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ODU's Dragas Center for Economic Analysis and Policy: Increasing COVID-19 Cases in Hampton Roads Present Another Challenge to Recovery

Another 14,221 individuals file initial claims locally; continued claims decline to 79,361.

Norfolk, VA – (July 30, 2020) – Nonseasonally adjusted data from Virginia's Employment Commission shows for the week ending July 25, 14,221 individuals in the Virginia Beach-Norfolk-Newport News ("Hampton Roads") Metropolitan Statistical Area filed an initial claim for unemployment insurance, an increase of 2,389 from the prior week. The number of continued claims decreased by 2,008 to 79,361.

"With average daily COVID-19 infections on the rise and new restrictions on social gatherings implemented in the region this week, we expect continued challenges to employment in the coming weeks," said Robert McNab, director of the Dragas Center. "The expiration of expanded unemployment benefits under the CARES Act coupled with an expiration of the moratorium on federal evictions may lead to a rise in evictions and foreclosures in the coming months. As uncertainty increases, consumers may decide to slow spending, which could stall growth in the region."

Newly released data from Virginia's Employment Commission and the Bureau and Labor Statistics shows Hampton Roads added 15,800 jobs in June. However, when compared to June 2019, the region is still down approximately 61,800 jobs. The largest gain was in the leisure and hospitality sector, which added 9,600 in June. Local governments experienced the largest loss, shedding 1,300 jobs between May and June of 2020.

"In Hampton Roads, initial claims for unemployment benefits rose to their highest level since late April. While continued claims have declined for four straight weeks, the number of workers in region receiving benefits still accounts for approximately 9.3% of the June labor force," said Dominique Johnson, research associate at the Dragas Center. "Even before the recent outbreak of COVID-19 infections, the region's dependence on tourism has left it especially vulnerable to the current recession. The latest data shows that while the unemployment rate in Hampton Roads fell slightly in June from 10.0% to 9.6%, it remains the highest among all the metropolitan areas in the Commonwealth."

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 July 18 and July 25
Hampton Roads Metropolitan Area Cities and Counties

	Initial Claims for Week Ending July 18	Initial Claims for Week Ending July 25	Change from Prior Week	Percent Change from Prior Week
Gloucester	113	107	-6	-5.3%
Isle of Wight	87	104	17	19.5%
James City County	186	270	84	45.2%
Mathews	12	21	9	75.0%
Southampton	58	47	-11	-19.0%
York	100	104	4	4.0%
Chesapeake	1,317	1,739	422	32.0%
Franklin City	137	148	11	8.0%
Hampton	1,058	1,255	197	18.6%
Newport News	1,389	1,462	73	5.3%
Norfolk	2,817	3,268	451	16.0%
Poquoson	19	25	6	31.6%
Portsmouth	1,598	1,933	335	21.0%
Suffolk	645	760	115	17.8%
Virginia Beach	2,280	2,959	679	29.8%
Williamsburg	16	19	3	18.8%
Hampton Roads	11,832	14,221	2,389	20.2%

Source: Virginia Employment Commission (VEC), Dragas Center for Economic Analysis and Policy. March 2020 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 - June 2020
Hampton Roads Cities and Counties

	March 2020	April 2020	May 2020	June 2020
Gloucester County	3.1%	10.2%	8.0%	7.3%
Isle of Wight County	3.2%	8.5%	7.1%	6.6%
James City County	3.2%	13.7%	11.1%	9.8%
Mathews County	3.5%	8.9%	6.6%	6.2%
Southampton County	3.4%	6.9%	6.4%	6.3%
York County	3.1%	10.4%	8.5%	7.9%
Chesapeake city	3.3%	10.2%	8.9%	8.3%
Franklin city	4.2%	9.6%	9.5%	10.7%
Hampton city	4.4%	13.4%	12.0%	11.5%
Newport News city	4.2%	13.9%	12.6%	12.0%
Norfolk city	4.0%	13.3%	11.9%	11.6%
Poquoson city	2.9%	8.0%	6.1%	5.7%
Portsmouth city	4.5%	12.8%	12.2%	12.4%
Suffolk city	3.5%	9.7%	9.0%	8.8%
Virginia Beach city	3.1%	12.2%	9.7%	8.5%
Williamsburg city	4.7%	15.0%	12.6%	7.3%
Hampton Roads	3.6%	12.0%	10.4%	9.6%

Source: Bureau of Labor Statistics (BLS), and Dragas Center for Economic Analysis and Policy.
 Nonseasonally adjusted data