



COMMONWEALTH of VIRGINIA

Virginia Employment Commission

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Virginia Job Openings Fall By 33,000 in April

—Latest BLS Jobs Openings and Labor Turnover Survey Shows Job Openings Remained Well Above Pre-Pandemic Levels—

RICHMOND— The Virginia Employment Commission announced today that the U.S. Bureau of Labor Statistics' April 2023 Job Openings and Labor Turnover Survey (JOLTS) reports moderating job markets with reduced rates of hiring and quitting in the Commonwealth.

According to the most recent BLS JOLTS survey data, Virginians moderated their rapid pace of job switching experienced over the last two years. 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 April 2023 **job openings** in Virginia fell from March's revised 340,000 level to 307,000. Nationwide, the number of job openings edged up to 10.1 million (+358,000). In April, U.S. job openings increased in retail trade (+209,000); health care and social assistance (+185,000); and transportation, warehousing, and utilities (+154,000). The largest increases in the job openings level occurred in

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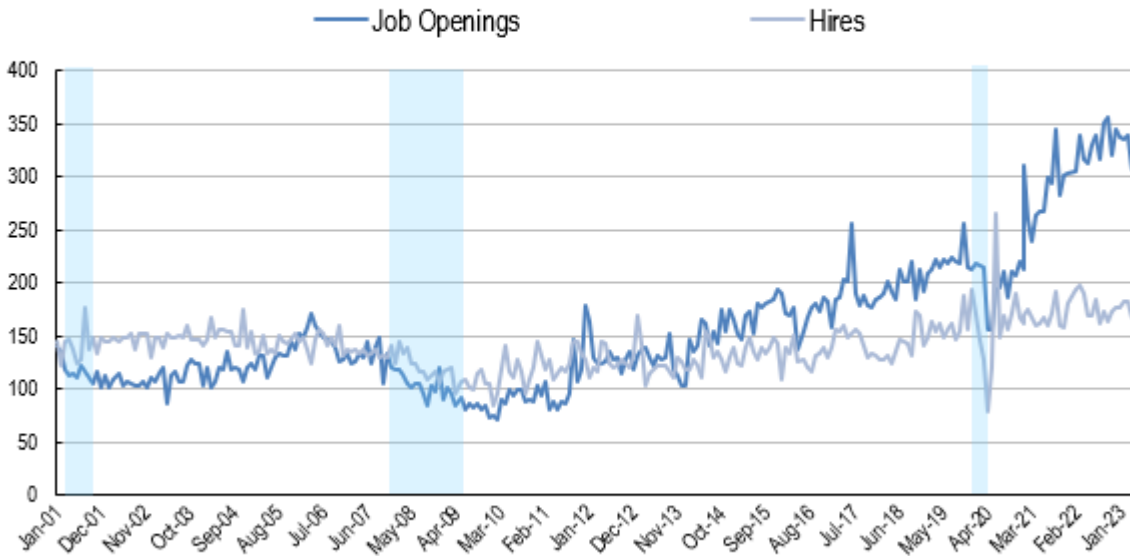
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California (+112,000), Maryland (+46,000), and Ohio (+29,000). The largest decreases occurred in Virginia (-33,000), New Jersey (-21,000), and Connecticut (-9,000). Virginia's **job openings rate** declined to 6.9 percent in April. The job openings rate nationwide was little changed at 6.1 percent. Establishments with more than 5,000 employees saw an increase in both their job openings and hires rates. The largest increases in job openings rates occurred in Maryland (+1.4 percentage points) and in Kansas and New Mexico (+1.2 points each). The decreases occurred in Maine (-1.1 points) and Virginia (-0.7 point).

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

In April 2023, there were 307,000 job openings in Virginia, seasonally adjusted, nearly a 10% decrease from March 2023's revised 340,000 job openings. Job openings rose 60% higher than five years earlier in April 2018.



