



COMMONWEALTH of VIRGINIA

Virginia Employment Commission

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Virginia Layoffs and Discharges Decreased By 13,000 in June

—Latest BLS Jobs Openings and Labor Turnover Survey Shows Virginia had Among the Largest Decreases in Worker Layoffs and Discharges among States—

RICHMOND— According to the U.S. Bureau of Labor Statistics' June 2022 Job Openings and Labor Turnover Survey (JOLTS), Virginia's rate of job quitting was up a third from five years earlier.

According to the most recent BLS JOLTS survey data, the estimated number of Virginia layoffs and discharges decreased by 13,000 in June. BLS JOLTS data provides information on all 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.

The number of June 2022 **job openings** in Virginia was 324,000 and was a 12,000 increase from May 2022's revised figure, but lower than the record 340,000 reached in March of this year. The U.S. number of job openings decreased by 605,000 to 10.7 million on the last business day of June 2022. The number of job

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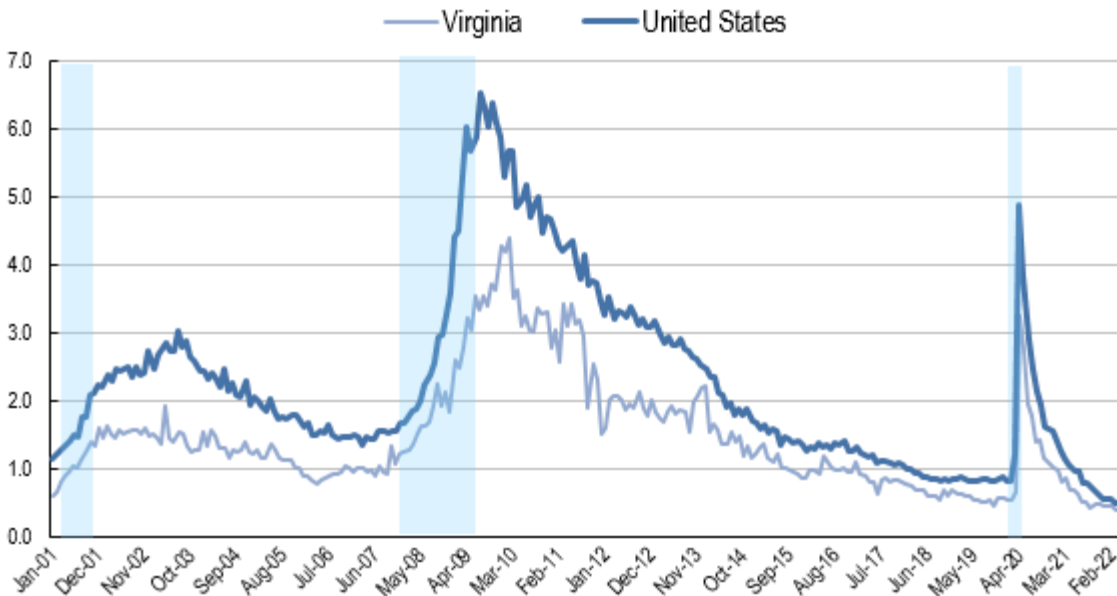
openings significantly decreased in 19 states and increased in 2 states in June. The largest decreases in the job openings level occurred in California (-212,000), Pennsylvania (-89,000), and

Massachusetts (-53,000). Looking at industries, the largest decreases in U.S. job openings were in retail trade (-343,000), wholesale trade (-82,000), and in state and local government education (-62,000). The Virginia **job openings rate** (job openings as a percentage of total employment) was little changed at 7.4% in June but was lower than the series high of 7.9% set in September 2021. In June, the U.S. job openings rate fell to 6.6% and **significantly** increased in establishments with 1,000 to 4,999 employees. Job openings rates decreased in 17 states and increased in 2 states.

In June 2022, there was less than one (0.4) unemployed worker per job opening in the Commonwealth, holding steady over the last few months. This period marked the lowest rate 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, while the number of unemployed workers per job opening stood at 3.3 in April 2020 during the height of pandemic employment impacts.

The Unemployed Per Job Opening Ratio, January 2001 to June 2022

In June 2022, there were 0.4 unemployed per job opening in the Commonwealth, little changed from March 2022's level that resulted in a new record low. Nationwide, there were 0.6 unemployed per job opening, rising slightly from the record low also set in March 2022.



