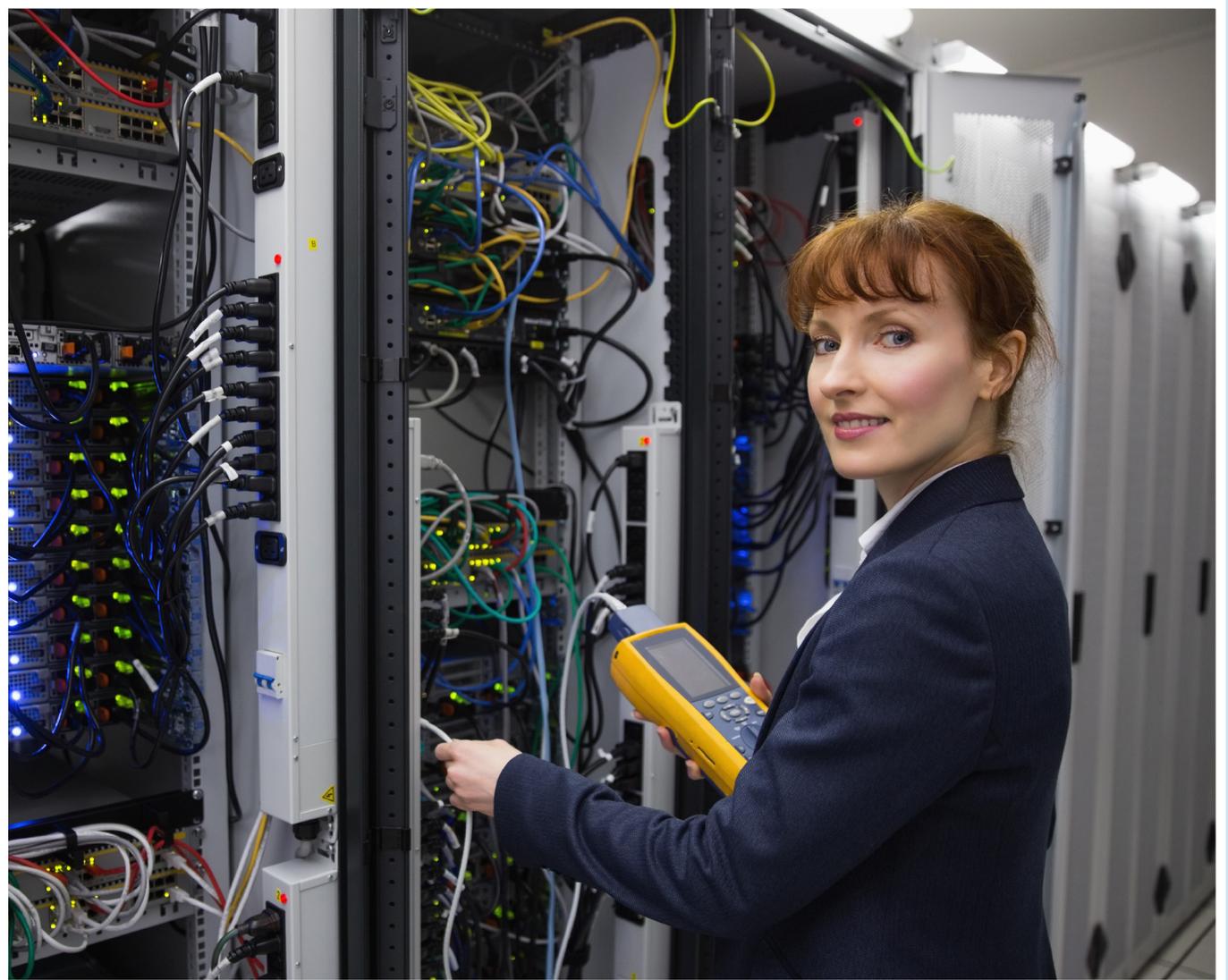


2nd Quarter 2016

VIRGINIA

ECONOMIC INDICATORS

Volume 48, Number 2



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VIRGINIA

ECONOMIC INDICATORS

Volume 48, Number 2

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Publication Staff: Timothy O. Kestner, *Editor*; Joan McDorman, *Assistant Editor*; Linda Simmons, *Graphic Design/Layout*

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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 one of the series currently used are produced in-house by the Economic Information & Analytics (EIA) Division (formerly Economic Information Services) of the Virginia Employment Commission and are comparable to similar national series produced by the U.S. Department of Labor.

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. (See page 20 for changes implemented this quarter.)

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, May, August, and December, but data in the series is provided on a monthly basis. There is a time lag of approximately four to six weeks before all the data series are available for publication and analysis.

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.



2016 Second Quarter Virginia Data and U.S. Current Data

We hope the new and timelier *Indicators* is of great value to you and that the non-Virginia Employment Commission indicators data that is published afterwards serves your needs as well.

The second half of 2016 ended on an up-note, having added 67,000 non-farm jobs over the first quarter. On average, there were 3,932,660 jobs in Virginia's economy during the second quarter. This positive news is accompanied by the improving unemployment scene as the seasonally adjusted headline figure fell to 3.7 percent at the end of the second quarter—which is reflected in the declining level of initial unemployment claims.



Most of Virginia's Metropolitan Statistical Areas (MSA), with the exceptions of the Blacksburg-Christiansburg-Radford MSA (loss of 100) and Staunton MSA (loss of 400 jobs), gained jobs over the quarter. The Harrisonburg MSA remained unchanged in the second quarter. The Northern Virginia and Richmond MSAs led the way, as they had in the prior quarter. Over the



Editor's Abstract

Timothy O. Kestner, Director, EIA

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year, the state gained 82,100 jobs, with Professional and Business Services, Education and Healthcare Services, and Leisure and Hospitality industries ranking highest in job creation.

In a National Public Radio interview following the Bureau of Economic Analysis' gross domestic product (GDP) initial announcement regarding economic growth in the second quarter, the morning host asked the business reporter if indeed the U.S. economy was actually moving *backwards* at the annual rate of 1.2 percent, to which the reporter responded in quick, yet nice fashion—"no, it is just the opposite." Indeed the economy is growing, as we know. I was somewhat

stunned that the host would ask such a question, but it seems the interview was actually scripted in order to highlight the sluggish growth of the economy. And for that matter, the economy is slothful compared to several quarters in 2013 through most of 2015 (in the first quarter of 2014 the economy did slide into the negative). In the end, 1.2 percent positive growth is still moving forward and is certainly better than the two prior quarters with growth below 1.0 percent. Another and likely more prudent way in which to view the economy's strength is to extract the volatile inventories sector (which is likely to be positive in the third quarter) and consider *final sales*. When we view the economy through this lens, GDP grew 2.4 percent in the second quarter—certainly a much better view.

The growth in the U.S. economy for the second quarter is attributable to acceleration in consumer spending (+4.2 percent) and improvement in exports (+1.4 percent), while private domestic investment, residential housing, and federal, state, and local government spending declined.



Consumers opened their purses wide in the second quarter and bought hefty portions of both goods and services; durable goods were up 8.4 percent, and non-durables were up by 6.0 percent according to the advanced report. Consumption of services grew slower at 3.0 percent, yet this was well above the 1.9 percent in the first quarter.

Exports, which had been in negative territory for the three prior quarters, rebounded in the goods sector, while the export of services saw negative growth in the second quarter.

Blunting GDP in the second quarter was the 6.1 percent decline in the residential housing sector, which had grown in robust fashion for the past six quarters. In similar tone, the business structure sector plummeted by 7.9 percent, which followed near zero percent growth in the first quarter and declines throughout 2015. This sector has been negatively impacted by the falling crude oil prices; yet, with declining production

costs due to more efficient drilling techniques, more rigs will go into production. The end result will be favorable to consumers in terms of falling prices at gasoline pumps, which is very likely to accelerate consumer spending in general. The negative will be increased driving, more highway congestion, and larger vehicles—why can't there be a win-win?

The national defense sector pulled the federal government into the negative as it fell by 3.0 percent, while the non-defense side grew by 3.9 percent. The combined state and local sectors also spent less in the second quarter by 1.3 percent. The second estimate of GDP will be released on August 26, and with the July job growth number being more robust than expected, the growth rate could be close to 2.0 percent. Sentiment among forecasters and analysts places GDP at or above 2.0 percent for the second quarter and 2.4 percent for the third quarter of 2016.

The July jobs report from the Bureau of Labor Statistics, which showed that 255,000 workers were hired last month—roughly 75,000 more than predicted—along with the June number being revised up from 287,000 to 292,000 was much more than we had hoped for. The report also highlighted that wages were up as well, yet still rising slowly. However, a tightening of the labor market will likely increase wage pressures and thus accelerate the growth of wages in some occupations.

Finally, as we consider the state statistics, we can see that the overall economy is strong with the unemployment rate being the lowest since April 2008, business and household employment at all-time highs, and hourly wages increasing. Still, it is important to think about where in the state the majority of growth is occurring and in what industries we find that growth. Northern Virginia and Richmond are pushing the bulk of the employment growth where dependency on government is uncomfortably high, while the rural parts of the state struggle to grow. Through a recent analysis of labor force participation rates for Virginia's counties and cities, we found that the lowest rates are in the Southwest and Southside portions of the state—disabilities, skill deficiencies, scarce job opportunities, despondency—are likely metrics behind these findings. On a recent mission trip to Southwest Virginia, I witnessed the plight of many there: poverty, chronic health conditions, unemployment, and despair that are too often the cause of other social issues in young and old alike. The challenges there are many—and they are growing. So, while we can be optimistic about the state-of-the-state, we are pulled concurrently with concerns of the unequal distribution of growth and how sustainable the growth is.



