



# COMMONWEALTH of VIRGINIA

## Virginia Employment Commission

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### **Virginia Job Openings and Labor Turnover – January 2022**

— The BLS Jobs Openings and Labor Turnover Survey released March 17th indicated that the number of Virginia workers who quit jobs in January 2022 retreated from the previous month's record-breaking peak —

**RICHMOND— According to the U.S. Bureau of Labor Statistics' January 2022 Job Openings and Labor Turnover Survey (JOLTS), Virginia job openings held steady over the month but jumped by 50% when compared to a year earlier.**

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. JOLTS data is seasonally adjusted and describe conditions on the last business day of the month. Current month's data are preliminary and the prior month's data have been revised.

The 3,000 decrease in the number of January 2022 **job openings** in Virginia indicated little change from last December's revised figure of 313,000 but were 26,000 lower than last September's record high. Nationwide, the number of job openings was little changed at 11.3 million. U.S. job openings increased in several industries with the largest increases in other services (+136,000) and durable goods manufacturing

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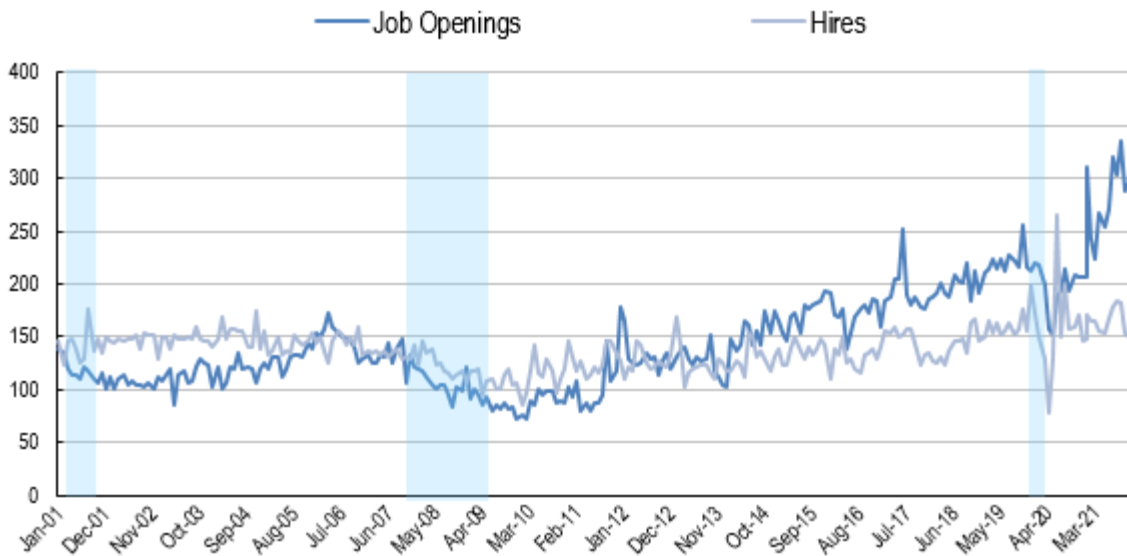
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(+85,000) while the largest decreases were in accommodation and food services (-288,000); transportation, warehousing, and utilities (-132,000); and federal government (-60,000).

The **number of hires** in Virginia fell slightly by 3,000 to 171,000 in January but continued the rebound in hires from October's drop and was 16% higher than in January 2021. 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 that year. The number U.S. hires in January was little changed at 6.5 million (-7,000), with little hiring change in most industries. In Virginia, the **hires rate** rose a half of a percentage point over the year. Hires in the U.S. construction industry declined by 15% year-over-year to 259,000. While such a decrease might suggest contractors were pulling back, they did not lay off many workers. The excess of openings over hires implies the industry would have hired many workers if they had been available.

### Virginia job openings and hires, January 2001 to January 2022 (in thousands)

In January 2022, there were 310,000 job openings in Virginia, seasonally adjusted, which was significantly less than September's record-setting level of 336,000 job openings. The number of January 2022 Hires was little changed at 171,000.



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

In January 2022, the **number of quits** in Virginia retreated from December's total, their highest level since the series began in 2001. Quits decreased by 6,000 from December's revised figure of 131,000 but was 45% higher than in January 2021. Quits, a component of total separations, are voluntary separations initiated by the employee. Across the U.S., the number of quits fell by 151,000 to 4.3 million in January from the series high of 4.5 million set in November 2021. Nationwide, quits increased in finance and insurance (+30,000) but decreased in retail trade (-69,000) and in information (-20,000).

