



DATA SPOTLIGHT

HAMPTON ROADS VETERANS EMPLOYMENT CENTER: MILITARY-TO-CIVILIAN EMPLOYMENT TRANSITION

There is tremendous opportunity to harness the strength of military-to-civilian transitions in Hampton Roads. According to WalletHub, Virginia has the third most veterans per capita in the United States.¹ Additionally, most recent data from the Analyst Resource Center (ARC) confirms that approximately 60% of Virginia's Transitioning Service Members (TSMs) continue to choose Hampton Roads as their primary post-service residence.²

To maximize the potential of this opportunity, the Hampton Roads Veterans Employment Center was championed by Opportunity Inc. Last year, Opportunity Inc. served over 1,100 TSMs, and projects for the coming year that at least 80% of those who will be served and actively participate in provided services, will obtain employment.

The following chart highlights TSM occupation groups at the 3-digit Standard Occupational Classification (SOC) level that experienced greater employment growth than the region and employment that is 25% more concentrated than the nation. When looking at exiting military by minor occupation groups (3-digit SOC level), we find that 62.5% of exiting military – spread across 31 occupation groups – transitioned to occupations with greater employment concentrations than that of the nation.

¹ WalletHub.com, Rachel Bernhardt, June 27, 2017, "2017's Most Veteran States in America"

² Analyst Resource Center (ARC) 2017-12-20-16 Release, Data FY 10-1-2010 to 9-30-16. (Formerly The National Crosswalk Service Center)

HIGHLIGHTED TSM OCCUPATIONS OCTOBER 2014 - SEPTEMBER 2015



Source: 2016 Hampton Roads State of the Workforce Report, Economic Modeling Specialists Int. (EMSI) 2017: A Class of Worker. Size of Bubble represents the number of military exits within the occupation displayed.

MONTHLY WORKFORCE SUMMARY

Third quarter 2017 (period ending September 30) showed a small -.63% year-over-year reduction in total nonfarm payroll employment. The civilian labor force increased both quarter over quarter and year over year.

Inflation adjusted average hourly earnings posted a -.71% decline over the four-quarter period Q3 2016 to Q3 2017. From Q2 2017 to Q3 2017 hourly earnings remained marginally unchanged and remain 1.22% below Q1 2017. Weekly hours worked were up slightly from the previous quarter (Q2) and show a 1.18% increase over Q1 2017.

0.63%
DECREASE

INDICATOR SUMMARY AND TABLE OF CONTENTS

	MONTHLY	QUARTER	YEAR
Total Nonfarm Employment	▼	▼	▼
Civilian Labor Force	▲	▲	▲
Unemployment Rate	▲	▼	▼
Real Hourly Earnings	▲	▼	▼
Average Weekly Hours	◀	▲	▲