Highlights 2nd Quarter 2016

Nonfarm employment had a net loss of 6,300 jobs between First Quarter 2016 and Second Quarter 2016. Nonfarm employment totaled 3,912,800 at the end of Second Quarter 2016.

The **total unemployment rate** dropped two tenths of a percent, falling from 4.0 percent to 3.8 percent from the end of First Quarter 2016 to the end of Second Quarter 2016. The average insured unemployment rate decreased from 0.86 percent to 0.81 percent during the same time period.

Average weekly initial claims decreased slightly from 3,725 at the end of the First Quarter 2016, to 3,608 at the end of the Second Quarter 2016. The average duration of unemployment for unemployment insurance claimants remained the same at 14.9 weeks.

Final payments for regular unemployment rose slightly from 2,668 claimants a week to 2,803 a week. The percentage of claimants who exhausted their benefits increased slightly from 40.0 percent to 40.2 percent.

Virginia Indicators

Larry Robinson, Senior Economist, EIA

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Construction employment experienced increases, climbing from 183,000 jobs at the end of the First Quarter 2016 to 184,300 at the end of Second Quarter 2016.

Manufacturing employment had a net loss of 1,000 jobs, declining from 230,700 jobs at the end of First Quarter 2016 to 229,700 jobs at the end of the next quarter.

Total production hours in Manufacturing decreased from 7,234,000 at the end of First Quarter 2016 to 6,826,000 at the end of Second Quarter 2016. The weekly average earnings dropped from \$827 to \$801.

Nominal **average hourly earnings** increased from \$19.60 to \$19.74. Inflation-adjusted average hourly



earnings decreased from \$8.49 to \$8.43 [in 1982-84 dollars]. Nominal and inflation-adjusted average weekly earnings both increased 1.1 percent.

Wholesale Trade's employment decreased from 112,400 to 110,600, or 1,800 jobs. Retail Trade experienced a decrease from 431,700 jobs to 429,200 jobs.

Transportation, Warehousing, and Utilities employment remained at 131,200 jobs.

Information employment posted a net loss of 4,200 jobs, declining from 69,000 to 64,800.

Finance employment declined from 201,700 jobs to 200,100 jobs for a loss of 1,600.

Professional and Business Services employment had an even greater loss of 5,300 jobs, declining from 717,800 to 712,500 jobs.

Private Education and Health Services grew slightly, increasing from 522,000 to 522,200.

Leisure and Hospitality Services declined from 397,800 jobs to 392,200 jobs.

Employment in **Miscellaneous Services** gained 500 jobs, showing quarter growth from 202,600 jobs to 203,100 jobs.

Federal Government employment added 2,600 jobs, increasing from 176,800 to 179,400 jobs.

State Government employment recorded a net increase of 200 jobs, increasing from 161,300 to 161,500 jobs.

Local Government employment experienced a net decrease of 1,700 jobs, decreasing from 374,900 to 373,200 jobs.





Around the State

Because the metropolitan data are not seasonally adjusted, over-the-year analysis (Second Quarter 2016 versus Second Quarter 2015) is used. *Totals may not add due to rounding.*

Statewide there were 82,100 jobs gained, or 2.1 percent of nonfarm employment. The Private sector grew by 81,000 jobs, or 2.6 percent. Eleven of the 15 sectors grew, with four of them increasing by at least 12,000 jobs. The biggest increases occurred in Professional and Business Services (23,400 or 3.4 percent), Private Education and Health Services (18,500 or 3.7 percent), Retail Trade (14,200 or 3.4 percent), and Leisure and Hospitality Services (12,300 or 3.1 percent). Other industries with large gains were Transportation, Warehousing, and Utilities (6,300 or 5.1 percent) and Miscellaneous Services (6,100 or 3.1 percent). Smaller gains were posted in Finance, Insurance, and Real Estate (2,900 or 1.5 percent), Federal Government (2,200 or 1.2 percent), Wholesale Trade (2,000 or 1.8 percent), Construction (1,500 or 0.8 percent), and State Government (500 or 0.3 percent).

Around the State

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Losses were recorded in Manufacturing (3,800 or 1.6 percent), Information (1,700 or 2.4 percent), Local Government (1,700 or 0.4 percent), and Mining and Logging (700 or 7.8 percent). Information's decline was increased by a strike in the Telecommunications industry. The state's unemployment rate fell from 4.5 percent to 3.7 percent, while the national rate fell from 5.3 percent to 4.8 percent.

Northern Virginia MSA gained 31,300 jobs, or 2.2 percent of nonfarm employment, and provided about 38 percent of statewide total job growth. The Private sector grew by 30,200 jobs, or 2.6 percent. Twelve of the 14 sectors grew, with three of them increasing by at least 5,000 jobs. The largest increase was recorded in Professional and Business Services (10,000 or 2.6 percent), with about two-thirds of the gain occurring in professional, scientific, and

technical services and about one-fifth in administrative and support services. Other large increases were posted in Leisure and Hospitality Services (5,300 or 3.8 percent), Retail Trade (5,000 or 3.5 percent), and Private Education and Health Services (3,200 or 2.1 percent). Accommodation and food services and health care and social assistance provided about two-thirds and three-fourths of their respective sector's growth. Smaller gains were registered in Miscellaneous Services (2,700 or 3.5 percent), Mining, Logging, and Construction (2,000 or 2.9 percent), and Wholesale Trade (1,600 or 5.0 percent). The other increases occurred in Local Government (700 or 0.5 percent), Federal Government (500 or 0.6 percent), Transportation, Warehousing, and Utilities (400 or 1.1 percent), Finance, Insurance, and Real Estate (200 or 0.3 percent), and Manufacturing (100 or 0.4 percent). Finance and insurance provided all of the growth in its sector. The declining sectors were Information (200 or 0.5 percent) and State Government (100 or 0.5 percent). Information's decline was increased by a strike in the Telecommunications industry. The area's unemployment rate, which is the lowest of the MSAs, declined from 3.8 percent to 3.0 percent, and its percentage point advantage over the state remained at 0.7.

Richmond MSA gained 24,100 jobs, or 3.7 percent of nonfarm employment, and provided about 29 percent of statewide total job growth. The Private sector rose by 23,400 jobs, or 4.3 percent. Eleven sectors gained employment, while three lost employment. The largest increase was posted in Professional and Business Services (8,300 or 7.8 percent). About 60 percent of the gain was in administrative and support services, while most of the rest was in professional, scientific, and technical services. Other large gains were recorded in Retail Trade (4,800 or 7.2 percent) and Transportation, Warehousing, and Utilities (3,500 or 14.6 percent). The former's increase was reduced by a permanent layoff in food stores. Smaller improvements occurred in Private Education and Health Services (2,200 or 2.3 percent), Leisure and Hospitality Services (1,900 or 3.1 percent), Miscellaneous Services (1,500 or 4.8 percent), Mining, Logging, and Construction (1,400 or 3.8 percent), and Finance, Insurance, and Real Estate (1,100 or 2.2 percent). Health care and social assistance provided about 73 percent of its sector's growth. A permanent layoff in the Insurance subsector reduced its sector's growth. The remaining positive sectors increased by no more than 500: Federal Government (500 or 3.0 percent), Local Government (200 or 0.4 percent), and State Government (100 or 0.3 percent). The losses were 400 each: Information (5.3 percent), Wholesale Trade (1.4 percent), and Manufacturing (1.3 percent). Information's decline



was increased by a strike in the Telecommunications industry. The area's unemployment rate fell from 4.7 percent to 3.7 percent, and the spread with the state decreased from 0.2 percentage point to zero.

Virginia Beach-Norfolk-Newport News, Virginia/North Carolina MSA gained 4,500 jobs, or 0.6 percent of nonfarm employment. The Private sector grew by 7,100 jobs, or 1.2 percent. Nine sectors grew, while five declined. The largest gains were in the Private Education and Health Services (3,500 or 3.3 percent) and Leisure and Hospitality Services (2,800 or 3.1 percent) sectors. Health care and social assistance (2,700 or 3.0 percent) provided about 77 percent of the former's growth, while accommodation and food services provided all of the latter's growth. Other large increases occurred in Finance, Insurance, and Real Estate (1,500 or 3.9 percent) and Transportation, Warehousing, and Utilities (1,100 or 4.7 percent). Finance and insurance provided two-thirds of the growth in the former sector, with the remainder in real estate. All of the gain in the latter sector occurred in transportation and warehousing. Professional and Business Services also had a large gain (1,000 or 1.0 percent), which included growth in the Administrative and Support Services and Management of Companies and Enterprises subsectors. The former's increase was

reduced by a permanent layoff in call center services. The third subsector, professional, scientific, and technical services, declined due, in part, to permanent layoffs in custom computer programming services; and real estate title and settlement services. Smaller gains were registered in Federal Government (600 or 1.1 percent), Retail Trade (500 or 0.6 percent), and Mining, Logging, and Construction (400 or 1.1 percent). Wholesale Trade posted the smallest gain (100 or 0.5 percent). The largest losses occurred in the Local Government (3,000 or 3.6 percent) and Manufacturing (2,500 or 4.7 percent) sectors. The latter's loss was all in Durable Goods Manufacturing. The Ship and Boat Building industry was the source for all but 500 of the jobs lost in the Transportation Equipment industry group (2,800 or 9.9 percent). Losses of less than 1,000 each were posted in the Miscellaneous Services (900 or 2.5 percent), Information (400 or 3.7 percent), and State Government (300 or 1.4 percent) sectors. Information's decline was increased by a strike in the Telecommunications industry and a permanent layoff in publishing. The area's unemployment rate fell from 5.0 percent to 4.3 percent, but the spread with the state widened from 0.5 to 0.6 percentage point.

