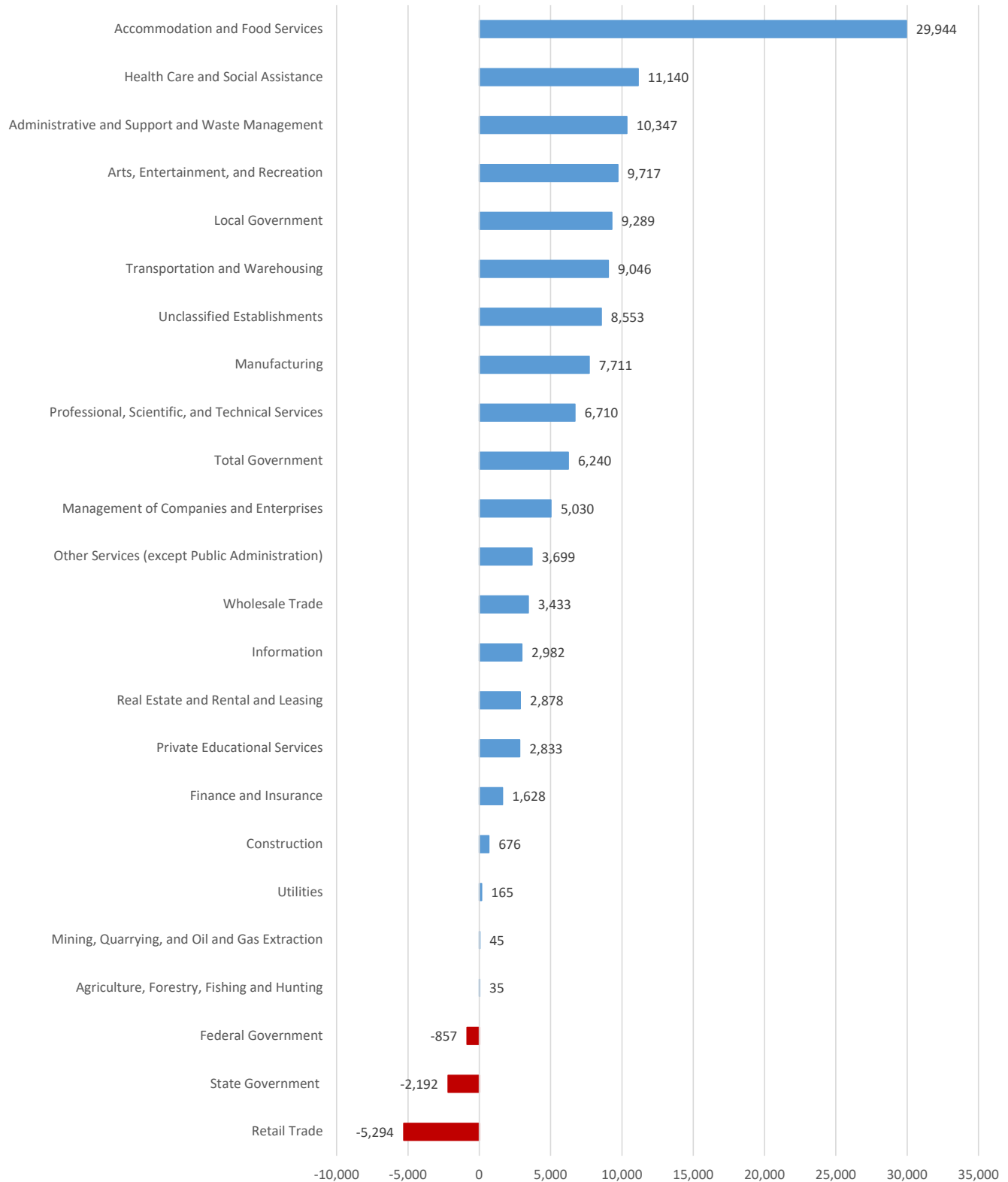
All Industry Total: 3,941,720

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 2022

Employment Change

Second Quarter 2021 - Second Quarter 2022



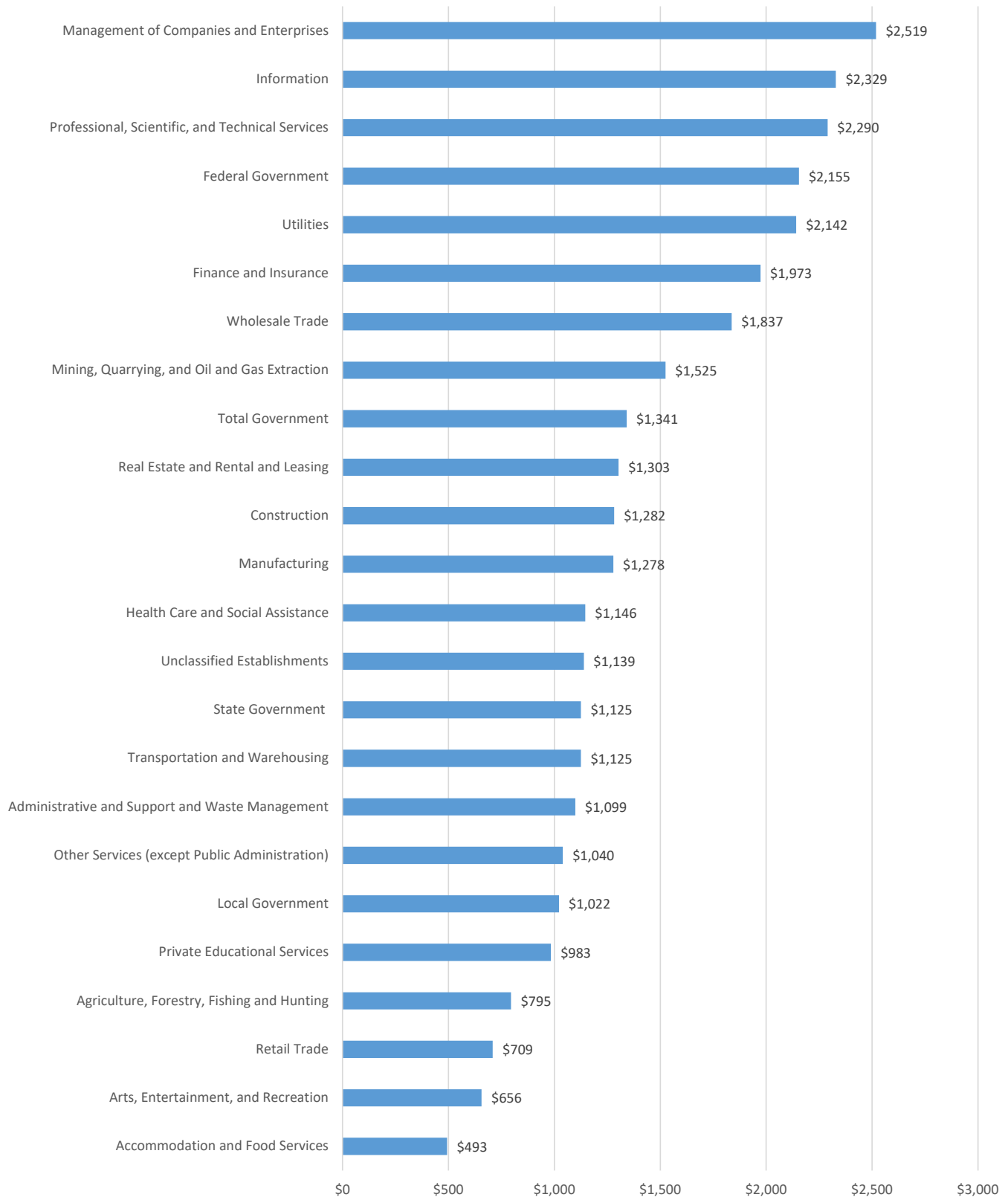
All Industry Total: 117,519

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 2022

Average Weekly Wage by Industry

Second Quarter 2022



All Industry Total: \$1,316

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 2022

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



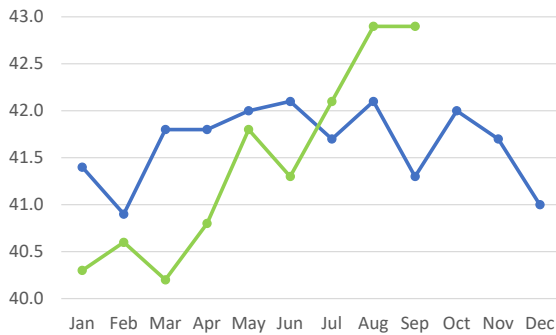
Area	Employment (end of quarter)	Previous Quarter (end of quarter)	Previous Year (end of quarter)	Over-the-Quarter Change	Over-the-Quarter (Percent)	Over-the-Year Change	Over-the-Year (Percent)
Blacksburg-Christiansburg-Radford	82,300	80,700	80,200	1,600	1.98%	2,100	2.62%
Charlottesville	119,200	118,500	115,700	700	0.59%	3,500	3.03%
Harrisonburg	69,300	69,800	68,200	-500	-0.72%	1,100	1.61%
Lynchburg	104,600	104,400	101,400	200	0.19%	3,200	3.16%
Richmond	681,700	679,400	670,900	2,300	0.34%	10,800	1.61%
Roanoke	160,400	159,000	157,700	1,400	0.88%	2,700	1.71%
Staunton	51,600	50,900	50,000	700	1.38%	1,600	3.20%
Virginia Beach-Norfolk-Newport News	792,600	776,600	771,100	16,000	2.06%	21,500	2.79%
Winchester	68,600	68,100	67,300	500	0.73%	1,300	1.93%
Northern Virginia	1,530,300	1,527,800	1,494,000	2,500	0.16%	36,300	2.43%
Virginia	4,094,100	4,050,200	3,958,900	43,900	1.08%	135,200	3.42%

