



# Virginia

## ECONOMIC INDICATORS



2nd Quarter 2012

Volume 44, Number 2



# Virginia

## 2nd Quarter 2012 ECONOMIC INDICATORS

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## FOREWORD

For those who are interested in studying the business cycle, the *Virginia Economic Indicators* publication is designed to depict the movement of the key economic indicator series readily available in Virginia. Most of these series are published elsewhere; but here, they are brought together in both graphic and tabular form, under one cover, and grouped so that they may be analyzed and interpreted easily.

All but five of the series currently used are produced in-house by the Economic Information Services Division of the Virginia Employment Commission and are comparable to similar national series produced by the U.S. Department of Labor. The five business indicators are provided by sources outside of the agency (see the Historical Summary at the back of this publication for data sources) and should prove useful to the student of business cycle development in Virginia.

All series published in the *Indicators* have been seasonally adjusted to minimize regular seasonal fluctuations in the data in order to show only activity related to the business cycle. The *Virginia Economic Indicators* is the only seasonally adjusted publication of some of the Virginia series.

From time to time, new series will be added to this report as the data becomes available and is collected and tested. Also, series presently provided, if necessary, may be discontinued. Historical graphs are published in the back of the fourth quarter issue for each year.

This publication provides a narrative analysis update of the U.S. economy and narrative analysis of recent changes in Virginia. Occasionally, feature articles dealing with some currently important aspects of the Virginia economy are presented. Feature articles are written in-house or by guest authors knowledgeable on particular economics-related subjects.

This publication is normally produced quarterly by April, June, September, and January, but data in the series is provided on a monthly basis. There is a time lag of one quarter before all the data series are available for publication and analysis.

With the 2002 benchmarks in 2003, all states were required to switch to the North American Industry Classification System (NAICS) codes which replace the Standard Industrial Classification (SIC) codes formerly used. The NAICS codes were updated in 2007. The NAICS conversion affects the factory employment series and the four hours-and-earnings series in that, where 2001 - 2010 data has been revised to NAICS, data prior to this time is still on the old SIC basis with more manufacturing industries. This means a slight break in these series when comparisons are made with periods prior to 2001.

The main change to manufacturing is that, under NAICS, newspapers and publishing houses are no longer included in manufacturing, and so their employment and earnings are no longer included in revised 2001 - 2010 data.

The U.S. forecast analysis is based on the IHS Global Insight projections which the state purchases. Virginia estimates use the state model with enhancements from VEC data for the areas.

*The Virginia Employment Commission is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.*

# United States

## ECONOMIC OUTLOOK FOR 2ND QUARTER

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Job growth does seem to be stalling in the U.S. as August's figure of 96,000 new jobs suggests. The monthly increase in the number of new jobs has fallen each month in 2012 except for July. The hope is that the revisions of the jobs numbers for the prior two months—July and August—will not be lower. Initial claims are also moving upward and underscore the concern of a faltering labor market. Gross domestic product (GDP) for the second quarter of 2012, at 1.3 percent, is also a concern—0.7 percent below first quarter's measure.

Many elements pull on the U.S.'s potential for growth and not only those of domestic origin. Indeed, there are political divisions within our own boundaries the likes of which have not been seen since the 1930s, and localities and states are vying over energy governance as new technologies lower the costs of natural gas extraction but yield negative social costs and externalities. Moreover, in an ever-increasing interdependent global economy, concerns such as the withering of wealth in some European countries, Asian disputes over land and control of the South China Sea, and a once silenced cultural voice in the Middle East, no longer silenced, cause consternation within the home and in the markets.

### **Second Quarter 2012 GDP Review; August 2012 Employment Levels and Labor Force Statistics; and the Outlook for 2012 and 2013**

#### **Second Quarter 2012 GDP – Second Estimate**

As measured by the Bureau of Economic Analysis (BEA), the third estimate of 2012 second quarter GDP was 1.3 percent—down from the initial (advance) estimate of 1.5 percent. Gross domestic product for the first quarter of 2012—in contrast—was 2.0 percent. The increase resulted from positive contributions in personal consumption expenditures (PCE); exports; nonresidential fixed investment; and residential fixed investment. Negative contributions from private inventory investment and state and local government spending offset gains. GDP was also impeded by the acceleration of imports.

The deceleration in real GDP in the second quarter partially reflected a slowing of the PCE, nonresidential fixed investment, and residential fixed investment components. Lesser deceleration was seen in federal government and private inventory investment spending. Exports accelerated in the second quarter.

Consumer spending (PCE adjusted for inflation) grew by 1.5 percent in the second quarter of 2012—down considerably from first quarter's rate of 2.4 percent. Real PCE include durable as well as nondurable goods. A dramatic decline of -0.2 percent was seen in the durable goods sector following an 11.5 percent increase in the first quarter. Nondurable goods consumption increased 0.6 percent in the second quarter, after growing by 1.6 percent in the prior quarter. Consumer services grew by 2.1 percent in the second quarter, after increasing 1.3 percent in the first quarter.

Consumption of services has waxed and waned over the past two and a half years and at 2.1 percent is at a near record level for the economic recovery period.

On the contrary, total private domestic investment, which had grown by 33.9 percent in the fourth quarter of 2011—according to the revised GDP figures for 2011—had decelerated to 6.1 percent in the first quarter of 2011 and now stands at 0.7 percent in the second quarter. All components in that category decelerated in the second quarter. The real fixed investment (business fixed investment) component declined to 4.5 percent. Nonresidential structures—following four continuous quarters of double-digit growth (35 percent one year ago)—now stands at 0.6 percent in second quarter of 2012. The equipment and software sector, which had grown by more than 18.0 percent a year ago, now stands at 4.8 percent

in the second quarter of 2012. Even with the revisions of the data being higher than previously estimated and with the twelfth consecutive quarter of growth, the continued deceleration is disconcerting. Real residential fixed investment (residential structures) fell considerably in the second quarter of 2012. At 8.5 percent, it was 12.0 percentage points down from the high of 20.5 percent in the first quarter of 2012. Nonetheless, the decline in the number of unsold homes is a testament that the housing sector is recovering. Home prices, new building permits, and starts are on the rise as well.

U.S. exports of goods and services continue to accelerate, increasing by 5.3 percent in the second quarter of 2012, following an increase of 4.4 percent in the first quarter of 2012. The export of goods in the second quarter jumped by 7.0 percent (4.0 percent in first quarter 2012), while exports of services increased by 1.1 percent—a deceleration from the 5.2 percent in the first quarter. Total imports grew by 2.8 percent in the second quarter of 2012—a subtraction of 0.5 percent from GDP.

The revisions of GDP show that total government spending has fallen for eight consecutive quarters—albeit only by 0.7 percent in the second quarter of 2012. From the federal side, the national defense sector declined by only 0.2 in the second quarter, while the non-defense sector fell by 0.4 percent. State and local



government expenditures declined by 1.0 percent in the second quarter, marking eleven straight negative quarters since the end of the recession.

For third quarter 2012, GDP is expected to be similar to second quarter's growth. The U.S. economy is expected to grow slightly more in the second half of 2012—1.5 percent. Several matters will stifle the economy. Exports of U.S. goods and services—which will be impeded by Europe's stagnant economy—and spending by U.S. businesses, will dampen the last two quarters in 2012. Overall, the U.S. economy is expected to grow by no more than 2.2 percent for 2012; a reasonable estimate for 2013 is less—1.8 percent.

### **Payroll Employment for August 2012**

The initial estimate from the Bureau of Labor Statistics (BLS) indicates that seasonally adjusted total U.S. payroll employment, from the Establishment Survey for August increased by a net 96,000 jobs—less than expected and a deceleration from the 141,000 recorded in July. Private industry added 103,000 jobs, and total government employment declined by 7,000 in August—a deceleration from the 21,000 jobs lost in July.

Total construction employment remained flat in August—adding only about 1,000 jobs. The residential sector declined by slightly more than 1,000 jobs in August after rising by 5,000 in July. In August, jobs in the nonresidential sector declined by 2,400, following a smaller decline in July.

The manufacturing sector reversed a trend in August as it shed 15,000 jobs—23,000 jobs were recorded in July, the fourth-largest month on record in 2012. Manufacturing has added 162,000 net jobs year to date.

The retail sector added 6,000 jobs in August, after losing 1,800 in July. Transportation and warehousing added 5,700 jobs in August—down from 10,600 in July. The financial sector posted job growth at 7,000 in August—seven non-consecutive months of growth for 2012.

In August, the professional and business services sector added 28,000 jobs—in July, 47,000 jobs were added. It now appears this sector has had robust job growth nearly every month from April 2010 through August

2012. Temporary employment services dropped nearly 5,000 jobs in August—declining from the 6,700 increase in July. This decline could be an indication that employers are taking a guarded position in future hiring.

The education and health services sector added 22,000 jobs in August—continuing strong double-digit job growth (with an exception of a single month) since the third quarter of 2010. The leisure and hospitality sector added 34,000 jobs in August, following the 28,000 jobs added in July.

Negative total job growth in government was again recorded in August, as 7,000 jobs were cut; however, this was less than the decline of 21,000 in July. The federal government negated further decline by adding 3,000 jobs in August; yet, putting all things in perspective, one must consider the harsh decline in July of 12,000 jobs.

State government employment fell by 6,000 jobs, and local government jobs declined by 4,000 in August. Note: the industry figures are preliminary and are subject to significant revisions.

### **Household Survey Statistics for August 2012**

The U.S. seasonally adjusted unemployment rate fell a modest 0.2 percent in August 2012 to 8.1 percent. On the surface this is good news, but a closer look reveals that this decline came at the cost of significant loss, as 368,000 workers removed themselves from the labor force. However, year-over-year labor force numbers grew by 971,000 in August, as all months in 2012 have done. The household survey also showed that 119,000 less workers were employed in August than the month before; however, like the labor force year-over-year number, it was still very positive over all at 2.3 million.

As August ended, there were 12.5 million unemployed people in the U.S.—a decline of 250,000 from July and 1.4 million less than a year before. As a benchmark, unemployment had risen to a high of 15.4 million by October 2009. Those who have been unemployed 27 weeks or longer declined from 5.2 million in July to 5.0 million in August 2012.

The broader measure of unemployment (U6-seasonally adjusted) was 14.7 percent for August 2012—down 0.3 of a percent from July. U6 had been 16.2 percent in August 2011. The U6 measure includes all persons that have dropped out of the labor force (due to disillusionment about their chances of finding work) but would like to work, and those working part time, who would prefer to have a full-time job.

## U.S. Economic Outlook

The **Institute for Supply Management (ISM) manufacturing index** (Fig.1, pg. 9) fell slightly in August to 49.6, from July's mark of 49.8. The overall movement of the index has been trending downward since the beginning of 2011. The ISM non-manufacturing index rose slightly in August to 53.7 from July's level of 52.6.

The index is neutral at 50, with a reading above this indicating favorable activity, such as an expansion in manufacturing. Likewise, a reading below 50 signals a decline. These indices are helpful in predicting overall economic activity in the near term. Citing from the list of 18 manufacturing industries from the

Institute's report, the following 8 industries expanded in August—Printing & Related Support Activities; Primary Metals; Food, Beverage & Tobacco Products; Petroleum & Coal Products; Apparel, Leather & Allied Products; Paper Products; Chemical Products; and Miscellaneous Manufacturing. Eight industries reported a contraction—Textile Mills; Nonmetallic Mineral Products; Furniture & Related Products; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Fabricated Metal Products; and Machinery.

Citing from the Institute's report, 10 non-manufacturing industries expanded in August—Agriculture, Forestry, Fishing & Hunting; Finance & Insurance; Accommodation & Food Services; Utilities; Management of Companies & Support Services; Retail Trade; Real Estate, Rental & Leasing; Transportation & Warehousing; Professional, Scientific & Technical Services; and Other Services. Five industries reported contraction—Mining; Wholesale Trade; Information; Arts, Entertainment & Recreation; and Health Care & Social Assistance.



The **Misery index** (Fig. 2, pg. 9) is a product of the unemployment rate and change in inflation and is helpful in gauging the social costs to the nation. The notion holds that with rising unemployment rates and increasing costs of goods and services, the “misery” (despair) that workers and families endure will increase. Figure 2 shows that the level of despair had trended upward during and after the recession with periods of lesser difficulties that are owed to declining rates of inflation. From the end of 2008 through most of 2009, the year-over-year consumer price index (CPI) was at or below zero, easing the level of misery. Likewise, a dip in the index during 2010 is tied to declining inflation. The latest measurement (July data) was 9.7 and tends to suggest a downward trend in “misery.” However, given this indicator lags somewhat relative to other indicators, it may be premature to take a position on how difficult the times are for families and workers.

**Initial claims** (Fig.3, pg. 10) of recently laid-off workers have been more volatile in the past couple of months and the downward trend is less clear; a more comfortable level of claims would be below 350,000 where the trend in unemployment is expected to decline as net new job growth increases. For the second week of September the four-week moving average was 375,000. Although higher in the last two periods, the year-over-year weekly figures are—on average—38,000 less.

**Continued claims** (Fig. 4, pg. 10) characterize the unemployed workers that have qualified for unemployment insurance and are currently receiving weekly monetary benefits. This data is a fair indicator of the total number of the unemployed. While continued claims data excludes those not qualifying for unemployment benefits and those that have exhausted their benefits, the downward trend in the recent historical series continues to show that the total number of unemployed is declining.

