

VIRGINIA



EMPLOYMENT MONTHLY

July 2022



Virginia Unemployment Rate for June 2022

Virginia's June Unemployment Rate Decreased to 2.8 Percent; Labor Force Participation Rate Unchanged at 63.8% and Employed Virginians Rose by 13,792

- Virginia's seasonally adjusted **unemployment rate** decreased in June to **2.8 percent**, which is 1.2 percentage points below the rate from a year ago. According to household survey data in June, the labor force increased by 6,250 to 4,353,465 as the number of unemployed residents decreased by 7,542 to 121,273. The number of employed residents rose by 13,792 to 4,232,192.
- The Commonwealth's **labor force participation rate** was unchanged at **63.8 percent** in June. The labor force participation rate measures the proportion of the civilian population age 16 and older that is employed or actively looking for work.
- Virginia's **nonagricultural employment**, from the monthly establishment survey, fell by 2,700 jobs in June to **4,045,100**. In June, private sector employment increased by 12,800 jobs to 3,340,700 while public sector employment declined by 15,500 to 704,400.
- Employment rose in nine of eleven major industry sectors and declined in two. The **largest job gain** during June occurred in **leisure and hospitality employment, with an increase of 3,400 jobs to 411,100**. The second largest increase occurred in education and health services (+3,000 jobs) to 559,600. Finance was third, with a gain of 1,900 jobs, rising to 208,100.
- The **largest job loss** during June occurred in **government (-15,500 jobs) to 704,400**. The second largest decrease occurred in miscellaneous, with a decrease of 1,500 jobs to 187,200.
- From June 2021 to June 2022, the VEC estimates that establishments in Virginia gained 123,400 jobs, an increase of 3.1%. In June, the private sector recorded an over-the-year gain of 125,700 jobs, while employment in the public sector decreased 2,300 jobs.

Virginia Employment - June 2022 (seasonally adjusted)

United States Unemployment Rate (June 2021 - June 2022 percentage point)	3.6% (-2.3)
Virginia Unemployment Rate (June 2021 - June 2022 percentage point)	2.8% (-1.2)
Civilian Labor Force (June 2021- June 2022 Change)	4,353,465 (2.1%)
Labor Force Participation Rate (June 2021 - June 2022 Change)	63.8% (1.4%)
Total Nonfarm Employment (June 2021 - June 2022 Change)	4,232,192 (3.3%)
Number of Establishments, 3rd Quarter 2021 (3rd Quarter 2020 - 3rd Quarter 2021 Change)	291,079 (4.0%)
Average Weekly Wage, 3rd Quarter 2021 (3rd Quarter 2020 - 3rd Quarter 2021 Change)	\$1,265 (5.5%)

Unemployment Rates (percent) - May 2022 (not seasonally adjusted) (May 2020 - May 2021 percentage point)

Virginia	3.0 (-1.1)
Blacksburg-Christiansburg-Radford MSA	2.9 (-0.6)
Bristol MSA (VA part)	3.1 (-1.0)
Charlottesville MSA	2.8 (-0.8)
Harrisonburg MSA	2.9 (-0.7)
Lynchburg MSA	3.3 (-0.9)
Northern VA MSA (VA part)	2.6 (-1.1)
Richmond MSA	3.2 (-1.2)
Roanoke MSA	3.0 (-0.9)
Staunton-Waynesboro MSA	2.8 (-0.8)
Virginia Beach-Norfolk-Newport News, Virginia/NC MSA (VA part)	3.4 (-1.3)
Winchester, Virginia/WV MSA (VA part)	2.5 (-0.6)

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Economic Information & Analytics Division
6606 West Broad St., Richmond, VA 23230

Virginia and Recent Labor Productivity Trends

The Bureau of Labor Statistics recently reported that labor productivity decreased 7.3% in the first quarter of 2022, as output decreased 2.3% and hours worked increased 5.4%. This is the largest decline in quarterly productivity since the third quarter of 1947, when the measure decreased 11.7%.¹ What does this mean and why is it important?

Looking at productivity trends provides a ‘look under the hood’ and shows how well different combinations of labor and capital are working out in a business, an industry, or an entire region. Like an engine with water in the fuel line or a bad spark plug, disruptions and inefficiencies in the economy reduce performance as measured by the amount of ‘output’ of goods and services produced by the economy’s primary ‘input’—labor. BLS offers this historical example of rising U.S. labor productivity. “Workers in the U.S. business sector worked virtually the same number of hours in 2013 as they had in 1998—approximately 194 billion labor hours. The U.S. population gained over 40 million people during that time, and despite the fact that there were thousands of new businesses established, American businesses still managed to produce 42 percent—or \$3.5 trillion—more output in 2013 than they had in 1998, even after adjusting for inflation.”²

Over the years, Virginia’s population and labor force have grown gradually; sometimes rapidly like in the 1980s and 1990s and sometimes slowly like in recent years. However, productivity has usually outpaced them because of the rising skills of the workforce and greater efficiencies from innovation and technological change that have enabled more goods and services to be produced with the same, or fewer, total hours worked. When this is the case, the economy usually hums along and is able to expand and grow. Declining worker skill-levels, falling quality of capital and equipment, or disruptions in how these components work together can degrade productivity.