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

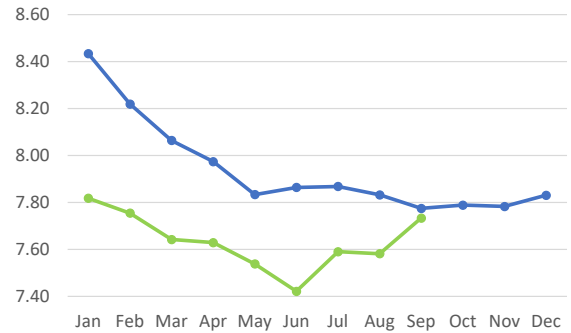
Source: Virginia Employment Commission, Economic Information & Analytics: Current Employment Statistics (CES) Seasonally Adjusted - (Not Preliminary)

Industry Focus: Manufacturing

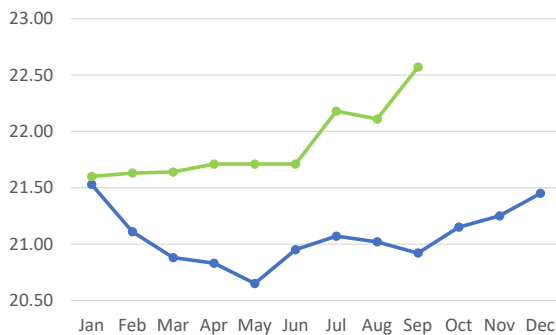
Average Weekly Hours



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



Average Hourly Earnings
(Dollars)



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

2021 2022 3rd Quarter (Unadjusted)

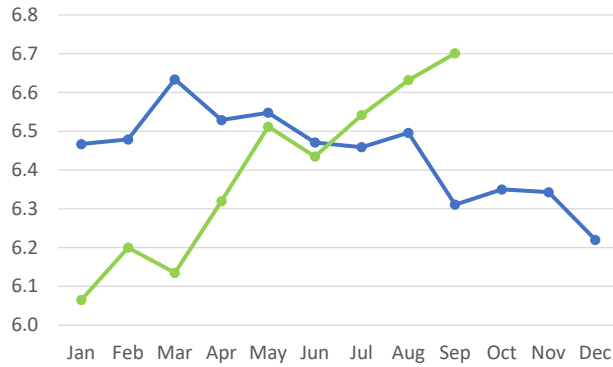
	Average Weekly Hours (Million)	Average Hourly Earnings (Dollars)	Inflated-Adjusted Average Hourly Earnings (1982-84 Dollars)
2022	Unadjusted	Unadjusted	Unadjusted
January	40.3	21.60	7.82
February	40.6	21.63	7.75
March	40.2	21.64	7.64
April	40.8	21.71	7.63
May	41.8	21.71	7.54
June	41.3	21.71	7.42
July	42.1	22.18	7.59
August	42.9	22.11	7.58
September	42.9	22.57	7.73
October			
November			
December			
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	20.83	7.97
May	42.0	20.65	7.83
June	42.1	20.95	7.86
July	41.7	21.07	7.87
August	42.1	21.02	7.83
September	41.3	20.92	7.77
October	42.0	21.15	7.79
November	41.7	21.25	7.78
December	41.0	21.45	7.83

*These series have been adjusted to First Quarter 2021 benchmarks. Sources: Virginia Employment Commission, Current Employment Statistics.

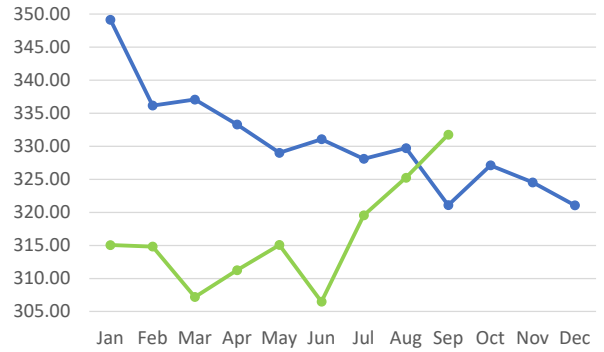
Kyle.Davis@vec.virginia.gov

Manufacturing Production Worker Indicators

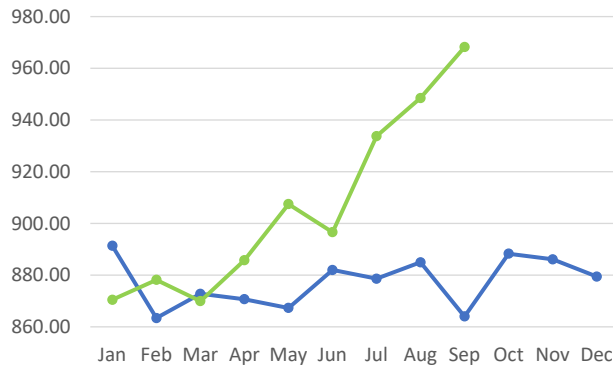
Total Production Hours
(Millions)



