



Virginia's December's Unemployment Rate Increased by 0.1 Percentage Points to 3.0 Percent

- Virginia's seasonally adjusted **unemployment rate** in December increased by 0.1 percentage points to **3.0 percent**, which is 0.1 percentage points below the rate from a year ago. According to household survey data in December, the labor force decreased by 1,763 to 4,623,066 as the number of unemployed residents increased by 6,632 to 138,771. The number of employed residents decreased by 8,395 to 4,484,295. Virginia's seasonally adjusted unemployment rate is 0.7 percentage points below the national rate, which remained unchanged at 3.7 percent.
- The **labor force participation rate** remained unchanged at **66.9 percent** in December, the highest it has been since March 2012.
- Virginia's **nonagricultural employment**, from the monthly establishment survey, decreased by 11,800 to **4,157,000**. November's preliminary estimate of employment, after revision, decreased by 3,600 to 4,168,800.
- Out of 11 industry sectors, four experienced over-the-month job gains, two remained unchanged, and five experienced a decline. The largest job gain occurred in Education and Health Services (+3,200) to 588,300. The second largest job gain occurred in Manufacturing (+600) to 247,600. The third largest job gain occurred in Leisure and Hospitality (+500) to 409,100.
- The largest job loss occurred in Government (-6,200) to 736,200.
- Of the ten metropolitan areas, in December, eight experienced over-the-month job gains, and two experienced a decline. The largest job gain occurred in Virginia Beach-Norfolk-Newport News (+900) to 798,000. The second largest job gain occurred in Richmond (+600) to 718,900. The third largest job gain occurred in Winchester (+600) to 72,000.
- The largest job loss occurred in Northern Virginia (-9,000) to 1,561,100. The second largest job loss occurred in Roanoke (-100) to 165,900.

Virginia Employment - December 2023 (seasonally adjusted)

United States Unemployment Rate (December 2022 - December 2023 percentage point)	3.7% (0.2)
Virginia Unemployment Rate (December 2022 - December 2023 percentage point)	3.0% (-0.1)
Civilian Labor Force (December 2022 - December 2023 percent change)	4,623,066 (3.4%)
Labor Force Participation Rate (December 2022 - December 2023 percentage point)	66.9% (1.8)
Total Nonfarm Employment (December 2022 - December 2023 percent change)	4,157,000 (1.2%)
Number of Establishments, 2nd Quarter 2023 (2nd Quarter 2022 - 2nd Quarter 2023 percent change)	308,619 (3.2%)
Average Weekly Wage, 2nd Quarter 2023 (2nd Quarter 2022 - 2nd Quarter 2023 percent change)	\$1,371 (4.3%)

November 2023 Unemployment Rates by MSA (Percent - not seasonally adjusted) (November 2022 - November 2023 percentage point)

Blacksburg-Christiansburg-Radford MSA	2.9 (-0.1)
Bristol MSA (VA part)	3.1 (-0.2)
Charlottesville MSA	2.6 (-0.2)
Harrisonburg MSA	2.8 (-0.2)
Lynchburg MSA	3.4 (0.0)
Northern VA MSA (VA part)	2.6 (0.0)
Richmond MSA	3.1 (-0.1)
Roanoke MSA	2.9 (-0.1)
Staunton-Waynesboro MSA	2.6 (-0.1)
Virginia Beach-Norfolk-Newport News, Virginia/NC MSA (VA part)	3.2 (-0.1)
Winchester, Virginia/WV MSA (VA part)	2.5 (-0.2)

www.VirginiaWorks.com

Virginia Works

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Trust Fund Data - December 2023

Financial Data

- Trust Fund Balance (millions) \$1,517.5
- Tax Revenue (Monthly) (millions) -\$0.2

Benefits Data

- Benefits Paid (Monthly) (millions) \$18.5
- Average Weekly Benefit \$343.94
- Initial Claims (YTD) 138,166

Initial and Continued Claims

Initial Claims:

- There were 9,549 initial claims in December 2023.
- Initial claims increased by 20.1% over-the-month and decreased by 25.5% over-the-year.
- Year-to-date initial claims were 16.7% lower in December 2023 compared to the same period in 2022.

Continued Claims:

- There were 67,669 continued claims in December 2023.
- This was a 25.6% increase over-the-month and a 10.4% increase over-the-year.
- Year-to-date continued claims were 29.4% higher than during the same period in 2022.

Note: Claims counts include interstate and intrastate.

