

VIRGINIA

EMPLOYMENT MONTHLY

October 2023



Virginia's September's Unemployment Rate remained unchanged at 2.5%, Labor Force Participation Rate increased by 0.1 percentage points to 66.8%, and Employment increased by 5,834 to 4,494,360

- Virginia's seasonally adjusted **unemployment rate** in September remained unchanged at **2.5%**, which is 0.5 percentage points below the rate from a year ago. According to household survey data in September, the **labor force** increased by 9,025 to **4,610,653** as the number of unemployed residents increased by 3,191 to 116,293. The number of employed residents increased by 5,834 to 4,494,360.
- The Commonwealth's **labor force participation rate** increased by 0.1 percentage points to **66.8%** in September.
- Virginia's **nonagricultural employment**, from the monthly establishment survey decreased by 100 to **4,157,700**. In September, private sector employment increased by 3,500 to 3,422,100 while government employment decreased by 3,600 to 735,600. Within that sector, federal government jobs increased by 400 to 186,100, state government employment increased by 800 to 162,600, and local government decreased by 4,800 to 386,900 over the month.
- Seasonally adjusted total nonfarm employment data is produced for eleven industry sectors. In September, four experienced over-the-month job gains, one remained unchanged, and six experienced a decline. The largest job gain occurred in Education and Health Services (+3,900) to 583,600. The second largest job gain occurred in Professional and Business Services (+3,400) to 818,200. The third largest job gain occurred in Leisure and Hospitality (+1,400) to 407,900. The other gain was in Financial Activities (+400) to 217,700.
- The largest job loss occurred in Construction (-3,800) to 210,200.
- Of the 10 metropolitan areas, the largest job gain occurred in Richmond (+4,000) to 714,800. The second largest job gain occurred in Northern Virginia (+2,300) to 1,578,800. The third largest job gain occurred in Virginia Beach-Norfolk-Newport News (+1,600) to 794,400.

Virginia Employment - September 2023 (seasonally adjusted)

United States Unemployment Rate (September 2022 - September 2023 percentage point)	3.8% (0.3)
Virginia Unemployment Rate (September 2022 - September 2023 percentage point)	2.5% (-0.5)
Civilian Labor Force (September 2022 - September 2023 percent change)	4,610,653 (3.7%)
Labor Force Participation Rate (September 2022 - September 2023 percentage point)	66.8% (1.9)
Total Nonfarm Employment (September 2022 - September 2023 percent change)	4,157,700 (1.2%)
Number of Establishments, 1st Quarter 2023 (1st Quarter 2022 - 1st Quarter 2023 percent change)	310,666 (6.8%)
Average Weekly Wage, 1st Quarter 2023 (1st Quarter 2022 - 1st Quarter 2023 percent change)	\$1,478 (8.3%)

August 2023 Unemployment Rates by MSA (Percent - not seasonally adjusted) (August 2022 - August 2023 percentage point)

Blacksburg-Christiansburg-Radford MSA	3.4 (-0.1)
Bristol MSA (VA part)	3.2 (-0.3)
Charlottesville MSA	2.9 (-0.3)
Harrisonburg MSA	3.3 (-0.3)
Lynchburg MSA	3.7 (-0.3)
Northern VA MSA (VA part)	2.7 (-0.2)
Richmond MSA	3.2 (-0.3)
Roanoke MSA	3.1 (-0.2)
Staunton-Waynesboro MSA	2.7 (-0.6)
Virginia Beach-Norfolk-Newport News, Virginia/NC MSA (VA part)	3.3 (-0.4)
Winchester, Virginia/WV MSA (VA part)	2.8 (-0.1)

www.VirginiaWorks.com

Department of Workforce Development and Advancement
Economic Information & Analytics Division
6606 West Broad St., Richmond, VA 23230

Trust Fund Data - September 2023

Financial Data

- Trust Fund Balance (millions) \$1,535.6
- Tax Revenue (Monthly) (millions) \$1.8

Benefits Data

- Benefits Paid (Monthly) (millions) \$18.5
- Average Weekly Benefit \$342.85
- Initial Claims (YTD) 112,152

Initial and Continued Claims

Initial Claims:

- There were 8,688 initial claims in September 2023.
- Initial claims decreased by 37.6% over-the-month and decreased by 28.0% over-the-year.
- Year-to-date initial claims were 16.2% lower in September 2023 compared to the same period in 2022.

