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ODU's Dragas Center for Economic Analysis and Policy: Signs of Improvement in Unemployment Claims

Another 6,590 individuals file initial claims in Hampton Roads; continued claims decline slightly to 87,117

Norfolk, VA – (June 4, 2020) – Nonseasonally adjusted data from Virginia's Employment Commission shows for the week ending May 30, 6,590 individuals in the Virginia Beach-Norfolk-Newport News ("Hampton Roads") Metropolitan Statistical Area filed an initial claim for unemployment insurance, a decline of 1,412 claims from the prior week.

"We are starting to see the bottom of the first wave of layoffs in Hampton Roads," said Robert McNab, director of the Dragas Center. "While initial unemployment claims remain historically high, continued claims have fallen two weeks in a row. As Hampton Roads moves into Phase II of reopening, we can expect this trend to continue in the coming weeks. A sustained recovery will take time, especially in the travel and tourism, restaurant, and retail trade sectors."

Initial claims declined from the previous week in all but two of the cities and counties within Hampton Roads. In the city of Williamsburg, claims were unchanged from the previous week, totaling 20 initial claims; while in Mathews County, initial claims rose by 2 from the previous week. In Virginia Beach, initial claims declined to 1,361, while claims in Norfolk declined from 1,391 to 1,134.

Newly released data from the Bureau of Labor Statistics shows the Hampton Roads unemployment rate rose to 12.1% in April, the highest on record. The size of labor force shrunk to 844,235, a 1.2% decline from April 2019. Within Hampton Roads, the city of Williamsburg fared the worst, approximately 15% of the labor force was unemployed in April.

"Hampton Roads' unemployment rate in April was the highest of all the Virginia metropolitan areas. The region's dependence on tourism will mean a greater initial economic impact and most likely, a longer recovery relative to other regions in the Commonwealth. We continue to project that the unemployment rate in the region is likely to approach 18% in May," said Dominique Johnson, research associate at the Dragas Center.

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) 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 May 23 and May 30
Hampton Roads Metropolitan Area Cities and Counties

	Initial Claims for Week Ending May 23	Initial Claims for Week Ending May 30	Change from Prior Week	Percent Change from Prior Week
Gloucester	114	102	-12	-10.5%
Isle of Wight	100	98	-2	-2.0%
James City County	338	266	-72	-21.3%
Mathews	18	20	2	11.1%
Southampton	33	21	-12	-36.4%
York	149	117	-32	-21.5%
Chesapeake	1,026	774	-252	-24.6%
Franklin City	66	56	-10	-15.2%
Hampton	763	719	-44	-5.8%
Newport News	1,102	948	-154	-14.0%
Norfolk	1,391	1134	-257	-18.5%
Poquoson	28	25	-3	-10.7%
Portsmouth	661	577	-84	-12.7%
Suffolk	437	352	-85	-19.5%
Virginia Beach	1,756	1,361	-395	-22.5%
Williamsburg	20	20	0	0.0%
Hampton Roads	8,002	6,590	-1,412	-17.6%

Source: Virginia Employment Commission (VEC), Dragas Center for Economic Analysis and Policy. Initial Claims for week ending May 30 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.

Table 2
Headline Unemployment Rate (U3)
March 2020 - May 2020*
US, Virginia, Virginia Cities and Counties

	March 2020 Unemployment Rate	April 2020 Unemployment Rate	May 2020 Unemployment Rate*
Gloucester County	3.0%	10.2%	13.9%
Isle of Wight County	3.2%	8.5%	11.8%
James City County	3.2%	13.7%	19.4%
Mathews County	3.5%	8.9%	11.8%
Southampton County	3.3%	6.9%	9.2%
York County	3.0%	10.4%	13.1%
Chesapeake city	3.3%	10.2%	15.3%
Franklin city	4.2%	9.6%	19.8%
Hampton city	4.4%	13.4%	20.5%
Newport News city	4.2%	13.9%	21.1%
Norfolk city	4.0%	13.3%	20.1%
Poquoson city	2.9%	8.0%	10.7%
Portsmouth city	4.4%	12.8%	20.9%
Suffolk city	3.5%	9.7%	15.5%
Virginia Beach city	3.1%	12.2%	17.0%
Williamsburg city	4.7%	15.0%	16.5%
Hampton Roads	3.6%	12.1%	17.6%

Source: Virginia Employment Commission (VEC), Bureau of Labor Statistics (BLS), and Dragas Center for Economic Analysis and Policy. Nonseasonally adjusted data. *Unemployment rate projections use initial claims per month, the latest available labor force data, and assume that the individuals who file initial claims do not depart the labor force. Virginia portion of the Virginia Beach - Norfolk - Newport News metropolitan area.