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

In January 2020 (before the start of the most recent recession, which spanned February to April 2020), the U.S. job openings rate was 4.5% and had been above 4.0% for over 30 consecutive months. The unemployment rate had been 4.1% or lower for all of 2018 and 2019. It was 3.5% in January 2020. In April

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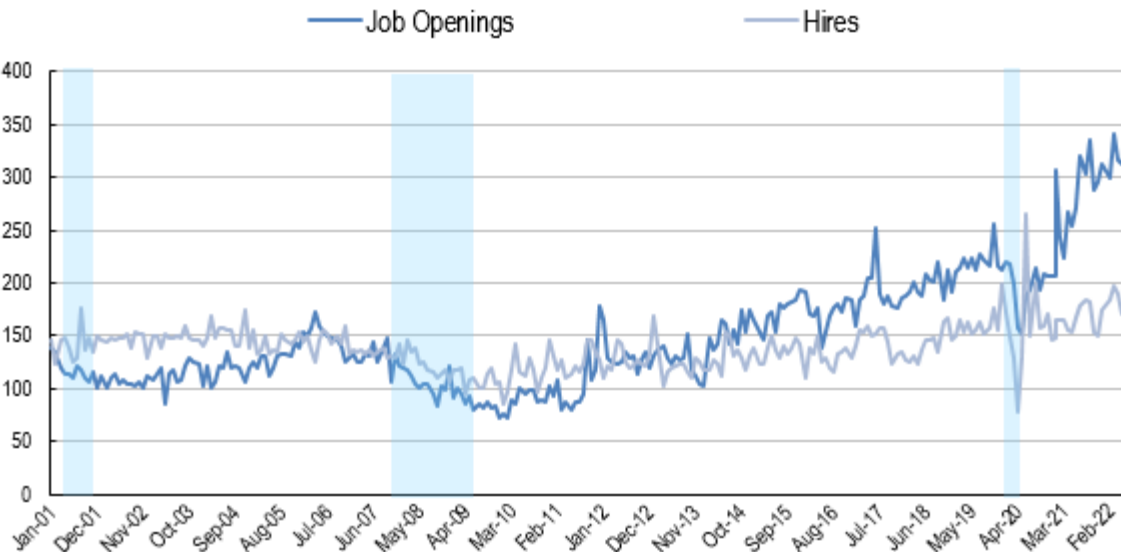
2020, the job openings rate fell to its recent minimum, 3.5%, while the unemployment rate reached its recent peak, 14.7%. Since May 2020, there has been a steady increase in the job openings rate and decrease in the unemployment rate.

The **number of hires** in Virginia rose by 3,000 to 173,000 in June, which was 3.6% greater over the year but nearly 20% higher than five years earlier. JOLTS defines hires as all additions to the payroll during the month. The series low of 77,000 was set in April 2020, while the high of 265,000 was set in June of that year. Nationwide, the number and rate of hires were little changed at 6.4 million and 4.2%, respectively. Hires were little changed in all industries. The hires rate significantly decreased in establishments with 1,000 to 4,999 employees and in establishments with 5,000 or more employees. In Virginia, the **hires rate** was little-changed over the month at 4.3%. Across the nation in June, hires rates significantly decreased in 3 states and increased in 1 state. The decreases in hires rates occurred in Nevada (-1.9 percentage points), Texas (-0.7 point), and Illinois (-0.5 point).

An estimated 114,000 workers quit jobs from Virginia employers in June. The **number of quits** rose by 4,000 from May's revised figure of 110,000 and was 8.6% higher than a year earlier. However, it was down significantly from the record-breaking month of December 2021 when 131,000 Virginia workers quit their jobs. Quits, a component of total separations, are voluntary separations initiated by the employee. Across the U.S. in June, the number of quits was little changed at 4.2 million. Quits significantly decreased in construction (-51,000). Quits increased in state and local government education (+14,000). The number of

Virginia job openings and hires, January 2001 to June 2022 (in thousands)

In June 2022, there were 324,000 job openings in Virginia, seasonally adjusted, a rise from May 2022's revised 312,000 job openings. The number of June 2022 Hires rose 1.8% to 173,000.



Source: Bureau of Labor Statistics (BLS), Job Openings and Labor Turnover Survey (JOLTS). Seasonally adjusted. Shaded areas represent economic recessions.