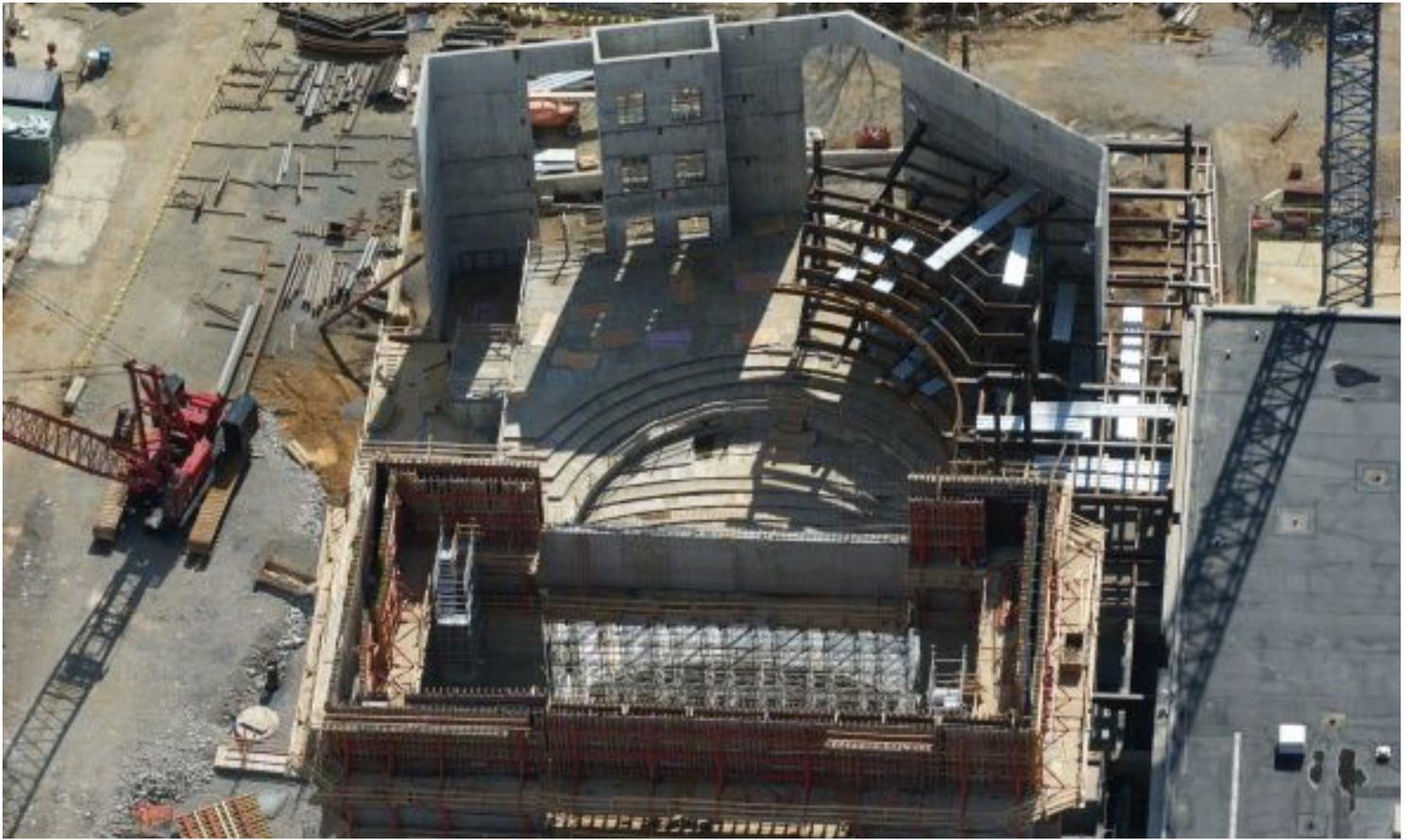
Charlottesville MSA gained 4,200 jobs, or 3.7 percent of nonfarm employment. The Private sector increased by 3,400 jobs, or 4.4 percent. Eight sectors gained employment, two declined, and four were unchanged. The largest increases occurred in Private Education and Health Services (1,200 or 8.9 percent) and Professional and Business Services (800 or 5.3 percent). Other large gains were posted in Leisure and Hospitality Services (700 or 5.3 percent), State Government (700 or 3.0 percent), and Retail Trade (600 or 5.6 percent). Gains of 100 each were recorded in Information (4.8 percent), Miscellaneous Services (1.8 percent), and Local Government (1.0 percent). The following sectors were neutral: Federal Government; Finance, Insurance, and Real Estate; Transportation, Warehousing, and Utilities; and Wholesale Trade. The losses occurred in Mining, Logging, and Construction (200 or 3.4 percent) and Manufacturing (100 or 2.4 percent). The area's unemployment rate fell from 4.1 percent to 3.1 percent, and its percentage point advantage over the state increased from 0.4 to 0.6.

Winchester Virginia/West Virginia MSA gained 2,500 jobs, or 4.1 percent of nonfarm employment. The Private sector grew by 1,900 jobs, or 3.7 percent. The Private Service-Providing sector posted a gain of 1,800, or 4.3 percent, with the Trade, Transportation, and Utilities subsector contributing 500 jobs (4.0 percent) to the growth. Local Government increased by 400, or 6.7 percent. The Goods-Producing sector, which consists of Mining, Construction, and Manufacturing,

rose by 200, or 2.1 percent. Increasing by 100 each were State Government (6.2 percent) and Federal Government (5.0 percent). The area's unemployment rate dropped from 4.4 percent to 3.3 percent, and its percentage point advantage over the state rose from 0.1 to 0.4.

Roanoke MSA gained 2,000 jobs, or 1.2 percent of nonfarm employment. The Private sector rose by 2,400 jobs, or 1.7 percent. Six sectors gained employment, while five lost employment, and three were unchanged. The largest gains were in Professional and Business Services (1,500 or 7.1 percent) and Private Education and Health Services (500 or 1.9 percent). Smaller increases of 200 each were posted in Wholesale Trade (2.7 percent), Miscellaneous Services (2.6 percent), and Manufacturing (1.2 percent). Manufacturing's gain was reduced by a permanent layoff in the Wood Products subsector. Transportation, Warehousing, and Utilities grew by 100, or 1.1 percent. The following sectors were neutral: Leisure and Hospitality Services; Retail Trade; and State Government. Retail Trade had a permanent layoff in electronic shopping. The largest loss occurred in Local Government (300 or 2.2 percent). Losses of 100 each were posted in Information (6.7 percent), Federal Government (2.3 percent), Finance, Insurance, and Real Estate (1.2 percent), and Mining, Logging, and Construction (1.2 percent). Information's decline was increased by a strike in the Telecommunications industry. The area's unemployment rate fell from 4.5 percent to 3.6 percent, and it changed from being even with the state to a 0.1 percentage point advantage.

Lynchburg MSA gained 600 jobs, or 0.6 percent of nonfarm employment. The Private sector rose by 700 jobs, or 0.8 percent. Five sectors gained employment, while six lost employment, and three were unchanged. The largest gains were in Leisure and Hospitality Services (600 or 6.2 percent) and Retail Trade (400 or 3.1 percent). Smaller gains of 100 each were posted in Finance, Insurance, and Real Estate (2.1 percent), Miscellaneous Services (2.1 percent), and Manufacturing (0.7 percent). The Finance sector's gain was reduced by a permanent layoff in the Insurance subsector. The neutral sectors were Federal Government, Local Government, and Professional and Business Services. The largest loss occurred in Transportation, Warehousing, and Utilities (300 or 10.7 percent). The other five declining sectors lost 100 jobs each: Information (11.1 percent), State Government (3.0 percent), Wholesale Trade (2.6 percent), Mining, Logging, and Construction (1.7 percent), and Private Education and Health Services (0.6 percent). Information's decline was increased



by a strike in the Telecommunications industry. The area's unemployment rate fell from 5.1 percent to 4.1 percent, and the percentage point spread with the state narrowed from 0.6 to 0.4.

Harrisonburg MSA nonfarm employment was unchanged. The Private sector fell by 500 jobs, or 1.0 percent. Local Government had the largest gain (400 or 7.3 percent). Increasing by 100 each were Federal Government (33.3 percent) and State Government (1.7 percent). The Goods-Producing sector, which is composed of Mining, Construction, and Manufacturing, was unchanged. The Private Service-Providing sector fell by 400, or 1.0 percent, while Trade, Transportation, and Utilities decreased by 100, or 0.8 percent, and Retail Trade was neutral. The area's unemployment rate fell from 4.8 percent to 3.8 percent, and the percentage point spread with the state fell from 0.3 to 0.1.