Monthly Claims Data				
	Initial Claims	Continued Claims	Recipients	Final Payments
December 2023	9,549	67,669	12,948	1,213
November 2023	7,948	53,893	12,108	1,262
December 2022	12,824	61,319	8,745	964



Virginia Layoffs Number Estimated at 35,000 in November

Latest BLS Jobs Openings and Labor Turnover Survey Shows Layoffs Down Ten Percent Over the Year

Virginia Works announced that the U.S. Bureau of Labor Statistics' November 2023 Job Openings and Labor Turnover Survey (JOLTS) reports a decrease in layoffs in the Commonwealth.

According to the most recent BLS JOLTS survey data, the number of November 2023 layoffs in Virginia fell by seventeen percent over the month and by 4,000, or ten percent, over the year. 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 previous month's data have been revised.

On the last business day in November, there were 249,000 job openings in Virginia, seasonally adjusted, a 10,000 decrease from October's 2023's revised 259,000 job openings. Nationwide, the number of job openings changed little at 8.8 million; this measure is down from a series high of 12.0 million in March 2022. Over the month, job openings decreased in transportation, warehousing, and utilities (-128,000) and in federal government (-58,000). Job openings increased in wholesale trade (+63,000). The largest decreases in the job openings level occurred in Florida (-66,000), Georgia (-36,000), and Tennessee (-22,000). The largest increases occurred in Texas (+67,000), Illinois (+65,000), and Colorado (+21,000).



NOW
HIRING

Will Virginia's Thriving Labor Market Maintain its Momentum this Year? Some Trends to Watch in 2024

Timothy Aylor, Senior Economist

December's jobs report indicates that Virginia's labor market closed out the year with a breather after a strong 2023. Is this a sign of things to come in 2024? From employers connecting with job seekers, to where wages are headed, to the impacts of technological change, here are a few trends to follow this year.

Looking back at 2023, the Commonwealth's labor market more than held its own despite a year-end pullback. Is this a sign of things to come in 2024? It's hard to say, but it appears that the post-pandemic rehiring boom with its historic tightness and resulting wage pressure may be near to complete. While that may mean slower employment growth ahead, it is good news for employers that 2024 may bring the most staffing stability that they've seen since before the pandemic. Resulting downward wage pressure along with increasing technology-driven productivity gains may also help businesses to keep costs down in the coming year.

Look for Virginia's labor markets to remain stronger than nationwide in 2024. The number of employed residents in Virginia decreased by 8,395 to roughly 4.5 million¹ in December, but this may be less meaningful when compared to the positive momentum built up in recent years. After a strong performance during most of last year, household employment slowed toward the end of the year; averaging a monthly gain of 18,000 from January through September, followed by an average decline of 3,400 a month during the fourth quarter. However, this must be weighed against the longer-term momentum built up from January 2022 to the end of 2023, when Virginia employment grew by nearly a quarter of a million workers and resulted in it becoming a leading state for employment growth during much of last year.

Similarly, Virginia's labor force in December decreased by 1,763 to just over 4.6 million. While the average monthly labor force growth slowed in the fourth quarter, it did not contract. Moreover, from January 2022 through December 2023, the Commonwealth's labor force grew twice as fast as nationwide. In addition, Virginia's labor force participation rate remained unchanged at 66.9%—the highest rate since March 2012. There were more indications of labor market strength in 2023. Virginia's seasonally adjusted unemployment rate in December increased by 0.1 percentage points to 3.0 percent. However, it was 0.1 percentage points below the rate from the year before and indicated a period of 'full employment' in the eyes of many. Continued claims for unemployment insurance have trended upward but also remained at low, pre-pandemic levels. Together, these things point to slow, manageable growth in the 2024 labor supply.

This year may bring more stable staffing with less turnover and fewer unfilled job openings. While good for many job seekers, recent years' tight labor market remains a common concern for business owners. The good news for employers is that 2024 should bring greater retention and the most efficient staffing since before the pandemic.

Looking at BLS Job Openings and Labor Turnover Survey (JOLTS) data indicates that Virginia employers often saw much greater efficiency in filling positions compared to the same period in 2022. In November 2023, the Virginia 'annual fill' rate (the ratio of 'this month' hires to

¹ The Virginia Department of Workforce Development and Advancement, "Virginia's December's Unemployment Rate increased by 0.1 percentage points to 3.0%; Labor Force Participation Rate remained unchanged at 66.9% and Employment decreased by 8,395 to 4,484,295." January 23, 2024, <https://www.vec.virginia.gov/latest-release>.

² The Virginia Department of Workforce Development and Advancement, "Virginia Layoffs Number Estimated at 35,000 in November. Latest BLS Jobs Openings and Labor Turnover Survey Shows Layoffs Down Ten Percent Over the Year." January 22, 2024. <https://www.vec.virginia.gov/node/18137>.