**Consumer confidence** (Fig. 5, pg.11) and predictability are controlled by several phenomena, and in an increasing global environment, the activities of political actors around the world are becoming more central. The Consumer Confidence Index (1985=100) has declined strikingly in recent months from a high of 71.6

in February 2012 (highest since the end of the business cycle) to 60.6 in August 2012. All in all though, the recovery period trend is similar to that of the growth period post-January 2003 through mid-July 2007, albeit with more dramatic declines and rises.

## Summary

Job growth, while sluggish and despairingly suggestive, may be in a holding pattern before edging upwards beyond 2013—it is difficult to say. With the consumer bearing the load of job creation, and consumer spending being hobbled by high debt, listless job growth, and a lack of confidence in political leaders abilities to set a positive tone for the economy, hope for robust job growth is waning, if not imprudent. The Federal Reserve has done all that it can do with three tries at Quantitative Easing (QE), which increases the monetary reserves of member banks. Will this help with expanding deposable income at the consumer level, hence job creation? Slightly, perhaps—if the cash indeed leaves the banks. Yet, at \$40 billion dollars a month with no end date attached, maybe QE3 is the “third time is the charm,” as the saying goes. It can, however, do little harm to the economy, in general, given the low inflation rate. In any event, 2013 GDP is predicted to be in the 1.8 percent range—lower than the overall 2.2 percent range anticipated for 2012. At 1.8 percent growth in the value of goods and services produced and sold in the U.S., the economy is bumping along—not close to a standstill. At present, there is a lack of evidence that would suggest that the continuing expansion of the economy is as reliant on labor as it once was. Time will tell.

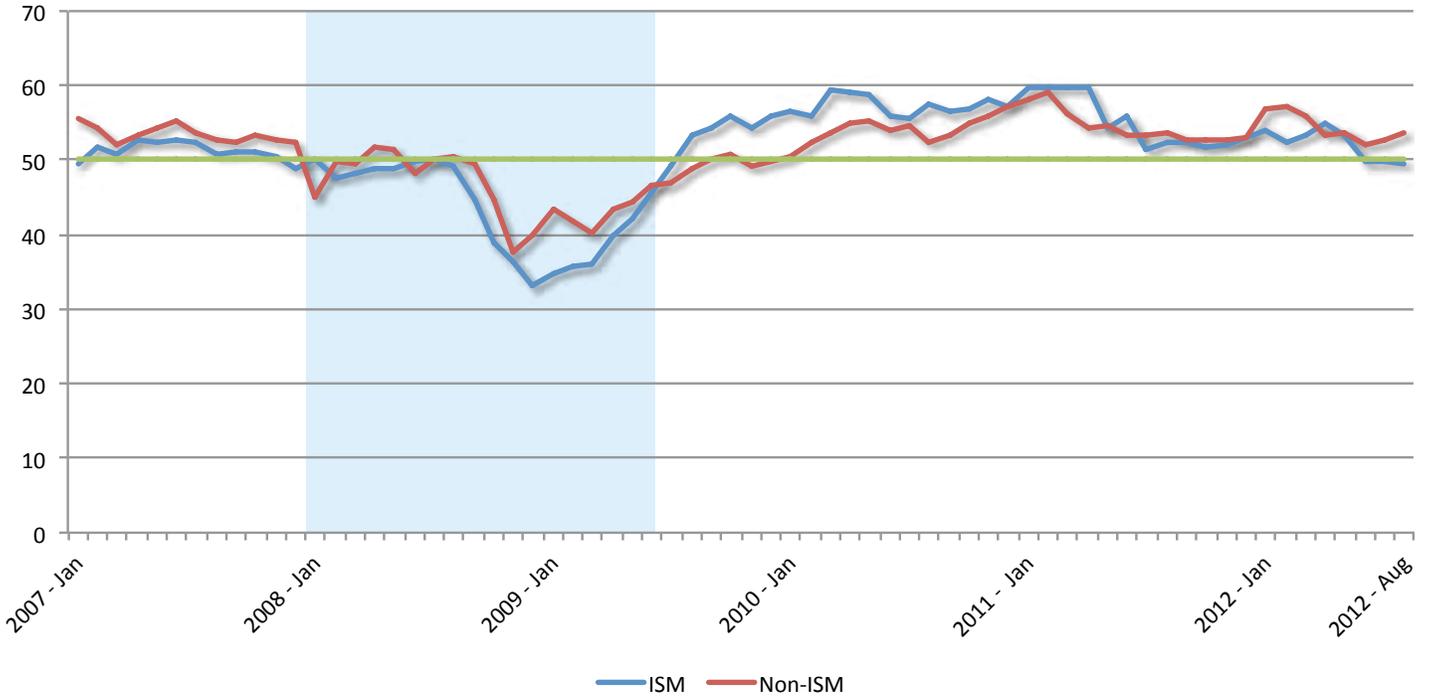
Note: A complete list of the GDP components can be found at:

[http://www.bea.gov/newsreleases/national/gdp/2012/pdf/gdp1q12\\_2nd.pdf](http://www.bea.gov/newsreleases/national/gdp/2012/pdf/gdp1q12_2nd.pdf)

Bureau of Labor Statistics data can be accessed at:

<http://www.bls.gov/>

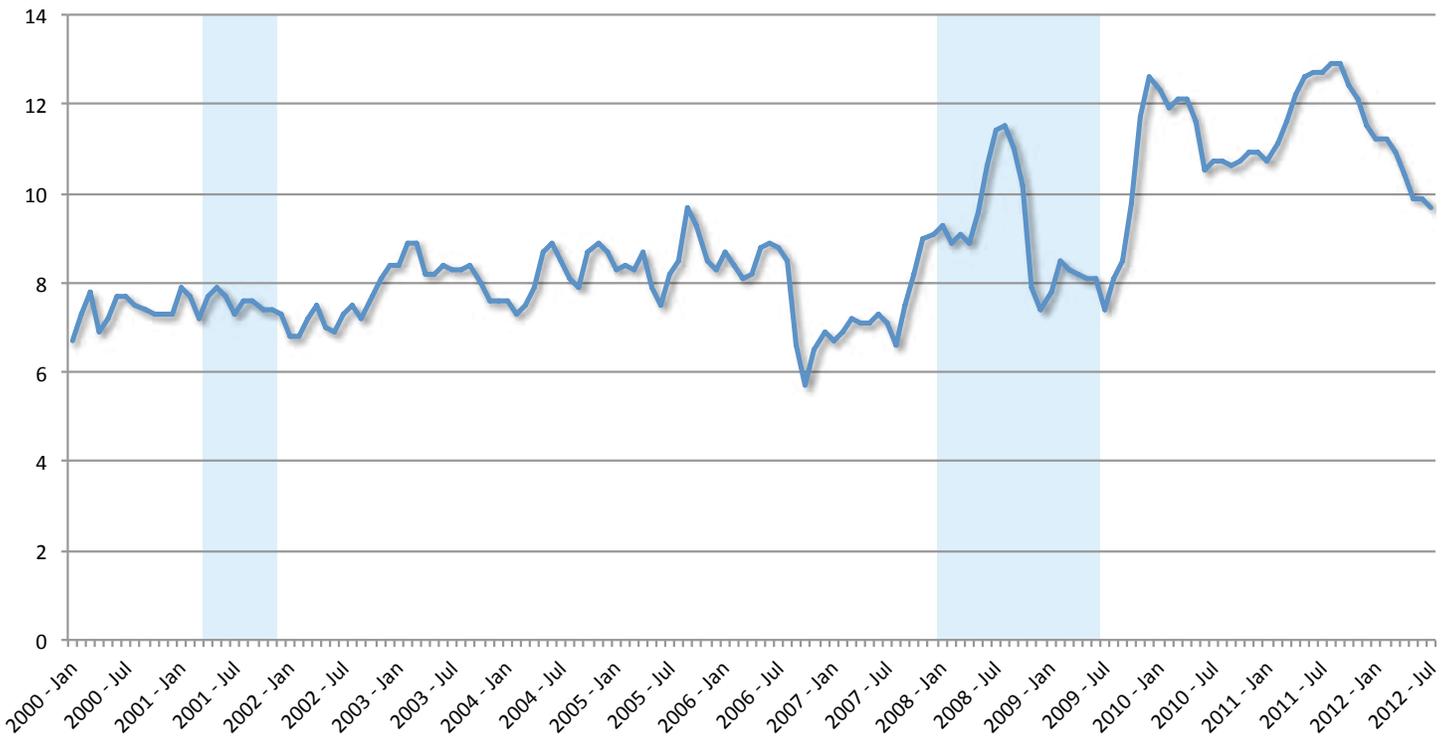
**Figure 1**  
**ISM Manufacturing and**  
**Non-Manufacturing Indices**



Sources: Haver Analytics/VEC

The shaded area on the graph represents the December 2007 - June 2009 recession.

**Figure 2**  
**Misery Index**

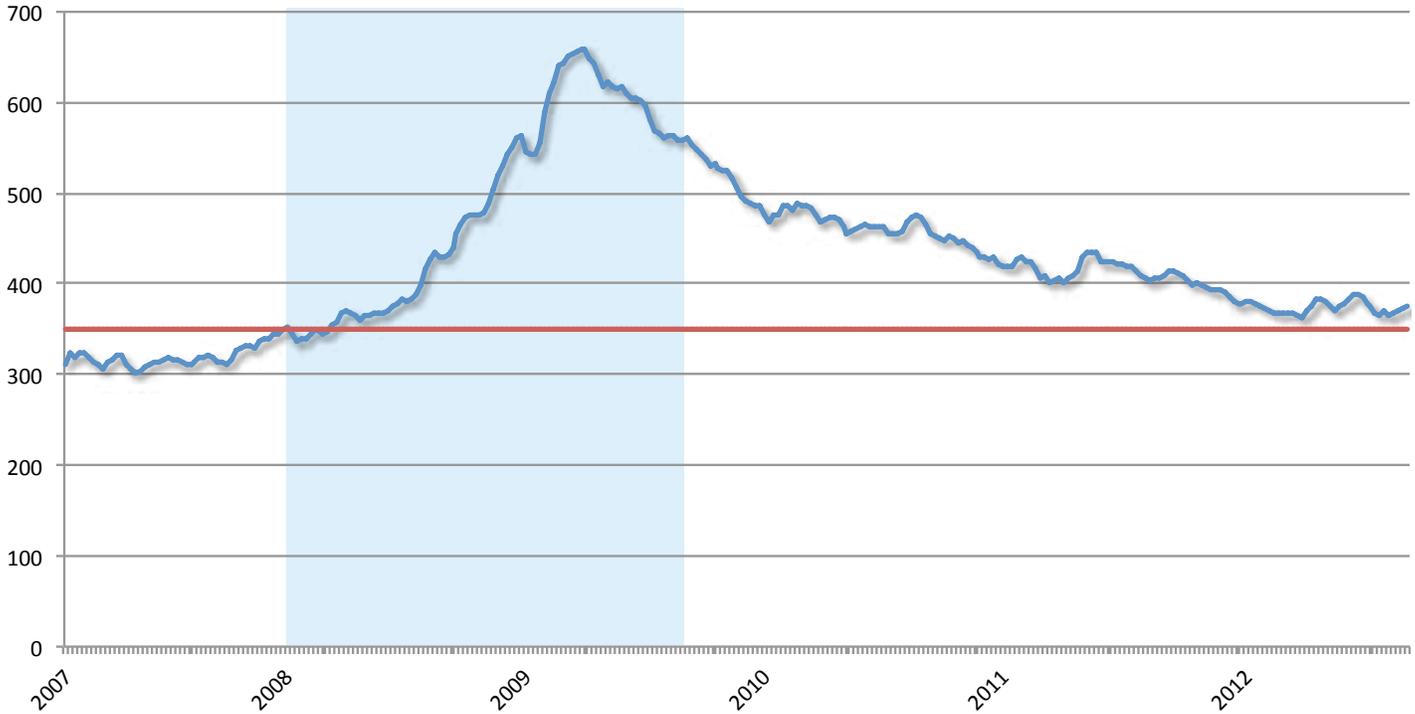


Sources: Haver Analytics/BLS/VEC

The shaded areas on the graph represent the March-November 2001 and December 2007 - June 2009 recessions.

