



COMMONWEALTH of VIRGINIA

Virginia Employment Commission

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Virginia Job Quits Increased By 14,000 in October

—Latest BLS Jobs Openings and Labor Turnover Survey Again Shows Large Volumes of Job Quitting—

RICHMOND— The Virginia Employment Commission announced today that the U.S. Bureau of Labor Statistics' October 2022 Job Openings and Labor Turnover Survey (JOLTS) reports Virginia job quits climbed from September's 106,000 level to 120,000. This was the second-largest increase among states, behind only Florida.

According to the most recent BLS JOLTS survey data, the trend of large numbers of Virginians quitting their jobs continued, as three quarters of job separations were quits. BLS JOLTS data provides information on all the 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 October 2022 **job openings** in Virginia was 330,000, which was a 21,000 decrease from September's 2022's revised figure but reflected continued tautness in labor markets seen across the country. Nationwide, the number of job openings edged down to 10.3 million on the last business day of

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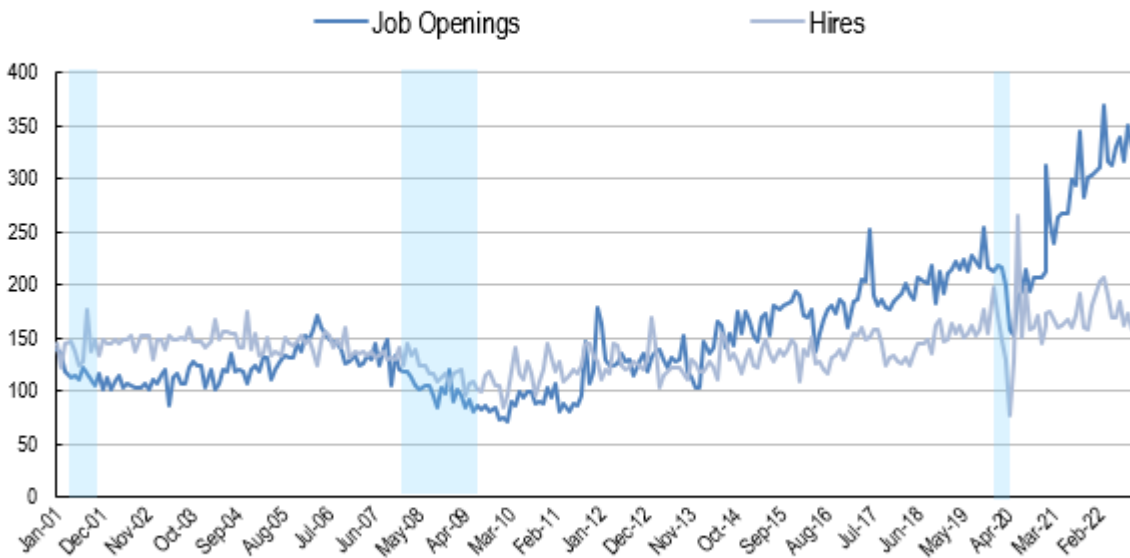
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October. Job openings decreased in state and local government, excluding education (-101,000); nondurable goods manufacturing (-95,000); and federal government (-61,000). The number of job openings increased in other services (+76,000) and in finance and insurance (+70,000). The Virginia **job openings rate** (job openings as a percentage of total employment) fell by half of a percentage point to 7.4 but remained very elevated. The U.S. rate edged down to 6.3 percent in October and was a full percentage point lower than its peak in March of this year.

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

In October 2022, there were 330,000 job openings in Virginia, seasonally adjusted, a decrease from September's 2022's revised 351,000 job openings. The number of October 2022 Hires fell nearly 9% to 158,000.