Up Arrow = Increase
Down Arrow = Decrease
Sideways = Unchanged

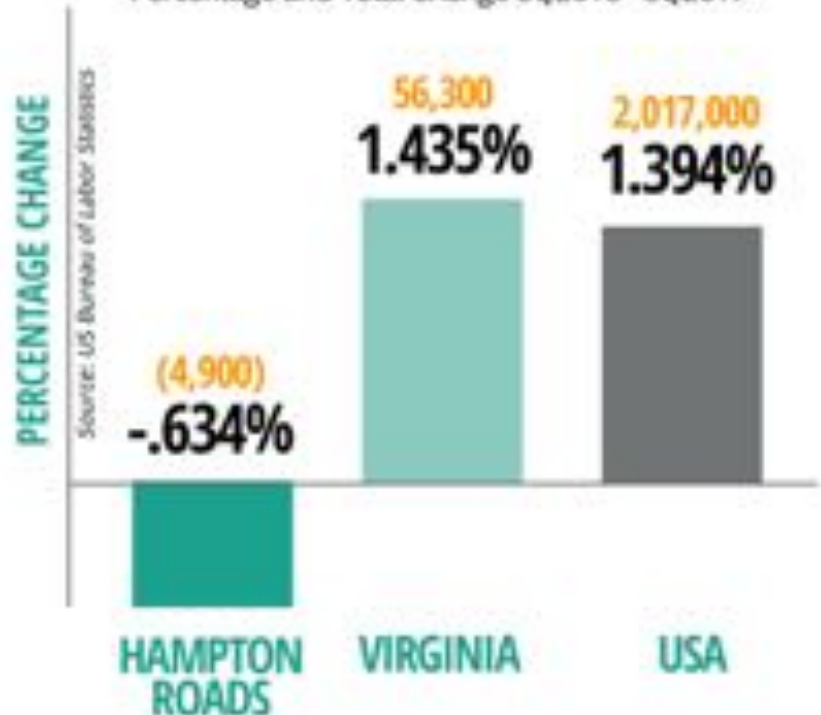
Green = Good
Red = Bad
Yellow = Neutral

EMPLOYMENT TOTAL NONFARM

Seasonally adjusted total nonfarm employment in the metropolitan area was down 2,300 or -.63% for the quarter ending September 2017. Regional employment remains 1.82% below its quarterly pre-recession high of 779,700 set in Q3 of 2007. Quarterly employment was significantly below that of the Commonwealth and the United States, which grew 1.435% and 1.394%, respectively.

TOTAL NONFARM EMPLOYMENT

Percentage and Total Change 3Q2016 - 3Q2017

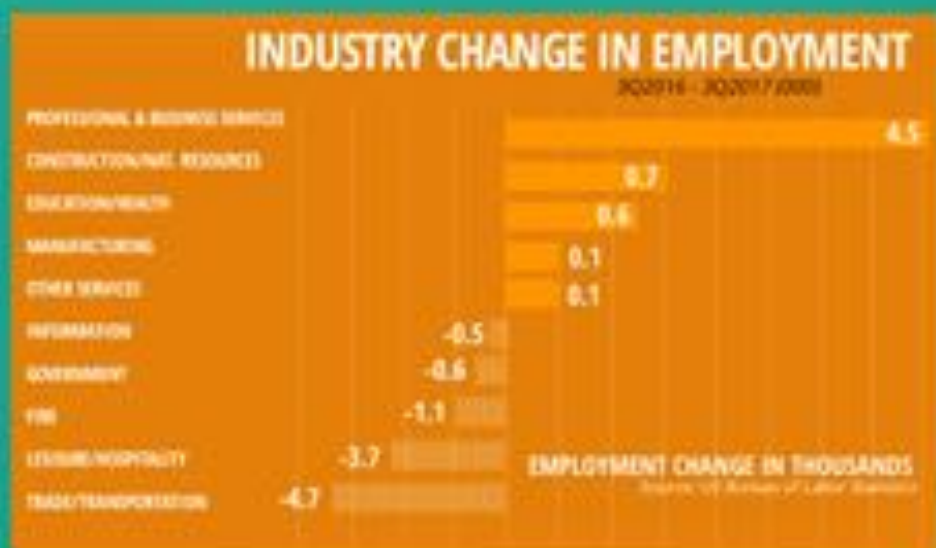


EMPLOYMENT INDUSTRY SECTOR

Year-over-year employment change varied considerably by sector from Q3 2016 to Q3 2017.

The Professional & Business Services sector led the way, adding 4,500 over the 4-quarter period. Other notable job gains in employment occurred in the sectors of construction as well as education and health.

Trade/Transportation, Leisure/Hospitality, FIRE, Government, and the Information sectors all posted declines in employment over the 4-quarter period Q3 2016 to Q3 2017.



HIGHLIGHTS

While employment in the Professional & Business Services sector as a whole increased, over 70% of the growth can be attributed to the lower paying subsector of Administrative and Support Services. Over the same time period, Professional, Scientific, and Technical services grew modestly, adding 900 jobs and Management of Companies and Enterprises expanded, adding 400 jobs.

