



# COMMONWEALTH of VIRGINIA

## Virginia Employment Commission

Ellen Marie Hess  
Commissioner

6606 West Broad Street  
Richmond, Virginia 23230

Post Office Box 26441  
Richmond, Virginia 23261-6441

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Contact: Timothy Aylor, Senior Economist  
Economic Information & Analytics Division  
(804) 786-3976 or (804) 786-7496

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### Virginia Job Openings and Labor Turnover – August 2021

— The BLS Jobs Openings and Labor Turnover Survey released October 22 indicated strong demand for workers and an improving labor market for job seekers —

**RICHMOND— According to VEC analysis of the U.S. Bureau of Labor Statistics' latest Job Openings and Labor Turnover Survey (JOLTS), in August 2021 there were 289,000 job openings in Virginia, seasonally adjusted, which was a retreat from July's record-setting level of 320,000 job openings.**

JOLTS data provides information on all pieces that go into the net change in the number of jobs. These components include hires, layoffs, voluntary quits, and other job separations (which includes retirements and worker deaths). Putting those components together reveals the overall change in payroll employment.

Nationwide, recent industries leading in job opening growth have included: health care and social assistance; finance and insurance; and accommodation and food services. Since the Great Recession of 2007-2009, JOLTS data indicates that the **number of job openings** has greatly increased while the **number of hires** into positions has remained more constant.

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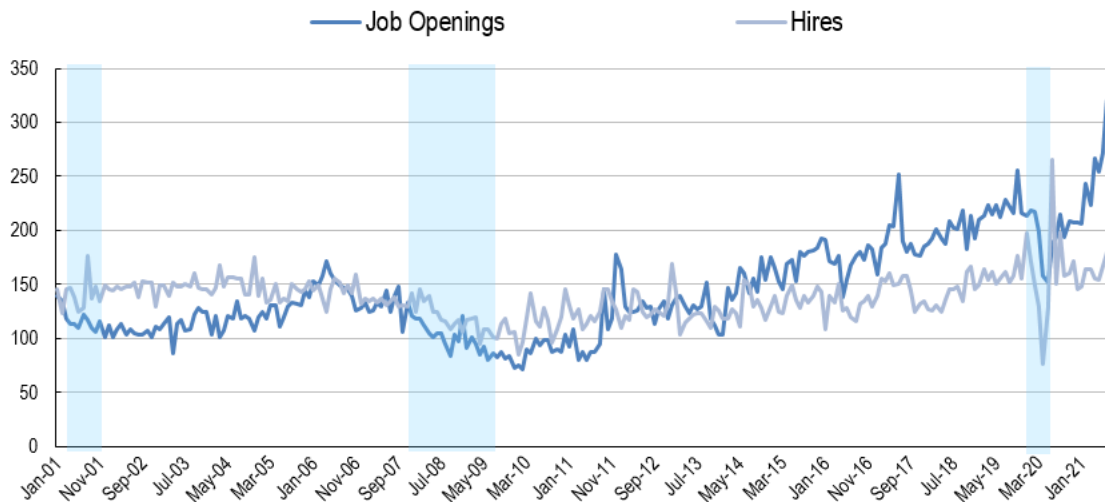
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Within separations, the **number of quits** in Virginia rose 14,000 to 112,000. Nationwide, the number of quits increased in August to 4.3 million and rose in: accommodation and food services; wholesale trade; and state and local government education. The **number of layoffs and discharges** in Virginia rose 10,000 to 37,000 but were 87% lower than the series high set at the start of Pandemic employment impacts in March of last year.

### Virginia job openings and hires, seasonally adjusted, January 2001 to August 2021 (in thousands)

In August 2021 there were 289,000 job openings in Virginia, seasonally adjusted, which was slightly lower than July's record-setting level of 320,000 job openings.



Source: Bureau of Labor Statistics (BLS), Job Openings and Labor Turnover Survey (JOLTS). Seasonally adjusted. Shaded areas represent economic recessions.

Nationwide in August, the number and rate of layoffs and discharges were little changed at 1.3 million and 0.9 percent, respectively. Layoffs and discharges decreased in other services (-61,000) and in state and local government, excluding education (-22,000). Layoffs and discharges increased in state and local government education (+19,000). The **number of hires** rose slightly to 181,000 in Virginia. The series low of 77,000 was set in April 2020, while the high of 265,000 was set in June of last year. Nationwide in August, the number of hires decreased to 6.3 million, led by accommodation and food services and state and local government education.

