

Job Growth Holds Steady in Virginia, While Unemployment Rate Edges Up in June

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Employers in Virginia continued to add jobs at a moderate pace in June, according to the most recent survey data released by the Bureau of Labor Statistics. On a seasonally adjusted basis, employers added 3,300 jobs in June, while the May job increase was revised downward by 1,700 jobs. Nonetheless, the average monthly job gain for the second quarter of the year surpassed the first quarter average monthly gain by 500 jobs, coming in at close to 3,900 jobs per month and demonstrating a steady pace of growth over the first half of the year. In contrast, national job growth for the second quarter, averaging just 75,000 jobs per month, was markedly lower than the average monthly job gain of 225,000 jobs for the first quarter of the year.

By industry sector, monthly job gains were strongest for trade, transportation, and utilities, and leisure and hospitality. Combined, these sectors added 5,300 jobs in June. Fewer jobs were added in education and health services, and other services. Partially balancing these gains, professional and business services and the construction sector registered the greatest job losses for June, with a combined loss of 3,600 jobs. Other sectors experienced smaller job losses for the month, including financial activities, manufacturing, and the information sector. Only two sectors – manufacturing and information – lost jobs over the past 12 months.

There are notable differences in industry performance when comparing the first and second quarters. Most major industry sectors had moderate average monthly job gains during both quarters, but with a slower pace of gain in the second quarter. However, one sector – trade, transportation, and utilities – reversed direction and achieved a significant average monthly job gain in the second quarter (2,333 per month) following a sizable decline during the first quarter (1,167 per month). In addition, three industries saw an average monthly gain in the first quarter that was wiped away by job losses in the second quarter – natural resources and mining, construction, and the information sector.

Among Virginia's metropolitan areas, the "golden crescent" of Northern Virginia, Richmond, and Hampton Roads contributed the greatest number of jobs in June, while two smaller metro areas, Harrisonburg and Winchester, posted larger percentage changes for the month. Declines in June payroll employment were registered in Charlottesville, Danville, Lynchburg, and Roanoke, although Roanoke was the only metropolitan area to also experience job loss on a year-over-year basis.

Softening the relatively good news from the establishment survey, the household survey for June revealed a seasonally adjusted statewide unemployment rate of 5.7 percent, just one-tenth higher than the May rate. At the same time, the labor force contracted in June, making this the fourth month of decline in the labor force during this calendar year. Prior to this year, the labor force had grown steadily in Virginia for 17 consecutive months. Stronger job growth is essential for bringing down Virginia's unemployment rate. This would be even more beneficial to Virginians if the labor force started expanding again as well.

