



COMMONWEALTH of VIRGINIA

Virginia Employment Commission

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Virginia Job Quits Decrease By 5,000 in December

—Latest BLS Jobs Openings and Labor Turnover Survey Shows a Slowdown in Total Job Separations Compared to December 2021—

RICHMOND— The Virginia Employment Commission announced today that the U.S. Bureau of Labor Statistics' December 2022 Job Openings and Labor Turnover Survey (JOLTS) reports Virginia job separations slowed from the year before.

According to the most recent BLS JOLTS survey data, The Great Resignation lessened as job separations, especially quits, were down compared to the series high set in December 2021. 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 December 2022 **job openings** in Virginia rose from November's 320,000 level to 330,000. There was a 25,000 upward revision to November's estimate. Nationwide, On the last business day of December, the number of job openings increased to 11.0 million. The largest increases in job openings were in accommodation and food services (+409,000), retail trade (+134,000), and construction (+82,000). The

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number of job openings decreased information (-107,000). The largest increases in the job openings level occurred in Texas (+116,000), as well as in Illinois and Michigan (+64,000 each). The decrease in the job openings level occurred in Georgia (-35,000). The Virginia **job openings rate** (job openings as a percentage of payroll employment) rose by 0.3 percentage points to 7.5 percent from November's 7.2 percent rate, which was subject to a significant revision. The U.S. rate rose to 6.7%. In December. The job openings rate increased in establishments with 50 to 249 employees but decreased in establishments with 5,000 or more employees. The largest increases in job openings rates occurred in North Dakota (+1.6 percentage points), as well as in Michigan and Minnesota (+1.3 points each). The decrease occurred in Georgia (-0.6 point).

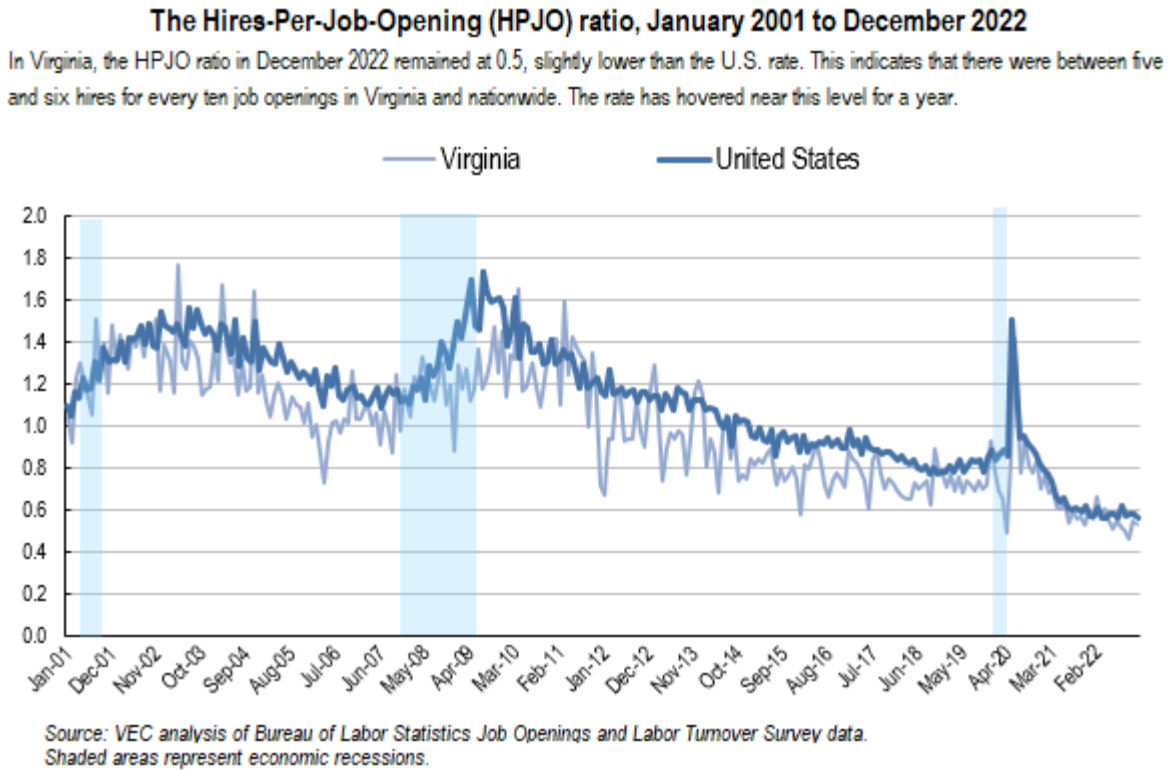


The **number of hires** in Virginia held steady at 173,000 in December, down a thousand over the month and down by over four percent year over year. JOLTS defines hires as all additions to the payroll during the month. The series low of 77,000 was set in April 2020, while the high of 265,000 was set in June of that year. In December, the number of hires nationwide changed little at 6.2 million.

