ODU’s Dragas Center for Economic Analysis and Policy: Initial Claims Continue to Rise in Hampton Roads

Another 15,127 file initial unemployment claims in Hampton Roads, continuing claims rise to 73,951

Norfolk, VA – (May 1, 2020) – Nonseasonally adjusted data from Virginia’s Employment Commission shows initial unemployment claims increased from the previous week for nearly half of the cities and counties in the Virginia Beach-Norfolk-Newport News (“Hampton Roads”) Metropolitan Statistical Area. Regionally, for the week ending April 25, 15,127 individuals filed initial claims for unemployment insurance, a decline of 1,434 claims from the prior week.

Over the last six weeks, 117,290 individuals in Hampton Roads filed an initial claim, nearly one in seven workers. Continued claims, which refers to the number of individuals receiving unemployment benefits, reached 73,951.

We estimate that the unemployment rate in Hampton Roads likely exceeded 10% at the end of April. However, we are also observing disaffected workers leaving the labor force. As the workforce shrinks, the official unemployment rate will understate the true extent of the economic impact of the COVID-19 pandemic. A shrinking labor force and increasing unemployment rate are strong signs of a severe economic contraction.

“Almost one in 10 workers in Hampton Roads received unemployment benefits last week, and we expect this number to rise in coming weeks. While the pace of layoffs appears to be moderating, the toll on the workforce and businesses in the region continues to increase. The speed and size of the contraction in the workforce suggests that the recovery may be slower and more difficult than previously expected,” said Robert McNab, director of the Dragas Center.

Initial unemployment claims are down from the previous week for half of the cities and counties in Hampton Roads. Claims in Virginia Beach declined from 4,724 to 4,094 while claims in Chesapeake decreased from 2,119 to 2,378. In James City County, claims declined to 822, a decrease of 173 from the prior week. We estimate that unemployment rates by the end of April could range from as high as 16.7% in James City County to as low as 6.3% in the city of Williamsburg.
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 April 18th and April 25th
Hampton Roads Metropolitan Area Cities and Counties

<table>
<thead>
<tr>
<th>City</th>
<th>Initial Claims for Week Ending April 11</th>
<th>Initial Claims for Week Ending April 18</th>
<th>Change from Prior Week</th>
<th>Percent Change from Prior Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gloucester</td>
<td>260</td>
<td>236</td>
<td>-24</td>
<td>-9.2%</td>
</tr>
<tr>
<td>Isle of Wight</td>
<td>243</td>
<td>246</td>
<td>3</td>
<td>1.2%</td>
</tr>
<tr>
<td>James City County</td>
<td>995</td>
<td>822</td>
<td>-173</td>
<td>-17.4%</td>
</tr>
<tr>
<td>Mathews</td>
<td>55</td>
<td>54</td>
<td>-1</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Southampton</td>
<td>56</td>
<td>76</td>
<td>20</td>
<td>35.7%</td>
</tr>
<tr>
<td>York</td>
<td>363</td>
<td>282</td>
<td>-81</td>
<td>-22.3%</td>
</tr>
<tr>
<td>Chesapeake</td>
<td>2,119</td>
<td>1,897</td>
<td>-222</td>
<td>-10.5%</td>
</tr>
<tr>
<td>Franklin City</td>
<td>81</td>
<td>83</td>
<td>2</td>
<td>2.5%</td>
</tr>
<tr>
<td>Hampton</td>
<td>1,427</td>
<td>1,320</td>
<td>-107</td>
<td>-7.5%</td>
</tr>
<tr>
<td>Newport News</td>
<td>2,146</td>
<td>1,978</td>
<td>-168</td>
<td>-7.8%</td>
</tr>
<tr>
<td>Norfolk</td>
<td>2,378</td>
<td>2,230</td>
<td>-148</td>
<td>-6.2%</td>
</tr>
<tr>
<td>Poquoson</td>
<td>67</td>
<td>84</td>
<td>17</td>
<td>25.4%</td>
</tr>
<tr>
<td>Portsmouth</td>
<td>912</td>
<td>942</td>
<td>30</td>
<td>3.3%</td>
</tr>
<tr>
<td>Suffolk</td>
<td>718</td>
<td>750</td>
<td>32</td>
<td>4.5%</td>
</tr>
<tr>
<td>Virginia Beach</td>
<td>4,724</td>
<td>4,094</td>
<td>-630</td>
<td>-13.3%</td>
</tr>
<tr>
<td>Williamsburg</td>
<td>17</td>
<td>33</td>
<td>16</td>
<td>94.1%</td>
</tr>
<tr>
<td>Hampton Roads</td>
<td>16,561</td>
<td>15,127</td>
<td>-1,434</td>
<td>-8.7%</td>
</tr>
</tbody>
</table>

Source: Virginia Employment Commission (VEC), Dragas Center for Economic Analysis and Policy. Initial Claims for week ending April 25th 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)
February 2020 - April 2020*
US, Virginia, Virginia Cities and Counties

<table>
<thead>
<tr>
<th>County</th>
<th>February 2020 Unemployment Rate</th>
<th>March 2020 Unemployment Rate</th>
<th>Estimated April 2020 Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gloucester County</td>
<td>2.7%</td>
<td>3.0%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Isle of Wight County</td>
<td>2.8%</td>
<td>3.2%</td>
<td>9.8%</td>
</tr>
<tr>
<td>James City County</td>
<td>2.7%</td>
<td>3.2%</td>
<td>16.7%</td>
</tr>
<tr>
<td>Mathews County</td>
<td>2.8%</td>
<td>3.5%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Southampton County</td>
<td>2.7%</td>
<td>3.3%</td>
<td>7.1%</td>
</tr>
<tr>
<td>York County</td>
<td>2.6%</td>
<td>3.0%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Chesapeake city</td>
<td>2.8%</td>
<td>3.3%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Franklin city</td>
<td>4.0%</td>
<td>4.2%</td>
<td>15.7%</td>
</tr>
<tr>
<td>Hampton city</td>
<td>3.8%</td>
<td>4.4%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Newport News city</td>
<td>3.6%</td>
<td>4.2%</td>
<td>15.7%</td>
</tr>
<tr>
<td>Norfolk city</td>
<td>3.4%</td>
<td>4.0%</td>
<td>14.4%</td>
</tr>
<tr>
<td>Poquoson city</td>
<td>2.3%</td>
<td>2.9%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Portsmouth city</td>
<td>3.8%</td>
<td>4.4%</td>
<td>14.5%</td>
</tr>
<tr>
<td>Suffolk city</td>
<td>2.9%</td>
<td>3.5%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Virginia Beach city</td>
<td>2.6%</td>
<td>3.1%</td>
<td>13.1%</td>
</tr>
<tr>
<td>Williamsburg city</td>
<td>3.8%</td>
<td>4.7%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Hampton Roads</td>
<td>3.0%</td>
<td>3.6%</td>
<td>13.2%</td>
</tr>
</tbody>
</table>

Source: Virginia Employment Commission (VEC), Bureau of Labor Statistics (BLS), and Dragas Center for Economic Analysis and Policy. Estimated April 2020 unemployment rate assumes the size of the labor doesn’t change.