COMMONWEALTH of VIRGINIA
Virginia Employment Commission

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Virginia Job Hires Rise By 5,000 in March

—Latest BLS Jobs Openings and Labor Turnover Survey Shows the Most Hires in Nearly a Year—

RICHMOND— The Virginia Employment Commission announced today that the U.S. Bureau of Labor Statistics' March 2023 Job Openings and Labor Turnover Survey (JOLTS) reports active job markets with strong rates of both job hires and job separations in the Commonwealth.

According to the most recent BLS JOLTS survey data, more Virginians continued to separate from jobs in March by quitting—but also by being laid off or terminated. 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 March 2023 **job openings** in Virginia rose from January's revised 335,000 level to 347,000. Nationwide, the number of job openings decreased to 9.6 million (-384,000) and was 1.6 million lower than in December. In March, U.S. job openings decreased in transportation, warehousing, and utilities (-144,000) but increased in educational services (+28,000). The largest decreases in the job openings level

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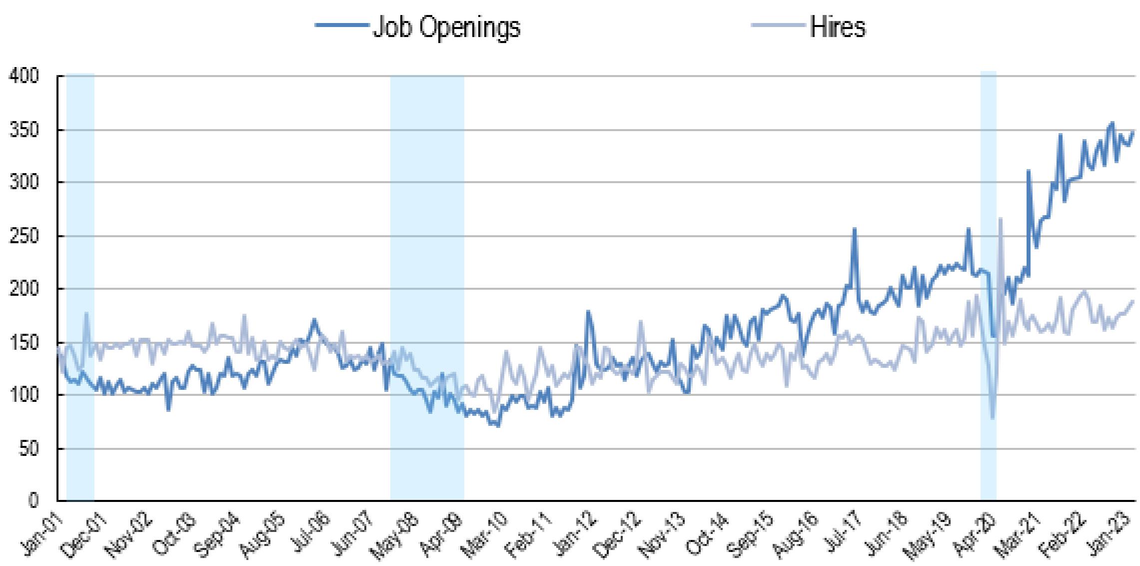
occurred in California (-74,000) and Texas (-52,000), as well as in Colorado and Illinois (-48,000 each). The largest increases occurred in Florida (+55,000), Ohio (+23,000), and Massachusetts (+17,000). Virginia's **job openings rate** was 7.7 percent in March. The U.S. job openings rate was 5.8 percent and was down by 1.0 percentage point since December. The largest decreases in job openings rates occurred in Colorado, Kansas, and Maryland (-1.4 percentage points each). The increases occurred in the District of Columbia (+0.9 point) and Florida (+0.5 point). Small businesses (establishments with 1 to 9 employees) saw a decrease in their job openings rate.

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

In March 2023, there were 347,000 job openings in Virginia, seasonally adjusted, a 4% increase from February 2023's revised 335,000 job openings. Job openings rose nearly 42% higher than five years earlier in March 2018.



