



COMMONWEALTH of VIRGINIA

Virginia Employment Commission

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Virginia Job Openings Increased By 40,000 in September

—Latest BLS Jobs Openings and Labor Turnover Survey Shows Near Record High Number of Job Openings—

RICHMOND— The Virginia Employment Commission announced today that the U.S. Bureau of Labor Statistics' September 2022 Job Openings and Labor Turnover Survey (JOLTS) reports Virginia job openings rebounded from August's 317,000 level to 357,000. Hires also rose by 15,000 to 177,000 for the month of September.

According to the most recent BLS JOLTS survey data, the estimated number of September job openings nationwide increased by more than half a million, with an even sharper rise in Virginia. 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 prior month's data have been revised.

The number of September 2022 **job openings** in Virginia was 357,000, which was a 40,000 increase from August 2022's revised figure and reflected continued tautness in labor markets seen across the country. Nationwide, the number of September job openings increased to 10.7 million (+437,000), partially offsetting

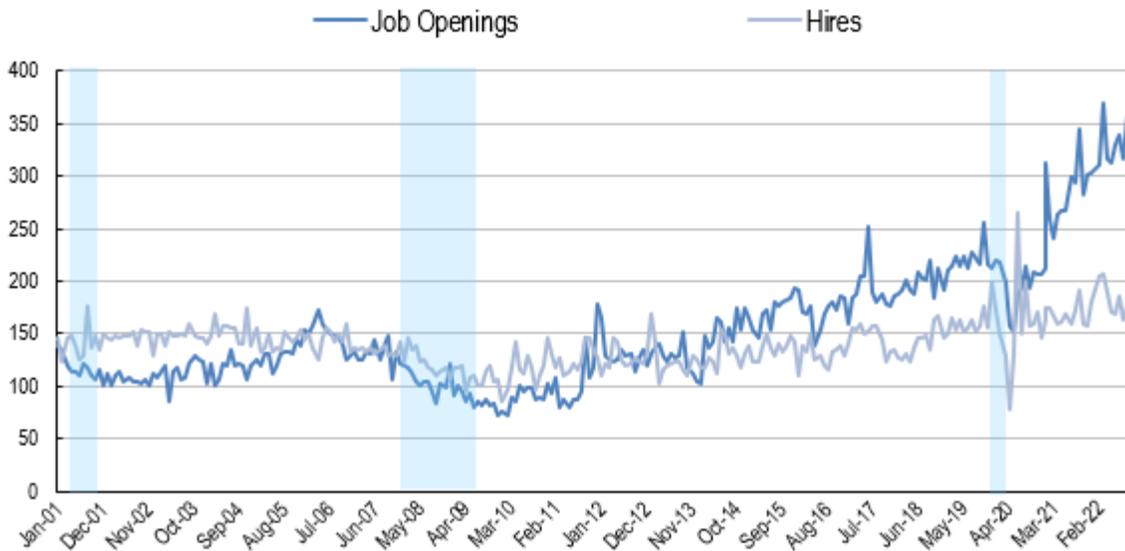
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a decline in August. In September, the largest increases in job openings nationwide were in accommodation and food services (+215,000); health care and social assistance (+115,000); and transportation, warehousing, and utilities (+111,000). The number of job openings decreased in wholesale trade (-104,000) and in finance and insurance (-83,000). The Virginia **job openings rate** (job openings as a percentage of total employment) rose by nearly a percentage point (0.8) to 8.0 and reflected elevated levels often seen in 2022. The U.S. rate changed little at 6.5 percent in September but was 0.8 percentage point lower than its peak in March 2022. In September, the job openings rate decreased in establishments with 5,000 or more employees.

Virginia job openings and hires, January 2001 to September 2022 (in thousands)
In September 2022, there were 357,000 job openings in Virginia, seasonally adjusted, a significant increase from August 2022's revised 317,000 job openings. The number of August 2022 Hires rose over 9% to 177,000.



