



COMMONWEALTH of VIRGINIA
Virginia Employment Commission

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Virginia Job Openings and Labor Turnover – September 2021

— The BLS Jobs Openings and Labor Turnover Survey released November 19th indicated highly elevated numbers of job openings and job quitting in Virginia—

RICHMOND— According to the U.S. Bureau of Labor Statistics' latest Job Openings and Labor Turnover Survey (JOLTS), in September 2021 there were a record-setting 328,000 Virginia job openings while the number of quits rose to 123,000; only 4,000 fewer than the April 2021 peak.

JOLTS data provides information on all pieces that go into the net change in the number of jobs. These components include job openings, 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.

The number of U.S. **job openings** also remained at near-record levels. Nationwide, industries leading in September job openings growth included: health care and social assistance; state and local government, excluding education; wholesale trade; and information. Job openings decreased in state and local government education; other services; real estate and rental and leasing; and educational services.

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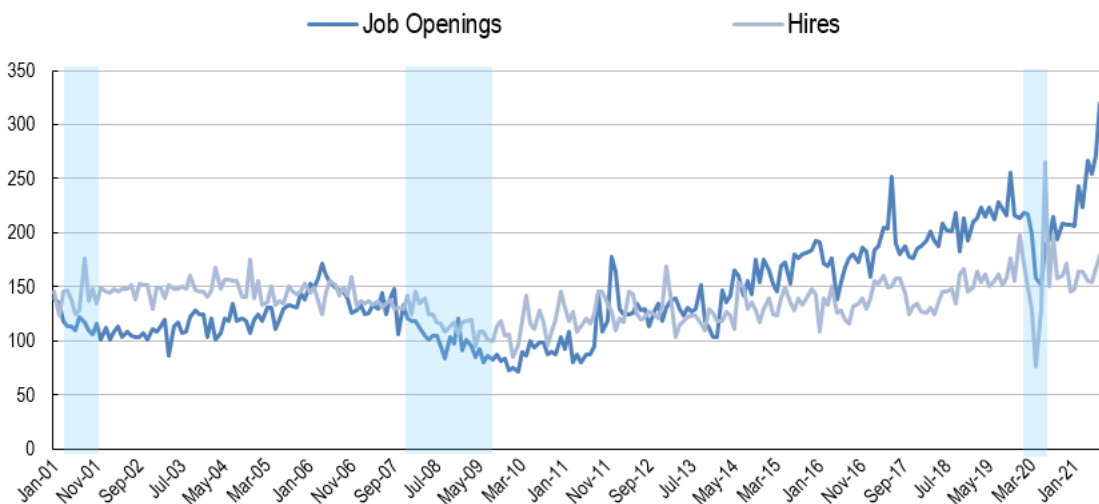
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The **number of hires** in Virginia rose by 6,000 to 190,000 in September. JOLTS defines hires as all additions to the payroll during the month. The series low of 77,000 was set in April 2020, while the high of 265,000 was set in June of last year. Nationwide in September, the number of hires was little changed over the month at 6.5 million. Hires increased in health care and social assistance and finance and insurance and decreased in state and local government education and educational services. Like job openings, hires often increase during economic expansions and decrease during economic contractions. Since the Great Recession of 2007-2009, JOLTS data indicates that the **number of hires** into positions has remained more constant than growth in job openings.

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

In September 2021, there were 328,000 job openings in Virginia, seasonally adjusted, which was significantly more than July's record-setting level of 320,000 job openings. The number of hires has also strengthened as it rose to its highest level since August 2020.



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

The **number of quits** in Virginia rose 12,000 to 123,000, the highest level since the record high set in April of this year. Quits, a component of total separations, are voluntary separations initiated by the employee. Like job openings, the number of quits typically rises when the economy expands as they may show employee confidence in the labor market. Conversely, during the height of the COVID-19 pandemic for example, employees were less willing to leave their current job for a new one. Nationwide, the number of quits rose to a series high of 4.4 million and increased in several industries including: arts, entertainment, and recreation; other services; and state and local government education.

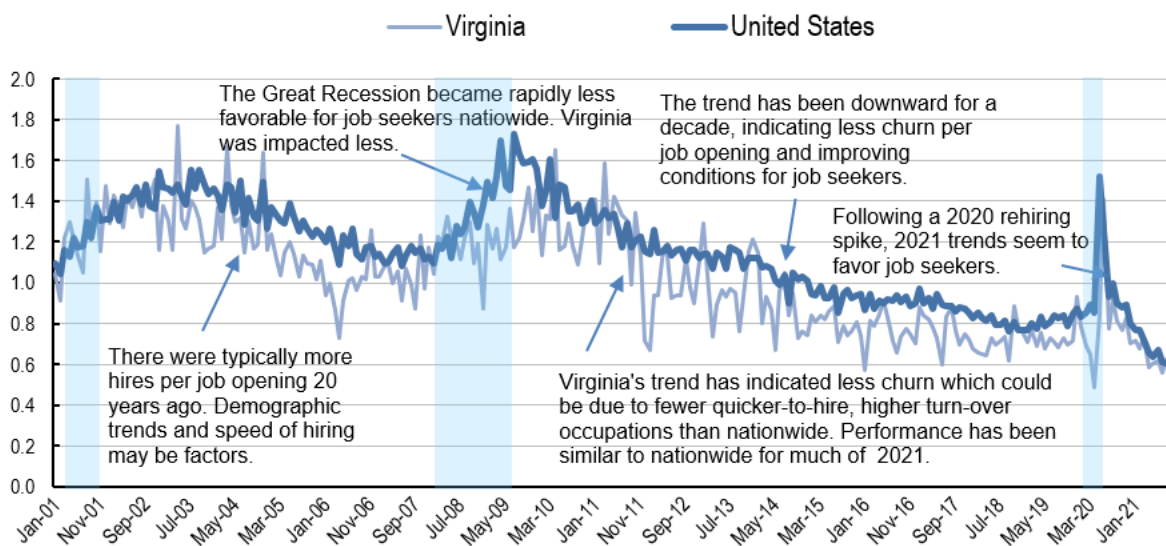
The **number of layoffs and discharges** in Virginia declined by 7,000 to 31,000. This is a reduction of 90% from the Pandemic high set in March 2020. Layoffs and discharges are involuntary separations initiated by the employer. Layoffs and discharges are countercyclical, which means that layoffs typically increase during economic contractions and decrease during economic expansions. Nationwide in September, the number and rate of layoffs and discharges was little changed at 1.4 million.

