

EMPLOYMENT MONTHLY

May 2024



VIRGINIA WORKS

Virginia's April's Unemployment Rate Decreased 0.1 percentage points to 2.8 Percent

- Virginia's seasonally adjusted **unemployment rate** in April decreased by 0.1 percentage points to **2.8** percent, which is 0.1 percentage points above the rate from a year ago. According to household survey data in April, the **labor force** decreased by 4,375 to **4,584,350** as the number of unemployed residents decreased by 4,892 to 129,269. The number of employed residents increased by 517 to 4,455,081. Virginia's seasonally adjusted unemployment rate is 1.1 percentage points below the national rate, which increased by 0.1 percentage points to 3.9 percent.
- The **labor force participation rate** decreased by 0.1 percentage points to **66.4** percent in April.
- In April, Virginia's **nonagricultural employment**, from the monthly establishment survey increased by 3,400 to **4,233,400**. In April, private sector employment increased by 7,000 to 3,488,200 while government employment decreased by 3,600 to 745,200.
- In April, nine experienced over-the-month job gains, and two experienced a decline. The largest job gain occurred in Education and Health Services (+2,500) to 602,100. The second largest job gain occurred in Professional and Business Services (+1,800) to 819,700. The third largest job gain occurred in Trade, Transportation, and Utilities (+1,700) to 678,900.
- The largest job loss occurred in Government (-3,600) to 745,200. The second largest job loss occurred in Leisure and Hospitality (-2,600) to 412,700.
- Seasonally adjusted total nonfarm employment data is produced for ten metropolitan areas. In April, five experienced over-the-month job gains, one remained unchanged, and four experienced a decline. The largest job gain occurred in Northern Virginia (+3,700) to 1,591,600. The second largest job gain occurred in Richmond (+700) to 723,700. The third largest job gain occurred in Blacksburg-Christiansburg-Radford (+300) to 86,300.
- The largest job loss occurred in Virginia Beach-Norfolk-Newport News (-1,800) to 820,200.
- Staunton remained unchanged.

www.VirginiaWorks.com

Virginia Works

Economic Information & Analytics Division
6606 West Broad St., Richmond, VA 23230

Virginia Employment - April 2024 (seasonally adjusted)

United States Unemployment Rate (April 2023 - April 2024 percentage point)	3.9% (0.5)
Virginia Unemployment Rate (April 2023 - April 2024 percentage point)	2.8% (0.1)
Civilian Labor Force (April 2023 - April 2024 percent change)	4,584,350 (0.8%)
Labor Force Participation Rate (April 2023 - April 2024 percentage point)	66.4% (0.0)
Total Nonfarm Employment (April 2023 - April 2024 percent change)	4,233,400 (1.8%)
Number of Establishments, 4th Quarter 2023 (4th Quarter 2022 - 4th Quarter 2023 percent change)	311,040 (1.0%)
Average Weekly Wage, 4th Quarter 2023 (4th Quarter 2022 - 4th Quarter 2023 percent change)	\$1,482 (4.7%)

March 2024 Unemployment Rates by MSA (Percent - not seasonally adjusted) (March 2023 - March 2024 percentage point)

Blacksburg-Christiansburg-Radford MSA	2.4 (-0.3)
Bristol MSA (VA part)	2.5 (-0.6)
Charlottesville MSA	2.1 (-0.5)
Harrisonburg MSA	2.5 (-0.3)
Lynchburg MSA	2.9 (-0.5)
Northern VA MSA (VA part)	2.2 (-0.3)
Richmond MSA	2.6 (-0.4)
Roanoke MSA	2.4 (-0.4)
Staunton-Waynesboro MSA	2.1 (-0.4)
Virginia Beach-Norfolk-Newport News, Virginia/ NC MSA (VA part)	2.6 (-0.5)
Winchester, Virginia/WV MSA (VA part)	2.1 (-0.4)

Unemployment Insurance - April 2024

Financial Data

- Trust Fund Balance (millions) \$1,573.7
- Tax Revenue (Monthly) (millions) \$108.2

Benefits Data

- Benefits Paid (Monthly) (millions) \$21.4
- Average Weekly Benefit \$349.78
- Initial Claims (YTD) 45,788

Initial and Continued Claims

Initial Claims:

- There were 10,730 initial claims in April 2024.
- Initial claims increased by 11.7% over-the-month and decreased by 12.6% over-the-year.
- Year-to-date initial claims were 12.4% lower in April 2024 compared to the same period in 2023.