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



Average Weekly Earnings
(Dollars)



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

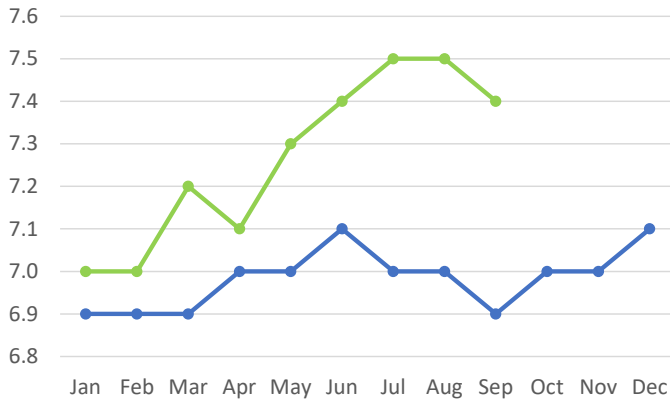
2021 2022 3rd Quarter (Unadjusted)

	Total Production Hours (Millions)	Average Weekly Earnings (Dollars)	Inflated-Adjusted Average Weekly Earnings (1982-84 Dollars)
2022	Unadjusted	Unadjusted	Unadjusted
January	6.1	870.48	315.05
February	6.2	878.18	314.82
March	6.1	869.93	307.20
April	6.3	885.77	311.26
May	6.5	907.48	315.07
June	6.4	896.62	306.49
July	6.5	933.78	319.55
August	6.6	948.52	325.25
September	6.7	968.25	331.76
October			
November			
December			
2021	Unadjusted	Unadjusted	Unadjusted
January	6.5	891.34	349.14
February	6.5	863.40	336.16
March	6.6	872.78	337.07
April	6.5	870.69	333.30
May	6.5	867.30	329.01
June	6.5	882.00	331.07
July	6.5	878.62	328.10
August	6.5	884.94	329.73
September	6.3	864.00	321.09
October	6.4	888.30	327.12
November	6.3	886.13	324.54
December	6.2	879.45	321.06

Sources: Virginia Employment Commission, Current Employment Statistics.

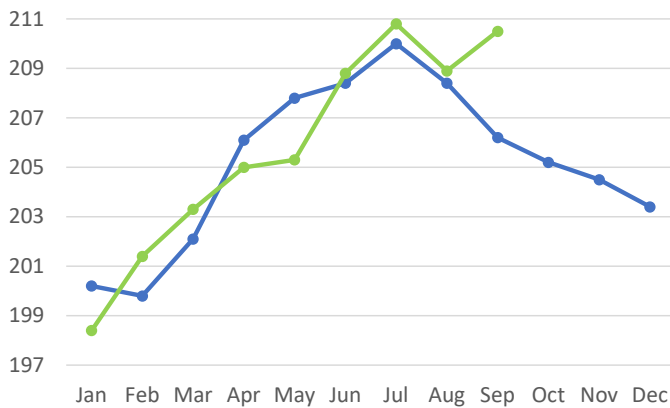
Quarterly Industry Report

Mining and Logging Employment
(Thousands)



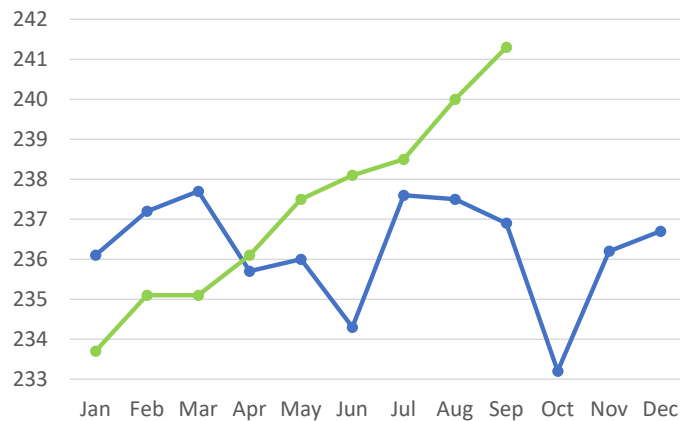
Mining and logging in the state averaged 7,500 jobs per month in the third quarter of 2022, indicating growth of 7.2% from the third quarter of 2021. In an era of global energy supply uncertainty, this may reflect increased demand as short tons of coal production are forecast to grow by 11% in 2022 from 2020, according to data from the EIA. Exported coal tonnage is forecast to climb by over 20%. Rising lumber prices were reflected in the price of wood products, which increased by two thirds in two years, according to the most recent data from BLS.

