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Virginia Job Openings Decline By 16,000 in February

—Latest BLS Jobs Openings and Labor Turnover Survey Shows More Hiring in February—

RICHMOND— The Virginia Employment Commission announced today that the U.S. Bureau of Labor Statistics' February 2023 Job Openings and Labor Turnover Survey (JOLTS) reports steady hiring with low numbers of layoffs in the Commonwealth.

According to the most recent BLS JOLTS survey data, many Virginians continued to change jobs in February, following the trend of accelerated job turnover seen for many months. 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.

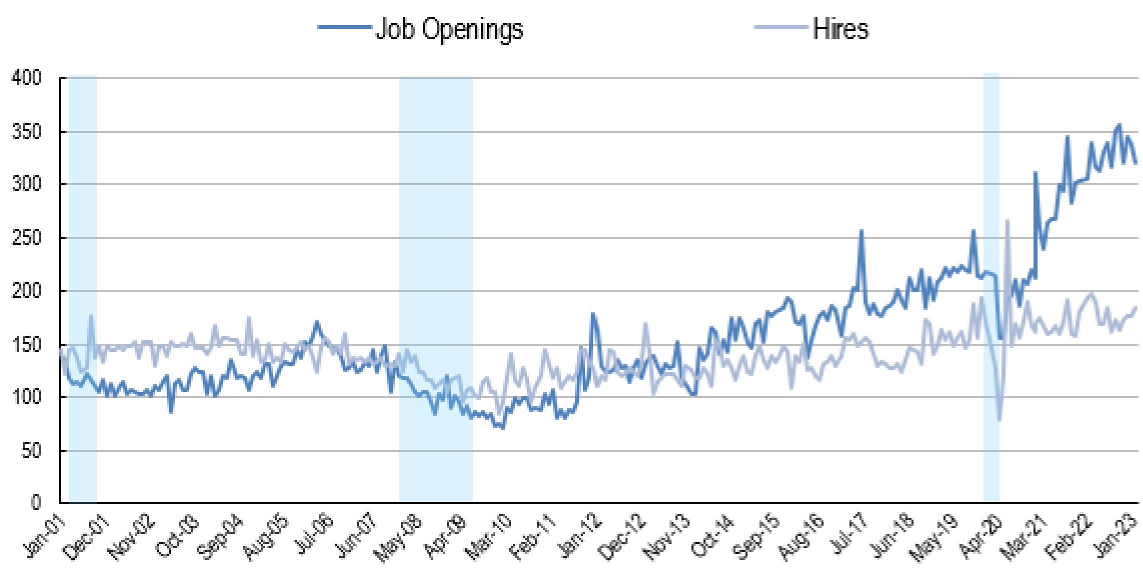
The number of February 2023 **job openings** in Virginia fell from January's revised 337,000 level to 321,000. Nationwide, the number of job openings decreased to 9.9 million (-632,000). The largest decreases in U.S. job openings were in professional and business services (-278,000); health care and social assistance (-150,000); and transportation, warehousing, and utilities (-145,000). The largest decreases in the job openings level occurred in Florida (-75,000), Wisconsin (-61,000), and California (-57,000). The increases

(more)

occurred in Colorado (+18,000) and Maine (+7,000). The Virginia **job openings rate** (job openings as a percentage of payroll employment) fell by 0.3 of a percentage point to 7.2 percent from January's 7.5 percent rate. The U.S. rate decreased to 6.0%. The largest decreases in job openings rates occurred in West Virginia (-1.9 percentage points), Wisconsin (-1.8 points), and Washington (-1.4 points). The increases occurred in Maine (+0.9 point) and Colorado (+0.5 point). Establishments with more than 5,000 employees saw a decrease in job openings rate.

Virginia job openings and hires, January 2001 to February 2023 (in thousands)

In February 2023, there were 321,000 job openings in Virginia, seasonally adjusted, a 5% decrease from January 2023's revised 337,000 job openings. Job openings rose nearly 51% higher than five years earlier in February 2019.