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

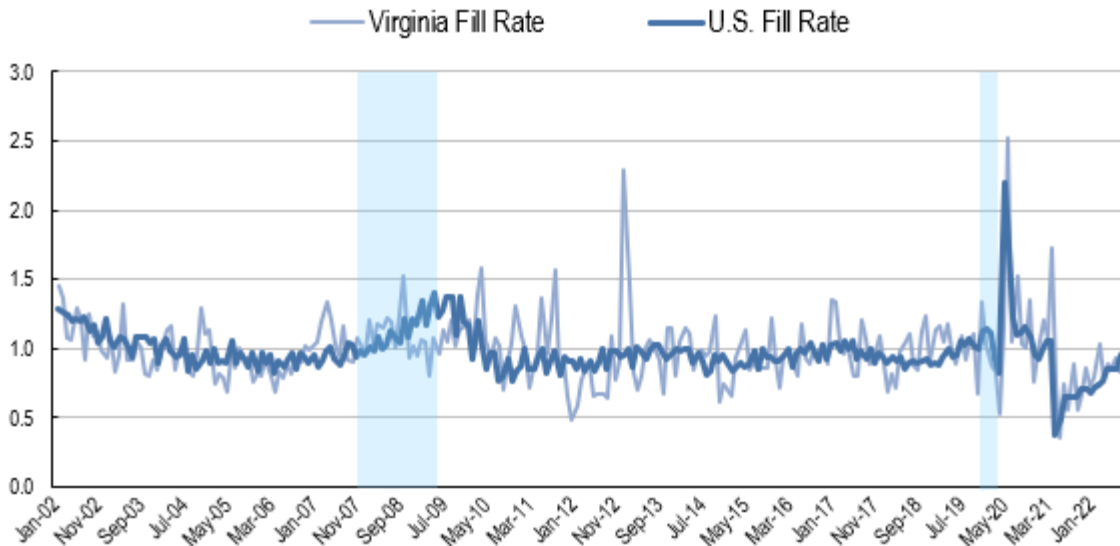
In October 2022, there was less than one unemployed worker per two job openings in the Commonwealth, as had been the case for most of 2022. This period marked the lowest rates since January 2001, when BLS began collecting the data. In Virginia, **the unemployed per job opening ratio** (sometimes called 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 was a ratio of unemployed people to job openings of 0.6 for October, compared with 0.5 in September. The ratio of unemployed people per job opening has been below 1.0 since July 2021. The number of unemployed people per job opening nationwide reached its highest level of 6.4 in October of 2009, at the height of the Great Recession.

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The **number of hires** in Virginia fell by 15,000 to 158,000 in October, which was 9% lower over the month but down only slightly over the year. 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 October, the number and rate of hires nationwide decreased slightly to 6.0 million and 3.9 percent, respectively. Hires changed little in all industries. The number of hires decreased in 9 states, increased in 3 states, and was little changed in 38 states and the District of Columbia in October. The largest decreases in the hires level occurred in Florida (-54,000) and Connecticut (-10,000), as well as in Hawaii, Idaho, Maine, and New Hampshire (-8,000 each). The increases in the hires level occurred in California (+85,000), Ohio (+28,000), and Kansas (+9,000). In Virginia, the **hires rate** declined to 3.9% from September's revised 4.2% rate. The national hires rate was little changed over the month. In October, hires rates decreased in 8 states, increased in 5 states, and were little changed in 37 states and the District of Columbia. The largest decreases in hires rates occurred in Alaska (-1.9 percentage points) and Hawaii (-1.3 points), as well as in Maine, New Hampshire, and Rhode Island (-1.2 points each). The increases in hires rates occurred in Arkansas, Kansas, and Louisiana (+0.6 point each), as well as in California and Ohio (+0.5 point each).

The Annual Fill Rate, January 2002 to October 2022

In October 2022, the ability to hire for open positions continued to trend in a positive direction in Virginia and nationwide compared to a year earlier. Virginia's rate approached 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.

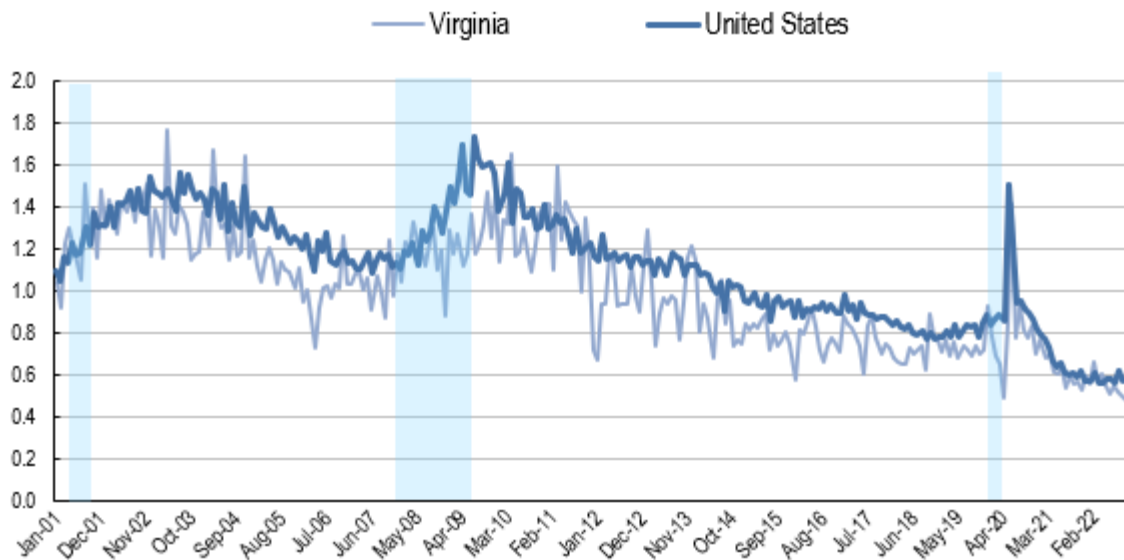
In October 2022, the **'annual fill' rate** (the ratio of 'this month' hires to 'last month' job openings, over the year) approached the level of 1.0. The U.S. annual fill rate edged slightly lower but was still near 1.0. This indicates a trend in recent months towards less difficulty in filling positions 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

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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.