Employment in the Education and Health Services Sector ended the 4-quarter period on a positive note, adding 600 jobs over the period. Two-thirds of the sectors growth can be attributed to growth in the Health Care and Social Assistance sector, while one-third is attributed to the Educational Services Sector.

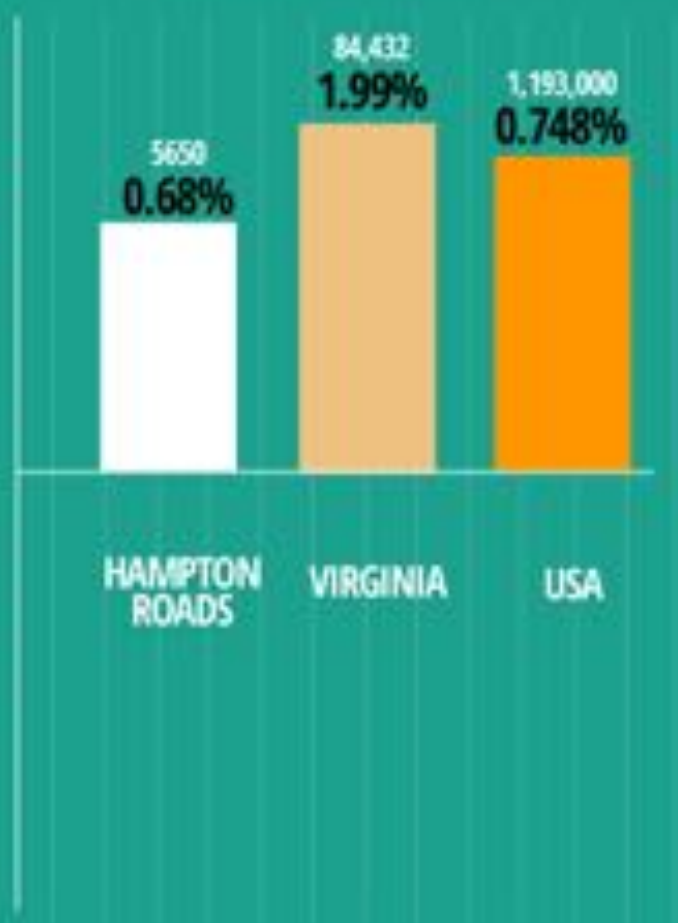
According to the most recent estimates, the region has experienced a net loss in jobs Q3 2016 to Q3 2017. These losses are largely driven within the sectors of Trade/Transportation/Utilities, Leisure/Hospitality and FIRE. Trade/Transportation/Utilities posted the largest reductions in regional employment which has been driven by estimated job loss within the Retail Trade subsector. Retail trade within Hampton Roads is estimated to have lost 5,100 jobs from Q3 2016 to Q3 2017. Wholesale trade posted declines of 200 while Transportation and Utilities posted gains of 500. Leisure/Hospitality witnessed the second largest reduction in regional employment, showing losses of 3,700 Q3 2016 to Q3 2017. The Leisure and Hospitality sector is comprised of the subsectors: Accommodation and Food Service and Arts, Entertainment, and Recreation. As it relates to these subsectors, estimated losses within Accommodation & Food Services amounted to 900 Q3 2016 to Q3 2017 suggesting that the additional 2,800 jobs lost came from the arts, entertainment, and recreation sector.

The FIRE sector experienced a net loss of jobs over the 4-quarter period Q3 2016 to Q3 2017. These losses were primarily in the Real Estate and Leasing sector, posting a decline of 800. Additionally, the Finance and Insurance industry witnessed net losses, posting a reduction of 300 Q3 2016 to Q3 2017.

CIVILIAN LABOR FORCE CHANGE

Percentage and Total Change 3Q3016 - 3Q2017

Source: US Bureau of Labor Statistics



LABOR FORCE

Q3 2017 marks the seventh quarter of positive civilian labor force growth in the metropolitan area. As shown, Q3 2016 to Q3 2017, the civilian labor force grew 0.68% (5,650). While positive, this growth lags both the Commonwealth of Virginia and the United States, which experienced 1.99% and 0.748% growth respectively over the same time period. This is encouraging, as notable reductions occurred in the civilian labor force from Q1 2014 to Q4 2015. During this time, the civilian labor force declined by 19,400. While the causes of the decline are difficult to pinpoint, an aging workforce, decline in military personnel and their families, and continued economic weakness have all contributed to the overall economic and labor force environment.

