



## CENTER FOR ECONOMIC ANALYSIS AND POLICY

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### HAMPTON ROADS LABOR MARKET UPDATE

#### **Unemployment Decreases to 4.1% Job Growth Remains Sluggish in September 2017**

Norfolk, VA, November 2, 2017 – We continue to express cautious optimism about the prospects for economic growth in Hampton Roads in 2017 and into 2018. More people in 2017 are in the labor force and report that they are gainfully employed. There is a strong likelihood of increased defense spending in Hampton Roads, though this may not materialize until the 2<sup>nd</sup> quarter of 2018. We caution, however, that the level of jobs in Hampton Roads has contracted back to levels last seen in 2015 and that political uncertainty in Washington, D.C. may chill prospects for future growth in Hampton Roads.

Recently released non-seasonally adjusted data from the Bureau of Labor Statistics (BLS) show that the overall size of the civilian labor force in the Hampton Roads region increased by 3,544 workers, or 0.42%, in September 2017 when compared to September 2016. The overall size of the civilian labor force rose from 836,717 workers in September 2016 to 840,261 workers in September 2017. This represents the sixteenth month of year-over-year labor force expansion in Hampton Roads, a clear signal of economic expansion.

The unemployment rate of 4.1% for the Hampton Roads region in September 2017 represents a decrease of 0.6% from the unemployment rate of 4.7% observed in September 2016. The number of unemployed workers decreased from 39,571 in September 2016 to 34,313 in September 2017. This year over year decrease in the unemployment rate is another positive signal of economic activity in Hampton Roads.

The number of employed in Hampton Roads also rose in September 2017 when compared to September 2016. 805,948 individuals reported that they were employed in September 2017, an increase of 8,802 workers from September 2016. This also is the sixteen month of year-over-year employment expansion in Hampton Roads.

Data on the number of jobs also released earlier by the Bureau of Labor Statistics, however, continue to highlight the struggle to recover jobs in Hampton Roads. Total non-seasonally adjusted nonfarm employee payrolls, or the number of jobs, in Hampton Roads in September 2017 were estimated to be 767,100 compared to 776,800 in September 2016. This represents a decrease of 9,700 jobs or a year-over-decline of 1.25% in total nonfarm payrolls from September 2016 to September 2017. When compared to the same month in previous years, the number of jobs in September 2017 is below September 2015, another indicator of lackluster job growth in Hampton Roads.

The discordant numbers may be due to several factors. First, the Current Employment Statistics (CES) program surveys establishments and is commonly referred to as ‘jobs data.’ The Current Population Survey (CPS) surveys households and is referred to as ‘employment data.’ An individual who has multiple jobs would appear multiple times in the CES but only once in the CPS. These different measures have diverged over the past two years and highlight the need to use more than one measure of the labor market. Another potential explanation is the growing number of contingent workers. While some of these workers may be captured in the CES surveys (contractors, for example), many working in the ‘gig’ economy (Uber, Lyft, Thumbtack, and others) will not be captured by the CES survey but will be captured by the CPS survey.

At the city level, we continue to see year-over-year increases in the labor force and decreases in the unemployment rate. This good news is another signal that economic growth is positive in 2017.

Area	Labor Force	YOY Change	Unemployed	YOY Change	Unemployment Rate	YOY Change
Chesapeake	117,419	0.6%	4,533	-11.9%	3.90%	-0.50%
Hampton	64,675	0.3%	3,242	-13.5%	5.00%	-0.80%
Newport News	89,534	0.6%	4,055	-12.1%	4.50%	-0.70%
Norfolk	111,290	0.4%	5,069	-15.1%	4.60%	-0.80%
Portsmouth	44,532	0.3%	2,321	-14.8%	5.20%	-0.90%
Suffolk	42,638	0.3%	1,762	-15.1%	4.10%	-0.80%
Virginia Beach	230,565	0.5%	8,212	-13.4%	3.60%	-0.50%
Williamsburg	6,703	0.9%	369	-3.7%	5.50%	-0.30%

The Center for Economic Analysis and Policy in the Strome College of Business at Old Dominion University undertakes a wide range of economic, demographic, transportation and defense-oriented studies. For sixteen years, the Center and its predecessors have produced the highly regarded State of the Region Report for Hampton Roads and economic forecasts for the region. If you would like more information about this topic, please contact Dr. Robert M. McNab at 757 683 3153 or email at [rmcnab@odu.edu](mailto:rmcnab@odu.edu).