



Virginia Economic Update

June 17, 2016

Summary

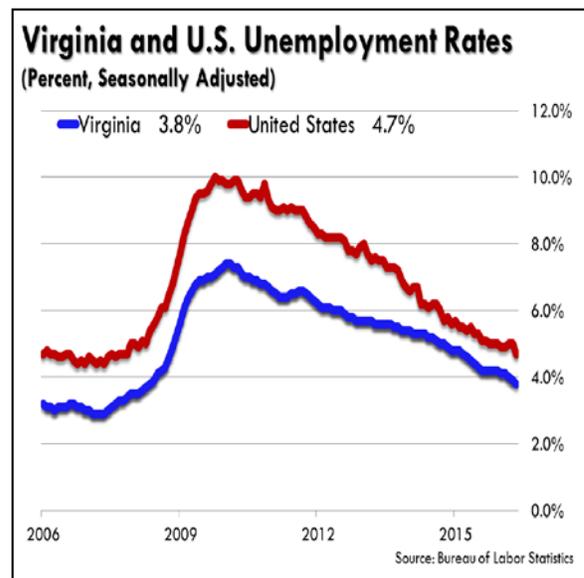
Nonfarm payroll employment in Virginia declined by 6,100 jobs and the unemployment rate fell to 3.8 percent in May according to data released by the Bureau of Labor Statistics (BLS).

Virginia Unemployment Rate

During May, the unemployment rate in Virginia declined by 0.1 percentage point to 3.8 percent. The number of people counted as unemployed fell by 6,930 in May to 158,192, while the labor force fell by 16,058 to 4,214,106. Among the 50 states and the District of Columbia, 10 posted lower unemployment rates for the month than Virginia. A year earlier, the unemployment rate in Virginia stood at 4.5 percent.

The 10 year peak for the unemployment rate in Virginia was 7.4 percent in February 2010. The series high for the unemployment rate in Virginia occurred in December 1982 when the unemployment rate reached 7.9 percent. The 10 year low for the unemployment rate in Virginia was 2.9 percent in May 2007. The series low for the unemployment rate in Virginia occurred in November 2000 when the unemployment rate reached 2.1 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate declined by 0.3 percentage point to 4.7 percent in May. May's unemployment rate was 0.8 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



Virginia Payroll Employment

Virginia nonfarm payrolls declined by 6,100 jobs, or 0.16 percent, on a seasonally adjusted basis during May. In the prior month, nonfarm payrolls declined by 10,600. Over the past 12 months nonfarm payrolls in Virginia increased by 67,900, or 1.77 percent. Virginia nonfarm payroll employment has increased in 9 of the past 12 months.

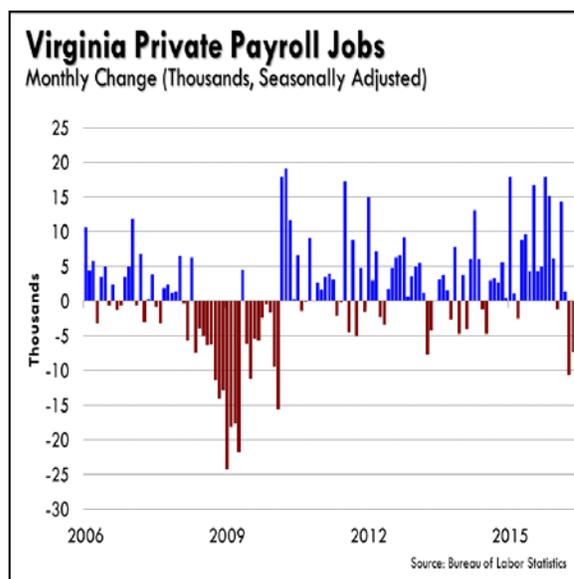
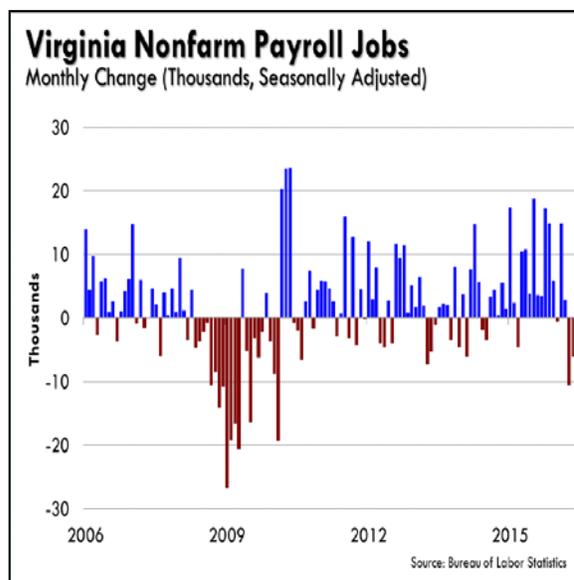
Nationally, nonfarm payrolls increased by 38,000 jobs in May, or 0.03 percent. Over the 12-month period ending May 2016 nonfarm payrolls grew by 2,398,000 jobs, or 1.69 percent. Virginia ranks 20th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During May, Virginia private sector payrolls declined by 7,300, or 0.23 percent. Private sector payrolls declined by 10,600 jobs in the prior month. Over the past 12 months, private sector payrolls in Virginia increased by 66,200, or 2.12 percent. Virginia private sector payroll employment has increased in 9 of the past 12 months.

