

EMPLOYMENT MONTHLY

July 2024



VIRGINIA WORKS



Feature Article: *Building on Virginia's Research and Development Momentum*

June 2024 Monthly Indicators

(Seasonally Adjusted)

Total Nonfarm Employment



4,260,900

Unemployment



122,395

Labor Force Participation Rate



66.2%

Unemployment Rate



2.7%

Note: Arrows indicate movement from previous month.

Current Employment Indicators

Nonagricultural Wage and Salary Employment (Thousands)



Employment Highlights

- Virginia’s seasonally adjusted unemployment rate in June remained unchanged at 2.7 percent, which is 0.1 percentage points above the rate from a year ago.
- All ten MSAs experienced over-the-month job gains, and none experienced a decline. The largest job gain occurred in Northern Virginia (+5,300) to 1,606,600. The second largest job gain occurred in Virginia Beach-Norfolk-Newport News (+1,900) to 824,100. The third largest job gain occurred in Richmond (+1,400) to 726,600.
- In June, private sector employment increased by 11,600 to 3,505,400, while government employment increased by 3,400 to 755,500. Within that sector, federal government jobs decreased by 400 to 192,300, state government employment increased by 1,500 to 164,300, and local government increased by 2,300 to 398,900 over the month.

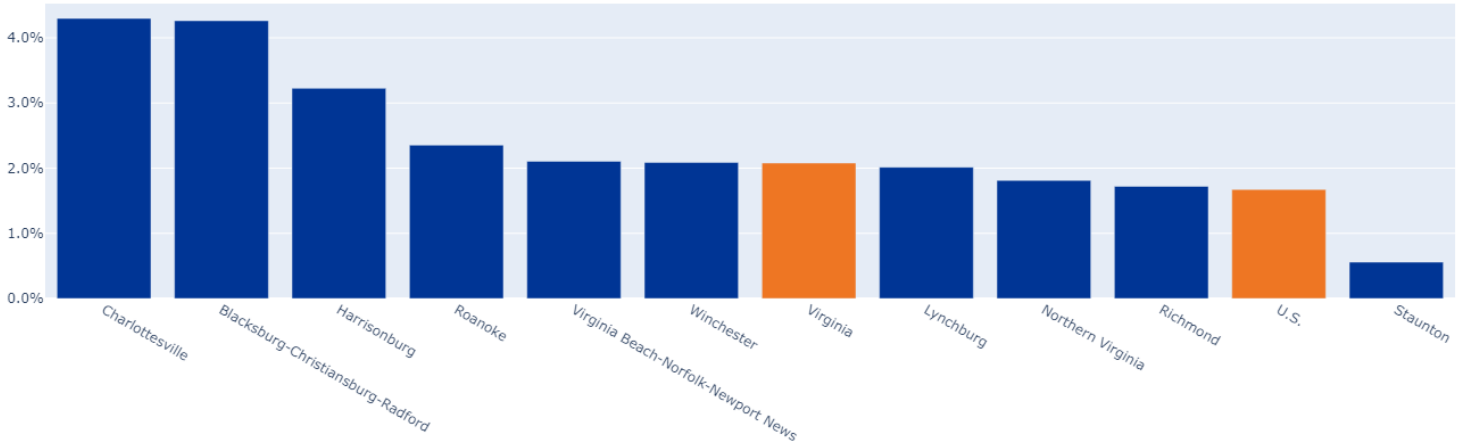
Total Nonfarm Employment by Metropolitan Statistical Area (MSA)

(Seasonally Adjusted)

MSA	Employment			June 2023 to June 2024	
	June 2024	May 2024	June 2023	Change	% Change
Virginia	4,260,900	4,245,900	4,174,100	86,800	2.1%
Blacksburg-Christiansburg-Radford MSA	85,600	85,400	82,100	3,500	4.3%
Charlottesville MSA	128,600	127,900	123,300	5,300	4.3%
Harrisonburg MSA	73,600	73,400	71,300	2,300	3.2%
Lynchburg MSA	106,300	106,200	104,200	2,100	2.0%
Northern Virginia MSA	1,606,600	1,601,300	1,578,000	28,600	1.8%
Richmond MSA	726,600	725,200	714,300	12,300	1.7%
Roanoke MSA	169,600	168,700	165,700	3,900	2.4%
Staunton MSA	54,100	53,900	53,800	300	0.6%
Virginia Beach-Norfolk-Newport News MSA	824,100	822,200	807,100	17,000	2.1%
Winchester MSA	73,300	73,100	71,800	1,500	2.1%

*Current month's estimates are preliminary.

Fastest Growing Metropolitan Statistical Areas by Employment - Year-over-Year



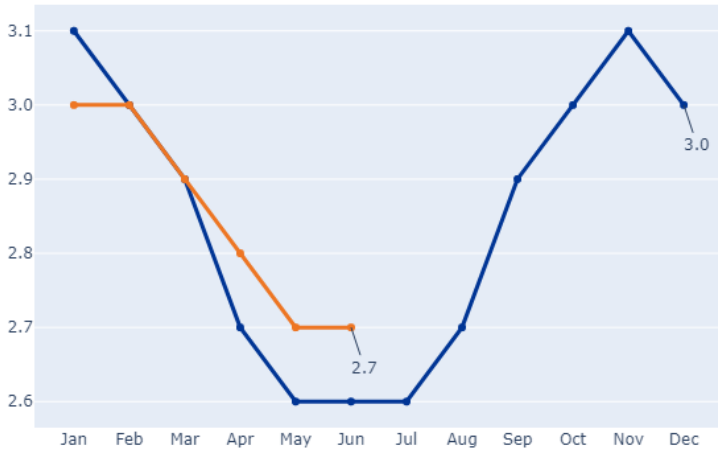
Total Nonfarm Employment by Industry (Seasonally Adjusted)