Continued Claims:

- There were 85,697 continued claims in April 2024.
- This was a 0.5% decrease over-the-month and a 20.9% increase over-the-year.
- Year-to-date continued claims were 16.3% higher in April than during the same period in 2023.

Note: Claims counts include interstate and intrastate.

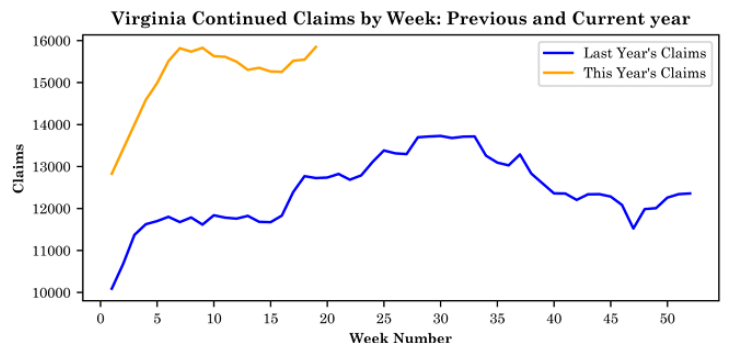
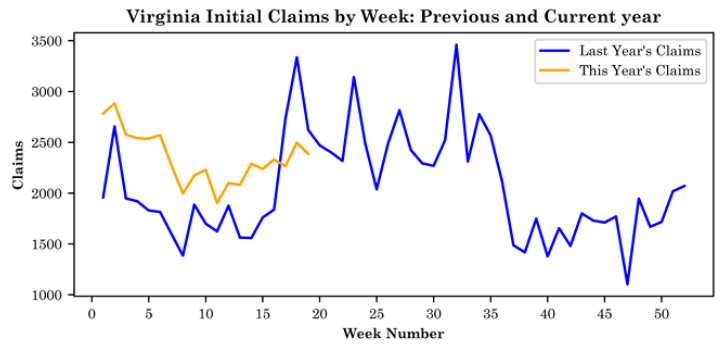


Virginia's Latest Unemployment Insurance Weekly Initial Claims at 2,386; Continued Claims at 15,847

Virginia Works announced that 2,386 unemployment insurance weekly initial claims were filed during the week ending May 11, 2024, which is 4.4 percent lower than last week's 2,497 claims and 9.0 percent lower than the comparable week of last year (2,621). Nearly 81 percent of claimants self-reported an associated industry; of those reported, the top five industries (61 percent) were Professional, Scientific, and Technical Services (292); Accommodation and Food Services (245); Administrative and Support and Waste Management (224); Health Care and Social Assistance (199); and Retail Trade (196).

Continued weeks claims (15,847) were 1.9 percent higher than last week (15,546) and were 24.5 percent higher than the comparable week of last year (12,724). Nearly 93 percent of claimants self-reported an associated industry; of those reported, the top five industries (60 percent) were Professional, Scientific, and Technical Services (2,411); Administrative and Support and Waste Management (2,161); Manufacturing (1,491); Health Care and Social Assistance (1,471); and Retail Trade (1,296).

