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Virginia Sees Slight Uptick in Unemployment Rate to 3.7% as Labor Force Participation Declines by 0.1 Percentage Points to 63.8%

RICHMOND— Virginia Works – the Commonwealth’s Department of Workforce Development and Advancement – announced today that Virginia’s seasonally adjusted unemployment rate in January increased by 0.1 percentage points to 3.7 percent, which is 0.5 percentage points above the rate from a year ago. According to household survey data in January, the labor force decreased by 1,357 to 4,518,468 as the number of unemployed residents increased by 4,504 to 165,445. The number of employed residents decreased by 5,861 to 4,353,023 according to the Local Area Unemployment Statistics (“the household survey”). Virginia’s seasonally adjusted unemployment rate is 0.6 percentage points below the national rate, which decreased by 0.1 percentage points to 4.3 percent.

The Commonwealth’s labor force participation rate decreased by 0.1 percentage points to 63.8 percent in January. The labor force participation rate measures the proportion of the civilian population age 16 and older that is employed or actively looking for work.

MONTH-OVER-MONTH INDUSTRY

In January’s Current Employment Statistics Survey, Virginia’s nonagricultural employment increased by 2,900 to 4,255,700. December’s preliminary estimate of employment, after revision, decreased by 9,400 to 4,252,800. In January, private sector employment increased by 6,100 to 3,502,700 while government employment decreased by 3,200 to 753,000. Within that sector, federal government jobs decreased by 3,900 to 169,700, state government employment decreased by 600 to 166,600, and local government increased by 1,300 to 416,700 over the month.

(more)

Richmond, VA

VRC/TDD VA Relay 711 Equal Opportunity Employer/Program



Seasonally adjusted total nonfarm employment data is produced for eleven industry sectors. In January, 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 (+7,000) to 631,900. The second largest job gain occurred in Trade, Transportation, and Utilities (+3,200) to 693,400. The third largest job gain occurred in Construction (+1,500) to 228,300. The other gain was in Leisure and Hospitality (+1,400) to 420,900.

The largest job loss occurred in Professional and Business Services (-4,000) to 799,100. The second largest job loss occurred in Government (-3,200) to 753,000. The third largest job loss occurred in Manufacturing (-1,500) to 230,800. The other losses were in Financial Activities (-900) to 222,600; and Information (-600) to 67,000. Mining and Logging; and Miscellaneous Services remained unchanged.

Nonfarm Employment in Virginia* Seasonally Adjusted							
Industry	Employment			December 2025 to January 2026		January 2025 to January 2026	
	January 2026	December 2025	January 2025	Change	% Change	Change	% Change
Total Nonfarm	4,255,700	4,252,800	4,275,500	2,900	0.1%	-19,800	-0.5%
Total Private	3,502,700	3,496,600	3,511,200	6,100	0.2%	-8,500	-0.2%
Goods Producing	465,800	465,800	471,200	0	0.0%	-5,400	-1.1%
Mining and Logging	6,700	6,700	7,000	0	0.0%	-300	-4.3%
Construction	228,300	226,800	223,300	1,500	0.7%	5,000	2.2%
Manufacturing	230,800	232,300	240,900	-1,500	-0.6%	-10,100	-4.2%
Service-Providing	3,789,900	3,787,000	3,804,300	2,900	0.1%	-14,400	-0.4%
Private Service Providing	3,036,900	3,030,800	3,040,000	6,100	0.2%	-3,100	-0.1%
Trade, Transportation, and Utilities	693,400	690,200	694,900	3,200	0.5%	-1,500	-0.2%
Information	67,000	67,600	69,100	-600	-0.9%	-2,100	-3.0%
Financial Activities	222,600	223,500	222,100	-900	-0.4%	500	0.2%
Professional and Business Services	799,100	803,100	815,200	-4,000	-0.5%	-16,100	-2.0%
Education and Health Services	631,900	624,900	618,000	7,000	1.1%	13,900	2.2%
Leisure and Hospitality	420,900	419,500	418,000	1,400	0.3%	2,900	0.7%
Miscellaneous Services	202,000	202,000	202,700	0	0.0%	-700	-0.3%
Government	753,000	756,200	764,300	-3,200	-0.4%	-11,300	-1.5%
Federal Government	169,700	173,600	195,700	-3,900	-2.2%	-26,000	-13.3%
State Government	166,600	167,200	162,900	-600	-0.4%	3,700	2.3%
Local Government	416,700	415,400	405,700	1,300	0.3%	11,000	2.7%

*Current month's estimates are preliminary.

YEAR-OVER-YEAR INDUSTRY

From January 2025 to January 2026, Virginia Works estimates that total nonfarm employment in Virginia decreased by 19,800 to 4,255,700, private sector employment decreased by 8,500 to 3,502,700, and government employment decreased by 11,300 to 753,000 jobs. Within that sector, federal government jobs decreased by 26,000

to 169,700, state government employment increased by 3,700 to 166,600, and local government increased by 11,000 to 416,700 over the year.

For the eleven industry sectors in Virginia over the year, four experienced over-the-year job gains, and seven experienced a decline. The largest job gain occurred in Education and Health Services (+13,900) to 631,900. The second largest job gain occurred in Construction (+5,000) to 228,300. The third largest job gain occurred in Leisure and Hospitality (+2,900) to 420,900. The other gain was in Financial Activities (+500) to 222,600.

The largest job loss occurred in Professional and Business Services (-16,100) to 799,100. The second largest job loss occurred in Government (-11,300) to 753,000. The third largest job loss occurred in Manufacturing (-10,100) to 230,800. The other losses were in Information (-2,100) to 67,000; Trade, Transportation, and Utilities (-1,500) to 693,400; Miscellaneous Services (-700) to 202,000; and Mining and Logging (-300) to 6,700.