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

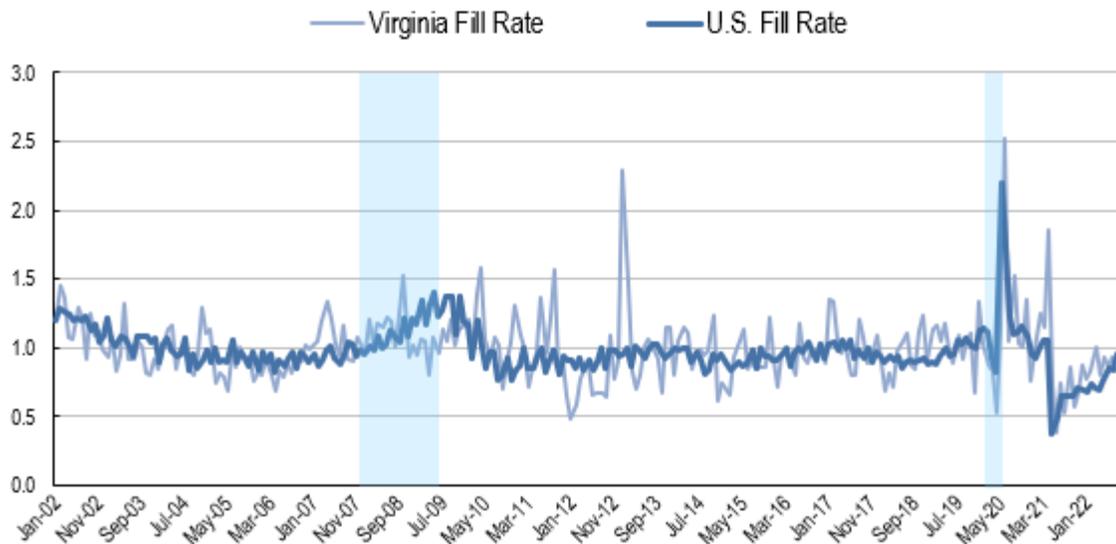
In September 2022, there was approximately one unemployed worker per three job openings in the Commonwealth, matching July's record. This period marked the lowest rates since January 2001, when BLS began collecting the data. In Virginia, **the unemployed per job opening ratio** (sometimes called the '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. Across the U.S., there were a ratio of unemployed people to job openings of 0.5 for September, compared with 0.6 in August. The ratio of unemployed people per job opening has been below 1.0 since July 2021. The number of unemployed people per job opening reached its highest level of 6.4 in October of 2009, at the height of the Great Recession.

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The **number of hires** in Virginia rose by 15,000 to 177,000 in September, which was 9% higher over the month and nearly a third 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. In September, the number of U.S. hires edged down to 6.1 million and the rate changed little at 4.0 percent. Hires decreased in durable goods manufacturing (-57,000) and in state and local government education (-40,000). The number of hires decreased in 8 states, increased in 2 states, and was little changed in 40 states and the District of Columbia in September. The largest decreases in the hires level occurred in California (-91,000), Texas (-57,000), and Ohio (-47,000). The increases occurred in Arizona (+25,000) and New Hampshire (+7,000). In Virginia, the **hires rate** rose to 4.3% from August's revised 4.0% rate. The national hires rate was unchanged over the month. In September, hires rates decreased in 9 states, increased in 2 states, and were little changed in 39 states and the District of Columbia. The largest decreases in hires rates occurred in Iowa (-1.1 percentage points), Ohio (-0.9 point), and North Dakota (-0.8 point). The increases occurred in New Hampshire (+1.0 point) and Arizona (+0.8 point).

The Annual Fill Rate, January 2002 to September 2022

In September 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, approaching the typical level of 1.0 and 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.

