

2019 QUARTERLY WORKFORCE REPORT 1

Southwest Virginia WDA I



OUTREACH & INTERNATIONAL AFFAIRS
VIRGINIA TECH.

OFFICE OF ECONOMIC DEVELOPMENT



Introduction

2019.1 Quarterly Workforce Report

Welcome to the 2019 quarter one workforce report. The Virginia Tech Office of Economic Development produced this document for the Southwest Virginia Workforce Development Board. This workforce report details unemployment trends encompassing Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, and Wise counties and the city of Norton from 2008 through 2018. The unemployment rate counts only those who have actively looked for work in the past month but are not working. Lower unemployment often correlates with other community health indicators such as higher standards of living, greater mental and physical health, higher educational attainment, and lower crime rates. Yet, as our country and regions begin to reach such low levels of unemployment that media and policy makers begin talking about the country reaching “full employment,” how useful does the unemployment rate become in assessing the overall health of a region?

The goal of this report is to gain a more accurate understanding of unemployment in the region and explore populations that may not even be counted in the unemployment number because they left or never entered the labor force. These populations could serve as untapped human capital, ready for employment or better employment in the region’s industries if given the appropriate training, tools, and connections with amenable employers.

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For additional information or questions about the data presented here, contact the Virginia Tech Office of Economic Development.

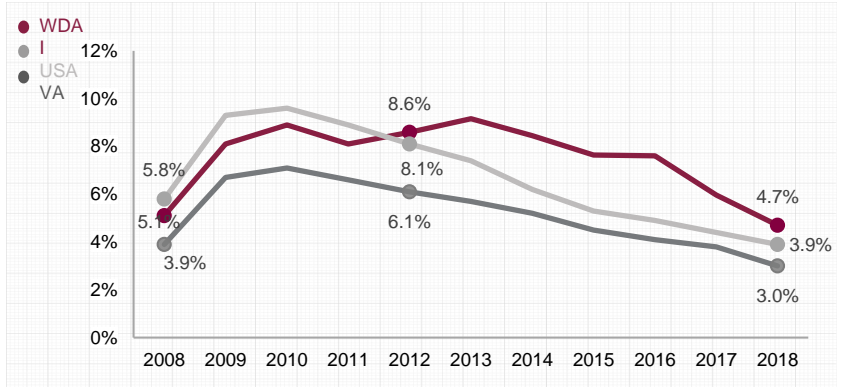


Unemployment Trends

Unemployment Rate

Change in Unemployment, 2008-2018

The 10 year average unemployment rate for Region I is 7.5%. This rate is higher compared to the state rate (5.1%) and national rate (6.7%). Region I unemployment has declined by 0.4% since 2008, a slower rate compared to Virginia's trend 0.9% and the national trend 1.9%. While Region II was affected by the Great Recession similar to the US, coal-related and manufacturing layoffs in 2011-2013 and 2016 specifically influenced unemployment in the region during this time.



Change in Unemployment at County Level

County	2008	2013	2018
Buchanan County	5.0 %	9.1 %	5.9 %
Dickenson County	5.7 %	10.7 %	5.6 %
Lee County	5.3 %	8.3 %	4.4 %
Russell County	5.8 %	8.7 %	4.5 %
Scott County	5.4 %	7.5 %	3.2 %
Tazewell County	4.4 %	8.3 %	4.6 %
Wise County	4.6 %	8.9 %	5.4 %
Norton city	5.2 %	7.7 %	4.2 %