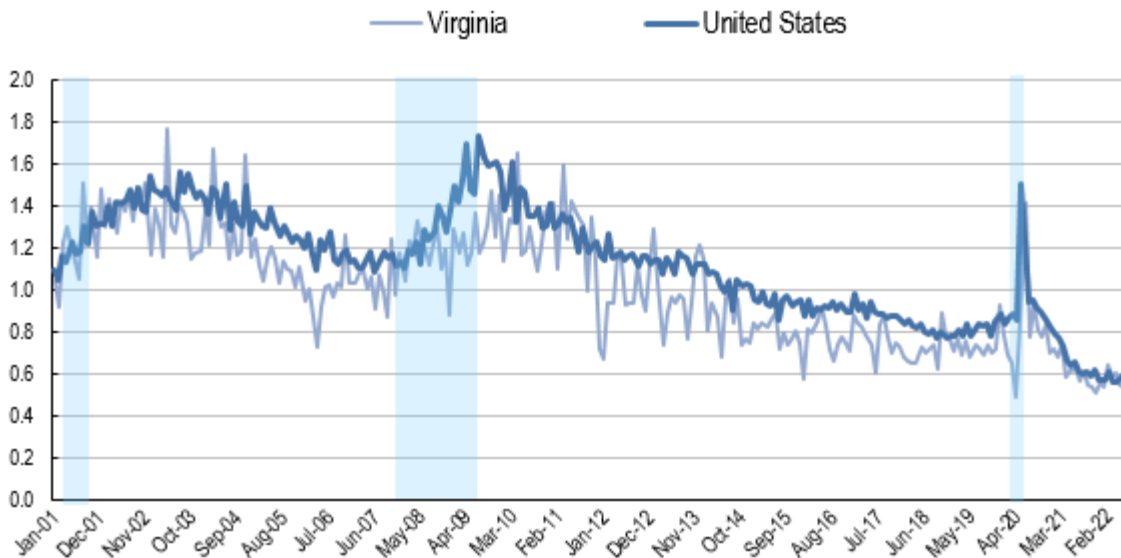
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quits can be seen as a leading indicator of wage trends in that it includes workers who quit to move to another job.

The **quits rate** in the Commonwealth was little changed, rising by 0.1 of a percentage point to 2.8% and remained at the highly elevated levels seen over the last twelve months. The quits rate nationwide was unchanged at 2.8%. In June, quits rates decreased in 7 states and increased in 5 states. The largest decreases in quits rates occurred in Missouri and Pennsylvania (-0.7percentagepoint each) and in Alaska (-0.6 point). The largest increases in quits rates occurred in Oklahoma (+0.8percentagepoint) and in Georgia and Maine (+0.6 point each).

The Hires-Per-Job-Opening (HPJO) ratio, January 2001 to June 2022

In Virginia, the HPJO ratio in June 2022 fell to 0.53, which was slightly lower than the U.S. rate of 0.6. This indicates that there were only 53 hires for every 100 job openings in Virginia compared to 60 hires nationwide.



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** was little-changed in June at one hire for every two job openings in Virginia, slightly lower than the 0.6 rate nationwide. This measure shows the rate of hiring compared to open jobs and is a proxy for time to fill positions. Over five years, the ability to hire for job openings has fallen by nearly a third nationwide and in the Commonwealth.

In June, the number of **total separations** in Virginia declined by 4,000 to 154,000 from May's revised 158,000 estimate. In June, the number and rate of total separations nationwide were little changed at 5.9 million and 3.9%, respectively. Total separations were little changed in all industries. In June, total separations rates decreased in 5 states and increased in 3 states. The largest decreases in total separations rates occurred in Michigan (-0.8percentagepoint) and in New Mexico and Pennsylvania (-0.7 point each). Increases occurred in Massachusetts (+1.4percentagepoints) as well as Illinois and Oklahoma (+0.7 point

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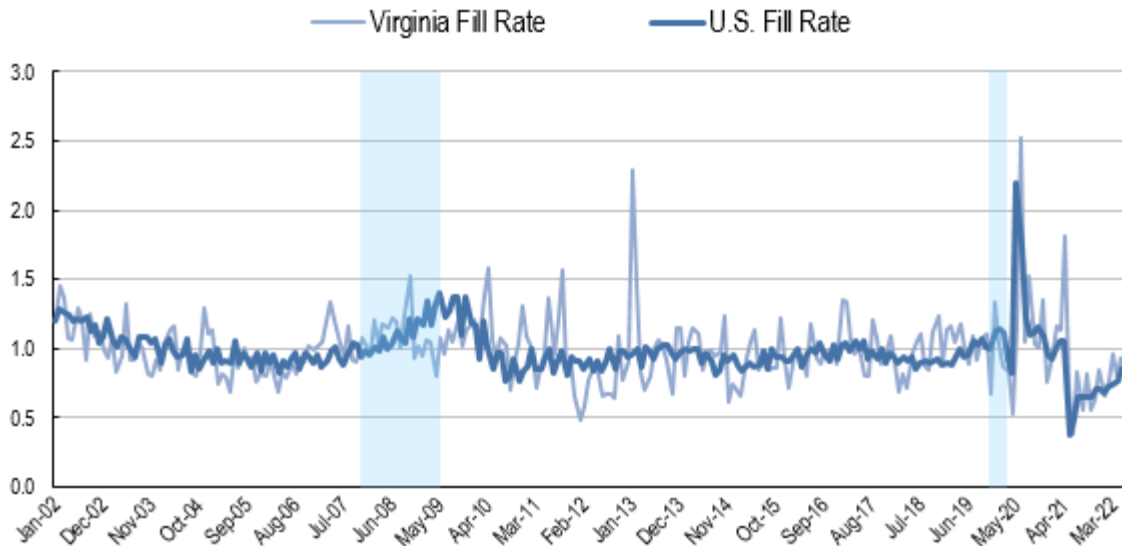
each). The Virginia separations rate decreased to 3.8%, more typical of the level seen over the past year and little different from the 3.9% rate nationwide.