Blacksburg-Christiansburg-Radford MSA lost 100 jobs, or 0.1 percent of nonfarm employment. The Private sector grew by 300 jobs, or 0.6 percent. The largest loss occurred in State Government (600 or 3.6 percent). A smaller decrease was posted in the Goods-Producing sector (200 or 1.4 percent), composed of Mining, Construction, and Manufacturing. This sector's loss was increased by a temporary layoff in transportation

equipment manufacturing. Federal Government employment was neutral. The growth sectors were Private Service-Providing (500 or 1.3 percent) and Local Government (300 or 3.8 percent). The area's unemployment rate fell from 4.8 percent to 4.1 percent, but the percentage point gap with the state average widened from 0.3 to 0.4.

Staunton-Waynesboro MSA lost 400 jobs, or 0.8 percent of nonfarm employment. The Private sector decreased by 300 jobs, or 0.7 percent. The larger loss occurred in the Goods-Producing sector (300 or 3.1 percent), which is composed of Mining, Construction, and Manufacturing. Government fell by 100, or 1.1 percent. (A breakout of Government employment into Federal, State, and Local is not available at this time.) The Private Service-Providing sector fell by 100, or 0.3 percent. The area's unemployment rate fell from 4.3 percent to 3.4 percent, and its percentage point advantage over the state increased from 0.2 to 0.3.

Tables and Graphs

2nd QUARTER DATA

January 2015 - June 2016



Employment Indicators*

2015	Nonagricultural Wage and Salary Employment (Thousands)		Total Unemployment Rate (Percent)	
	Unadjusted	Adjusted	Unadjusted	Adjusted
January	3,758.3	3,815.4	5.1	4.8
February	3,766.5	3,817.8	5.0	4.8
March	3,780.0	3,813.2	4.8	4.7
April	3,832.7	3,823.7	4.3	4.6
May	3,852.2	3,834.5	4.7	4.5
June	3,866.7	3,838.3	4.6	4.4
July	3,865.6	3,857.1	4.5	4.3
August	3,864.0	3,860.7	4.4	4.2
September	3,873.1	3,864.2	4.1	4.2
October	3,901.0	3,881.4	4.0	4.2
November	3,927.6	3,896.2	3.9	4.2
December	3,926.6	3,902.1	3.9	4.2
2016				
January	3,848.1	3,901.5	4.4	4.1
February	3,861.4	3,916.3	4.2	4.1
March	3,886.3	3,919.1	4.2	4.0
April	3,914.0	3,908.5	3.4	3.9
May	3,927.0	3,904.0	3.6	3.7
June	3,956.8	3,912.8	4.0	3.7

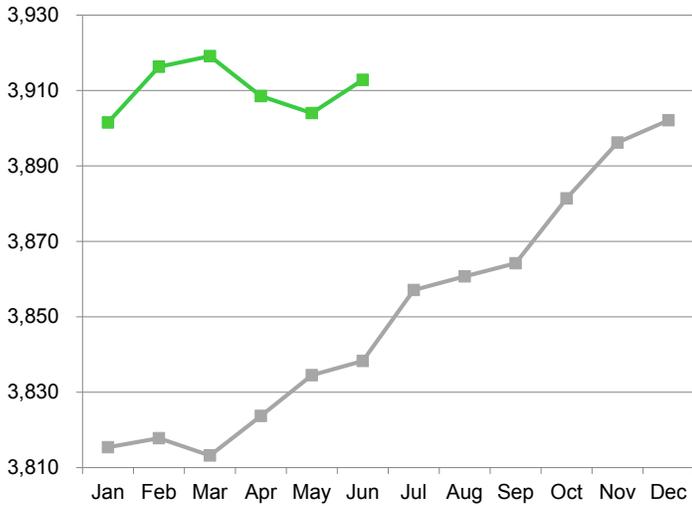
*These series have been adjusted to First Quarter 2015 benchmarks.

Unemployment Insurance Indicators

2015	Average Weekly Initial Claims		Average Weekly Insured Unemployment Rate (Percent)		Unemployment Insurance Final Payments	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
January	5,181	3,583	1.09	0.93	3,580	3,366
February	3,758	3,822	1.03	0.90	3,717	3,698
March	3,191	3,580	1.00	0.92	4,201	3,761
April	3,057	3,601	0.82	0.84	3,516	3,122
May	3,307	3,685	0.81	0.86	3,020	3,160
June	3,505	3,576	0.82	0.85	3,180	3,291
July	3,367	3,430	0.84	0.84	2,997	2,861
August	3,061	3,589	0.82	0.84	3,205	3,321
September	2,888	3,433	0.74	0.83	2,652	2,720
October	3,087	3,394	0.72	0.79	2,528	2,771
November	3,453	3,448	0.74	0.80	2,761	3,128
December	5,025	3,657	0.80	0.79	2,487	2,511
2016						
January	4,747	3,283	0.95	0.81	2,687	2,526
February	4,039	4,108	1.00	0.87	3,291	3,274
March	3,320	3,725	0.93	0.86	2,980	2,668
April	3,405	4,010	0.82	0.84	2,974	2,640
May	3,459	3,854	0.81	0.86	3,315	3,469
June	3,537	3,608	0.82	0.85	2,708	2,803

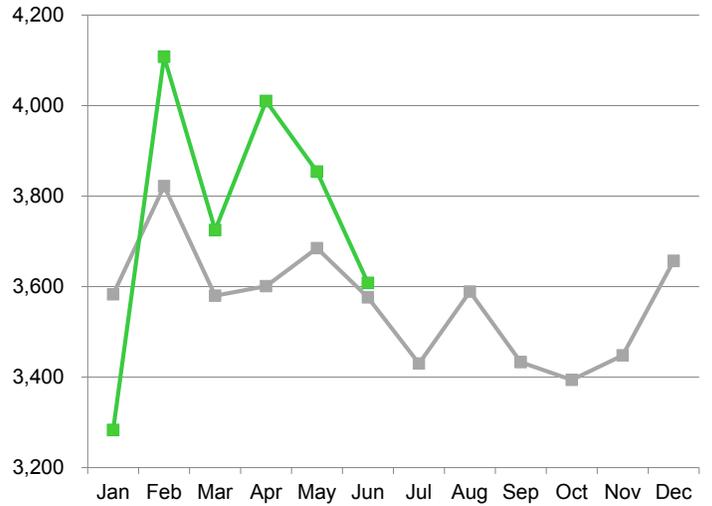
Employment Indicators

Nonagricultural Wage and Salary Employment (Thousands)

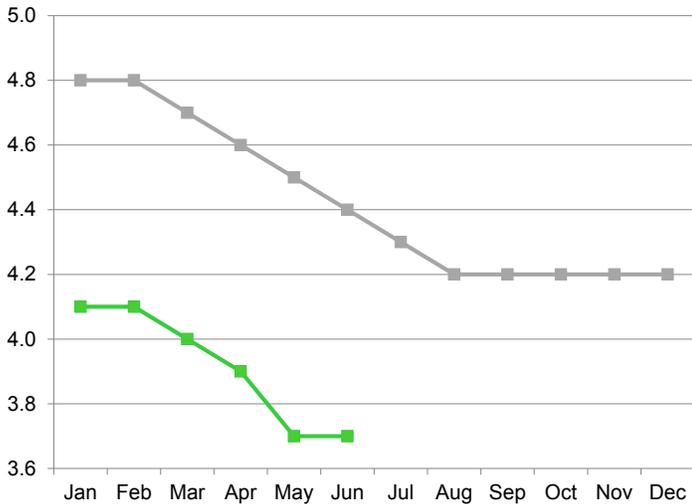


Unemployment Insurance Indicators

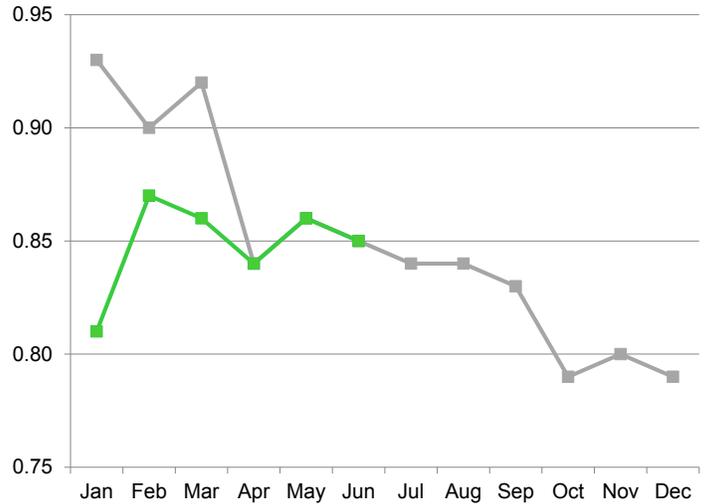
Average Weekly Initial Claims



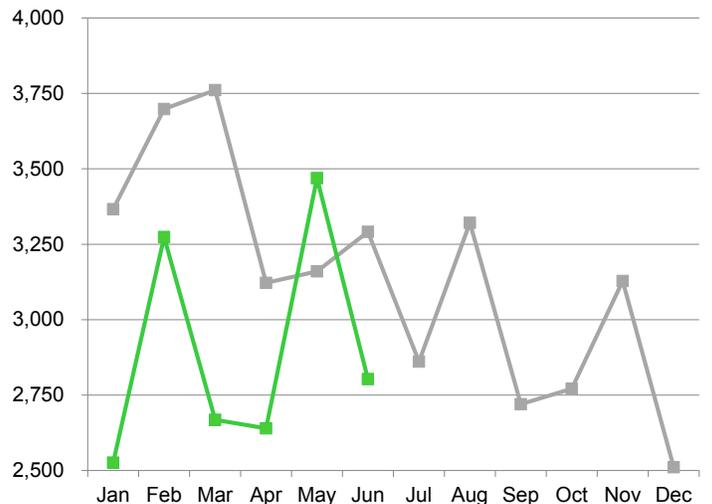
Total Unemployment Rate (Percent)