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

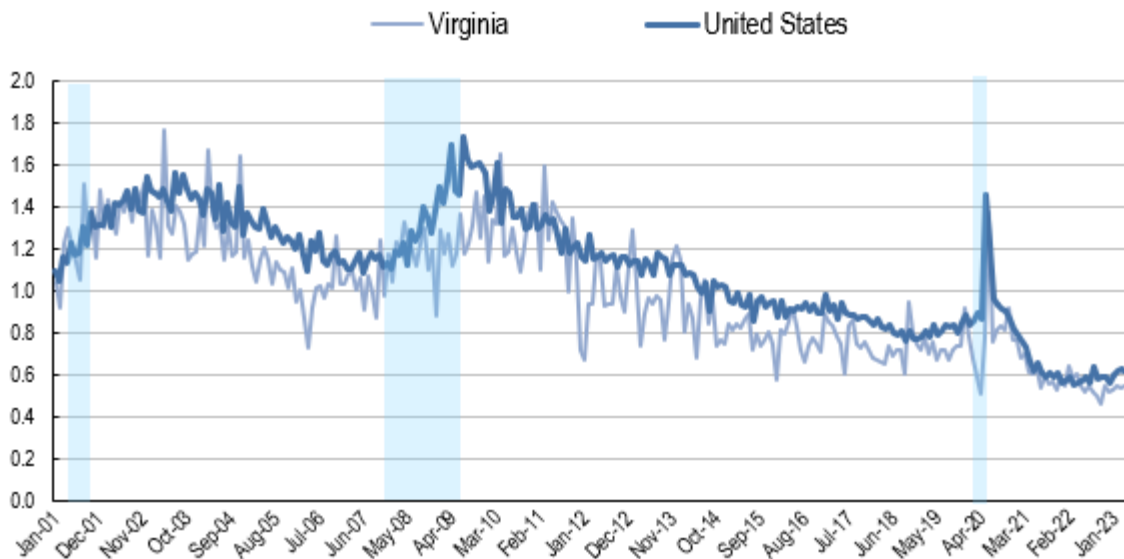
The **number of hires** in Virginia fell to 168,000 in April, down 14,000 over the month but down by 22,000 from April 2022. JOLTS defines hires as all additions to the payroll during the month. The number of hires was up 89,000 from the series low of 79,000 in April 2020. In April, the number of U.S. hires was little changed at 6.1 million. Hires decreased in information (-37,000). The largest decreases in the hires level occurred in California (-61,000), New Jersey (-36,000), and Oregon (-14,000). The increases occurred in Florida (+54,000), Kansas (+10,000), and New Hampshire (+7,000). In Virginia, the **hires rate** declined to 4.1 percent from March's revised 4.4 percent rate. The U.S. hires rate held steady at 3.9. The largest decreases in the hires rates occurred in New Jersey and West Virginia (-0.8 percentage point each) and in Oregon (-0.7 point). The increases occurred in New Hampshire (+1.0 point), Kansas (+0.7 point), and Florida (+0.5 point). In April 2023, the Virginia **'annual fill' rate** (the ratio of 'this month' hires to 'last month' job openings, over the year) was slightly lower than the historical, typical level of 1.0. It was also lower than the April fill rate nationwide, which rose to 1.15—the highest rate in over two years.

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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 April 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 five 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 April 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 April, the number of **total separations** in Virginia fell by 28,000 to 146,000. This was a decrease of sixteen percent over the month and nineteen percent over the year. The number of total separations nationwide decreased to 5.7 million (-286,000) in April. Over the month, the number of total separations was little changed in all industries. The largest decreases occurred in California (-125,000), Tennessee (-46,000), and Georgia (-39,000). The largest increases in the total separations level occurred in Illinois

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(+30,000), Idaho (+9,000), and Alaska (+8,000). The Virginia **total separations rate** returned to 3.5 percent from March's 4.2 percent rate. The U.S. total separations rate was little changed at 3.7 percent. The largest decreases in total separations rates occurred in Tennessee (-1.4 percentage points) and New Hampshire (-1.0 point), as well as in Louisiana, Maine, and Maryland (-0.9 point each). The largest increases occurred in Alaska (+2.5 points), South Dakota (+1.5 points), and Idaho (+1.0 point).