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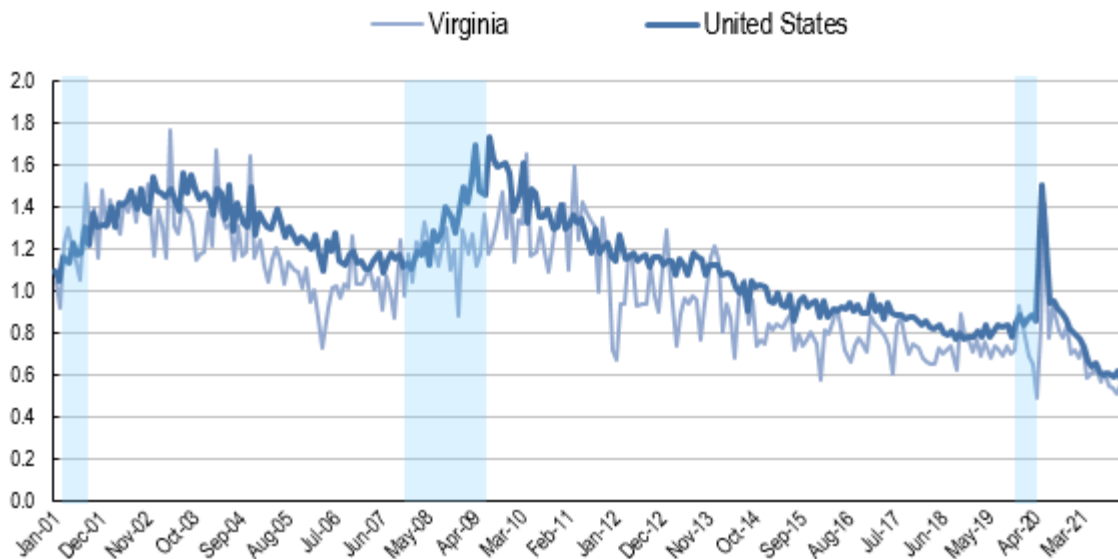
Recent months' figures represent the most people quitting since the United States began keeping records of the statistic about two decades ago, with January 2022 28% higher than January 2021. The number of quits can be seen as a leading indicator of wage trends in that it includes workers who quit to move to another job.

**The job openings rate and the quits rate** in the commonwealth both retreated in January with the quits rate remaining near December 2021's peak level. The Virginia job openings rate (job openings as a percentage of total employment) was little-changed; falling by 0.1 of a percentage point to 7.2% in January 2022. The 2021 rapid rise in U.S. job openings was led by accommodations and food service and health care but other services and durable goods manufacturing saw increases in January. The January 2022 Virginia quits rate (the number of 'quits' as a percentage of total employment) fell by 0.2 of a percentage point from December's record high 3.3%. The quits rate nationwide was 2.8%, which was slightly off of the series high in December's revised estimate. In general, industries with relatively low rates of quitting like government, finance, and educational services had even lower rates compared to the year before while a handful of large industries with relatively high rates of quitting like accommodation and food services and retail had even higher rates compared to the year before.

The **hires-per-job-openings (HPJO) ratio** held steady at 0.6 in January in Virginia, equaling the rate nationwide. This measure shows the rate of hiring compared to open jobs and is a proxy for time to fill positions.

### The Hires-Per-Job-Opening (HPJO) ratio, January 2001 to January 2022

Nationwide, the HPJO ratio in January 2021 was unchanged from December 2021's record low of 0.6 and was the same as Virginia's rate. This indicates that there were only 60 hires for every 100 job openings in Virginia and nationwide.



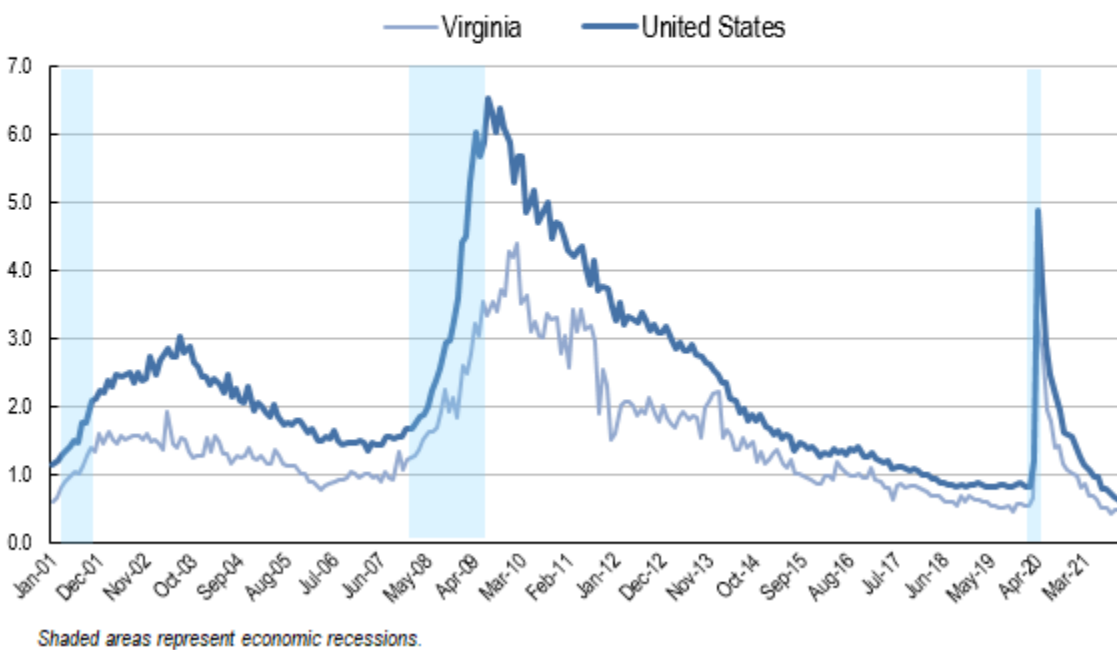
Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data. Shaded areas represent economic recessions.