Insured Unemployment Rate (Percent)



Unemployment Insurance Final Payments



■ 2015 ■ 2016

January 2015 - June 2016
(seasonally adjusted)

Goods Producing Employment*

2015	Mining and Logging Employment (Thousands)		Construction Employment (Thousands)		Manufacturing Employment (Thousands)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
January	9.4	9.4	173.3	180.9	230.7	232.6
February	9.3	9.4	172.9	181.3	230.4	232.3
March	9.2	9.2	175.2	180.6	231.0	232.2
April	9.1	9.2	182.8	182.7	232.2	232.7
May	9.0	9.0	185.9	183.7	232.7	232.8
June	8.9	8.8	187.5	183.7	234.0	233.1
July	9.1	9.1	190.2	184.4	234.5	233.3
August	9.1	9.1	189.8	184.8	234.2	233.4
September	8.9	8.9	188.3	184.8	234.1	233.4
October	8.9	8.8	186.6	185.2	234.2	234.1
November	8.7	8.7	186.6	186.9	235.0	234.9
December	8.6	8.6	185.2	187.8	233.8	233.2
2016						
January	8.5	8.5	177.2	182.4	231.3	232.4
February	8.3	8.4	177.8	184.0	229.6	231.8
March	8.2	8.3	181.9	186.1	229.8	230.6
April	8.3	8.4	184.1	182.6	228.6	229.3
May	8.3	8.4	187.8	185.2	229.4	229.4
June	8.3	8.3	188.8	185.1	229.7	227.8

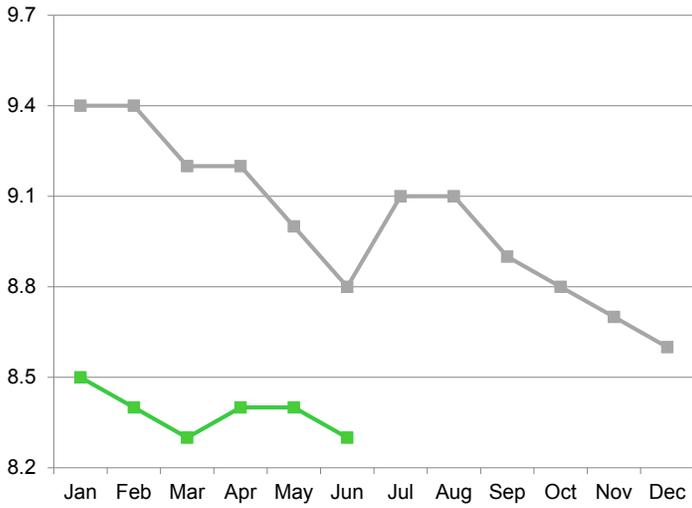
Trade Employment*

2015	Wholesale Trade Employment (Thousands)		Retail Trade Employment (Thousands)	
	Unadjusted	Adjusted	Unadjusted	Adjusted
January	109.4	110.2	410.8	413.8
February	109.3	110.1	404.0	413.8
March	109.4	109.9	404.5	414.1
April	109.9	110.0	408.6	414.0
May	110.3	110.1	413.6	415.6
June	110.8	110.4	416.9	417.4
July	111.5	110.7	417.5	418.8
August	111.4	110.9	418.1	419.2
September	111.2	111.1	416.5	420.3
October	111.9	112.1	422.7	421.5
November	112.5	112.7	436.8	422.8
December	112.9	113.3	437.3	420.1
2016				
January	111.2	111.9	421.5	424.6
February	111.7	112.1	415.4	425.6
March	111.9	112.2	420.0	429.7
April	111.8	111.4	424.2	429.7
May	112.0	110.8	427.0	428.9
June	113.0	112.4	430.4	430.4

*These series have been adjusted to First Quarter 2015 benchmarks.

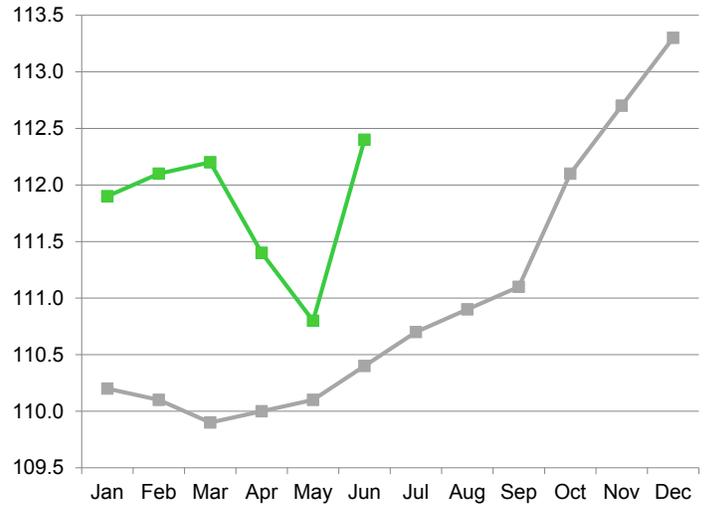
Goods Producing Employment

Mining and Logging Employment (Thousands)

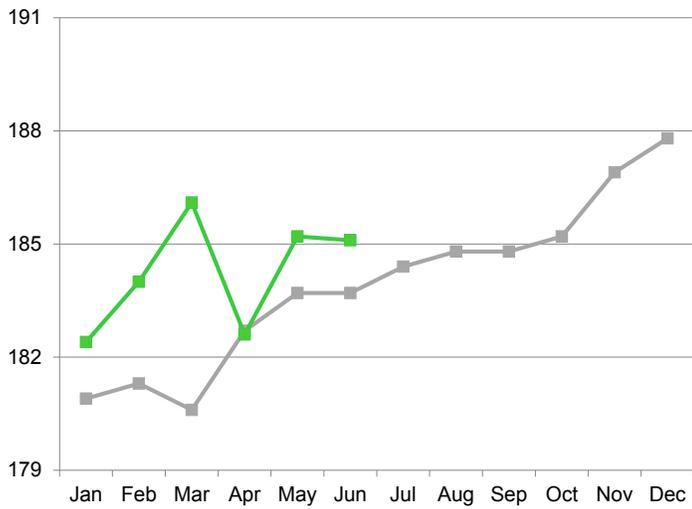


Trade Employment

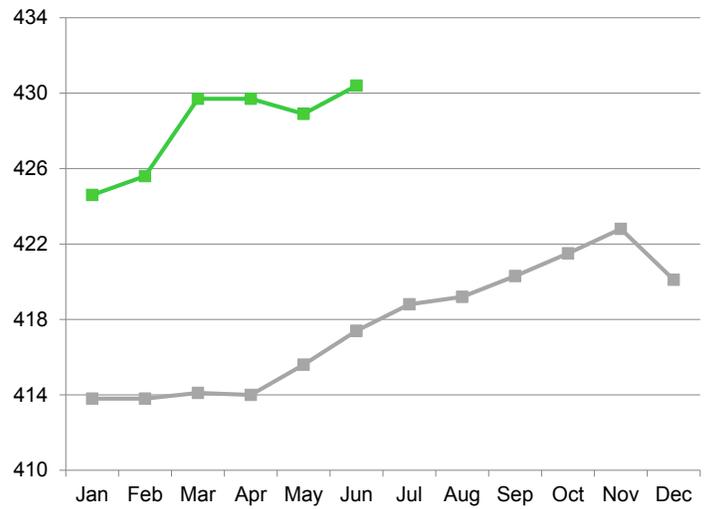
Wholesale Trade Employment (Thousands)



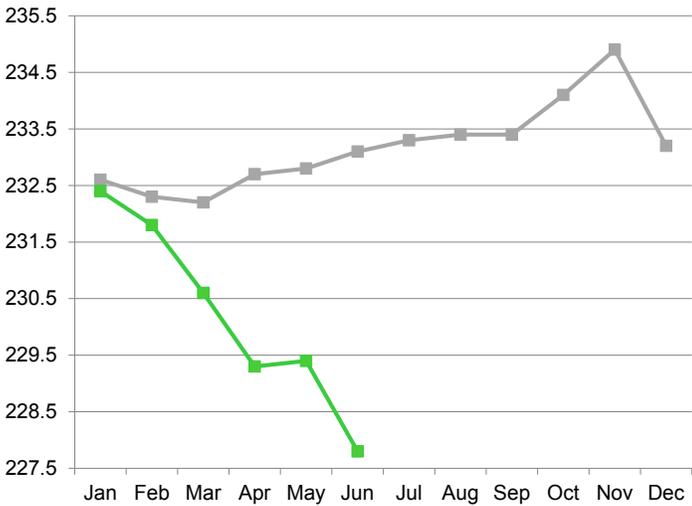
Construction Employment (Thousands)



Retail Trade Employment (Thousands)



Manufacturing Employment (Thousands)



2015 2016

January 2015 - June 2016
(seasonally adjusted)