Industry	Employment			June 2023 to June 2024	
	June 2024	May 2024	June 2023	Change	% Change
Total Nonfarm	4,260,900	4,245,900	4,174,100	86,800	2.1%
Total Private	3,505,400	3,493,800	3,441,200	64,200	1.9%
Goods Producing	482,200	481,000	468,100	14,100	3.0%
Mining and Logging	7,300	7,300	7,300	0	0.0%
Construction	224,900	223,600	214,200	10,700	5.0%
Manufacturing	250,000	250,100	246,600	3,400	1.4%
Service-Providing	3,778,700	3,764,900	3,706,000	72,700	2.0%
Private Service Providing	3,023,200	3,012,800	2,973,100	50,100	1.7%
Trade, Transportation, and Utilities	678,500	678,400	674,300	4,200	0.6%
Information	71,700	70,600	70,500	1,200	1.7%
Financial Activities	221,600	221,900	222,400	-800	-0.4%
Professional and Business Services	821,900	815,400	812,500	9,400	1.2%
Education and Health Services	610,000	607,100	581,600	28,400	4.9%
Leisure and Hospitality	414,800	414,800	412,400	2,400	0.6%
Miscellaneous Services	204,700	204,600	199,400	5,300	2.7%
Government	755,500	752,100	732,900	22,600	3.1%
Federal Government	192,300	192,700	189,200	3,100	1.6%
State Government	164,300	162,800	152,900	11,400	7.5%
Local Government	398,900	396,600	390,800	8,100	2.1%

*Current month's estimates are preliminary.

Current Unemployment Indicators

Virginia Unemployment Rate (Percent)



Unemployment Insurance - June 2024

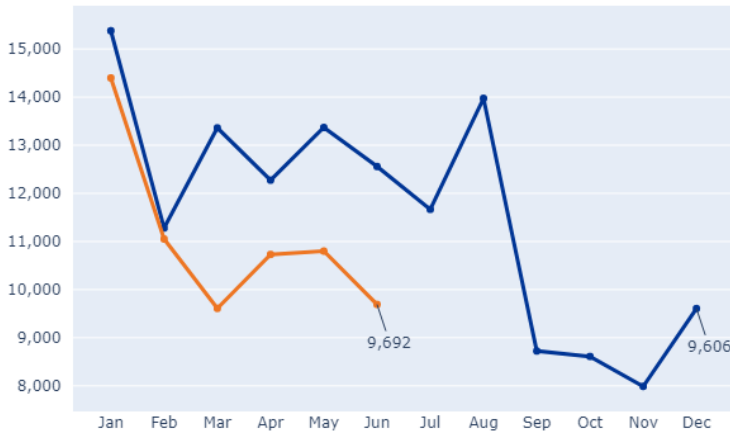
Financial Data

- Trust Fund Balance (millions) \$1,557.3
- Tax Revenue (Monthly) (millions) \$1.3

Benefits Data

- Benefits Paid (Monthly) (millions) \$22.4
- Average Weekly Benefit \$345.85
- Initial Claims (YTD) 66,280

Average Weekly Initial Claims



Initial and Continued Claims

Initial Claims:

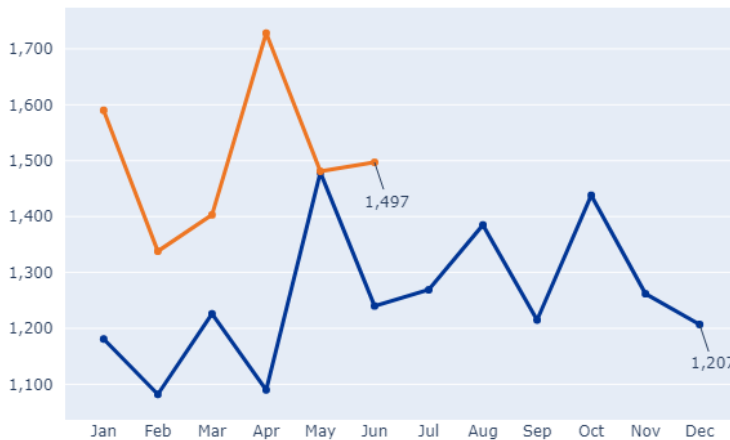
- There were 9,692 initial claims in June 2024.
- Initial claims decreased by 10.3% over-the-month and decreased by 22.8% over-the-year.
- Year-to-date initial claims were 15.3% lower in June 2024 compared to the same period in 2023.

Continued Claims:

- There were 86,034 continued claims in June 2024.
- This was a 5.6% increase over-the-month and a 23.6% increase over-the-year.
- Year-to-date continued claims were 16.0% higher in June than during the same period in 2023.

Note: Claims counts include interstate and intrastate.