Monthly Claims Data				
	Initial Claims	Continued Claims	Recipients	Final Payments
April 2024	10,730	85,697	17,072	1,728
March 2024	9,609	86,137	15,996	1,403
April 2023	12,274	70,910	14,014	1,090





Grocery Store Sticker Shock, 'Shrinkflation,' and Virginia's Food, Beverage, and Tobacco Producers

Timothy Aylor, Senior Economist

Consumers across the country have experienced food cost inflation at the grocery store in recent years. Aside from rising prices for some items, others appeared to have gotten smaller or have disappeared from the shelves due to shortages or being discontinued. These are frustrating, but what is often overlooked is that they reflect the challenging conditions for the businesses that produce those goods. They have faced pressure on multiple fronts including climbing material and energy costs, import competition, and rising wages in a tight labor market. What might these trends mean to workers at the Virginia factories that provide us with what we purchase from grocery stores and restaurants?

Rising Costs of Production

Food, beverage, and tobacco product producers have experienced rising input costs in recent years, driven by supply chain disruptions, natural and man-made disasters, and geopolitical conflict. The April 2024 release of the BLS Producer Price Index¹ increased by 0.5 percent, the fastest pace since April 2023. Looking back to conditions last year, in the case of grocery items, higher costs to retailers were passed through in the form of consumer inflation. According to the USDA, over a five-year period, 2022 food prices rose by a quarter nationally, rising faster than all other categories except transportation, and was the fastest pace experienced since 1979.² The increase was driven by higher prices for the commodities that food manufacturers need for production. In 2022, the production-weighted price of the three most important crops increased by 83 percent, while food prices increased by 10 percent.³ Other costs to employers have also risen. April's BLS Consumer Price Index⁴ indicated that gasoline prices rose 1.1 percent over the month, while electricity prices rose by 5.1 percent over twelve months. Other significant increases included business costs like medical care and vehicle insurance. As these costs were being passed on the form of higher wholesale and retail prices, international competition encroached and the trade surplus in food products entered deficit territory.

Simultaneously, the historically tight labor markets experienced during the pandemic years put upward pressure on Virginia food production wages as most types of food processors increased worker pay significantly over five years. Industry leaders in wage growth included animal processing, bakeries, and animal food.⁵ Manufacturer sentiment in the region has reflected these challenges over the past year. [The Fifth District Survey of Manufacturing Activity](#) remained subdued in April, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index remained negative, increasing from -11 in March to -7 in April. The current employment sentiment index fell from 0 to -2.

1 U.S. Bureau of Labor Statistics, Producer Price Index for Final Demand. <https://www.bls.gov/news.release/ppi.htm>.

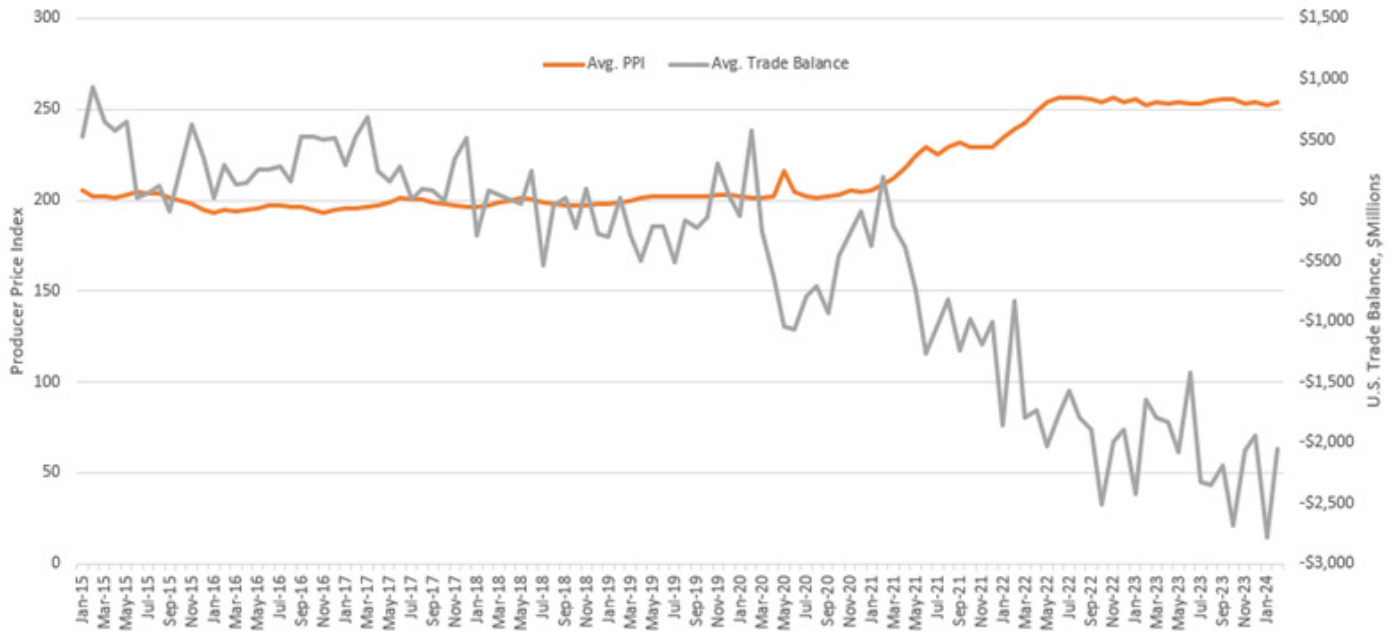
2 USDA, Economic Research Service using U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index data.