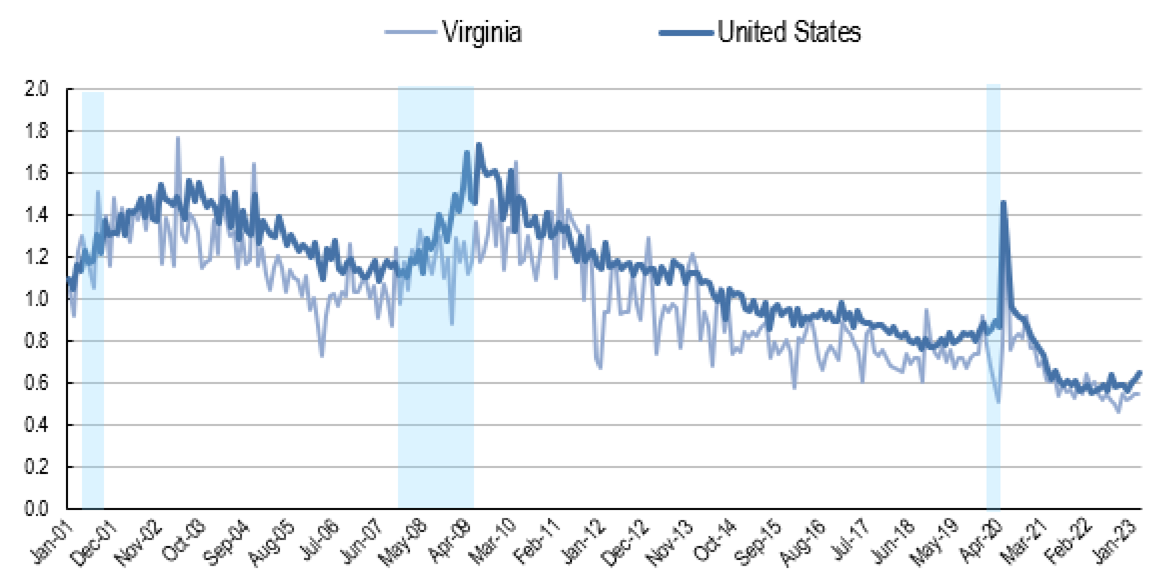
Source: Bureau of Labor Statistics (BLS), Job Openings and Labor Turnover Survey (JOLTS). Seasonally adjusted. Shaded areas represent economic recessions.

The **number of hires** in Virginia rose to 188,000 in March, up 5,000 over the month but down by over 9,000 from March 2022. JOLTS defines hires as all additions to the payroll during the month. The number of hires was up over 109,000 from the series low of 79,000 in April 2020. In March, the number of U.S. hires was little changed at 6.1 million. Hires decreased in real estate and rental and leasing (-29,000). The largest decrease in the hires level occurred in North Carolina (-32,000). The increases occurred in New Jersey (+63,000) and Maine (+8,000). In Virginia, the **hires rate** edged upward to 4.5 percent from February's revised 4.4 percent rate. The U.S. hires rate held steady at 4.0. The largest decreases in the hires rates occurred in Nebraska (-1.3 percentage points), Mississippi (-0.9 point), and Kansas (-0.8 point). The increases occurred in New Jersey (+1.5 points) and Maine (+1.3 points).

In March 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 March 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 March 2023

In Virginia, the HPJO ratio in March 2023 was little changed at 0.5, 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** was unchanged in March at 55%, which was 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 nearly two years, the rate has hovered between five and six hires for every ten job openings in the Commonwealth.

In March, the number of **total separations** in Virginia jumped by 20,000 to 181,000. This was both an increase of thirteen percent over the month and over the year. The number of total separations nationwide changed little at 5.9 million. Over the month, the number of U.S. total separations decreased in accommodation and food services (-107,000) but increased in construction (+104,000). The largest increases in the total separations level occurred in Michigan and Tennessee (+32,000 each), as well as in Pennsylvania (+27,000). The decreases occurred in Texas (-71,000) and Georgia (-30,000). The Virginia **total separations rate** rose to 4.4 percent from February 3.9 percent rate. The U.S. total separations rate stood at 3.8 percent for the fourth month in a row. The largest increases in total separations rates occurred in New Hampshire (+1.2 percentage points), Tennessee (+0.9 point), and Montana (+0.8 point).

An estimated 125,000 workers quit jobs from Virginia employers in March. The **number of quits** rose by 8,000 from February's revised figure of 117,000. It had twenty percent growth over-the-year and was only down by eight percent from the record-breaking high set 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. Nationwide, the number of quits in March changed little at 3.9 million. The number of quits decreased in accommodation and food services (-178,000). The largest decreases in the quits level occurred in Texas (-63,000), Georgia (-45,000), and North Carolina (-17,000). Reflecting the increase, the **quits rate** in the Commonwealth rose by 0.2 of a percentage point to 3.0 percent and remained at the elevated levels seen over the last twelve months. Over the month, the national quits rate was little changed at 2.5 percent. The largest decreases in quits rates occurred in Georgia (-0.9 percentage point), the District of Columbia (-0.7 point), and Alaska (-0.6 point).

The number of **layoffs and discharges** in Virginia rebounded from February's decline, rising by 13,000 to 46,000 in March. This was an increase of ten percent over the year and forty percent compared to five years before in 2018. Layoffs and discharges are countercyclical, which means that layoffs typically increase during economic contractions and decrease during economic expansions. In March, the number of U.S. layoffs and discharges increased to 1.8 million (+248,000). Layoffs and discharges increased in construction (+112,000), accommodation and food services (+63,000), and health care and social assistance (+42,000). In March, small businesses (establishments with 1 to 9 employees) saw an increase in their layoffs and discharges rate. The largest increases in the layoffs and discharges levels occurred in California (+47,000), Tennessee (+45,000), and Massachusetts (+33,000). The **Virginia layoffs and discharges rate** was 1.1%, about the same as nationwide.

