

HAMPTON ROAD'S STEADY JOBLESS RATE RAISES CONCERN



Hampton Roads' unemployment rate stayed the same at 7.3, despite the continuous job loss seen throughout the region, as reported by the Virginia Employment Commission, in a statement last Wednesday. The numbers remained the same because the size of civilian workforce in Hampton Roads' actually got smaller, according to writer Tom Shean in an article for Pilot Online.com. During September of last year, the unemployed rate was set at 7.1, according to figures reported by the VEC. The percentage does not account for seasonal adjustment, where the numbers had not been crunched. Regional payrolls indicated a decline of 6,000 jobs in September along, according to regional payroll information. These figures are down by 4,800 since last September. The figures do not account for those who are self employed, who work in domestic jobs and family member that remain unpaid. Greg Grootendorst, chief economist at the Hampton Roads Planning District Commission acted surprise by the figures seen in the reports. He said in a statement that the region was heading backwards, which is the wrong direction from where Hampton Roads should be. The figures shown for the Hampton Roads region looks better than many of the top metropolitan areas around the U.S. The math comparison does not make Grootendorst feel any better because the region has lost over 53,000 jobs since at its peak in 2007. He went on to say that "with that much employment gone, it puts in perspective how hard this region has been hit." Cuts in the amount of spending the defense is willing to do right now have hit areas within the region relating to professional and technical services. This sector saw a loss of 300 jobs in September. The amount of available jobs in the professional and technical services has declined by 2,300 since last year. Confidence in business practices in Hampton Roads is dwindling, according to Grootendorst. Contractors are waiting to see if another contract comes through before deciding whether or not to hire more workers. A cut in defense jobs leads to a slower economy because the people that took these jobs received a decent salary. Christine Chmura, president of Chmura Economics & Analytics, a Richmond-based forecasting firm sums the effect of cutbacks in this statement, saying that defense contracts "are fairly high-paying jobs and have a bigger ripple impact on personal spending." The jobless rate went from 7.3 to 7.7 when economists factored in seasonal adjustment. The annual review done by VEC may show a more positive outlook relating to employment. The calculations done by Chmura added up to zero job growth instead of a decline in the amount of jobs available. The overall jobless rate in Virginia, during the month of September, went from 6.5 to 6.4 between August and September. The numbers stayed well overhead of the 10-year average of 4.3 percent, according to Tom Shean.