**Figure 3**  
**Initial Claims for Unemployment**

Four-Week Moving Average  
(Thousands)

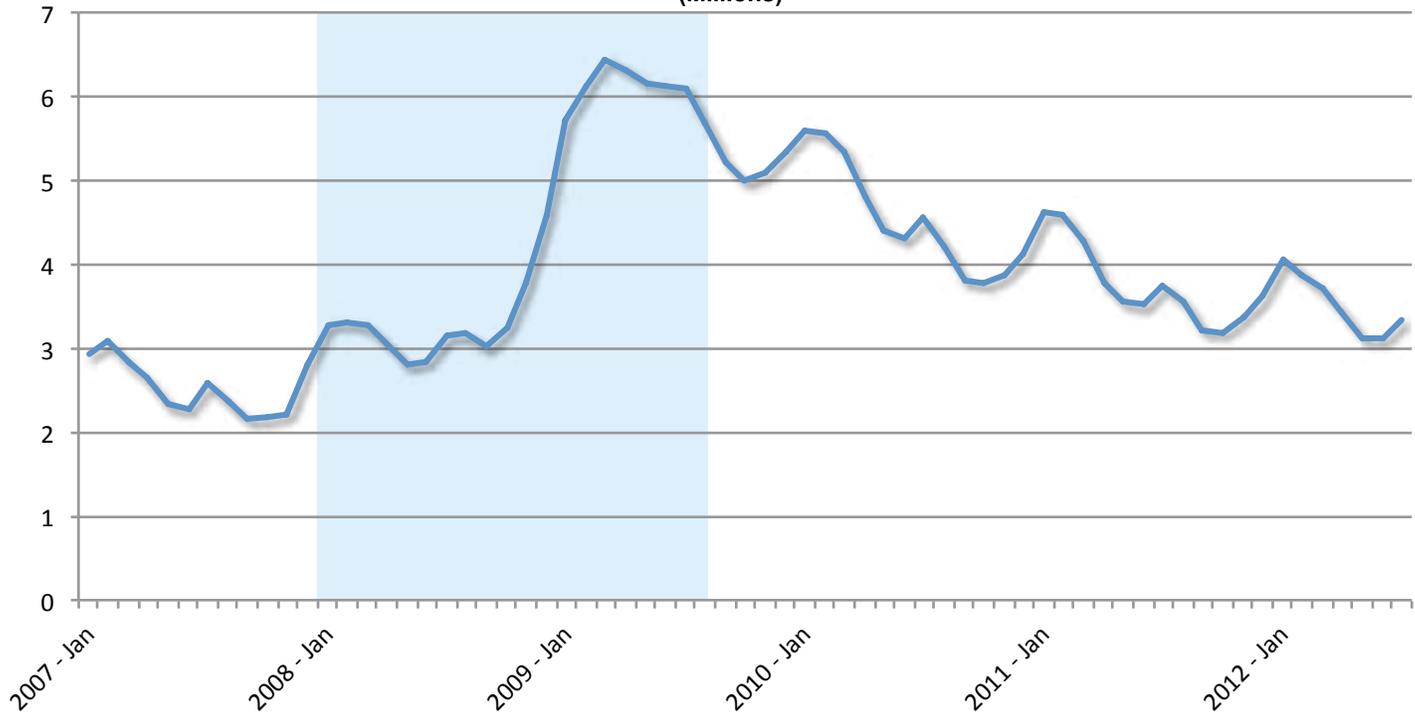


Sources: DOL/St. Louis Federal Reserve/VEC

The shaded area on the graph represents the December 2007 - June 2009 recession.

**Figure 4**  
**U.S. Continued Claims**

Monthly Average  
(Millions)

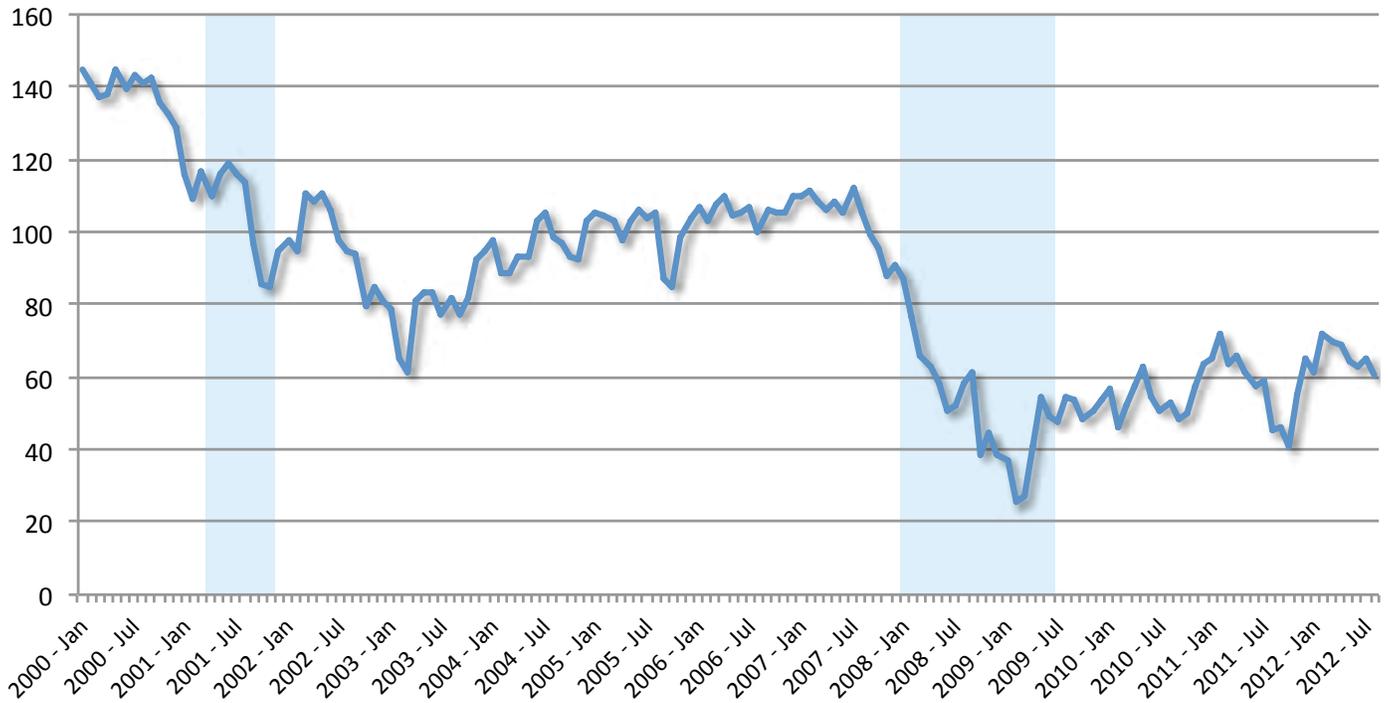


Sources: DOL/Haver Analytics

The shaded area on the graph represents the December 2007 - June 2009 recession.

## Figure 5 Consumer Confidence

1985=100, SA Monthly



Sources: The Conference Board/Haver Analytics

The shaded areas on the graph represent the March-November 2001 and December 2007 - June 2009 recessions.



# Virginia

## INDICATORS FOR 2ND QUARTER

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- Nonfarm employment fell each month of the quarter for a total job loss of 9,000 from March through June, leaving it 61,000 below its pre-recession high of 3,778,400 achieved in February 2008.
- The total unemployment rate was steady for April and May, but rose slightly at the end of the quarter.
- Like the total rate above, the insured unemployment rate was steady for the first two months of the quarter, but rose slightly in June. It is still about half the peak level attained in Second Quarter 2009 as claimants have either found work or moved into one of the federally funded unemployment insurance benefit programs.
- Initial claims rose significantly in the second quarter, but are still 40 percent below the recessionary highs reached in the first quarter of 2009.
- Final payments for regular unemployment insurance are about 52 percent below the recessionary highs reached in Third Quarter 2009 levels, but the percentage of claimants who exhausted their benefits has risen every month since November 2011 and is at almost 53 percent.
- Mining and Logging employment fell 200 jobs, or 1.8 percent, from March to April and remained at 10,900 for the rest of the quarter. Compared to a year ago, second quarter coal production decreased 13.9 percent (from 5.89 million to 5.07 million short tons).
- Construction employment reversed the gains of the previous two quarters by losing jobs every month of the second quarter and is now 77,500 jobs below its pre-recession peak.
- Manufacturing employment had a net gain of 500 jobs and is now at about the same level as First Quarter 2011.
- While average weekly hours for manufacturing production workers continued to hover between 39.5 and 40.5, in May, total production hours again set a new record low.
- Nominal Average Hourly Earnings reversed some of last quarter's loss, but is still slightly below last December's level, while the inflation-adjusted earnings have improved due to the decrease in the Consumer Price Index. Nominal Average Weekly Earnings had a net loss of about one percent, but the inflation-adjusted earnings ended the quarter just slightly below March's level.
- Wholesale Trade's employment had a net loss of 1,400 jobs, while Retail Trade managed a net gain of 300 jobs. Taxable retail sales, both nominal and inflation-adjusted, retreated from the previous quarter's gains and ended at about the levels for January of this year.
- Employment in Transportation, Warehousing, and Utilities had a net gain of 2,600, for its fourth consecutive quarterly gain.
- Information employment continues its long-term decline with a net loss of 400 jobs.



- Finance employment experienced a net gain of 300 jobs, but remains about 7,000 jobs below its pre-recession peak of 195,800.
- Private Education and Health Services employment lost jobs every month of the quarter, giving back 6,000 of the 8,100 gain achieved in the first quarter.
- Professional and Business Services saw a net gain of 1,800 jobs in the second quarter while setting a record high in May and is now 31,400 jobs above the low reached in Third Quarter 2009.
- Leisure and Hospitality's employment posted a net gain of only 400 jobs, but set a record high in June.
- Miscellaneous Services experienced a net gain of 2,000 jobs and is now just 1,000 below its peak attained in late 2008.
- Federal Government employment had a net loss of 1,000 jobs for the quarter, but is still 12,400 above the average for 2008 and 2009.
- State Government employment posted a net gain of 300, but is 1,200 jobs below the record high set in late 2009. Local Government employment had its second consecutive net loss and is 4,300 jobs below the peak attained in Third Quarter 2008.
- New business incorporations had another good quarter, with total incorporations exceeding 3,200.
- Total new vehicle registrations declined by over 10,000, or 9.1 percent from last quarter, and are still about 25 percent below pre-recession highs of almost 50,000 per month.

- Single family building permits for the quarter fell back to about 4,000 from the level achieved first quarter, which was probably the result of a very mild winter. The 4,060 total for the quarter is less than the pre-recession monthly levels of about 4,300.

## Around the State

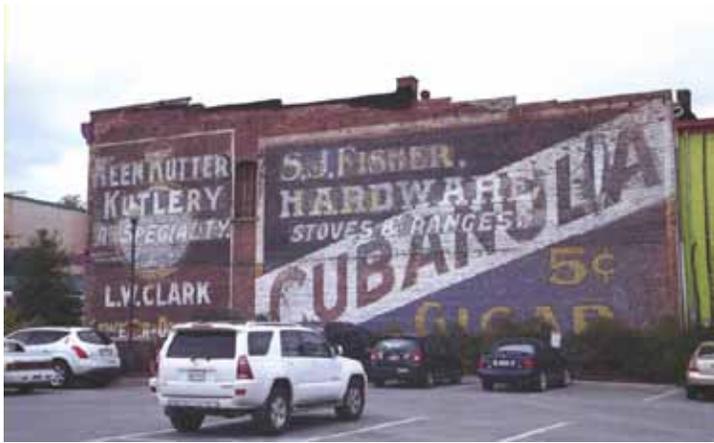
Because the metropolitan data are not seasonally adjusted, over-the-year analysis (Second Quarter 2012 versus Second Quarter 2011) is used.

**Statewide** there were 39,100 jobs gained, or 1.1 percent of nonfarm employment. The biggest increases were in Private Education and Health Services (11,600 jobs or 2.5 percent), Finance, Insurance, and Real Estate (7,300 or 4.0 percent), and Leisure and Hospitality Services (7,300 or 2.0 percent). Other large gains were in Transportation, Warehousing, and Utilities (6,300 or 5.5 percent), Retail Trade (5,300 or 1.3 percent), and Local Government (3,200 or 0.8 percent). Smaller gains were also posted in Federal Government (1,800 or 1.0 percent), Professional and Business Services (1,800 or 0.3 percent), and Miscellaneous Services (1,200 or 0.6 percent). State Government increased by 200, while Mining and Logging was unchanged. There were substantial losses in Wholesale Trade (3,300 or 2.9 percent), Construction (1,700 or 0.9 percent), Information (1,300 or 1.7 percent), and Manufacturing (500 or 0.2 percent). The state's unemployment rate fell from 6.1 percent to 5.6 percent, while the national rate fell from 8.9 percent to 8.0 percent. Single family building permits increased 7.8 percent from 4,241 to 4,572. The state's gain was much smaller than the 20.6 percent increase across the nation. Taxable retail sales increased 4.0 percent from \$26.45 billion to \$27.51 billion.

**Northern Virginia MSA** gained 25,500 jobs, or 1.9 percent of nonfarm employment, and provided about 65 percent of statewide total job growth. Eleven of the 14 sectors grew, with five of these increasing by at least 3,200 jobs. Those with substantial increases were Leisure and Hospitality Services (8,400 jobs or 6.9 percent), Finance, Insurance, and Real Estate (4,200 or 6.5 percent), Professional and Business Services (3,700 or 1.0 percent), Local Government (3,500 or 2.8 percent),

and Private Education and Health Services (3,200 or 2.3 percent). The Accommodation and Food Services subsector provided about 35 percent of the increase for Leisure and Hospitality Services. The Finance and Insurance subsector provided most of its sector's growth (3,800 or 8.5 percent). Growth in Professional and Business Services was reduced by permanent layoffs in Administrative and Support Services and Professional and Technical Services. There were substantial gains in the Health Care and Social Assistance (2,000 or 1.9 percent) and Educational Services (1,200 or 3.8 percent) subsectors, but there was a permanent layoff in hospitals. There were smaller gains in both Miscellaneous Services (1,200 or 1.6 percent) and Retail Trade (1,200 or 0.9 percent), which was reduced by permanent layoffs in electronic and appliance stores. The remaining positive sectors gained less than 1,000 each: State Government (600), Mining, Logging, and Construction (400), Transportation, Warehousing, and Utilities (300), and Manufacturing (200). The above gains were partly offset by declines of less than 1,000 in the three remaining sectors: Information (600 or 1.5 percent), Federal Government (500 or 0.6 percent), and Wholesale Trade (300 or 1.0 percent). The area's unemployment rate remained the lowest among the state's MSAs and fell from 4.6 percent to 4.2 percent. Single family building permits for the entire Washington-Arlington-Alexandria, DC-VA-MD-WV MSA increased 18.2 percent from 2,615 to 3,091. Taxable retail sales increased 6.1 percent from \$10.36 billion to \$10.99 billion; it was the largest percentage increase for the MSAs.