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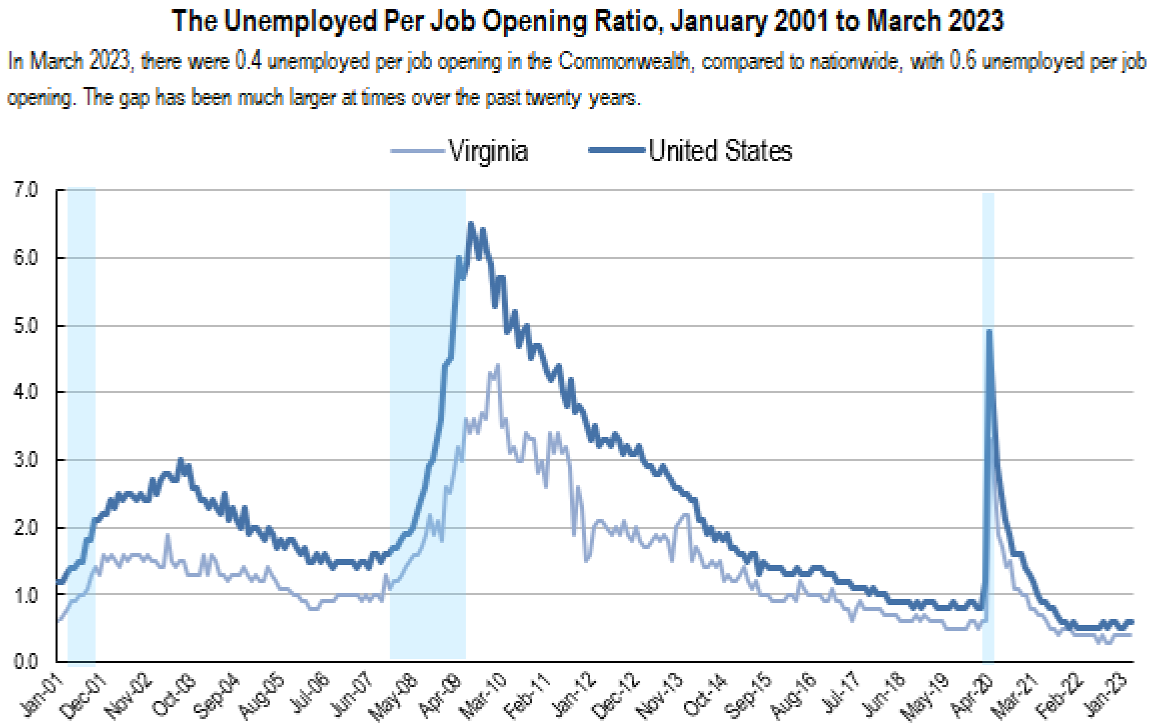
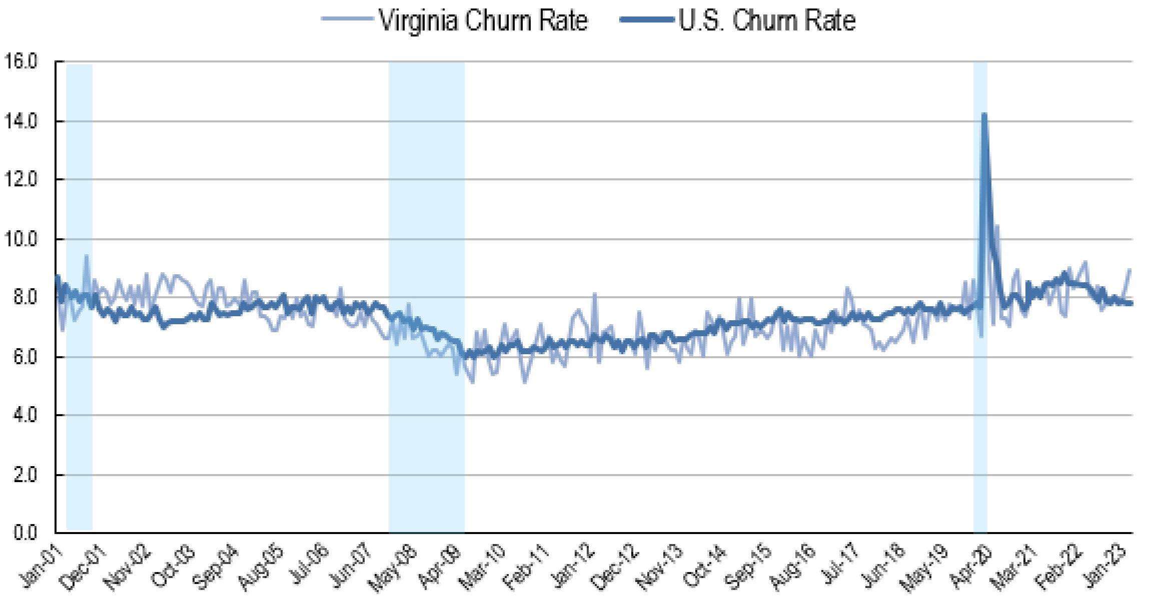


Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data.
Shaded areas represent economic recessions.

