



COMMONWEALTH of VIRGINIA

Virginia Employment Commission

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Virginia Job Openings Declined to 245,000 in July

—Latest BLS Jobs Openings and Labor Turnover Survey Shows Hiring Held Steady at
175,000—

RICHMOND— The Virginia Employment Commission announced today that the U.S. Bureau of Labor Statistics' July 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, the number of July 2023 job openings in Virginia fell by 28 percent compared to July 2022. Despite the sharp drop, they remained over twenty percent higher than pre-Pandemic conditions five years earlier. 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.

In July, there were 245,000 **job openings** in Virginia, seasonally adjusted, a 45,000 decrease from June 2023's revised 290,000 job openings. Nationwide, the number of job openings dropped to 8.8 million (-338,000). Over the month, U.S. job openings significantly decreased in professional and business services

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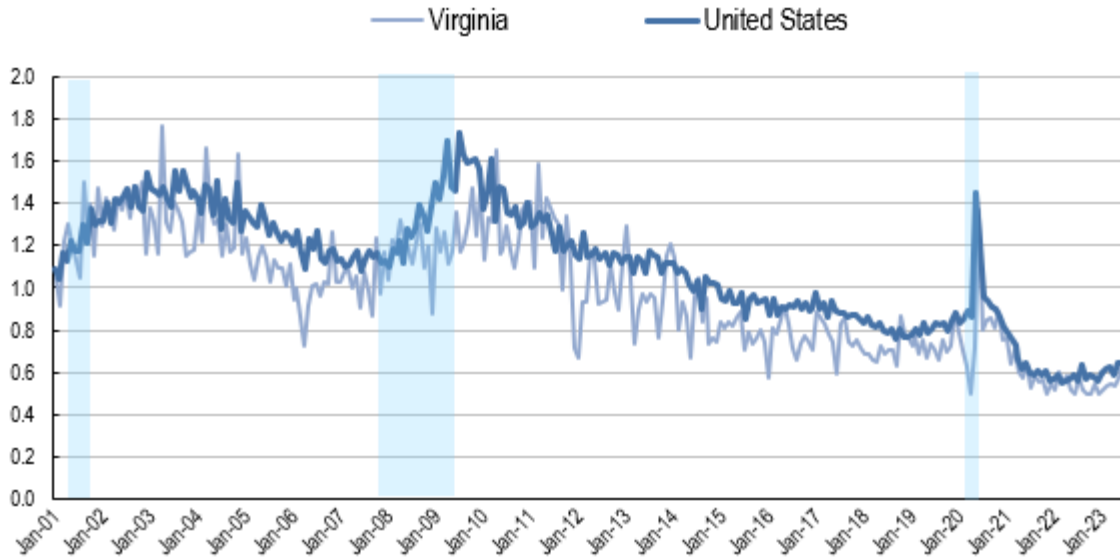
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(-198,000); health care and social assistance (-130,000); state and local government, excluding education (-67,000); state and local government education (-62,000); and federal government (-27,000). By contrast, job openings significantly increased in information (+101,000) and in transportation, warehousing, and utilities (+75,000). The largest decreases in the job openings level occurred in Florida (-66,000), Virginia (-45,000), and Tennessee (-35,000). Virginia's **job openings rate** fell 0.9 of a percentage point to 5.9 percent in July. Nationwide, the rate changed little at 5.3 percent. The largest decreases in job openings rates occurred in Louisiana (-1.3 percentage points) and in Maryland, Tennessee, and Virginia (-0.9 point each). The **number of hires** in Virginia edged down to 175,000 in July, a decrease of 2,000 over the month and down by 10.7 percent from June 2018. JOLTS defines hires as all additions to the payroll during the month. The number of hires was up 94,000 from the series low of 81,000 in April 2020. In July, the U.S. number of hires changed little at 5.8 million. The number of hires changed little in all industries. The largest decreases in the hires level occurred in Texas (-63,000), North Carolina (-37,000), and New Jersey (-29,000). In Virginia, the **hires rate** fell slightly to 4.2 percent from June's revised 4.3 percent rate. The U.S. hires rate was little changed at 3.7. The largest decreases in the hires rates occurred in Alaska (-1.3 percentage points) and Louisiana (-0.9 point), as well as in Colorado and North Carolina (-0.8 point each). In July 2023, the Virginia **'annual fill' rate** (the ratio of 'this month' hires to 'last month' job openings, over the year) climbed significantly above the historical, typical level of 1.0 to 1.28. It grew higher than the July fill rate nationwide, which stood at 1.11. 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 July 2023

In Virginia, the HPJO ratio in June 2023 rose to 0.7, equivalent to the U.S. rate. This indicates that there were seven hires for every ten job openings in Virginia and nationwide. This indicates improvement in the ability of employers to staff.