Continued Claims:

- There were 66,539 continued claims in September 2023.
- This was a 5.8% decrease over-the-month and a 19.0% increase over-the-year.
- Year-to-date continued claims were 26.4% higher than during the same period in 2022.

Note: Claims counts include interstate and intrastate.

Monthly Claims Data				
	Initial Claims	Continued Claims	Recipients	Final Payments
September 2023	8,688	66,539	12,894	1,235
August 2023	13,931	70,658	12,658	1,399
September 2022	12,073	55,920	11,114	1,680



Virginia Unemployment Insurance Weekly Initial Claims at 1,655

The number of initial unemployment insurance claims increased in the latest filing week to 1,655 and remained at typical pre-Pandemic volumes experienced in 2019.

For the filing week ending October 14, the figure for seasonally unadjusted initial claims in Virginia was 1,655, which was an increase of 277 claimants from the previous week. Continued weeks claimed totaled 12,355, which was five claims lower than the previous week but an increase of 100% from the 6,159 continued claims from the comparable week last year. An industry was reported for ninety-three percent of claimants. Of those, over half (53 percent) of continued claims were from professional, scientific, and technical services (1,865), administrative and support and waste management (1,673), manufacturing (1,461), and health care and social assistance (1,120). Eligibility for benefits is determined on a weekly basis, and so not all weekly claims filed result in a benefit payment. This is because the initial claims numbers represent claim applications; claims are then reviewed for eligibility and legitimacy.

In the week ending October 14, the advance U.S. figure for seasonally adjusted initial claims was 198,000, a decrease of 13,000 from the previous week's revised level. The previous week's level was revised up by 2,000 from 209,000 to 211,000. The advance number of actual initial claims under state programs, unadjusted, totaled 181,181 in the week ending October 14, a decrease of 18,561 (or -9.3%) from the previous week. There were 178,773 initial claims in the comparable week in 2022.

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The Impact of The Pandemic on Residential Real Estate

