



Eastern Panhandle Region Outlook

FORECAST: 2008-2012

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Executive Summary

The Eastern Panhandle (Berkeley, Jefferson, and Morgan counties) has been among the fastest growing regions in the state so far this decade. Indeed, the three-county region has added 6,310 jobs so far this decade, which accounts for a substantial portion of total state job growth. In addition, and even more striking, the region has added 33,100 residents since 2000, which far outpaces total state population growth of 5,000 residents. That means that without the Eastern Panhandle, the state would have posted net population losses. The labor market in the Eastern Panhandle has been tight so far this decade, with an unemployment rate of just 4.0 percent in 2007, below the state and national average of 4.6 percent. Finally, income growth so far this decade has exceeded the national rate of inflation, and been close to the national average, but has been outpaced by the state.

While the Eastern Panhandle has generated fast growth, it is also showing signs of slowing down in response to decelerating national growth and the housing correction. Current estimates suggest that the region added just 80 jobs from 2006 to 2007, and the region is on pace through the first eight months of the year to post net job losses from 2007 to 2008. A large share of the slowdown in job growth has originated in construction, with employment falling by 310 in 2007 and on pace to fall again in 2008. Manufacturing and professional and business services also lost jobs in 2007, while trade, transportation and utilities employment has weakened so far in 2008. Overall, employment growth has remained solid in health care, leisure and hospitality, and government.

Slowing construction employment in 2007 and 2008 mirrors declining values for residential construction starts in the region. Indeed, according to data from FW Dodge, the value of residential construction starts in the region has fallen by 36.4 percent from the first eight months of 2007 to the same period in 2008. By this measure, residential activity is now down 44.8 percent from 2006, when it hit a peak. In addition, house prices are falling in the metropolitan statistical areas (MSAs) which include the Eastern Panhandle. According to data from the Office of Federal Housing Enterprise Oversight, single-family house prices in the Washington MSA (includes Jefferson County) have fallen by 9.7 percent from their peak. Likewise, house prices for the Hagerstown-Martinsburg MSA (includes Berkeley and Morgan counties) are down 5.8 percent from their peak.

The outlook for the Eastern Panhandle depends in part on the outlook for the nation, which has darkened in recent months. The housing correction and problems in the financial sector are contributing to a likely national recession in 2008-2009. Thereafter national growth should rebound, although slowly at first. For the Eastern Panhandle, this translates into net job losses in 2008 and 2009. Growth rebounds during the 2010-2012 period. On average during the next five years, the Eastern Panhandle is forecast to generate job growth close to the national rate and above the state rate. Population growth continues, but slows, as job growth slows and continued high gas prices reduce the attractiveness of long commutes. The region's unemployment rate bounces up during the next two years, but is forecast to remain below the national average.

