



COMMONWEALTH of VIRGINIA

Virginia Employment Commission

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For Release: October 24, 2022

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Virginia Job Openings Decreased By 21,000 in August

—Latest BLS Jobs Openings and Labor Turnover Survey Shows Slight Easing in Virginia's
Tight Labor Market—

RICHMOND— The Virginia Employment Commission announced today that the U.S. Bureau of Labor Statistics' August 2022 Job Openings and Labor Turnover Survey (JOLTS) reports Virginia job openings retreated from July's near-record highs of 339,000 to 318,000. Quits also declined by 7,000 to 108,000 for the month of August.

According to the most recent BLS JOLTS survey data, the estimated number of August job openings nationwide decreased by more than a million—one of the larger one-month declines in the history of the survey, but the decline was milder in Virginia. BLS 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 describes 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 number of August 2022 **job openings** in Virginia was 318,000 and was a 21,000 decrease from July's 2022's revised figure, reflecting a pull-back seen across the country. The number of U.S. job openings

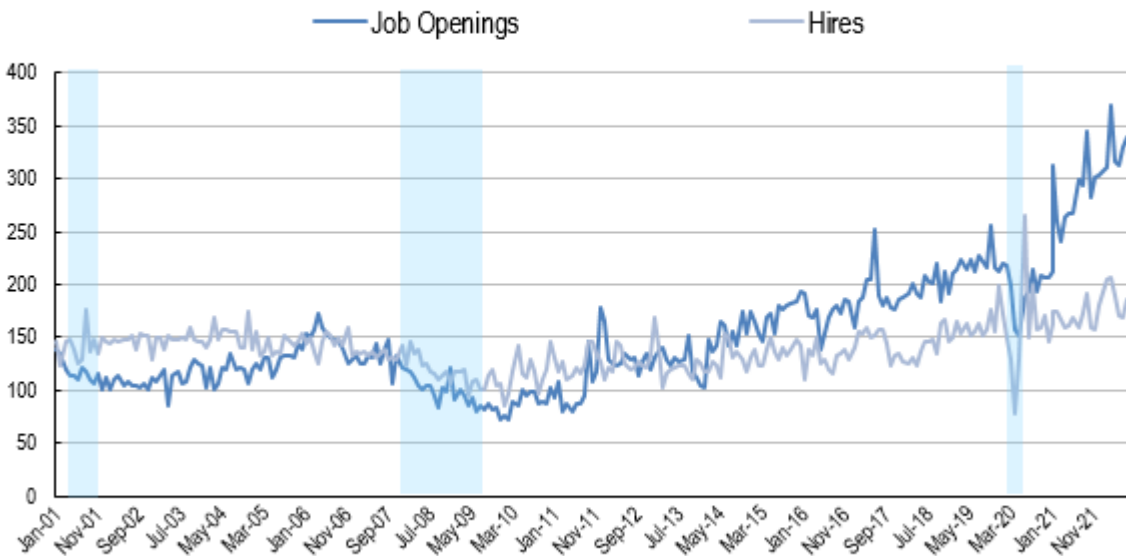
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decreased to 10.1 million on the last business day of August 2022. The largest decreases in job openings were in health care and social assistance (-236,000), other services (-183,000), and retail trade (-143,000). The Virginia **job openings rate** (job openings as a percentage of total employment) fell a half of a percentage point and returned to a more typical level seen in 2022. In August, the U.S. job openings rate was little changed at 6.2%. The job openings rate decreased in all establishment size classes except those with 9 or less employees, which changed little.

Virginia job openings and hires, January 2001 to August 2022 (in thousands)
In August 2022, there were 318,000 job openings in Virginia, seasonally adjusted, a drop from July 2022's revised 339,000 job openings. The number of August 2022 Hires fell 8% to 171,000.