'last month' job openings, over the year) remained significantly above the historical, typical level of 1.0 at 1.14.² The indicator averaged 1.26 from August through November, which showed that employers grew increasingly efficient at filling job openings when compared to the year before. This improving trend was more pronounced in Virginia than nationally.

As the 2023 Holiday season began, Virginia's labor market remained tight in November, with low levels of layoffs and plentiful job openings. But the number of job openings continued to trend downward across the country as fewer workers jumped from job to job. The JOLTS Churn Rate is a measure of this movement. Nationwide, it has steadily trended down since 2021 and, in November, descended to 6.9. This was the slowest pace since the Great Recession recovery year of 2014. It is important to note that the current slowing trend has primarily been driven by slowing separations (quits and low levels of layoffs), in contrast to 2014, when low turnover was mainly driven by weak, recession-era hiring trends and receding numbers of layoffs after the long, painful period of mass layoffs during the Great Recession.

The historic rate of job quitting nationwide has trended downward from its April 2022 peak of nearly three quarters of total job separations to 65 percent in November. An estimated 95,000 Virginians quit jobs from Virginia employers in November, which was a fifteen percent decrease compared to November 2022. Even so, Virginia employers will still have jobs to fill. Total job openings on the last day of November remained seventeen percent higher than they were before the pandemic. However, job openings declined notably throughout the year, ending November down a quarter from the same period the year before.

Because of the evolving ways that workers approach employment and employers fill positions, we may have 'excess job openings' for the foreseeable future. Yet, we may also come much closer to a 'one job opening for one job separation' environment in 2024.

For over five years, many have gotten used to the number of job openings being well above the number of job separations and hires, for a few reasons. In addition to secular changes in how jobs are filled, strong economic growth in 2017 into 2019 drove demand for more workers. This was followed by the Covid pandemic, with its massive employment dislocations that have yet to be fully shaken out. Before 2017, however, conditions were much different. In fact, during the 07-09 Great Recession and in the years following, the number of hires and separations were significantly higher than job openings.

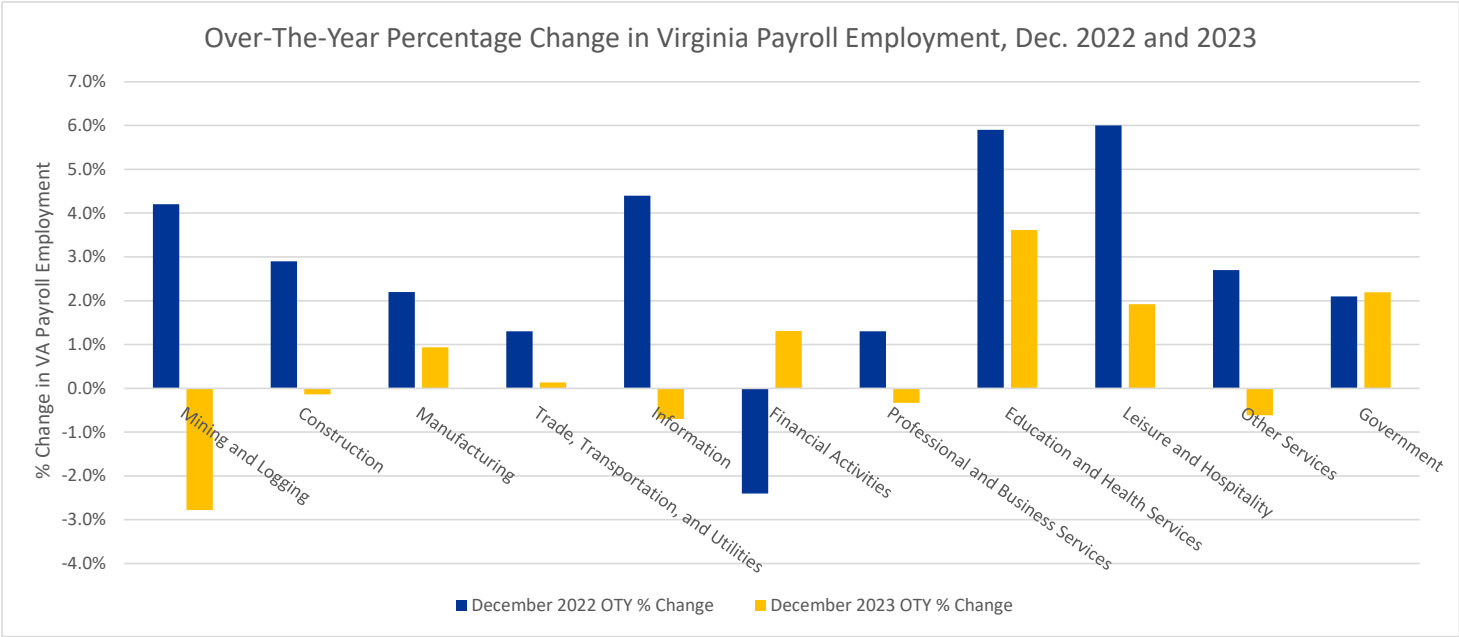
Slowing job change and decreased inflationary pressure may mean slower wage growth in 2024. A chief motivation for many workers to move from job to job is higher wages. In recent years, wages have risen rapidly as employers have struggled to attract and retain workers; especially in industries that were hard hit by pandemic's effects like the leisure and hospitality sector. As this turnover has receded, it is likely that wage trends will continue to flatten. The Virginia private-sector hourly wage was \$33.64 in December and year-over-year growth averaged around one percent in 2023 and 2.5 percent in the last quarter of the year. That's a significant slowdown from 4.7 percent average growth in 2022. The year-over-year growth rate fell in Virginia to 2.5 percent in December, far slower than the recent high of 8.8 percent in January 2022 and in line with the Fed's two percent inflation target.

