

Kerri O'Brien
VEC Director of Communications
pio@vec.virginia.gov



FOR IMMEDIATE RELEASE

Virginia's Weekly Unemployment Claims Decline, Federal Claims Monitored Closely

RICHMOND, VA – March 20, 2025 – The Virginia Employment Commission (VEC) announces today that unemployment insurance (UI) weekly initial claims in the Commonwealth decreased by more than 22% for the week ending March 15, 2025. A total of 3,141 initial claims were filed, down from the previous week's 4,036 claims.

The increase in claims reported for the prior week (ending March 8), was largely attributed to a temporary layoff at a manufacturing employer outside of Northern Virginia, which accounted for over 800 claims (**69.3% of the increase**). This employer does not employ federal workers or federal contractors and has indicated plans to recall the affected employees.

"Over the last three years, Virginia has experienced some of the lowest initial unemployment claims in decades, consistently remaining well below the long-term historical average of 5,500 per week," said VEC Commissioner Demetrios "Mitch" Melis. "While we recognize that any job loss is significant, our approach is to analyze workforce trends over time—looking beyond short-term fluctuations to provide a complete and accurate picture of Virginia's labor market."

Monitoring Federal Employment – Related Claims

For the week ending March 8, there were **90** confirmed initial Unemployment Compensation Claims for Federal Employees (UCFE) in Virginia, and **40** confirmed initial UCFE claims for week ending March 15. From the end of January through the week ending March 15, there have been a total of **298** confirmed initial UCFE claims in the Commonwealth. It is important to note, a claim is not classified as a UCFE claim until federal wages are confirmed.

While the VEC received a total of **298** initial UCFE claims, continuing UCFE claims for the week ending March 15 stood at **155**. This decline suggests that these workers are transitioning quickly from unemployment back into the workforce.

Additionally, VEC is tracking claims where individuals have reported employment at a federal agency.

From Week Ending January 25, 2025 to Week Ending March 15, 2025

Total Claims Tied to Federal Employers	779
---	-----

Total Claims Tied to Federal Contractors	337
---	-----

These estimations are not part of official U.S. Dept. of Labor reporting and are only used as early indicators of potential UCFE and federal contractor claims.

"We want Virginians to know that they have access to the support and resources they need. Our team, alongside our partner agency Virginia Works, is fully committed to helping those impacted by job loss transition quickly into one of the thousands of career opportunities currently available in the Commonwealth," said Melis.

To assist individuals impacted by the federal workforce transition, VEC has developed a dedicated [Resource Guide](#) on the agency's website. Additionally, we have created a [brief video](#) of eligibility requirements and the application process.

VEC will continue to monitor federal unemployment claims. VEC is well-prepared to adapt to employment fluctuations with a modernized unemployment system that uses Robotic Process Automation (RPA) and advanced analytics to enhance processing speed and accuracy. Our implementation of ID.me, an identity verification tool, has streamlined UI claims filing, with 90% of customers able to successfully apply for benefits online.

The Virginia Unemployment Insurance Trust Fund, the reserve of money set aside to pay unemployment benefits, is financially solvent and fully prepared to continue meeting unemployment benefit obligations. To date, the federal workforce reduction has had no impact on the trust fund. Following an analysis of potential effects, the VEC has determined that a federal reduction would not significantly impact the fund's solvency.

For more information on unemployment insurance benefits and VEC services, please visit. www.vec.virginia.gov.

###