

ODU's Dragas Center for Economic Analysis and Policy: Initial Signs of Reopening but Layoffs Continue

Another 8,002 individuals file initial claims in Hampton Roads; continued claims decline slightly to 88,431

Norfolk, VA – (May 29, 2020) – Nonseasonally adjusted data from Virginia's Employment Commission shows for the week ending May 23, 8,002 individuals in the Virginia Beach-Norfolk-Newport News ("Hampton Roads") Metropolitan Statistical Area filed an initial claim for unemployment insurance, a decline of 1,142 claims from the prior week.

"Almost 160,000 unemployment claims have been filed in Hampton Roads over the last 10 weeks," said Robert McNab, director of the Dragas Center. "That is roughly equivalent to one in five workers in the region, a staggering amount. There is a glimmer of good news, however, as continued claims have stabilized, suggesting that some workers are returning to work even as other workers file for unemployment."

Initial claims declined from the previous week in all but one of the cities and counties within Hampton Roads. In Poquoson, claims were unchanged from the previous week, totaling 28. In Virginia Beach, initial claims declined to 1,756, while claims in Norfolk declined from 1,524 to 1,391.

"While the number of individuals receiving benefits in Hampton Roads declined slightly from the previous week from 88,436 to 88,431, initial claims are still historically high for the 10th consecutive week. We continue to project that the unemployment rate in the region likely exceeded 10% in April and will approach 18% in May," said Dominique Johnson, research associate at the Dragas Center.

As the region moves through Phase 1 of reopening, we expect layoffs to continue, though at a more moderate pace. Workers receiving unemployment benefits will also transition back to employment. Continued claims will likely remain well above the historical average for the coming weeks as economic activity in Hampton Roads and Virginia picks up.

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, 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.