3 USDA, Economic Research Service using USDA, National Agricultural Statistics Service data; and U.S. Department of Labor, Bureau of Labor Statistics data.

4 U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: All Items in U.S. City Average, <https://www.bls.gov/news.release/cpi.nr0.htm>, May 14, 2024.

5 U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW), Average Weekly Wage, 3Q19-3Q23.

Figure 1. US. Food Manufacturing and the Pandemic: Rising Production Prices with Import Pressure



Sources: USA Trade Online, Manufacturing Trade Tracker. U.S. Census Bureau (trade data), U.S. Bureau of Labor Statistics (employment and producer price index).

Overview of Virginia Food Manufacturing Employment

There were 1,300 Virginia food, beverage, and tobacco manufacturers in Virginia with 45,000 jobs in the third quarter of 2023.⁶ They are an important source of employment in the Commonwealth, but, for the most part, are not as prevalent as nationwide. Some exceptions include beverage, tobacco, and seafood product manufacturing, which are relatively more important to the state’s economy. In 2023, most industries in this sector added jobs compared to before the pandemic while animal food, sugar/confectionary, beverages, and bakeries grew staff significantly compared to five years earlier and faster than their industries’ growth nationwide. An exception is the industry Other Food Manufacturing, which shrank jobs and average wages over five years and significantly underperformed employment trends nationwide. Examples of products in that industry include, coffee, snack foods, and spices/condiments, and some freshly prepared items like pizza not made in a restaurant.

