

# VIRGINIA



# EMPLOYMENT MONTHLY

## August 2022



## Virginia Unemployment Rate for August 2022

**Virginia's July Unemployment Rate Declined 0.1 Percentage Point in July to 2.7 Percent; Labor Force Participation Rate Decreased to 63.8% and Employed Virginians Rose 5,865**

- Virginia's **seasonally adjusted unemployment rate** declined 0.1 percentage point in July to **2.7 percent**, which is 1.1 percentage points below the rate from a year ago. Virginia's seasonally adjusted unemployment rate continues to be below the national rate, which declined 0.1 percentage point to 3.5 percent.
- According to household survey data in July, the **labor force decreased by 1,015 to 4,354,174**, as the number of unemployed residents decreased by 6,880 to 116,040. The number of employed residents rose by 5,865 to 4,238,134.
- The Commonwealth's **labor force participation rate decreased by 0.1 of a percentage point** from June's revised 63.9 percent to 63.8 percent in July. 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, rose by 20,600 jobs in July to **4,070,800**. In July, private sector employment increased by 13,800 jobs to 3,358,300, while public sector employment increased 6,800 to end at 712,500. Increases within that sector occurred in federal government employment (+5,400 jobs), local government (+1,400 jobs), and state government held steady.
- Employment rose in eight of eleven major industry sectors, and declined in three. The largest job gain during July occurred in Government employment, with an increase of 6,800 jobs to 712,500. The second largest increase occurred in Education and Health Services (+4,800 jobs) to 566,600. Leisure and Hospitality was third, with a gain of 4,000 jobs, rising to 415,900.
- The largest job loss during July occurred in Finance (-500 jobs) to 206,800.

## Virginia Employment - July 2022 (seasonally adjusted)

<b>United States Unemployment Rate</b> (July 2021 - July 2022 percentage point)	<b>3.5%</b> <b>(-1.9)</b>
<b>Virginia Unemployment Rate</b> (July 2021 - July 2022 percentage point)	<b>2.7%</b> <b>(-1.1)</b>
<b>Civilian Labor Force</b> (July 2021 - July 2022 Change)	<b>4,354,174</b> <b>(2.2%)</b>
<b>Labor Force Participation Rate</b> (July 2021 - July 2022 Change)	<b>63.8%</b> <b>(1.6%)</b>
<b>Total Nonfarm Employment</b> (July 2021 - July 2022 Change)	<b>4,238,134</b> <b>(3.4%)</b>
<b>Number of Establishments, 4th Quarter 2021</b> (4th Quarter 2020 - 4th Quarter 2021 Change)	<b>291,681</b> <b>(3.6%)</b>
<b>Average Weekly Wage, 4th Quarter 2021</b> (4th Quarter 2020 - 4th Quarter 2021 Change)	<b>\$1,424</b> <b>(4.9%)</b>

## Unemployment Rates (percent) - June 2022 (not seasonally adjusted) (June 2021 - June 2022 percentage point)

<b>Virginia</b>	<b>2.9 (-1.6)</b>
Blacksburg-Christiansburg-Radford MSA	<b>3.0 (-1.3)</b>
Bristol MSA (VA part)	<b>3.1 (-1.6)</b>
Charlottesville MSA	<b>2.8 (-1.3)</b>
Harrisonburg MSA	<b>3.1 (-1.0)</b>
Lynchburg MSA	<b>3.3 (-1.5)</b>
Northern VA MSA (VA part)	<b>2.5 (-1.6)</b>
Richmond MSA	<b>3.1 (-1.7)</b>
Roanoke MSA	<b>2.9 (-1.4)</b>
Staunton-Waynesboro MSA	<b>2.8 (-1.2)</b>
Virginia Beach-Norfolk-Newport News, Virginia/NC MSA (VA part)	<b>3.3 (-1.8)</b>
Winchester, Virginia/WV MSA (VA part)	<b>2.5 (-1.0)</b>

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## Cryptocurrency and Its Inherent Volatility as Legal Tender

At its peak on November 8, 2021, the value of a Bitcoin was just under \$68,000. That's far from the \$0.0025 value it had when 10,000 Bitcoins were used to buy 2 Papa John's pizzas. Today, that would be worth over \$238 million. Over the years, the value of a Bitcoin has been extremely volatile with huge increases and huge decreases. That trend continues to this day.

