



COMMONWEALTH of VIRGINIA

Virginia Employment Commission

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Virginia Job Openings Little Changed at 309,000 in June

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

RICHMOND— The Virginia Employment Commission announced today that the U.S. Bureau of Labor Statistics' June 2023 Job Openings and Labor Turnover Survey (JOLTS) reports a small increase in layoffs and discharges in the Commonwealth.

According to the most recent BLS JOLTS survey data, even with an increase, Virginia employers in June laid off and discharged staff at lower levels than average during the twenty years prior to the Pandemic. 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 June 2023 **job openings** in Virginia rose from May's revised 305,000 level to 309,000. Nationwide, the number of job openings was little changed at 9.6 million. In June, significant job openings increased in health care and social assistance (+136,000) and in state and local government, excluding education (+62,000). Significant decreases in job openings occurred in transportation, warehousing, and

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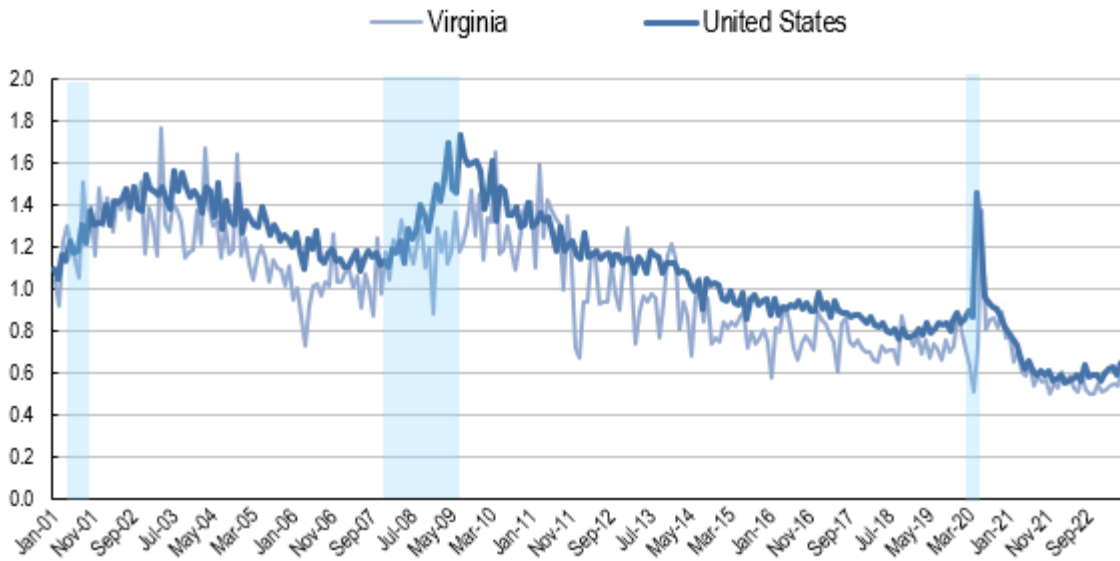
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utilities (-78,000), state and local government education (-29,000), and federal government (-21,000). Significant increases included those in California and New Jersey (+0.6 point each). Virginia's **job openings rate** was unchanged at 6.9 percent in June. The job openings rate nationwide was unchanged at 5.8 percent. The largest decreases in job openings rates occurred in North Carolina (-0.8 percentage point), as well as in Illinois, Iowa, and Kentucky (-0.6 point each). The **number of hires** in Virginia rose to 178,000 in June, an increase of 4,000 over the month and up by 22 percent from June 2018. JOLTS defines hires as all additions to the payroll during the month. The number of hires was up 97,000 from the series low of 81,000 in April 2020. In June, the number of hires nationwide decreased to 5.9 million (-326,000). Significant decreases in hires occurred in durable goods manufacturing (-54,000) and in finance and insurance (-54,000). The largest decreases in the hires level occurred in Washington (-38,000), Indiana (-30,000), and Arizona (-25,000). In Virginia, the **hires rate** rose to 4.3 percent from May's revised 4.2 percent rate. The U.S. hires rate held steady at 3.8. The largest decreases in the hires rates occurred in Washington (-1.1 percentage points), Alaska (-1.0 point), and Indiana (-0.9 point). The largest increase occurred in California (+0.4 point). In June 2023, the Virginia '**annual fill**' rate (the ratio of 'this month' hires to 'last month' job openings, over the year) climbed above the historical, typical level of 1.0 to 1.12. It was slightly higher than the June fill rate nationwide, which edged up to 1.09 from 1.08. 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 May 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 June 2023