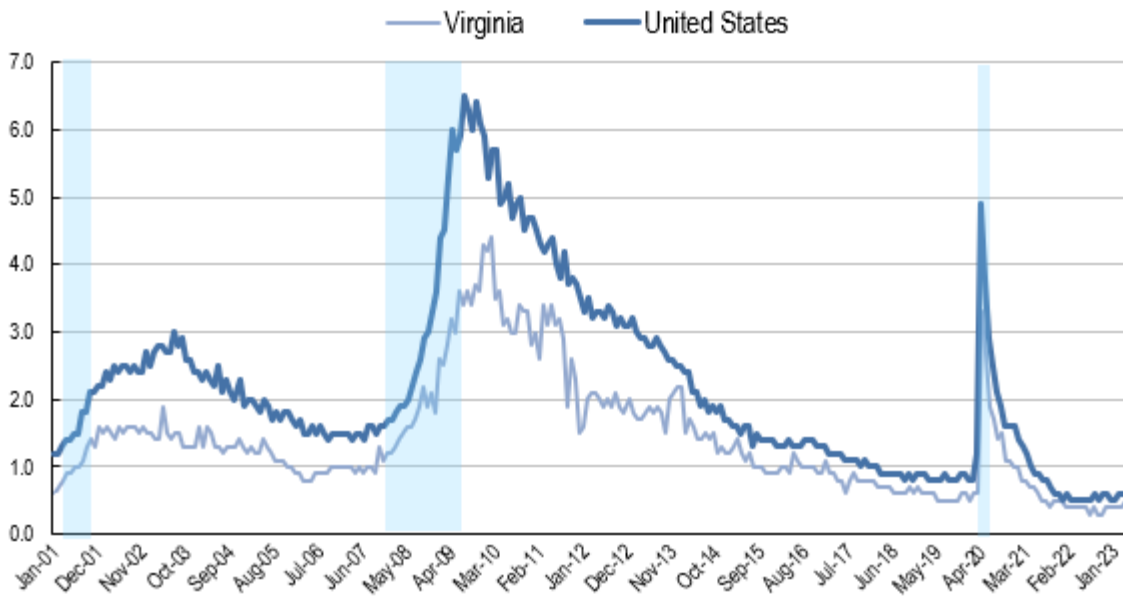
An estimated 99,000 workers quit jobs from Virginia employers in April. The **number of quits** decreased by 20,000 from March's revised figure of 119,000. That was a twelve percent reduction over-the-year and a 27 percent drop from the record-breaking high set in December 2021. Quits, a component of 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, in April, the number and rate of quits changed little at 3.8 million. The number of quits increased in wholesale trade (+29,000) but decreased in state and local government excluding education (-18,000). The largest decreases in the quits level occurred in Georgia and Virginia (-20,000 each) and in New York (-19,000). The increases occurred in Arizona (+12,000), Idaho (+7,000), and South Dakota (+2,000). Reflecting the decrease, the **quits rate** in the Commonwealth fell by half of a percentage point to 2.4 percent but remained at the elevated levels seen over the last two years. Over the month, the national quits rate was little changed at 2.4 percent. The largest decreases in quits rates occurred in New Hampshire (-0.9 percentage point) and Louisiana (-0.6 point), as well as in Maryland and Virginia (-0.5 point each). The increase occurred in Idaho (+0.8 point).

The number of **layoffs and discharges** in Virginia eased from March's increase, decreasing by 5,000 to 40,000 in April. This was a decrease of 37 percent over the year but eleven percent up 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 April, the number of layoffs and discharges decreased to 1.6 million (-264,000). Layoffs and discharges decreased in construction (-113,000) and in information (-33,000). In April, 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 California (-106,000), Tennessee (-49,000), and Massachusetts (-26,000). The largest increases occurred in Ohio (+24,000), Alaska (+8,000), and Kansas (+7,000). The **Virginia layoffs and discharges rate** was 1.0%, the same as nationwide. The largest decreases in layoffs and discharges rates occurred in Tennessee (-1.5 percentage points) and Massachusetts (-0.7 point), as well as in California, Maine, Vermont, and Washington (-0.6 point each).