Construction Employment
(Thousands)



The state's economy, as represented by Virginia GDP growth in the second quarter, was negatively impacted by the cooling residential housing market. This negatively affected the construction industry. Amid rising mortgage rates and materials shortages, housing market indicators began to point toward weakening conditions, as September residential building permits in Virginia fell by 11.2% over the month and by 6.3% over the year. Across the country, housing in 2022 became much less affordable. According to figures from the Federal Housing Finance Authority, Virginia housing prices were up 11% over the year, which was a little slower than nationwide (+12.5%). Perhaps reflecting work backlogs and the intent of contractors to hold onto workers, however, Virginia construction employment remained buoyant, averaging 210,100 jobs in the third quarter compared to 206,400 in the prior quarter—an increase of 1.8% (+3,700 jobs).

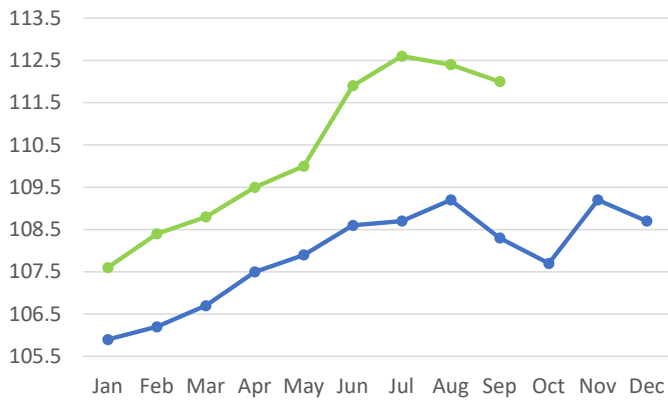
Manufacturing Employment
(Thousands)



Employment in Virginia manufacturing increased by 1.1% (+2,700 jobs) over the quarter to a quarterly average of 239,900 and increased at the same pace over the year. According to a recent survey from the Federal Reserve Bank of Richmond, many Fifth District manufacturing firms reported slowdowns in August. The composite manufacturing index fell from 0 in July to -8 in August, almost matching the June reading of -9. Two of its three component indexes tumbled: the indexes for shipments and volume of new orders slid from 7 and -10 in July to -8 and -20 in August, respectively. The third component, the employment index, rose to 11 from 8 in July.

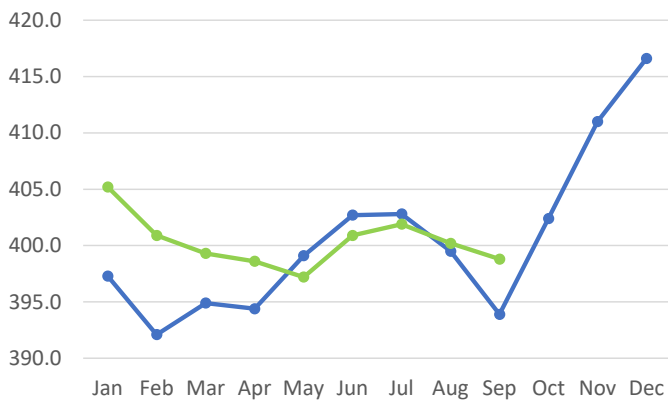
Industrial use of electricity may also provide clues about conditions in the manufacturing sector during the third quarter. According to EIA figures, sales revenue from Virginia manufacturing customers rose by nearly 20% over the year, but actual usage in megawatt hours fell by ten percent—possibly indicating reduced factory activity with simultaneous, rising energy costs.

Wholesale Trade Employment
(Thousands)



At 112,300 jobs, average monthly employment in wholesale trade rose by 1.7% (+1,800 jobs) from the second quarter 2022 and up 3.3% from the third quarter 2021. 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 continued to experience disruptions and inefficiencies. As a result, more retailers and manufacturers are meeting their own logistics and supply chain needs, thereby potentially reducing the need for wholesalers. During the third quarter, U.S. Job Opening and Labor Turnover Survey (JOLTS) data indicates that the wholesale trade industry saw flat growth in job openings over the year and only half the overall rate of growth over five years.