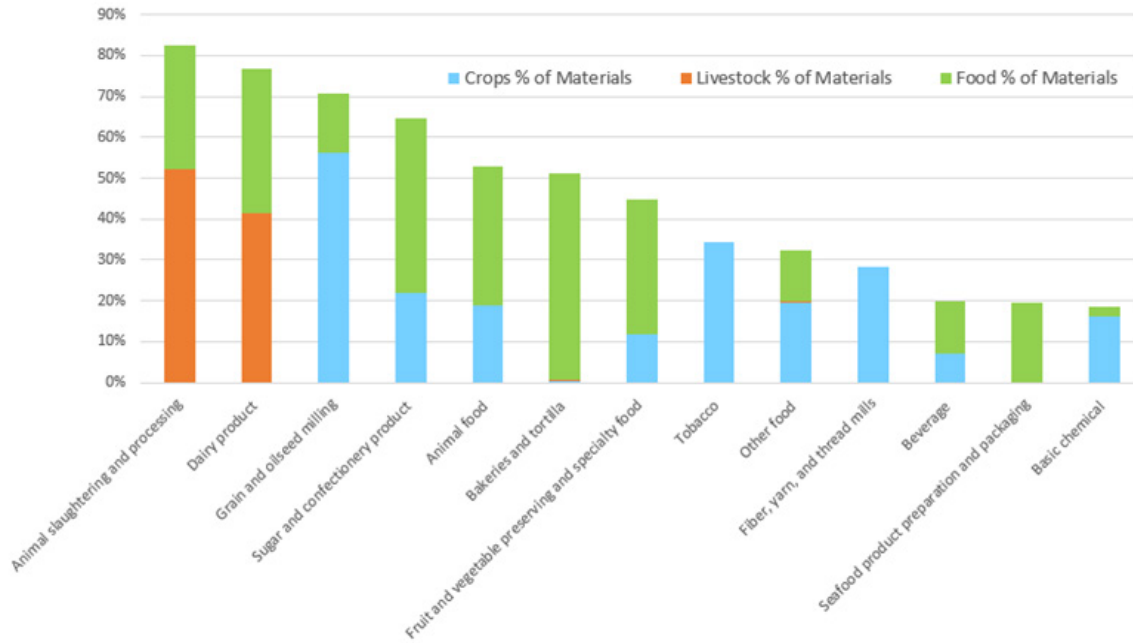
Processing occupations comprise the largest portion of jobs in food manufacturing. Examples include food batchmakers; meat, poultry, and fish cutters and trimmers; and slaughterers and meat packers. Production machinery operation and transportation and material moving occupations also comprise a large portion of jobs. Beverage production occupations are a little different. While occupations like packaging and filling machine operators and tenders are most numerous, food and beverage serving workers also comprise many jobs.⁷

Manufacturers that are Most Dependent on Farm and Food Products for Production

Establishments in this sector require agricultural and food products for production and have had to absorb sharp increases in prices for farm and processed food inputs. These employers usually produce goods headed for stores and restaurants, but also include clothing makers and chemical factories among others. Each requires a mix of farm output like crops and livestock and processed food products. For example, dairy products (77 percent of materials) require both livestock and processed feed, while bakeries (51 percent of materials) almost exclusively require food products like flour. Basic chemical manufacturing (18 percent of materials) consumes mainly plant-based materials from growers.⁸

⁶ Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW), 3Q19-3Q23.
⁷ Source: Bureau of Labor Statistics, Employment Projections, National Employment Matrix.
⁸ Source: Census Bureau. 2017 Economic Census, Materials Consumed by Industry.

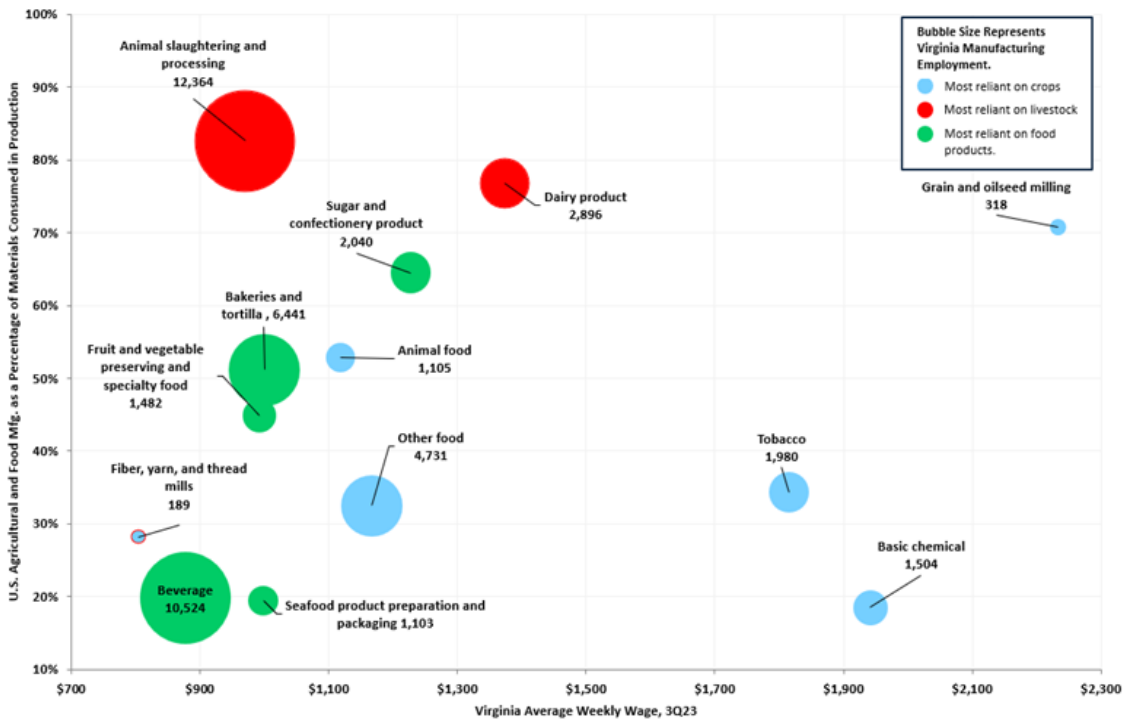
Figure 2. U.S. Factories Most Reliant on Farm and Food Inputs. Agricultural and Food Manufacturing Products as a Percentage of Materials Consumed in Production