Initially, Bitcoin was used to barter for goods and services on the internet, but had no real intrinsic value. It was on the fringes of the computer world, and not heard of in the financial community. The purpose of Bitcoin was to eliminate third parties in monetary transactions. At the time, going to a bank for a cashier's check, or to have money wired, came with fees for the sender. Accepting credit cards as payments also comes with fees for the receiver. Banks also charged fees for making purchases in other currencies as well as using exchange rates that differed from official ones.

Cryptocurrency was seen a way to conduct online transaction without going through an intermediary. However, digital currencies are not backed by anything. Its value is determined by supply and demand, as well as how much confidence holders have in the currency. This is the main impediment to cryptocurrencies being accepted more broadly. The value could suddenly drop 80% and the coin holders would see their investments disappear with no recourse. Cryptocurrencies are not insured like our checking and savings accounts are with the FDIC. That, coupled with the volatility of the crypto market, makes Bitcoin a highly risky investment.

El Salvador is experiencing that volatility now. In September of 2021, the country was the first in the world that made the unique and unusual move to make Bitcoin legal currency. El Salvador's President, Nayib Bukele, suggested that for the El Salvadorians who don't have access to a banking system, Bitcoin would help them. In addition to that, it would spur investment in the country. He has also said that using Bitcoin would be an effective way for El Salvadorians living outside the country to transfer remittances to their families still living there, according to the Associated Press.

Since then, El Salvador has made a series of Bitcoin purchases adding up to over \$103 million. Unfortunately, in the first half of 2022, the cryptocurrency market crashed. A market cap of nearly \$3 Trillion fell to under \$1 Trillion. The price of Bitcoin fell to under \$20,000. The result was El Salvador's crypto reserve losing over \$60 Million in value. For a country already experiencing financial hardship with \$800 Million in bonds maturing in January of 2023, the loss of \$60 Million is not insignificant. This has pushed the probability of a bond default to 65%.

The aforementioned issues in the crypto market have not dampened President Bukele's enthusiasm for Bitcoin. At \$19,000, he bought 80 more Bitcoins. The move brings the average price per Bitcoin for El Salvador to \$44,219. Thus, to break even on the investment, the price of Bitcoin would have to more than double.



President Bukele also plans to build the world's first "Bitcoin City." To finance the needed \$1 Billion for construction, he plans to issue so-called Bitcoin Bonds. These 10-year bonds are planned to yield 6.5% and gains from the expected increase in the value of Bitcoin. The country's outstanding 2032 bond is currently yielding 17%.

Despite the risky nature of cryptocurrencies, and the somewhat cautionary tale of El Salvador, the Central African Republic's parliament voted to make Bitcoin legal tender. Announced on April 27, 2022, the decision contained little explanation except that it would open up opportunities for the country.