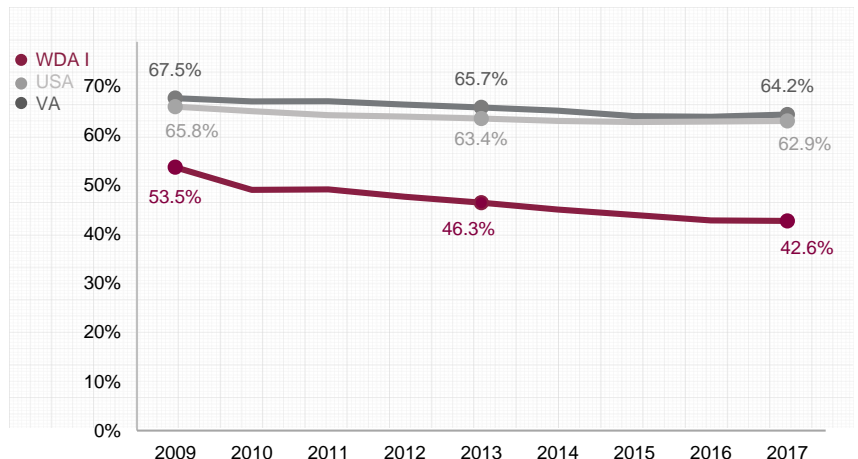
Scott County had the lowest unemployment rate in 2018 among counties in Region I. All the counties in Region I saw a peak in unemployment between 2012-2013, yet they successfully lowered their rates in the following years. Buchanan, Tazewell and Wise counties saw increased unemployment rates from 2008 to 2018. Scott, Russell, Lee and the City of Norton saw the largest declines in unemployment.

Industries contributing the highest employment loss during this decade were Mining and Support Activities, Local Government, and Specialty Trade Contractors. Each lost over 900 jobs. Industries showing the most job growth Professional/Technical/Scientific Services, Administrative and Support Services, and Social Assistance, each contributing over 200 jobs in this period.

Labor Force Participation, 2009-2017

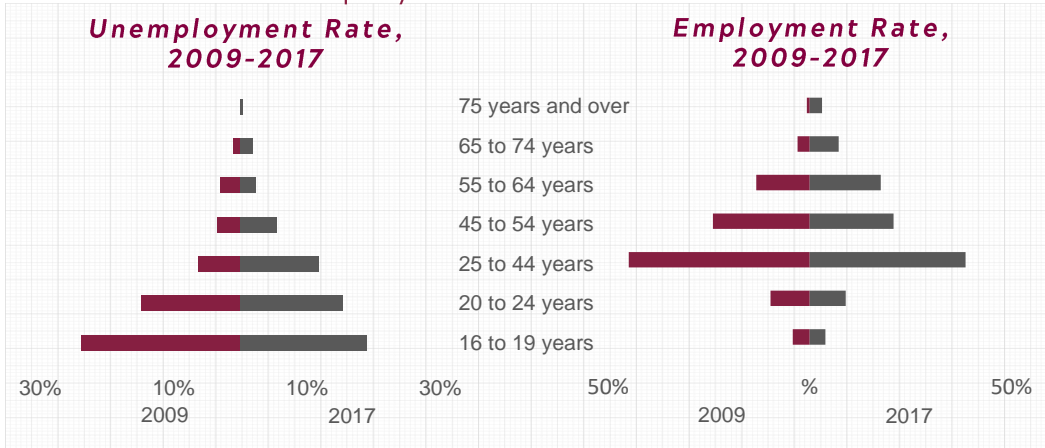
Labor force participation in Region I fell by 10.9% between 2009 and 2017.

While more pronounced than the state and nation, this labor force reduction follows a larger trend. Labor force participation fell by 3.3% and 2.9% for the state and nation respectively during the same period. This trend can be a result of baby boomers leaving the workforce with fewer workers from younger generations joining, as well as, discouraged workforce who never rejoined the labor market after recession.