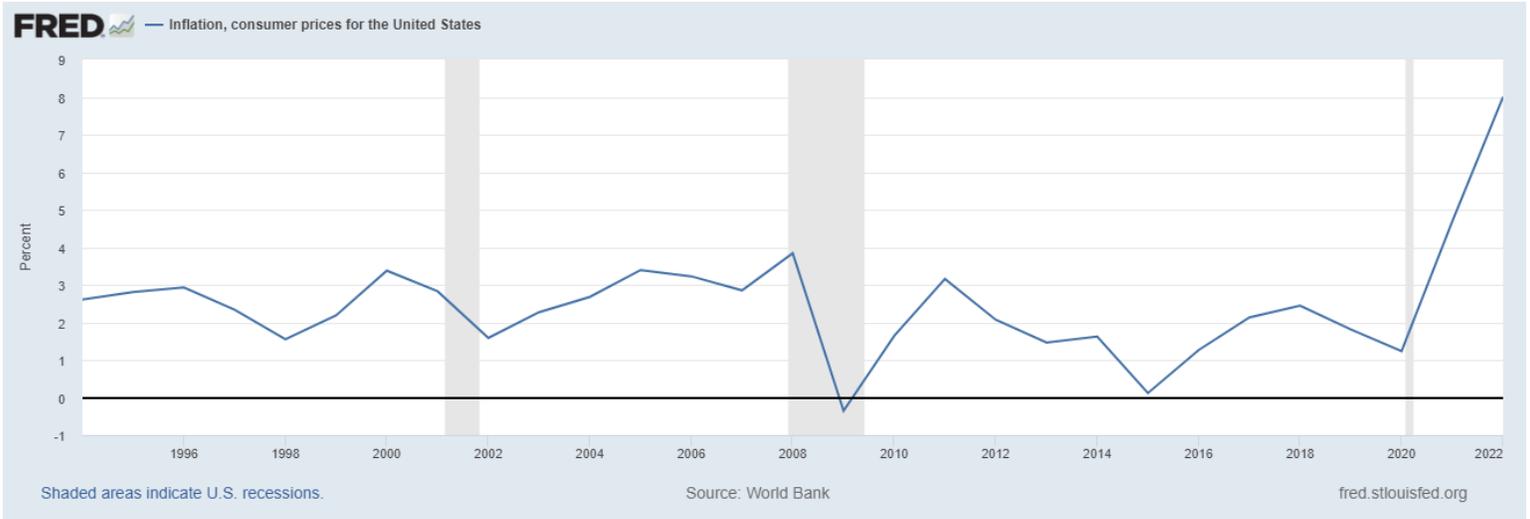
Shekhar Nagendra, Economist

Since the pandemic started in 2020, home affordability has suffered a triple whammy from three key factors – high inflation, skyrocketing home prices, and sharply rising mortgage rates. This has resulted in homes moving out of reach for the average American in almost every state, including Virginia.

The first shock: High inflation

Americans had become accustomed to low inflation for the past 30-years. Inflation stayed around 3% from 1992, reaching a low of 1.2% in January 2020.

This rosy picture changed suddenly with the pandemic. In just two years (2020 - 2022), inflation jumped from 1.2% to over 8%. Meanwhile wages stayed the same or even declined. Consequently, real wages adjusted for inflation fell, resulting in Americans working more hours for less real pay each passing month.



Income adjusted for inflation is nearly 20% lower in Virginia today compared to January 2020. In other words, a household earning \$85,000 annually in January 2020 had the same buying power as a household earning \$100,000 annually in July 2023, according to BLS CPI data.

The second shock: High Mortgage rates

Americans enjoyed steadily declining mortgage rates for almost 16 years. The 30-year fixed Mortgage rates fell from 6.74% in June 2007, to a low of 2.65% in January 2021.

However, things changed rapidly for the worse starting January 2021. Mortgage rates began to rise quickly, and continued rising, reaching 7.5% in October 2023.