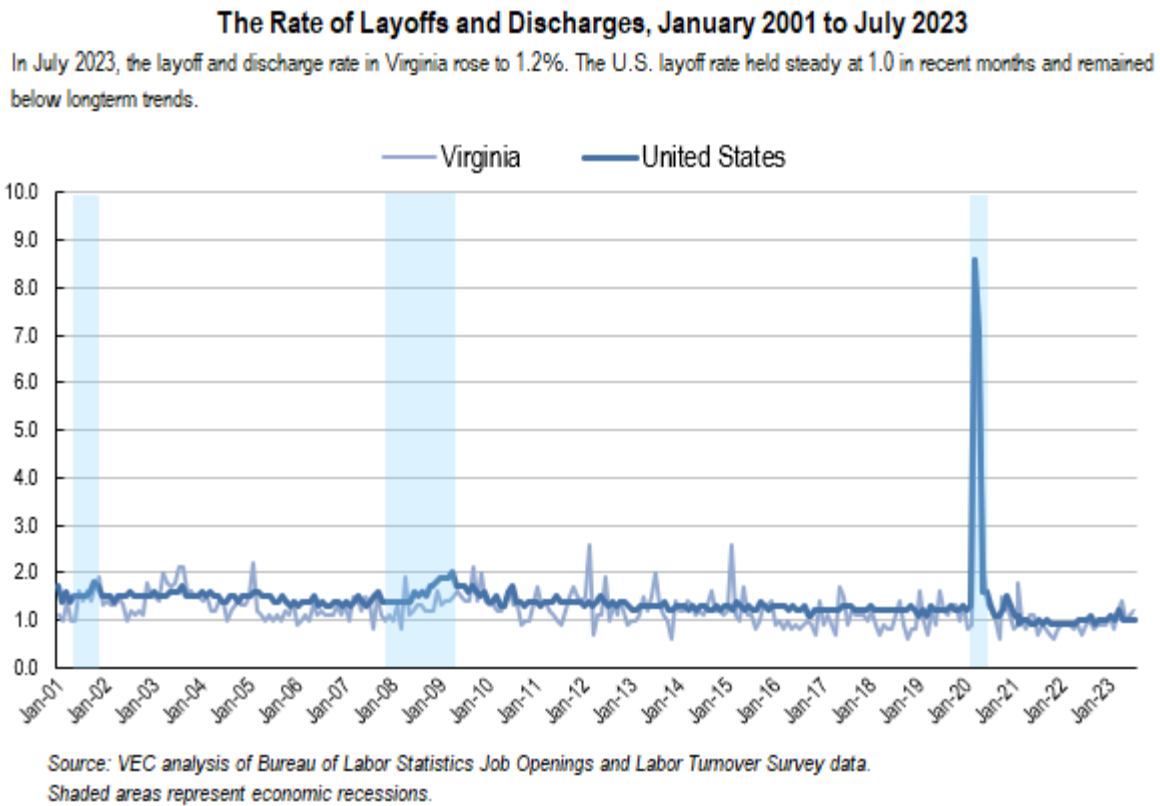


Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data. Shaded areas represent economic recessions.

The **hires-per-job-openings (HPJO) ratio** rose in July to 71 percent, equal to the rate nationwide. This measure shows the rate of hiring compared to open jobs and is a proxy for time to fill positions. This was the highest rate since March 2021. For nearly two years, the rate had hovered between five and six hires for every ten job openings in the Commonwealth.