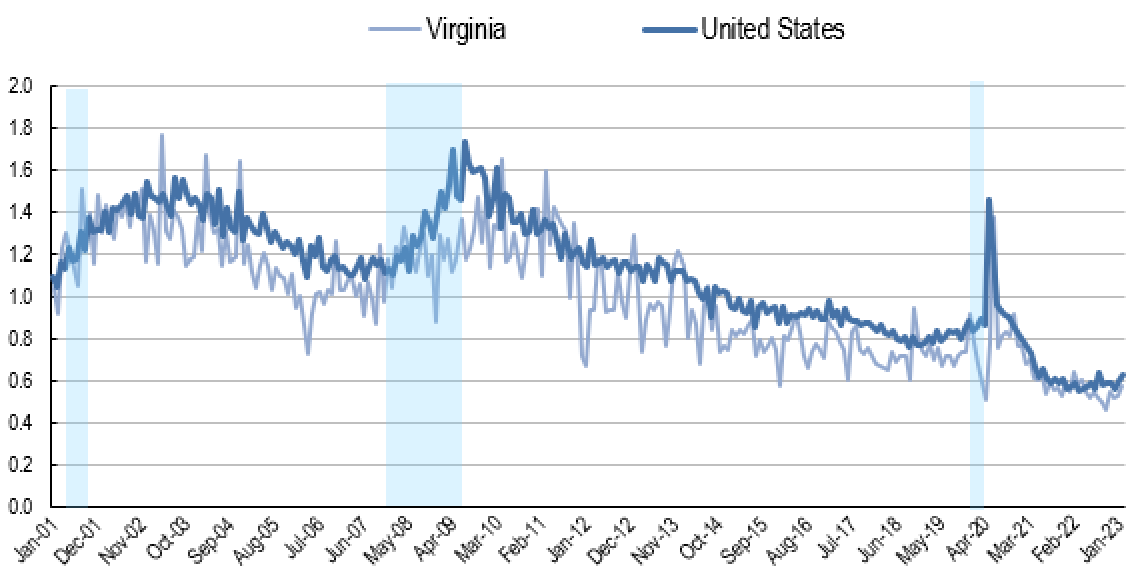
Source: Bureau of Labor Statistics (BLS), Job Openings and Labor Turnover Survey (JOLTS). Seasonally adjusted. Shaded areas represent economic recessions.

The **number of hires** in Virginia rose to 184,000 in February, up 8,000 over the month but down by over 10,000 from February 2022. JOLTS defines hires as all additions to the payroll during the month. The number of hires was up over 100,000 from the series low of 79,000 in April 2020. In February, the number of U.S. hires changed little at 6.2 million. Hires increased in federal government (+8,000). The largest decreases in the hires level occurred in Pennsylvania (-35,000), Georgia (-33,000), and Washington (-21,000). The increases occurred in Colorado (+22,000) and Nebraska (+7,000). In Virginia, the **hires rate** rose to 4.5 percent from January's revised 4.3 percent rate. The national hires rate of 4.0% was little changed over the month. The hires rate in federal government rose from 1.4 percent in January 2023 to 1.6 percent in February 2023. This represents a rise in federal government hires from 40,000 to 48,000. Decreases in the hires rate occurred in Arizona and Georgia (-0.7 percentage point each), as well as in Pennsylvania and Washington (-0.6 point each). The increase occurred in Colorado (0.7 point).

In February 2023, the Virginia **'annual fill' rate** (the ratio of 'this month' hires to 'last month' job openings, over the year) remained slightly lower than the historical, typical level of 1.0 and the February fill rate nationwide. 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.

The Hires-Per-Job-Opening (HPJO) ratio, January 2001 to February 2023

In Virginia, the HPJO ratio in February 2023 edged up to 0.6, slightly lower than the U.S. rate. This indicates that there were between five and six hires for every ten job openings in Virginia and nationwide. The rate has hovered near this level for nearly two years.



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** edged upward to a 0.6 rate in February, but a little lower than the rate nationwide. This measure shows the rate of hiring compared to open jobs and is a proxy for time to fill positions. For over twelve months, the rate has hovered around six hires for every ten job openings in the Commonwealth.