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

In April 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.

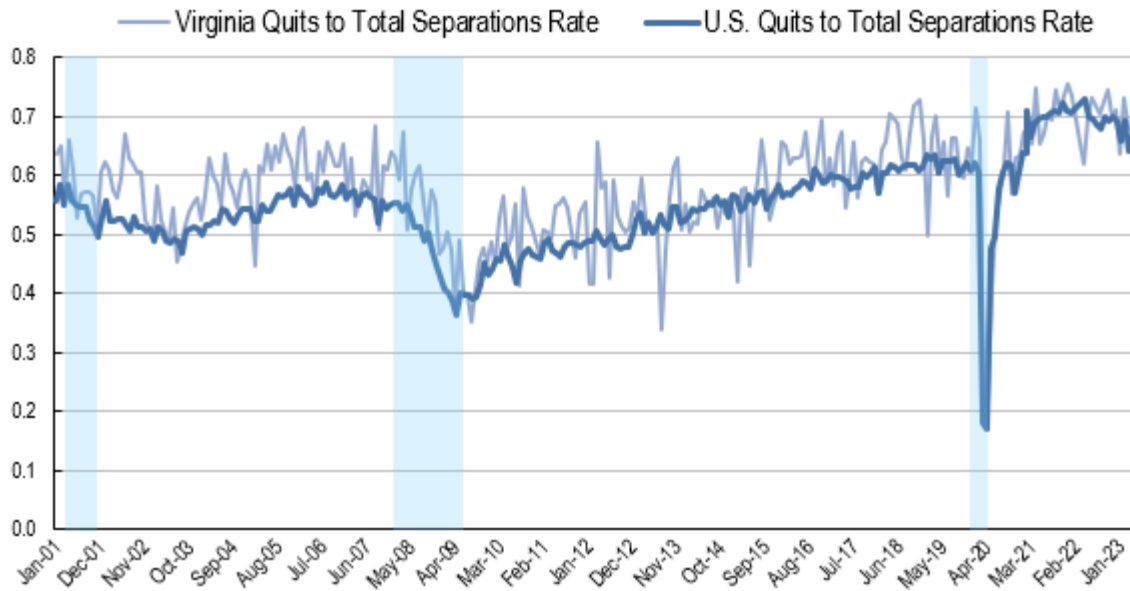
In April 2023, there was one unemployed worker per two job openings in the Commonwealth, the range that it had hovered around since 2021. That period marked the lowest rates since January 2001, when BLS began collecting the data. In Virginia, **the unemployed per job opening ratio** (sometimes called 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 April, 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 April 2023 **churn rate** (the sum of the hires rate and the total separations rate) slowed to 7.6 from March’s revised 8.6 rate in Virginia, indicating slower, but still elevated velocity of rotation into and out of jobs, losing pace slightly from recent months. Nationwide was also 7.6, as the U.S. churn rate was little changed over the month but 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.

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

The relationship of quits to total separations is an indication of worker confidence. In April 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.
Shaded areas represent economic recessions.

In April, JOLTS data indicated that the ability to meet staffing requirements nationwide was markedly improved compared to April 2022. One indication for this is hiring that has steadily exceeded quitting. Another indication of this improvement is slowing job openings, which were down fourteen percent over the year. Industry pullbacks were found in most industries, but Arts, Entertainment, and Recreation led in over-the-year growth, growing by nearly half and driven by the severe impacts on that sector from the Pandemic. In Virginia, job openings remained elevated but fell to 307,000 job openings from 340,000 in March. Since 2021, much of the elevated job openings have been driven by increased labor market churn and not net new demand. However, the Virginia churn rate slowed to its lowest level since August 2020, equaling that 7.6 percent level. If Pandemic era frenetic job switching continues trending downward to more normal levels, job openings may better reflect a growing economy's additional demand for labor.

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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 May 2023 analysis of the BLS Job Openings and Labor Turnover Survey for Virginia on Friday, July 28, 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 May JOLTS data for states on Wednesday, July 26, 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>.