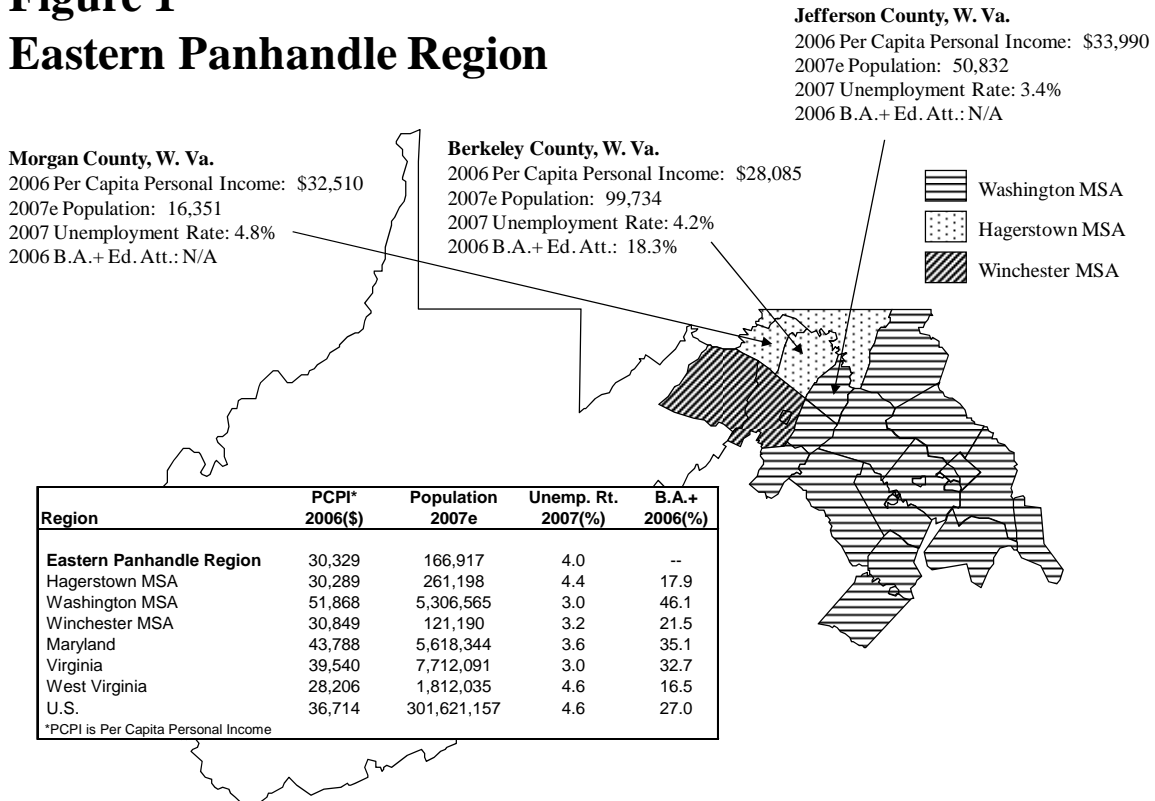
Eastern Panhandle Region In Perspective

As Figure 1 shows, Berkeley, Jefferson, and Morgan counties comprise the Eastern Panhandle of West Virginia. Berkeley and Morgan counties are a part of the Hagerstown-Martinsburg MSA, and Jefferson County is located in the Washington MSA. Berkeley and Morgan counties also border the Winchester MSA, which includes Hampshire County in West Virginia.

Berkeley County is the most populous county in the Eastern Panhandle, with 99,734 residents in 2007. This is 59.8% of the population of the Eastern Panhandle and 38.2 percent of the Hagerstown-Martinsburg MSA. Jefferson County's 50,832 residents ranked second in the Eastern Panhandle while Morgan County came in third with an estimated 16,351 residents.

Jefferson County's per capita personal income (PCPI) of \$33,990 in 2006 was the highest in the Eastern Panhandle and was greater than West Virginia's PCPI at \$28,206, but lower than the United States' PCPI of \$36,714. PCPI is measured by dividing an area's total personal income by its population. Morgan and Berkeley counties had PCPIs in 2006 of \$32,510 and \$28,085, respectively. As Figure 1 shows, Berkeley County was the only county in the Eastern Panhandle to have a PCPI lower than West Virginia's. The Washington MSA had the highest PCPI of any MSA in the region with \$51,868.

Figure 1 Eastern Panhandle Region



In 2006, 18.3 percent of Berkeley County's population over the age of 25 had a bachelor's degree or more. This is 1.8 percentage points higher than West Virginia, but 8.7 percentage points below the United States. The Hagerstown MSA, which includes Berkeley County, had an educational attainment rate of 17.9 percent in 2006, 0.4 percentage points lower than Berkeley County. However, Berkeley County's educational attainment is lower than the adjacent Washington (46.1 percent) and Winchester (21.5 percent) MSAs.

As Table 1 shows, Berkeley County's median age in 2006 was 36.0 years, which is lower than both West Virginia at 40.7 years and the nation at 36.4 years. Berkeley County also has a lower median age than the surrounding Washington and Winchester MSAs at 36.3 and 37.6 years, respectively. According to F.W. Dodge, the Eastern Panhandle accounted for 21.2 percent of West Virginia's \$4,362.7 million in new construction starts in 2007. The Eastern Panhandle had \$925.6 million in construction starts in 2007, \$754.0 million of which was located in Berkeley County alone. Jefferson and Morgan counties had construction starts of \$132.8 million and \$38.8 million, respectively.

Table 1
Eastern Panhandle Region Selected Economic Indicators By County

	Population			FW Dodge	Per Capita		Nonfarm	Unempl.	Educational
	Census	Av. An. G.R.	Median Age	Const. Value	Personal Income		Job	Rate	Attainment
	2007e	2000-2007(%)	2006	(\$Thous.)	2006(\$)	2000-2006(%)	Growth	2007(%)	BA+
Berkeley, W.Va.	99,734	3.9	36.0	754,038	28,085	3.2	2.2	4.2	18.3
Jefferson, W.Va.	50,832	2.6	--	132,808	33,990	4.2	2.5	3.4	--
Morgan, W.Va.	16,351	1.2	--	38,797	32,510	5.5	-0.2	4.8	--
Wash.-Arl.-Alex., DC-VA-MD-WV MSA	5,306,565	1.4	36.3	--	51,868	4.1	1.9	3.0	46.1
Hagerstown-Martinsburg, MD-WV MSA	261,198	2.2	37.0	--	30,289	3.7	1.2	4.4	17.9
Winchester, VA-WV MSA	121,190	2.3	37.6	--	30,849	3.2	2.7	3.2	21.5
Eastern Panhandle Region	166,917	3.2	--	925,643	30,329	3.7	2.1	4.0	--
Maryland	5,618,344	0.8	36.4	--	43,788	4.2	1.0	3.6	35.1
Virginia	7,712,091	1.2	36.4	--	39,540	4.1	1.5	3.0	32.7
West Virginia	1,812,035	0.0	40.7	4,362,722	28,206	4.3	0.6	4.6	16.5
U.S.	301,621,157	1.0	36.4	--	36,714	3.5	1.1	4.6	27.0

Population data are estimates from U.S. Census Bureau

U.S. employment data are from the BLS - labor force data.

Per capita personal income data are from the U.S. Bureau of Economic Analysis.

