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ODU's Dragas Center for Economic Analysis and Policy Forecasts Unemployment Claims Will Continue to Climb

Widespread rise in initial unemployment claims across localities in Virginia signals rapid contraction of economic activity in the Commonwealth.

Norfolk, VA – (March 31, 2020) – Newly released nonseasonally adjusted data from Virginia's Employment Commission shows initial unemployment claims jumped in cities and counties across the Commonwealth. The historic rise in initial unemployment claims is a precursor to a continued decline in employment in the Commonwealth as social distancing measures reduce economic activity.

Out of Virginia's 133 independent cities and counties, only two, Galax City and Grayson County, experienced a decline in initial unemployment claims from the previous week.

The largest increase in was in Fairfax County, where claims increased from 145 to 4,345 in one week, a net increase of 4,200 claims. Virginia Beach (3,222), Richmond city (2,958), Prince William County (2,132) and Henrico County (2,017) also experienced large increases in the number of claims.

The widespread rise in initial unemployment claims across the Commonwealth reflects the rapid contraction of economic activity across many sectors of the economy. The initial wave of unemployment claims is strongly associated with the contraction of the leisure and hospitality and food service sectors. With the recent announcement of a stay-at-home order through June 10, we will now start to observe declines in manufacturing, retail and other sectors as well.

The historic rise in initial unemployment claims in Virginia is a warning sign of the continued increases in unemployment in April and May.

We project that unemployment rates in Virginia will approach, if not exceed, 10%. While the defense industry in Hampton Roads and Northern Virginia 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.

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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
Largest Numerical Increase in Initial Claims
Week Ending March 14th and March 21st

	Initial Claims for Week Ending March 14	Initial Claims for Week Ending March 21	Increase from Prior Week	Percent Change from Prior Week
Fairfax County	145	4,345	4,200	2897%
Virginia Beach city	92	3,314	3,222	3502%
Richmond city	112	3,070	2,958	2641%
Prince William County	90	2,222	2,132	2369%
Henrico County	79	2,096	2,017	2553%
Chesterfield County	83	1,970	1,887	2273%
Norfolk city	84	1,763	1,679	1999%
Loudoun County	53	1,622	1,569	2960%
Chesapeake city	54	1,265	1,211	2243%
Newport News city	65	1,235	1,170	1800%
James City County	17	876	859	5053%

Table 2
Initial Unemployment Claims for All Cities and Counties
Week Ending March 14th and March 21st