Unemployment Insurance Final Payments

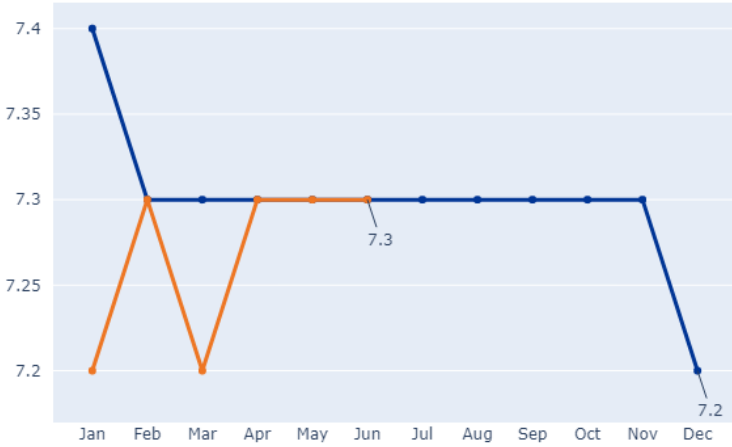


Monthly Claims Data

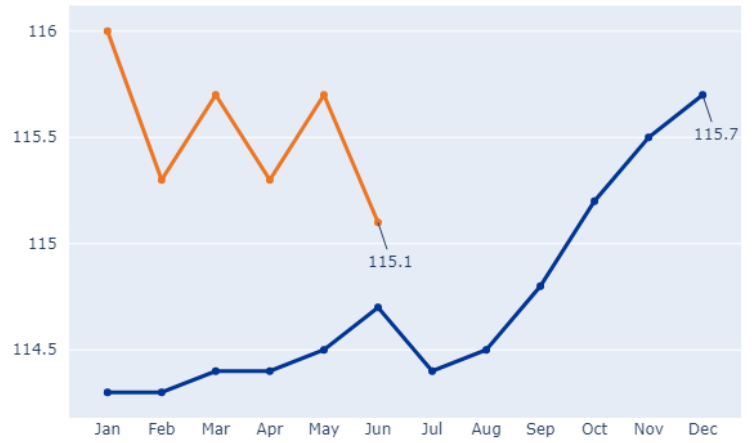
	Initial Claims	Continued Claims	Recipients	Final Payments
June 2024	9,692	86,034	16,316	1,497
May 2024	10,800	81,491	14,522	1,481
June 2023	12,558	69,584	12,766	1,240

Current Industry Indicators

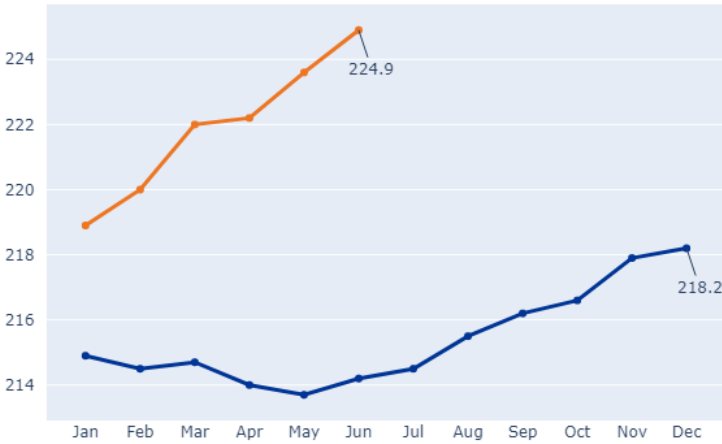
Mining and Logging Employment (Thousands)



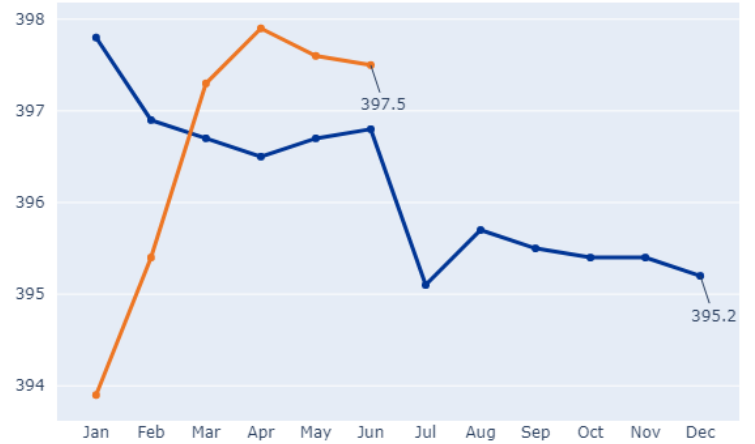
Wholesale Trade Employment (Thousands)



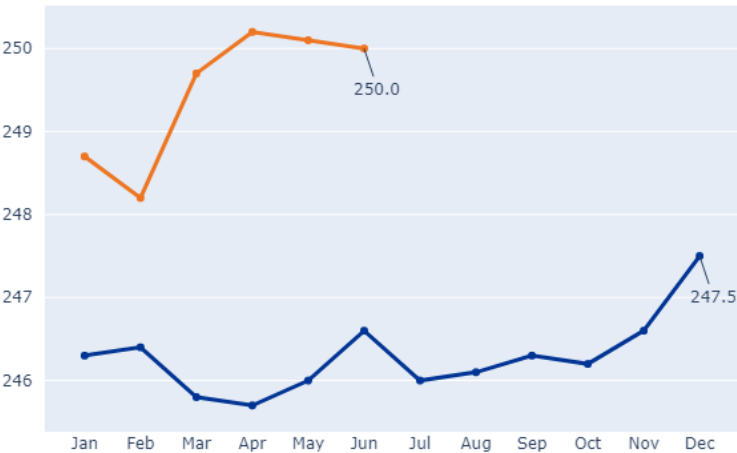
Construction Employment (Thousands)



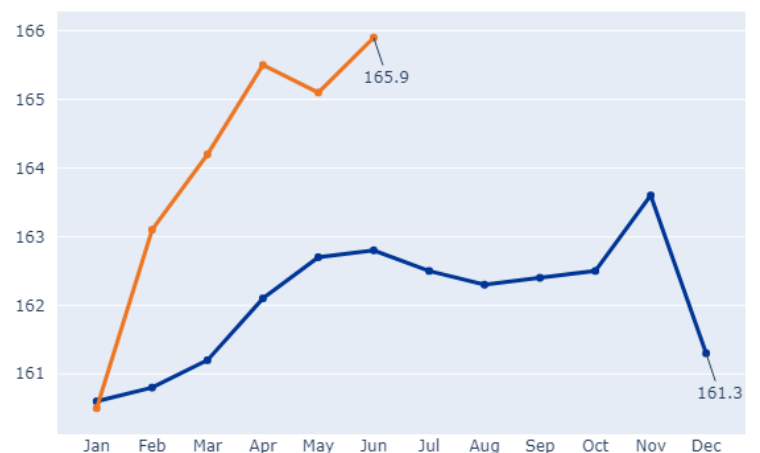
Retail Trade Employment (Thousands)