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

In Virginia, the HPJO ratio in October 2022 was little changed at 0.5, which was lower than the U.S. rate. This indicates that there were around 48 hires for every 100 job openings in Virginia and 58 nationwide. The rate has hovered near this level for a number of months.



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 at 0.5 in October, 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 2022, the rate has hovered around one hire for every two job openings in Virginia and in the Commonwealth.

In October, the number of **total separations** in Virginia increased by 16,000 to 162,000. The number of total separations nationwide was unchanged at 5.7 million. The number of total separations changed little in all industries. The Virginia **total separations rate** rose significantly to 4.0% from 3.6% in September. Over the month, the national total separations rate was unchanged. In October, total separations rates increased in 3 states, decreased in 1 state, and were little changed in 46 states and the District of Columbia. The increases in total separations rates occurred in Alaska and Wyoming (+1.8 percentage (more)

points each) and in South Dakota (+0.7 point). The decrease occurred in Kentucky (-1.1 points). The total separations rate decreased in establishments with 5,000 or more employees.

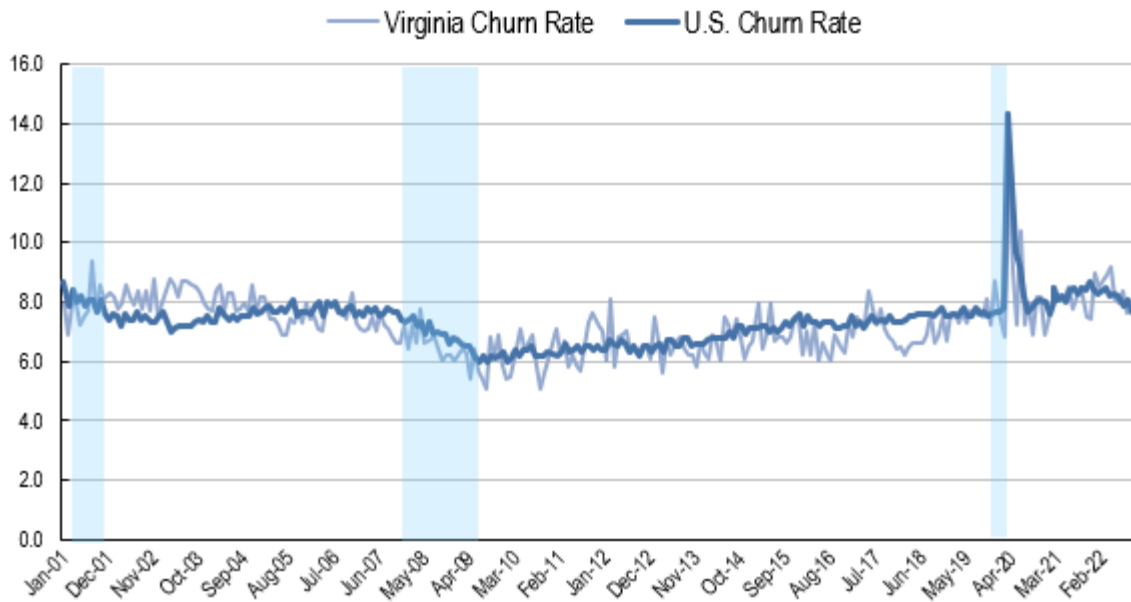
An estimated 120,000 workers quit jobs from Virginia employers in October. The **number of quits** rose by 14,000 from September revised figure of 106,000 and was up by 45% compared to five years earlier. The number of quits was down significantly from the record-breaking month of December 2021 but rose to its highest level since the beginning of the year. Quits, a component of total separations, are voluntary separations initiated by the employee. In October, the number and rate of quits nationwide were little changed at 4.0 million and 2.6 percent, respectively. Quits decreased in information (-29,000). The number of quits increased in 5 states, decreased in 3 states, and was little changed in 42 states and the District of Columbia in October. Virginia had the second largest number of quits. The largest increases in the quits level occurred in Florida (+30,000). The decreases in the quits level occurred in Illinois (-25,000), Kentucky (-16,000), and Connecticut (-8,000). 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 increased by 0.3 of a percentage point to 2.9% and remained at the elevated levels seen over the last twelve months. Over the month, the national quits rate was little changed. Quits rates increased in 4 states, decreased in 3 states, and were little changed in 43 states and the District of Columbia.

