

# EMPLOYMENT MONTHLY

March 2024



# VIRGINIA WORKS

## Virginia's February's Unemployment Rate Remained at 3.0 Percent

- Virginia's seasonally adjusted **unemployment rate** in February remained unchanged at **3.0 percent**, which is the same as the rate from a year ago. According to household survey data in February, the **labor force** increased by 3,159 to **4,591,543** as the number of unemployed residents decreased by 74 to 139,703. The number of employed residents increased by 3,233 to 4,451,840. Virginia's seasonally adjusted unemployment rate is 0.9 percentage points below the national rate, which increased by 0.2 percentage points to 3.9 percent.
- The Commonwealth's **labor force participation rate** remained at **66.6** percent in February.
- In February, Virginia's **nonagricultural employment**, from the monthly establishment survey, increased by 10,600 to **4,209,900**. January's preliminary estimate of employment, after revision, decreased by 700 to 4,199,300. Private sector employment increased by 8,500 to 3,466,800 while government employment increased by 2,100 to 743,100.
- In February, eight of eleven industry sectors experienced over-the-month job gains, and three experienced a decline. The largest job gain occurred in Professional and Business Services (+3,800) to 811,900. The second largest job gain occurred in Education and Health Services (+2,400) to 598,700. The third largest job gain occurred in Trade, Transportation, and Utilities (+2,300) to 672,700.
- The largest job loss occurred in Financial Activities (-1,000) to 221,400.
- Seasonally adjusted total nonfarm employment data is produced for ten metropolitan areas. In February, seven experienced over-the-month job gains, one remained unchanged, and two experienced a decline. The largest job gain occurred in Northern Virginia (+3,500) to 1,580,900. The second largest job gain occurred in Richmond (+2,400) to 721,200. The third largest job gain occurred in Virginia Beach-Norfolk-Newport News (+2,100) to 818,200. The other gains were in Roanoke (+700) to 168,000; Lynchburg (+500) to 105,900; Charlottesville (+300) to 125,800; and Harrisonburg (+200) to 72,400.
- Staunton (-100) to 53,800 and Winchester (-100) to 72,400 experienced the largest job losses.

[www.VirginiaWorks.com](http://www.VirginiaWorks.com)

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## Virginia Employment - February 2023 (seasonally adjusted)

|                                                                                                           |                            |
|-----------------------------------------------------------------------------------------------------------|----------------------------|
| <b>United States Unemployment Rate</b><br>(February 2023 - February 2024 percentage point)                | <b>3.9%</b><br>(0.3)       |
| <b>Virginia Unemployment Rate</b><br>(February 2023 - February 2024 percentage point)                     | <b>3.0%</b><br>(0.0)       |
| <b>Civilian Labor Force</b><br>(February 2023 - February 2024 percent change)                             | <b>4,591,543</b><br>(1.3%) |
| <b>Labor Force Participation Rate</b><br>(February 2023 - February 2024 percentage point)                 | <b>66.6%</b><br>(0.4)      |
| <b>Total Nonfarm Employment</b><br>(February 2023 - February 2024 percent change)                         | <b>4,209,900</b><br>(1.4%) |
| <b>Number of Establishments, 3rd Quarter 2023</b><br>(3rd Quarter 2022 - 3rd Quarter 2023 percent change) | <b>310,489</b><br>(2.0%)   |
| <b>Average Weekly Wage, 3rd Quarter 2023</b><br>(3rd Quarter 2022 - 3rd Quarter 2023 percent change)      | <b>\$1,383</b><br>(0.2%)   |