UNEMPLOYMENT RATE

The seasonally adjusted metropolitan unemployment rate decreased to 4.2% in the third quarter of 2017, falling from 4.3% in the second quarter. Over the year the unemployment rate fell .5 percentage points from 4.7% in the third quarter of 2016.

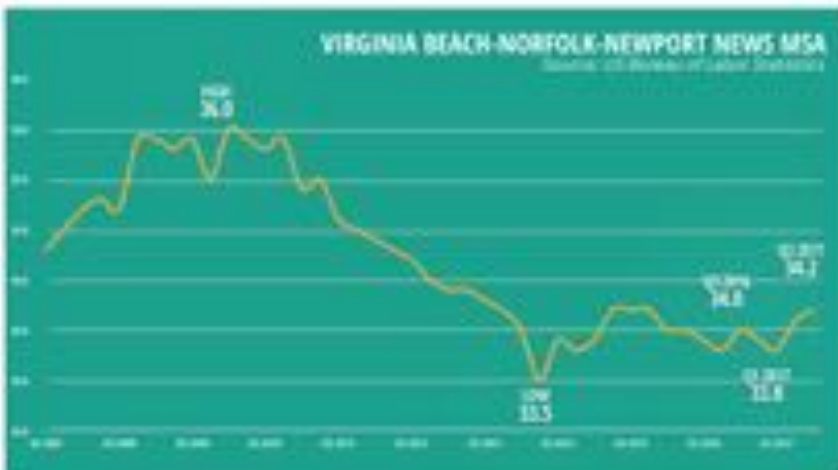
UNEMPLOYMENT RATES SEASONALLY ADJUSTED

GEOGRAPHY	Q3 2016	Q3 2017
UNITED STATES	4.9	4.3
VIRGINIA	4.1	3.8
HAMPTON ROADS	4.7	4.2

Source: US BLS, VA LALIS UPDATED: 08.08.17

HOURS WORKED

Average Weekly Hours Worked increased 0.1 hours (6 minutes) from Q2 2017 to Q3 2017 and is up 0.2 (12 minutes) from this time last year. As shown, hours worked are approximately 5% or 1.8 hours below their Q3 2009 high. However, since Q1 2017, hours worked have increased 0.4 hours (24 minutes) or 1.18%.



REAL AVERAGE HOURLY EARNINGS

Inflation-adjusted average hourly earnings declined .71% to \$21.63 over the 4-quarter period Q3 2016 to Q3 2017. While up 14.83% from the post-recession low, adjusted hourly earnings are 4.38% below their Q3 2009 high. Year-to-date (Q3) 2017, earnings have fallen 1.22% from Q1 2017.



Opportunity Inc., Labor Market Digest — Winter 2018. Unless otherwise noted, data cover the Virginia Beach-Norfolk-Newport News Metropolitan Statistical Area (MSA) for the three months ending September 2017 (third quarter 2017). Opportunity Inc. oversees workforce development programs on behalf of the Hampton Roads Workforce Development Board. The Board is responsible for developing workforce policy and administering workforce development initiatives in Chesapeake, Franklin, Isle of Wight, Norfolk, Portsmouth, Southampton, Suffolk and Virginia Beach. Opportunity Inc. assists businesses in recruiting qualified workers and employees in finding suitable job openings and increasing their earning power through training.

PLEASE SEE WWW.OPP-INC.ORG FOR ADDITIONAL INFORMATION.

QUESTIONS OR COMMENTS CAN BE ADDRESSED TO STEVE COOK, VICE PRESIDENT OF WORKFORCE INNOVATION, OPPORTUNITY INC. AT SCOOP@OPP-INC.ORG.

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