Unemployment Demographics

Generational Unemployment

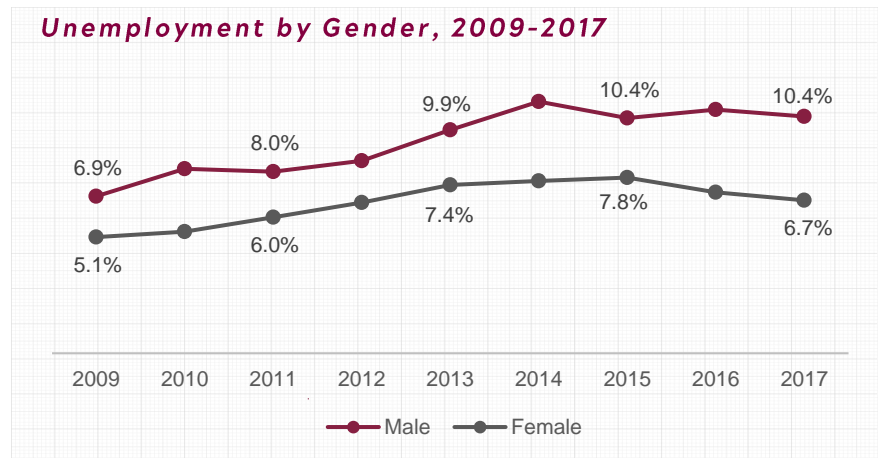


About 28% of the employed workforce was at or near retirement age as of 2017 (ages 55 and over) in Region I.

The largest cohort of employed individuals is aged 25 to 44, which make up about 39% of all persons employed. This group also has an unemployment rate of 12%, higher than both the Virginia (5.4%) and United States (6.3%) rates.

Gender Unemployment

The unemployment rate for males is higher than for females in Region I. Since 2009, there has been a steady gap between the unemployment rates of men and women. As of 2017, the gap between male and female unemployment has been about 4 percentage points. The 2017 Region I rates are slightly higher than the national rates for males (6.2%) and females (6.0%). The Region I rates are also higher than those of Virginia (5% each).



Minority Unemployment

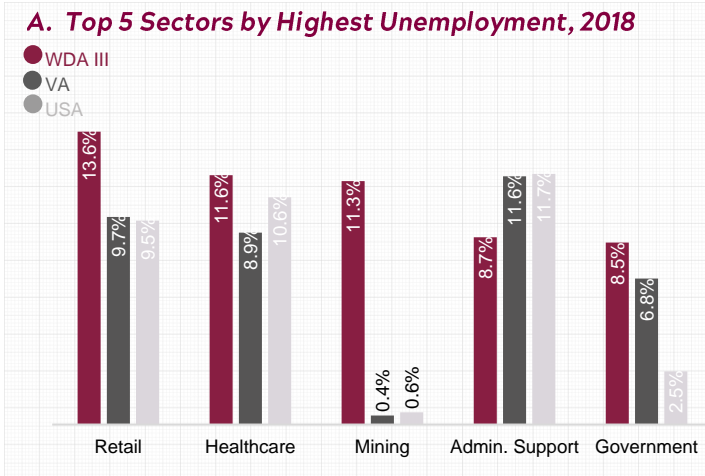
Unemployment by Race, 2009-2017



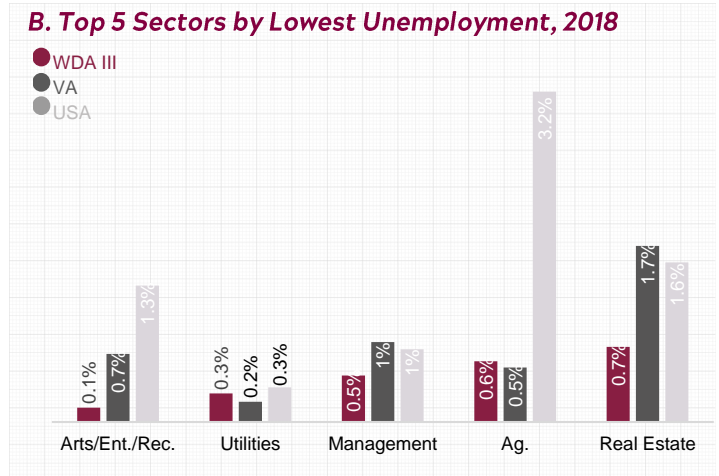
Those who identify as two or more races have the highest unemployment in Region I at 20%. This rate is 9 percentage points above the second highest rate, those of Hispanic Origin at 11%. Comparatively, the region's unemployment rate for two or more race is higher than the Virginia rate (7.9%) and the United States rate (9.8%). Black unemployment is the lowest at 6.5%.