**Richmond MSA** gained 4,800 jobs, or 0.8 percent of nonfarm employment, and provided about 12 percent of statewide total job growth. Gainers outnumbered losers by eight sectors to five, while one sector was unchanged. Retail Trade had the largest increase (2,800 jobs or 4.3 percent), despite a permanent layoff in electronic and appliance stores. Other large increases occurred in Leisure and Hospitality Services (2,200 or 4.1 percent), Finance, Insurance, and Real Estate (1,900 or 4.4 percent), and Local Government (1,400 or 2.3 percent). Professional and Business Services also had a sizable increase (900 or 0.9 percent), with large gains in Professional, Scientific,



and Technical Services being partly offset by losses in Administrative and Support Services. Even though there was a permanent layoff in truck transportation, Transportation, Warehousing, and Utilities gained 200 jobs. Federal Government and Miscellaneous Services gained 100 jobs each, while Wholesale Trade was unchanged. The largest losses occurred in Private Education and Health Services (1,500 or 1.8 percent) and Manufacturing (1,300 or 4.1 percent). Losses of 800 were recorded in the Mining, Logging, and Construction (2.5 percent) and State Government (2.1 percent) sectors. Most of the Education and Health sector's loss was in Health Care and Social Assistance. Information posted a loss of 300 jobs, or 3.3 percent. The area's unemployment rate fell from 6.8 percent to 6.2 percent, but was still above the state rate of 5.6 percent. Single family building permits increased 3.2 percent from 696 to 718. Taxable retail sales rose 4.2 percent from \$4.32 billion to \$4.50 billion.

**Blacksburg-Christiansburg-Radford MSA** gained 4,700 jobs, or 6.8 percent of nonfarm employment, and also provided about 12 percent of the job growth for the state. There were substantial gains in the Private Service-Providing (3,100 jobs or 9.3 percent) and State Government (1,200 or 7.8 percent) sectors. The Goods-Producing sector, which is composed of Mining, Construction, and Manufacturing, increased by 200, or 1.3 percent, despite temporary layoffs in transportation equipment manufacturing. Local Government gained 300 jobs, while Federal Government lost 100 jobs. The area's unemployment rate fell from 6.9 percent to 6.2 percent, decreasing the spread with the state from 0.8 to 0.6 percentage point. *Building permit data is not available for this MSA.* Taxable retail sales rose 4.3 percent from \$402.0 million to \$419.1 million.

**Charlottesville MSA** gained 3,500 jobs, or 3.5 percent of nonfarm employment. The Private Service-Providing sector gained 3,700 jobs, or 6.1 percent. The largest gain was in Leisure and Hospitality (600 jobs or 4.8 percent). Smaller gains were reported in the Professional and Business Services (200 or 1.4 percent) and Trade, Transportation, and Utilities (100 or 0.8 percent) sectors. State Government gained 100 jobs. The Goods-Producing sector, which consists of Mining, Construction, and Manufacturing, was unchanged. Federal Government was also unchanged, while Local Government lost 200 jobs. Unemployment fell from 5.1 percent to 4.7 percent and remained the second-lowest MSA after Northern Virginia. Single family building permits increased 2.5 percent from 120 to 123. Taxable retail sales increased 3.0 percent from \$642.8 million to \$662.1 million.

**Virginia Beach-Norfolk-Newport News, Virginia/North Carolina MSA** gained 3,100 jobs, or 0.4 percent of nonfarm employment. The biggest gains were in the Retail Trade (2,800 jobs or 3.4 percent) and Federal Government (1,900 or 3.8 percent) sectors. Retail's gain was offset by permanent layoffs in electronic shopping and department stores. Private Education and Health Services (1,600 or 1.7 percent) and Manufacturing (1,300 or 2.6 percent) also experienced large increases. All of education and health's growth was in the Health Care and Social Assistance subsector. The gain in Durable Goods Manufacturing (1,700) was much larger than the loss in Non-Durable Goods (400). Increases of less than 1,000 occurred in State Government (500), Local Government (400), Transportation, Warehousing, and Utilities (200), and Miscellaneous Services (100). Wholesale Trade was unchanged. The largest losses occurred in Mining, Logging, and Construction (3,200 or 8.9 percent) and Leisure and Hospitality Services (1,400 or 1.6 percent). Information declined by 800 jobs, or 6.6 percent. Professional and Business Services fell by 500 jobs, or 0.5 percent, with permanent layoffs in Professional and Technical Services and Administrative and Support Services contributing to the decline. Finance, Insurance, and Real Estate lost 100 jobs, with gains in Finance and Insurance reducing the losses in Real Estate and Rental and Leasing. The area's unemployment rate rose slightly from 6.2 percent to 6.3



percent, and it was the only one of the state's MSAs to show an increase. Single family building permits for the whole MSA (which includes a county in North Carolina) increased 18.2 percent from 737 to 871. Taxable retail sales increased 1.0 percent from \$4.96 billion to \$5.01 billion.

**Harrisonburg MSA** gained 1,100 jobs, or 1.7 percent of nonfarm employment. The Private Service-Providing sector had an increase of 1,400 jobs, or 3.8 percent, which included a gain of 100, or 0.8 percent, in Trade, Transportation, and Utilities. State Government rose by 200, or 3.0 percent. The Federal and Local Government sectors each fell by 100 jobs. The Goods-Producing sector, which is composed of Mining, Construction, and Manufacturing, had a loss of 400 jobs, or 2.6 percent. The area's unemployment rate fell from 6.1 percent to 5.8 percent, but is now above the state average of 5.6 percent. Single family building permits decreased 37.8 percent from 90 to 56. Taxable retail sales fell 1.9 percent from \$435.8 million to \$427.4 million; it was one of three MSAs with declining sales.

**Danville MSA** gained 1,000 jobs, or 2.4 percent of nonfarm employment. The Private Service-Providing sector grew by 1,200 jobs, or 4.7 percent, while its only publishable component, Trade, Transportation, and Utilities, grew by 100 jobs, or 1.4 percent. The Goods-Producing sector, which consists of Mining, Construction, and Manufacturing, was unchanged. Manufacturing was also unchanged despite temporary

layoffs in the food and wood product subsectors. The Local Government sector lost 200 jobs, or 3.7 percent, while the Federal and State Government sectors were unchanged. The area's unemployment rate again had the largest decline of the MSAs (from 9.7 percent to 8.3 percent), but the rate was still the highest among the state's MSAs. Single family building permits increased 16.7 percent from 18 to 21. Taxable retail sales fell 2.5 percent from \$254.5 million to \$248.1 million. Of the three MSAs with declining sales, Danville's fell by the greatest percentage.

**Winchester Virginia/West Virginia MSA** gained 600 jobs, or 1.1 percent of nonfarm employment. The Private Service-Providing sector grew by 700 jobs, or 2.0 percent, with Trade, Transportation, and Utilities contributing to the gain by increasing 200, or 1.4 percent. Local Government grew by 100 jobs, or 1.1 percent, while the two other government sectors, Federal and State, were unchanged. The Goods-Producing sector, which consists of Mining, Construction, and Manufacturing, fell by 200 jobs, or 2.4 percent. There was a temporary layoff in food manufacturing. The area's unemployment rate dropped from 6.4 percent to 5.7 percent, reducing the percentage point spread with the state from 0.3 to 0.1. Single family building permits for the whole MSA (which includes a county in West Virginia) increased 36.8 percent from 76 to 104. Taxable retail sales increased 3.0 percent from \$472.3 million to \$486.6 million.

**Lynchburg MSA** gained 500 jobs, or 0.5 percent of nonfarm employment. The Private Service-Providing sector grew by 700 jobs, or 1.0 percent, but its two publishable components, Retail Trade and Trade, Transportation, and Utilities, were unchanged. Local Government gained 200 jobs, or 2.3 percent, while the Federal and State Government sectors were unchanged. The Goods-Producing sector, which is composed of Mining, Construction, and Manufacturing, had a loss of 400, or 2.0 percent. Manufacturing fell by 200 jobs, or 1.1 percent, with a temporary layoff in the fabricated metal products subsector and a permanent layoff in the food subsector. The area's unemployment rate fell from 7.0 percent to 6.5 percent, but the percentage point spread with the state remained at 0.9. Single family building permits rose 79.2 percent from 77 to 138. Taxable retail sales fell 2.3 percent from \$662.8 million to \$647.4 million; it was one of three MSAs whose sales declined.

**Roanoke MSA** lost 600 jobs, or 0.4 percent of nonfarm employment. The largest decrease occurred in Professional and Business Services (1,100 jobs or 5.2 percent). The following sectors lost 200 jobs each: Mining, Logging, and Construction (2.1 percent); Finance, Insurance, and Real Estate (2.1 percent); and Local Government (1.1 percent). Offsetting these losses were gains in Manufacturing (400 or 2.2 percent), Retail Trade (300 or 1.5 percent), and Transportation, Warehousing, and Utilities (200 or 1.8 percent). Increases of 100 each were recorded in the Federal Government (1.7 percent), Miscellaneous Services (0.9 percent), and Private Education and Health Services (0.6 percent) sectors. Wholesale Trade was unchanged despite a permanent layoff in the durable goods subsector. Information; Leisure and Hospitality Services; and State Government were also unchanged. The area's unemployment rate fell from 6.6 percent to 6.0 percent, but remained above the state average of 5.6 percent, while the percentage point gap with the state narrowed from 0.5 to 0.4. Single family building permits decreased 12.6 percent from 95 to 83. Taxable retail sales increased 1.0 percent from \$1.05 billion to \$1.06 billion.



# Tables and Graphs

DATA: JANUARY 2011 - JUNE 2012

## Employment Indicators\*

	Nonagricultural Wage and Salary Employment (Thousands)		Total Unemployment Rate (Percent)	
	Unadjusted	Adjusted	Unadjusted	Adjusted
<b>2011</b>				
January	3,603.0	3,663.0	6.9	6.4
February	3,620.8	3,673.8	6.6	6.3
March	3,647.4	3,679.5	6.3	6.2
April	3,687.8	3,693.3	5.8	6.2
May	3,701.2	3,679.1	6.0	6.2
June	3,720.1	3,675.0	6.5	6.3
July	3,672.7	3,677.4	6.4	6.4
August	3,667.9	3,679.4	6.5	6.4
September	3,690.4	3,682.9	6.3	6.3
October	3,714.9	3,690.7	6.0	6.2
November	3,722.7	3,691.4	5.8	6.2
December	3,715.4	3,684.3	5.9	6.1
<b>2012</b>				
January	3,649.2	3,710.0	6.0	5.8
February	3,661.9	3,715.4	6.1	5.7
March	3,694.0	3,726.4	5.7	5.6
April	3,720.1	3,725.7	5.4	5.6
May	3,743.2	3,720.9	5.5	5.6
June	3,763.1	3,717.4	6.0	5.7

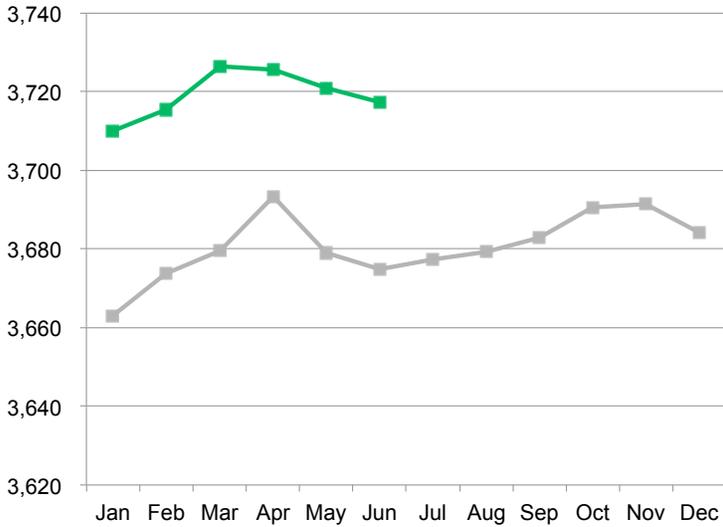
## Unemployment Insurance Indicators

	Average Weekly Initial Claims		Insured Unemployment Rate (Percent)		Unemployment Insurance Final Payments	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
<b>2011</b>						
January	9,843	6,497	1.93	1.68	6,641	6,385
February	6,409	5,828	1.85	1.59	6,324	6,924
March	5,781	5,967	1.72	1.52	7,974	7,022
April	5,578	6,365	1.51	1.49	6,840	6,553
May	5,643	6,536	1.47	1.50	5,962	5,967
June	6,196	6,735	1.49	1.52	5,829	5,331
July	6,105	6,638	1.51	1.49	5,915	5,792
August	5,553	6,754	1.49	1.56	6,860	6,262
September	5,327	6,602	1.37	1.56	5,455	5,527
October	6,164	6,829	1.37	1.57	6,377	7,041
November	6,278	6,396	1.37	1.53	5,380	6,551
December	7,462	5,664	1.43	1.47	5,467	5,779
<b>2012</b>						
January	8,809	5,814	1.68	1.46	6,999	6,729
February	5,688	5,172	1.61	1.38	6,061	6,636
March	5,284	5,454	1.52	1.35	6,004	5,287
April	5,473	6,245	1.37	1.35	6,831	6,544
May	5,251	6,082	1.32	1.35	5,510	5,514
June	5,935	6,450	1.36	1.38	5,171	4,729

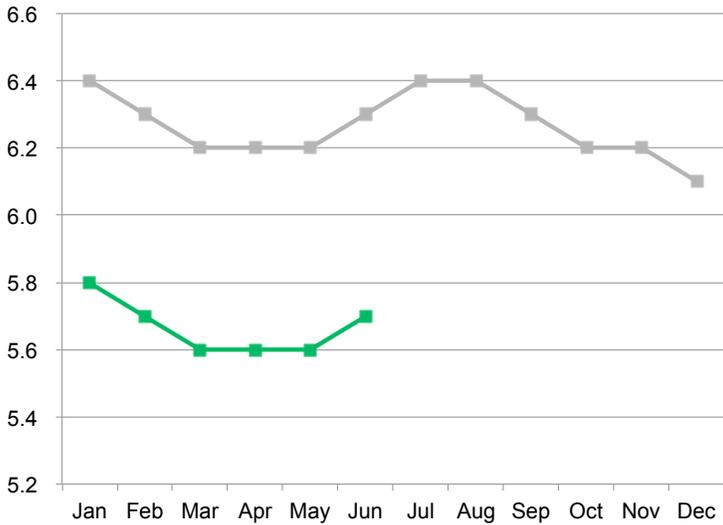
\*These series have been adjusted to First Quarter 2011 benchmarks.