Median household incomes and Median Age are from the U.S. Census Bureau. Census 2000

Nonfarm Job data is from BLS and WVBEP.

Educational Attainment BA+ measures the percent of the population above age 25 that has earned a bachelor's degree or higher from Census 2000.

As Figure 2 shows, the government was the biggest employer in the Eastern Panhandle in 2007, providing jobs to 24.5 percent of workers in the region. This high job share can be attributed to several large government employers in the region such as the U.S. Department of Treasury, the Veterans Administration Center, and the West Virginia Division of Natural Resources. The state and nation also have large shares of employment in government, at 19.2 and 16.1 percent, respectively. Trade, transportation, and utilities had the second highest employment share in the region at 18.3 percent.

Leisure and hospitality also had a large share of employment in the Eastern Panhandle in 2007, at 13.4 percent. This share was considerably larger than the West Virginia share (9.4 percent) and the United States share (9.8 percent). This large job share reflects the presence of PNCI Charles Town Gaming in Jefferson County, which was the second highest employer in the county in 2008.

West Virginia had a larger employment share than both the region and the nation in education and health services. The state's share was 15.0 percent while the region and nation had shares of 10.4 and 13.3 percent, respectively in 2007. Construction employment shares were very similar in 2007. The Eastern Panhandle had a 5.2 percent share in construction, while the state had a 5.1 percent share and the United States had a 5.5 percent share.

Figure 2
Eastern Panhandle Region
Employment Shares* Compared To The State
And Nation For 2007

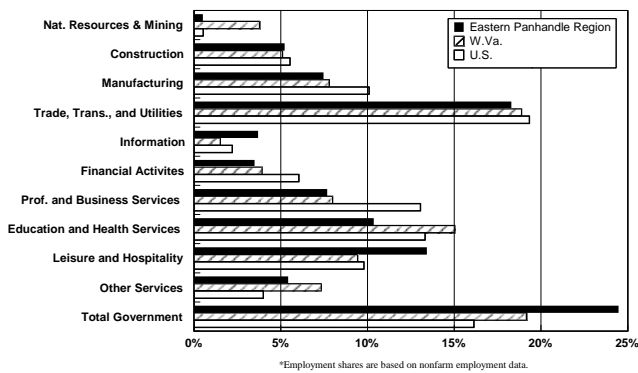
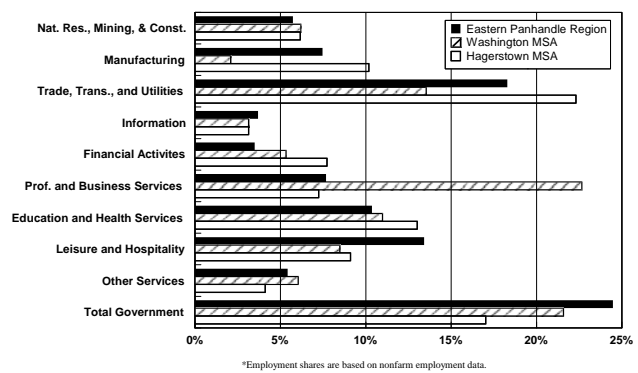


Figure 3
Eastern Panhandle Region
Employment Shares* Compared To
Nearby MSAs For 2007



The Eastern Panhandle had a larger share of jobs in information in 2007 (3.7 percent) than either the state or the nation. West Virginia's share in information in 2007 was 1.5 percent, while the nation's share was slightly higher at 2.2 percent. Quad/Graphics and Quebecor World Fairfield, two large printing establishments located in Berkeley County, account for the large share of jobs in the information sector.

Similar to the nation, the Eastern Panhandle's lowest employment share was in national resources and mining at 0.5 percent. The state had a larger share in national resources and mining in 2007 at 3.8 percent.

Figure 3 shows that relative to the Washington and Hagerstown MSAs, the Eastern Panhandle has a higher share of government jobs in 2007. The region also has a larger share of jobs in leisure and hospitality than either MSA. The Washington MSA eclipses both the Eastern Panhandle and Hagerstown MSA in terms of its share of professional and business services. The Washington MSA's share of jobs in professional and business services is 22.7 percent, while the Eastern Panhandle and Hagerstown MSA have shares of 7.7 and 7.2 percent, respectively. The Hagerstown MSA had the greatest share of jobs in manufacturing at 10.2 percent, compared to 7.5 percent in the Eastern Panhandle and 2.1 percent in the Washington MSA.

In 2007, unemployment was at a lower rate in the Eastern Panhandle than either West Virginia or the United States. On average in 2007, 4.0 percent of the labor force that was actively seeking employment in the Eastern Panhandle was unsuccessful in finding employment, compared to rates of 4.6 percent in both the state and nation.