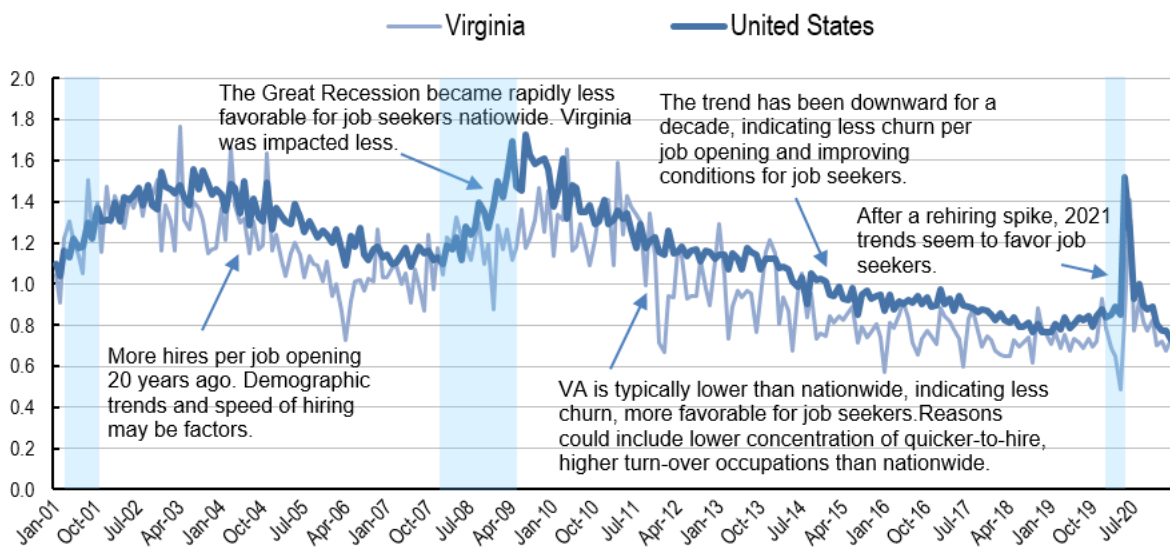
Both **the job opening rate** and **the quits rate** remain highly elevated and indicate a positive environment for those looking for a job. The Virginia job openings rate (job openings as a percentage of total employment) decreased to 6.9% in August, but was still not far off of the series high of 7.6% set a month before. Nationwide, in August, the rate of job openings decreased to 6.6 percent. The Virginia quits rate (the number of 'quits' as a percentage of total employment) increased to 2.9%. That measure peaked at 3.3% in April 2021 and was 2.8% during August 2019's very strong labor market prior to the Pandemic recession. Nationwide, the August quits rate increased to a series high of 2.9 percent while the layoffs and discharges rate was little changed at 0.9 percent.

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The **hires-per-job-opening (HPJO) ratio** stood at 0.6 in August and shows the rate of hiring compared to open jobs. It is a proxy for time to fill positions or the efficiency in filling open jobs in a labor market. For most of JOLTS history, the number of hires has exceeded the number of job openings. However, since the end of the 2007–09 recession, job openings have increased at a faster pace, catching up with hires in 2014 and surpassing hires on a regular basis beginning in 2015. As a result, the hires-per-job-opening ratio at the total nonfarm-industry level decreased steadily since the end of the Great Recession. By January 2015, the hires-per-job-opening ratio was regularly below 1.0, indicating less efficiency in filling job openings.

### The hires-per-job-opening (HPJO) ratio, January 2001 to August 2021

In August 2021, a ratio of 0.6 indicates that there were a third more job openings than hires in Virginia. This indicates a labor market that favors job seekers. In contrast, during the height of the Great Recession, there were 1.6 hires.



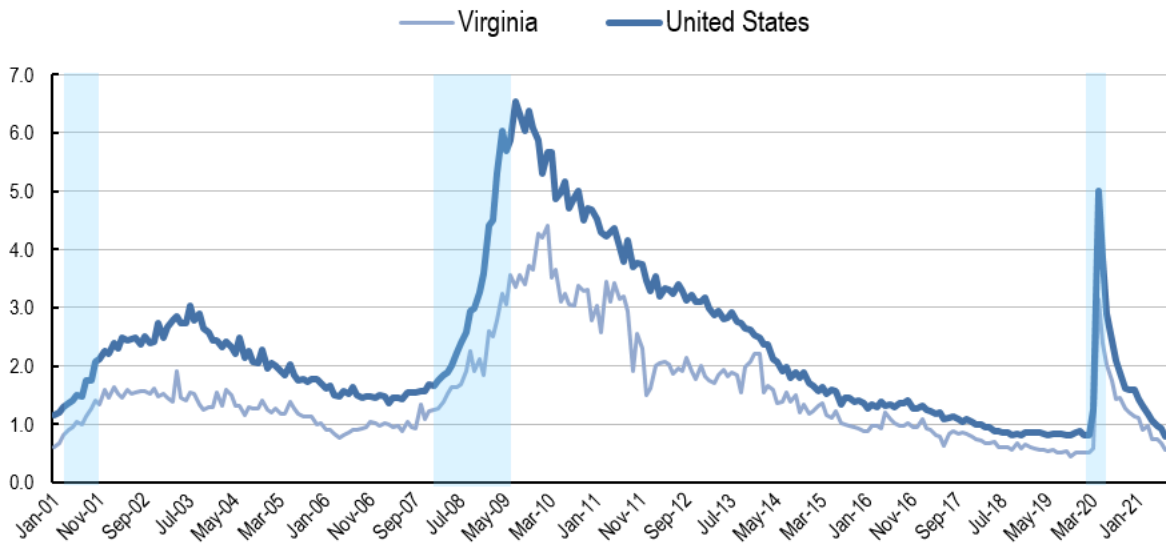
Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data. Shaded areas represent economic recessions.