The number of **layoffs and discharges** in Virginia increased by 6,000 to 37,000 in October 2022 from September's revised 31,000 figure. This was 20% growth over month and over the year, and over a third higher than five years before in 2018. In October, the number of layoffs and discharges nationwide changed little at 1.4 million, and the rate was unchanged at 0.9 percent. The number of layoffs and discharges increased in 5 states, decreased in 1 state, and was little changed in 44 states and the District of Columbia in October. The largest increases in the layoffs and discharges levels occurred in Tennessee (+24,000), Georgia (+17,000), and Nevada (+7,000). The decrease in the layoffs and discharges level occurred in Ohio (-20,000). Layoffs and discharges are countercyclical, which means that layoffs typically increase during economic contractions and decrease during economic expansions.

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The Churn Rate, January 2001 to October 2022

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



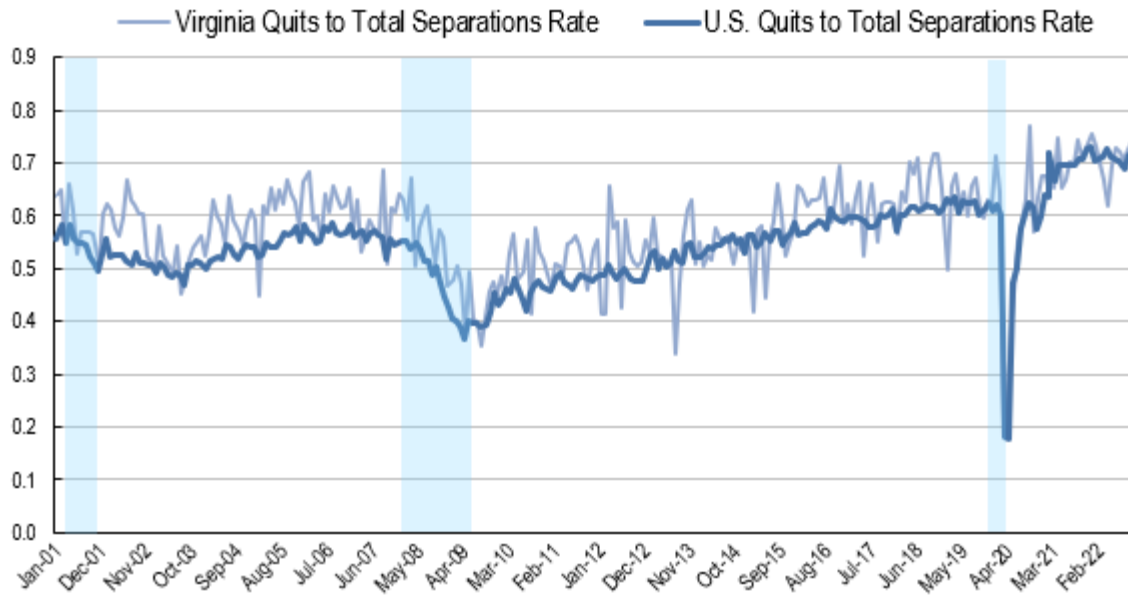
Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data.
Shaded areas represent economic recessions.

The October 2022 **churn rate** (the sum of the hires rate and the total separations rate) rose slightly to 7.9 from September's revised 7.8 rate in Virginia, indicating continued elevated velocity of movement into and out of jobs but a little slower than earlier in the year. Nationwide performed similarly, as the U.S. churn rate slowed slightly over the month and signaled deceleration from early 2022. 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.

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Quits as a Percentage of Total Separations, January 2001 to October 2022

The relationship of quits to total separations is indication of worker confidence. In October 2022, around 75 percent quits as a share of total separations suggest workers' confidence in their ability to leave their job for another opportunity or retirement.



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

The trend of large numbers of Virginians quitting their jobs continued, according to BLS JOLTS figures for October. Three quarters of job separations were quits, indicating continued confidence among job changers and reluctance on the part of employers to lose staff given the difficulties in filling job openings. Is this trend caused solely by the Great Resignation—an outcome of Covid era labor market disruptions? Partially, but quitting has comprised a growing portion of separations since the Great Recession of 2007-2009. The dislocation of 2020 and 2021's subsequent reordering of labor markets heightened it. However, quitting trends in 2022 appear to resume a decade-long trajectory, driven by secular demographic and technological trends and the changing nature of jobs.

The Virginia Employment Commission plans to release the November 2022 analysis of the BLS Job Openings and Labor Turnover Survey for Virginia on Wednesday, January 25, 2023. 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 November JOLTS data for states on Friday, January 20, 2023.

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>.