Hires changed little in all industries. The largest increases in the hires level occurred in Missouri (+46,000), Illinois (+34,000), and Michigan (+28,000). In Virginia, the **hires rate** was unchanged from November's revised 4.2 percent rate. The national hires rate of 4.0% was little changed over the month. In December, hires rates increased in 4 states and were little changed in 46 states and the District of Columbia.

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In December 2022, the **‘annual fill’ rate** (the ratio of ‘this month’ hires to ‘last month’ job openings, over the year) remained at the level of 0.9 after bumping up to 1.0 in October. The U.S. annual fill rate also edged slightly upward to 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 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** remained at November’s revised 0.5 rate, little different from the 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 across the U.S.

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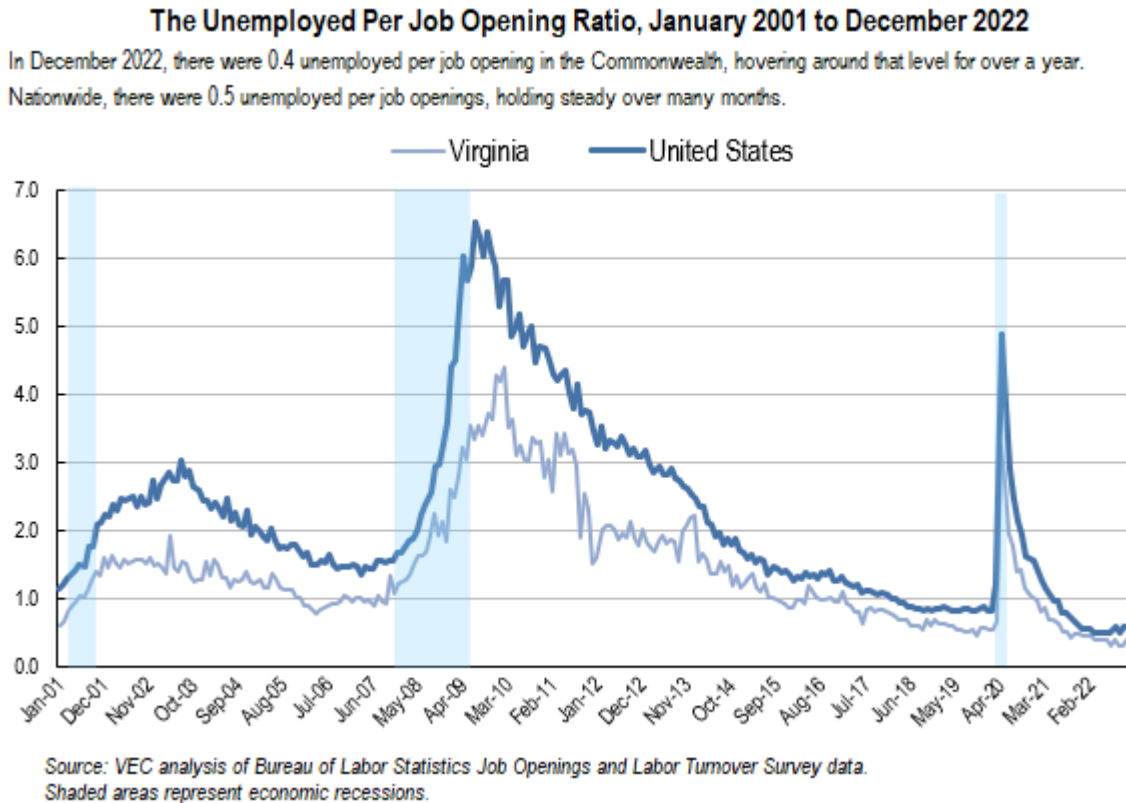
In December, the number of **total separations** in Virginia decreased by 8,000 to 146,000. This was a decline of 19 percent over the year, but an increase of 18 percent compared to five years earlier in 2018. Nationwide, the number of total separations changed little at 5.9 million. The number of total separations decreased in transportation, warehousing, and utilities (-67,000). In December, the number of total separations increased in 4 states, decreased in 5 states, and was little changed in 41 states and the District of Columbia. The largest increases in the total separations level occurred in Missouri (+21,000), New Jersey (+18,000), and Indiana (+17,000). The largest decreases in the total separations level occurred in Illinois (-29,000), North Carolina (-24,000), and Washington (-17,000). The Virginia **total separations rate** was little changed, edging down to 3.6 percent from November's 3.8 percent rate. Over the month, the national total separations rate also held steady at 3.8 percent. It increased in establishments with 10 to 49 employees but decreased in establishments with 50 to 249 employees and 250 to 999 employees.