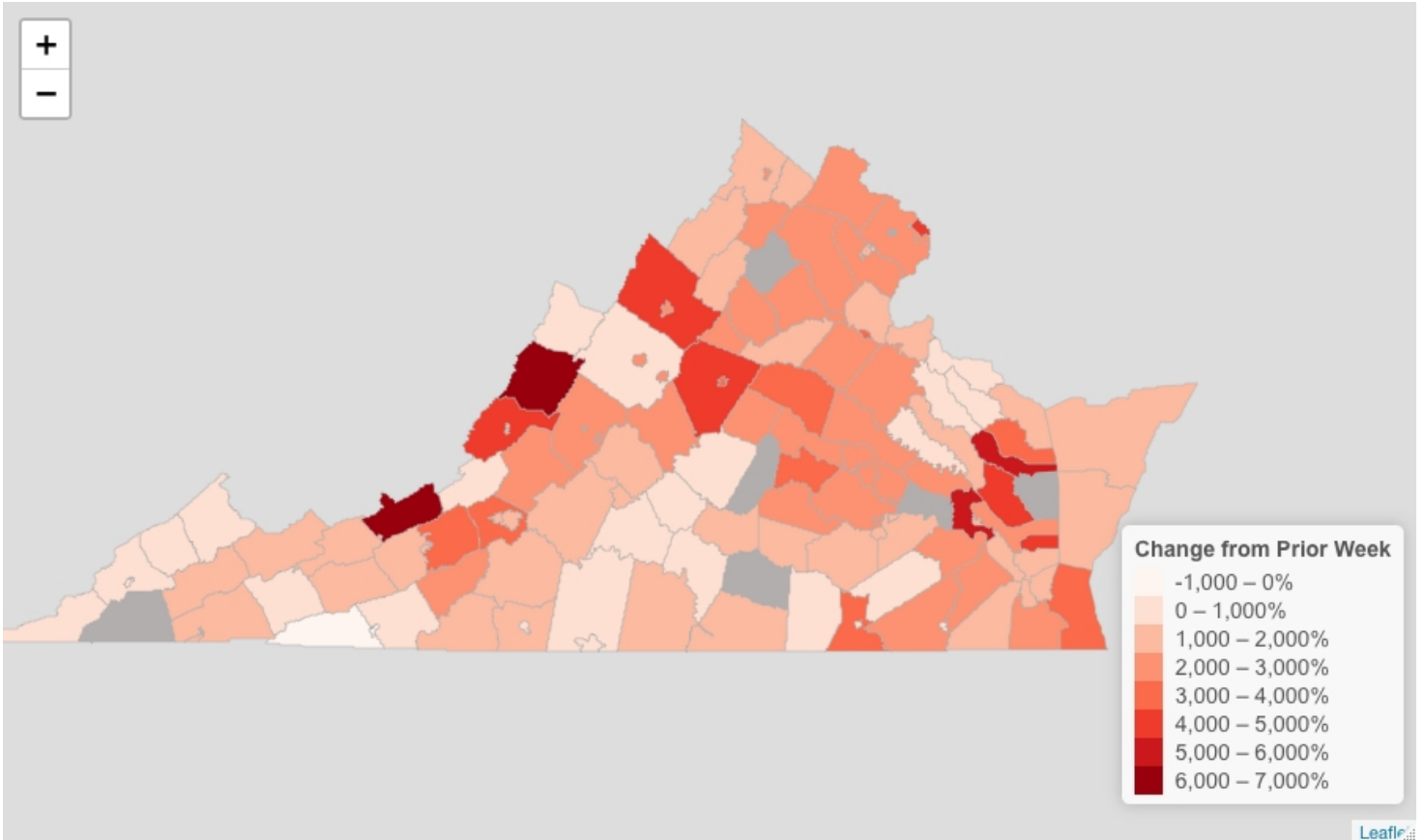
	Initial Claims for Week Ending March 14	Initial Claims for Week Ending March 21	Increase from Prior Week	Percent Change from Prior Week
Accomack County	6	121	115	1,917%
Albemarle County	12	589	577	4,808%
Alexandria city	33	797	764	2,315%
Alleghany County	1	46	45	4,500%
Amelia County	2	48	46	2,300%
Amherst County	9	122	113	1,256%
Appomattox County	4	35	31	775%
Arlington County	19	849	830	4,368%
Augusta County	19	196	177	932%
Bath County	2	142	140	7,000%
Bedford County	20	258	238	1,190%
Bland County	1	13	12	1,200%
Botetourt County	4	93	89	2,225%
Bristol city	7	105	98	1,400%
Brunswick County	5	39	34	680%
Buchanan County	3	17	14	467%
Buckingham County	5	35	30	600%
Buena Vista city	2	44	42	2,100%
Campbell County	15	147	132	880%
Caroline County	5	133	128	2,560%
Carroll County	115	175	60	52%
Charles City County	0	19	19	-
Charlotte County	4	16	12	300%
Charlottesville city	17	590	573	3,371%
Chesapeake city	54	1,265	1,211	2,243%
Chesterfield County	83	1,970	1,887	2,273%
Clarke County	3	54	51	1,700%
Colonial Heights city	8	174	166	2,075%
Covington city	5	86	81	1,620%
Craig County	1	9	8	800%
Culpeper County	9	195	186	2,067%
Cumberland County	0	22	22	-
Danville city	23	242	219	952%
Dickenson County	5	24	19	380%
Dinwiddie County	5	60	55	1,100%
Emporia city	1	3	2	200%
Essex County	5	41	36	720%
Fairfax city	0	11	11	-
Fairfax County	145	4,345	4,200	2,897%
Falls Church city	4	55	51	1,275%