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Both **the job openings 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) rose to 7.7% in September, setting a new series high. Nationwide in September, the rate of job openings was little changed at 6.6 percent. The Virginia quits rate (the number of ‘quits’ as a percentage of total employment) increased to 3.1% and neared the series peak of 3.3% set in April 2021. Nationwide, the September quits rate increased to a series high of 3.0 percent while the layoffs and discharges rate was unchanged at 0.9 percent.

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

In September 2021, a ratio of 0.6 indicates that there continued to be many more job openings than hires in Virginia and nationwide. This indicates a labor market that favors job seekers. In contrast, during the height of the Great Recession, there were 1.6 hires per job opening.



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

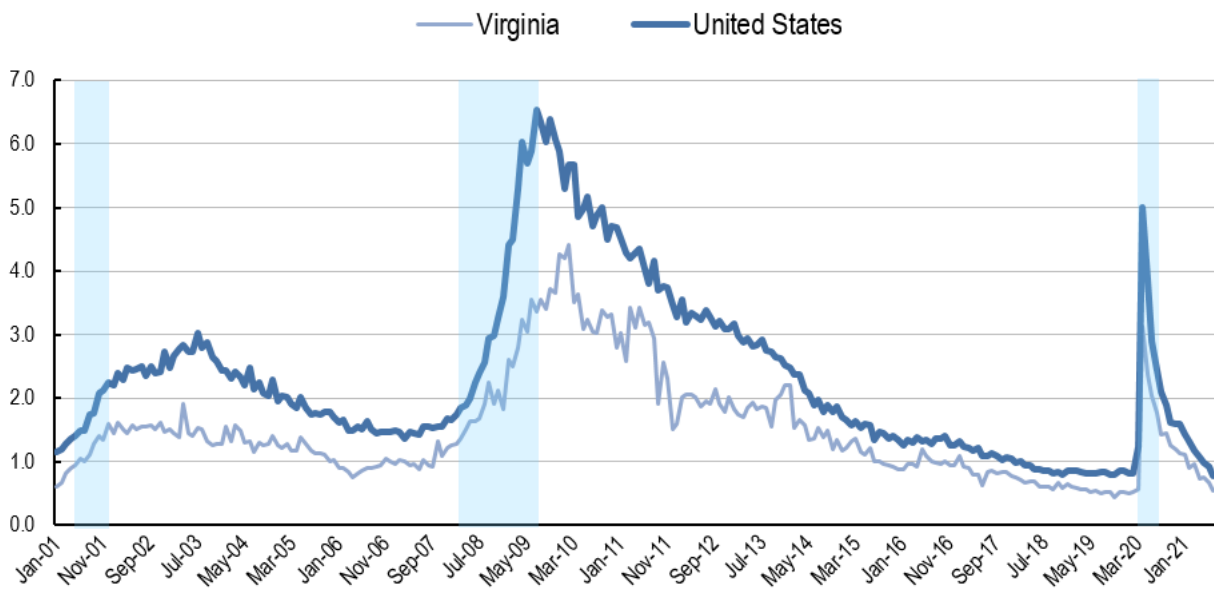
The **hires-per-job-openings (HPJO) ratio** stood at 0.6 in September in Virginia and nationwide. This measure shows the rate of hiring compared to open jobs. It is a proxy for time to fill positions or the efficiency in filling open jobs in a labor market. For most of JOLTS history, the number of hires 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-openings ratio at the total nonfarm-industry level decreased steadily since the end of the Great Recession. By January 2015, the hires-per-job-openings ratio was regularly below 1.0, indicating less efficiency in filling job openings.

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In September 2021, there was less than one (0.5) unemployed worker per job opening in the Commonwealth, the lowest rate since February 2020, before the Pandemic. In Virginia, **the unemployed per job opening ratio** (sometimes called the ‘job seekers 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.

The Unemployed Per Job Opening Ratio, January 2001 to September 2021

In September 2021, there were 0.5 unemployed per job opening in the Commonwealth, a 0.1 of a percentage point drop from August’s level. This was 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.



Shaded areas represent economic recessions.

September’s JOLTS indicators suggest that Virginia employer demand for workers remained at highly elevated levels as the number of job openings reached their highest level in the past twenty years and the number of quits was also near record highs, indicating that labor markets remained in an unusual state of disequilibrium. At the same time, hiring ramped up in September in the Commonwealth which could indicate that progress has begun being made in alleviating the labor shortage that has been seen across the nation over the last year.

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The Virginia Employment Commission plans to release the October 2021 analysis of the BLS Job Openings and Labor Turnover Survey for Virginia on Tuesday, December 21, 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 is scheduled to release the JOLTS data for states on Friday, December 17, 2021.

Technical note: The Bureau of Labor Statistics (BLS) Job Openings 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. 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.

*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>.