

EMPLOYMENT MONTHLY

April 2024



VIRGINIA WORKS

Virginia's March's Unemployment Rate Decreased by 0.1 Percentage Points to 2.9 Percent

- Virginia's **seasonally adjusted unemployment rate** in March decreased by 0.1 percentage points to **2.9 percent**, which is the same as the rate from a year ago. According to household survey data in March, the **labor force** decreased by 2,914 to **4,588,603** as the number of **unemployed** residents decreased by 5,672 to **134,073**. The number of employed residents increased by 2,758 to 4,454,530. Virginia's seasonally adjusted unemployment rate is 0.9 percentage points below the national rate, which decreased by 0.1 percentage points to 3.8 percent.
- The **labor force participation rate** decreased by 0.1 percentage points to **66.5 percent** in March.
- In March, Virginia's **nonagricultural employment**, from the monthly establishment survey increased by 16,500 to **4,228,300**. February's preliminary estimate of employment, after revision, increased by 1,900 to 4,211,800. In March, private sector employment increased by 13,500 to 3,481,800 while government employment increased by 3,000 to 746,500.
- In March, ten industries experienced over-the-month job gains, and one experienced a decline. The largest job gain occurred in Professional and Business Services (+4,200) to 819,400. The second largest job gain occurred in Leisure and Hospitality (+3,500) to 417,700. The third largest job gain occurred in Government (+3,000) to 746,500.
- The only job loss occurred in Mining and Logging (-200) to 7,100.
- Seasonally adjusted total nonfarm employment data is produced for ten metropolitan areas. In March, nine experienced over-the-month job gains, one remained unchanged, and none experienced a decline. The largest job gain occurred in Northern Virginia (+3,600) to 1,585,800. The second largest job gain occurred in Virginia Beach-Norfolk-Newport News (+2,800) to 820,400. The third largest job gain occurred in Richmond (+2,100) to 724,100.
- Lynchburg remained unchanged.

Virginia Employment - March 2023 (seasonally adjusted)

United States Unemployment Rate (March 2023 - March 2024 percentage point)	3.8% (0.3)
Virginia Unemployment Rate (March 2023 - March 2024 percentage point)	2.9% (0.0)
Civilian Labor Force (March 2023 - March 2024 percent change)	4,588,603 (1.0%)
Labor Force Participation Rate (March 2023 - March 2024 percentage point)	66.5% (0.2)
Total Nonfarm Employment (March 2023 - March 2024 percent change)	4,228,300 (1.8%)
Number of Establishments, 4th Quarter 2023 (4th Quarter 2022 - 4th Quarter 2023 percent change)	311,040 (1.0%)
Average Weekly Wage, 4th Quarter 2023 (4th Quarter 2022 - 4th Quarter 2023 percent change)	\$1,482 (4.7%)

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

Blacksburg-Christiansburg-Radford MSA	2.8 (0.0)
Bristol MSA (VA part)	3.1 (-0.1)
Charlottesville MSA	2.6 (0.0)
Harrisonburg MSA	2.9 (0.2)
Lynchburg MSA	3.4 (0.0)
Northern VA MSA (VA part)	2.6 (0.1)
Richmond MSA	3.1 (0.0)
Roanoke MSA	2.9 (0.0)
Staunton-Waynesboro MSA	2.7 (0.1)
Virginia Beach-Norfolk-Newport News, Virginia/NC MSA (VA part)	3.0 (-0.2)
Winchester, Virginia/WV MSA (VA part)	2.6 (0.0)

www.VirginiaWorks.com

Virginia Works

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Unemployment Insurance - March 2024

Financial Data

- Trust Fund Balance (millions) \$1,487.0
- Tax Revenue (Monthly) (millions) \$2.3

Benefits Data

- Benefits Paid (Monthly) (millions) \$23.7
- Average Weekly Benefit \$349.18
- Initial Claims (YTD) 34,957

Initial and Continued Claims

Initial Claims:

- There were 9,598 initial claims in March 2024.
- Initial claims decreased by 12.8 percent over-the-month and decreased by 28.1 percent over-the-year.
- Year-to-date initial claims were 12.4 percent lower in March 2024 compared to the same period in 2023.

Continued Claims:

- There were 85,417 continued claims in March 2024.
- This was a 6.9 percent increase over-the-month and a 22.0 percent increase over-the-year.
- Year-to-date continued claims were 17.7 percent higher in March than during the same period in 2023.

Note: Claims counts include interstate and intrastate.

Monthly Claims Data				
	Initial Claims	Continued Claims	Recipients	Final Payments
March 2024	9,598	85,417	15,996	1,403
February 2024	11,004	79,921	14,986	1,342
March 2023	13,349	70,002	13,992	1,243

Virginia Job Openings at 267,000 in February



Latest BLS Jobs Openings and Labor Turnover Survey Indicates Elevated Labor Demand During the First Two Months of 2024

Virginia Works (the Virginia Department of Workforce Development and Advancement) announced that the U.S. Bureau of Labor Statistics' February 2024 Job Openings and Labor Turnover Survey (JOLTS) reports job openings continue to remain at elevated levels.