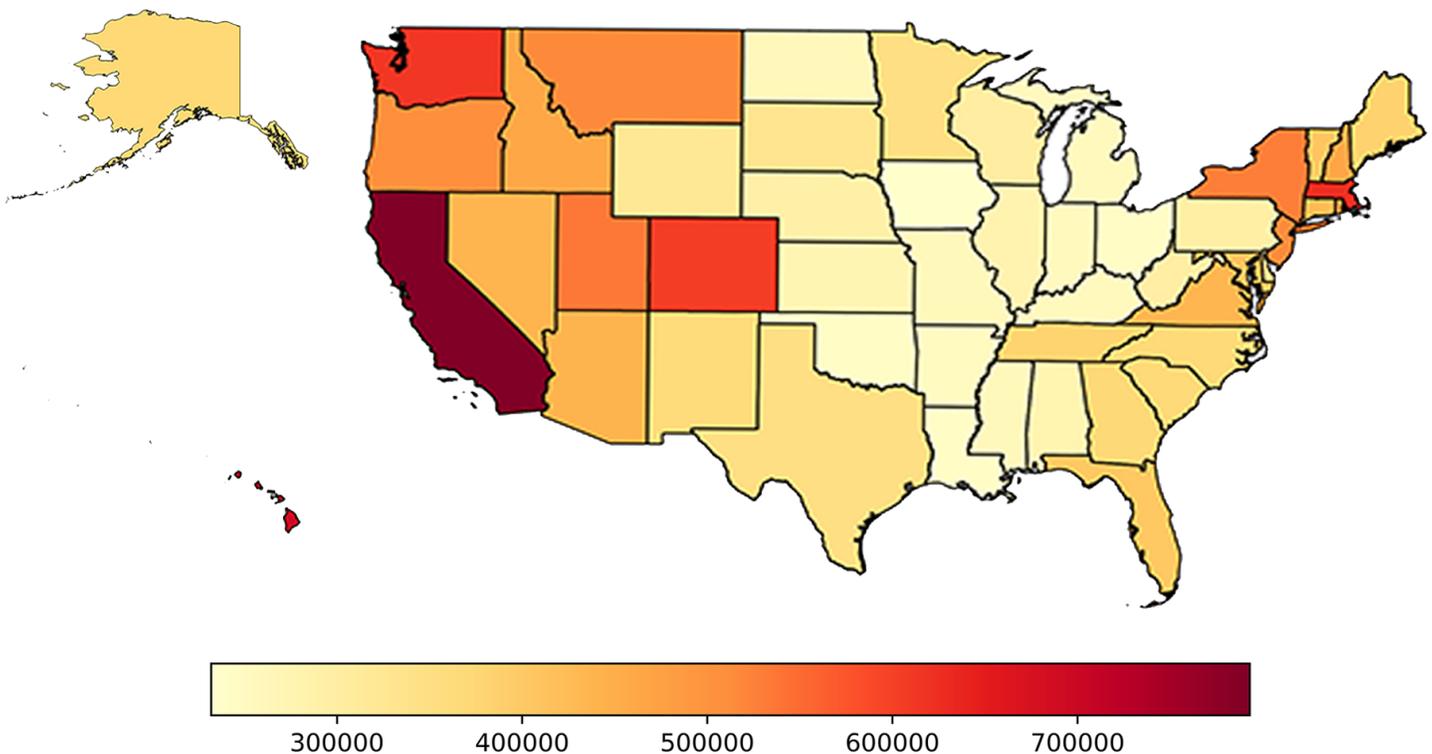


The third shock: Rapidly rising home prices

Because Americans had become accustomed to declining mortgage rates for over 15 years, they believed they could afford bigger homes for the same monthly payment. Builders began building larger homes each year to earn higher profits, and as a result home prices rose steadily nationwide. Buyers were not too affected since the declining mortgage rates kept the overall monthly payments fairly steady.

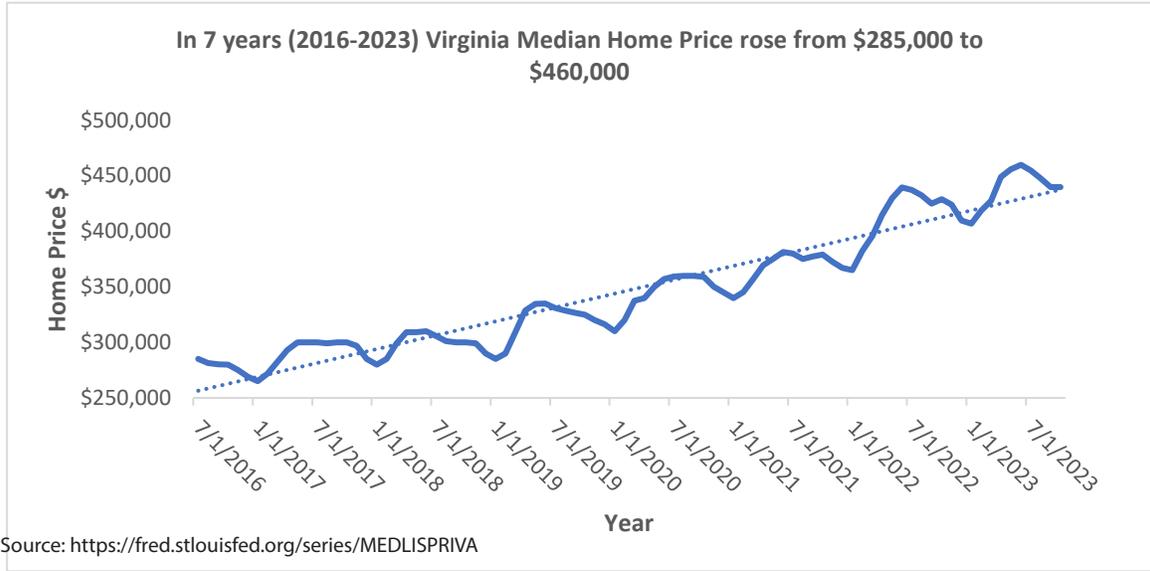
However, this party ended abruptly starting January 2021. Homes prices began to rise at a rapid rate, and continued rising in every state. As of August 2023, the highest median home price was in California (\$793,000).