In June 2022, the **‘annual fill’ rate** (the ratio of ‘this month’ hires to ‘last month’ job openings, over the year) retreated to 0.8 from the revised May figure of 0.9. The U.S. annual fill rate was little changed at 0.8. This indicates, in Virginia, a trend in recent month towards less difficulty in filling positions when compared to a year earlier. 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 June 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.

The Annual Fill Rate, January 2002 to June 2022

In June 2022, the ability to hire for open positions continued to point in a positive direction in Virginia and nationwide compared to a year earlier. Virginia's rate held at 0.9, which approached the typical level of 1.0 and was well above the record low of 0.4 set in June 2021.



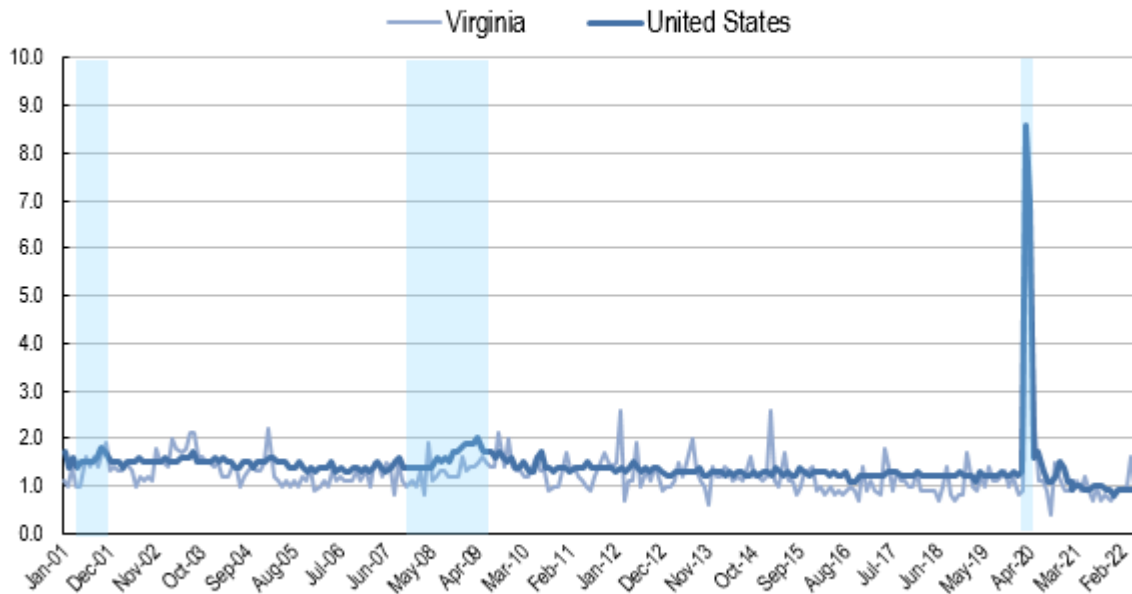
Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data. Shaded areas represent economic recessions.

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The number of **layoffs and discharges** in Virginia decreased by 13,000 to 28,000 in June 2022 from May's revised 41,000 figure. This was a reduction of nearly a quarter over the year, and nearly 7% lower than five years before in 2018. In June, the number of layoffs and discharges nationwide was little changed at 1.3 million after hitting a series low in April from data going back to January 2001. Layoffs and discharges significantly decreased in wholesale trade (-26,000), finance and insurance (-25,000), and in federal government (-4,000). The number layoffs and discharges rates decreased in 9 states and increased in 5 states. The largest decreases in layoffs and discharges rates occurred in New Mexico (-1.0percentagepoint), New Jersey (-0.7 point), and Michigan (-0.6 point). Layoffs and discharges are countercyclical, which means that layoffs typically increase during economic contractions and decrease during economic expansions.