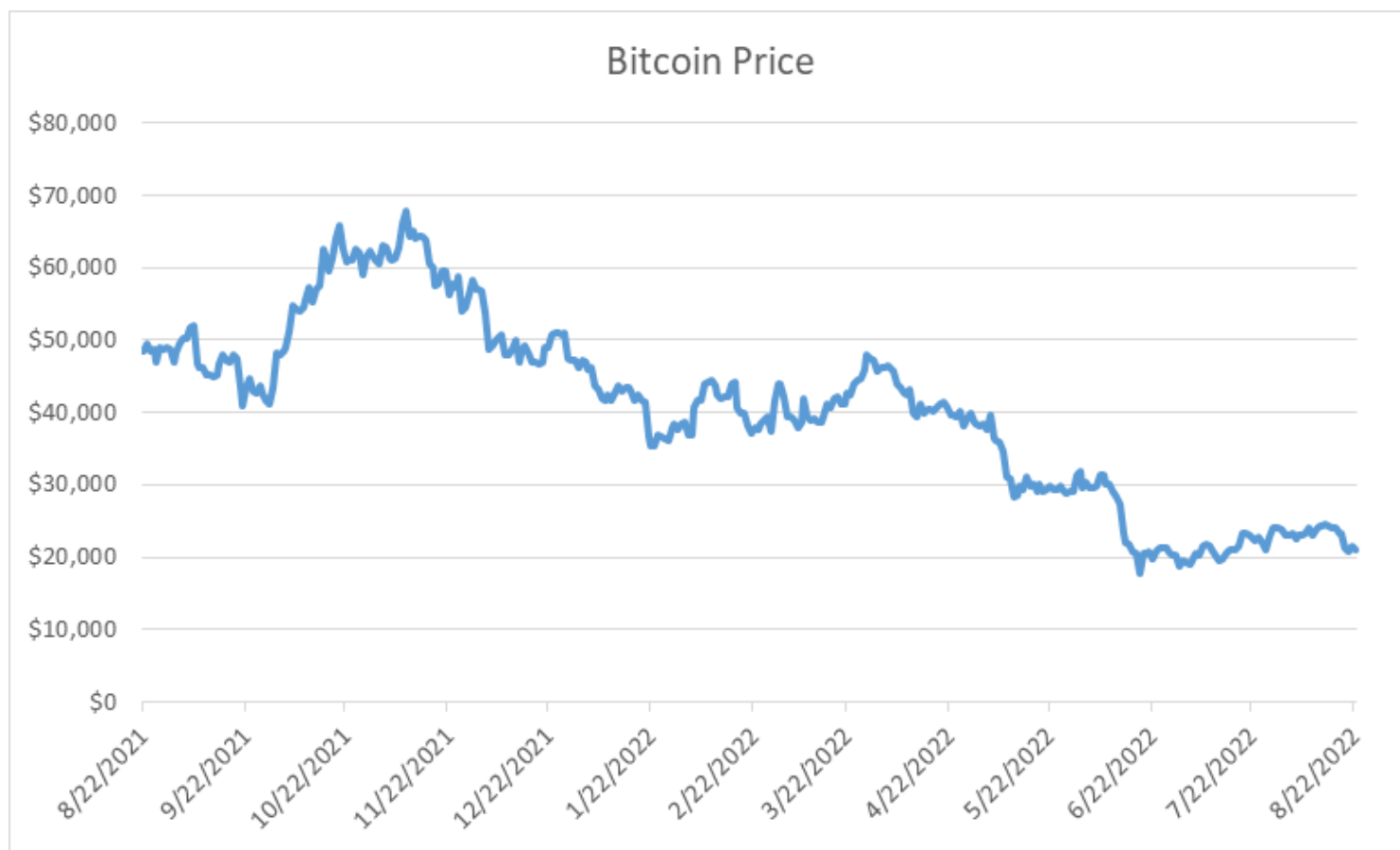
As the second country to make Bitcoin legal tender, The president of the Central African Republic (CAR), Faustin-Archange Touadera, hopes to create "a fantastic opportunity for anyone who believes in crypto investing," according to a government press release. A similar comment was made by President Bukele of El Salvador.

Unlike El Salvador, the CAR is starting its own digital currency called Sango Coin. This is part of a plan to develop its financial industry, according to President Touadera. However, the move has caused others to question if the people of CAR will benefit.

The Central African Republic is one of the poorest and least-developed nations in the world. Nearly 71% of the 5.4 million residents were living below the international poverty line, according to the World Bank. Internet coverage in the country is only 11% and is a requirement to use Bitcoin or any cryptocurrency. The infrastructure is simply not there for President Touadera's plans for crypto use by everyday citizens.

The Central African Republic has been in turmoil for decades. Nearly ten years of civil war has caused widespread damage. The country is rich in diamonds, gold, and other rare minerals. Corruption has enriched some while the majority of the country lives in poverty. It seems that legalizing cryptocurrencies would only continue, if not encourage, corruption in the country.

The International Monetary Fund (IMF) had urged both El Salvador and the Central African Republic to drop Bitcoin as legal tender, but their words have fallen on deaf ears. The crypto market is very volatile, as we have seen recently. When one experiences a decline in value, or drops to \$0, as the crypto Terra did, there is no recourse for governments, investors, or users. The money used to buy cryptocurrencies vanishes. If such a thing were to happen to Bitcoin, it could make the poor residents of El Salvador and the Central African Republic even poorer.



Source: MarketWatch

## Virginia Layoffs and Discharges Decreased By 13,000 in June

According to the U.S. Bureau of Labor Statistics' June 2022 Job Openings and Labor Turnover Survey (JOLTS), Virginia's rate of job quitting was up a third from five years earlier.