Recent Developments

Referring back to Table 1, population growth in the Eastern Panhandle region has outpaced the surrounding MSAs, the state, and the nation. The Eastern Panhandle's population increased from 133,911 residents in 2000 to 166,917 residents in 2007, which translates into an annual growth rate of 3.2 percent. Population gains in the region were driven mainly by Berkeley County, which had an average annual growth rate of 3.9 percent, above Jefferson County at 2.6 percent per year and Morgan County at 1.2 percent per year. Each individual county did, however, outpace the state which had no growth during the time period, and the nation which grew at 1.0 percent per year. It is important to point out that the population boom in the Eastern Panhandle did indeed keep West Virginia from recording a net population loss from 2000 to 2007.

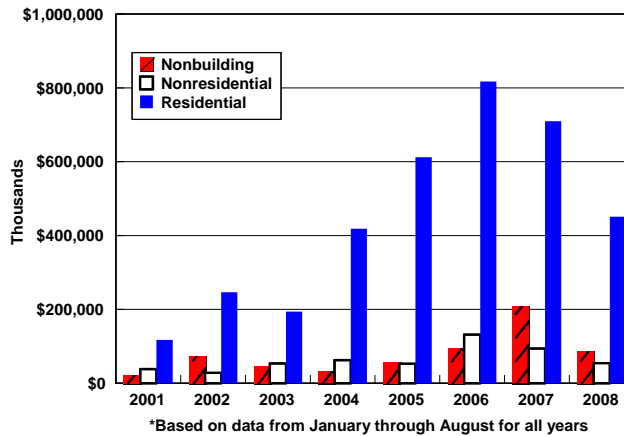
From 2002 to 2007, the Eastern Panhandle added new jobs at a rate of 2.1 percent per year, outpacing West Virginia at 0.6 percent per year and the United States at 1.1 percent per year. The only surrounding MSA to outpace the region was the Winchester MSA, which added nonfarm jobs at a rate of 2.7 percent per year from 2002 to 2007. Jefferson County grew the fastest of the three counties, adding jobs at a rate of 2.5 percent per year, followed by Berkeley County at 2.2 percent per year. Morgan County netted job losses during the period, at a rate of -0.2 percent per year.

Per capita personal income has also increased substantially in the Eastern Panhandle region. PCPI in the region was \$30,329 in 2006, above West Virginia's \$28,206, but well below the national benchmark of \$36,714. PCPI in the Eastern Panhandle is also lower than the surrounding Washington and Winchester MSAs, which have PCPIs of \$51,868 and \$30,849, respectively. PCPI grew at a rate of 3.7 percent per year from 2000 to 2006, a rate faster than the national rate of 3.5 percent per year, but was slower than the West Virginia rate of 4.3 percent per year. According to the Bureau of Labor Statistics, the CPI-U from 2000 to 2006 grew at an average annual rate of 2.7 percent. This means that PCPI in the Eastern Panhandle region grew at a faster rate than inflation, meaning that residents had more purchasing power in 2006 than they did in 2000. Morgan County had the fastest growing PCPI from 2000 to 2006 at a rate of 5.5 percent per year. Jefferson County was behind Morgan, growing at a rate of 4.2 percent per year.

The value of total construction starts in the Eastern Panhandle for January through August of 2008 has dropped off dramatically since the same period in 2007. Total construction starts in the Eastern Panhandle valued \$593.0 million for the first eight months of 2008, a 41.3 percent decline from \$1,010.9 million for the same time period in 2007.

Each component of total construction starts (nonbuilding, nonresidential, residential) dropped off as well. As shown in Figure 4, nonbuilding construction starts were \$87.0 million for the first eight months of 2008, down from \$206.9 million in 2007, a 58.0 percent drop. Nonresidential construction starts were \$54.7 million in the first eight months of 2008, down from \$94.2 million in 2007 and down 58.5 percent from \$131.8 million in 2006, the highest value for the time period. The slowing housing market has also taken its toll in the Eastern Panhandle, where residential construction starts continue to fall. There were \$451.3 million in residential construction starts for January to August of 2008, which is a drop of 36.4 percent from the 2007 value of \$709.7 million and a 44.8 percent decline from the period's highest point in 2006 at \$817.2 million in starts for the same time period.

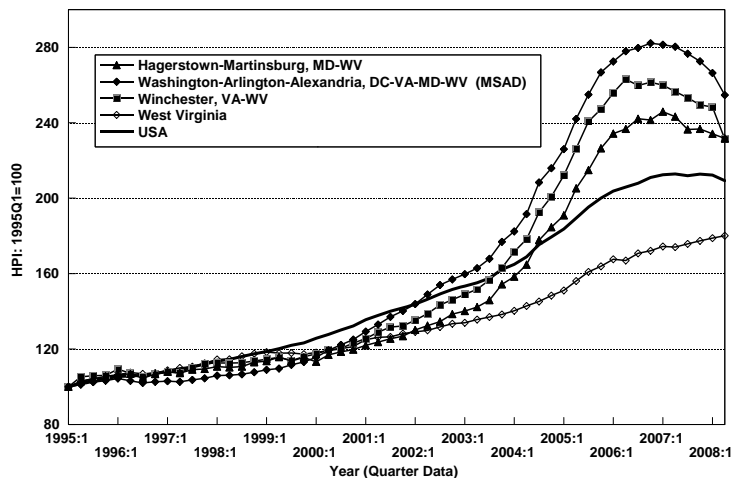
Figure 4
Eastern Panhandle Region
Value Of Construction Starts By Type
 F.W. Dodge



As Figure 5 shows, house prices fell in the three MSAs located in the Eastern Panhandle of West Virginia from late 2006-early 2007 to the second quarter of 2008. West Virginia as a whole has steadily increased in house prices since 1995, and even during recent downturns in its metropolitan areas, the state managed a 3.4 percent increase in house prices from the second quarter of 2007 to the second quarter of 2008.