It should be mentioned that the state minimum wage was increased multiple times in recent years but massive dislocation from the pandemic shutdowns likely played a larger role in wage inflation. Over the last three years, the Virginia hourly minimum wage increased from \$7.25 in 2020 to \$9.50 in 2021, from \$9.50 to \$11 in 2022, with the last increase from \$11 to \$12 in 2023. Effects from changes in the minimum wage take time to move through labor markets. So, the few years since the implemented increases may not be sufficient to completely absorb those upward wage pressures, resulting in possible effects felt this year.

The 2024 industrial distribution of payroll job growth should fall somewhere between the broad-based rehiring in 2022 and the narrower sources of job growth in 2023, which trended toward smaller monthly gains centered in fewer sectors. U.S. payroll employment rose by 2.7 million in 2023 (an average monthly gain of 225,000), less than the increase of 4.8 million in 2022 (an average monthly gain of 399,000). Payroll job growth was often centered within a few industries; especially those less dependent upon the business cycle. Sectors effected by the pandemic like Leisure and Hospitality also continued to add jobs. Nationwide, Government employment increased by 52,000 in December 2023 to 23 million.³ It added an average of 56,000 U.S. jobs per month in 2023, more than double the average monthly gain of 23,000 in 2022. In Virginia, the largest over-the-year December job gain occurred in Education and Health Services (+20,500) to 588,300. The second largest job gain occurred in Government (+15,800) to 736,200. The third largest job gain occurred in Leisure and Hospitality (+7,700) to 409,100.

What do December's jobs report figures indicate about conditions looking forward to the new year? In December, Virginia's nonfarm payroll jobs decreased over the month by 11,800 to 4,157,000. In addition, November's preliminary estimate of employment, after revision, decreased by another 3,600. But December's decrease was equally divided between the private sector and public sector. Private sector employment decreased by 5,600 to 3,420,800 while government employment decreased by 6,200 to 736,200. State government employment decreased by 5,500 to 158,900. One month doesn't make a trend, but it is possible that sectors impacted by the pandemic have largely 'made up' their losses so 2024 demand in these sectors may be reduced. However, health care roles are likely to stay in high demand as care providers staff up to meet the needs of an aging population and an increase in retirees in coming years.

³ Bureau of Labor Statistics, U.S. Department of Labor, The Economics Daily, Payroll employment up by 216,000 in December 2023 at <https://www.bls.gov/opub/ted/2024/payroll-employment-up-by-216000-in-december-2023.htm> (visited January 23, 2024).



Just as frenetic job markets and rapidly rising wage inflation will likely settle down in 2024, the rush toward technologically transforming the workplace may moderate, with an old-fashioned emphasis on the bottom line. Artificial intelligence and its future impact on employment was, perhaps, the most hotly discussed workforce topic of 2023. But concerns about employment dislocation from technological change are nearly as old as work itself, with dire predictions often giving way to gradually and selectively adopted reality. The reopening of businesses begun in 2020 could be viewed as a ‘reimagining phase,’ when new ways of doing business and interacting with customers and coworkers were instituted to limit the spread of the virus. This transformation of the workplace has continued, and in many cases, accelerated, since then. Ten years ago, researchers forecast that nearly half of U.S. occupations were at risk due to technology change or ‘computerization.’ This encompassed many different types of technological trends which required workers to learn different, often more-advanced, skills. Technological change will continue to affect non-routine work tasks as well as routine ones. While tasks requiring things like social intelligence and creativity are more of a challenge, the boundaries of these frontiers are being pushed further and further with the emergence of artificial intelligence.