## Employment Indicators

### Nonagricultural Wage and Salary Employment (Thousands)



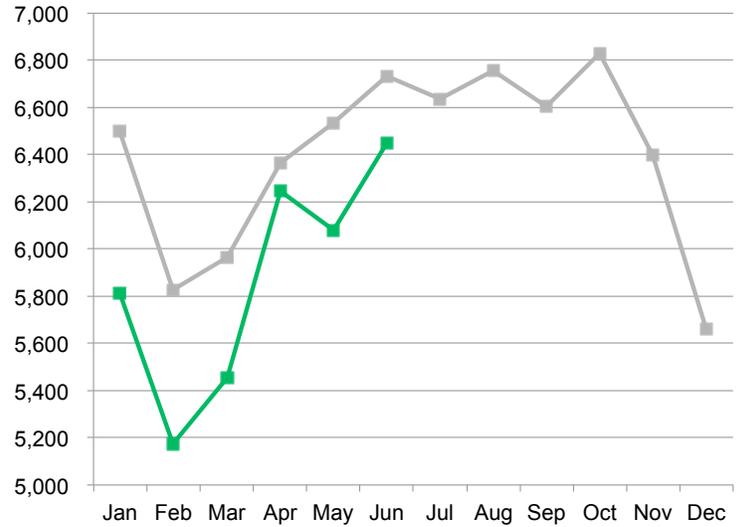
### Total Unemployment Rate (Percent)



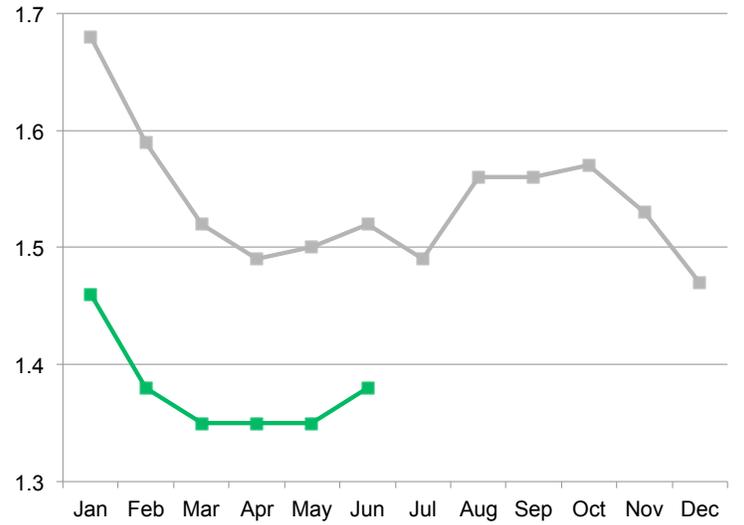
2011
  2012
 January 2011 - June 2012

## Unemployment Insurance Indicators

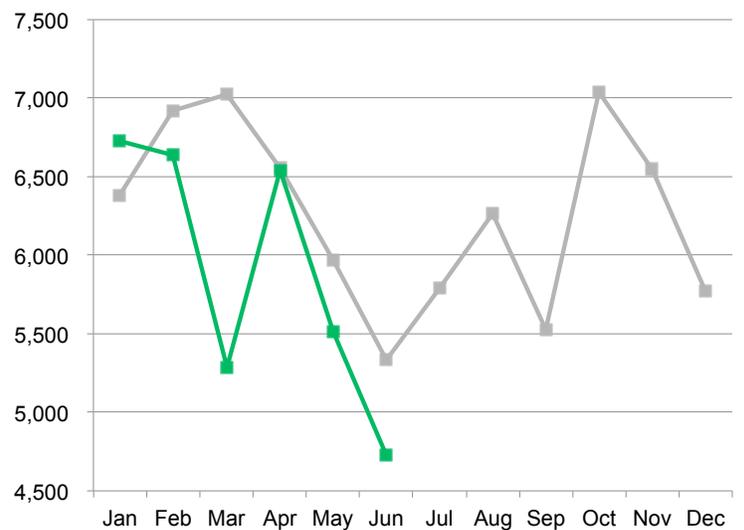
### Average Weekly Initial Claims



### Insured Unemployment Rate (Percent)



### Unemployment Insurance Final Payments



## Goods Producing Employment\*

	Mining and Logging Employment (Thousands)		Construction Employment (Thousands)		Manufacturing Employment (Thousands)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
<b>2011</b>						
January	10.7	10.8	171.7	179.8	227.3	229.1
February	10.6	10.8	171.9	181.0	227.8	230.3
March	10.7	10.9	174.5	180.8	228.9	230.6
April	10.8	10.9	178.4	180.6	229.3	230.6
May	10.8	10.9	179.7	179.0	229.9	230.5
June	10.9	10.9	181.5	178.3	231.3	230.8
July	10.9	10.9	181.1	176.2	229.6	229.3
August	11.0	10.9	183.0	177.3	229.4	228.8
September	11.0	10.9	180.6	176.3	229.2	228.2
October	11.1	10.9	181.7	177.8	230.5	228.9
November	11.1	10.9	181.0	178.6	228.4	227.0
December	11.0	10.8	178.4	178.4	226.9	225.0
<b>2012</b>						
January	10.8	10.9	175.8	184.1	226.1	227.9
February	10.7	10.9	172.5	181.6	226.8	229.3
March	10.9	11.1	174.9	181.3	227.9	229.6
April	10.8	10.9	176.5	178.6	228.3	229.6
May	10.8	10.9	178.9	178.2	229.9	230.5
June	10.9	10.9	179.1	175.9	230.7	230.1

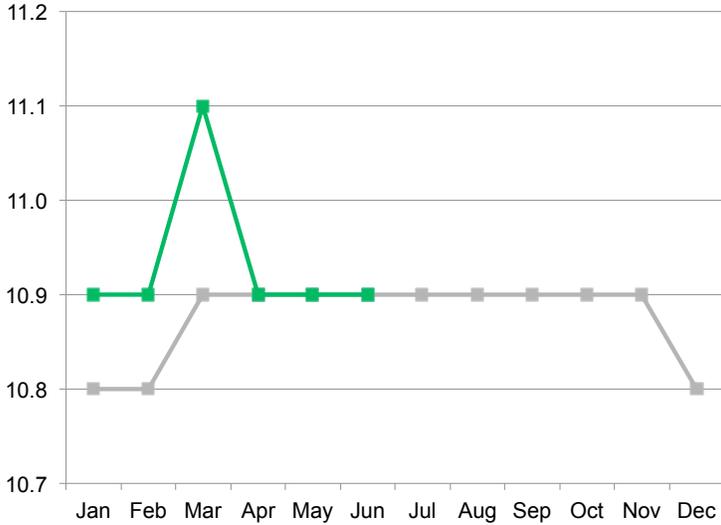
## Trade Employment\*

	Wholesale Trade Employment (Thousands)		Retail Trade Employment (Thousands)	
	Unadjusted	Adjusted	Unadjusted	Adjusted
<b>2011</b>				
January	110.6	111.8	396.1	399.6
February	110.7	111.8	391.4	401.6
March	111.1	112.0	392.9	401.8
April	111.9	112.2	398.1	406.3
May	112.2	111.9	400.7	402.2
June	112.7	112.2	402.5	401.8
July	113.1	112.6	402.4	402.8
August	112.8	112.2	404.8	404.9
September	112.2	112.0	399.1	401.6
October	112.3	111.9	403.2	401.4
November	111.5	111.2	413.1	400.3
December	110.4	110.0	417.2	398.4
<b>2012</b>				
January	109.2	110.3	401.6	405.1
February	109.5	110.6	394.8	405.1
March	109.2	110.0	398.3	407.3
April	108.4	108.7	402.5	410.8
May	109.4	109.1	406.3	407.8
June	109.1	108.6	408.3	407.6

\*These series have been adjusted to First Quarter 2011 benchmarks.

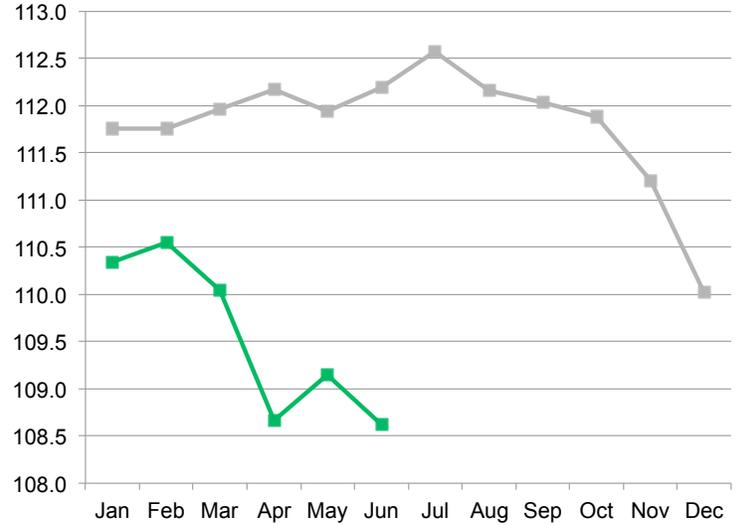
## Goods Producing Employment

### Mining and Logging Employment (Thousands)

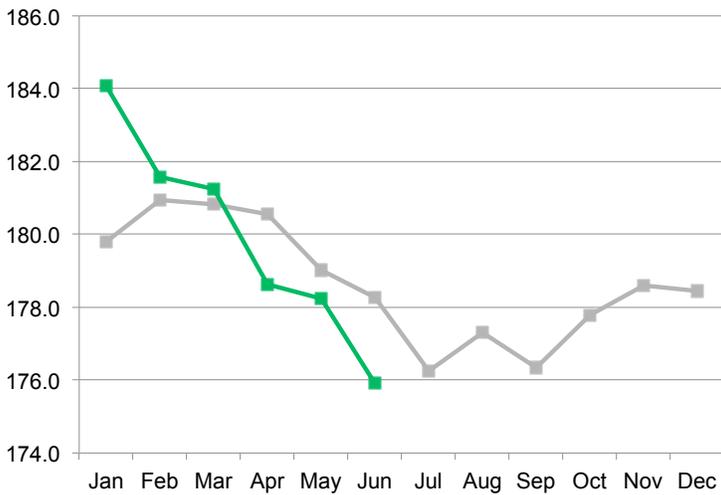


## Trade Employment

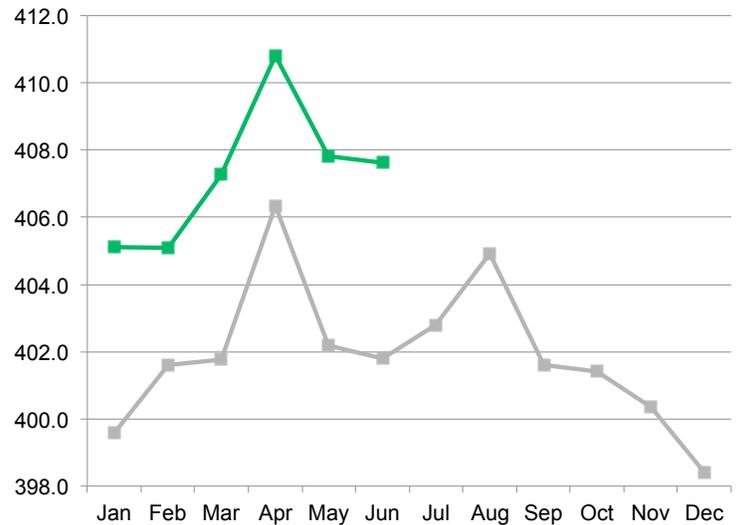
### Wholesale Trade Employment (Thousands)