Nonfarm Employment in Virginia* Seasonally Adjusted							
Area	Employment			December 2025 to January 2026		January 2025 to January 2026	
	January 2026	December 2025	January 2025	Change	% Change	Change	% Change
Virginia	4,255,700	4,252,800	4,275,500	2,900	0.1%	-19,800	-0.5%
Arlington-Alexandria-Reston VA-WV Metropolitan Division	1,617,500	1,622,200	1,640,200	-4,700	-0.3%	-22,700	-1.4%
Blacksburg-Christiansburg-Radford, VA	81,100	81,600	83,000	-500	-0.6%	-1,900	-2.3%
Charlottesville, VA	125,200	125,700	124,600	-500	-0.4%	600	0.5%
Harrisonburg, VA	72,500	72,400	71,000	100	0.1%	1,500	2.1%
Lynchburg, VA	105,200	104,900	104,100	300	0.3%	1,100	1.1%
Richmond, VA	727,100	727,800	727,700	-700	-0.1%	-600	-0.1%
Roanoke, VA	169,700	169,800	169,000	-100	-0.1%	700	0.4%
Staunton-Stuarts Draft, VA	56,600	56,400	56,900	200	0.4%	-300	-0.5%
Virginia Beach-Chesapeake-Norfolk, VA-NC	831,700	830,000	834,000	1,700	0.2%	-2,300	-0.3%
Winchester, VA-WV	71,600	71,500	71,400	100	0.1%	200	0.3%

*Current month's estimates are preliminary.

MONTH-OVER-MONTH COMBINED STATISTICAL AREAS

Seasonally adjusted total nonfarm employment data is produced for ten combined statistical areas. In January, five experienced over-the-month job gains, and five experienced a decline. The largest job gain occurred in Virginia Beach-Chesapeake-Norfolk (+1,700) to 831,700. The second largest job gain occurred in Lynchburg (+300) to 105,200. The third largest job gain occurred in Staunton-Stuarts Draft (+200) to 56,600. The other gains were in Harrisonburg (+100) to 72,500; and Winchester (+100) to 71,600.

The largest job loss occurred in Arlington-Alexandria-Reston (-4,700) to 1,617,500. The second largest job loss occurred in Richmond (-700) to 727,100. The third largest job loss occurred in Blacksburg-Christiansburg-Radford (-500) to 81,100. The other losses were in Charlottesville (-500) to 125,200; and Roanoke (-100) to 169,700.

YEAR-OVER-YEAR COMBINED STATISTICAL AREAS

Over the year, five combined statistical areas experienced over-the-year job gains, and five experienced a decline. The largest job gain occurred in Harrisonburg (+1,500) to 72,500. The second largest job gain occurred in Lynchburg (+1,100) to 105,200. The third largest job gain occurred in Roanoke (+700) to 169,700. The other gains were in Charlottesville (+600) to 125,200; and Winchester (+200) to 71,600.

The largest job loss occurred in Arlington-Alexandria-Reston (-22,700) to 1,617,500. The second largest job loss occurred in Virginia Beach-Chesapeake-Norfolk (-2,300) to 831,700. The third largest job loss occurred in Blacksburg-Christiansburg-Radford (-1,900) to 81,100. The other losses were in Richmond (-600) to 727,100; and Staunton-Stuarts Draft (-300) to 56,600.

NOT SEASONALLY ADJUSTED DATA

Virginia's unadjusted unemployment rate increased by 0.4 percentage points to 3.9 percent in January. It has increased by 0.7 percentage points to 3.9 percent compared to last year. Compared to a year ago, the number of unemployed increased by 27,432 to 173,934, household employment decreased by 73,546 to 4,304,502, and the labor force decreased by 46,114 to 4,478,436. Virginia's not seasonally adjusted unemployment rate is 0.8 percentage points below the national unadjusted rate, which increased by 0.6 percentage points to 4.7 percent.

Compared to last month, the January unadjusted workweek for Virginia's 148,700 manufacturing production workers decreased by 0.7 to 38.2 hours. Average hourly earnings of private-sector production workers decreased by \$0.05 to \$28.83, and average weekly earnings decreased by \$22.12 to \$1,101.31.

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Technical note: Estimates of unemployment and industry employment levels are obtained from two separate monthly surveys. Resident employment and unemployment data are mainly derived from the Virginia portion of the national Current Population Survey (CPS), a household survey conducted each month by the U.S. Census Bureau under contract with BLS, which provides input to the Local Area Unemployment Statistics (LAUS) program (often referred to as the "household" survey). Industry employment data is mainly derived from the Current Employment Statistics (CES) survey, a monthly survey of approximately 18,000 Virginia businesses conducted by BLS, which provides estimates of employment, hours, and earnings data broken down by industry for the nation as a whole, all states and most major metropolitan areas (often referred to as the "establishment" survey). Both industry and household estimates are revised each month based on additional information from updated survey reports compiled by the BLS. For national figures and information on how COVID-19 affected collection of the BLS establishment and household surveys in April 2020, refer to the BLS January [Employment Situation](#) press release for details.

The statistical reference week for the household survey this month was the week of January 11-17, 2026

Virginia Works plans to release the January local area unemployment rates on Thursday April 16, 2026. The data will be available on our website www.VirginiaWorks.com. The February 2026 statewide unemployment rate and employment data for both the state and metropolitan areas are scheduled to be released on Wednesday April 22, 2026.