Technological change will continue to affect non-routine work tasks as well as routine ones. While tasks requiring things like social intelligence and creativity are more of a challenge, the boundaries of these frontiers are being pushed further and further. In addition to these bottlenecks, other factors including availability of capital and infrastructure, societal norms and regulations will greatly influence the pace of workplace automation.

Few are certain about what exactly lies ahead for the Virginia’ labor market. But its extraordinary performance in the aftermath of the pandemic—full employment conditions with a very tight labor market—point toward the Commonwealth avoiding a severe labor market downturn in 2024.

Despite a slowdown in December, for much of 2023, it was a year of strength in Virginia’s labor markets as the Commonwealth was a state leader in employment growth. Other solid fundamentals like improved labor force participation and low unemployment indicate continued resilience in 2024. December’s jobs report also showed a pullback in payroll jobs; the decline led by a drop in government jobs. This may indicate that the narrow group of pandemic industries have approached their required levels of labor demand, which has reduced job openings and turnover. The velocity of movement from job to job steadily slowed nationwide in 2023. 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.

This reduced level of job openings suggests a more normal hiring environment in 2024, freeing up employers to selectively raise compensation to attract qualified workers while holding down costs. Overall, though, wage growth should continue to slow in 2024, if trends in consumer and producer prices continue to moderate. Putting further downward pressure on wages, the adoption of new technologies by employers suggests that occupations that emphasize stakeholder interaction or unpredictable physical work may have less risk while occupations that require data collection, data processing, and predictable physical work may be more susceptible to automation. Those who plan ahead may instead benefit by finding out which careers will emerge from this technological change. But what consumers demand will likely determine what and when these technologies will be implemented.

As we continue through 2024, many have a sense that Virginia’s labor market has momentum despite an unpredictable economy. It exceeded expectations over the last two years, and there are reasons to believe that it will show the same resilience this year.

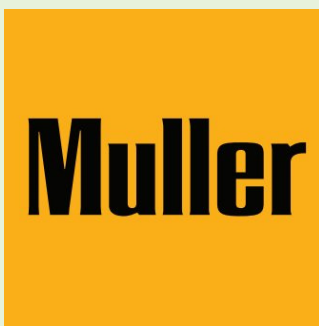
Upcoming News and Events

Crater Regional Job Fair

January 31, 2024, 10 a.m. - 3 p.m - Capital Crater

Crater Regional Job Fair. " A Rising Tide Raises All Boats "
Virginia State University - Multi-Purpose Center
20809 2nd Avenue, Petersburg 23803

[Learn more about this event](#)



MULLER, INC. JOB FAIR

January 31, 2024 - Northern Virginia / Northern Valley

HIRING EVENT

Join us on Wednesday,
January 31, 2024, at the
Virginia Career Works - Prince
William Center.

Meet members of our team, enjoy food and refreshments,
and explore job opportunities.

[Learn more about this event](#)

Hampton Roads Transit Career Fair

February 2, 2024 - Hampton Roads

We are looking for:

Bus Operator Trainees (FT and PT) \$20.01/hr. (PT must
have a CDL with passenger endorsement and air brakes)

Mechanic III \$24.62/hr.

VA Beach Summer Bus Operator Trainee *\$1,000 Service
Bonus* \$20.01/hr.

[Learn more about this event](#)

Pulmonary Associates of Richmond Hiring Event

February 7, 2024 - Capital Crater

Pulmonary Associates of Richmond is looking for several
candidates to fill multiple positions for Patient Care
Representative (Front Desk), Medical Assistants, and
Sleep Technicians (Day, Night, Night PRN)

Dress to impress!!

[Learn more about this event](#)

Ostrom Hiring Event

February 8, 2024 - Valley / Roanoke

A representative will be at the Virginia Career Works-
Roanoke Center to discuss open positions. We are hiring
for Electrical, Plumbing, and HVAC.

[Learn more about this event](#)

Region 8 Public Schools Job Fair

February 9, 2024, 10 a.m. - 2 p.m. - South Central

Region 8 Public Schools will be conducting a Job Fair at
the Farmville Train Station located at 510 West 3rd Street,
Farmville, VA 23901.

[Learn more about this event](#)

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