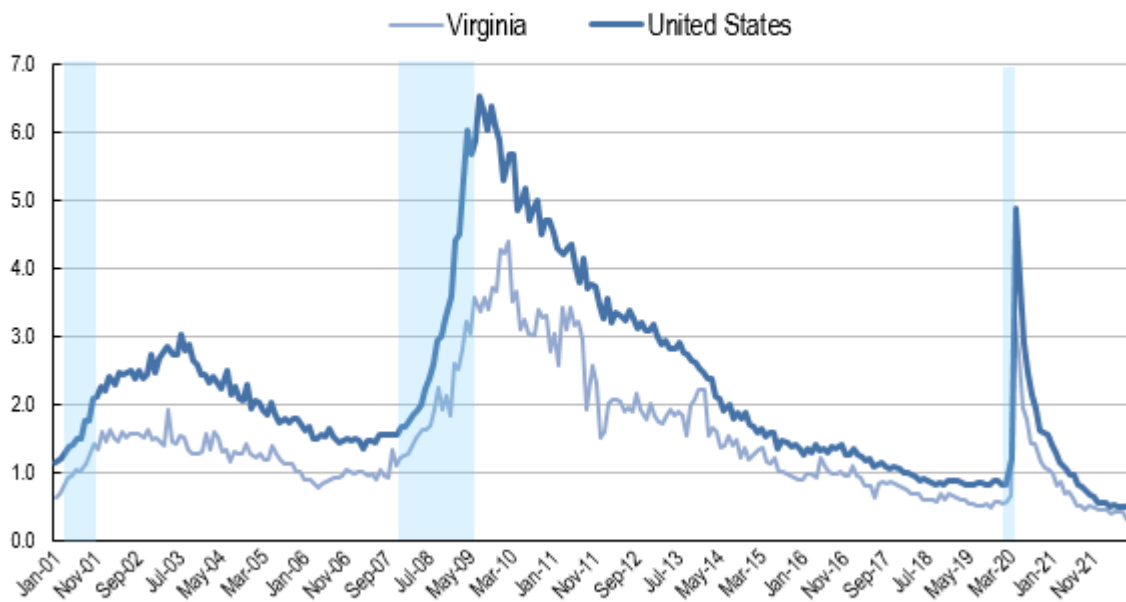
Source: Bureau of Labor Statistics (BLS), Job Openings and Labor Turnover Survey (JOLTS). Seasonally adjusted. Shaded areas represent economic recessions.

In August 2022, there was less than one unemployed worker per two job openings in the Commonwealth, holding steady at 0.4 over the previous few months. This period marked the lowest rates since January 2001, when BLS began collecting the data. 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 3.3 in April 2020 during the height of pandemic employment impacts. Across the U.S., there were 10.1 million U.S. job openings and 6.0 million unemployed people. This yielded a ratio of unemployed people to job openings of 0.6 for August, compared with 0.5 in July. The ratio of unemployed people per job opening has been below 1.0 since July 2021. The August 2022 figure marks the first increase in the ratio since April 2020, when it reached 4.9. The number of unemployed people per job opening reached its highest level of 6.4 in October of 2009, at the height of the Great Recession.

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

In August 2022, there were 0.4 unemployed per job opening in the Commonwealth, a slight rise from July 2022's revised record low. Nationwide, there were 0.6 unemployed per job opening and was also a slight rise from recent months' levels.



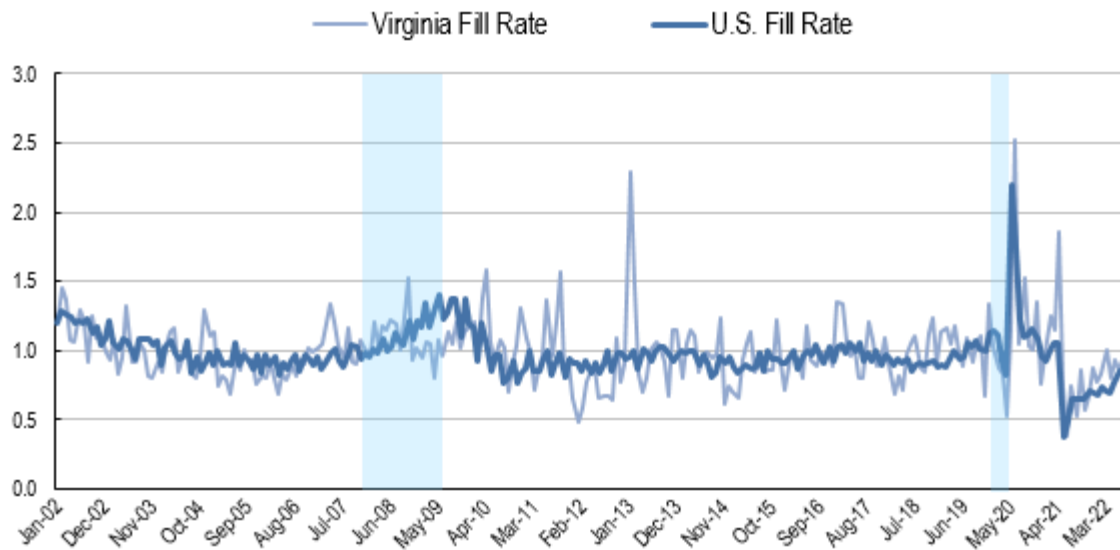
Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data. Shaded areas represent economic recessions.