The Washington and Winchester MSAs have experienced the greatest fall in house prices. The Washington MSA's house prices peaked in the fourth quarter of 2006, but since has fallen by 9.7 percent to their level in the second quarter of 2008. The Winchester MSA experienced a 12.0 percent fall in house prices, but the Winchester MSA's house prices peaked in the second quarter of 2006 and have since fallen. The Hagerstown-Martinsburg MSA experienced similar house price depreciations, recording peak house prices in the first quarter of 2007, and has since fallen by 5.8 percent to its second quarter of 2008 level. The United States' house prices have been slightly more stable, falling by only 1.7 percent from the second quarter of 2007 to the second quarter of 2008.

Figure 5
House Price Indexes For Eastern Panhandle MSAs
 Office of Federal Housing Enterprise Oversight



Construction employment growth in the Eastern Panhandle has been the highest of any industry in the region from 2002 to 2007. Average job growth in the construction industry was 5.6 percent per year, while the state averaged a growth of 2.9 percent per year for the same time period. Construction jobs have, however, fallen from 2006 to 2007 in the Eastern Panhandle. The Eastern Panhandle region lost 310 jobs in the construction industry from 2006 to 2007, a 10.8 percent loss.

As Figure 6 shows, jobs in information grew at a rate of 2.9 percent per year in the Eastern Panhandle, contrary to the state and nation, which both experienced negative job growths in information from 2002 to 2007 at -3.0 percent per year and -2.3 percent per year, respectively. The nation's fastest growing industry from 2002 to 2007 was natural resources and mining, recording a 4.4 percent per year growth. Similarly to the nation, West Virginia's fastest growth in jobs was in the natural resources and mining industry, in which the state posted a 4.3 percent per year growth. Leisure and hospitality had the second fastest growth in the Eastern Panhandle from 2002 to 2007, posting a 4.3 percent per year growth. This outpaced both West Virginia and the United States, which posted growths of 2.1 percent per year and 2.4 percent per year, respectively.

Figure 6
Eastern Panhandle Region Job Growth
Compared To W.Va. And U.S.
2002-2007

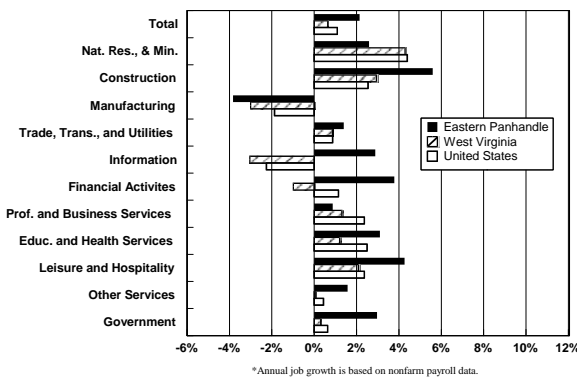
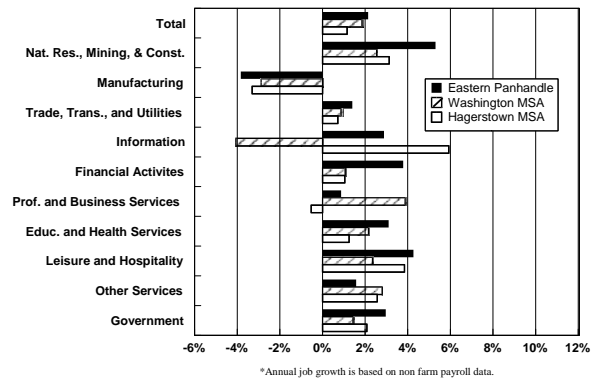


Figure 7
Eastern Panhandle Region Job Growth
Compared To Nearby MSAs
2002-2007



Manufacturing was the only industry to have negative job growth from 2002 to 2007 in the Eastern Panhandle. Employment in manufacturing decreased at a rate of -3.8 percent per year during the time period. West Virginia and the nation have also lost jobs in the manufacturing industry between 2002 and 2007. West Virginia posted a -3.0 percent per year loss in jobs while the nation posted a decrease in employment of -1.9 percent per year.

The Eastern Panhandle grew in employment at a faster rate than either the Washington MSA or the Hagerstown MSA. As Figure 7 shows, the Eastern Panhandle grew in employment at a rate of 2.1 percent per year from 2002 to 2007, compared to the Washington and Hagerstown MSAs' rates of 1.9 and 1.2 percent per year, respectively. Contrary to the Eastern Panhandle and Hagerstown MSA which posted job growths in the information sector of 2.9 percent per year and 5.9 percent per year, respectively, the Washington MSA posted job losses in the information sector of -4.1 percent per year from 2002 to 2007.