What we produce, how we produce it, and by whom, have been changing rapidly as the U.S. economy over the past two years has been roiled by rapidly shifting currents. How has Virginia’s productivity growth fared

¹ Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, Nonfarm business sector labor productivity decreased 7.3% in the first quarter of 2022 at <https://www.bls.gov/opub/ted/2022/nonfarm-business-sector-labor-productivity-decreased-7-3-percent-in-the-first-quarter-of-2022.htm> (visited June 24, 2022).

² Bureau of Labor Statistics, U.S. Department of Labor, *Beyond the Numbers*, “What Can Labor Productivity Tell Us about the U.S. Economy” at <https://www.bls.gov/opub/btn/volume-3/what-can-labor-productivity-tell-us-about-the-us-economy.htm#:~:text=With%20growth%20in%20labor%20productivity,a%20given%20amount%20of%20work.> (visited June 27, 2022).

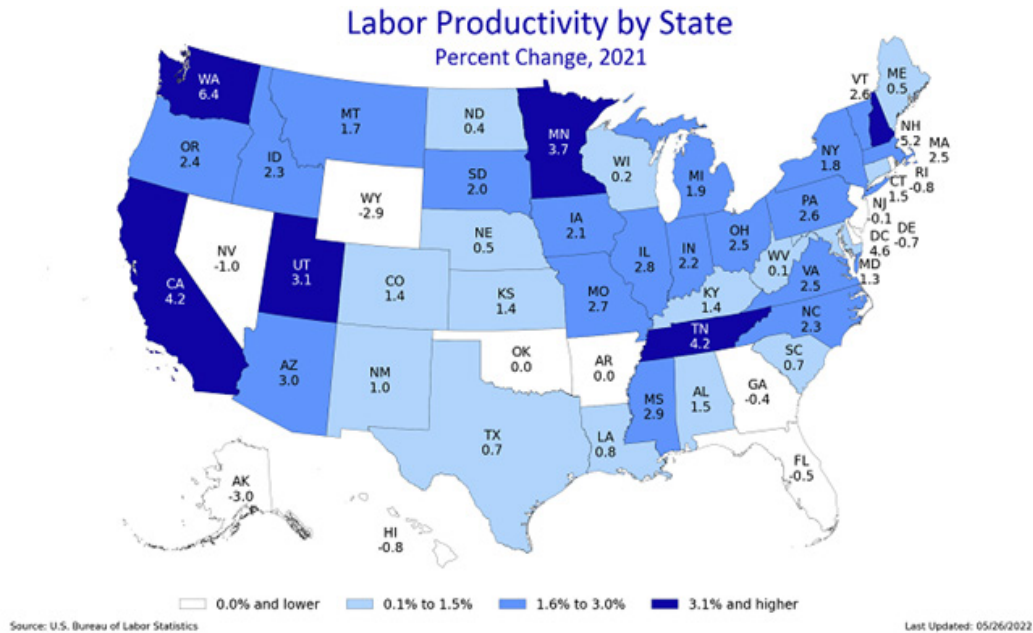


compared with other states? During the pandemic year of 2020, all states, including Virginia, saw declines in output and all but one state saw declines in hours worked, closely mirroring the recession years of 2007-09. It was common for businesses to grow productivity by maintaining as much production as possible with much fewer worker hours. Even before the pandemic, this was already evident in some types of retail, where the number of floor sales people and cashiers declined because of the incorporation of online sales platforms, self-service checkout, improved inventory and restocking procedures, and other innovation.³ Of course, strong sales didn’t hurt, like what we saw on car lots in recent years. Grocery stores, big box general retailers, and home and garden centers added jobs, along with growing sales due to pandemic-driven changes in consumer behavior that drove store traffic.