Industry Unemployment and Establishments

Unemployment by Industry

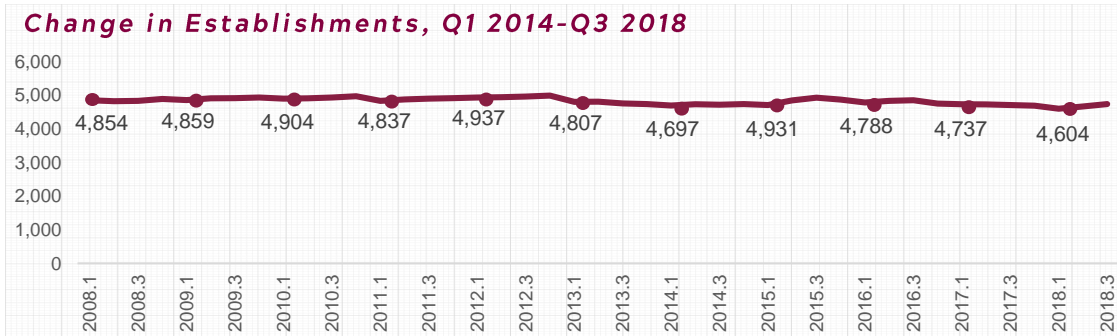


A. Region I's largest sectors have the highest unemployment. Regional unemployment is higher than state and national averages all sectors but administrative support.



B. With the exception of agriculture, the regions smallest industries have the lowest unemployment rate. For instance, the arts, utilities, management, and real estate sectors account for less than 5% of total regional employment.

Establishments



Region I establishments have seen a 2.3% decline from 2008 to 2018. 2008 to 2012 saw 140 new establishments, a 2.9% increase. However, closures in 2013 and after resulted in a 5% (251 establishments) decline by 2018.

Largest Sectors by Establishment

Only two the ten largest sectors saw significant establishment growth from quarter one of 2008 to quarter three of 2018. Regional establishments peaked in 2012 quarter four at 4,991 establishments. Since then, the number of establishments has fallen to 4,740. Despite an overall decline in establishments, the healthcare and other services sectors saw 39.2% (295) and 67.4% (252) growth in establishments, respectively.

Change in Establishments, 2008.1-2018.3

Industry	2008.1 Establishments	2018.3 Establishments	% Change 2008.1-2018.3
Healthcare	753	1,048	39.2%
Retail	805	672	-16.5%
Other Services	374	626	67.4%
Construction	431	272	-36.9%
Professional/Technical/Scientific Services	300	267	-11.0%
Transportation/Warehousing	358	267	-25.4%
Accommodation/Food Service	258	257	-0.4%
Public Administration	247	248	0.4%
Finance/Insurance	237	214	-9.7%
Wholesale	206	152	-26.2%

Workforce Demand

Job Postings

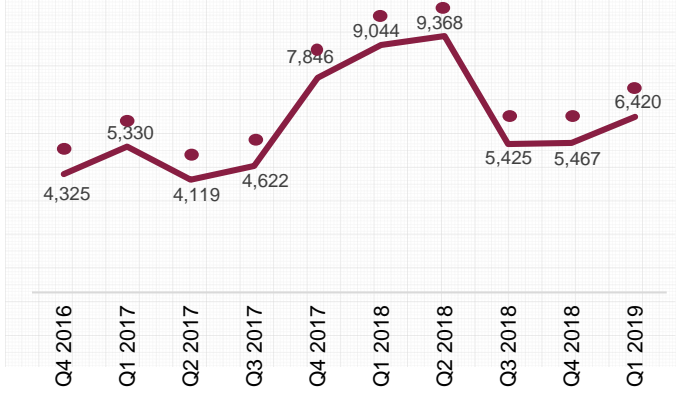
A. Job Postings by County, 2018

County	2018 Unique Job Postings	2018 Employment	% Regional Employment
Norton	1,475	3,948	5.3%
Buchanan	4,837	8,131	11.0%
Dickenson	2,913	4,118	5.6%
Lee	3,047	6,989	9.4%
Russell	3,524	9,749	13.1%
Scott	3,304	7,343	9.9%
Tazewell	8,646	19,308	26.0%
Wise	6,177	14,602	19.7%

A. Tazewell county leads the region in unique job postings. Tazewell county also leads the region in employment, accounting for 26% of regional employment for 2018. Wise county is also a notable employment center for the region, accounting for 18.2% of the region's job postings and 19.7% of regional employment. The city of Norton and Dickenson County had the lowest number of postings.

