

## FOR IMMEDIATE RELEASE

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### **ODU's Dragas Center for Economic Analysis and Policy Projects Continued Layoffs as Unemployment Claims Surge**

*Hampton Roads initial unemployment claims surge to 24,057, more than double the previous week's number of claims.*

**Norfolk, VA** – (April 7, 2020) – Nonseasonally adjusted data from Virginia's Employment Commission shows initial unemployment claims rose dramatically for the cities and counties in the Virginia Beach-Norfolk-Newport News ("Hampton Roads") Metropolitan Statistical Area. For the week ending March 28, 24,057 individuals filed initial claims for unemployment insurance, an increase of 13,112 claims from the prior week.

Every city and county in Hampton Roads observed a significant increase. UI claims in Virginia Beach increased from 3,314 to 7,386, while claims in Norfolk increased from 1,763 to 3,446. These estimates illustrate the impact of the COVID-19 pandemic and associated social distancing measures on employment in the region.

Over the past two weeks, approximately 35,000 residents of Hampton Roads filed for unemployment. We estimate that the unemployment rate in the region has increased from 3.3% in January to 7.4% at the end of March.

We project that layoffs will continue to rise. As the number of infections and fatalities increase in Hampton Roads and the Commonwealth, more businesses will significantly curtail operations or close due to low demand and the safety of their employees. These layoffs may slow, but the unemployment rate is expected to pass 10% by the end of May.

Reports from employers across the region suggest that COVID-19 is impacting a wide range of businesses. While the initial round of layoffs was concentrated in the leisure and hospitality industries, we are now observing contractions in manufacturing. Due to the cancellation of many elective surgeries, we are observing reductions in staffing in some parts of the health care sector.

The recent announcement that the Sentara Health Care system has developed an in-house testing capacity for COVID-19 is welcome news for the region. The ability to rapidly test for COVID-19, combined with social distancing, are two elements of suppressing the spread of the virus. Knowing who has had the virus and who has the virus will be crucial to relaxing social distancing measures in the coming months.

Note 1: 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.

Note 2: Data from the Virginia Employment Commission. Reported state totals will vary because not all reported claims are included in the announced data. Only intrastate claims are included in the data.

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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](mailto:rmcnab@odu.edu)) or Dominique Johnson (757-506-1565, [d1johnson@odu.edu](mailto:d1johnson@odu.edu)).

### **About Old Dominion University:**

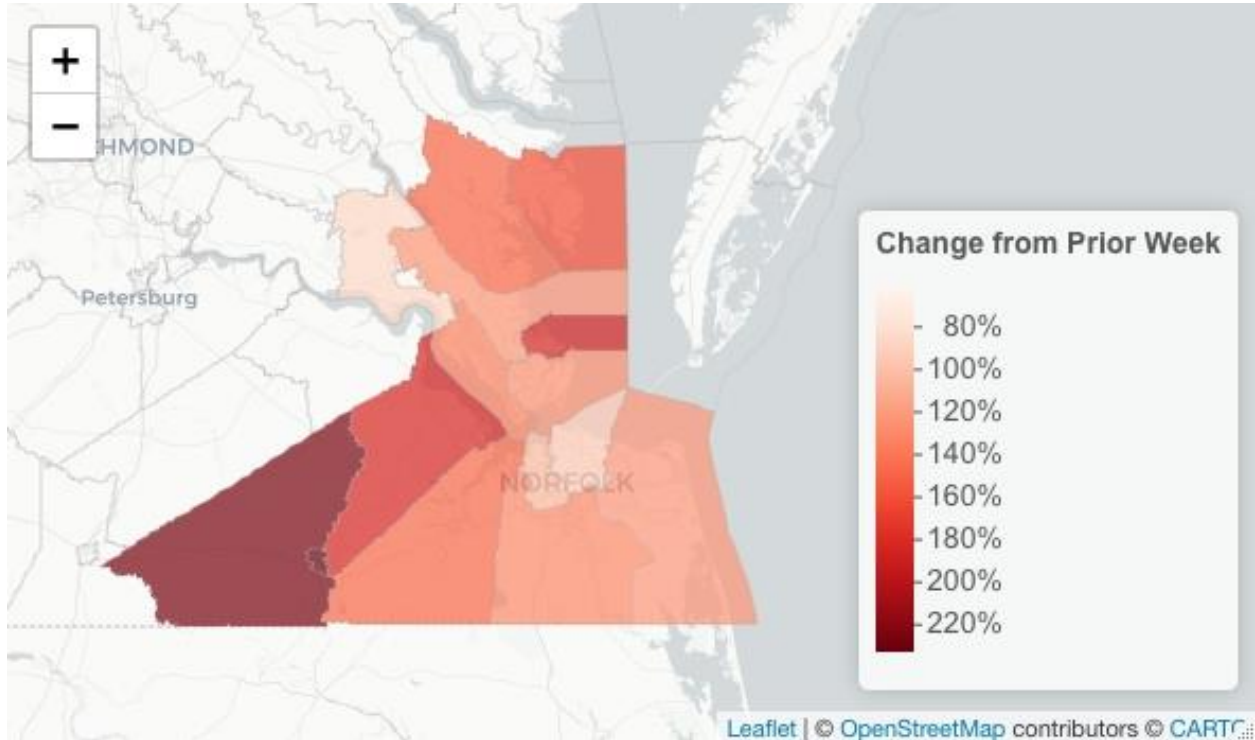
Old Dominion University is Virginia's entrepreneurial-minded doctoral research university with more than 24,000 students, rigorous academics, an energetic residential community and initiatives that contribute \$2.6 billion annually to the Commonwealth's economy.

**Table 1**  
**Initial Unemployment Claims**  
**Week Ending March 14<sup>th</sup> and March 21<sup>st</sup>**  
**Hampton Roads Metropolitan Area Cities and Counties**

	<b>Initial Claims for Week Ending March 21</b>	<b>Initial Claims for Week Ending March 28</b>	<b>Change from Prior Week</b>	<b>Percent Change from Prior Week</b>
<b>Gloucester</b>	179	447	268	150%
<b>Isle of Wight</b>	127	360	233	183%
<b>James City</b>	876	1,635	759	87%
<b>Mathews</b>	37	96	59	159%
<b>Southampton</b>	23	75	52	226%
<b>York</b>	248	553	305	123%
<b>Chesapeake</b>	1,265	2,919	1,654	131%
<b>Franklin City</b>	31	103	72	232%
<b>Hampton</b>	824	1,864	1,040	126%
<b>Newport News</b>	1,235	2,902	1,667	135%
<b>Norfolk</b>	1,763	3,446	1,683	95%
<b>Poquoson</b>	43	122	79	184%
<b>Portsmouth</b>	604	1,240	636	105%
<b>Suffolk</b>	348	864	516	148%
<b>Virginia Beach</b>	3,314	7,386	4,072	123%
<b>Williamsburg</b>	28	45	17	61%
<b>Hampton Roads</b>	10,945	24,057	13,112	120%

Source: Virginia Employment Commission (VEC), Dragas Center for Economic Analysis and Policy. Initial Claims for week ending March 28<sup>th</sup> 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 28<sup>th</sup>: 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 28<sup>th</sup> 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.