In Virginia, the HPJO ratio in June 2023 was little changed at 0.6, equivalent to the U.S. rate. This indicates that there were 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 June at 58%, 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.

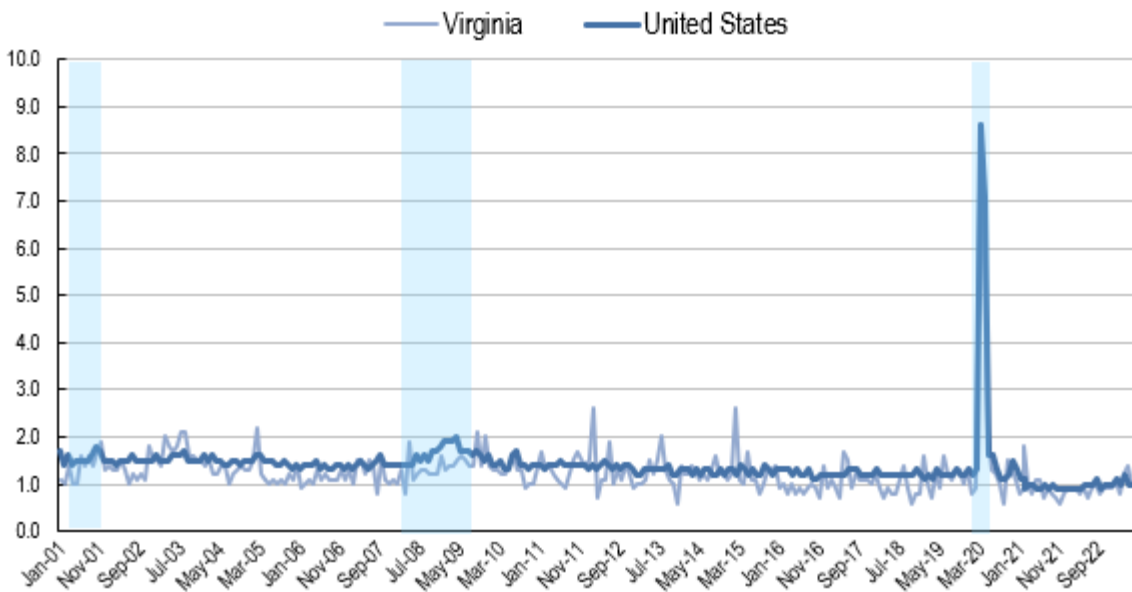
In June, the number of **total separations** in Virginia fell by 13,000 to 171,000. This was a decrease of 7.1% over the month but a 19.6% increase over the year. The number of total separations nationwide decreased to 5.6 million (-288,000) in June. Over the month, the largest number of total separations decreases occurred in retail trade (-134,000), health care and social assistance (-84,000), and durable goods manufacturing (-54,000). Large numbers of total separations occurred in professional and business services (+129,000). The largest decreases occurred in Georgia (-42,000), New York (-40,000), and Tennessee (-27,000). The increase in the total separations level occurred in Kansas (+12,000). The Virginia **total separations rate** returned to 4.1 percent from May's 4.4 percent rate. The U.S. total separations rate edged down to 3.6 percent. The largest decreases in total separations rates occurred in Delaware (-1.3 percentage points), as well as in Maine and Mississippi (-1.1 points each). A Significant increase occurred in Kansas (+0.9 point). An estimated 117,000 workers quit jobs from Virginia employers in June. The **number of quits** fell by 17,000 from May's revised figure of 134,000. That was 12.5% growth over-the-year and a 38% increase from five years earlier. 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 June, the number of quits decreased to