## January 2024 Unemployment Rates by MSA (Percent - not seasonally adjusted) (January 2023 - January 2024 percentage point)

|                                                                |                   |
|----------------------------------------------------------------|-------------------|
| Blacksburg-Christiansburg-Radford MSA                          | <b>2.6 (-0.7)</b> |
| Bristol MSA (VA part)                                          | <b>3.0 (-0.6)</b> |
| Charlottesville MSA                                            | <b>2.5 (-0.6)</b> |
| Harrisonburg MSA                                               | <b>2.6 (-0.5)</b> |
| Lynchburg MSA                                                  | <b>3.3 (-0.5)</b> |
| Northern VA MSA (VA part)                                      | <b>2.4 (-0.4)</b> |
| Richmond MSA                                                   | <b>2.9 (-0.5)</b> |
| Roanoke MSA                                                    | <b>2.7 (-0.6)</b> |
| Staunton-Waynesboro MSA                                        | <b>2.5 (-0.5)</b> |
| Virginia Beach-Norfolk-Newport News, Virginia/NC MSA (VA part) | <b>2.9 (-0.6)</b> |
| Winchester, Virginia/WV MSA (VA part)                          | <b>2.4 (-0.6)</b> |

## Trust Fund Data - February 2024

### Financial Data

- Trust Fund Balance (millions) \$1,497.7
- Tax Revenue (Monthly) (millions) \$3.4

### Benefits Data

- Benefits Paid (Monthly) (millions) \$23.9
- Average Weekly Benefit \$350.28
- Initial Claims (YTD) 25,359

### Initial and Continued Claims

#### Initial Claims:

- There were 11,004 initial claims in February 2024.
- Initial claims decreased by 23.3% over-the-month and decreased by 2.0% over-the-year.
- Year-to-date initial claims were 4.6% lower in February 2024 compared to the same period in 2023.

#### Continued Claims:

- There were 79,921 continued claims in February 2024.
- This was a 1.0% decrease over-the-month and a 22.4% increase over-the-year.
- Year-to-date continued claims were 15.6% higher than during the same period in 2023.

Note: Claims counts include interstate and intrastate.

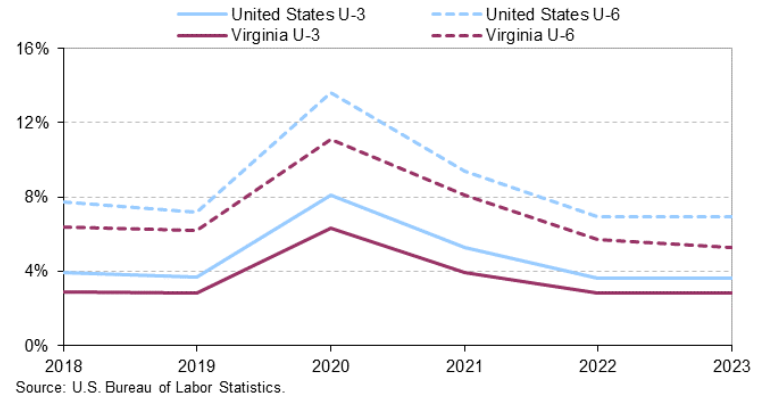
| Monthly Claims Data |                |                  |            |                |
|---------------------|----------------|------------------|------------|----------------|
|                     | Initial Claims | Continued Claims | Recipients | Final Payments |
| February 2024       | 11,004         | 79,921           | 14,986     | 1,342          |
| January 2024        | 14,355         | 80,769           | 15,951     | 1,600          |
| February 2023       | 11,232         | 65,315           | 14,107     | 1,098          |

## Alternative Measures of Labor Underutilization in Virginia — 2023

In 2023, the broadest measure of labor underutilization, designated U-6 (which includes the unemployed, workers employed part-time for economic reasons, and those marginally attached to the labor force), was 5.3 percent in Virginia, significantly lower than the 6.9-percent rate for the nation, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Alexandra Hall Bovee noted that the six alternative measures of labor underutilization in Virginia were significantly lower than the national rates. In Virginia and nationally, none of the measures significantly differed from the previous year. (See table 1.) The Technical Note at the end of this release provides additional information on the reliability of estimates.