In February, the number of **total separations** in Virginia increased by 8,000 to 157,000. This was both an increase of eleven percent over the year and compared to five years earlier in 2019. The number of total separations nationwide changed little at 5.8 million. The number of total separations decreased in transportation, warehousing, and utilities (-45,000) but increased in educational services (+21,000). The decreases in the total separations level occurred in New Jersey (-57,000), South Carolina (-15,000), and New Hampshire (-7,000). The increases occurred in Maryland (+20,000) and South Dakota (+5,000). The Virginia **total separations rate** edged upward to 3.8 percent from January's 3.6 percent rate. Over the month, the U.S. rate was little changed at 3.7 percent. The increases occurred in South Dakota (+1.1 points), Maryland (+0.8 point), and Indiana (+0.5 point).

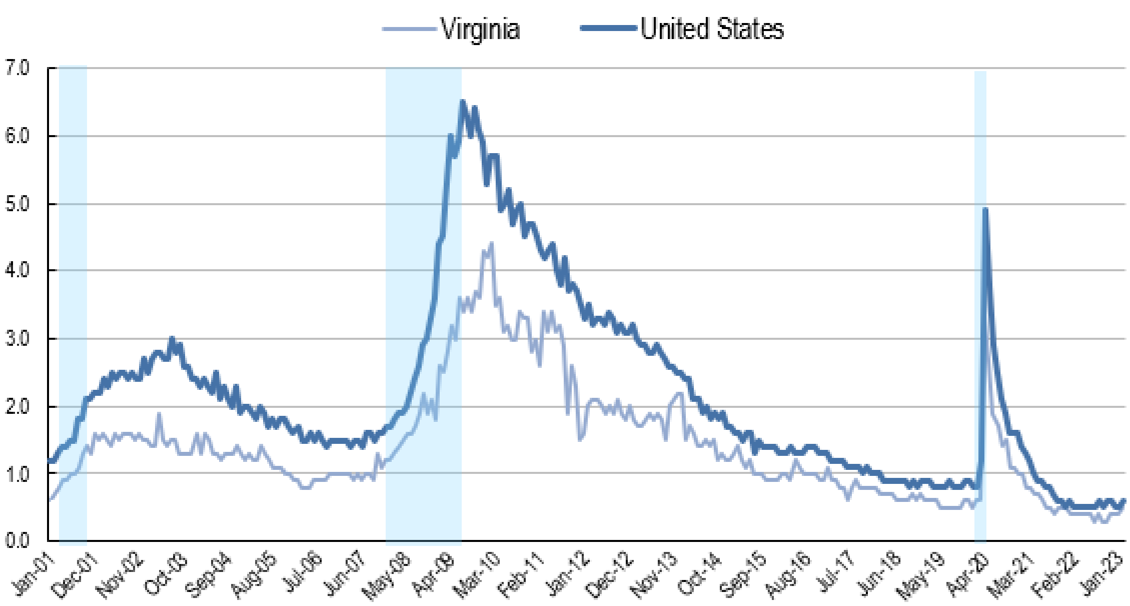
An estimated 115,000 workers quit jobs from Virginia employers in February. The **number of quits** rose by 20,000 from January's revised figure of 95,000. It had similar growth over-the-year but was down by 15 percent from the record breaking high in December 2021. Quits, a component of total separations, are voluntary separations initiated by the employee. They can be seen as a leading indicator of wage trends in that it includes workers who quit to move to another job. In February, the number of U.S. quits edged up to 4.0 million (+146,000). Quits increased in professional and business services (+115,000); accommodation and food services (+93,000); wholesale trade (+31,000); and educational services (+18,000). The number of quits decreased in finance and insurance (-39,000). On the last business day in February, the largest increases in the quits level occurred in Texas (+45,000), Georgia (+34,000), and Virginia (+20,000). Reflecting the increase, the **quits rate** in the Commonwealth rose by half of a percentage point to 2.8 percent and remained at the elevated levels seen over the last twelve months. Over the month, the national quits rate was little changed at 2.6 percent. The largest increases in quits rates occurred in the District of Columbia (+0.8 percentage point), Georgia and Maryland (+0.7 point each), and Maine (+0.6 point).