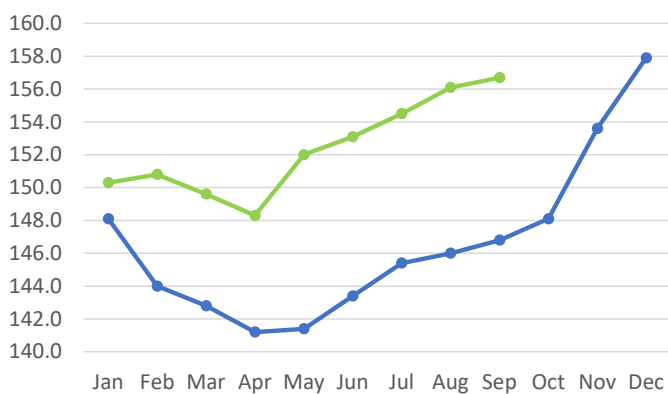
Retail Trade Employment
(Thousands)



Virginia employment in retail rose slightly in the third quarter with a 0.4% gain (+1,400 jobs), reaching a monthly average of 400,300 jobs and rose at the same pace over the year. Retail sales tax revenues rose modestly in June compared to the same period in 2021. 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. According to Census data, Virginia tax collections for motor fuel in August increased by 18% over the year.

One of the 'drivers' of the pandemic era retail economy has been car sales. Long wait times for delivery, empty lots, and high prices for used vehicles have been commonplace in the Commonwealth. Was that still the case during the third quarter? Data from the VADA indicate a slowdown, as new vehicle registrations were off by nearly a quarter year-over year.

Transportation, Warehousing, and Utilities Employment
(Thousands)



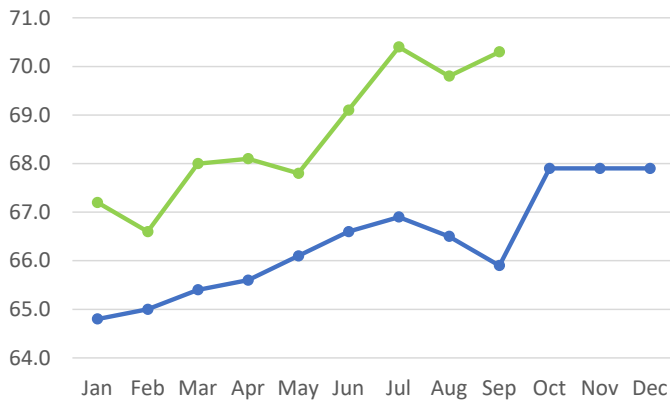
Virginia employment in transportation, warehousing, and utilities rose to 155,800 jobs during the third quarter of 2022. It increased by 3.1% (+4,700 jobs) over the quarter and rose by 6.6% from the same period in 2021.

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% from fiscal year 2021.

The number of domestic passengers in September flying from/to Virginia's big three airports rose over the year, according to figures from the Bureau of Transportation Statistics. While Washington Dulles International and Richmond International posted small gains, nearly fifty percent more passengers used Ronald Reagan Washington International in September, year over year.

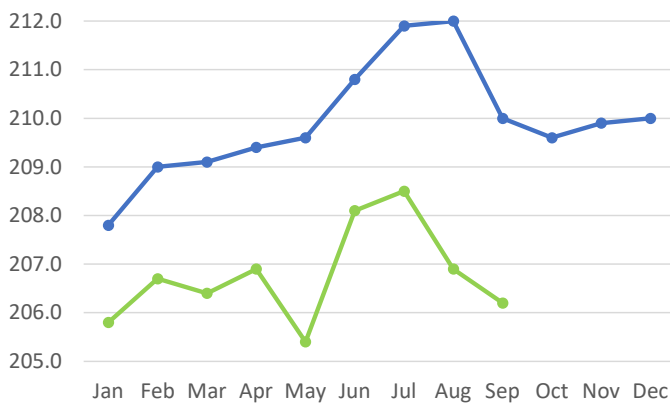
Nationwide, the American Trucking Associations' advanced seasonally adjusted (SA) For-Hire Truck Tonnage Index increased 0.5% in September after rising 2.1% in August and 1.5% in July.

Information Employment
(Thousands)



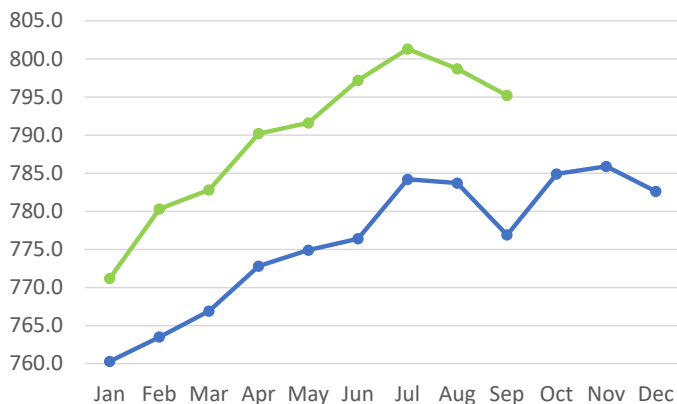
Virginia information employment averaged 70,200 jobs in the third quarter of 2022. It increased by 2.7% (+1,900 jobs) when compared to the second quarter 2022 and was 5.6% higher over the year. Also during the third quarter, U.S. Job Opening and Labor Turnover Survey (JOLTS) data indicates that the information industry saw job openings increase 19% over the year and by 60% compared to the third quarter of 2018.