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3.8 million (-295,000). The number of quits decreased in several industries, with the largest decreases in retail trade (-95,000), health care and social assistance (-75,000), and construction (-51,000). The number of quits increased in arts, entertainment, and recreation (+20,000). The largest decreases in the quits level occurred in New York (-58,000) and Tennessee (-24,000), as well as in Georgia and North Carolina (-22,000). The increase occurred in Kansas (+7,000). Reflecting the decrease, the **quits rate** in the Commonwealth fell to 2.8 percent and returned to levels seen over the last two years. Over the month, the national quits rate decreased (-0.2 point). The largest decreases in quits rates occurred in Maine (-1.2 percentage points) and Delaware (-1.0 point), as well as in Alabama and Vermont (-0.9 point each). The increase occurred in Kansas (+0.5 point).

The Rate of Layoffs and Discharges, January 2001 to June 2023

In June 2023, the layoff and discharge rate in Virginia held steady at 1.0%. The U.S. layoff rate remained below longterm trends.



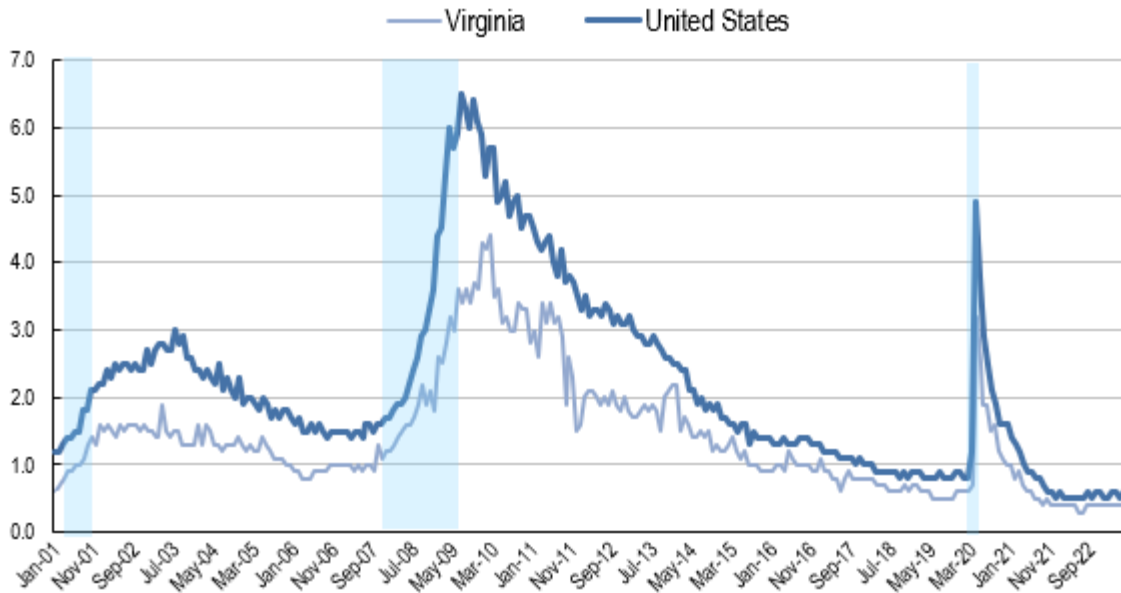
Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data.
Shaded areas represent economic recessions.

The number of **layoffs and discharges** in Virginia edged up by 3,000 to 46,000 in June. This was an increase of nearly two thirds over the year and 35.3 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 June, the number of layoffs and discharges changed little at 1.5 million. Layoffs and discharges increased in professional and business services (+112,000). The number of layoffs and discharges significantly decreased in durable goods manufacturing (-26,000) and in wholesale trade (-26,000). Large decreases in the layoffs and discharges levels occurred in Georgia (-22,000) and Mississippi (-7,000). A significant increase occurred in Arizona (+11,000). The **Virginia layoffs and discharges rate** was 1.1%, equivalent to nationwide.