Manufacturing Employment (Thousands)

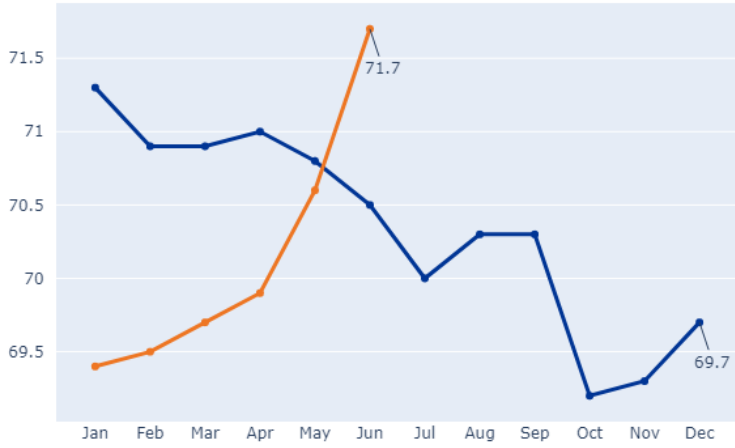


Transportation, Warehousing, and Utilities Employment (Thousands)

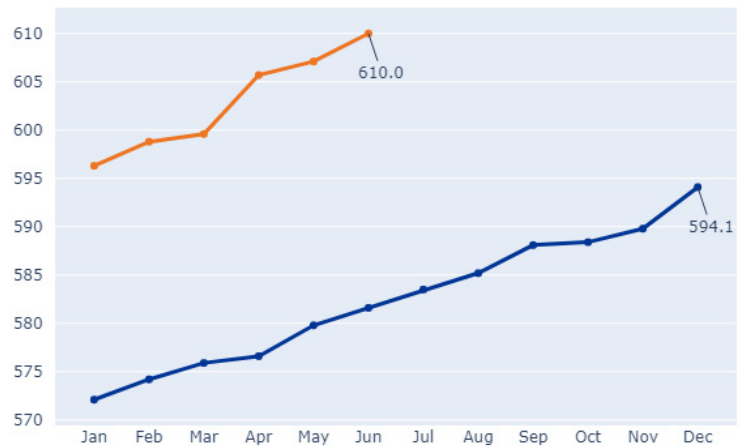


2023 2024 (Seasonally Adjusted)

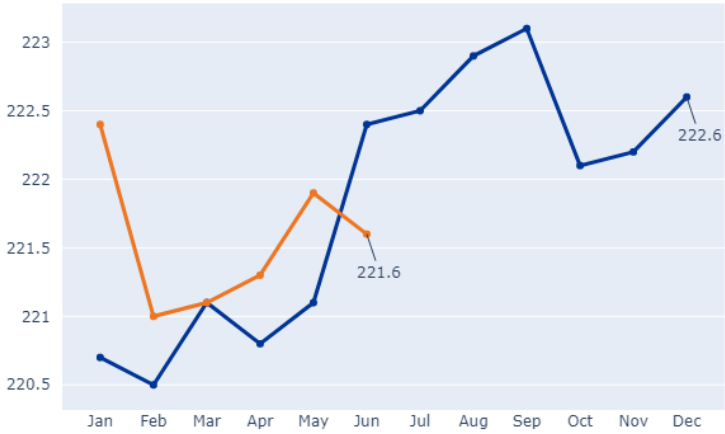
Information Employment
(Thousands)



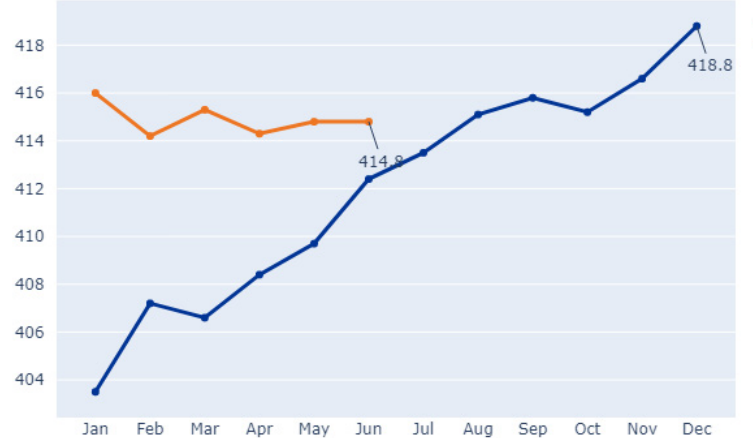
Private Education and Health Services Employment
(Thousands)



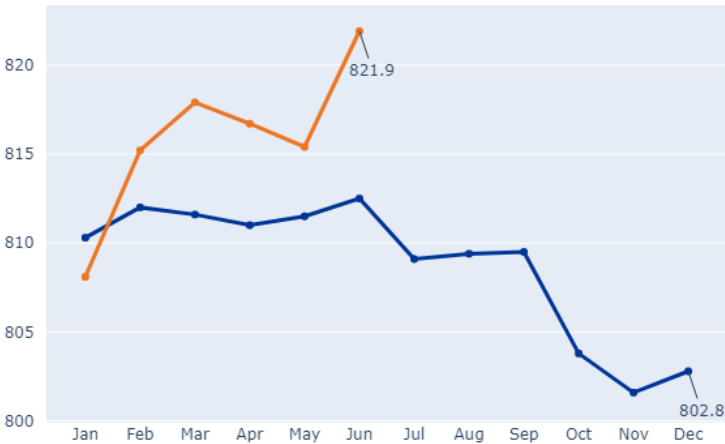
Finance Employment
(Thousands)