Finance Employment
(Thousands)



Employment in financial activities was little changed, rising by 0.2% (+400 jobs) during the third quarter and averaged 207,200 jobs. It decreased by 1.9% over the year. 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. The state's economy, as represented by Virginia GDP growth in the second quarter, was negatively impacted by the cooling residential housing market. This negatively affected the real estate portion of the finance industry.

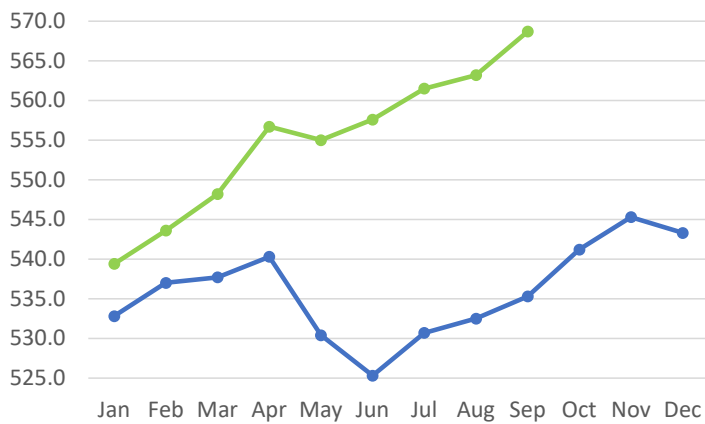
Professional and Business Services Employment
(Thousands)



Employment in professional and business services reached a monthly average of 798,400 jobs. This represents a gain of 0.7% growth, or +5,400 jobs, from the previous quarter. Over the year, the industry rose by 2.1%.

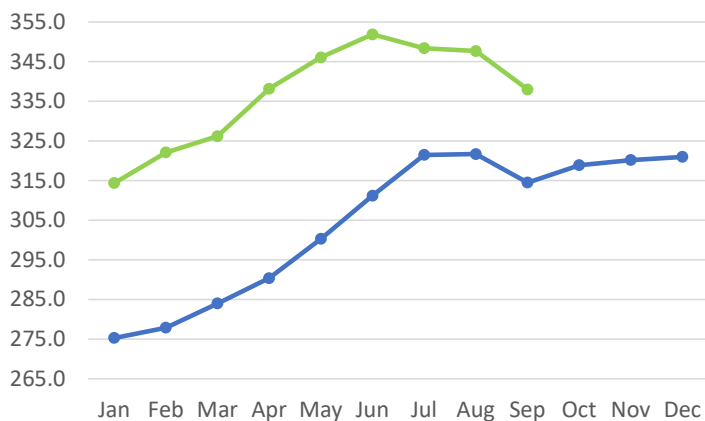
The growth in professional and business services jobs has been an important source of high paying jobs during the pandemic recovery and demand for high skilled tech workers remain strong. In Virginia, there were over 13,000 tech job openings in September. This was the fifth-highest number among states, behind only California, Texas, New York, and Florida.

Private Education and Health Services Employment
(Thousands)



Private education and health services added jobs at the rate of 1.4% over the quarter to 564,500 jobs. Over the year, the industry increased by 5.9% compared to the second quarter 2022.

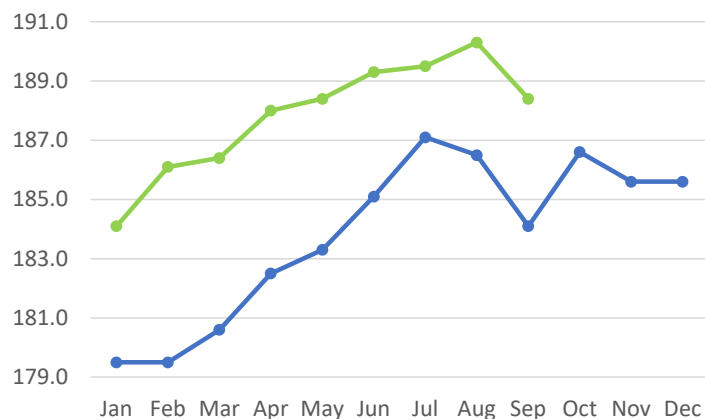
Leisure and Hospitality Services Employment
(Thousands)



At 344,700 jobs, leisure and hospitality employment experienced a slight -0.2% (-700 jobs) decline in the third quarter 2022. However, it jumped by 8.0% compared to the third quarter 2021.