Forecast: 2008-2012

The outlook for the Eastern Panhandle depends in part on the future performance of the national and international economies. Thus, we begin by summarizing the national forecast which underpins the regional outlook. Table 2 shows the United States forecast for 2008 to 2012, which is based on data from IHS Global Insight, an internationally known consulting and forecasting firm. According to IHS Global Insight, the U.S. economy is expected to fall into recession in late 2008, with negative real GDP growth in both the fourth quarter of 2008 and the first quarter of 2009. Growth remains slow through the rest of 2009 and into 2010. However, by 2011, real GDP growth is forecast to rebound to the 3.0 percent range, which is close to trend growth.

Industrial production and nonfarm employment are predicted to be stagnant or decline slightly in 2008 and 2009, with changes of no more than 0.1 percent. Industrial production is expected to grow thereafter into 2011 and 2012 at growth rates of 3.3 and 2.6, respectively, while nonfarm employment is only expected to grow by 1.6 percent per year in both 2011 and 2012. The national unemployment rate is forecast to rise from 4.6 percent in 2007 to 5.4 percent in 2008 and then increase again to 6.1 percent in 2009. After 2009, the unemployment rate gradually descends to 5.1 percent by 2012.

A major factor driving the forecast of a national recession is the housing correction. Housing starts are forecast to fall from a 2005 peak of 2.0 million units to just 990 thousand units in 2009, a drop of more than 50 percent. Likewise, national house prices are expected to continue to fall during the next two years. The forecast calls for house prices to fall by 3.9 percent in 2008, and to fall by an additional 6.6 percent in 2009 and 1.7 percent in 2010. House prices are forecast to finally stabilize in 2011.

The Federal Reserve is expected to keep the federal funds rate low, at 2.0 percent, through the end of 2008, then gradually raise the rate to 4.75 percent by the end of the forecast. The 30-year fixed mortgage rate is predicted fall from 6.33 percent in 2007 to 6.04 percent in 2009, then gradually trend back up to 7.12 percent by the end of the forecast, as U.S. growth improves.

Energy costs also contribute to the forecast of recession in late 2008 and early 2009. Crude oil prices are predicted to remain high, after rising from massively during the past few years. Indeed, the price per barrel for West Texas Intermediate oil rose from \$72.18 on average in 2007 to \$114.44 in 2008, an increase of 58.5 percent. The forecast calls for oil prices to remain well above \$100 per barrel through 2012.

Table 2
U.S. Forecast
IHS Global Insight, September 2008

	Actual 2007	Years				
		Forecast				
		2008	2009	2010	2011	2012
		Annual Percent Change				
Real GDP	2.0	1.8	1.0	2.9	3.2	3.0
Industrial Production	1.7	0.1	0.1	2.8	3.3	2.6
Nonfarm Employment	1.1	0.0	-0.1	1.2	1.6	1.6
Nominal Personal Income	6.1	4.3	3.6	4.7	5.4	5.8
Personal Consumption Deflator	2.6	3.9	2.4	1.8	2.1	2.2
Real Export Growth (GDP Basis)	8.4	9.5	6.6	7.2	7.5	6.4
Real Import Growth (GDP Basis)	2.2	-1.6	0.8	6.3	6.4	6.0
Housing Price Appreciation OFHEO Index	2.6	-3.9	-6.6	-1.7	2.1	3.9
		Percent				
Unemployment Rate	4.6	5.4	6.1	5.9	5.5	5.1
Federal Funds Rate	5.02	2.32	2.43	4.32	4.75	4.75
30-Year Fixed Mortgage Rate	6.33	6.15	6.04	6.88	7.12	7.12
		Billions of Dollars (FY)				
Federal Budget Surplus (Unified Basis)	-161.5	-396.9	-501.5	-486.8	-466.4	-444.2
		Key Prices				
Trd.Wtd. Value of U.S. Dollar vs Major Trading Partners (2000=1.000)	0.767	0.715	0.721	0.720	0.721	0.723
Oil - West Texas Intermediate (\$ per barrel)	72.18	114.44	109.75	108.25	114.67	116.92

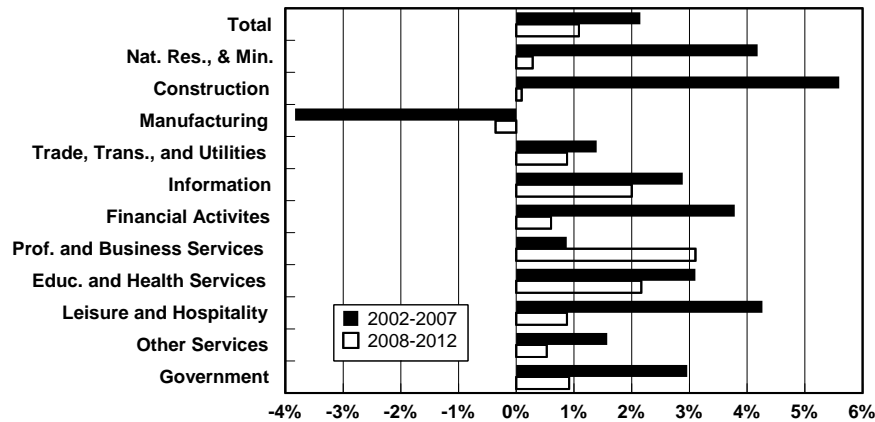
Inflation has accelerated lately, with growth in the personal consumption deflator rising from 2.6 percent in 2007 to 3.9 percent in 2008. However, with decelerating U.S. and international growth and expected stability in oil prices, the forecast call for inflation to moderate during the forecast, falling back to the 2.0 percent range by 2012.