In September 2022, the **'annual fill' rate** (the ratio of 'this month' hires to 'last month' job openings, over the year) held steady at 0.9. The U.S. annual fill was unchanged at 1.0. This indicates a trend in recent months 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

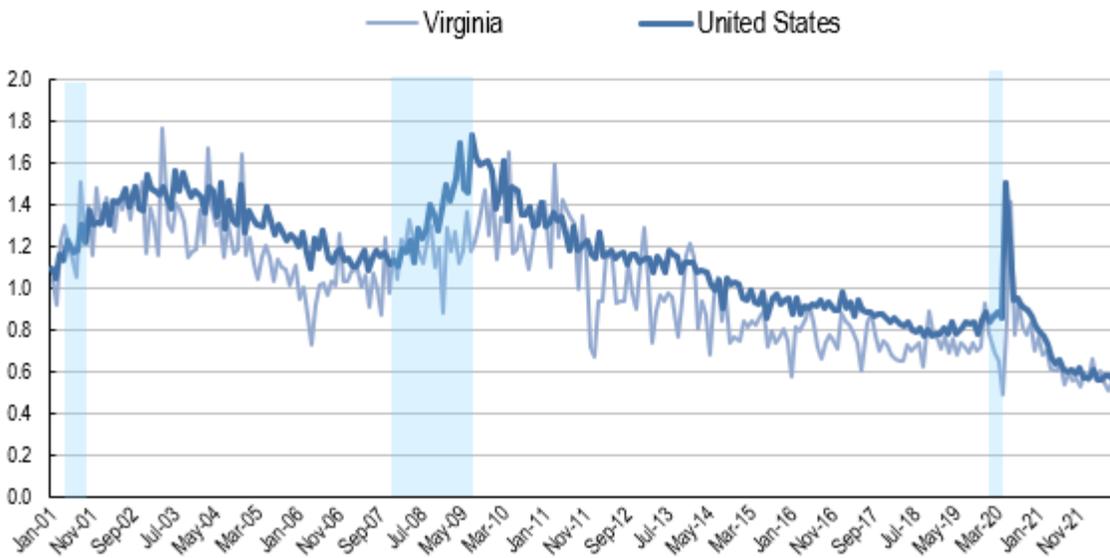
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openings. On the other hand, an annual fill rate of less than 1.0 can indicate a tighter labor market, with employers having greater difficulty filling job openings compared to a year earlier. Going back to 2001, the highest annual fill rate occurred 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 **hires-per-job-openings (HPJO) ratio** was little-changed at 0.5 in September, 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. In 2022, the rate has hovered around one hire for every two job openings in Virginia and in the Commonwealth.

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

In Virginia, the HPJO ratio in September 2022 was little changed at 0.5, which was lower than the U.S. rate. This indicates that there were around 54 hires for every 100 job openings in Virginia and 62 nationwide. The rate has hovered near this level for a number of months.



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

In September, the number of **total separations** in Virginia increased by 2,000 to 148,000 but has been lower in recent months compared to earlier in the year. The Virginia **total separations rate** held steady at 3.6%. Across the nation in September, the number and rate of total separations decreased to 5.7 million (-370,000) and 3.7 percent, respectively. Total separations decreased in accommodation and food services (-103,000); transportation, warehousing, and utilities (-42,000); and durable goods manufacturing (-38,000). In September, U.S. total separations rates decreased in 16 states, increased in 2 states, and were little changed in 32 states and the District of Columbia. The largest decreases in total separations rates

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occurred in Wyoming (-4.6 percentage points), Vermont (-1.6 points), and Alaska (-1.5 points). Increases occurred in Illinois (+1.0 point) and Kansas (+0.7 point).