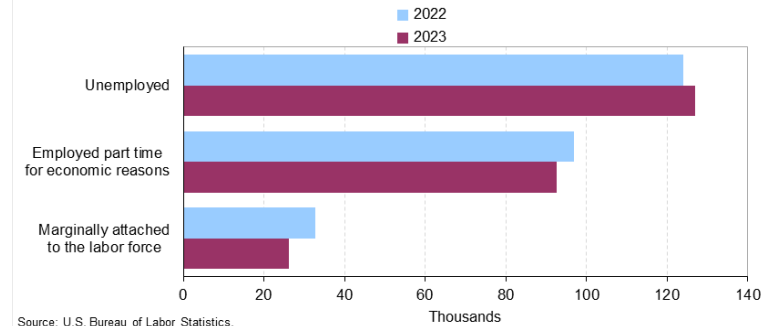
The official concept of unemployment, U-3 in the U-1 to U-6 range of measures, includes all jobless persons who are available to take a job and have actively sought work in the past 4 weeks. In Virginia, 2.8 percent of the labor force was unemployed, as measured by U-3 in 2023, significantly lower than the national rate of 3.6 percent. (See chart 1.)

Chart 1. Two alternative measures of labor underutilization, United States and Virginia, annual averages



Virginia had 126,900 unemployed residents in 2023 according to the CPS. In addition, there were 92,700 workers who were employed part time for economic reasons (also known as involuntary part time). These individuals were working part time because of slack work or business conditions or because they were unable to find a full-time job. (See chart 2.) Nationwide, there were 4.07 million individuals working part time for economic reasons in 2023.

Chart 2. Numbers of selected underutilized workers in Virginia, annual averages



Source: [https://www.bls.gov/regions/mid-atlantic/news-release/laborunderutilization\\_virginia.htm](https://www.bls.gov/regions/mid-atlantic/news-release/laborunderutilization_virginia.htm)



# Pandemic Recovery Ranking of Virginia and other States Using Labor Force Participation Rate and Unemployment Rate

*Shekhar Nagendra, Economist*

## Introduction

The unemployment rate is commonly recognized as a key indicator of the labor market’s health. However, another significant metric to consider is the labor force participation rate. Both are essential economic measures compiled by the Bureau of Labor Statistics (BLS). Economists often analyze both metrics together to gain a more comprehensive understanding of the labor market.

In this newsletter we will analyze trends of labor force participation rate and unemployment rate for Virginia and other states since the start of the pandemic to rank the extent of pandemic recovery of each state over the past four years.

First let us review a few definitions before diving deeper.

The **working age population** consists of people 16 years and over, excluding active-duty military service people and those incarcerated or otherwise institutionalized, regardless of employment status.

$$\text{Working age population} = \text{employed} + \text{unemployed} + (\text{neither employed nor unemployed})$$

(People who are neither employed nor unemployed include students, retirees, stay at home parents, and discouraged workers - someone who would like to work but has given up looking for a job).

People from this working age population are classified as members of the **labor force** if they are employed (i.e., have a job), or are unemployed (i.e., do not have a job and actively looking for one). People from the working age population who are neither employed nor unemployed are not considered part of the labor force. In other words:

$$\text{Labor Force} = \text{employed} + \text{unemployed}$$

The **Labor Force Participation Rate** is the number of people in the labor force as a percentage of the working age population. It considers the number of people employed, unemployed as well as those neither employed nor unemployed. Mathematically:

$$\text{Labor Force Participation Rate} = (\text{labor force working age population}) \times 100$$

The **unemployment rate** is the number of unemployed people as a percentage of the labor force. The unemployment rate looks only at those within the labor force who are not currently employed. It does not consider those who have given up looking for work and whether they would like a job or not. The formula is:

$$\text{Unemployment Rate} = (\text{unemployed} \div \text{Labor Force}) \times 100$$

## Why Labor Force Participation rate and Unemployment rate need to be considered together:

The unemployment rate gives a snapshot of the portion of the labor force that is unemployed at a specific point in time. Whereas, the labor force participation rate provides a broader view of the extent to which people are participating in the labor market, regardless of their employment status.