In March 2023, there was a little less than one unemployed worker per two job openings in the Commonwealth, as it had been since 2021. 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 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 March, unchanged 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 March 2023

In March 2023, the churn rate climbed to 8.9 in the Commonwealth, a little faster rate of churn than the national rate. The rate was the highest in a year, driven by simultaneous increases in hiring, quits, and layoffs.



Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data.
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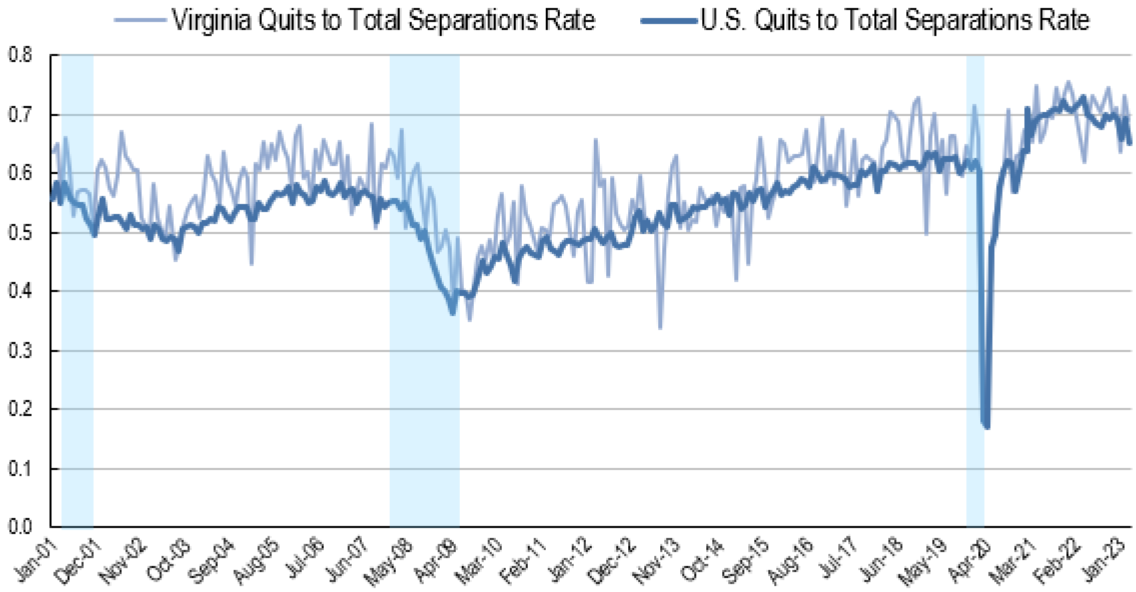
The March 2023 **churn rate** (the sum of the hires rate and the total separations rate) accelerated to 8.9 from February's revised 8.3 rate in Virginia, indicating continued elevated velocity of rotation into and out of jobs, picking up pace slightly from recent months. Nationwide performed a little slower, as the U.S. churn rate was unchanged over the month 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 March 2023

The relationship of quits to total separations is an indication of worker confidence. In March 2023, the share of quits to total separations held steady at around 0.7 in Virginia and nationwide. This suggests continued confidence in workers' ability to leave their job for a better job.



Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data.
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In March, positive JOLTS data for Virginia included a still-rapid pace of job churn and strong hiring that countered slowly rising numbers of layoffs. Virginia's 'churn rate,' or pace of movement from job to job, was significantly faster than nationwide, due to simultaneous increases in hires, layoffs and quits rates. Nationwide, layoffs also increased. However, U.S. job quitting—a sign of worker confidence regarding reemployment prospects—dropped to 3.9 million, the lowest level since May 2021. U.S. job openings also trended weaker during the first quarter of 2023. Small businesses in particular pulled back on job openings while increasing layoffs and terminations in March. In contrast, Virginia's strong labor market conditions on the last business day of March 2023, as measured by the JOLTS survey, coincided with positive March and April BLS estimates of household employment, which rose by more than 50,000 over that two-month span.

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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.

The Virginia Employment Commission plans to release the April 2023 analysis of the BLS Job Openings and Labor Turnover Survey for Virginia on Monday, June 26, 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, June 21, 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.**