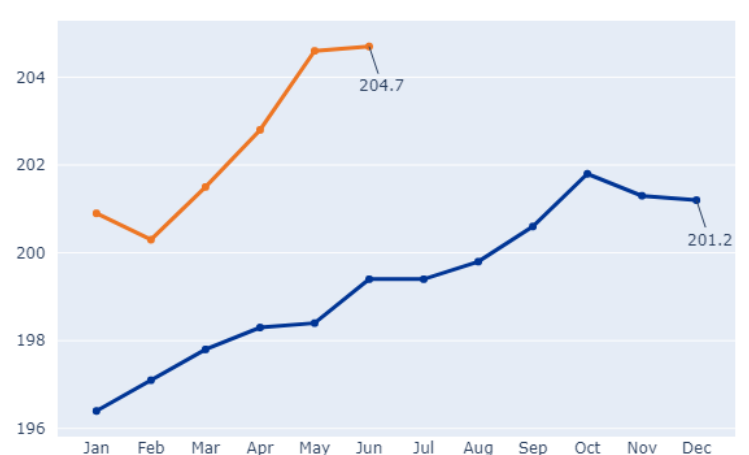
Leisure and Hospitality Services Employment
(Thousands)



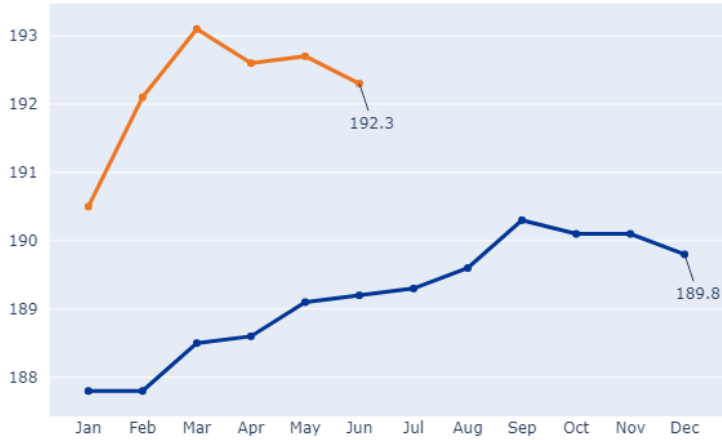
Professional and Business Services Employment
(Thousands)



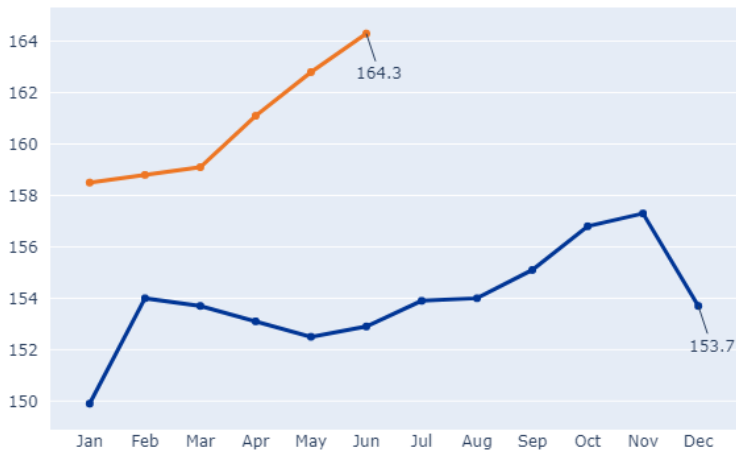
Miscellaneous Services Employment
(Thousands)



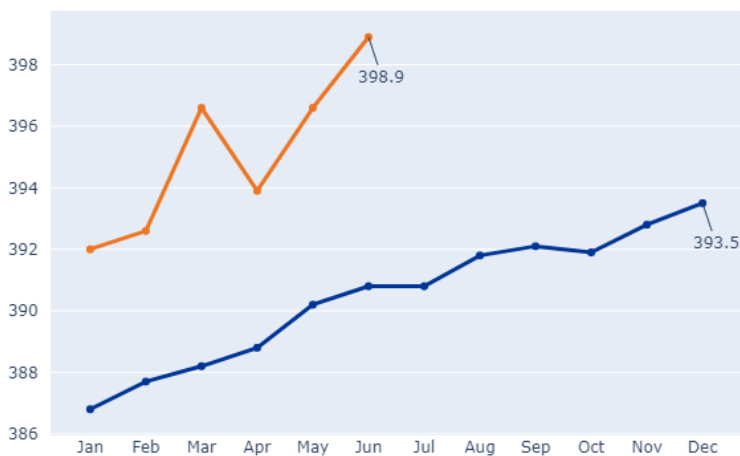
Federal Government Employment
(Thousands)



State Government Employment
(Thousands)