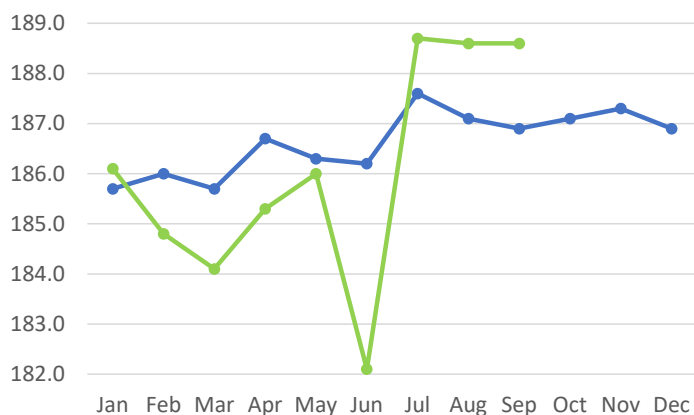
Heading into the third quarter, taxable retail sales figures indicate that leisure and hospitality industries in the Commonwealth saw strong growth in sales during June. Accommodation revenues strongly rebounded, jumping by nearly 60% over the year, while amusement, gambling, and recreation industries rose by nearly a third over that period. Food services and drinking places increased by 13.3%.

Miscellaneous Services Employment
(Thousands)



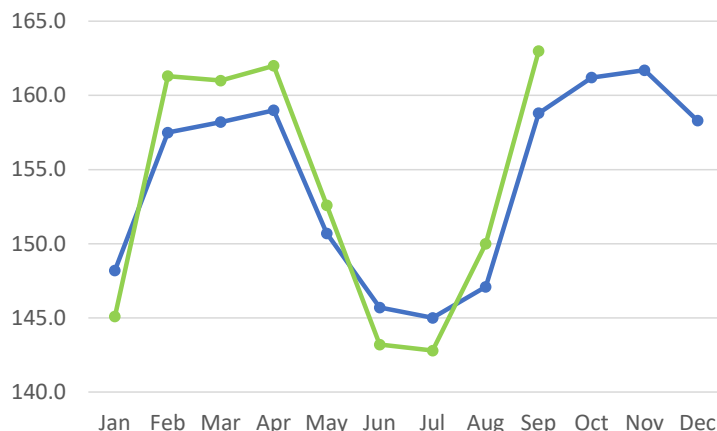
Employment in Miscellaneous services was little changed, growing by 0.4% (+800 jobs) to 189,400 in the third quarter 2022 but increased by 1.9% compared with same period in 2021. Many Virginians, like other Americans, increasingly seek specialty businesses to perform personal services that free them 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)



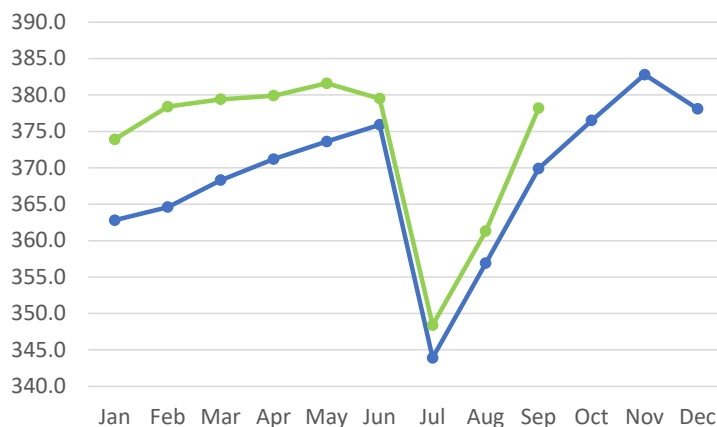
Averaging 188,600 jobs on a seasonally adjusted basis during the third quarter 2022, federal government employment rose by 2.3% (+4,100 jobs) in Virginia over the quarter and little changed at 0.8% over the year. Also during the third quarter, U.S. Job Opening and Labor Turnover Survey (JOLTS) data indicates that the public sector continued to see many more job openings than used to be the case. Nationwide, federal government job openings rose 20% over the year and by 60% compared to the third quarter of 2018.

State Government Employment
(Thousands)



State government employment in Virginia fell by 0.4% (-700 jobs) to a third quarter average of 142,800. However, there were but 1.1% more than during the third quarter of 2021. At the end of the third quarter, U.S. Job Opening and Labor Turnover Survey (JOLTS) data indicated that job openings fell in state and local government education by 7% from the second quarter but were up by 9% from a year earlier.

Local Government Employment
(Thousands)



Virginia Local government employment growth averaged 362,600 jobs in the third quarter—a 4.7% decline (-17,700 jobs) compared to the prior quarter but a 1.6% increase over the third quarter of 2021.

2021 2022 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

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