The **number of hires** in Virginia fell by 14,000 to 171,000 in August, which was nearly 8% lower over the month but 16% 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. In August, the number of U.S. hires was little changed at 6.3 million, and the rate was unchanged at 4.1 percent. Hires significantly decreased in federal government (-8,000). The number of hires increased in 6 states, decreased in 3 states, and was little changed in 41 states and the District of Columbia in August. The largest increases in the hires level occurred in Maryland (+25,000), Alaska (+15,000), and Idaho (+10,000). The decreases occurred in Arizona (-31,000), Connecticut (-26,000), and New Mexico (-7,000). Nationally, the number of hires was little changed over the month. In Virginia, the **hires rate** fell to 4.2% from July's revised 4.5% rate. The national hires rate was unchanged over the month. In August, hires rates increased in 6 states, decreased in 3 states, and were little changed in 41 states and the District of Columbia. The largest increases in hires rates occurred in Alaska (+4.7 percentage points) and Wyoming (+1.8 points) as well as in Delaware and Idaho (+1.3 points each). The decreases occurred in Connecticut (-1.6 percentage points), Arizona (-1.0 point), and New Mexico (-0.9 point).

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The Annual Fill Rate, January 2002 to August 2022

In August 2022, the ability to hire for open positions continued to point in a positive direction in Virginia and nationwide compared to a year earlier. Virginia's rate held at 0.9, approaching the typical level of 1.0 and well above the record low of 0.4 set in June 2021.



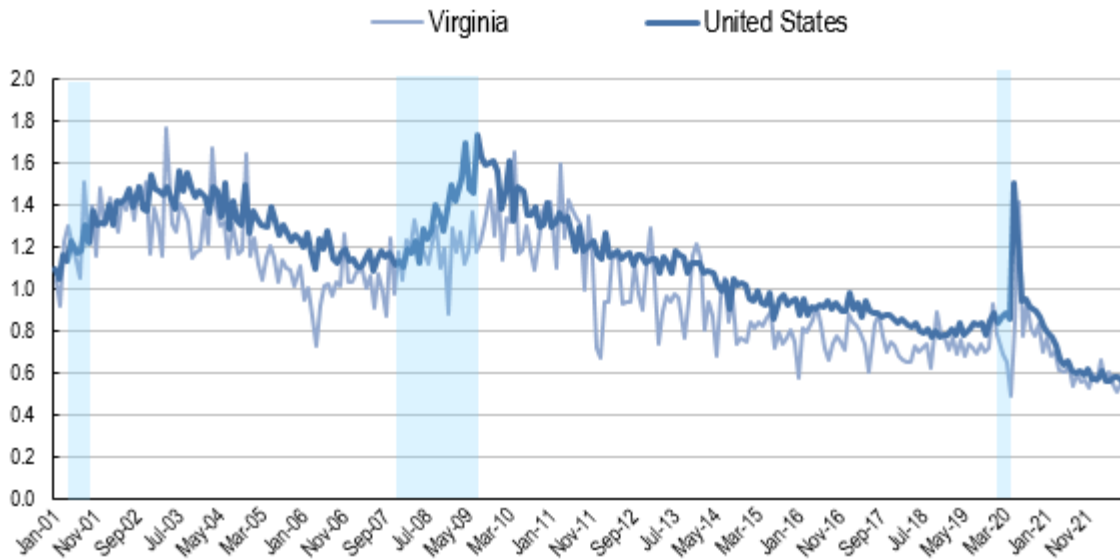
Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data. Shaded areas represent economic recessions.