An estimated 109,000 workers quit jobs from Virginia employers in September. The **number of quits** rose by 6,000 from August revised figure of 109,000 and was up by a quarter compared to five years earlier. The number of quits was down significantly from the record-breaking month of December 2021 when 136,000 Virginia workers quit their jobs. Quits, a component of total separations, are voluntary separations initiated by the employee. In September, the number of U.S. quits changed little at 4.1 million, and the rate was 2.7 percent for the third month in a row. U.S. quits decreased in construction (-56,000); transportation, warehousing, and utilities (-35,000); and durable goods manufacturing (-28,000). Quits increased in state and local government, excluding education (+15,000). The largest decreases in the quits level occurred in Texas (-111,000) and Florida (-28,000), as well as in Georgia and Pennsylvania (-19,000 each). The increases in the quits level occurred in Illinois (+50,000), Michigan (+21,000), and Kansas (+9,000). The number of 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 increased by 0.2 of a percentage point to 2.7% and remained at the elevated levels seen over the last twelve months. The quits rate nationwide was unchanged at 2.7%. In September, U.S. quits rates decreased in 8 states, increased in 3 states, and were little changed in 39 states and the District of Columbia. The quits rate decreased in establishments with 50 to 249 employees.

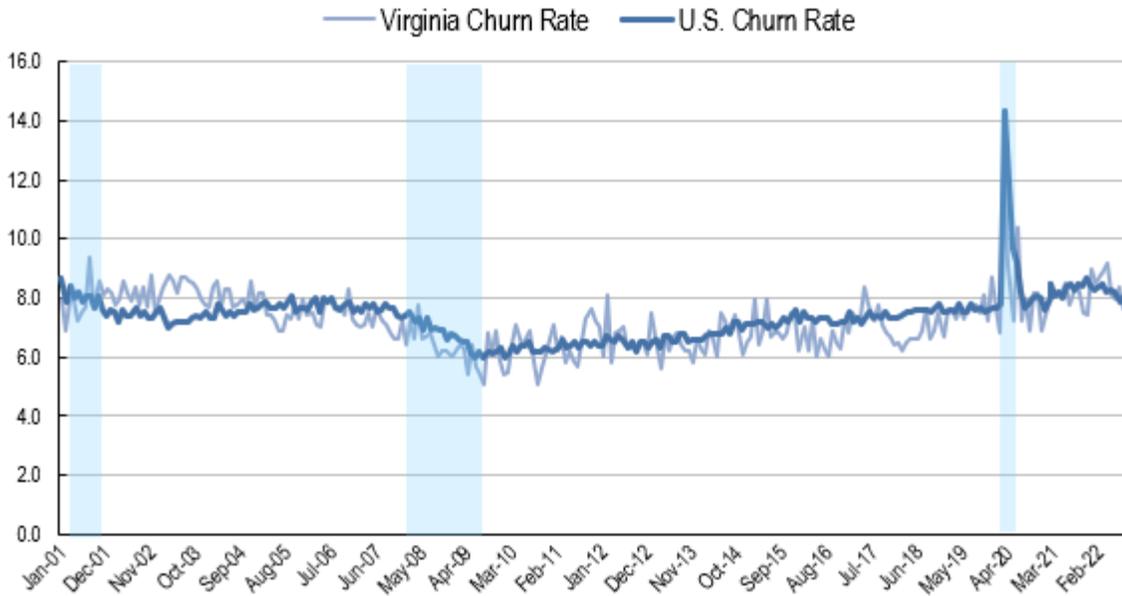
The number of **layoffs and discharges** in Virginia decreased by 4,000 to 30,000 in September 2022 from August's revised 34,000 figure. This was flat growth over the year, but nearly 10% lower than five years before in 2018. In September, the number of layoffs and discharges nationwide edged down to 1.3 million and the rate changed little at 0.9 percent. U.S. layoffs and discharges changed little in all industries. The largest decreases in layoffs and discharges rates occurred in Wyoming (-2.5 percentage points) and in Alaska and Georgia (-1.0 point each). The increases in layoffs and discharges rates occurred in Ohio (+0.4 point) and in Illinois (+0.2 point). Layoffs and discharges are countercyclical, which means that layoffs typically increase during economic contractions and decrease during economic expansions.