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In January 2022, there was less than one (0.5) unemployed worker per job opening in the Commonwealth, unchanged over the month. This remained the lowest rate since January 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. Nationwide, January’s ratio of unemployed-to-openings matched a record low when there were approximately 60 unemployed workers for every 100 job openings.

### The Unemployed Per Job Opening Ratio, January 2001 to January 2022

In January 2022, there were 0.5 unemployed per job opening in the Commonwealth, unchanged from December 2021’s level. Nationwide, there were 0.6 unemployed per job opening, which matched the record low set the month before.



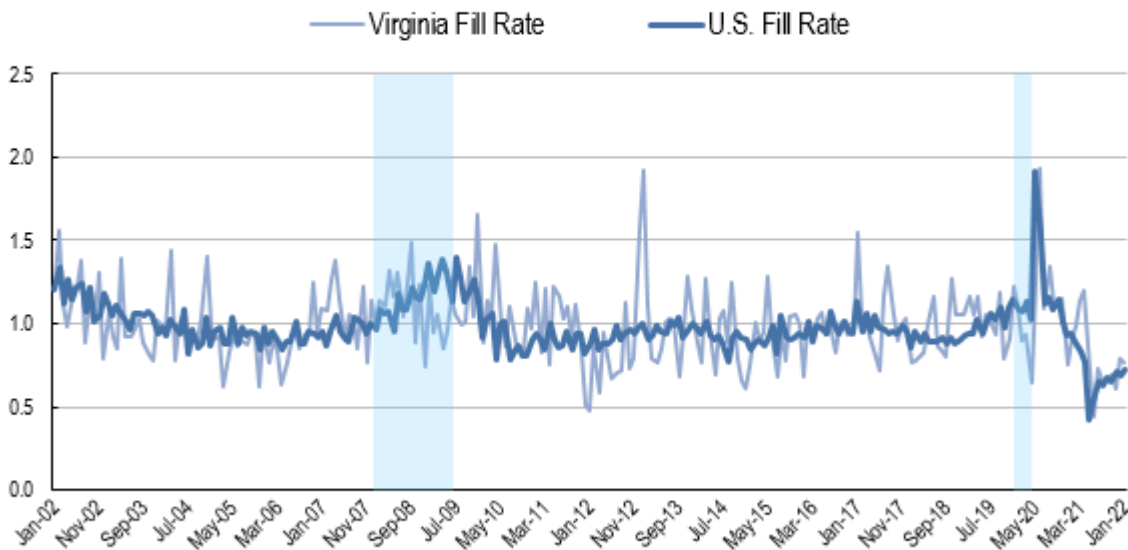
In January 2022, the ‘**annual fill**’ rate (the ratio of hires to job openings over the year) was unchanged from the revised December figure of 0.8. This indicates that, in recent months in Virginia, it has been more difficult to fill positions compared to the same period a year before. The fill rate is a measure used to evaluate how labor markets differ in the pace that job openings are filled. An annual fill rate near or above 1.0 can indicate that employers are growing more efficient at filling job openings. On the other hand, an annual fill rate of less than 1.0 can indicate a tighter labor market, with employers having greater difficulty filling job openings.

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Going back to 2001, the highest annual fill rate occurred during June 2020 because, after the nationwide shutdown due to the COVID-19 pandemic, employers across the country sought to quickly hire for vacated positions. The lowest fill rate in Virginia occurred in June 2021. During that time, there were many factors that hindered the filling of vacant positions by employers, such as health concerns, employee skills, childcare needs, and industry characteristics.

### The Annual Fill Rate, January 2002 to January 2022

In January 2022, the directional trend in ability to hire for open positions was unchanged in Virginia and nationwide. Virginia's rate of 0.8 remained well below the typical level of around 1.0 but well above the record-setting low of 0.4 set in June 2021.