In August 2022, the **'annual fill' rate** (the ratio of 'this month' hires to 'last month' job openings, over the year) held steady at 0.9. The U.S. annual fill rate rose to 1.0. This indicates a trend in recent months towards less difficulty in filling positions when compared to a year earlier. 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 compared to a year earlier. 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, and childcare needs, but the biggest factor was the comparison against the historic re-hiring hike the year before.

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

In Virginia, the HPJO ratio in August 2022 was little changed at 0.5, which was lower than the U.S. rate. This indicates that there were approximately 54 hires for every 100 job openings in Virginia and 62 nationwide. The rate has hovered around this level for a number of



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** was little-changed in August, equal to 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. The rate has hovered around one hire for every two job openings in Virginia and, over five years, the ability to hire for job openings has fallen by nearly a third nationwide and in the Commonwealth.

In August, the number of **total separations** in Virginia decreased by 5,000 to 155,000 from July's revised 160,000 estimate. The number and rate of total separations nationwide were little changed at 6.0 million and 3.9%, respectively in August. The Virginia **total separations rate** was little changed at 3.8%, about the same as the 3.9% rate nationwide. In August, the number (six million) and rate of total separations nationwide (6.0) were little changed. In August, U.S. total separations rates increased in 8 states, decreased in 3 states, and were little changed in 39 states and the District of Columbia. The largest increases in total separations rates occurred in Wyoming (+2.1 percentage points), Arkansas (+1.0 point), and Oklahoma (+0.8 point). Decreases occurred in Idaho (-1.1 percentage points), North Dakota (-0.7 point), and Connecticut (-0.6 point).

An estimated 108,000 workers quit jobs from Virginia employers in August. The **number of quits** fell by 7,000 from July's revised figure of 115,000 but was up two percent from a year earlier. The number of quits was down significantly from the record-breaking month of December 2021 when 136,000 Virginia workers quit their jobs. Quits, a component of total separations, are voluntary separations initiated by the

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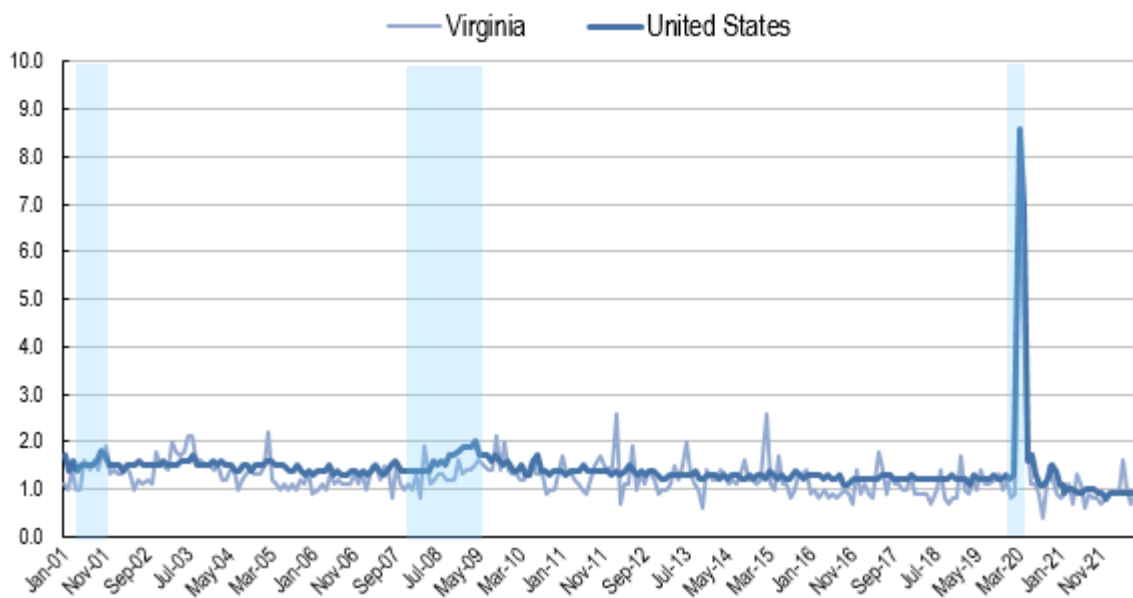
employee. Across the nation in August, the number of quits was little changed at 4.2 million, and the rate was unchanged at 2.7 percent. Quits increased in accommodation and food services (+119,000) but decreased in professional and business services (-94,000). The largest increases in the quits level occurred in Texas (+71,000), Florida (+39,000), and New Jersey (+16,000). 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 decreased by 0.2 of a percentage point to 2.6% and remained at the elevated levels seen over the last twelve months. The quits rate nationwide was unchanged at 2.7%. In August, quits rates increased in eight states, decreased in five states, and were little changed in 37 states and the District of Columbia.