Source: Census Bureau. 2017 Economic Census, U.S. Materials Consumed by Industry.

Animal processing and dairy producers simultaneously were exposed more to agricultural price inflation and faster wage inflation than most in the sector. Virginia dairy product manufacturers (2,896 jobs) are reliant on agricultural commodities, while also paying higher wages. Conversely, beverage producers employ many more (10,524 jobs) but are much less reliant on agricultural and food inputs and pay much lower wages. Wage data also indicates that highly mechanized industries that process bulk commodities like grain milling, basic chemical manufacturing and tobacco pay more, on average. While animal and seafood processors often pay less, their average weekly wage in the third quarter of 2023 rose by around 30 percent over five years. On the other hand, wages in beverage, tobacco, and sugar/confectionery rose by less than ten percent during that period.

Figure 3. Virginia Food, Beverage, and Tobacco Manufacturers Widely Vary in the Wages They Pay and What They Require for Production



Source: Census Bureau, 2017 Economic Census. Materials Consumed by Industry. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW), 3Q23.

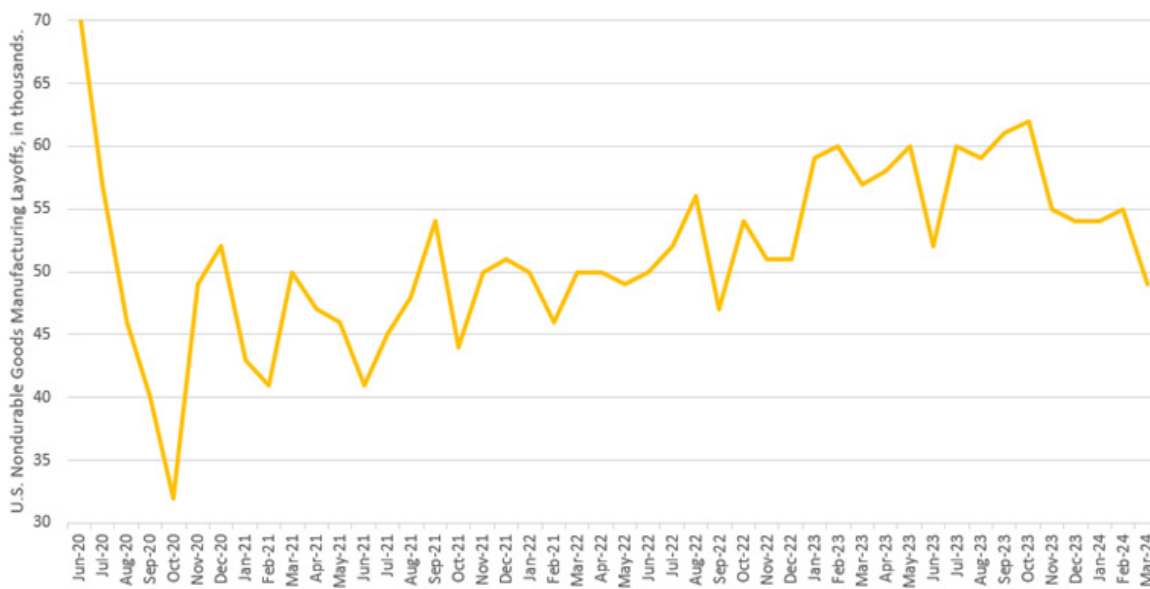
Labor Market Steady During Challenging Conditions