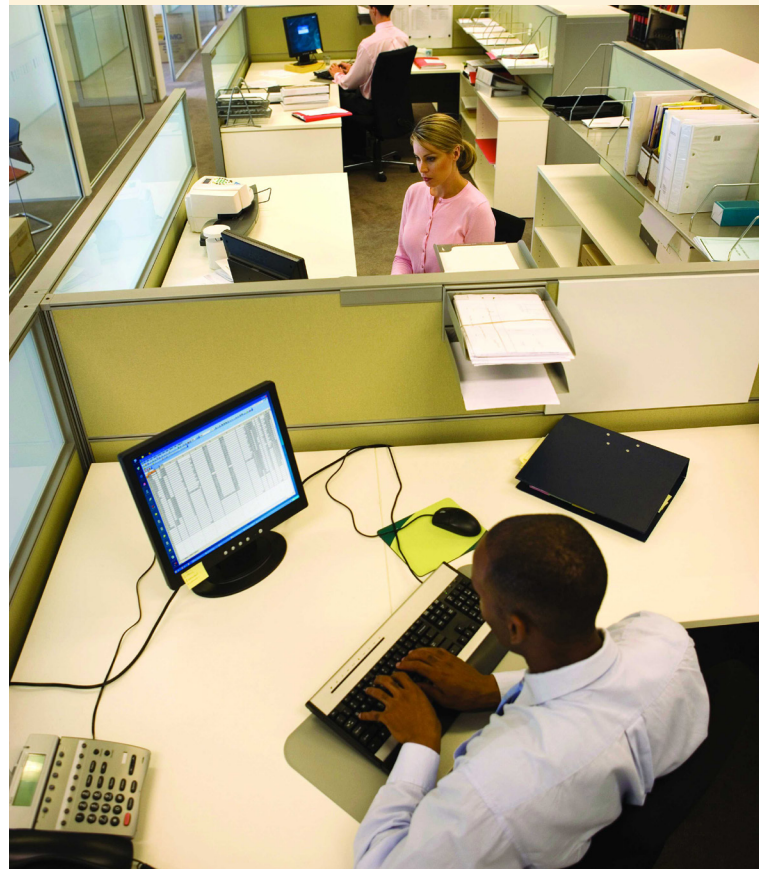


Local Government Employment
(Thousands)



Industry Highlights

- In June, seven out of eleven industries experienced over-the-month job gains, two remained unchanged, and two experienced a decline.
- The largest job gain occurred in Professional and Business Services (+6,500) to 821,900. The second largest job gain occurred in Government (+3,400) to 755,500. The third largest job gain occurred in Education and Health Services (+2,900) to 610,000.
- Other gains were in Construction (+1,300) to 224,900; Information (+1,100) to 71,700; Miscellaneous Services (+100) to 204,700; and Trade, Transportation, and Utilities (+100) to 678,500.
- The largest job loss occurred in Financial Activities (-300) to 221,600. The second largest job loss occurred in Manufacturing (-100) to 250,000.





Building on Virginia's Research and Development Momentum

Timothy Aylor, Senior Economist

Investment into research and development (R&D) is a key driver of innovation and economic growth, so recent changes to Virginia's research and development tax credit come at a good time as the Commonwealth seeks to maintain the momentum that has propelled it to the fore in state business climate. Virginia Governor Glenn Youngkin recently signed legislation that impacts Virginia's major research and development expenses tax credit. The changes include a decreased major R&D expenses cap, a new credit calculation method, and an increased R&D expenses tax credit cap.¹ The purpose of the legislation is to encourage innovation in Virginia by providing enhanced tax incentives to organizations that invest in qualified R&D activities.² For many years, the Commonwealth has invested heavily in research and development—both in the public sector and the private sector. But, given the 2020 pandemic recession's impacts on the economy nationwide, how did Virginia's research and development economy fare over that period?

In 2021, research and development activity directly contributed \$11.9 billion to the Commonwealth's economic output and supported 121,000 jobs with \$10.7 billion in compensation in Virginia, according to the U.S. Bureau of Economic Analysis (BEA). In May 2024, BEA produced experimental statistics measuring the research and development value added contribution to GDP for the nation, all 50 states, and the District of Columbia.³ The most recent published data describes conditions spanning 2017 to 2021, which provides a useful look at the makeup of Virginia's R&D economy and how it was affected by the pandemic year of 2020.

“Of the fifteen largest state research and development economies, only Washington State's R&D output grew more rapidly than Virginia's from 2017 to 2021.”

The BEA data for 2021 shows that the Virginia research and development economy accounted for 1.9 percent of its current-dollar gross domestic product (GDP) in 2021⁴, which was a little lower than the 2.3% nationwide. R&D as a share of each state's gross domestic product, or GDP, ranged from 0.3 percent in Louisiana and Wyoming to 6.3 percent in New Mexico, home to federally funded Los Alamos National Laboratory and Sandia National Laboratories. Among nearby states, value added for R&D as a share of state GDP ranged from 0.5 percent in West Virginia to 2.7 percent in Maryland. The share was four percent in the District of Columbia.

At \$163.4 billion, California had, by far, the largest R&D sector as it comprised thirty percent of the U.S. total. At \$34.3 billion, Washington State trailed in second with 6.3% of the U.S. total. Other top R&D-producing states include Massachusetts, Texas, and New York. Virginia ranked thirteenth with 2.2% of R&D contribution to U.S. GDP. Research and development's share of U.S. value added in 2021 was comparable to large sectors like hospitals (2.4 percent) and food services and drinking places (2.2 percent).

Virginia research and development activity fell outside of the top ten states in size, but, of the top fifteen, only Washington State grew faster from 2017 to 2021. Virginia R&D output rose by 72% over five years from \$6.9 billion to \$11.9 billion, compared to 44% growth nationwide.