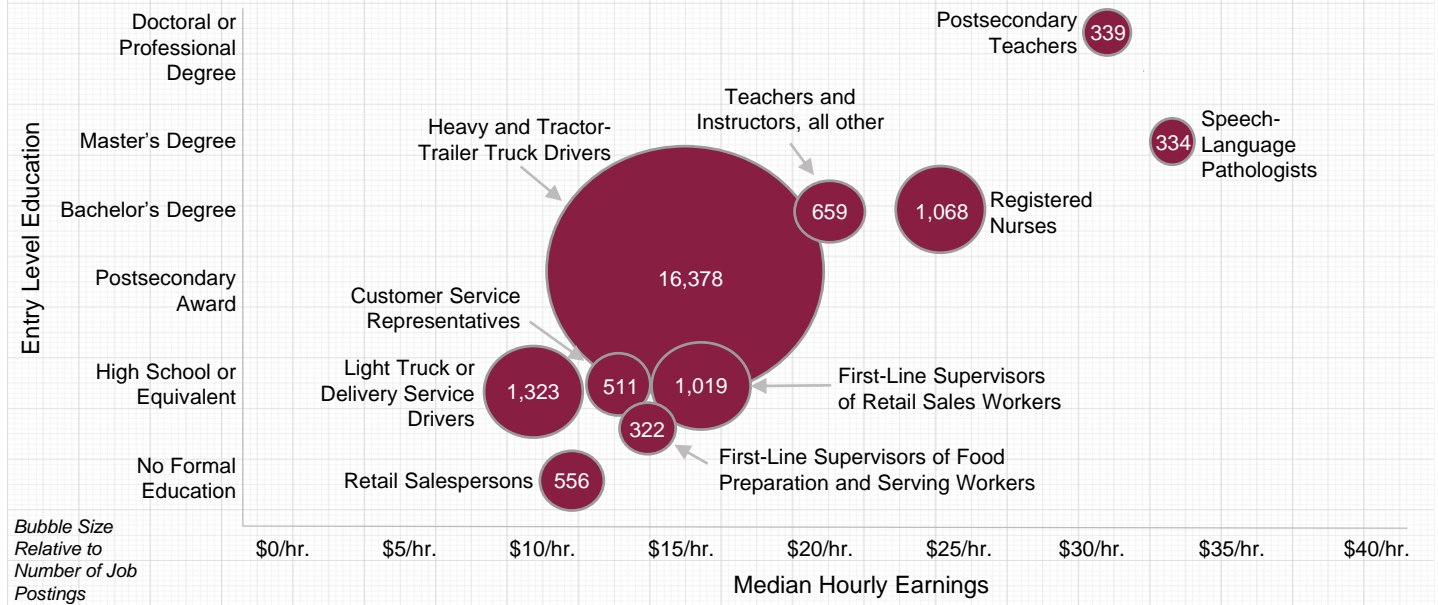
B. There was a significant increase in job postings from 2017.3 to 2018.2. Postings increased by 4,476 during this period and immediately decrease to a more expected 5,426 postings within one quarter. When considering overall growth, postings have increased by 48.4% since 2016.4.

B. Quarterly Job Postings, Q4 2016-Q1 2019



Occupations by Job Postings

Top 10 Occupations by Number of Unique Job Postings, 2018



The majority of job postings in Region I are for driving and service occupations. Postings for truck and tractor-trailer drivers dominate regional postings. Additionally, many postings require minimal entry level experience. There is a clear relationship between higher credentials and competitive pay, with postings for nurses, teachers, and speech-language pathologists being paid the highest among the top ten job postings.