Fauquier County	9	254	245	2,722%
Floyd County	2	56	54	2,700%
Fluvanna County	5	133	128	2,560%
Franklin city	3	31	28	933%
Franklin County	13	148	135	1,038%
Frederick County	15	303	288	1,920%
Fredericksburg city	6	213	207	3,450%
Galax city	27	4	-23	-85%
Giles County	1	66	65	6,500%
Gloucester County	4	179	175	4,375%
Goochland County	3	79	76	2,533%
Grayson County	39	26	-13	-33%
Greene County	5	108	103	2,060%
Greensville County	1	31	30	3,000%
Halifax County	5	66	61	1,220%
Hampton city	52	824	772	1,485%
Hanover County	20	453	433	2,165%
Harrisonburg city	12	340	328	2,733%
Henrico County	79	2,096	2,017	2,553%
Henry County	20	231	211	1,055%
Highland County	1	6	5	500%
Hopewell city	11	185	174	1,582%
Isle of Wight County	5	127	122	2,440%
James City County	17	876	859	5,053%
King & Queen County	2	23	21	1,050%
King George County	4	82	78	1,950%
King William County	7	61	54	771%
Lancaster County	1	35	34	3,400%
Lee County	3	19	16	533%
Lexington city	0	3	3	-
Loudoun County	53	1,622	1,569	2,960%
Louisa County	4	147	143	3,575%
Lunenburg County	0	8	8	-
Lynchburg city	36	641	605	1,681%
Madison County	2	42	40	2,000%
Manassas city	10	198	188	1,880%
Manassas Park city	1	2	1	100%
Martinsville city	2	11	9	450%
Mathews County	0	37	37	-
Mecklenburg County	7	82	75	1,071%
Middlesex County	1	54	53	5,300%
Montgomery County	10	369	359	3,590%
Nelson County	3	87	84	2,800%
New Kent County	4	99	95	2,375%
Newport News city	65	1,235	1,170	1,800%
Norfolk city	84	1,763	1,679	1,999%
Northampton County	3	40	37	1,233%
Northumberland County	2	32	30	1,500%
Norton city	2	17	15	750%

Nottoway County	4	47	43	1,075%
Orange County	11	205	194	1,764%
Page County	7	80	73	1,043%
Patrick County	2	30	28	1,400%
Petersburg city	20	315	295	1,475%
Pittsylvania County	21	111	90	429%
Poquoson city	1	43	42	4,200%
Portsmouth city	48	604	556	1,158%
Powhatan County	4	133	129	3,225%
Prince Edward County	7	113	106	1,514%
Prince George County	8	103	95	1,188%
Prince William County	90	2,222	2,132	2,369%
Pulaski County	7	80	73	1,043%
Radford city	8	93	85	1,062%
Rappahannock County	0	23	23	-
Richmond city	112	3,070	2,958	2,641%
Richmond County	3	21	18	600%
Roanoke city	42	666	624	1,486%
Roanoke County	10	399	389	3,890%
Rockbridge County	3	91	88	2,933%
Rockingham County	5	245	240	4,800%
Russell County	4	72	68	1,700%
Salem city	7	146	139	1,986%
Scott County	0	24	24	-
Shenandoah County	11	168	157	1,427%
Smyth County	8	65	57	712%
Southampton County	1	23	22	2,200%
Spotsylvania County	28	617	589	2,104%
Stafford County	31	579	548	1,768%
Staunton city	15	315	300	2,000%
Suffolk city	26	348	322	1,238%
Surry County	1	26	25	2,500%
Sussex County	3	25	22	733%
Tazewell County	8	100	92	1,150%
Virginia Beach city	92	3,314	3,222	3,502%
Warren County	8	230	222	2,775%
Washington County	9	183	174	1,933%
Waynesboro city	9	208	199	2,211%
Westmoreland County	5	52	47	940%
Williamsburg city	2	28	26	1,300%
Winchester city	7	173	166	2,371%
Wise County	26	81	55	212%
Wythe County	8	144	136	1,700%
York County	10	248	238	2,380%
Virginia	2,054	42,592	40,538	1,974%

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.

Graph 1
Initial Unemployment Claims
Week Ending March 21st: Percent Change from Prior Week
Virginia 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. Rappahannock, Lunenburg, Fairfax city, Scott, Charles City, Cumberland, Lexington city, and Mathews County are excluded from analysis, all had zero initial claims in the prior week ending March 14th.