Following that, 2021 was a year of recovery with nearly all areas experiencing growth in output and hours worked. Virginia productivity rose by 2.5%. The District of Columbia rose by 4.6%, driven by decreasing hours worked over the year. Washington and New Hampshire experienced the highest growth in labor productivity of 6.4% and 5.2%, respectively. In 2021, Arkansas and Oklahoma had no change in labor productivity, as increases in output were equal to increases in hours worked. Labor productivity decreased in nine states (Alaska, Wyoming, Nevada, Hawaii, Rhode Island, Delaware, Florida, Georgia, and New Jersey) as increases in hours worked were larger than increases in output. Output growth exceeded 9.0 percent in three states: California and Tennessee (9.8 percent each) and New Hampshire (9.3 percent).⁴ The states with the highest growth in hours worked in 2021 were Nevada (9.8 percent) and Florida (9.1 percent). Commonly seen among

³ Jenny Rudd, “Checking out productivity in grocery stores,” *Beyond the Numbers: Productivity*, vol. 8, no. 15 (U.S. Bureau of Labor Statistics, December 2019), <https://www.bls.gov/opub/btn/volume-8/checking-out-productivity-in-grocery-stores.htm>.

⁴ Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, *Labor Productivity Up in 39 states and D.C. in 2021* at <https://www.bls.gov/opub/ted/2022/labor-productivity-up-in-39-states-and-d-c-in-2021.htm> (visited July 12, 2022).



top-performing states during the pandemic recovery period, growth was driven more by weaker hours worked and wage growth than output growth. Ohio, Missouri, and Minnesota were other examples.

As the economy reopened in 2021, labor productivity grew in many service industries heavily impacted by the pandemic. Productivity rose more than 25 percent in travel arrangement and reservation services (136.8 percent), amusement parks and arcades (87.4 percent), air transportation (61.8 percent), and full-service restaurants (25.3 percent) in 2021. In all 4 of those industries, output grew more than 44 percent. Gambling industries had the greatest increase in hours worked in 2021, at 26.2 percent, while travel arrangement and reservation services had the largest decline in hours worked, at 19.1 percent.⁵ Longer term, from the fifteen years spanning 2007 to 2021, labor productivity rose in 47 states and the District of Columbia. Over that period, North Dakota experienced the highest rate of labor productivity growth of 3.4% annually, helped by the energy-production boom in the state.⁶ Virginia performed better than most, growing by 1.5% annually, with middle-of-the-pack growth in both economic output and labor inputs. Some states experienced productivity growth driven by weak hours-worked growth. Kansas, New Mexico, and Vermont were examples. However, most states that performed well (like Washington, California, Massachusetts, Colorado, and New Hampshire) saw rising production but with growing jobs and wages as well. What set these overachievers apart? Since technological advancement has crept into nearly

⁵ Bureau of Labor Statistics, U.S. Department of Labor, The Economics Daily, *Labor Productivity Up in 24 of 30 selected service-providing industries in 2021* at <https://www.bls.gov/opub/ted/2022/labor-productivity-up-in-24-of-30-selected-service-providing-industries-in-2021.htm> (visited July 08, 2022).

⁶ Bureau of Labor Statistics, U.S. Department of Labor, *Productivity by State – 2021* at <https://www.bls.gov/news.release/prin4.nr0.htm> (visited June 27, 2022).

every work process to boost the output of everything from assembling automobiles to book keeping, it makes sense that states with key tech industry concentrations like Northern California’s Silicon Valley often experience greater increases in labor productivity. In addition to being productive themselves, these tech industries are major providers of the services and equipment that other industries use to grow their productivity. Most poor performers—like Rhode Island, Mississippi, and Delaware—underperformed in both output and labor growth. North Carolina and Florida were examples of fast-growing states with slower productivity growth, held back by rapidly growing jobs and wages.

The poor productivity showing during the first quarter of 2022 nationwide reflected some of the key issues involving the economy at the start of this year. Detailed state productivity figures are unavailable for 2022, but GDP output estimates provide some clues. For example, many of the states hardest hit by drops in output are economically dependent on energy production, like Alaska, North Dakota, West Virginia, and Oklahoma.⁷ Supply chain issues (like ocean-borne shipping backups, trucker shortages, and factory shutdowns) and rising material and labor costs held back nondurable goods manufacturing output. The retail sector had similar challenges regarding getting the right merchandise on the shelves to sell and increasing retail wages. These showed up in unit labor costs that increased 12.6 percent in the first quarter of 2022 and 8.2 percent over the last four quarters—the largest four-quarter increase since 1982. Selling houses, however, was a different story during the red-hot housing market, with realtors quickly selling homes on the market even as the real estate job outlook began to show some cracks in its foundation. These conflicting trends resulted in real estate being a productivity leader during that negative quarter.

⁷ Bureau of Economic Analysis, *Gross Domestic Product by State, 1Q 22* at <https://www.bea.gov/data/gdp/gdp-state> (visited July 13, 2022).