Transportation, Information, and Finance Employment*

2015	Transportation, Warehousing, and Utilities Employment (Thousands)		Information Employment (Thousands)		Finance Employment (Thousands)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
January	123.0	123.7	70.0	70.1	194.1	196.3
February	121.8	124.2	69.5	69.8	194.8	196.6
March	121.7	123.7	69.2	69.4	195.2	196.7
April	123.0	124.5	69.3	69.6	195.8	196.5
May	124.1	124.8	70.0	69.9	197.1	197.1
June	125.1	125.1	69.8	69.6	198.7	197.2
July	127.9	127.7	70.6	69.9	200.1	197.8
August	128.2	127.8	69.9	69.2	199.7	197.8
September	127.8	127.5	69.1	69.6	198.3	198.2
October	130.6	130.1	69.2	69.5	199.7	198.6
November	133.1	130.3	69.8	69.7	199.0	199.0
December	136.3	132.4	69.6	69.4	199.7	199.7
2016						
January	131.0	130.7	68.6	69.0	199.4	199.7
February	128.5	130.5	69.1	69.6	199.2	200.3
March	129.0	131.4	68.7	69.0	200.3	201.6
April	129.9	132.5	68.1	68.7	199.2	200.0
May	130.2	131.3	66.6	66.3	199.7	200.2
June	131.0	131.1	69.4	68.3	201.5	201.3

** A strike at Verizon in May 2016 reduced Information Employment by 2,200.

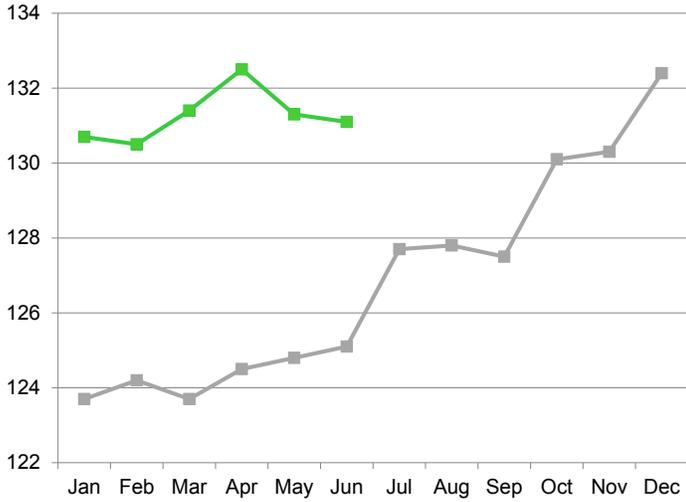
Service Employment*

2015	Professional and Business Services Employment (Thousands)		Private Education and Health Services Employment (Thousands)	
	Unadjusted	Adjusted	Unadjusted	Adjusted
January	678.0	687.5	504.6	504.8
February	678.8	687.5	506.6	505.2
March	681.1	687.3	507.7	505.7
April	692.8	691.1	511.6	506.5
May	695.6	694.3	503.6	507.0
June	697.7	694.0	500.8	508.1
July	703.4	696.8	505.2	511.8
August	704.0	697.6	508.5	512.7
September	699.0	699.1	515.4	513.2
October	709.8	705.7	521.3	516.7
November	714.7	708.9	523.5	518.2
December	717.4	714.4	522.8	518.2
2016				
January	704.3	715.6	521.7	522.0
February	708.8	722.1	526.3	524.2
March	707.9	716.5	524.5	520.8
April	711.8	710.7	527.3	522.5
May	718.3	713.2	519.1	519.9
June	726.3	718.3	525.0	530.0

*These series have been adjusted to First Quarter 2015 benchmarks.

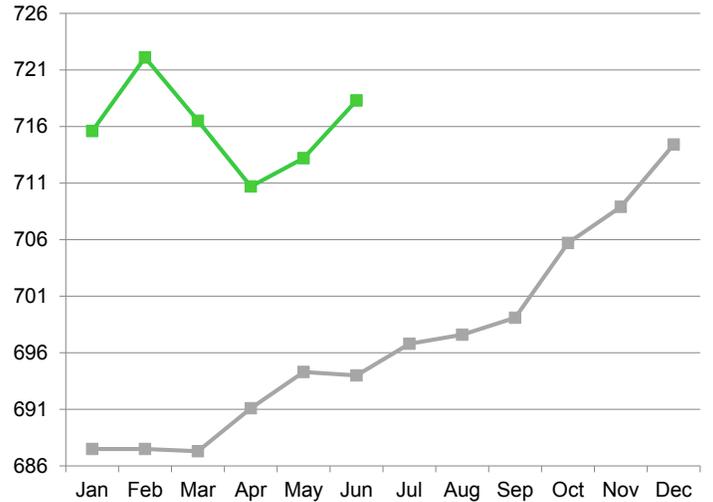
Transportation, Information, and Finance Employment

Transportation, Warehousing, and Utilities Employment (Thousands)

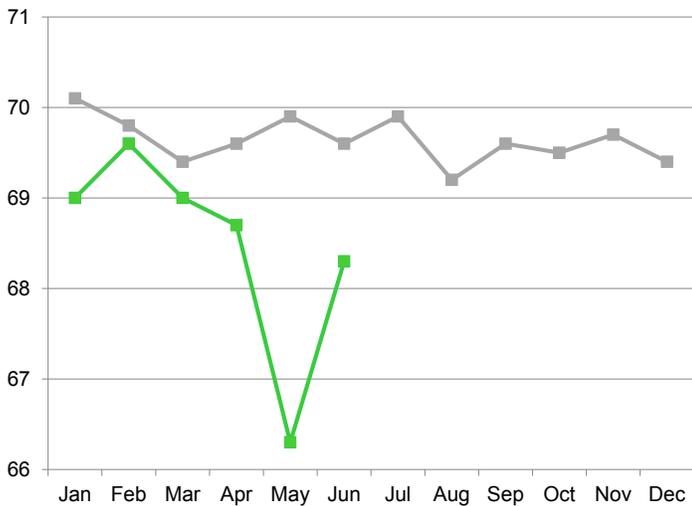


Service Employment

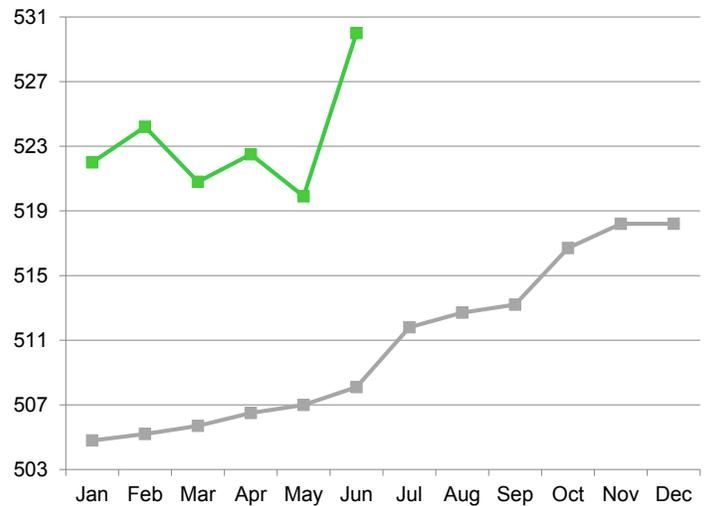
Professional and Business Services Employment (Thousands)



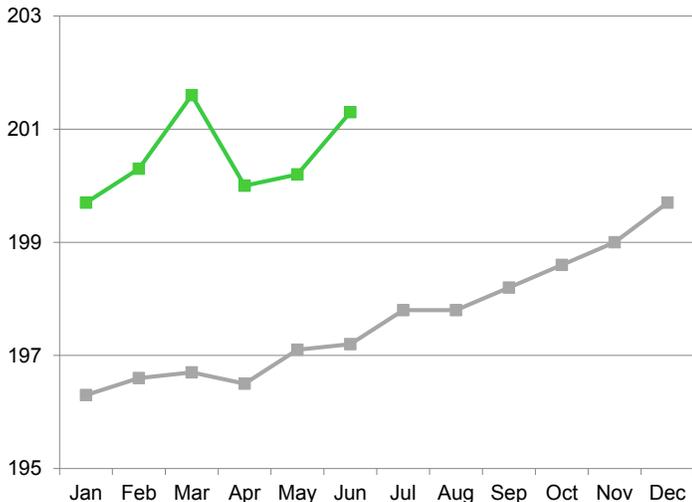
Information Employment (Thousands)**



Private Education and Health Services Employment (Thousands)



Finance Employment (Thousands)



** A strike at Verizon in May 2016 reduced Information Employment by 2,200.

2015 2016

January 2015 - June 2016
(seasonally adjusted)

Service Employment* (Continued)

	Leisure and Hospitality Services Employment (Thousands)		Miscellaneous Services Employment (Thousands)	
	Unadjusted	Adjusted	Unadjusted	Adjusted
2015				
January	354.7	378.9	193.9	196.8
February	356.4	379.2	194.0	196.7
March	363.0	378.0	195.5	196.8
April	378.5	379.1	196.6	196.5
May	392.7	380.3	198.4	197.5
June	403.0	381.2	200.2	197.8
July	408.4	384.4	201.5	198.4
August	407.4	386.0	201.0	198.9
September	394.6	387.3	199.0	199.0
October	388.4	389.2	198.6	198.8
November	383.7	392.8	200.6	200.6
December	381.6	393.2	200.2	201.4
2016				
January	368.1	393.4	197.6	200.3
February	368.4	394.2	200.0	202.0
March	380.9	396.7	201.9	203.3
April	393.3	396.1	203.6	203.7
May	403.5	393.4	204.5	202.9
June	414.4	387.7	205.4	202.1