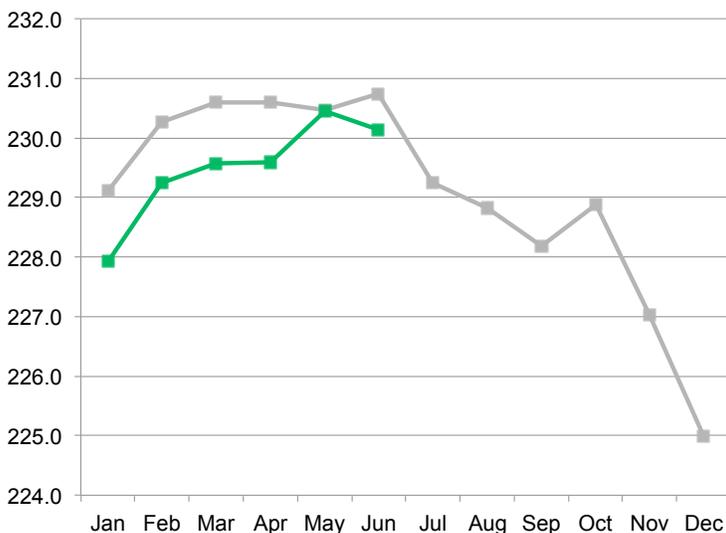
### Construction Employment (Thousands)



### Retail Trade Employment (Thousands)



### Manufacturing Employment (Thousands)



2011
  2012
 January 2011 - June 2012



## Transportation, Information, and Finance Employment\*

	Transportation, Warehousing, and Utilities Employment (Thousands)		Information Employment (Thousands)		Finance Employment (Thousands)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
<b>2011</b>						
January	112.9	114.5	74.7	75.0	178.4	180.4
February	112.4	114.6	74.5	74.7	178.6	180.7
March	112.8	114.7	74.6	74.7	179.0	180.2
April	113.3	114.6	74.2	74.6	180.7	181.3
May	114.0	114.7	74.5	74.6	181.6	181.7
June	114.6	114.4	74.8	74.5	183.1	181.5
July	116.4	116.1	74.5	74.3	184.7	182.4
August	116.1	115.7	69.9	69.8	185.1	183.0
September	116.4	115.7	73.9	74.1	183.9	183.7
October	116.1	115.4	74.5	74.6	184.9	185.0
November	120.1	118.4	74.1	73.9	184.9	185.1
December	120.9	117.4	74.3	73.9	184.6	184.6
<b>2012</b>						
January	117.8	119.5	72.7	73.0	183.5	185.5
February	117.3	119.5	73.6	73.8	186.1	188.3
March	117.0	119.0	73.6	73.7	187.1	188.4
April	119.1	120.5	73.2	73.6	187.6	188.3
May	119.8	120.5	72.9	73.0	189.2	189.3
June	121.9	121.6	73.6	73.3	190.4	188.7

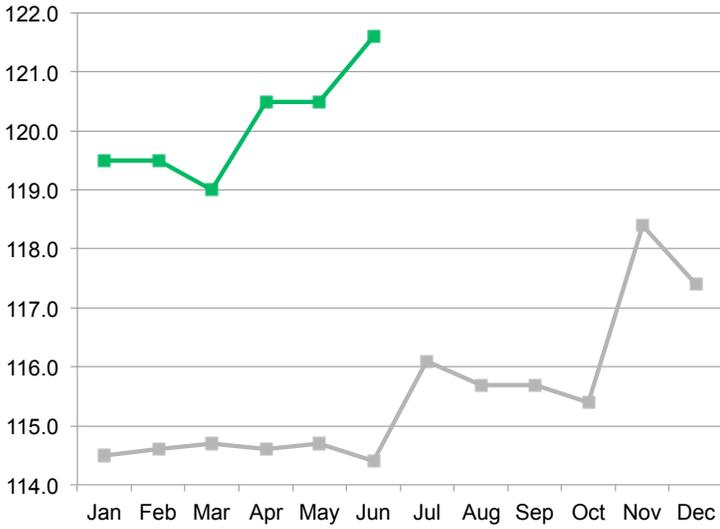
## Service Employment\*

	Professional and Business Services Employment (Thousands)		Private Education and Health Services Employment (Thousands)	
	Unadjusted	Adjusted	Unadjusted	Adjusted
<b>2011</b>				
January	652.7	662.6	461.3	462.0
February	655.3	664.1	464.2	462.9
March	659.5	665.0	465.9	464.0
April	666.7	667.5	469.8	465.3
May	664.8	665.7	470.1	465.5
June	666.4	663.6	467.2	465.6
July	665.9	661.9	452.9	469.8
August	663.7	659.4	458.1	475.2
September	659.7	659.5	473.9	471.8
October	665.9	660.9	480.1	474.2
November	665.3	660.8	480.4	473.9
December	665.5	661.7	478.1	473.0
<b>2012</b>				
January	655.2	665.2	475.1	475.9
February	657.3	666.1	478.9	477.5
March	660.3	665.8	483.1	481.1
April	663.8	664.5	483.8	479.2
May	669.2	670.1	481.3	476.6
June	670.4	667.6	476.8	475.1

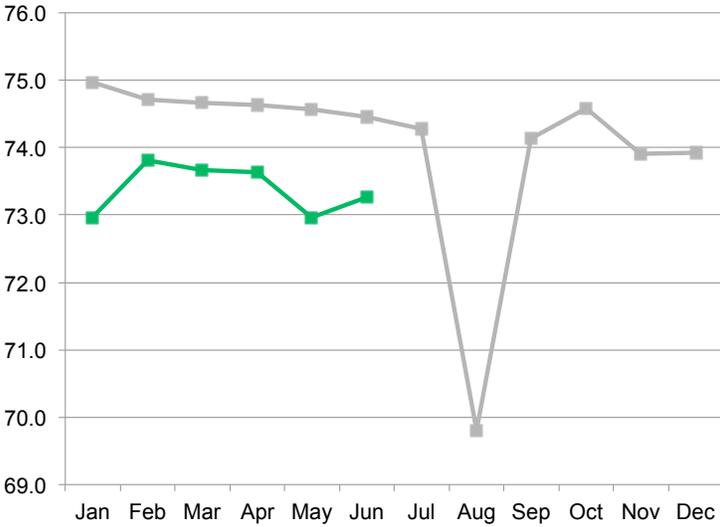
\*These series have been adjusted to First Quarter 2011 benchmarks.

## Transportation, Information, and Finance Employment

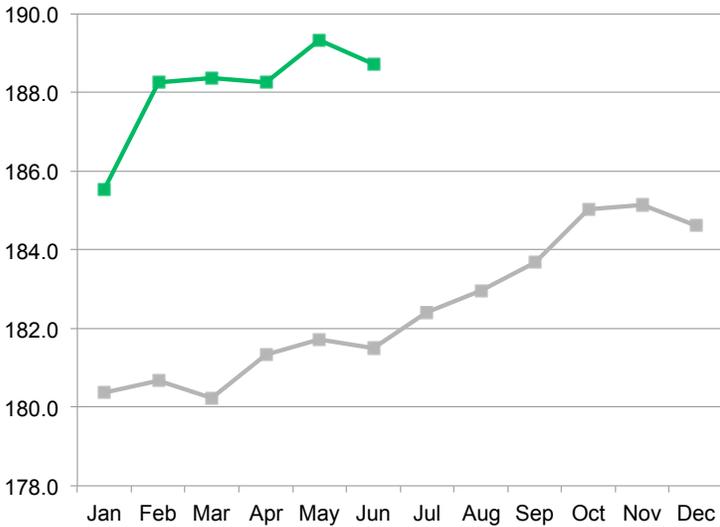
### Transportation, Warehousing, and Utilities Employment (Thousands)



### Information Employment (Thousands)

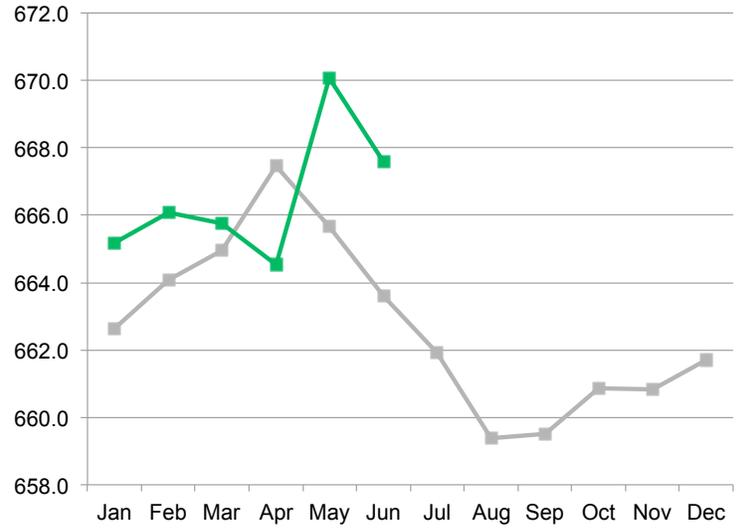


### Finance Employment (Thousands)

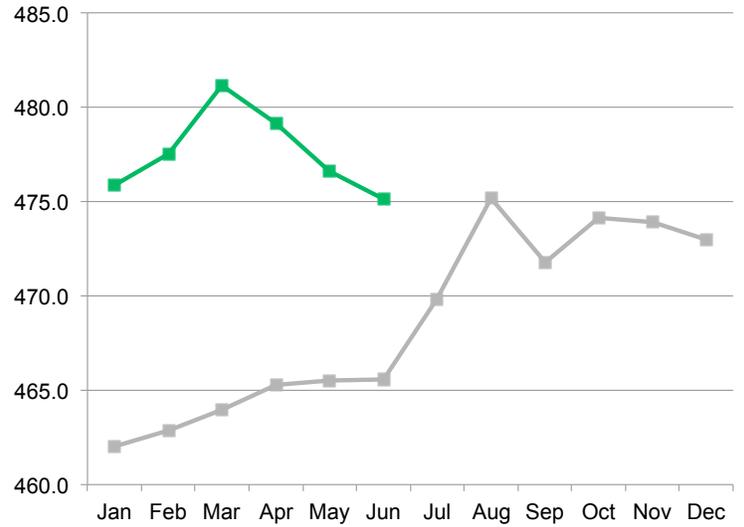


## Service Employment

### Professional and Business Services Employment (Thousands)



### Private Education and Health Services Employment (Thousands)



■ 2011 ■ 2012 January 2011 - June 2012



## Service Employment\* (Continued)

	Leisure and Hospitality Services Employment (Thousands)		Miscellaneous Services Employment (Thousands)	
	Unadjusted	Adjusted	Unadjusted	Adjusted
<b>2011</b>				
January	319.9	344.9	183.0	185.5
February	323.5	345.8	184.0	185.9
March	333.0	347.4	185.2	186.1
April	347.1	349.0	186.8	186.6
May	359.2	348.2	187.3	186.4
June	371.5	348.2	189.1	187.0
July	372.5	349.0	187.8	185.8
August	371.7	350.8	186.9	185.6
September	355.1	347.5	187.9	188.4
October	346.6	348.0	187.5	187.6
November	338.3	347.7	187.5	188.0
December	337.6	349.3	187.1	187.6
<b>2012</b>				
January	324.1	349.4	185.3	187.8
February	328.7	351.4	184.2	186.1
March	341.7	356.5	186.0	187.0
April	354.6	356.6	186.3	186.1
May	364.5	353.3	189.2	188.3
June	380.7	356.9	191.2	189.0

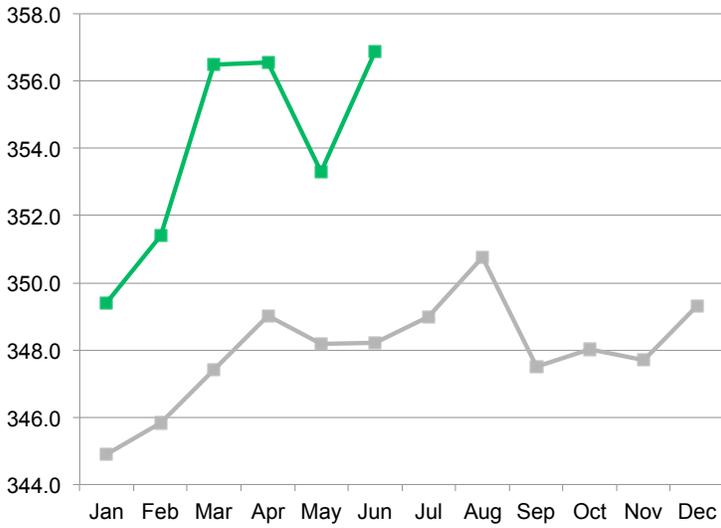
## Government Employment\*

	Federal Government Employment (Thousands)		State Government Employment (Thousands)		Local Government Employment (Thousands)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
<b>2011</b>						
January	174.2	175.2	151.6	156.1	377.9	375.6
February	173.6	175.3	158.7	156.1	383.6	378.2
March	173.8	175.4	159.0	155.5	386.5	379.0
April	174.6	174.6	160.9	155.5	385.2	378.9
May	174.5	173.3	154.0	155.2	387.9	379.2
June	174.7	173.4	151.0	155.6	388.8	378.7
July	175.3	173.1	147.7	155.5	357.9	378.3
August	174.3	173.2	149.1	155.7	352.0	378.6
September	175.3	175.3	158.7	155.6	373.5	382.4
October	175.7	176.2	159.7	155.8	385.1	383.0
November	176.4	177.1	160.0	156.0	390.6	383.5
December	176.5	177.3	158.1	156.2	388.8	383.0
<b>2012</b>						
January	175.4	176.4	151.0	155.4	385.6	383.3
February	175.3	177.0	158.2	155.6	388.0	382.6
March	174.9	176.5	159.0	155.5	390.1	382.5
April	176.0	176.0	160.8	155.3	388.4	382.1
May	176.2	175.0	154.5	155.7	391.1	382.3
June	176.9	175.5	151.2	155.8	391.9	381.7

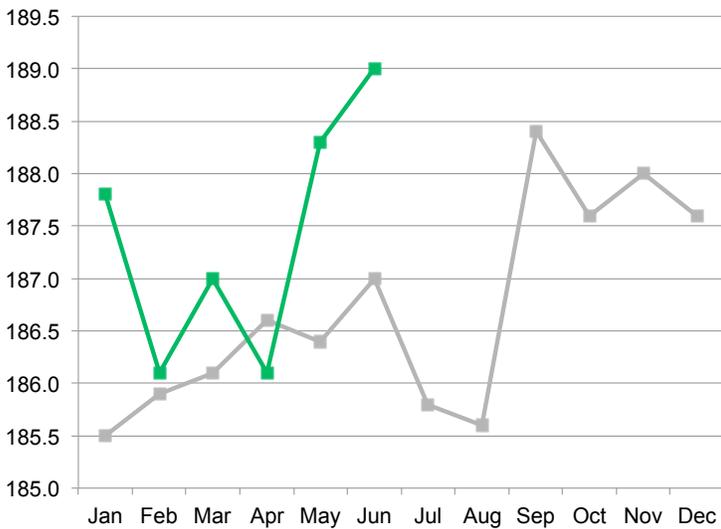
\*These series have been adjusted to First Quarter 2011 benchmarks.