Sources: Emsi Datarun 2018.3. Virginia Labor Market Information: Quarterly Census of Earnings and Wages

Underserved Workforce Populations

Underserved Populations

Underserved Populations in Region Compared to State and National Average	WDA 1	VA	USA
Veterans: Percentage of veterans in population. 2017	6.9%	10.8%	7.7%
Disabled Persons: Percentage of those with a disability. 2017	23%	11.5%	12.6%
Probationers and Parolees: Percentage of those in region that are under probation or parole status which live in the community and partake in correctional activities. 2016	1.2%	0.7%	1.4%
Needy Families: Percentage of Needy Families Receiving Temporary Assistance Per Month. 2016	24%	12%	18%
Underemployed Persons: Rate of Underemployment. 2017	9.1%	7.9%	8.5%
HS Graduates Not Pursuing a Higher Degree: Percentage of students who did not pursue postsecondary education or training upon earning a federally recognized high school diploma. 2016	33.7%	30.3%	32.8%

Sources: See bottom of page

HS Graduates

661 HS graduates in 2016 did not pursue postsecondary training of any kind. A higher percentage of males than females did not pursue a higher degree, 45% of the economically disadvantaged and 55% of those with disabilities do not pursue a higher degree.

Disabled

45,746 people or 23% of Region I's population have disability status. This is higher than statewide average of 11.5% and national average of 12.6%. Lee County had the highest number of those with disabilities with around 25.7%.

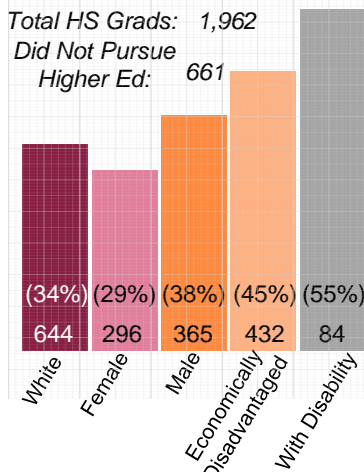
Corrections

Region I has 1,524 prior offenders, a higher proportion than the state average. The average age for those on probation or parole is 35 years old with roughly 76% of prior state offenders being male and more than 66% of all cases being male.

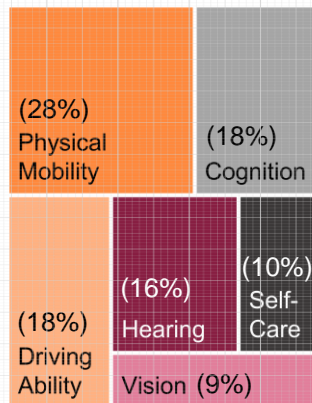
Needy Families

Region I had 12,852 families receiving temporary assistance in 2016, proportionally fewer than the national average. Lee (4.1%) and Norton (5.4%) had the highest percentage of families receiving temporary assistance. Wise County had the most overall with 3,266 families receiving temporary assistance.

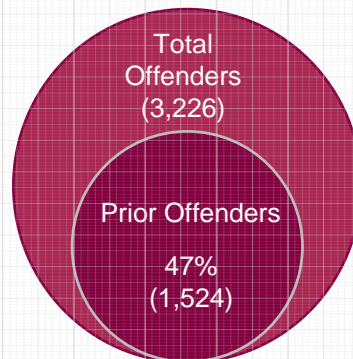
Graduate Cohorts with No Post-Secondary Ed, 2017



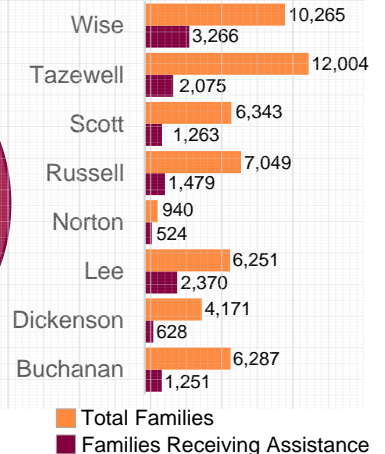
Disability by Difficulty, 2017



Prior Offenders, 2016



Families Receiving TANF & Total Families by County, 2016





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