An estimated 103,000 workers quit jobs from Virginia employers in December. The **number of quits** fell by 5,000 from November's revised figure of 108,000 and was down by 25 percent from the record breaking high in December 2021. However, it was up by 28 percent compared to before the Pandemic in December 2018. Quits, a component of total separations, are voluntary separations initiated by the employee. They can be seen as a leading indicator of wage trends in that it includes workers who quit to move to another job. In December, the number of quits nationwide were little changed at 4.1 million. Quits decreased in transportation, warehousing, and utilities (-69,000) but increased in other services (+65,000). In December, the number of quits decreased in 4 states, increased in 6 states, and was little changed in 40 states and the District of Columbia in December. The largest decreases in the quits level occurred in California (-56,000), Maryland (-18,000), and Tennessee (-15,000). The largest increases in the quits level occurred in New York (+17,000), Utah (+13,000), and Colorado (+11,000). The **quits rate** in the Commonwealth decreased by 0.1 of a percentage point to 2.5 percent but remained at the elevated levels seen over the last twelve months. Over the month, the national quits rate held steady at 2.7 percent. The quits rate increased in establishments with 10 to 49 employees but decreased in establishments with 50 to 249 employees and 250 to 999 employees. Quits rates decreased in 5 states, increased in 3 states, and were little changed in 42 states and the District of Columbia. The largest decreases in quits rates occurred in Maryland (-0.7 percentage point) and Arkansas (-0.5 point), as well as in California and Tennessee (-0.4 point each). The increases occurred in Idaho (+1.0 point), Utah (+0.8 point), and Pennsylvania (+0.2 point).

The number of **layoffs and discharges** in Virginia decreased by 4,000 to 34,000 in December 2022 from November revised 38,000 figure. This was six percent growth over the year and compared to five years before in 2018. Layoffs and discharges are countercyclical, which means that layoffs typically increase during economic contractions and decrease during economic expansions. In December, the number of layoffs and discharges nationwide increased to 1.5 million. Layoffs and discharges decreased in finance and insurance (-43,000) but increased in federal government (+4,000). The number of layoffs and discharges

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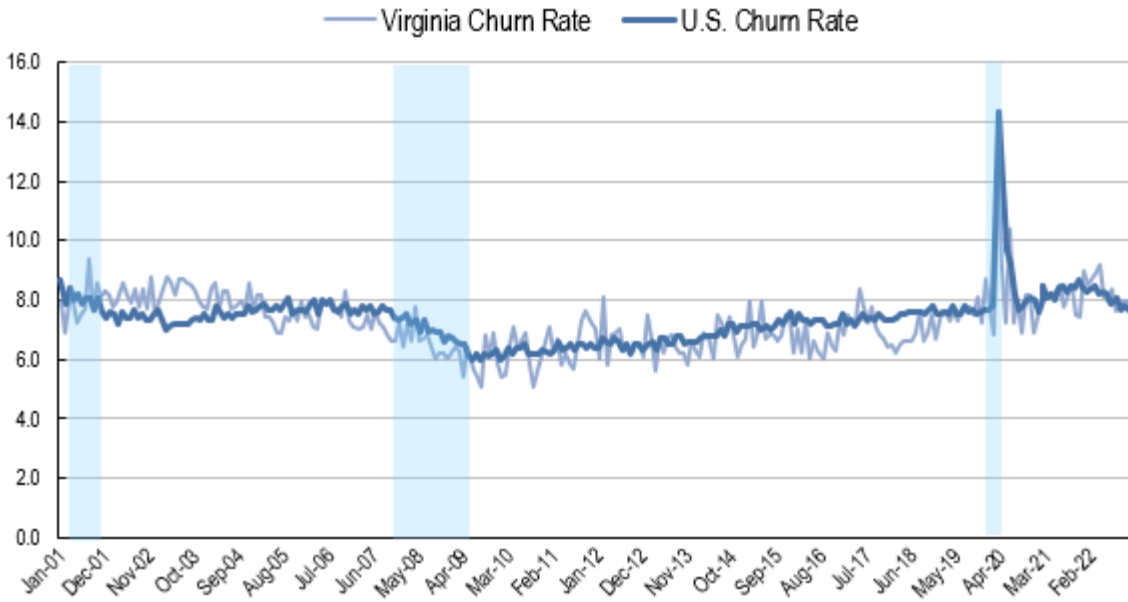
increased in 7 states, decreased in 7 states, and was little changed in 36 states and the District of Columbia in December. The largest increases in the layoffs and discharges levels occurred in California (+58,000), Missouri (+22,000), and Indiana (+19,000). The decreases in the layoffs and discharges level occurred in Illinois (-37,000), Colorado (-29,000), and Arizona (-17,000).