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

In June 2023, there were 0.4 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.



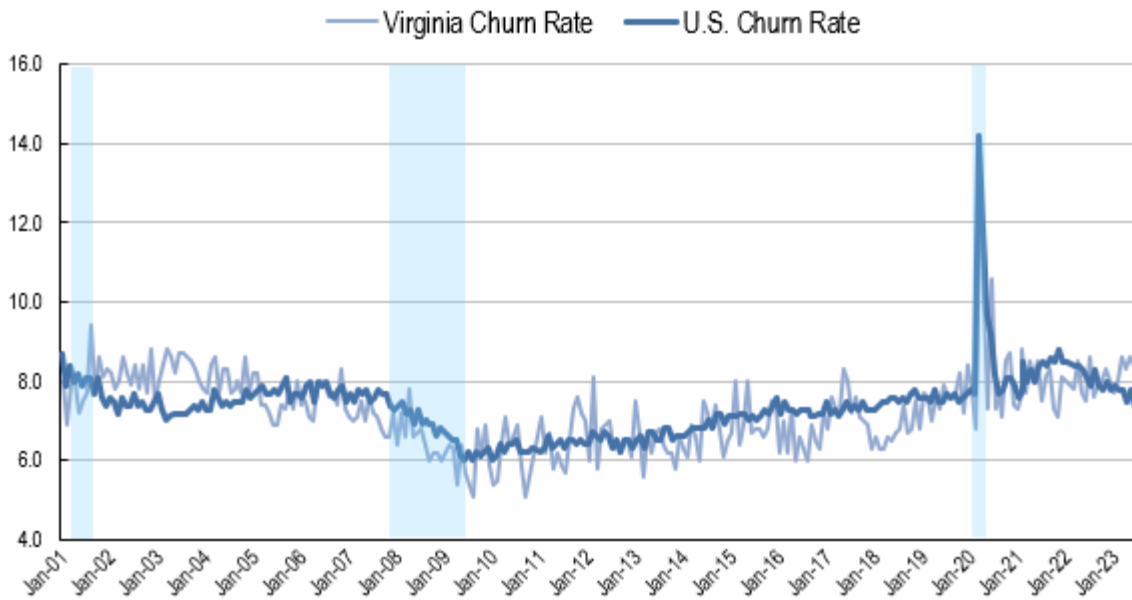
Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data. Shaded areas represent economic recessions.

In June 2023, there were four unemployed workers per ten 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 3.2 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 June, 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.

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The Churn Rate, January 2001 to June 2023

In June 2023, the churn rate slowed to 8.40 in the Commonwealth, a percentage point faster than the national rate. The rate of churn nationwide has trended downward in recent months while Virginia's churn rate trended slightly upward.



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

The June 2023 **churn rate** (the sum of the hires rate and the total separations rate) slowed slightly to 8.4 from May's revised 8.6 rate in Virginia, indicating still-elevated velocity of rotation into and out of jobs. Nationwide's rate was 7.4, 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.

In June and during the first half of 2023, Virginia JOLTS data indicates that the Commonwealth's labor market was tighter and more active than in much of the country. The velocity of movement from job to job as represented by the Churn Rate has steadily slowed nationwide in 2023 while accelerating slightly in Virginia. At the same time, the ability to fill open positions has steadily improved since 2021 with hiring ability at typical, long-term trends in the Commonwealth. Quits as a percentage of all job separations has also trended downward in 2023 nationwide, but with less evidence of this in Virginia. Such trends in JOLTS data suggest that Virginia's labor market remains strong heading into the second half of 2023.

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The Virginia Employment Commission plans to release the July 2023 analysis of the BLS Job Openings and Labor Turnover Survey for Virginia on Thursday, September 21, 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 July JOLTS data for states on Tuesday, September 19, 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>.