A low unemployment rate by itself does not always indicate a healthy job market. It needs to be reviewed along with the labor force participation rate to get a better picture of the economy, as the following two scenarios illustrate:

- A low unemployment rate, paired with a declining labor force participation rate may suggest a weak job market. This occurs because a decrease in the unemployment rate can stem not solely from unemployed individuals securing new jobs, but also from some unemployed individuals ceasing to actively seek employment and consequently exiting the labor force entirely. In such cases, a decreasing unemployment rate might not mean the economy is getting stronger; it could mean there are more discouraged workers or problems with the job market itself.
- Conversely, a low unemployment rate coupled with a high and ascending labor force participation rate unequivocally signals a robust job market - It means there are plenty of opportunities out there, and the job market is strong.

## Maryland – a cautionary narrative of low unemployment rate, paired with a declining labor force participation rate

Analyzing the latest BLS data on Pandemic Recovery unemployment rate change (from Feb. 2020 to Dec. 2023) rankings, Maryland ranks #1. It has the highest reduction in unemployment rate from pre-pandemic to today. Additionally, it has one of the nation’s lowest unemployment rates today at 1.9 percent.

Maryland’s unemployment rate dropped from an already low 3.5 percent just before the pandemic to a super low 1.9 percent in December 2023. Sounds great – right? Well, not really. Let us look at where Maryland stands regarding Pandemic Recovery labor force participation rate change (from Feb. 2020 to Dec. 2023) rankings:

| Top Ten States | February 2020 Unemployment Rate | Dec-23 Unemployment Rate | Feb. 2020 to Current Month Change | Feb. 2020 to Current Month % Change | U.S. Rank |
|----------------|---------------------------------|--------------------------|-----------------------------------|-------------------------------------|-----------|
| Maryland       | 3.5                             | 1.9                      | -1.6                              | -45.7%                              | 1         |
| Mississippi    | 5.8                             | 3.3                      | -2.5                              | -43.1%                              | 2         |
| Wyoming        | 4.7                             | 3.0                      | -1.7                              | -36.2%                              | 3         |
| Pennsylvania   | 4.7                             | 3.5                      | -1.2                              | -25.5%                              | 4         |
| New Mexico     | 5.3                             | 4.0                      | -1.3                              | -24.5%                              | 5         |
| Nebraska       | 3.0                             | 2.3                      | -0.7                              | -23.3%                              | 6         |
| Louisiana      | 4.7                             | 3.7                      | -1.0                              | -21.3%                              | 7         |
| Alabama        | 3.3                             | 2.6                      | -0.7                              | -21.2%                              | 8         |
| South Dakota   | 2.5                             | 2.0                      | -0.5                              | -20.0%                              | 9         |
| Ohio           | 4.6                             | 3.7                      | -0.9                              | -19.6%                              | 10        |

Maryland is ranked dead last at 51. Its labor force participation rate shrank from a healthy 69.2 percent just before the pandemic to 65.2 percent today—a significant and worrisome drop.

| Bottom Ten States | February 2020 Labor Force Participation Rate | Dec-23 Labor Force Participation Rate | Feb. 2020 to Current Month Change | Feb. 2020 to Current Month % Change | U.S. Rank |
|-------------------|----------------------------------------------|---------------------------------------|-----------------------------------|-------------------------------------|-----------|
| Maryland          | 69.2                                         | 65.2                                  | -4.0                              | -5.8%                               | 51        |
| New Hampshire     | 68.5                                         | 64.8                                  | -3.7                              | -5.4%                               | 50        |
| Maine             | 61.8                                         | 59.0                                  | -2.8                              | -4.5%                               | 49        |
| Mississippi       | 55.9                                         | 53.8                                  | -2.1                              | -3.8%                               | 48        |
| Connecticut       | 66.5                                         | 64.1                                  | -2.4                              | -3.6%                               | 47        |
| Tennessee         | 61.3                                         | 59.4                                  | -1.9                              | -3.1%                               | 46        |
| Nevada            | 64.3                                         | 62.5                                  | -1.8                              | -2.8%                               | 45        |
| Kentucky          | 58.6                                         | 57.0                                  | -1.6                              | -2.7%                               | 44        |
| Idaho             | 64.1                                         | 62.4                                  | -1.7                              | -2.7%                               | 43        |
| Wyoming           | 65.7                                         | 64.0                                  | -1.7                              | -2.6%                               | 42        |