Given challenging trends like rising commodity and labor prices and foreign competition last year, employment conditions in the broader nondurable goods manufacturing sector have been resilient in Virginia. April 2024 payroll job figures indicate steady conditions, little-changed from a year earlier. There were 101,000 non-durable goods manufacturing jobs, essentially unchanged over the year. Among them were 73,300 production workers. Their average weekly hours (40.3), average hourly earnings (\$24.68), and weekly earnings (\$991.60) were also little changed from a year earlier.

Factory Layoffs Remain at Manageable Levels

Similarly, these pressures on food producers have not yet resulted in mass layoffs like those experienced in the early 2000s or during the 2007-09 Great Recession. U.S. nondurable goods manufacturing saw layoffs drop steeply in the recovery summer of 2020. They have slowly trended higher since then but remained 14 percent lower in March over the year, and a little higher (four percent) than five years earlier. One of Virginia’s few recent mass layoffs in food manufacturing was the [Tyson Foods*](#) closure in March of last year. That closure affected 612 workers in Virginia as well as workers in four other states. The company cited losses stemming from Avian flu, exploding chicken feed prices, and decreased meat consumption during the Pandemic as contributing to the decision for the closures.

Figure 4. U.S. Nondurable Goods Manufacturing Layoffs



Source: Virginia Works analysis of Bureau of Labor Statistics, Job Openings and Labor Survey (JOLTS), March 2024.

Warning Signs Amidst Steady Conditions—Some Labor Market Indicators are Less Positive

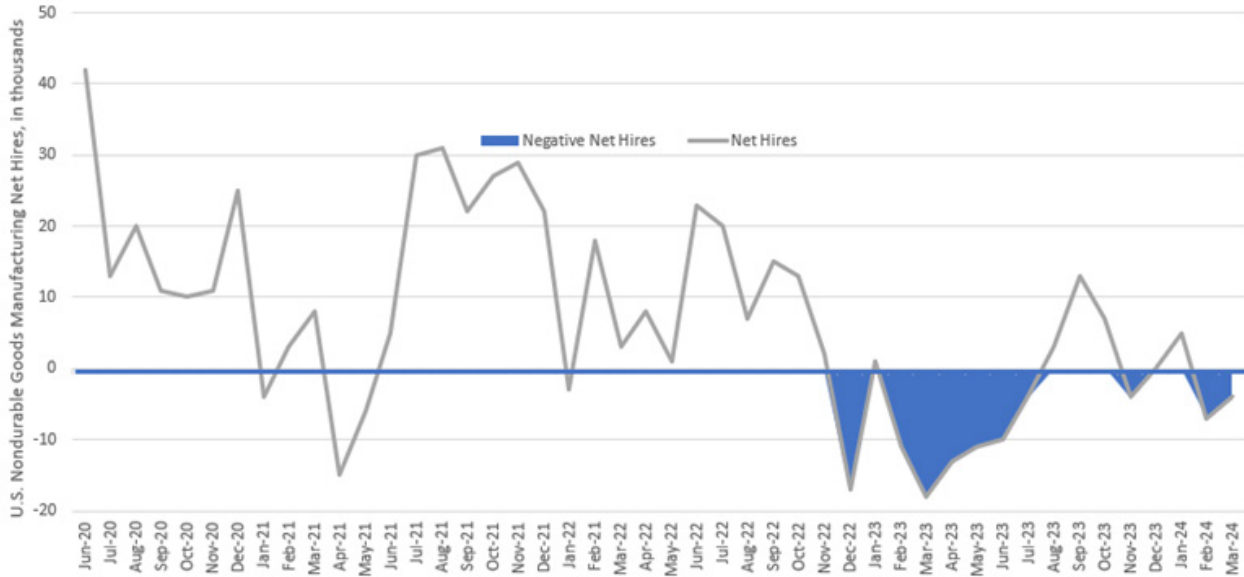
Below the surface, however, employment conditions may be weaker than payroll job and layoff figures alone suggest. Over the last three years, employers commonly tried to avoid mass layoffs of workers, regardless of conditions, because of the difficulty in restaffing afterward. Some factories have run on leaner payrolls instead. For example, while U.S. layoffs remained moderate, the number of nondurable manufacturing ‘net hires’⁹ became negative in the winter 2022 and has largely remained negative since then. In other words, after a period of adding more staff than separations following 2020, fewer workers have been hired than have left over the last year and half.