In July, the number of **total separations** in Virginia decreased by 2,000 to 162,000. This was little changed over the month and a 4.5 percent increase over the year. Nationwide, the number of total separations in July was little changed at 5.5 million. Over the month, the number of total separations decreased in accommodation and food services (-132,000). The largest decreases occurred in Florida (-59,000), Texas (-54,000), and Illinois (-37,000). A significant increase in the total separations level occurred in Alaska (+3,000). The Virginia **total separations rate** declined slightly to 3.9 percent from June's 4.0 percent rate. The U.S. total separations rate in July was little changed at 3.5 percent. U.S. establishments with more than 5,000 employees saw a significant decrease in the separations rate. The largest decreases in total separations rates occurred in Kansas (-1.3 percentage points) and Arizona (-1.0 point), as well as in Florida and Illinois (-0.6 point each). A significant increase occurred in Alaska (+0.9 point). An estimated 101,000 workers quit jobs from Virginia employers in July. The **number of quits** fell by 10,000 from June's revised figure of 111,000. That was a 7.3 percent decrease over-the-year but a 21.7 percentage 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 July, the number of quits decreased to 3.5 million
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(-253,000). The number of U.S. quits declined in accommodation and food services (-166,000); wholesale trade (-27,000); and arts, entertainment, and recreation (-17,000). The number of quits increased in state and local government education (+18,000). The largest decreases in the quits level occurred in Texas (-52,000), Florida (-37,000), and Illinois (-34,000). A significant increase occurred in New Jersey (+16,000). Reflecting the decrease, the **quits rate** in the Commonwealth fell to 2.4 percent and returned to levels seen over the last two years. Over the month, the national quits rate changed little at 2.3 percent. Establishments with more than 5,000 employees saw a significant decrease in the quits rate. The largest decreases in quits rates occurred in Kansas (-0.9 percentage point), as well as in New Hampshire and New Mexico (-0.6 point each).

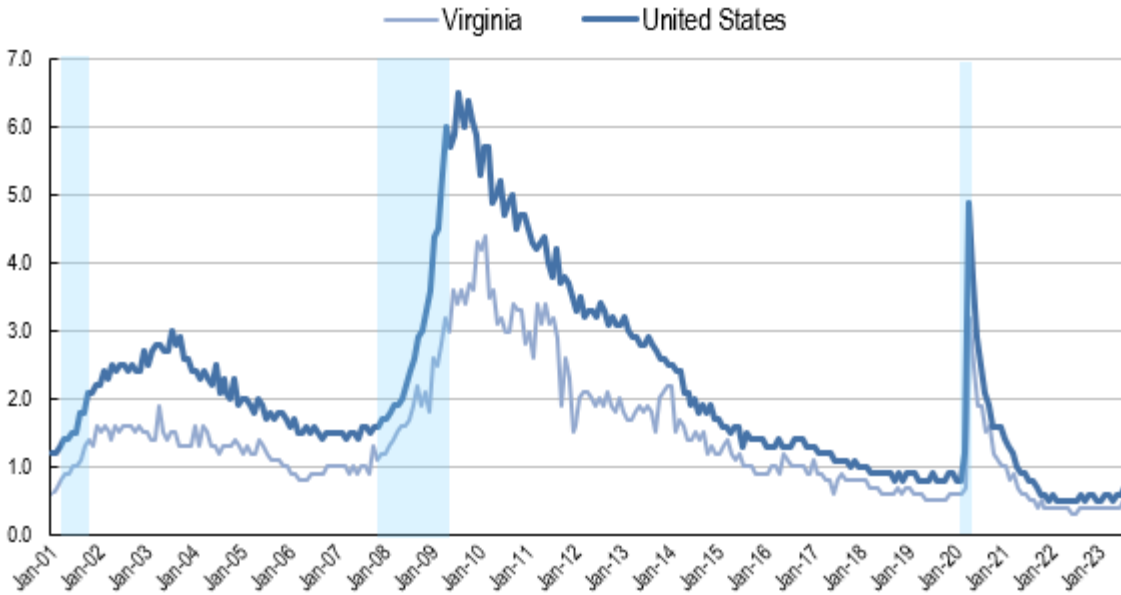


The number of **layoffs and discharges** in Virginia edged up by 3,000 to 49,000 in July. This was an increase of forty percent over the year, but still at low, pre-Pandemic levels. Layoffs and discharges are countercyclical, which means that layoffs typically increase during economic contractions and decrease during economic expansions. In July, the number of U.S. layoffs and discharges changed little at 1.6 million. The number of layoffs and discharges changed little in all industries. Large decreases in the layoffs and discharges levels occurred in Connecticut (+8,000), Mississippi (+6,000), and New Hampshire (+4,000). Significant decreases occurred in Arizona (-21,000) and Kansas (-5,000). The **Virginia layoffs and discharges rate** was 1.2 percent, while it remained at 1.0 percent nationwide.