## Service Employment (Continued)

### Leisure and Hospitality Services Employment (Thousands)

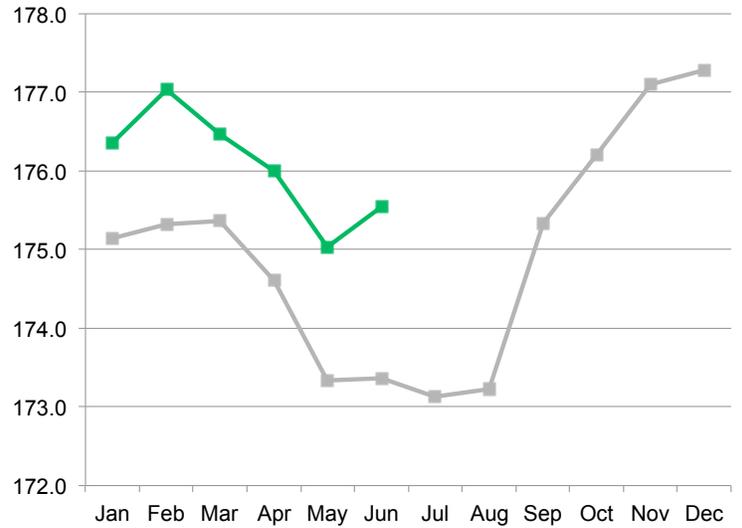


### Miscellaneous Services Employment (Thousands)

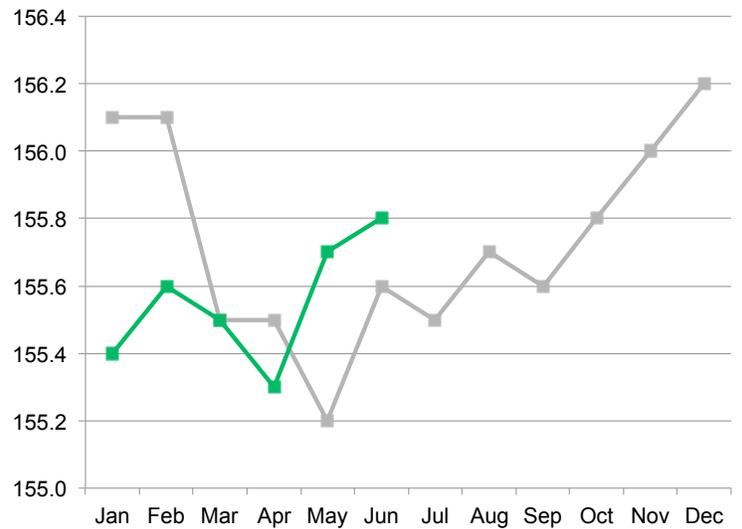


## Government Employment

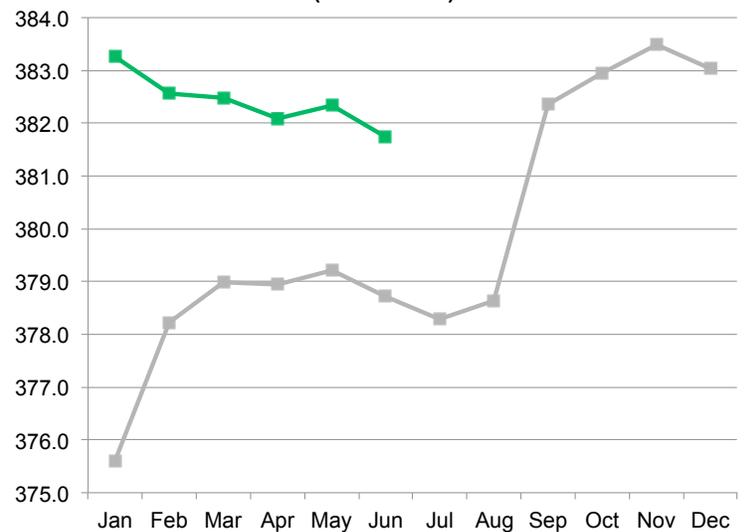
### Federal Government Employment (Thousands)



### State Government Employment (Thousands)



### Local Government Employment (Thousands)



2011
  2012
 January 2011 - June 2012



## Manufacturing Production Worker Indicators\*

	Average Weekly Hours		Average Hourly Earnings (Dollars)		Deflated Average Hourly Earnings (1982-84 Dollars)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
<b>2011</b>						
January	40.9	41.7	18.85	18.96	8.71	8.69
February	39.3	39.8	19.02	19.07	8.74	8.66
March	39.9	40.6	18.89	18.99	8.59	8.63
April	40.2	40.8	18.69	18.79	8.43	8.50
May	40.6	40.0	18.88	18.85	8.47	8.48
June	40.6	40.2	18.54	18.44	8.33	8.35
July	40.0	39.8	18.47	18.24	8.29	8.25
August	40.3	39.7	18.40	18.14	8.24	8.18
September	41.3	40.6	18.25	18.16	8.16	8.17
October	40.1	39.5	18.18	18.23	8.15	8.19
November	40.5	40.6	18.01	18.29	8.08	8.17
December	39.7	40.3	18.22	18.29	8.20	8.15

<b>2012</b>						
January	39.1	39.8	18.41	18.52	8.25	8.23
February	39.1	39.6	18.24	18.29	8.13	8.06
March	39.9	40.6	18.03	18.13	7.97	8.01
April	40.1	40.7	18.72	18.82	8.25	8.32
May	40.0	39.4	18.37	18.34	8.11	8.12
June	40.4	40.0	18.35	18.25	8.12	8.14

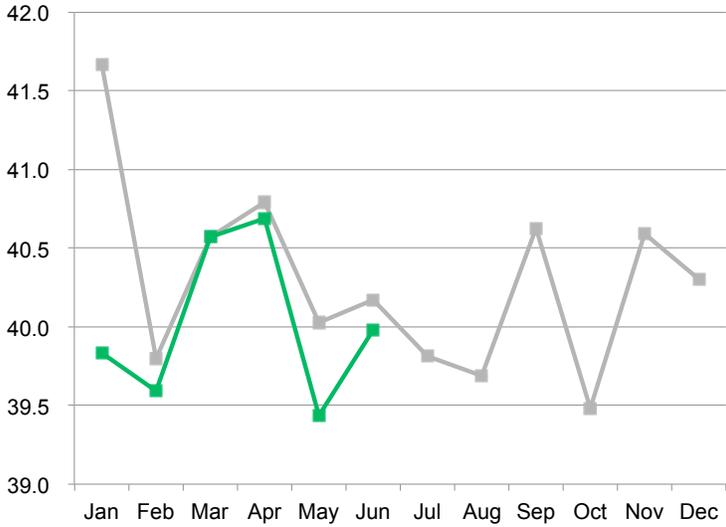
	Total Production Hours (Thousands)		Average Weekly Earnings (Dollars)		Deflated Average Weekly Earnings (1982-84 Dollars)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
<b>2011</b>						
January	7,284	7,432	770.97	782.81	356.27	358.81
February	7,015	7,190	747.49	763.98	343.62	349.32
March	7,194	7,374	753.71	770.30	342.56	349.93
April	7,276	7,444	751.34	765.31	338.83	345.81
May	7,393	7,307	766.53	751.22	343.81	338.52
June	7,470	7,358	752.72	739.99	338.27	334.80
July	7,300	7,271	738.80	727.06	331.77	329.16
August	7,383	7,237	741.52	720.88	332.03	324.11
September	7,566	7,403	753.73	738.81	336.96	331.71
October	7,414	7,231	729.02	726.77	326.85	325.46
November	7,322	7,316	729.41	741.15	327.36	330.78
December	7,138	7,216	723.33	735.41	325.58	327.77

<b>2012</b>						
January	6,975	7,117	719.83	730.87	322.48	324.79
February	6,972	7,146	713.18	728.92	317.93	323.20
March	7,122	7,300	719.40	735.21	317.89	324.74
April	7,074	7,238	750.67	764.59	330.67	337.49
May	7,148	7,065	734.80	720.11	324.27	319.29
June	7,219	7,111	741.34	728.80	327.97	324.60

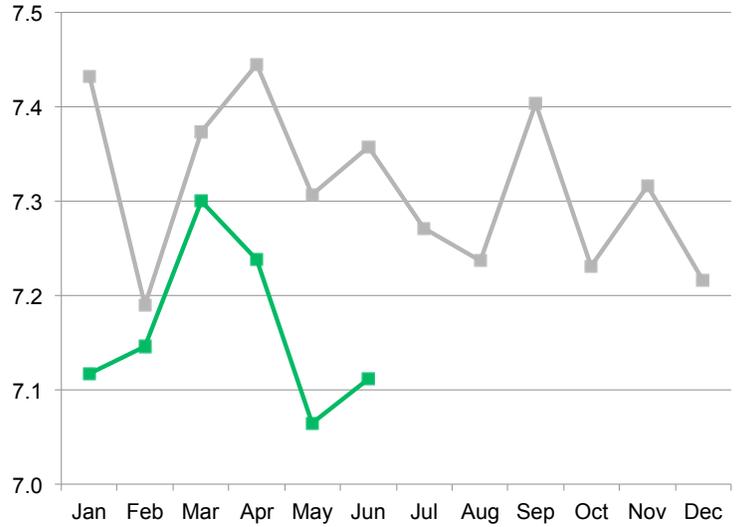
\*These series have been adjusted to First Quarter 2011 benchmarks.

# Manufacturing Production Worker Indicators

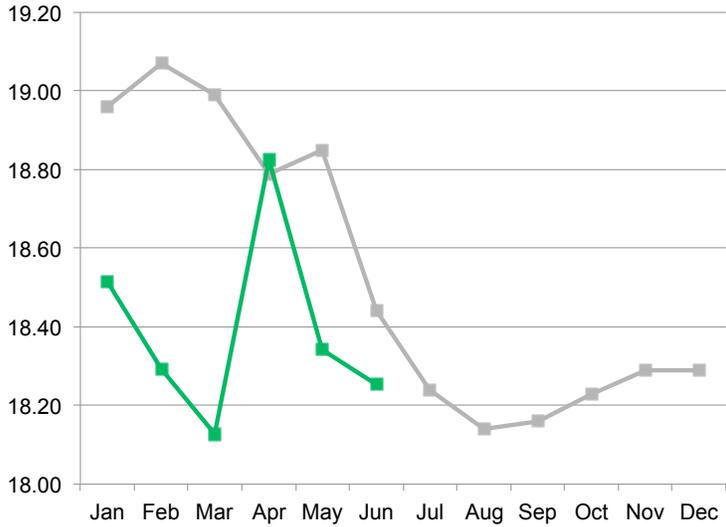
### Average Weekly Hours



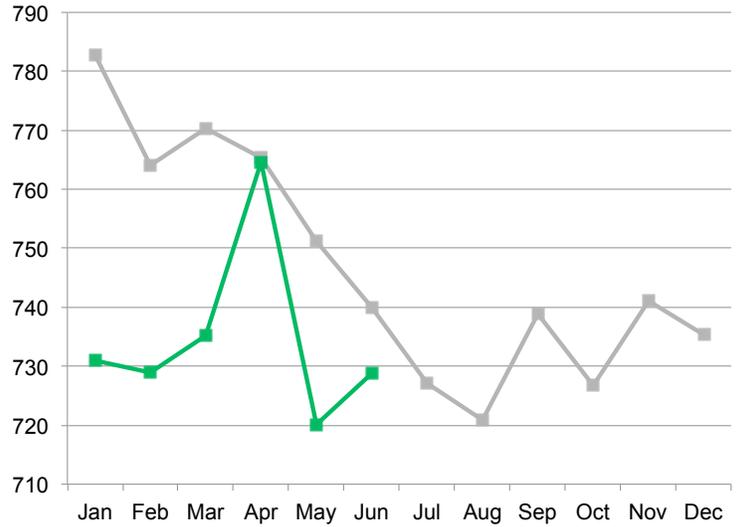
### Total Production Hours (Millions)