The number of **June 2022 job openings** in Virginia was 324,000 and was a 12,000 increase from May 2022's revised figure, but lower than the record 340,000 reached in March of this year. The U.S. number of job openings decreased by 605,000 to 10.7 million on the last business day of June 2022. The number of job openings significantly decreased in 19 states and increased in 2 states in June.

The **number of hires** in Virginia rose by 3,000 to 173,000 in June, which was 3.6% greater over the year but nearly 20% higher than five years earlier. 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. Nationwide, the number and rate of hires were little changed at 6.4 million and 4.2%, respectively. Hires were little changed in all industries.

An estimated 114,000 workers quit jobs from Virginia employers in June. The **number of quits** rose by 4,000 from May's revised figure of 110,000 and was 8.6% higher than a year earlier. However, it was down significantly from the record-breaking month of December 2021 when 131,000 Virginia workers quit their jobs. Quits, a component of total separations, are voluntary separations initiated by the employee. Across the U.S. in June, the number of quits was little changed at 4.2 million. Quits significantly decreased in construction (-51,000). Quits increased in state and local government education (+14,000). 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 **quits rate** in the Commonwealth was little changed, rising by 0.1 of a percentage point to 2.8% and remained at the highly elevated levels seen over the last twelve months. The quits rate nationwide was unchanged at 2.8%. In June, quits rates decreased in 7 states and increased in 5 states. The largest decreases in quits rates occurred in Missouri and Pennsylvania (-0.7 percentage point each) and in Alaska (-0.6 point). The largest increases in quits rates occurred in Oklahoma (+0.8percentagepoint) and in Georgia and Maine (+0.6 point each).

The **hires-per-job-openings (HPJO) ratio** was little-changed in June at one hire for every two job openings in Virginia, slightly lower than the 0.6 rate nationwide. This measure shows the rate of hiring compared to open jobs and is a proxy for time to fill positions.

In June, the number of **total separations** in Virginia declined by 4,000 to 154,000 from May's revised 158,000 estimate.

The number of **layoffs and discharges** in Virginia decreased by 13,000 to 28,000 in June 2022 from May's revised 41,000 figure. This was a reduction of nearly a quarter over the year, and nearly 7% lower than five years before in 2018. In June, the number of layoffs and discharges nationwide was little changed at 1.3 million after hitting a series low in April from data going back to January 2001.

Source: Excerpt from JOLTS press release <https://www.vec.virginia.gov/node/15387>

## Trust Fund Data - July 2022

### Financial Data

- Trust Fund Balance (millions) \$1,450.0
- Tax Revenue (Monthly) (millions) \$30.9

### Benefits Data

- Benefits Paid (Monthly) (millions) \$16.0
- Average Weekly Benefit \$323.10
- Initial Claims (YTD) 93,379

### Initial and Continued Claims

#### Initial Claims:

- There were 17,908 initial claims in July
- Initial claims rose by 19.8% over the month.
- Year-to-date initial claims were over 77.3% lower in July 2022 compared to the same month in 2021, though that magnitude of difference has trended steadily downward since last March.

#### Continued Claims:

- There were 66,698 continued claims in July 2022.
- This was a 15.1% increase over-the-month and over a 55.7% decrease over-the-year.
- Year-to-date continued claims were 78.0% lower than during the same period in 2021.

\*Claims counts include interstate and intrastate.

Claims Data			
	Initial Claims	Recipients	Final Payments
July 2022	17,908	10,796	2,376
June 2022	14,946	9,370	1,739
July 2021	26,400	31,097	5,570

## Upcoming Events



### Town Center Job fair

**Date:** Wednesday, August 31, 11:00 AM - 1:00 PM

**Location:** APEX Entertainment | 4621 Commerce Street, Suite #100 Virginia Beach, VA 23462

Multiple employers hiring for open retail, restaurant and hospitality positions found in Town Center of Virginia Beach.

Great networking opportunities in a relaxed, professional environment.

Face to face meetings with recruiters, managers, and human resources professionals.

100% free event for job seekers to attend.

Job Opportunities:

- APEX Entertainment
- Jimmy John's
- Lamia's Crepes
- Muse Paintbar
- The Royal Chocolate
- Town Center Cold Pressed

**For more information:** Check back frequently, as more employers will be added to the list: [towncentervb.com/jobfair2022](https://towncentervb.com/jobfair2022)



### 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](mailto: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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on Upcoming Job Fairs,  
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