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

In July 2023, there were 0.5 unemployed per job opening in the Commonwealth, compared to nationwide, with 0.7 unemployed per job opening. The gap has been much larger at times over the past twenty years.



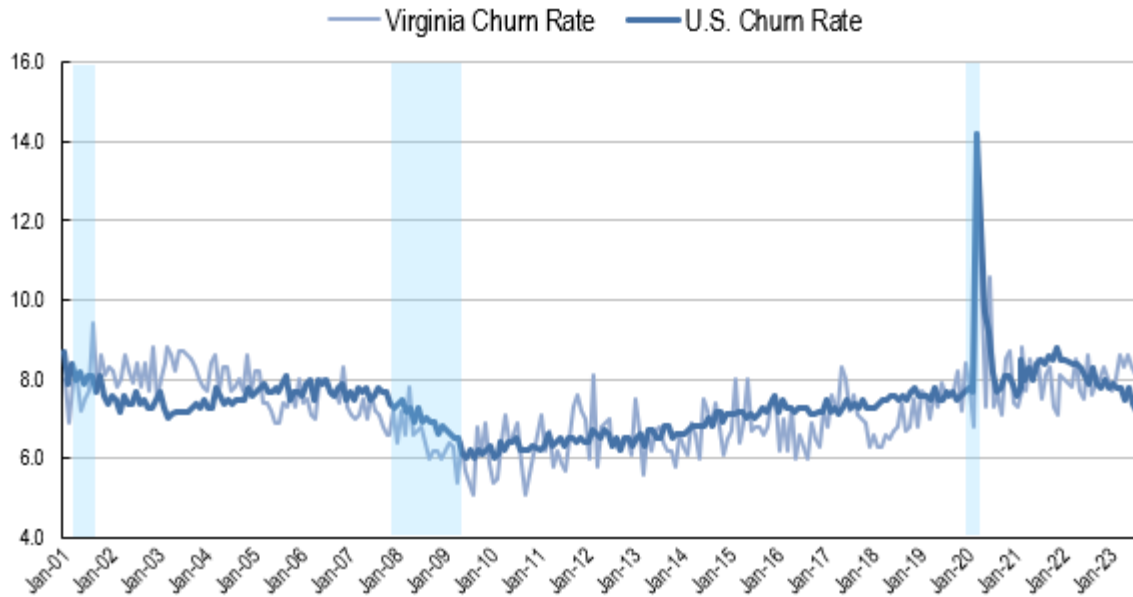
Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data. Shaded areas represent economic recessions.

In July 2023, there were five unemployed workers per ten job openings in the Commonwealth, slightly higher than the 0.4 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 0.7 in July, up slightly 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 July 2023

In July 2023, the churn rate slowed to 8.10 in the Commonwealth, nearly a percentage point faster than the national rate. The rate of movement from job to job nationwide has trended downward in recent months while Virginia's churn rate has held steady.



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

The July 2023 **churn rate** (the sum of the hires rate and the total separations rate) slowed slightly to 8.1 from June's revised 8.3 rate in Virginia, indicating still-elevated velocity of rotation into and out of jobs. Nationwide's rate was 7.2, as the U.S. churn rate was also lower over the month and showed a nearly a full point 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 July 2023, Virginia JOLTS data indicates that the recent, historically high number of job openings was being drawn down toward pre-Pandemic levels while U.S. job openings dropped to their lowest level in over two years. This may be a sign of slowing labor markets, but other Virginia indicators were much more positive in July. For example, hires continued to outpace job separations. Taken together, openings and hires data indicate improving ability of employers to fill needed positions. The number of layoffs continued to be low while the number of unemployed per job opening inched up only slightly in July. Finally, the churn rate—and indication of the pace of movement of workers from job to job—remained elevated, alluding to worker confidence in landing that better-paying, more fulfilling next job.

The Virginia Employment Commission plans to release the August 2023 analysis of the BLS Job Openings and Labor Turnover Survey for Virginia on Monday, October 23, 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 August JOLTS data for states on Wednesday, October 18, 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>.