The U.S. trade balance with the rest of the world is expected to stabilize around current levels through 2010 and then to worsen again during 2011-2012. This is driven by an end to the rapid depreciation of the U.S. dollar during recent years and to resurgent U.S. growth by the end of the forecast period.

The outlook for the Eastern Panhandle calls for slow growth on average during the 2008-2012 period, similar to the state and national outlook. Overall, the region is forecast to add jobs, residents, and inflation-adjusted per capita personal income during the next five years. However, the region is forecast to lose jobs in 2008 and 2009. Table 3 details the outlook for the Eastern Panhandle region.

While the region is forecast to lose jobs during 2008 and 2009, job growth rebounds in 2010 and continues through the end of the forecast. As Figure 8 shows, average job growth during the forecast is expected to decelerate from 2.1 percent per year during the 2002-2007 period, to just 1.1 percent during the next four years. That puts the region's average annual job growth rate close to the national average and above the state rate.

Figure 8
Eastern Panhandle Region
Annual Job Growth: History And Forecast



Construction employment is forecast to continue to fall in 2008 and 2009, as the region and the nation cope with the housing correction. Construction jobs stabilize during the 2010 to 2012 period. Manufacturing jobs decline slightly during the forecast, as the dollar ends its long slide against the currencies of our major trading partners. Overall, the goods-producing sector (mining, construction, and manufacturing) experiences a modest job decline during the forecast.

The service-providing sector generates the bulk of the job growth during the forecast. Professional and business services generates strong average job gains during the 2008-2012 period, although job growth is minimal during the next two years. Government generates steady job gains during the forecast, as does health care and leisure and hospitality.

Job growth on average during the forecast sets the stage for inflation-adjusted income growth as well. The region is forecast to generate real per capita personal income growth of 1.6 percent per year during the 2008-2012 period, which is close to the expected state and national rates.

The region is forecast to continue to attract new migrants during the 2008-2012 period, with the region population to grow by 2.0 percent per year. While the region retains a cost-of-living advantage over other counties in the labor market, high gas prices may reduce the attractiveness of long commutes. Even with slower population growth during the forecast, the region is likely to remain a fast growing region compared to the rest of the state. Indeed, the state is forecast to generate population growth of just 0.2 percent per year, compared to the national average of 1.0 percent.

Decelerating regional and national job growth generates an increasing unemployment rates for the region and the nation through 2009. However, the region's unemployment rate is expected to remain well below the national average during the forecast.

The outlook for the Eastern Panhandle region depends on the future performance for the U.S. economy. The current national baseline outlook calls for a mild national recession during 2008-2009. If the recession turns out to be more severe than expected, then local economic growth will likely be slower as well. This would affect job growth in the goods-producing sectors (mining, construction, and manufacturing) as well as service-providing sectors, like financial activities, information, professional and business services and leisure and hospitality.