According to the most recent BLS JOLTS survey data, the number of February 2024 job openings in Virginia was little changed over the month, but up by 28 percent from 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 previous month's data have been revised.

On the last business day in February, there were 267,000 job openings in Virginia, seasonally adjusted, a 2,000 decrease from January's revised figure. The number of U.S. job openings changed little at 8.8 million; this measure is down from a series high of 12.2 million in March 2022. U.S. job openings significantly increased in finance and insurance (+126,000); state and local government, excluding education (+91,000); and arts, entertainment, and recreation (+51,000). Job openings decreased in information (-85,000) and in federal government (-21,000).

In Virginia, the February job openings rate was 6.0 percent, unchanged from January. The U.S. job openings rate was unchanged at 5.3 percent for the third month in row.

The number of hires in Virginia increased to 177,000 in February, an increase of 8,000 over the month and was unchanged from February 2023.



How Wage Growth Affects Employment and Prices in Both the Short and Long Term

Conrad Buckler, Senior Economist

Short-Term Effects:

Since the beginning of 2020, up to the second quarter of 2023, wage growth in Virginia has accelerated, increasing from an Average Weekly Wage of \$1,136 to \$1,378 respectively. That is a 21.3% increase in a little over three years, while the average yearly wage growth over the past ten years is 0.89%. Generally, wage growth is considered a good thing by most, but large increases in a relatively short amount of time can have both positive and negative impacts in both the short and long term. Let's consider a scenario where this rate of wage growth continues through 2024.

Wage growth can have immediate impacts on both employment levels and prices within an economy. In the short term, the effect of wage growth on employment can be mixed and depends on various factors such as the elasticity of labor demand, industry dynamics, and the state of the economy. Initially, firms facing higher labor costs due to increased wages may respond by reducing the quantity of labor demanded. Some firms might resort to cost-cutting measures such as layoffs, reduced hours, or automation to offset the increased wage bill.

Different industries may experience a variety of effects on employment. In sectors where labor costs constitute a significant portion of total costs, such as retail or hospitality, the immediate impact of wage growth on employment may be more pronounced due to the higher sensitivity of these industries to changes in labor costs.

In the short term, firms may also substitute labor with capital or technology to maintain production levels without significantly increasing labor costs. For example, a fast-food chain experiencing higher wage costs may invest in self-service kiosks or automation to reduce the need for human workers. They may even outsource the order taking process altogether, as in the case of some fast-food restaurants.

Wage growth can also influence prices in the short term through cost-push and demand-pull mechanisms. Firms facing higher wage costs may pass on these increased costs to consumers in the form of higher prices for goods and services. This can lead to cost-push inflation, where rising wages contribute to overall increases in the price level. For instance, a restaurant facing increased labor costs due to higher wages may raise menu prices to maintain profit margins.

On the other hand, if wage growth is accompanied by increased consumer spending and demand for goods and services, it can lead to demand-pull inflation. Workers with higher wages may increase their spending on discretionary items, leading to increased demand and upward pressure on prices.

Long-Term Effects:

In the long term, the effects of wage growth on employment and prices may evolve as the economy adjusts to the new wage environment. Over the long term, firms may invest in productivity-enhancing measures such as training, automation, and process improvements to offset higher labor costs associated with wage growth. These productivity gains can help firms maintain or increase employment levels despite higher wages.

Wage growth can also affect labor market dynamics by influencing workers' decisions when it comes to labor force participation, education, and acquiring new skills. Higher wages may incentivize more people to enter the labor force or invest in education and training to improve their skills, which can have positive effects on employment levels.

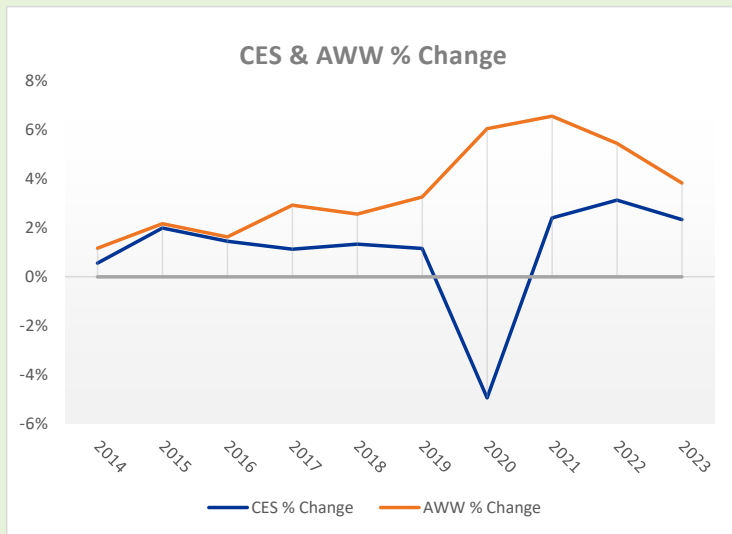
Higher wages can spur innovation and entrepreneurship as firms seek new ways to reduce costs or differentiate their products in response to increased competition. This innovation can lead to the creation of new methods, industries, and jobs, offsetting any short-term employment losses resulting from wage growth.

