Every year more than 22 thousand degrees requiring 2 years of study or more are awarded by higher education institutions within the Virginia Beach-Norfolk-Newport News MSA. Graduates serve to fill the regional workforce talent pipeline. The 2019 Hampton Roads Talent Alignment Strategy moves to address a large cohort of mid-career professionals who choose to continue their career outside of the region. The included workforce analysis reveals the largest contractions of population out-migration occurred in primary working ages of 35 to 44 over a 15 years period, 2002 to 2017 (-20.4%).

In the process of addressing talent out-migration, the region must consider where talent is going. The flow of regional talent to major in-state population hubs is generally lucid; however, 32 of the top 50 cities where degree holders from regional institutions move are out-of-state. The map above highlights social profiles by non-VA city where degree holders are located who graduated from a regional institution. The largest percentage of graduates in non-VA cities are in Washington D.C. (22.1%), followed by New York (7.6%). Visit www.hreda.com/blogs for a full analysis.

Source: EMSI Q2 2019, “social profiles” refers to data from online social profile platforms, updated since 2018. Post-secondary degrees from institutes within the Virginia Beach-Norfolk-Newport News MSA include Associates degrees or higher.
QUARTERLY WORKFORCE PERSPECTIVE

More workers are working more hours for less pay. From a quarterly perspective, Q1 2018 vs Q1 2019, seasonally adjusted Nonfarm Employment and Average Weekly Hours Worked increased; however, Hourly Earnings (adjusted for inflation) declined.

TOTAL NONFARM EMPLOYMENT

The Virginia Beach – Norfolk – Newport News Metropolitan Statistical Area (MSA) saw positive change in seasonally adjusted Total Nonfarm Employment, Q1 2018 to Q1 2019. The MSA added a net 900 jobs (0.11%) in Q1 2019 over Q1 2018. Notably, the MSA’s percent change trailed both the state and nation. After a slight decline through Q4 2018, the MSA recovered 4,600 jobs (0.58%) in Q1 2019. From a quarterly perspective, the MSA matched its highest level of Nonfarm employment to date from Q2 2018, reaching 792,500 jobs. Nonfarm Employment rose to 1.6% above pre-recession peak employment; the magnitude of achievement should be tempered in consideration that the nation grew by almost 3% over the same period. The MSA has maintained above prerecession peak employment each quarter since surpassing that mark in Q2 2017. A net of 11,100 jobs has been added, Q2 2017 through Q1 2019.

CIVILIAN LABOR FORCE

The Civilian Labor Force decreased by -2,452, Q1 2018 to Q1 2019. Persons available to work in the MSA, ages 16 years or older, trailed both the state and nation year-over-year. The decline in Civilian Labor Force in contrast with increasing Total Nonfarm Employment holds with the notion that people are working more, since the Civilian Labor Force counts people, rather than jobs. Decrease in Civilian Labor Force (-0.29%) is also explained by year-over-year decline in unemployment (-0.17%), as the Civilian Labor Force includes the sum of employed and unemployed persons.
**UNEMPLOYMENT RATE**

In Q1 2019, the unemployment rate rose, up 0.57% (not seasonally adjusted) from Q4 2018 quarterly low not seen since Q4 2000. The increase in unemployment to 3.5% represents an additional 4,977 unemployed persons in the MSA, quarter-over-quarter.

Year-over-year, the unemployment rate decreased by -0.17 percentage points, Q1 2018 to Q1 2019, a decline of -1,348 unemployed persons over the period.

The overall trend in unemployment is consistent with that of both the state and the nation. Unemployment increased quarter-over-quarter but still maintains in a steady downward trend since Q1 2010.

**AVERAGE WEEKLY HOURS**

Average Weekly Hours Worked continues to diverge from the Q4 2013 trough (shown left) and is 3% above in Q4 2019. Average Weekly Hours Worked increased to 34.5 hours for Q1 2019. This is a quarter-over-quarter increase of 0.21 hours or 12 ½ minutes, Q4 2018 to Q1 2019.

Comparing Q1 2019 to the year prior, hours increased by 0.27 hours (16 minutes). Growth in weekly hours in contrast with a decline in Civilian Labor Force suggests a fluctuation in the workforce composition towards more full-time, rather than part-time employment. Less workers covering more hours indicates a tightening of the labor market. Relatively low unemployment concurs with a fluctuation in workforce composition and a tightened labor market.

**REAL HOURLY EARNINGS**

Q1 2019 inflation adjusted* Average Hourly Earnings declined to $20.61. This is a decrease in Real Hourly Earnings for the MSA by -$0.28/hour (-1.4% ) moving from Q4 2018 to Q1 2019.

State and National trends continue to diverge from the trend of the MSA (shown right). Q1 2018 to Q1 2019 Real Hourly Earnings declined -$0.94/hour (-4.4%). Both the state and the nation posted increases over the same period of $0.48/hour and $0.37/hour, respectively.

Although down -7.6% from the most recent peak in Q1 2017, Real Hourly Earnings exceed the post-recession low of $18.81/hour by 7.9%.
EMPLOYMENT BY INDUSTRY SECTOR

INDUSTRY CHANGE IN EMPLOYMENT

In comparing Q1 2018 to Q1 2019, employment change has shown greater gains in the region’s Goods Producing industries than Service Providing industries. Manufacturing posted the greatest sector gains period over period, adding 3,200 jobs, an increase of 5.9%. Professional & Business services added 2,000 jobs a 1.8% increase, followed by the Leisure & Hospitality sector, gaining 1,800 jobs, an increase of 2%.

The Finance, Insurance & Real Estate (FIRE) sector, Education & Health Services sector, and Information sectors posted moderate losses. Government losses of -1,700 jobs represents a -1.7% decline and Trade, Transportation, & Utility losses represent a -2.3% decline of their respective sectors.

Keeping the progress of a year’s timeframe in view, the chart below compares the last 4 quarters (Q2 2018 through Q1 2019) to the preceding 4 quarter period (Q2 2017 through Q1 2018).

HIGHLIGHTS

The Professional & Business Services sector as well as the Manufacturing sector posted modest gains, growing 4% and 3.7%, respectively.

Trade & Transportation posted the greatest losses, declining by -3,100 jobs. The Retail Trade industry continues to post losses, declining more than -2,500 jobs, Q1 2018 to Q1 2019, down -2.9%.