**Table 3
Eastern Panhandle Region Employment, Population, and Income Forecasts**

	Actual					Forecast					Annual Growth				
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2008-2012*	2008-2012*	2008-2012*	U.S.(%)	
											East. Panth.	East. Panth (%)	W.Va.(%)	U.S.(%)	
Total	44,870	46,380	47,610	48,980	49,060	48,400	48,299	48,988	49,595	50,538	534	1.1	0.7	1.1	0.4
Goods Producing	6,630	6,670	7,060	7,020	6,490	6,145	5,975	6,132	6,145	6,105	-10	-0.2	0.1	-0.4	-0.4
Nat. Res. & Mining	240	260	250	260	270	271	272	273	273	274	1	0.3	0.2	0.2	-2.1
Construction	2,200	2,560	2,950	2,870	2,560	2,260	2,127	2,215	2,270	2,268	2	0.1	0.3	0.3	0.3
Manufacturing	4,190	3,850	3,860	3,890	3,660	3,614	3,576	3,644	3,601	3,562	-13	-0.4	-0.1	-0.6	-0.6
Service Producing	38,240	39,710	40,550	41,960	42,570	42,255	42,324	42,856	43,450	44,433	544	1.3	0.6	1.3	0.8
Trade, Trans., Util.	8,350	8,410	8,750	8,980	8,970	8,427	8,291	8,362	8,527	8,728	75	0.9	0.3	0.8	0.8
Information	1,670	1,630	1,750	1,810	1,810	1,769	1,872	1,866	1,883	1,915	36	2.0	-0.9	-0.3	-0.3
Financial Activities	1,470	1,550	1,680	1,720	1,710	1,694	1,686	1,697	1,718	1,735	10	0.6	0.3	0.3	1.5
Prof. & Business Serv.	3,520	4,200	4,150	4,080	3,760	3,711	3,678	3,869	3,985	4,193	121	3.1	1.7	3.0	3.0
Education & Health	4,410	4,510	4,720	4,950	5,080	5,156	5,222	5,311	5,430	5,617	115	2.2	1.0	2.0	2.0
Leisure & Hospitality	5,840	6,180	6,090	6,310	6,580	6,664	6,664	6,694	6,756	6,887	59	0.9	1.1	1.0	1.0
Other Services	2,530	2,580	2,630	2,670	2,660	2,678	2,692	2,722	2,707	2,735	14	0.5	-0.3	-0.0	-0.0
Government	10,450	10,650	10,780	11,440	12,000	12,171	12,219	12,336	12,445	12,623	113	0.9	0.3	0.6	0.6
	Actual					Forecast					Annual Growth				
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2008-2012*	2008-2012*	2008-2012*	U.S.(%)	
											East. Panth.	East. Panth (%)	W.Va.(%)	U.S.(%)	
Labor Force	70,730	72,240	74,960	77,210	77,750	78,103	78,103	79,017	80,138	81,762	915	1.2	0.3	0.9	
Employment	67,690	69,390	72,180	74,270	74,650	74,279	74,106	75,352	76,692	78,620	1,085	1.4	0.4	1.0	
Unemployment Rate	4.3	4.0	3.7	3.8	4.0	4.9	5.1	4.6	4.3	3.8	-0	-5.9	-2.2	-1.6	
Total Population	146,239	151,382	157,019	162,737	166,917	170,234	173,193	176,028	180,028	184,362	3,532	2.0	0.2	1.0	
	Actual					Forecast					Annual Growth				
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2008-2012*	2008-2012*	2008-2012*	U.S.(%)	
											East. Panth.	East. Panth (%)	W.Va.(%)	U.S.(%)	
Total	3,699,705	3,864,423	4,088,314	4,303,983	4,537,380	4,608,455	4,721,909	4,884,832	5,069,535	5,310,282	175,457	3.6	2.2	2.7	
Wage and Salary	1,299,154	1,356,891	1,406,485	1,466,836	1,481,960	1,459,610	1,461,571	1,488,206	1,513,790	1,551,896	23,072	1.5	1.5	2.4	
Other Labor Income	381,832	409,253	437,775	461,441	470,493	469,798	477,570	482,292	506,407	525,787	13,997	2.9	1.2	2.4	
Proprietors' Income	250,191	282,396	307,963	298,129	298,196	292,201	295,670	301,014	306,166	316,748	6,137	2.0	2.3	2.9	
Dividends, Interest, Rent	434,268	444,746	474,646	509,705	538,876	519,064	512,076	522,418	541,544	580,810	15,436	2.8	3.3	3.1	
Transfer Income	620,550	591,279	600,975	640,865	741,734	768,761	786,845	800,891	821,846	850,222	20,365	2.5	2.9	3.4	

The Eastern Panhandle Region consists of Berkeley, Jefferson, and Morgan counties in West Virginia

*This column contains the average yearly change during the 2008-2012 period.

West Virginia forecast is from the West Virginia Economic Outlook 2008.

U.S. forecast is from IHS Global Insight, September 2008.

Forecast Data Glossary

Forecast data for West Virginia and the Eastern Panhandle Region come from the West Virginia Economic Outlook Project. U.S. forecast data are from IHS Global Insight.

Nonfarm Payroll Employment by Industry

Historical employment data come from the U.S. Bureau of Labor Statistics and the West Virginia Bureau of Employment Programs, Research, Information and Analysis. Data can be found on-line at www.workforcewv.org. Estimates are from a survey of employers. Jobs are counted based on where the establishment is located, not on where the worker lives.

Civilian Labor Force, Employment, Unemployment, and the Unemployment Rate

Historical labor force data are available in the West Virginia County Profiles, published by the Bureau of Employment Programs. These data are available on-line at www.workforcewv.org. Labor force data cover West Virginia residents only. They are counted as participating in the labor force if they are employed or, if unemployed, actively seeking work. The unemployment rate is the number of unemployed residents divided by the labor force.

Population

Historical population estimates are from the U.S. Census Bureau and are available on-line at www.census.gov. Population data reflect the number of persons whose usual place of residence was within the state or county on July 1. Persons in the military or institutionalized are counted where the military base or institution is located, as long as that is within the U.S.

Real Personal Income

Real personal income is nominal personal income adjusted for the effects of inflation, using the U.S. personal consumption deflator. Personal income includes earnings from work (wages, proprietors' income, fringe benefits); dividends, interest and rent; and transfer income (social security, Medicare, Medicaid, welfare). Historical data are compiled by the U.S. Bureau of Economic Analysis and is available on-line at www.bea.gov.

Eastern Panhandle Region Outlook 2008-2012

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