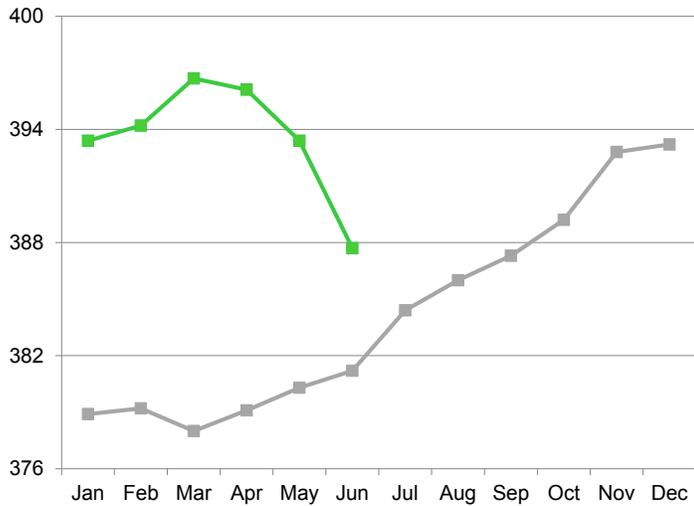
Government Employment*

	Federal Government Employment (Thousands)		State Government Employment (Thousands)		Local Government Employment (Thousands)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
2015						
January	174.8	175.0	154.2	161.0	377.4	374.4
February	174.6	175.3	164.7	161.8	379.4	374.6
March	174.5	175.4	164.4	161.5	378.4	372.7
April	176.1	175.9	165.6	161.2	380.8	374.2
May	176.2	176.3	158.6	161.1	384.4	375.0
June	176.7	176.7	153.7	160.9	382.9	374.3
July	177.8	177.1	153.9	160.9	354.0	376.0
August	177.9	177.2	157.3	161.0	347.5	375.1
September	177.3	177.2	166.6	160.8	367.0	373.8
October	178.2	177.7	164.8	160.2	376.1	373.2
November	178.2	177.6	164.5	160.2	380.9	372.9
December	178.4	177.4	164.6	160.6	378.2	372.4
2016						
January	177.3	177.3	154.4	160.6	376.0	373.1
February	177.1	177.7	164.3	161.4	376.9	372.4
March	176.0	176.8	164.3	161.3	381.0	374.8
April	177.5	176.9	166.3	161.7	380.0	374.3
May	178.7	179.4	159.1	161.5	382.8	373.2
June	179.4	179.6	154.1	160.2	380.2	370.2

*These series have been adjusted to First Quarter 2015 benchmarks.

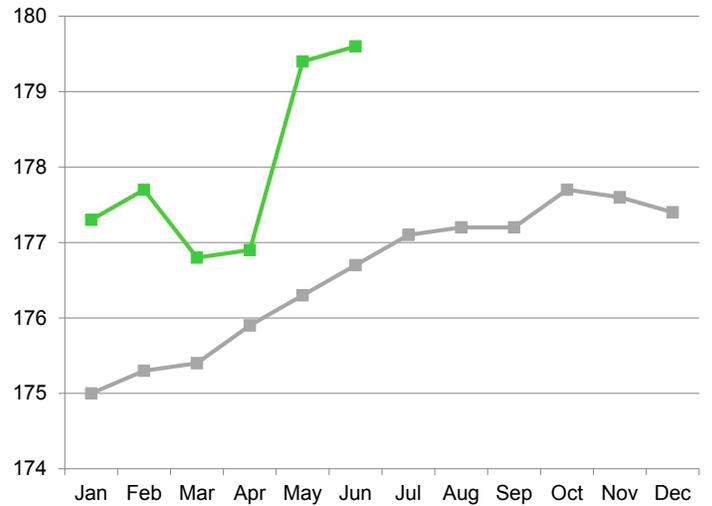
Service Employment (Continued)

Leisure and Hospitality Services Employment (Thousands)

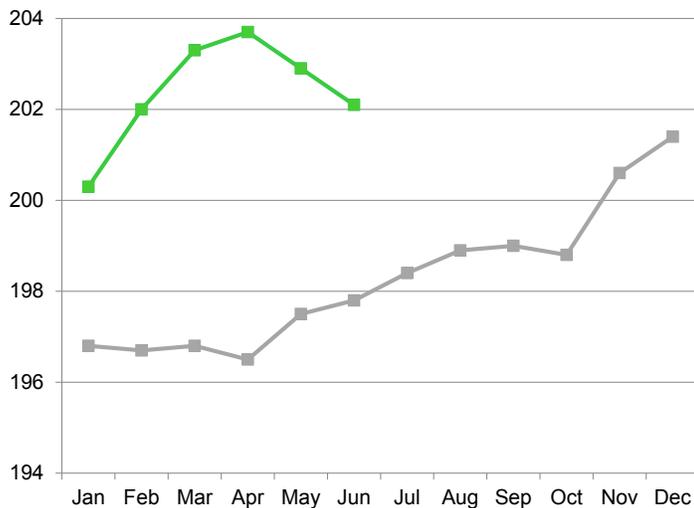


Government Employment

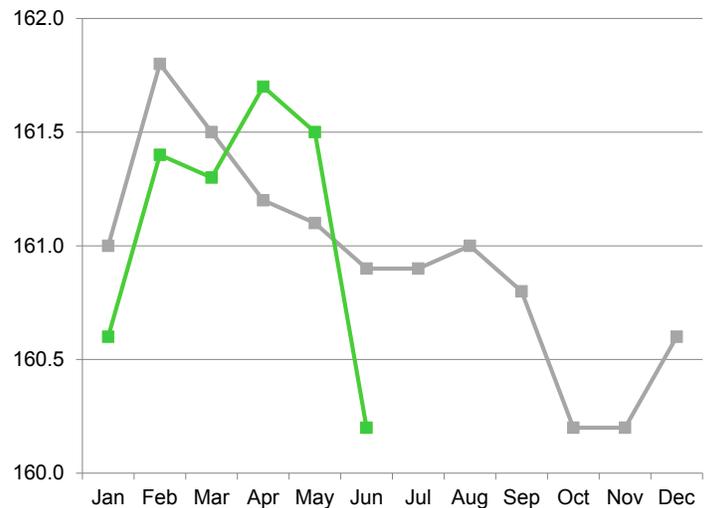
Federal Government Employment (Thousands)



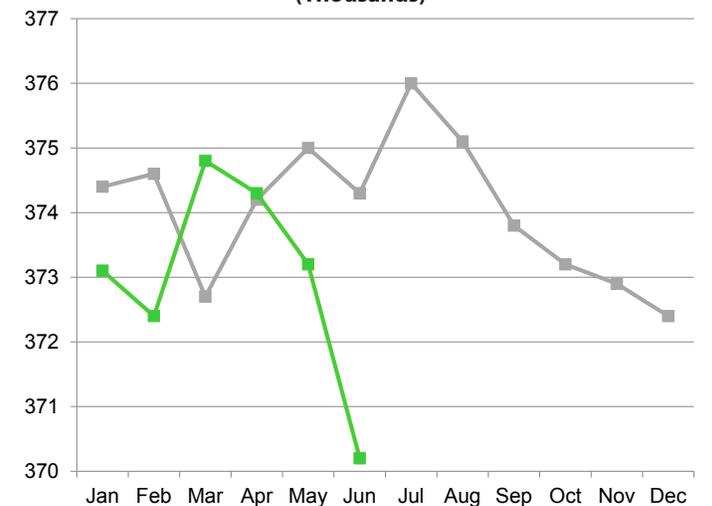
Miscellaneous Services Employment (Thousands)



State Government Employment (Thousands)



Local Government Employment (Thousands)



2015 2016

January 2015 - June 2016
(seasonally adjusted)

Manufacturing Production Worker Indicators*

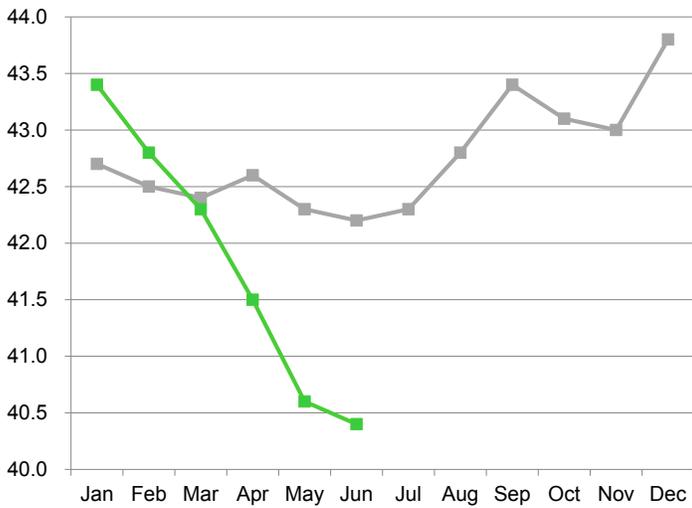
	Average Weekly Hours		Average Hourly Earnings (Dollars)		Deflated Average Hourly Earnings (1982-84 Dollars)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
2015						
January	42.4	42.7	19.87	19.82	8.70	8.60
February	41.6	42.5	19.77	19.88	8.62	8.62
March	41.8	42.4	19.84	20.02	8.59	8.67
April	42.7	42.6	20.19	20.18	8.72	8.73
May	42.5	42.3	20.15	20.14	8.65	8.68
June	42.2	42.2	20.15	20.15	8.62	8.66
July	42.1	42.3	20.18	19.98	8.63	8.60
August	43.1	42.8	19.99	20.00	8.57	8.60
September	44.3	43.4	20.25	20.37	8.70	8.80
October	43.0	43.1	19.86	19.87	8.55	8.56
November	43.2	43.0	19.97	19.91	8.62	8.56
December	44.2	43.8	19.43	19.33	8.42	8.30
2016						
January	43.1	43.4	19.80	19.75	8.57	8.47
February	41.9	42.8	19.80	19.91	8.57	8.57
March	41.7	42.3	19.51	19.69	8.40	8.49
April	41.6	41.5	19.57	19.56	8.38	8.39
May	40.8	40.6	19.67	19.66	8.39	8.42
June	40.4	40.4	19.74	19.74	8.39	8.43