Median Home Sale Price in USA - August 2023



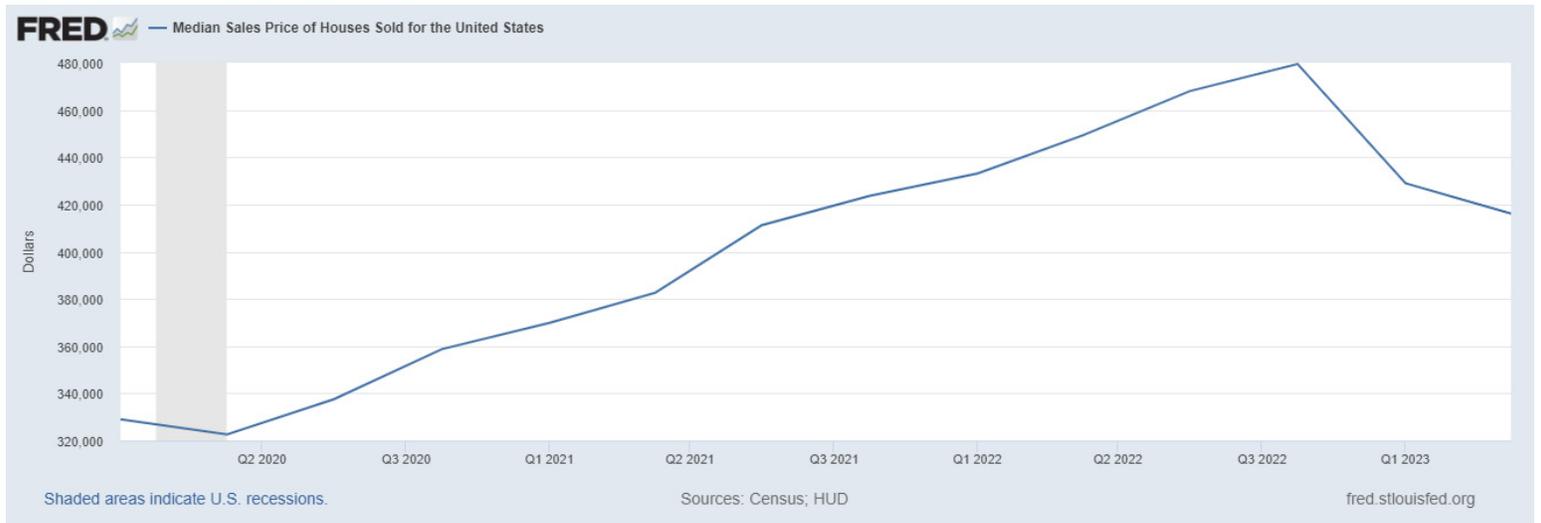
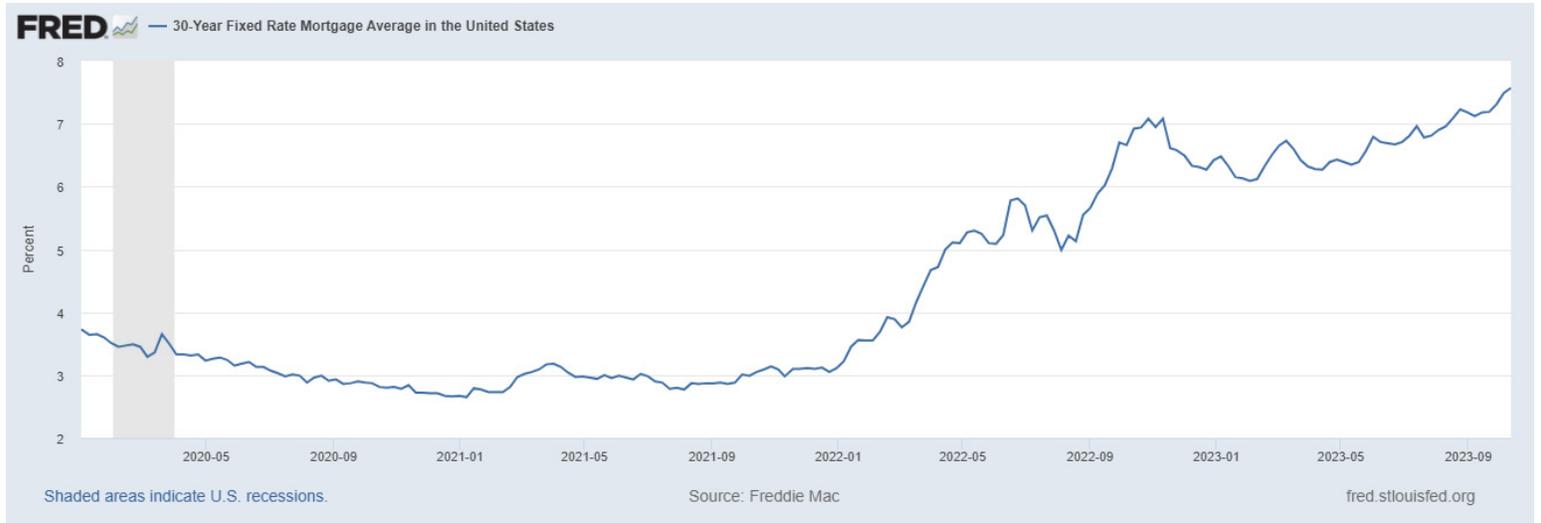
Source: Data provided by Redfin, a national real estate brokerage