The number of **layoffs and discharges** in Virginia decreased by 14,000 to 31,000 in February 2023 from January's revised 45,000 figure. This was a reduction of 16 percent over the year, and 23 percent compared to five years before in 2019. Layoffs and discharges are countercyclical, which means that layoffs typically increase during economic contractions and decrease during economic expansions. In February, the number of U.S. layoffs and discharges decreased to 1.5 million (-215,000). The rate was little changed at 1.0 percent. Layoffs and discharges decreased in professional and business services (-157,000). In February, establishments with 1 to 9 employees saw a decrease in their layoffs and discharges rate. The largest decreases in the layoffs and discharges levels occurred in New Jersey (-57,000), Texas (-49,000), and North Carolina (-28,000). The increase occurred in South Dakota (+3,000).

In February 2023, there was one unemployed worker per two job openings in the Commonwealth, a slightly higher ratio than had been the case in recent months. That 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

The Unemployed Per Job Opening Ratio, January 2001 to February 2023

In February 2023, there were 0.5 unemployed per job opening in the Commonwealth, compared to nationwide, with 0.6 unemployed per job opening. The gap has been much larger at times over the past twenty years.

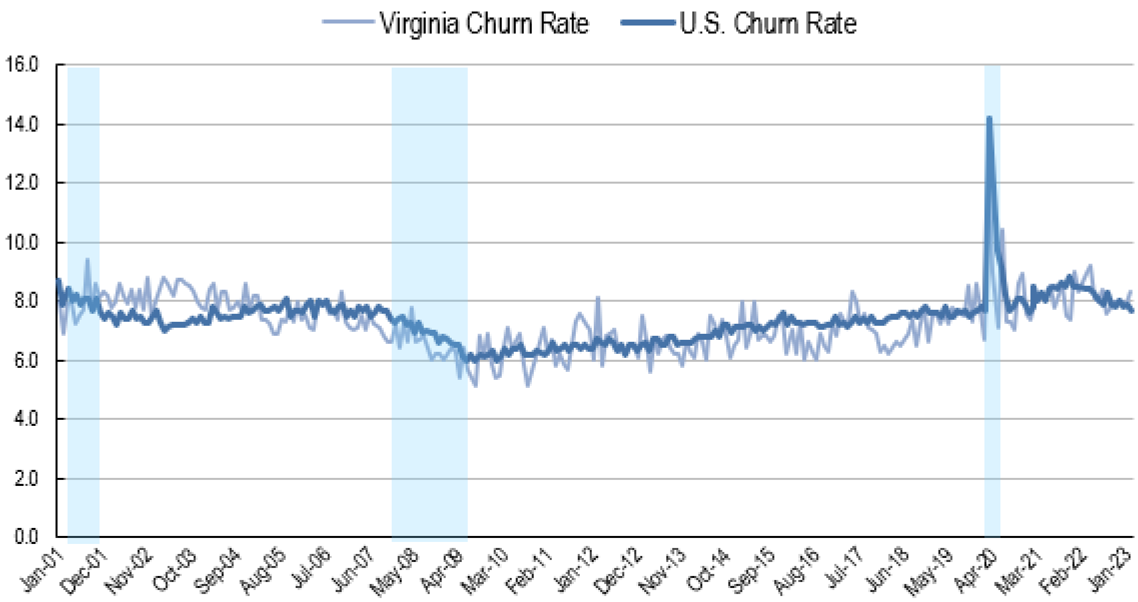


Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data.
Shaded areas represent economic recessions.

during the Great Recession. 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 February, slightly higher over the month. 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 6.5 in July of 2009, at the height of the Great Recession.

The Churn Rate, January 2001 to February 2023

In February 2023, the churn rate accelerated to 8.3 in the Commonwealth, a little quicker than the national rate. In recent months, this measure resembles levels often seen during the mid 2000s.



Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data.
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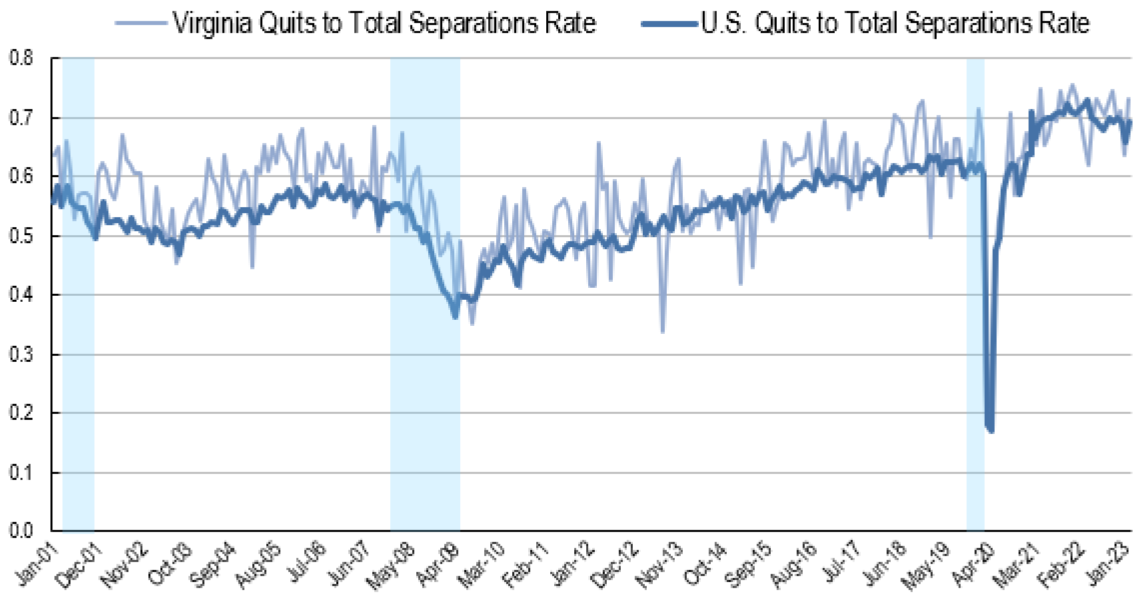
The February 2023 **churn rate** (the sum of the hires rate and the total separations rate) accelerated to 8.3 from January's revised 7.9 rate in Virginia, indicating continued elevated velocity of rotation into and out of jobs, picking up pace slightly from recent months. Nationwide performed a little differently, as the U.S. churn rates slowed slightly and showed some deceleration over the year. 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.

Quits as a Percentage of Total Separations, January 2001 to February 2023

The relationship of quits to total separations is an indication of worker confidence. In February 2023, an increase in the share of quits to total separations suggest workers' confidence in their ability to leave their job returned to that of recent months.



Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data.
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On the last business day of February 2023, the number of job openings in Virginia fell from January's revised 337,000 level to 321,000. This was milder than the decline of 632,000 nationwide to their lowest level since May of 2021. The decline in open positions may be a signal that the labor market is slowing, but other BLS JOLTS data pointed to a still-healthy environment for job seekers. 20,000 more Virginia workers quit their jobs during the month, a significant increase from January. At the same time, the number of layoffs decreased from 14,000 to 31,000. Taken together with a still-rapid pace of job churn and strong hiring, indications were of resilient conditions in February for workers and employers in the Commonwealth.

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Revision note: Effective with the January release, the BLS Job Openings and Labor Turnover Survey (JOLTS) estimates have been revised to incorporate the annual updates to the Current Employment Statistics employment data and the JOLTS seasonal adjustment factors. Not seasonally adjusted data and seasonally adjusted data from January 2018 forward were subject to revision. Additional information about these changes is available at www.bls.gov/jlt/jolts-2023-changes.htm.

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The Virginia Employment Commission plans to release the March 2023 analysis of the BLS Job Openings and Labor Turnover Survey for Virginia on Monday, May 22, 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 March JOLTS data for states on Wednesday, May 17, 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.**