In August 2021, there was less than one (0.6) unemployed worker per job opening in the Commonwealth, unchanged since March 2021. In Virginia, **the unemployed per job opening ratio** peaked at 4.4 unemployed per job opening in February 2010 during the Great Recession, while the number of unemployed workers per job opening stood at 3.1 in April 2020 during the height of Pandemic employment impacts. In general, when a region’s economy enters a period of expansion, the number of unemployed people tends to fall or remain at a low level. During economic expansions, job openings tend to increase or remain high, causing the unemployed people per job opening ratio to decrease. The opposite occurs when the economy enters periods of economic contraction—unemployment increases and job openings decrease, leading to a higher unemployed people per job openings ratio that helps describe the slack in the labor market.

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### The Unemployed Per Job Opening Ratio, January 2001 to August 2021

In August 2021, there were 0.6 unemployed per job opening in the Commonwealth, unchanged from July's level. This is far lower than during the last national recession in April 2020 when the number of unemployed job seekers per job opening stood at 3.1 and 5.0 nationwide.



Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey and Current Population Survey. Shaded areas represent economic recessions.

It is commonly believed that there are serious labor shortages in Virginia's economy and nationwide, but these indicators suggest that their severity may have been underestimated and that slower than expected employment growth in recent months may have been constrained by worker recruitment and retention difficulties across many industries and regions.

The Virginia Employment Commission plans to release the September 2021 analysis of the BLS Job Openings and Labor Turnover Survey for Virginia on Tuesday, November 23, 2021. The data for all states and U.S. will be available on the BLS website JOLTS page, at <https://www.bls.gov/jlt/>. BLS plans to release the JOLTS data for states on the same day as the statewide unemployment rate and employment data for both the state and metropolitan areas are scheduled to be released on Friday, November 19, 2021.

Technical note: The Bureau of Labor Statistics (BLS) Job Opening and Labor Turnover Survey (JOLTS) produces monthly data on U.S. and regional job openings, hires, quits, layoffs and discharges, and other separations from a sample of approximately 21,000 establishments. As a supplement, BLS has begun publishing state estimates that provide monthly information that can be used to better understand the dynamic activity of businesses in state economies that leads to aggregate employment changes.

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For more information on the program's concepts and methodology, see "Job Openings and Labor Turnover Survey: *Handbook of Methods* (Washington, DC: U.S. Bureau of Labor Statistics, July 13, 2020), <https://www.bls.gov/opub/hom/jlt/home.htm>. For more information on BLS' state JOLTS estimates, see [https://www.bls.gov/jlt/jlt\\_statedata.htm](https://www.bls.gov/jlt/jlt_statedata.htm).

*Definitions of JOLTS terms\**

**Job Openings**

Job openings include all positions that are open on the last business day of the reference month. A job is open only if it meets the following three conditions: (1) A specific position exists and there is work available for that position; the position can be full time or part time, and it can be permanent, short term, or seasonal; (2) the job could start within 30 days, whether or not the employer can find a suitable candidate during that time; and (3) the employer is actively recruiting workers from outside the establishment to fill the position. Excluded are positions open only to internal transfers, promotions or demotions, or recalls from layoffs.

**Hires**

Hires include all additions to the payroll during the entire reference month, including newly hired and rehired employees; full-time and part-time employees; permanent, short-term, and seasonal employees; employees who were recalled to a job at the location following a layoff (formal suspension from pay status) lasting more than 7 days; on-call or intermittent employees who returned to work after having been formally separated; workers who were hired and separated during the month; and transfers from other locations. Excluded are transfers or promotions within the reporting location, employees returning from a strike, and employees of temporary help agencies, employee leasing companies, outside contractors, or consultants.

**Separations**

Separations include all separations from the payroll during the entire reference month and are reported by type of separation: quits, layoffs and discharges, and other separations. Quits include employees who left voluntarily, except for retirements or transfers to other locations. Layoffs and discharges include involuntary separations initiated by the employer, including layoffs with no intent to rehire; layoffs (formal suspensions from pay status) lasting or expected to last more than 7 days; discharges resulting from mergers, downsizing, or closings; firings or other discharges for cause; terminations of permanent or short-term employees; and terminations of seasonal employees (whether or not they are expected to return the next season). Other separations include retirements, transfers to other locations, separations due to employee disability, and deaths. Excluded are transfers within the same location, employees on strike, and employees of temporary help agencies, employee leasing companies, outside contractors, or consultants.

\*Excerpted from U.S. Bureau of Labor Statistics, *Handbook of Methods*, "Job Openings and Labor Turnover Survey: Concepts," <https://www.bls.gov/opub/hom/jlt/concepts.htm>.