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

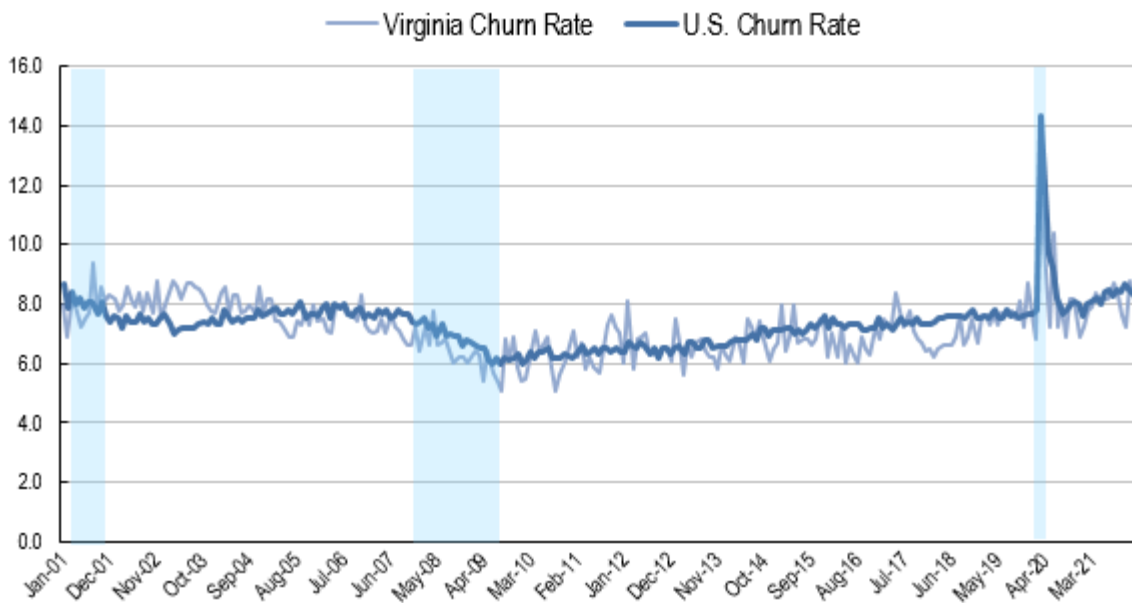
The number of **layoffs and discharges** in Virginia was unchanged at 32,000 in January 2022. This was a reduction of 90% from the pandemic high set in March 2020 and 14% lower than in January 2021. Layoffs and discharges are involuntary separations initiated by the employer. Layoffs and discharges are countercyclical, which means that layoffs typically increase during economic contractions and decrease during economic expansions. In January 2022, the number of U.S. layoffs and discharges rebounded off of the series low of 1.3 million set in December 2021. The U.S. layoff and discharge rate also fell to a series low that month.

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The movement of the January 2022 **churn rate** (the sum of the hires rate and the total separations rate) to 8.4 from December's revised 8.8 in Virginia indicated a moderating of velocity, approaching the pace of labor market turnover seen during the summer of 2021. There was a similar slight slowing in churn nationwide as it declined to 8.3 from December's revised 8.4. An elevated churn rate indicates a labor market with a high hires rate, a high separations rate, or both. It can signify that workers are moving more frequently into and out of jobs in the labor market. Conversely, a low churn rate indicates a labor market with a low hires rate, a low separations rate, or both. Labor markets with the most churn may have more seasonal employment patterns not fully captured by seasonal adjustment factors, which can lead to more frequent job-to-job movement.

### The Churn Rate, January 2001 to January 2022

In January 2022, there was a small reduction in the churn rate to 8.0 in the Commonwealth which equaled the national rate. During 2021, the rate accelerated from the upward trend begun at the end of the Great Recession in 2010 to levels last seen in the early 2000s.



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

As the first month of 2022 came to a close, measures of Virginia job openings and labor turnover indicated continued tight labor market conditions, like those seen during much of 2021. These numbers came after two years of pandemic-related economic disruptions, and showed an economy where employers still struggled to fill vacant positions while many workers sought new opportunities or left the workforce altogether. These trends were evident in the amount and rate of job quitting and in the historically low relationship between the number of unemployed and the number of job openings. Though these trends slowed down slightly in January, both remained near the record-breaking levels set in December 2021.

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The Virginia Employment Commission plans to release the February 2022 analysis of the BLS Job Openings and Labor Turnover Survey for Virginia on Friday, April 22, 2022. The data for all states and the U.S. will be available on the BLS website JOLTS page, at <https://www.bls.gov/jlt/>. BLS is scheduled to release the February JOLTS data for states on Wednesday, April 20, 2022.

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](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>.