In December 2022, there was less than one unemployed worker per two job openings in the Commonwealth, as had been the case for most of 2022. 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’) was 0.4 in December but peaked at 4.4 unemployed per job opening in February 2010 during the Great Recession. 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 was a ratio of unemployed people to job openings of 0.5 for December, little changed over the month. The ratio of unemployed people per job opening has been below 1.0 since July 2021. The number of unemployed people per job opening nationwide reached its highest level of 6.4 in October of 2009, at the height of the Great Recession.

The Churn Rate, January 2001 to December 2022

In December 2022, the churn rate remained at 8.0 in the Commonwealth, equal to the national rate. In recent months, this measure may have indicated some moderation when compared to the rate of 'churn', or turnover, over the year.



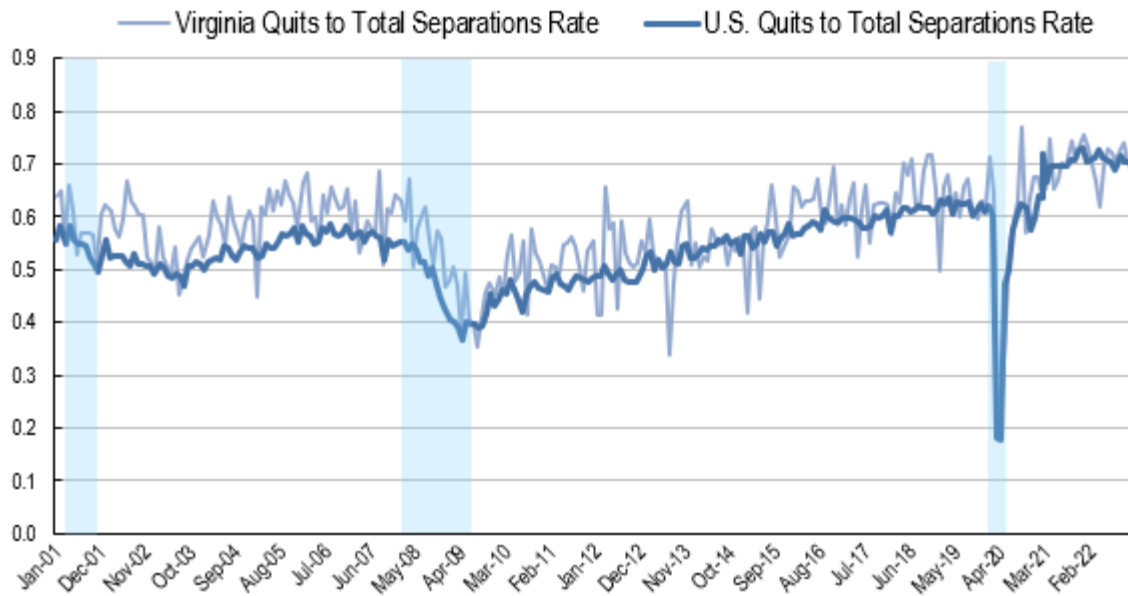
Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data.
Shaded areas represent economic recessions.

The December 2022 **churn rate** (the sum of the hires rate and the total separations rate) was little changed from November's revised 8.0 rate in Virginia, indicating continued elevated velocity of movement into and out of jobs but a little slower than earlier in the year. Nationwide performed similarly, as the U.S. churn rate was little changed over the month but signaled some deacceleration over the year. 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.

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Quits as a Percentage of Total Separations, January 2001 to December 2022

The relationship of quits to total separations is indication of worker confidence. In December 2022, around 70 percent quits as a share of total separations suggest workers' confidence in their ability to leave their job for another opportunity or retirement.



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

On the last business day of December 2022, the number and rate of job quits in Virginia decreased but most other JOLTS indicators showed less change. Job quits as a percentage of total separations remained at around 70 percent. At the same time, the relationship between the number of hires and separations in Virginia remained greater than one. Together, these were additional indicators of continued confidence on the part of job seekers in the ability to seek and find another, better position as employers sought to attract and retain staff.

The Virginia Employment Commission plans to release the January 2023 analysis of the BLS Job Openings and Labor Turnover Survey for Virginia on Monday, March 27, 2023. 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 January JOLTS data for states on Tuesday, March 21, 2023.

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>.