

FOR IMMEDIATE RELEASE

Contact:

Joe Garvey
Public Affairs Specialist
Old Dominion University
Office: 757-683-6479
jgarvey@odu.edu

ODU's Dragas Center for Economic Analysis and Policy Forecasts Continued Rise in Unemployment in Hampton Roads

Unemployment claims rise from 464 to 10,945 in one week in the region as social distancing measures take hold.

Norfolk, VA – (March 31, 2020) – Nonseasonally adjusted data from Virginia's Employment Commission shows initial unemployment claims increased dramatically for cities and counties in the Virginia Beach-Norfolk-Newport News ("Hampton Roads") Metropolitan Statistical Area. For the week ending March 21, 10,945 individuals filed initial claims for unemployment insurance in Hampton Roads, an increase of 10,481 claims from the prior week.

Every city and county in Hampton Roads observed significant increases in claims. The smallest increase was in the city of Franklin, where claims rose from 3 to 31, an increase of 933% from the previous week. The largest increase was in James City County, where claims rose from 17 to 876, an increase of 5,053%. Virginia Beach saw the largest numerical increase in claims, from 92 to 3,314.

These new estimates show the prevalence of COVID-19-related layoffs across the region. As more businesses are ordered to close, we expect the sharp rise in initial claims will continue in coming weeks. Several states, including Virginia, have issued orders closing many nonessential businesses that we expect to be reflected in future estimates.

The widespread and historic rise in initial unemployment claims in Virginia is a warning sign of anticipated increases in unemployment in April and May. The rapid contraction of the leisure, hospitality and restaurant sectors will be followed by the retail and trade sectors as more stringent social distancing measures take hold.

We project that unemployment rates in Hampton Roads and Virginia will approach, if not exceed, 10%. While the defense industry in the region does provide a buffer from some layoffs, the declines in hospitality, leisure and retail employment will be unprecedented in the coming weeks. While expanded unemployment benefits may provide some relief to workers who are laid off, a longer period of income support for workers and small businesses may be necessary to avoid a prolonged recession.

Note: Advance claims are not directly comparable to claims reported in prior weeks. Advance claims are reported by the state liable for paying the unemployment compensation, whereas previous weeks' reported claims reflect claimants by state of residence. In addition, claims reported as "workshare equivalent" in the previous week are added to the advance claims as a proxy for the current week's "workshare equivalent" activity.

###

About the Dragas Center for Economic Analysis and Policy:

The Dragas 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 two decades, 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 Robert M. McNab (831-917-2455, rmcnab@odu.edu) or Dominique Johnson (757-506-1565, d1johnson@odu.edu).

About Old Dominion University:

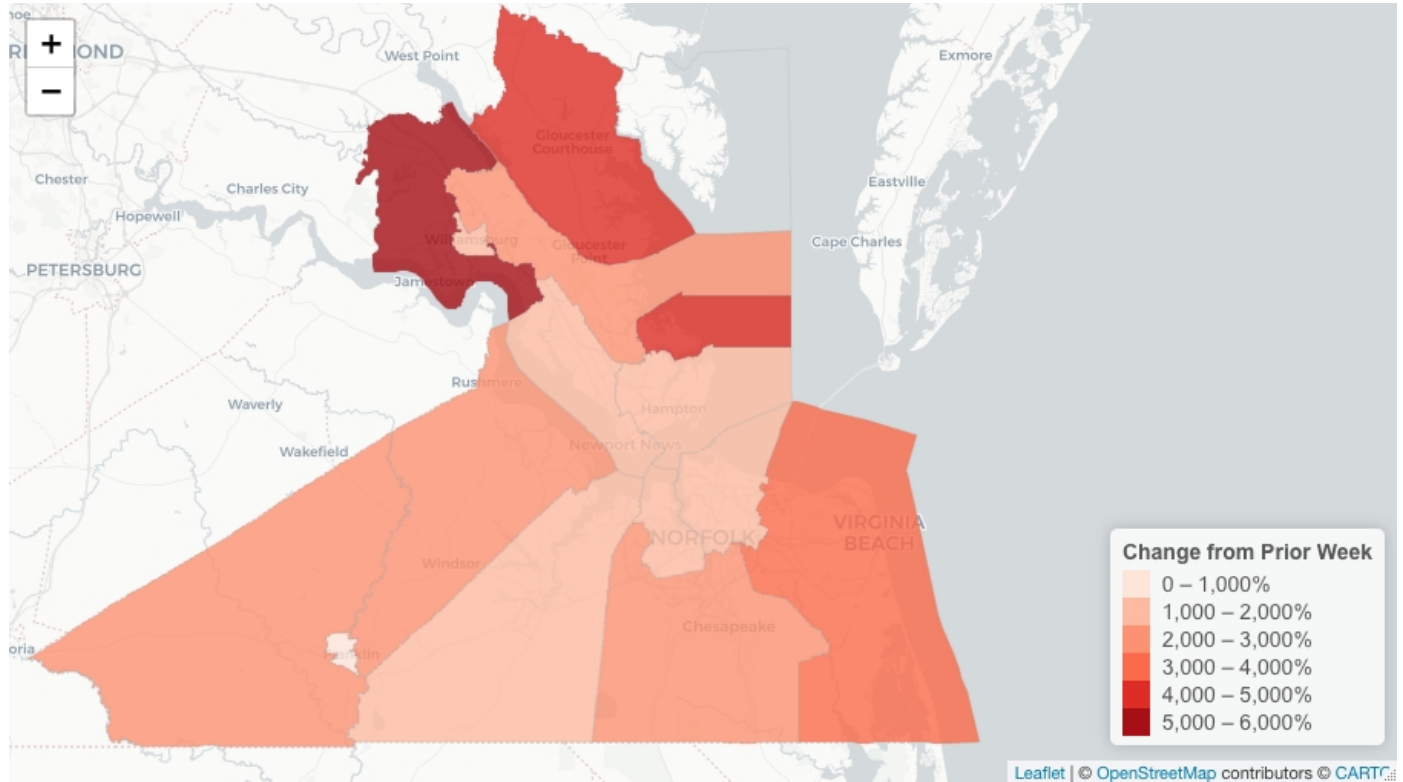
Old Dominion University is Virginia's entrepreneurial-minded doctoral research university with more than 24,000 students, rigorous academics, an energetic residential community and initiatives that contribute \$2.6 billion annually to the Commonwealth's economy.

Table 1
Initial Unemployment Claims
Week Ending March 14th and March 21st
Hampton Roads Metropolitan Area Cities and Counties

	Initial Claims for Week Ending March 14	Initial Claims for Week Ending March 21	Change from Prior Week	Percent Change from Prior Week
Gloucester	4	179	175	4,375%
Isle of Wight	5	127	122	2,440%
James City	17	876	859	5,053%
Mathews	0	37	37	-
Southampton	1	23	22	2,200%
York	10	248	238	2,380%
Chesapeake	54	1,265	1,211	2,243%
Franklin City	3	31	28	933%
Hampton	52	824	772	1,485%
Newport News	65	1,235	1,170	1,800%
Norfolk	84	1,763	1,679	1,999%
Poquoson	1	43	42	4,200%
Portsmouth	48	604	556	1,158%
Suffolk	26	348	322	1,239%
Virginia Beach	92	3,314	3,222	3,502%
Williamsburg	2	28	26	1,300%
Hampton Roads	464	10,945	10,481	2,259%

Source: Virginia Employment Commission (VEC), Dragas Center for Economic Analysis and Policy. Initial Claims for week ending March 21st are advanced estimates subject to revisions, and therefore not directly comparable to prior weeks. September 2018 definition of the Virginia portion of Virginia Beach-Norfolk-Newport News MSA. Only Virginia localities are included in this table.

Graph 1
Initial Unemployment Claims
Week Ending March 21st: Percent Change from Prior Week
Hampton Roads Metropolitan Area Cities and Counties



Source: Virginia Employment Commission (VEC), Dragas Center for Economic Analysis and Policy. Initial Claims for week ending March 21st are advanced estimates subject to revisions, and therefore not directly comparable to prior weeks. September 2018 definition of the Virginia portion of Virginia Beach-Norfolk-Newport News MSA. Only Virginia localities are included in this graphic.