**How worrisome? Here's what CNN reported:**

A massive loss of working-age people in the state in the wake of the Covid-19 pandemic, and its slow recovery since, is the key reason behind the state's ultra-low unemployment rate. A study commissioned by the Maryland Hospital Association released last year said that "Maryland hospitals face the most critical staffing shortage in recent memory, with one in every four nurse positions vacant."

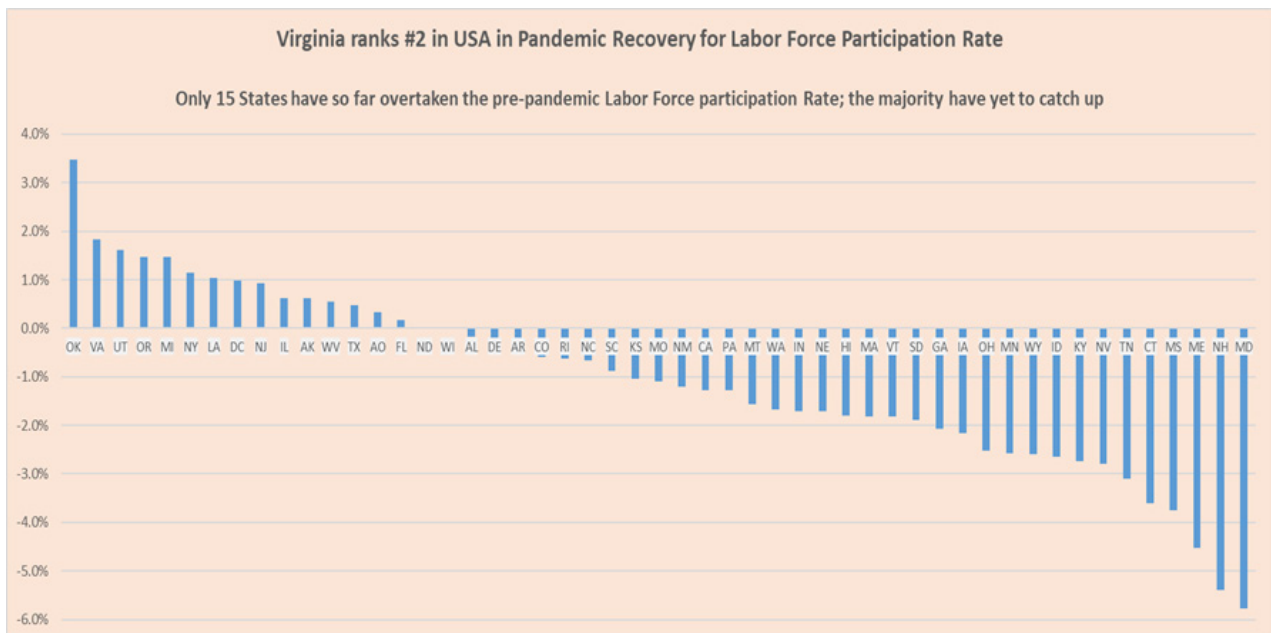
**Virginia – success with a low unemployment rate, paired with a rising labor force participation rate**

Almost all states have recovered to low or acceptable levels of unemployment rates (under 5 percent) since the spike of the pandemic. In February 2020, Virginia's unemployment rate stood at 2.9 percent. By December 2023, it had risen slightly to 3.0 percent, a very modest uptick.