¹ "KBKG Tax Alert: Virginia Research and Development Expenses Tax Credits Amended." Ian Williams. <https://www.kbkg.com/research-and-development/virginia-research-and-development-expenses-tax-credits-amended>

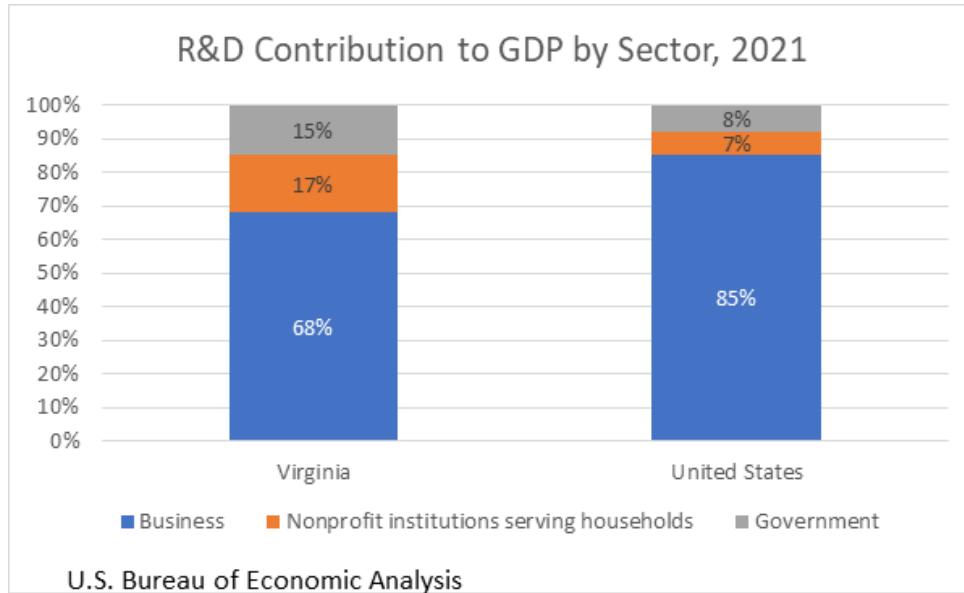
² For more information on the research and development tax credit changes, see the [Virginia Department of Taxation's 2024 Legislative Summary](#).

³ U.S. Department of Commerce, "Bureau of Economic Analysis Research and Development Satellite Account." [“Concepts, Data, and Methods for Preparing Experimental National and State-Level R&D Production Statistics”](#). Ledia Gucci, Gabriel Medeiros, Dirk van Duym. May 9, 2024.

⁴ U.S. Department of Commerce, Bureau of Economic Analysis. [“Experimental R&D Value Added Statistics for the U.S. and States Now Available.”](#) <https://www.bea.gov/news/blog/2024-05-09/experimental-rd-value-added-statistics-us-and-states-now-available>. May 9, 2024.

Sectors that Drive the Virginia Research and Development Economy

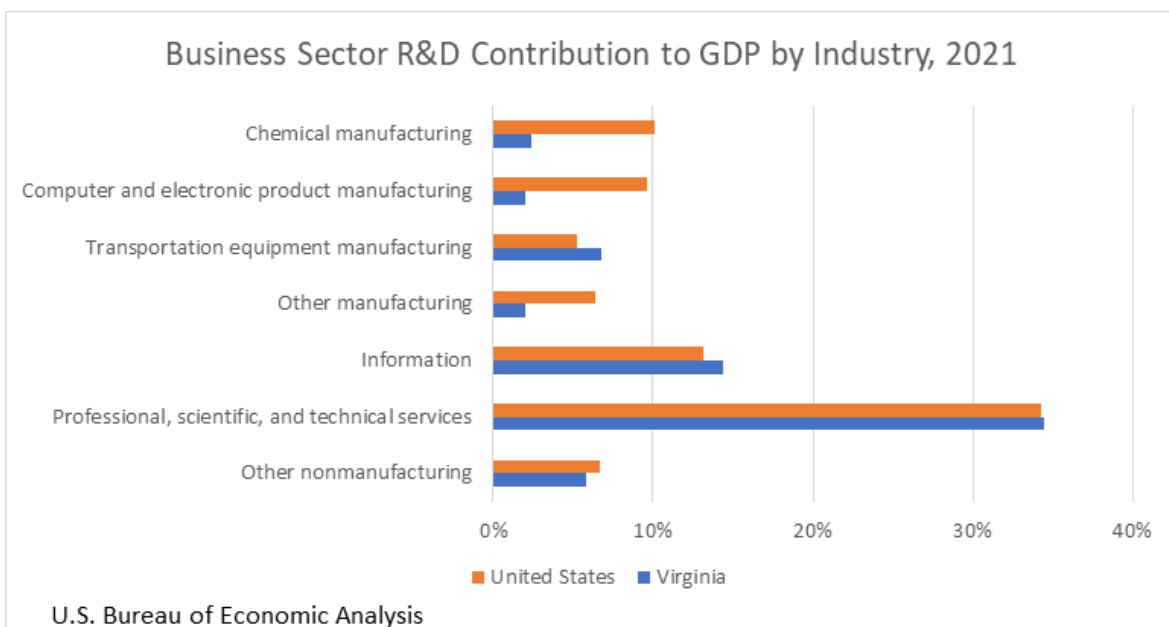
According to the BEA estimates, over two thirds of Virginia R&D output is generated by the business sector, followed by nonprofit institutions serving households (17 percent) and government (15 percent). At 85 percent, the business sector contributed a greater portion to R&D GDP nationwide.



R&D produced by other nonprofit institutions serving households is significant in Virginia, making up 17 percent of R&D compared to seven percent nationwide. Perhaps this represented a shift in resources as government R&D activity in Virginia underperformed compared to national trends. The decline was led by federal government (defense as well as nondefense) but was partially offset by growing activity in state and local government. State and local government includes public college and university output. Virginia private college and university R&D growth underperformed national trends.

In Virginia’s private sector, the professional, scientific, and technical services industry accounted for 35 percent of R&D value added and the Information industry accounted for 14 percent. Virginia nonmanufacturing R&D output was up 125 percent from 2017-2021 and was led by the information sector and other nonmanufacturing.

Manufacturing in Virginia is a smaller driver of research and development than nationwide. For example, U.S. chemical manufacturing (ten percent) and computer and electronic product manufacturing (ten percent) account for sizable shares but are smaller in Virginia. However, manufacturing R&D output in Virginia nearly doubled from 2017 to 2021, led by chemical manufacturing and other manufacturing.