	Total Production Hours (Thousands)		Average Weekly Earnings (Dollars)		Deflated Average Weekly Earnings (1982-84 Dollars)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
2015						
January	7,412	7,525	842.49	845.86	369.04	367.35
February	7,259	7,460	822.43	842.79	358.48	366.37
March	7,315	7,425	829.31	843.23	358.92	365.65
April	7,507	7,531	862.11	861.01	372.37	372.50
May	7,506	7,480	856.38	852.31	367.69	367.82
June	7,465	7,441	850.33	853.68	363.69	367.40
July	7,469	7,498	849.58	845.50	363.37	360.87
August	7,680	7,577	861.57	859.22	369.19	369.87
September	7,846	7,667	897.08	887.34	385.57	383.14
October	7,650	7,639	853.98	853.18	367.50	367.50
November	7,664	7,605	862.70	850.67	372.30	365.68
December	7,779	7,692	858.81	850.18	372.12	365.66
2016						
January	7,512	7,626	853.38	856.80	369.33	367.64
February	7,207	7,406	829.62	850.15	359.19	367.09
March	7,127	7,234	813.57	827.22	350.36	356.93
April	7,035	7,058	814.11	813.07	348.75	348.87
May	6,920	6,896	802.54	798.73	342.32	342.44
June	6,848	6,826	797.50	800.64	338.92	342.37

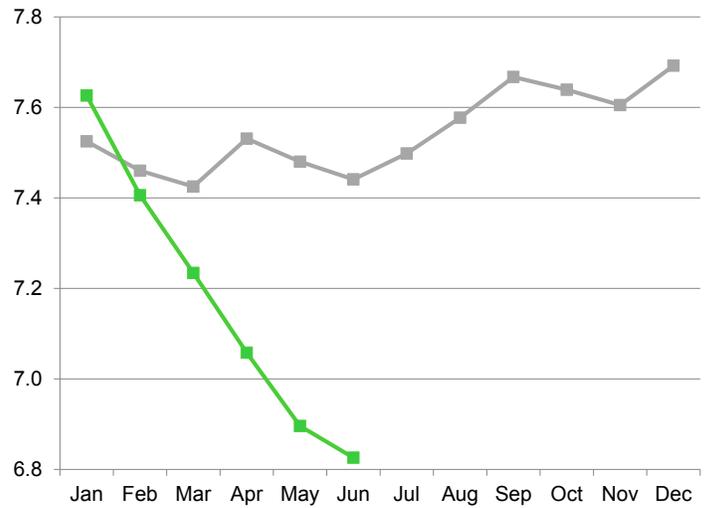
*These series have been adjusted to First Quarter 2015 benchmarks.

Manufacturing Production Worker Indicators

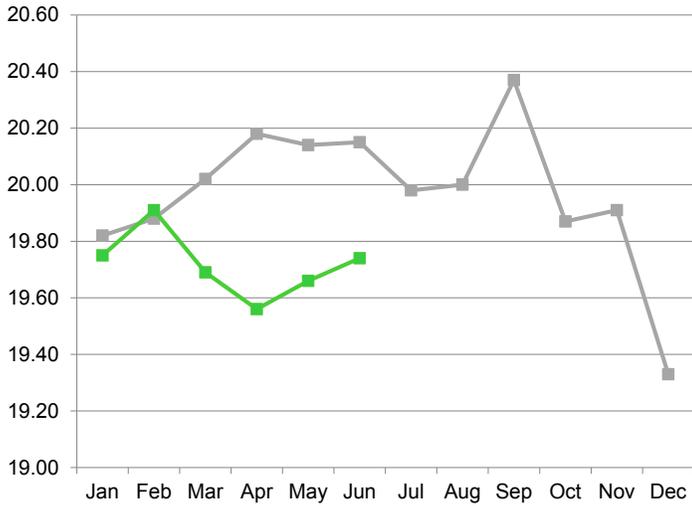
Average Weekly Hours



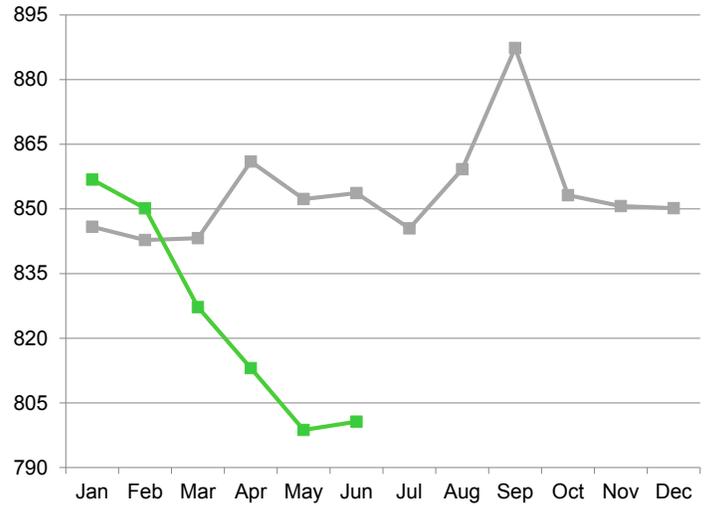
Total Production Hours (Millions)



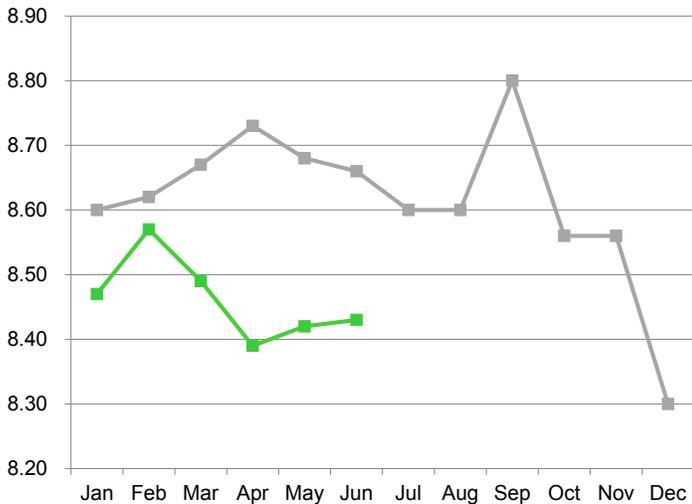
Average Hourly Earnings (Dollars)



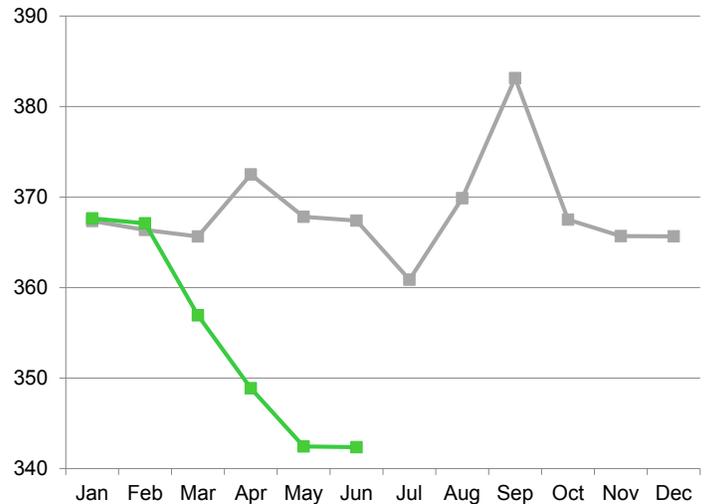
Average Weekly Earnings (Dollars)



Deflated Average Hourly Earnings (1982-84 Dollars)



Deflated Average Weekly Earnings (1982-84 Dollars)



2015
 2016
 January 2015 - June 2016 (seasonally adjusted)

NOTE: Business Indicators

In an effort to publish the *Virginia Economic Indicators* on an earlier schedule, we will no longer include the following series: Single Family Building Permits; New Business Incorporations; New Vehicle Registrations; Taxable Retail Sales; and Deflated Taxable Retail Sales. They will be produced separately, about a month later, in a new publication, *Virginia Business Indicators*.



Historical Summary

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. The National Bureau of Economic Research (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

Except for the following, the data source for all series in this publication is the Virginia Employment Commission (VEC)/ Economic Information & Analytics (EIA) Current Employment Statistics (CES) program.

U.S. Department of Labor:

Insured Unemployed Rate

VEC/EIA Local Area Unemployment Statistics (LAUS):

Total Unemployment Rate

VEC/EIA Data Collections Unit (DCU):

Average Weekly Initial Claims

Unemployment Insurance Final Payments