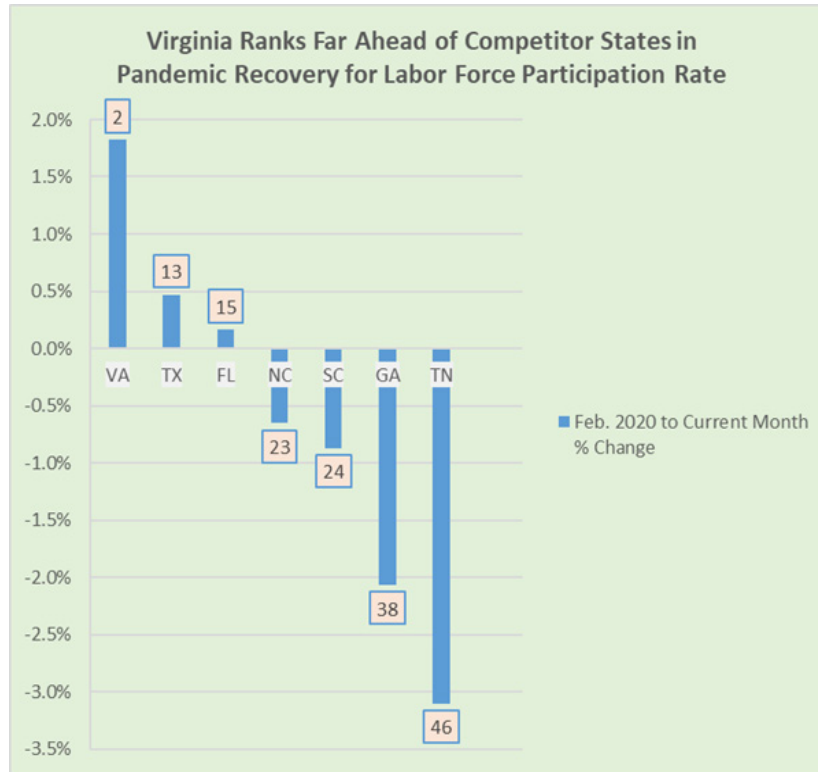
With unemployment rate changes from Feb 2020 to today more or less in the same ballpark for all states, a good measure of the extent of economic recovery from the pandemic is to compare the labor force participation rate of States before the pandemic to today.

Here Virginia has clearly emerged as a pandemic recovery leader, ranking #2 in the nation. Today Virginia's labor force participation rate at 66.9 percent is the highest it has been since March 2012 and is 1.8 percent higher than it was before the start of the pandemic (65.7 percent) - a remarkable achievement. By contrast, 70 percent of States' labor force participation rates today are still below what they were before the pandemic four years ago.