The number of **layoffs and discharges** in Virginia increased by 1,000 to 37,000 in August 2022 from July's revised 36,000 figure. This was flat growth over the year, but nearly a third lower than five years before in 2018. In August, the number and rate of layoffs and discharges nationwide were little changed at 1.5 million and 1.0 percent, respectively. The largest increases in the layoffs and discharges level occurred in California (+58,000), Georgia (+19,000), and South Carolina (+8,000). The largest decreases in the layoffs and discharges level occurred in New Jersey (-22,000), Ohio (-20,000), and North Carolina (-17,000). Layoffs and discharges are countercyclical, which means that layoffs typically increase during economic contractions and decrease during economic expansions.

The Rate of Layoffs and Discharges, January 2001 to August 2022

In August 2022, the layoff and discharge rate in Virginia was 0.9, reflecting a slight increase in layoffs and discharges from December 2021, the record low going back to 2001. Virginia has performed similarly to nationwide in 2022 but has often had a lower rate longer term.



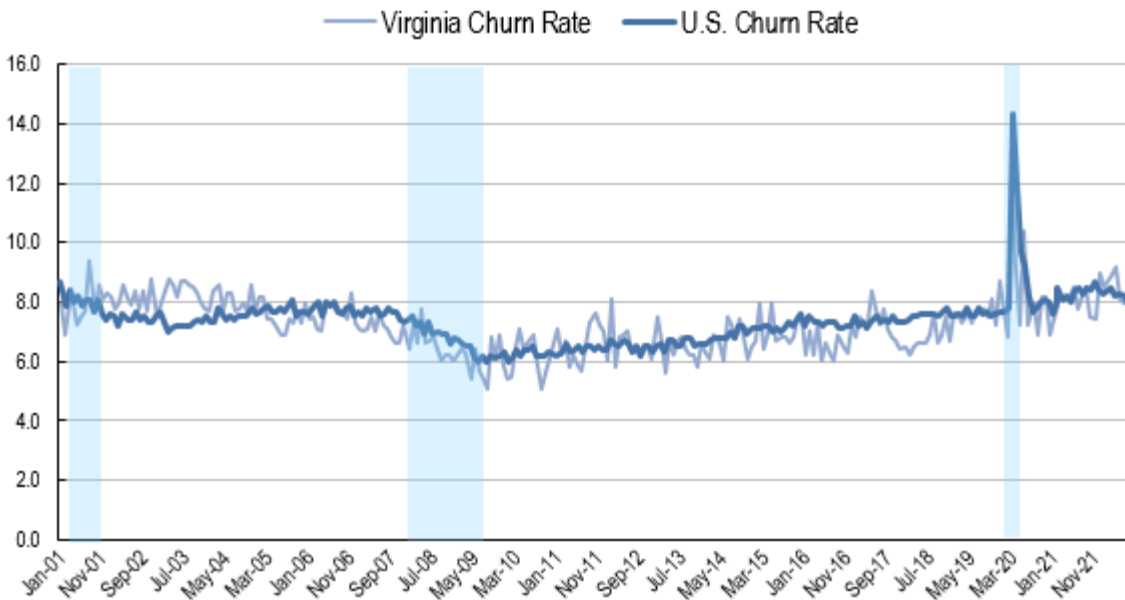
Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data. Shaded areas represent economic recessions.

