

## **ODU's Dragas Center for Economic Analysis and Policy: Peak of Initial Unemployment Claims Has Passed, Continued Claims Continue to Rise in Hampton Roads**

*Another 9,144 individuals file initial claims in Hampton Roads; continued claims increase to 88,436*

**Norfolk, VA** – (May 22, 2020) – Nonseasonally adjusted data from Virginia's Employment Commission shows for the week ending May 16, 9,144 individuals in the Virginia Beach-Norfolk-Newport News ("Hampton Roads") Metropolitan Statistical Area filed an initial claim for unemployment insurance, a decline of 1,591 claims from the prior week.

"While initial claims have declined every week since their peak of 29,961 in the first week of April, they remain at historically high levels more than six weeks later. For comparison, in 2019 initial claims for the entire month of May totaled 2,267 in Hampton Roads. As initial claims remain at unprecedented levels, we continue to project that the unemployment rate in the region likely exceeded 10% in April and may approach 17% for May," said Dominique Johnson, research associate at the Dragas Center.

A total of 149,538 individuals in Hampton Roads have filed an initial claim in the last nine weeks. Continued claims, which measure individuals who are receiving unemployment benefits, reached 88,436.

"One in 10 workers in Hampton Roads are receiving unemployment benefits and, if we include those that have departed the labor force or who are working reduced hours, the true extent of the crisis likely reaches one in five workers in the region. The challenge is to now build consumer and business confidence. Testing, contract tracing and isolating known cases of COVID-19 are the tools we can use to help business and workers return to some sense of normality," said Robert McNab, director of the Dragas Center.

Initial claims declined from the previous week in all but one of the cities and counties within Hampton Roads. In Williamsburg, initial claims rose to 21, an increase of three. In Virginia Beach, initial claims declined to 2,166, while claims in Norfolk declined from 1,695 to 1,524. We estimate double-digit unemployment rates for May for all of the cities and counties in the region, including rates likely exceeding 20% in James City County and Newport News.

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