Also, during the third quarter of 2023, the percent of employment lost from Virginia factory closings as a percentage of manufacturing employment rose to 0.7 percent.¹⁰ It is uncertain how significant this data point is, but the last number higher than that occurred in 2003. North Carolina saw a similar decline in conditions. Nationwide, food manufacturing and beverage and tobacco products saw elevated employment lost from factory closings in 2023.

⁹ Defined as the difference between JOLTS Hires and Total Separations.

¹⁰ Bureau of Labor Statistics, Business Employment Dynamics (BED), not seasonally adjusted quarterly data. 2013-2022 ten-year average compared to 2023 quarterly average.

*Tyson Food Closure: [Rural town braces for Tyson plant closure](#)



Source: Virginia Works analysis of Bureau of Labor Statistics, Job Openings and Labor Survey (JOLTS), March 2024.

Figure 5. U.S. Nondurable Goods Manufacturing Net Hires, June 2020-March 2024

Conclusion

Thankfully, April’s CPI and PPI releases indicate that the worst of food inflation may be behind us. But the ‘sticker shock’ of encountering the market price for a pound of chicken or the frustration of finding your favorite snack now reduced in size will likely remain an all-to-common occurrence when grocery shopping. But, before putting your favorite items in your shopping cart, reflect on the miracle of the remarkable variety of readily available groceries on the shelves, how they get there, and the day-to-day struggle of Virginia manufacturers to meet payroll and make their businesses work in an atmosphere of rising wages, labor shortages, and increasing costs.



Upcoming News and Events

Eastern Shore Community College Summer Career Fair

June 4, 2024 - Hampton Roads

10 a.m. - 2 p.m.

At the Workforce Building- in the Great Hall

[Learn more about this event](#)

Caregiver Hiring Event at Paragon Home Care

June 10, 2024 - Northern Virginia / Northern Valley

Paragon Home Care is hiring caregivers to join our team!

Hiring for all positions (Full-Time, Part-Time, Live-in, Day Time, Overnights)

[Learn more about this event](#)

Pulmonary Associates of Richmond Hiring Event

June 12, 2024 - Capital Crater

Pulmonary Associates of Richmond is looking for several candidates to fill multiple positions for Patient Care Representative (Front Desk), Medical Assistants, and Sleep Technicians (Day, Night, Night PRN)

[Learn more about this event](#)

Shared Hospital Services - Hiring Event

June 27, 2024 - Hampton Roads

- Free & Open to the Public
- Register on Virginia Workforce Connection website at: www.vawc.virginia.gov
- Bring your resume
- Meet the Employer

For additional information contact: 757-929-2569

[Learn more about this event](#)

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For more information on the Registered Apprenticeship services offered by Virginia Works, please contact Donna Carvana, Assistant Director - Registered Apprenticeship at:

donna.carvana@viriniaworks.gov

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