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The August 2022 **churn rate** (the sum of the hires rate and the total separations rate) returned to 8.0 from July's revised 8.4 rate in Virginia, indicating continued elevated velocity of movement into and out of jobs. Nationwide, the August 2022 churn rate was little changed over the month and equaled Virginia's. 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 also 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 August 2022

In August 2022, the churn rose settled at 8.0 in the Commonwealth, equal to the national rate. In recent months, this measure may indicate some moderation when compared to rate of 'churn', or turnover, early in the year.

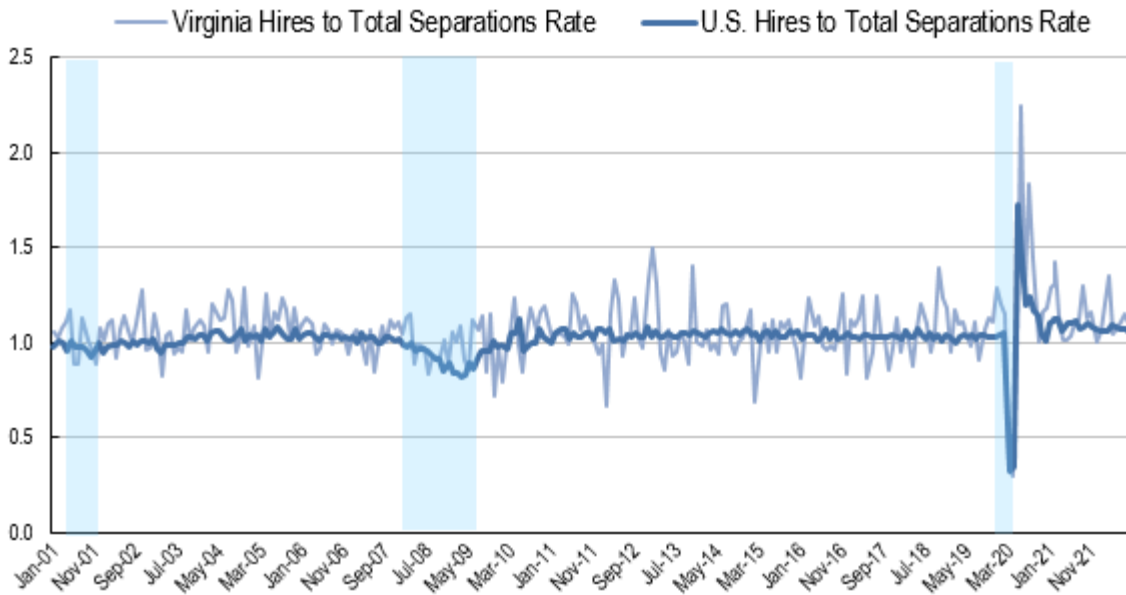


Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data. Shaded areas represent economic recessions.

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The Number of Hires as a Percentage of Total Separations, January 2001 to August 2022

The percentage of hires to total separations is an indication of employer ability to fill open positions. In July, there were approximately 15% more hires, but 10% more in August—a slight slowdown. Since mid 2020, hires have typically exceeded separations.



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

BLS JOLTS figures for August may indicate that 2022's tight labor market eased a bit, with retreats in both the number of job openings and quitting in the Commonwealth. U.S. job openings contracted more severely; by ten percent over the month. This result, when taken together with no hiring growth during that period, may imply that many of the lost job openings were not absent because they were filled, but were withdrawn by employers. Virginia's drop was milder and it's important to note that the decline came off of many months of highly elevated levels. The number of workers quitting their jobs did decrease in Virginia but that alone doesn't provide much evidence that workers were less confident in their ability to get another, better job if they quit. Over 70% of total separations in August remained quits, which indicates continued worker confidence in their chances to find a better job. At the same time, hires continued to amply exceed the number of total separations. Despite concerns regarding the direction of the economy in August, layoffs and discharges remained low in the Commonwealth and nationwide.

The Virginia Employment Commission plans to release the September 2022 analysis of the BLS Job Openings and Labor Turnover Survey for Virginia on Monday, November 21, 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 September JOLTS data for states on Thursday, November 17, 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.

*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>.