Virginia Research and Development Employment

This Virginia research and development output supported an estimated 121,100 jobs in 2021. This was a 48 percent increase from 82,100 workers in 2017. The growth was centered in the nonmanufacturing business sector, which rose nearly 130 percent over five years to 44,600 jobs. Other nonprofit institutions—excluding universities and colleges—rose by 69 percent to 43,000. Federal government R&D employment fell by 38 percent to 12,900 jobs. Public and private nonprofit universities and colleges supported 13,400 research and development jobs, up 13 percent over five years.

What Funding Sources Drove Virginia Research and Development Activity in 2021? Findings from the National Science Foundation's Latest R&D Surveys

Research and development in Virginia are produced using diverse sources of funding. Among these are private businesses, the federal government, nonfederal governments, higher education institutions, and other nonprofit organizations. Information produced by the National Science Foundation's National Center for Science and Engineering Statistics provides a look into this activity. The business sector is by far the largest provider of Virginia R&D. In 2021, domestically performed business R&D accounted for \$8.2 billion, or 55percent of the \$15 billion state R&D total. However, the business sector's portion of total R&D spending is significantly lower than nationwide, with its annual share ranging between 69percent and 77percent since 2000. Virginia businesses continued to increase research and development in 2021, spending \$8.2 billion on R&D in the Commonwealth, with funding from the companies' own sources accounting for \$6.3 billion of this spending. Funding from other sources accounted for \$1.8 billion.⁵

Of business spending on their own R&D, nonmanufacturing comprised around 71 percent of the total, with manufacturing making up 29 percent. In Virginia, the Information sector was the largest nonmanufacturing contributor, led by data processing, hosting, and related services (\$682 million) with software publishers also a large contributor. Professional, scientific, and technical services was the second largest nonmanufacturing contributor, led by computer systems design and related services (\$707 million). Transportation equipment led manufacturing with \$468 million, followed by chemical manufacturing (\$425 million), led by pharmaceuticals and medicines.⁶

Funding for R&D performed in Virginia by the higher education sector totaled \$1.9 billion in 2021, or 13percent of the total compared to 11 percent nationwide. The federal government provided 45 percent of these expenditures in Virginia, but the share was over half nationwide. The difference in Virginia was mainly made up by spending by the colleges and universities themselves. Excluding higher education, state agency intramural R&D performance in 2021 totaled \$17 million—a small share (about 0.1percent) of the state total.⁷

Federal government obligations for Virginia research and development were estimated at \$10.3 billion in FY2022.⁸ While federal government R&D output decreased from 2017 to 2021, federal R&D funding obligations in Virginia rose from \$7.2 billion to \$10.1 billion, a 41 percent current-dollar increase.⁹ These obligations were dispersed among all sectors of the economy, with over 60 percent going to businesses, with a much smaller percentage going to colleges and universities than was the case nationwide.¹⁰

Conclusion

Recently published information from the Bureau of Economic Analysis and the National Science Foundation indicates that the Commonwealth of Virginia is a center of research and development activity, with the R&D economy expanding rapidly from 2017 to 2021. Its producers are more diversified in Virginia than nationwide, with less reliance on the business sector and relatively more reliance on the government and nonprofit institutions. However, over the five years, the federal government lost R&D output share even as federal funding obligations rose significantly. State and local government (including state universities) increased R&D over that period, while nonprofit organizations grew to become a significantly a more important source of research and development in Virginia than was the case nationwide.

⁵ National Center for Science and Engineering Statistics (NCSES). 2023. Business Enterprise Research and Development: 2021. Table 13. NSF 23-351. Alexandria, VA: National Science Foundation. Available at <https://ncses.nsf.gov/surveys/business-enterprise-research-development/2021>.

⁶ Ibid. Table 29b.

⁷ Ibid. Table 10.

⁸ National Center for Science and Engineering Statistics (NCSES). 2024. Federal Funds for Research and Development: Fiscal Years 2022–23. Table 57. NSF 24-321. Alexandria, VA: National Science Foundation. Available at <https://ncses.nsf.gov/surveys/federal-funds-research-development/2022-2023#data>.

⁹ Ibid. Table 94. FY 2018-2022.

¹⁰ Ibid. Table 58.

Upcoming News and Events

Virginia Career Works - Henrico Center's July 2024 Career Fair

July 30, 2024 - Capital and Crater

Where: Virginia Career Works – Henrico Center
121 Cedar Fork Rd Richmond VA 23223

[Learn more about this event](#)

Harris Teeter Job Fair

July 30, 2024 - Northern Virginia / Northern Valley

Bring a resume and meet with hiring managers from locations throughout Northern Virginia! On-the-Spot Job Offers!

Where: 12011 Government Center Parkway, 2nd Floor, Fairfax, VA 22035

[Learn more about this event](#)

Caesars Dealer School Informational Session

August 6, 2024 - South Central

Virginia Works South Boston will be hosting Caesars as they promote their Dealer School with an Informational Session on August 6, 2024, from 9 a.m.-4 p.m. Join anytime at our office located at 2506 Houghton Avenue to speak with a representative to learn more about this exciting opportunity.

[Learn more about this event](#)



**For more Info on Upcoming Job Fairs,
Visit the Job fair page at**

<https://www.vec.virginia.gov/job-fairs>

Occupational Outlook Handbook (OOH)

This is a webpage managed by the Bureau of Labor Statistics (BLS) that offers career research that is helpful to students, job seekers, and career specialists.

On this site, one can search by occupational groups, industry, pay level, education level, and more. Find out which jobs are growing, what is the median wage for a specific profession, what education or training might be required in a certain field. The OOH is a valuable tool to start researching careers.

Click here to access the page: <https://www.bls.gov/oo/>

Get the CareerInfo app for the Occupational Outlook Handbook by scanning the QR codes below with your device.



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