The Rate of Layoffs and Discharges, January 2001 to June 2022

In June 2022, the layoff and discharge rate nationwide remained at 0.9, reflecting a slight increase in layoffs and discharges from December 2021, the record low going back to 2001. Virginia has performed similarly to nationwide in 2022 but has often had a lower rate longer term.



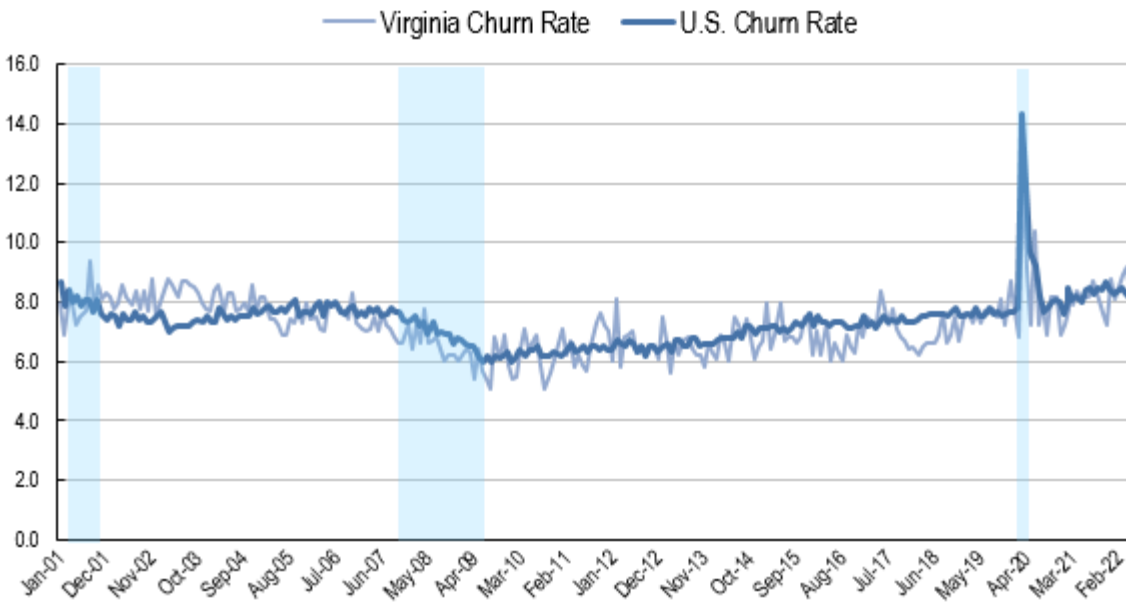
Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data.

Shaded areas represent economic recessions.

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The Churn Rate, January 2001 to June 2022

In June 2022, the churn rate held steady at 8.1 in the Commonwealth, equal to the national rate. Both decreased compared to jumps in the spring, possibly indicating that the velocity of labor turnover, deaccelerated slightly in recent months.



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

The June 2022 **churn rate** (the sum of the hires rate and the total separations rate) was unchanged at 8.1 from May in Virginia, indicating continued elevated velocity of movement into and out of jobs. Nationwide, the June 2022 churn rate was the same as Virginia’s, indicating slightly slower velocity heading into the summer of 2022. 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.

June 2022 JOLTS data nationwide may have signaled a subtle slow-down in the red hot labor market experienced over the last year as the number of job openings and the job openings rate retreated from near record high levels. Also, the U.S. unemployed-to-job-openings ratio rose to 0.6 in June 2022, which could be some evidence of lessening labor supply and demand disequilibrium. Virginia, in contrast, saw growing job openings and an increasing job opening rate. Also, the Commonwealth’s figure for unemployed per job opening remained at the very low rate of 0.4—or 40 unemployed for every 100 job openings. This is because the number of unemployed Virginians has fallen to where it was before the pandemic, even as employers have struggled to fill over twice as many job openings. These indicators, in addition to having one of the largest drops in layoffs and discharges among states, suggest that Virginia’s labor market remained historically taut in June 2022.

The Virginia Employment Commission plans to release the July 2022 analysis of the BLS Job Openings and Labor Turnover Survey for Virginia on Tuesday, September 20, 2022. 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 July JOLTS data for states on Friday, September 16, 2022.

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>.