Virginia was no exception to this steep increase. The median list price in Virginia increased by 61% from 2016-2023.



The anomaly of rising mortgage rates and rising home prices:

If past history were any guide, rising mortgage rates should have resulted in a corresponding decline in home prices. However, that did not happen. Both mortgage rates *and* home prices rose together sharply starting 2021.



How has this anomaly impacted monthly payments?

In July 2016, a median home's list price in Virginia was \$285,000, the 30-year mortgage rate was 3.41%, and the monthly payment (not including property taxes, insurance, other fees) was \$1,252.

By January 2022, the median home list price had shot up by \$80,000 to \$365,000. However, since the 30-year mortgage had dropped slightly to 3.22%, the monthly payment was \$1,582 – a modest increase considering the big jump in the home price.

In other words, from 2016 to January 2022, Virginians enjoyed fairly stable monthly mortgage payments between \$1,300-\$1,500 for a median home despite rising home values during this period, thanks to a low and declining mortgage rate.

And then the bottom fell out.



In the next 20 months, both home prices and mortgage rates rose steeply. In October 2023, a median home's list price in Virginia was \$440,000, the 30-year mortgage rose to 7.5%, and as a result the monthly payment jumped to an all time high of \$3,074 (an increase of 95% from January 2022).

In other words, monthly payments for a median home in Virginia have nearly doubled within 20 months, while incomes have stagnated and even declined after taking overall inflation into account.

When will this situation improve?

No amount of new home construction can fix this situation quickly because an overwhelming majority (approx. 90%) of homes sold each year are existing home sales. However, homeowners are reluctant to sell, since the mortgage when they purchased the home was between 2-4%, whereas today's rate is closer to 8%. The profit they might make from their home sale will be negated by the inflated purchase price of another home, and additionally, their new mortgage monthly payment would be nearly double or more than their old payment.

Although inflation is now back down to a reasonable 3.7%, and Virginia's median home prices have declined by about \$20,000 from their peak of \$460,000 in the past three months, mortgage rates have risen by another percentage point during this period to 7.5%. As a result, the monthly payment for a median home has actually increased by an additional \$100.

Unfortunately, the situation is unlikely to improve until mortgage rates drop back to pre-pandemic levels.

Upcoming Events

Pathways to Success Business Resource & Job Fair

November 1, 2023 - Capital Crater

Join the Prince George County Economic Development and Tourism Department for a Business Resource and Job Fair event, where job seekers, employers, and companies gather for networking, career opportunities, and professional growth.

[Learn more about this event](#)

Norfolk Redevelopment & Housing Authority Job/Career Fair

November 1, 2023 - Hampton Roads

Open to public.

Dress Professionally.

Bring your Resume!

No Children Please.

[Learn more about this event](#)

Warren & Frederick County Job Fair

November 2, 2023 - Valley / Roanoke

Hosted by: Warren County Department of Social Services & Horizon Goodwill Industries

[Learn more about this event](#)

Newport News Human Services Explore - Engage - Employ Community Expo

November 4, 2023 - Hampton Roads

Join us at the Explore - Engage - Employ Expo for a day filled with exciting opportunities and valuable connections. This in-person event.

[Learn more about this event](#)



Women In Technology Virtual Job Fair

November 8, 2023 - Northern Virginia / Northern Valley

Calling all Job Seekers! Whether you're just entering the workforce, in career transition, or seeking a new challenge, the Women in Technology Job Fair is the perfect opportunity to check out some of the DC area's largest employers.

[Learn more about this event](#)

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