Nationally private-sector payroll jobs increased by 25,000 jobs in 1.69, or 0.02 percent. Over the past 12 months, the nation's economy has added 2,297,000 jobs in the private sector, an increase of 1.92 percent.

Virginia ranks 18th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During May, total government payroll employment in Virginia increased by 1,200, or 0.17 percent. Federal government payroll employment increased by 2,500, or 1.41 percent. State government payroll employment declined by 200, or 0.12 percent, while local government payroll employment declined by 1,100, or 0.29 percent.



Over the past year, total government payroll employment increased by 1,700, or 0.24 percent. State government payroll employment increased by 400, or 0.25 percent. Local government payroll employment declined by 1,800, or 0.48 percent.

The best performing sectors on a seasonally adjusted basis during May were Professional & Business Services (+1,800) and Construction (+1,700). The poorest performing sectors during the month were Leisure & Hospitality (-3,900) and Information (-3,900).

The best performing sectors during the last twelve months were Trade, Transportation & Utilities (+20,500) and Professional & Business Services (+18,200). The poorest performing sectors for the year were Information (-5,100) and Manufacturing (-3,100).

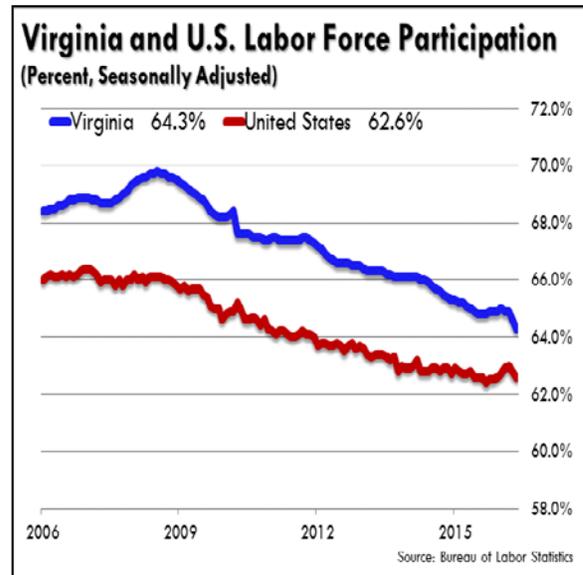


Other Virginia Labor Force Statistics

The labor force participation rate in Virginia declined to 64.3 percent in May from 64.6 percent the prior month. Among the 50 states and the District of Columbia, 22 have a higher labor force participation rate than Virginia. The labor force participation rate in Virginia is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10 year high for the labor force participation rate in Virginia was 69.8 percent in July 2008. The series high for the labor force participation rate in Virginia occurred in

May 1992 when the labor force participation rate hit 71.5 percent. The 10 year low for the labor force participation rate was 64.3 percent in May 2016. This also represents the series low for the labor force participation rate in Virginia.

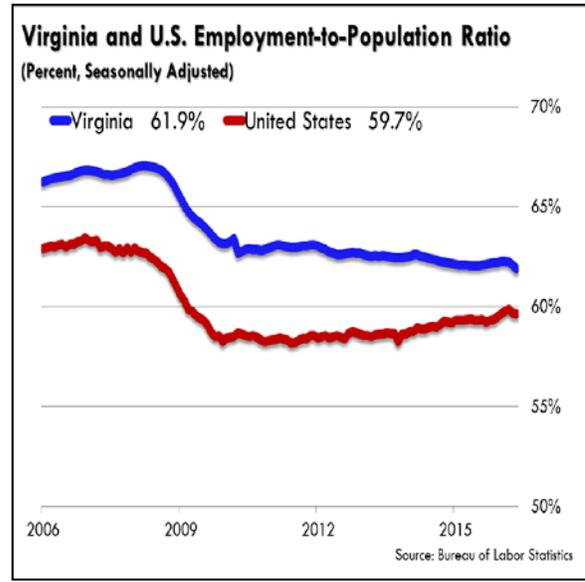


The national labor force participation rate declined by 0.2 percentage point to 62.6 percent in May 2016, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Virginia civilian noninstitutionalized population 16 years and older counted as employed, declined to 61.9

percent in May from 62.1 percent the prior month. Among the 50 states and the District of Columbia, 18 have higher employment-to-population ratios than Virginia. The employment-to-population ratio in Virginia is 0.2 percentage point lower than a year earlier.

The 10 year high for the employment-to-population ratio in Virginia was 67.1 percent in April 2008. The series high for the employment-to-population ratio in Virginia occurred in December 1989 when the employment-to-population ratio hit 67.2 percent. The 10 year low for the employment-to-population ratio was 61.9 percent in May 2016. The series low for the employment-to-population ratio occurred in November 1982 when the employment-to-population ratio hit 61.0 percent.



The national employment-to-population ratio held steady at 59.7 percent in May. That rate was 0.3 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for June is scheduled for release on July 22, 2016. The national employment situation report for June will be released on Friday, July 8, 2016.