In the long term, sustained wage growth can influence inflation expectations among consumers and businesses. If workers come to expect continued wage increases in the future, they may adjust their spending habits and pricing behavior accordingly, which contributes to inflationary pressures.

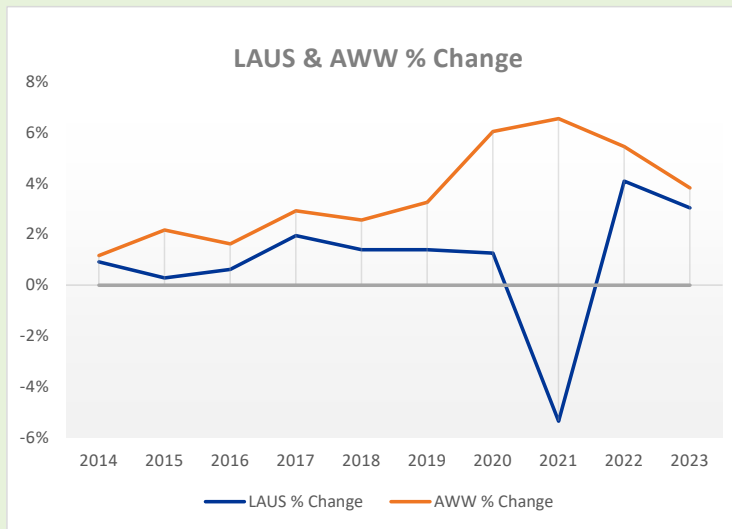
Persistent wage growth that leads to inflationary pressures may prompt central banks to respond by tightening monetary policy, such as raising interest rates, to cool down the economy and prevent excessive inflation. These monetary policy actions can influence long-term inflation and price stability.

Over time, firms may also adjust their production processes and supply chains in response to wage growth, which can affect the overall supply of goods and services in the economy. Changes in supply dynamics can influence long-term price levels and inflationary pressures.

Overall, the effects of wage growth on employment and prices in the short and long term are complex and multifaceted, shaped by various economic factors, institutional arrangements, and policy responses. While wage growth can initially lead to adjustments in employment levels and prices, its long-term effects depend on the ability of firms and the economy as a whole to adapt and innovate in response to changing wage dynamics.



The percent change in Current Employment Statistics (CES) employment growth, from an establishment survey, compared to the percent change in Average Weekly Wage (AWW) growth.



The percent change in Local Area Employment Statistics (LAUS) employment growth, from a household survey, compared to the percent change in Average Weekly Wage (AWW) growth.

The household survey only distinguishes between whether a person is employed or unemployed, whereas CES counts each employee that is on an employer's payroll. CES excludes business owners, self-employed persons, unpaid volunteers, private household workers, and those on unpaid leave or not working because of a labor dispute.

Sources: Wage Data - [Unemployment Insurance Data, Employment & Training Administration \(ETA\) - U.S. Department of Labor \(doleta.gov\)](https://www.doleta.gov/unemploy/)

CES and LAUS data - <https://virginiaworks.com/>

Upcoming News and Events



Leave No Veteran Behind
Prince George's County Employment Connect

Connecting Veterans with high level skills to Fortune 500 companies and industry leaders, offering unparalleled employment opportunities.

RSVP
 Don't miss out on this exclusive opportunity to take your career to the Next Level.

Here's what you can expect:

- Industry expert Featured Guests Speakers
- Networking opportunities with top-tier employers
- Access to valuable career development resources

Reserve your spot today!

Gaylord, National Harbor
Thursday May 2, 2024
 1 - 4 p.m.

Logos for Prince Georges Proud, Gaylord Hotels, and a QR code labeled 'SCAN ME!' are also present.

Northern Virginia

Elizabeth River Crossings Hiring Event

April 30, 9 a.m. - noon; 1 - 4 p.m. - Hampton Roads

We're Looking For:

Customer Care Representatives

Maintenance & Operations

Electrician

Hiring bonuses up to \$2,500.00

[Learn more about this event](#)

Career and Opportunities Fair for Northern Virginians

May 6, 2024 - Northern Virginia / Northern Valley

Register Here: <https://forms.gle/FF7bowS1Eypesknz6>

[Learn more about this event](#)

VARP Roofing Industry Expo & Career Fair - May 7, Henrico

May 7, 2024 - Capital Crater

Virginia Association of Roofing Professionals Announces Roofing Industry Expo & Career Fair in Partnership with Henrico County CTE

[Learn more about this event](#)

Return to Work - Career Readiness Program

May 14, 2024 - May 17, 2024; 9 a.m. - 2 p.m. - Hampton Roads

This Return-to-Work program is a voluntary 4-day program open to Portsmouth residents who have been recently released or formerly incarcerated. Program participation is on a first-come, first-served basis.

[Learn more about this event](#)

For more Info on Upcoming Job Fairs, Visit the Job fair page at

<https://www.vec.virginia.gov/job-fairs>

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