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The September 2022 **churn rate** (the sum of the hires rate and the total separations rate) rose to 7.9 from August’s revised 7.6 rate in Virginia, indicating continued elevated velocity of movement into and out of jobs but slower than earlier in the year. Nationwide performed similarly, as the U.S. churn rate slowed over the month and signaled deacceleration from early 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.

The Churn Rate, January 2001 to September 2022

In September 2022, the churn rose settled at 8.0 in the Commonwealth, equal to the national rate. In recent months, this measure may indicate some moderation when compared to rate of 'churn', or turnover, early in the year.

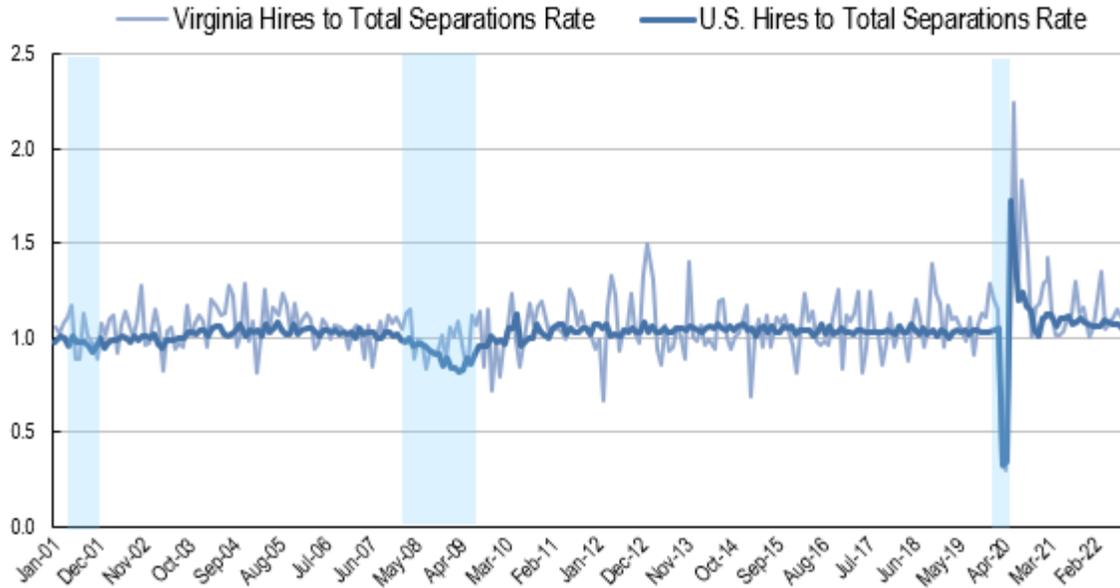


Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data. Shaded areas represent economic recessions.

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The Number of Hires as a Percentage of Total Separations, January 2001 to September 2022

The percentage of hires to total separations is an indication of employer ability to fill open positions. There were approximately 10% more hires in September while total separations were unchanged. Since mid 2020, hires have typically exceeded separations.



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

BLS JOLTS figures for September indicate that Virginia’s labor market remained tight as job openings held at historically high levels. The relationship between the number of Virginia unemployed and the number of job openings provided further evidence of a tight labor market as there were over three job openings for every unemployed worker in Virginia in September—matching the record set in July of 2022. The number of hires also increased, climbing by 9% over the month and by nearly a third from five years earlier in the strong pre-Covid economy of 2018. Moreover, September hiring continued to significantly outpace job separations while job quitting made up three quarters of job separations. These indicator trends provide additional evidence of continued confidence among job changers and competitiveness for staff among employers.

The Virginia Employment Commission plans to release the October 2022 analysis of the BLS Job Openings and Labor Turnover Survey for Virginia on Monday, December 19, 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 October JOLTS data for states on Thursday, December 15, 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>.