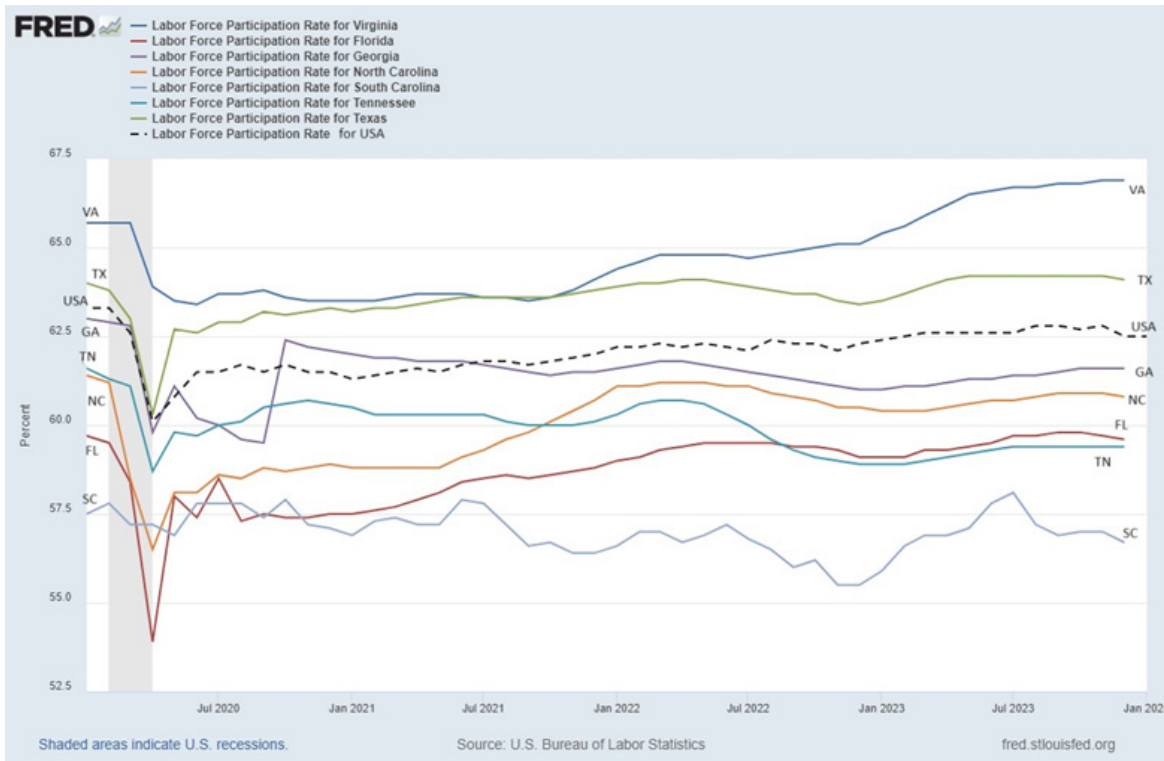
Among Virginia's competitor states (defined as Texas, Florida, North Carolina, South Carolina, Georgia, and Tennessee), Virginia is a dominant leader on this metric:



Virginia has not only consistently lead competitor states in the labor force participation rate in pandemic recovery, but it has also increased the lead over its nearest rival (Texas) since January 2022:



The high and increasing labor force participation rate coupled with a low unemployment rate signifies a strong economy and a thriving job market in Virginia. This unmistakably positions Virginia as a front-runner in pandemic recovery, showcasing a state where job opportunities are expanding, and the business atmosphere is favorable.



# Upcoming News and Events

## Community Services for Autistic Adults and Children

**April 2, 2024 - Northern Virginia / Northern Valley**

CSAAC is having a Job Fair

[Learn more about this event](#)

## Roanoke City Schools- ESS Hiring Event

**April 9 and April 23, 9 a.m. -1 p.m. - Valley / Roanoke**

A representative will be at the Virginia Career Works-Roanoke Center to discuss open positions and benefits they have to offer.

[Learn more about this event](#)



## DHS is Hiring: Students and Recent Graduates Career Fair

**April 2 - 3, 2024 - Hampton Roads**

The DHS Career Fair for Veterans, Military Spouses, Students, and Recent Graduates is a two-day, in-person event on April 2-3, 10 a.m. - 6 p.m., in Hampton, Virginia. The first day will

focus on Veterans and Military Spouses. The second day will focus on Students and Recent Graduates.

[Learn more about this event](#)

## Northern Shenandoah Valley Virtual Job Fair

**April 16, 2024 - Northern Virginia / Northern Valley**

Virtual job fair for Winchester and the surrounding counties. Participation is FREE and virtual. Create a profile to market your skills and knowledge then talk with multiple employers from 1-4 p.m. Pre-registration and resume highly encouraged.

[Learn more about this event](#)

## Ostrom Hiring Event

**April 4, 2024 - Valley / Roanoke**

A representative will be at the Virginia Career Works-Roanoke Center to discuss open positions.

[Learn more about this event](#)

## The Dulles Airport Job & Career Fair

**April 17, 2024 - Northern Virginia / Northern Valley**

Come meet a diverse group of employers that are located at Dulles International Airport.

[Learn more about this event](#)



## Omni Hotels and Resorts Hiring Event

**April 8, 2024 - Valley / Roanoke**

A representative will be at the Virginia Career Works-Covington Center to discuss open positions.

[Learn more about this event](#)

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