Although its labor productivity declined like other states, Virginia was helped by its concentration of white-collar, professional jobs in industries like management of companies, professional, scientific, and technical services, and information that led in positive output growth during the first quarter.⁸ The second largest Virginia job gains at the end of the first quarter occurred in professional and business services (+1,600 jobs) to 790,200. The third largest job gain at the end of the first quarter occurred in information (+1,000 jobs) to 67,600.⁹

The Commonwealth of Virginia, in some ways, typified U.S. labor productivity trends early in 2022. Sectors of its economy like retail, leisure and hospitality, and others hadn't gotten fully 'up to speed' from the most recent recession. At the same time, professional services and tech-sector jobs in Northern Virginia and elsewhere were added, helping to boost overall output and to clear the path for potential economic expansion. For thousands of years, it has been understood that workers who labored harder, smarter, or used better tools were likely to produce more and create wealth. Today, labor productivity trends are a useful measuring stick for this timeless truth.

⁸ Bureau of Economic Analysis, *Gross Domestic Product by Industry, 1Q 22* at <https://www.bea.gov/news/2022/gross-domestic-product-third-estimate-gdp-industry-and-corporate-profits-revised-first> (visited July 13, 2022).

⁹ Virginia Employment Commission, "The Virginia unemployment rate fell to 3.0 percent in March while total nonfarm payroll employment increased by 2,700." April 15, 2022 at <https://www.vec.virginia.gov/latest-release>.



Trust Fund Data - June 2022

Financial Data

- Trust Fund Balance (millions) \$1,425.7
- Tax Revenue (Monthly) (millions) \$14.8

Benefits Data

- Benefits Paid (Monthly) (millions) \$11.1
- Average Weekly Benefit \$326.17
- Initial Claims (YTD) 75,471

Initial and Continued Claims

Initial Claims:

- There were 14,946 initial claims in June
- Initial claims fell by 8.2% over the month.
- Year-to-date initial claims were over 80.4% lower in June 2022 compared to the same month in 2021, though that magnitude of difference has trended steadily downward since last March.

Continued Claims:

- There were 57,960 continued claims in June 2022.
- This was a 5.1% decrease over-the-month and over a 63.3% decrease over-the-year.
- Year-to-date continued claims were 80.1% lower than during the same period in 2021.

*Claims counts include interstate and intrastate.

Claims Data			
	Initial Claims	Recipients	Final Payments
June 2022	14,946	9,370	1,739
May 2022	16,273	8,791	1,750
June 2021	35,000	41,301	4,972

Upcoming Events



The Sitter & Barfoot Veterans Care Center (SBVCC)

Saturday, August 6, 2022

10:00 Am – 2:00 Pm

1601 Broadrock Boulevard

This job fair is for the following positions only:

Lpn And Lpn Applicants

All Shifts Available (Full and Part time)

Register for the Job fair and forward your resume by contacting: megan.watson@dvs.virginia.gov (link sends e-mail) / 804-371-4692 or vonda.armstrong@dvs.virginia.gov (link sends e-mail) / 804-371-8430

A state application must be completed. Complete an application on line prior to the job fair at: <https://virginiajobs.peopleadmin.com/postings/search>

Corporate Gray Virtual Healthcare Job Fair - September 9, 2022 - Statewide

This Corporate Gray Virtual "Healthcare" Job Fair provides healthcare professionals the opportunity to interview with employers nationwide via text chat and video interviews Virtual Job Fair hours are 11:00 AM to 2:00 PM (ET). The event is open and free to all job seekers in the healthcare industry, including civilians. Pre-registration is required, and registered candidates will receive a Virtual Job Fair Training Guide and the Job Fair Employer Directory prior to the Virtual Job Fair.

For more information: <https://www.corporategray.com/jobfairs/459>



Corporate Gray Virtual Military-Friendly Job Fair - September 23, 2022 - Statewide

This Corporate Gray Virtual "Healthcare" Job Fair provides healthcare professionals the opportunity to interview with employers nationwide via text chat and video interviews Virtual Job Fair hours are 11:00 AM to 2:00 PM (ET). The event is open and free to all job seekers in the healthcare industry, including civilians. Pre-registration is required, and registered candidates will receive a Virtual Job Fair Training Guide and the Job Fair Employer Directory prior to the Virtual Job Fair.

For more information: <https://www.corporategray.com/jobfairs/459>

LIVE, LOVE, & WORK IN VIRGINIA! A Virtual State Wide Hiring Event for All of Virginia.

October 5th from 1pm to 5pm.

Job Seekers can register for this event at <https://pvapi.premiervirtual.com/s/8rkrod>

For more information, contact us at Hiring.Events@VEC.Virginia.Gov (link sends e-mail) (link sends e-mail)(link sends e-mail).

Hosted by Virginia Career Works & Administered by The Virginia Employment Commission.

Posting your Resume or Summary of Qualifications is strongly encouraged.

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