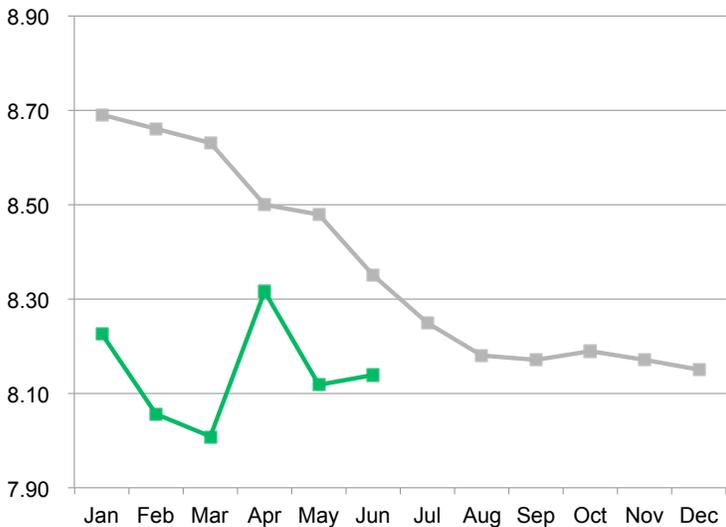
### Average Hourly Earnings (Dollars)



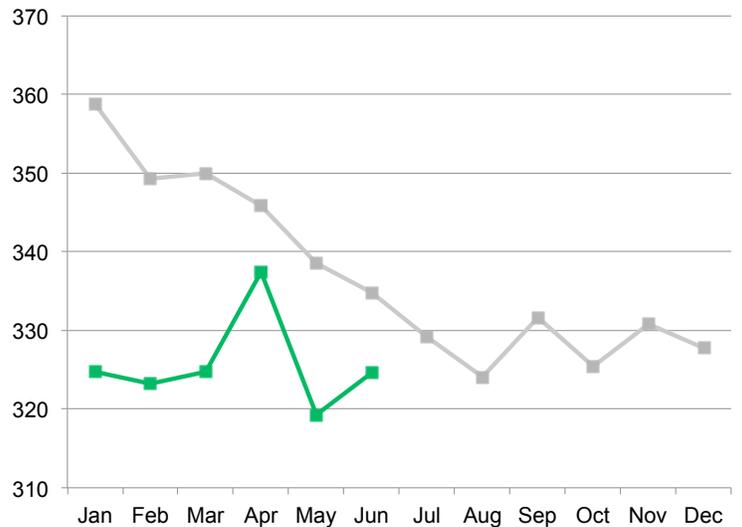
### Average Weekly Earnings (Dollars)



### Deflated Average Hourly Earnings (1982-84 Dollars)



### Deflated Average Weekly Earnings (1982-84 Dollars)



2011
  2012
 January 2011 - June 2012

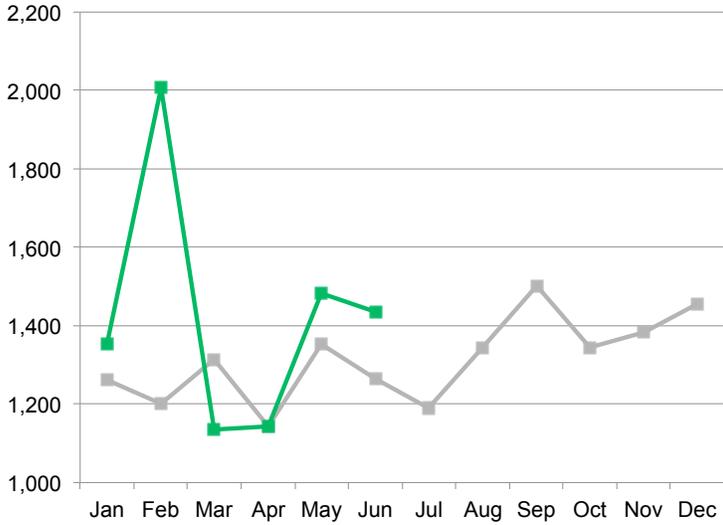
## Business Indicators

	Single Family Housing Permits		New Business Incorporations		New Vehicle Registrations	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
<b>2011</b>						
January	1,076	1,261	1,126	1,100	29,821	33,248
February	1,145	1,200	1,008	1,035	27,644	35,197
March	1,554	1,315	1,302	1,066	36,938	35,881
April	1,364	1,142	1,183	1,014	37,293	32,650
May	1,456	1,354	983	1,013	34,975	31,545
June	1,421	1,265	1,076	1,036	30,319	25,363
July	1,333	1,190	925	921	35,945	32,619
August	1,463	1,345	1,094	1,153	34,059	31,065
September	1,558	1,503	1,079	1,135	32,496	29,838
October	1,201	1,345	1,013	1,087	28,326	31,161
November	1,010	1,384	907	1,107	28,577	35,733
December	1,091	1,454	968	1,018	30,017	35,603
<b>2012</b>						
January	1,154	1,352	1,135	1,108	33,335	37,167
February	1,916	2,008	1,158	1,189	31,057	39,543
March	1,342	1,135	1,263	1,034	38,265	37,169
April	1,365	1,143	1,188	1,018	37,779	33,076
May	1,594	1,482	1,130	1,164	41,754	37,660
June	1,613	1,435	1,125	1,083	39,167	32,765

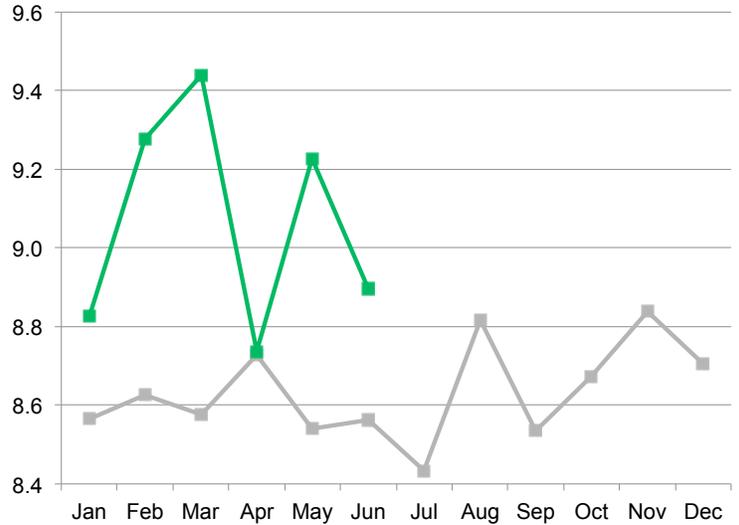
	Taxable Retail Sales (Millions of Dollars)		Deflated Taxable Retail Sales (Millions of 1982-84 Dollars)	
	Unadjusted	Adjusted	Unadjusted	Adjusted
<b>2011</b>				
January	7,464	8,564	3,449	3,925
February	7,494	8,627	3,445	3,932
March	8,450	8,577	3,840	3,886
April	8,699	8,729	3,923	3,942
May	8,541	8,539	3,831	3,846
June	9,214	8,564	4,141	3,873
July	8,420	8,434	3,781	3,806
August	8,708	8,817	3,899	3,965
September	8,713	8,535	3,895	3,848
October	8,665	8,673	3,885	3,886
November	8,700	8,839	3,905	3,954
December	10,531	8,706	4,740	3,892
<b>2012</b>				
January	7,692	8,826	3,446	3,922
February	8,060	9,278	3,593	4,101
March	9,301	9,441	4,110	4,159
April	8,707	8,738	3,835	3,854
May	9,228	9,226	4,072	4,088
June	9,572	8,897	4,235	3,961

# Business Indicators

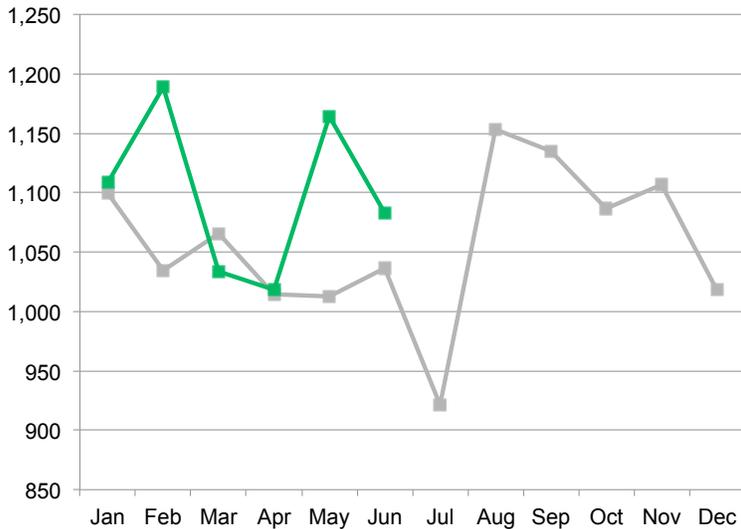
### Single Family Housing Permits



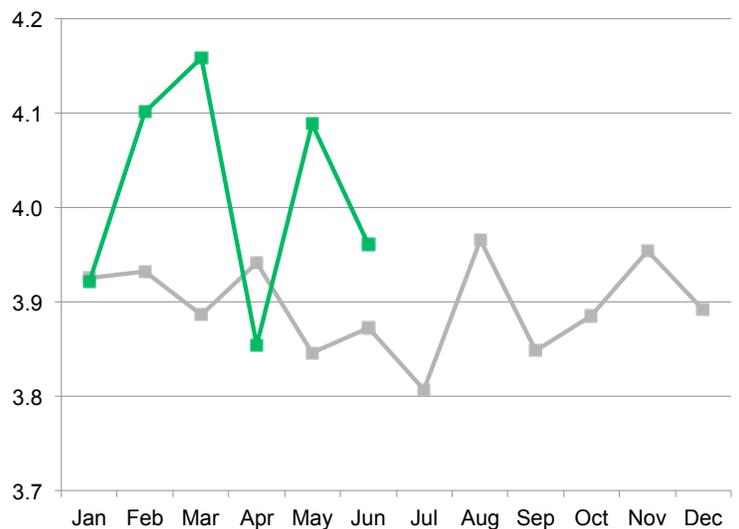
### Taxable Retail Sales (Billions of Dollars)



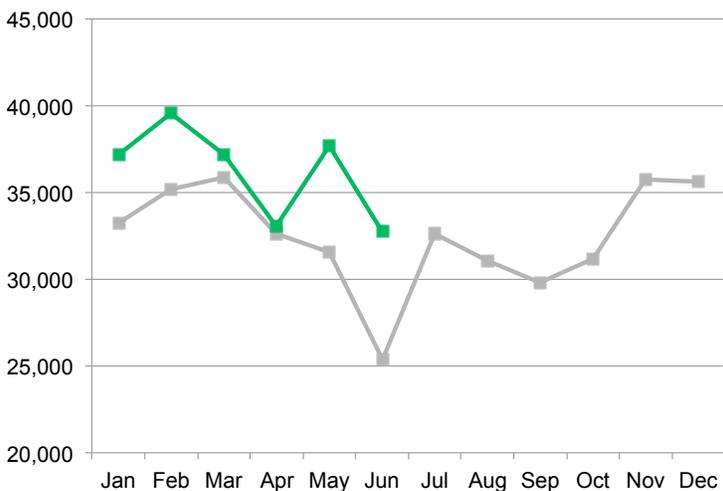
### New Business Incorporations



### Deflated Taxable Retail Sales (Billions of 1982-84 Dollars)



### New Vehicle Registrations



2011
  2012
 January 2011 - June 2012



## Performance of Indicators Over the Business Cycle

For those interested in studying the business cycle in Virginia, this publication includes several of the economic time series for which data is readily available on a monthly basis. From time to time, new series will be added and, if necessary, others presently included will be discontinued.

## Business Cycle Turning Points

The beginning of a recession is defined as the month when aggregate economic activity in the U.S. reaches a cyclical high, from which it begins to turn down, and the end as the month when it reaches a cyclical low, from which it begins to turn up. On November 26, 2001, the National Bureau of Economic Research (NBER) announced a recession had begun in March 2001. On July 17, 2003, NBER announced the recession ended in November 2001. The NBER announced on December 1, 2008, that a recession had begun in December 2007. On September 20, 2010, the NBER announced the recession had ended in June 2009.

## Seasonal Adjustment

To correlate changes in a time series and changes in the business cycle, it is desirable to eliminate, insofar as possible, the effect of irrelevant factors from the data comprising the series. All series currently published in the *Virginia Economic Indicators* have been adjusted to minimize regular seasonal fluctuations in the data in order to show only activity related to the business cycle.

## Historical Graphs

Historical graphs are published in the back of the fourth quarter issue for each year.

## Data Sources

The data source for all series in this publication is the Virginia Employment Commission (VEC), except the following:

**U.S. Census Bureau:**

Single Family Housing Permits

**Virginia Department of Motor Vehicles:**

New Vehicle Registrations

**Virginia Department of Taxation:**

Deflated Taxable Retail Sales

Taxable Retail Sales

**Virginia State Corporation Commission:**

New Business Incorporations