

---

# Eastern Panhandle Region Outlook

FORECAST: 2007-2011

October 2007

BUREAU OF BUSINESS AND ECONOMIC RESEARCH  
COLLEGE OF BUSINESS AND ECONOMICS  
WEST VIRGINIA UNIVERSITY  
[www.bber.wvu.edu](http://www.bber.wvu.edu)

---

## *Executive Summary*

The Eastern Panhandle remains one of the fastest growing regions in West Virginia. The three-county region, which includes Morgan, Berkeley, and Jefferson counties, has added jobs and residents so far this decade at rates that far exceed state and national levels. Inflation-adjusted per capita income growth has been solid so far this decade, with growth coming in above the national rate but below the average growth rate posted by West Virginia. The region's labor market remains tight, with an unemployment rate of 4.0 percent in 2006, well below the state (4.9) and national (4.6) levels.

Since 2001, the Eastern Panhandle Region has added 5,500 jobs, which translates into an average annual rate of 2.4 percent per year. This far exceeds the state (0.6 percent) and national (0.7 percent) rates during the same period. The region added 1,200 construction jobs during the last five years, which reflects the huge amount of residential building in the region so far this decade. Indeed, according to FW Dodge data for 2006, the Eastern Panhandle accounted for 59 percent of the state total. However, residential construction activity has slowed so far this year, as the national housing correction works its way through the regional economy. This correction has already affected house price appreciation in the Hagerstown-Martinsburg, Washington, and Winchester metropolitan areas, with growth rates decelerating significantly during the last year.

Population growth in the region remains very strong. Indeed, the region added 30,400 residents so far this decade. That far exceeds state population growth of 10,900. Population growth has helped to spur job growth in service-providing sectors, which have combined to add 5,000 jobs. Indeed, manufacturing was the only major sector to lose jobs so far this decade (-700).

The outlook for the Eastern Panhandle calls for continued strong growth during the 2007-2011 period. Job growth is expected to far outpace state and national growth rates during the next five years, although growth decelerates as the housing correction slows construction job gains. Most job growth comes in the service-providing sectors, especially government; healthcare; professional and business services; and trade, transportation, and utilities.

Continued job growth drives real per capita income gains during the forecast, with growth expected to be close to the state rate but below the national rate. Population gains remain strong during the forecast and regional unemployment rates are expected to remain low.

Overall, the region is well positioned to continue to grow, but there are risks to the outlook. The forecast calls for the region to avoid a housing bust during the forecast. If the expected housing correction turns into a bust, then regional growth will likely come in slower than expected. Further, the gaming sector of the regional economy has contributed to job growth so far this decade. Increasing competitive pressure from operators in Pennsylvania (and potentially Maryland) may slow growth in this sector during the next five years.

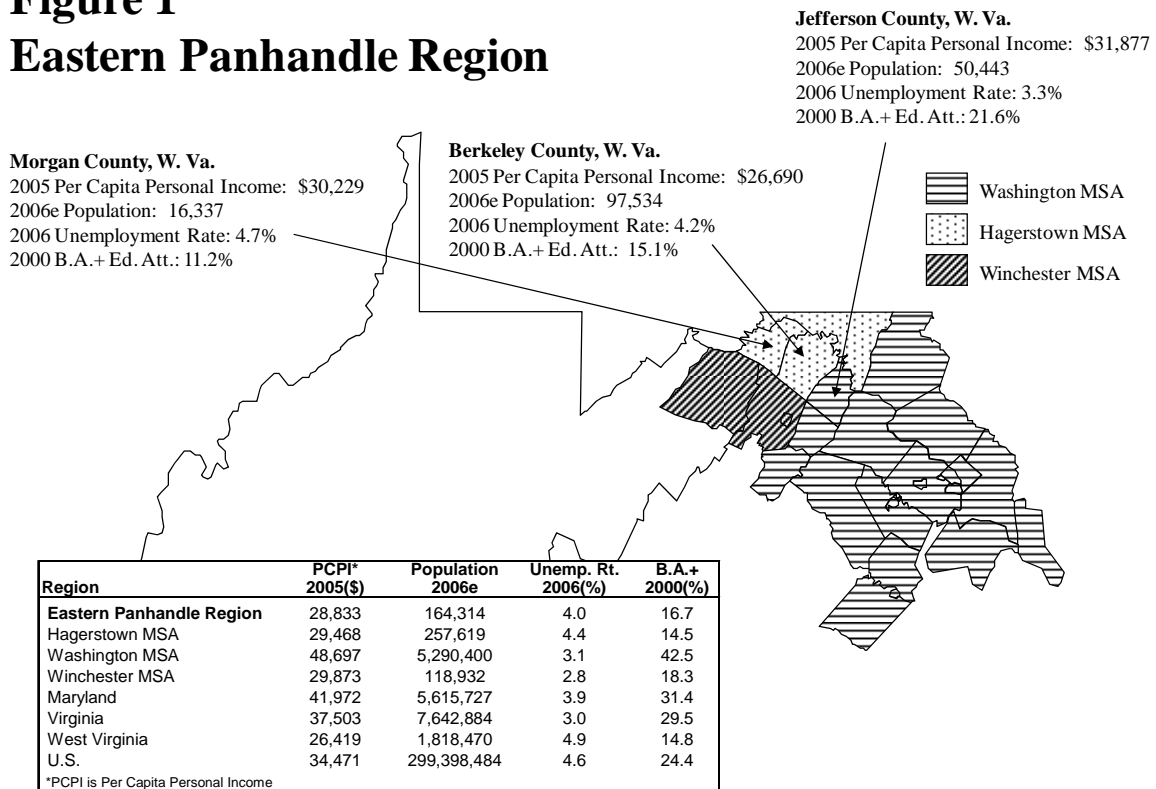
### ***Eastern Panhandle Region In Perspective***

As Figure 1 illustrates, the Eastern Panhandle Region is composed of Berkeley, Jefferson, and Morgan counties. Berkeley and Morgan counties belong to the Hagerstown-Martinsburg MSA, while Jefferson is a component of the Washington MSA. In addition, Berkeley and Morgan counties neighbor the Winchester MSA, which includes Hampshire County.

Berkeley County’s population of 97,534 individuals accounts for 59.4 percent of the region’s total population and 37.9 percent of the Hagerstown MSA’s 257,619 residents in 2006. Jefferson County has the second largest population in the region. As Figure 1 shows, in 2006 Jefferson County’s population was estimated at 50,443 residents and Morgan County had 16,337 residents.

Of the three counties, Jefferson County had the highest per capita personal income (PCPI) in 2005, well above the region and the state, at \$31,877. Per capita personal income is calculated by dividing an area’s total personal income by its total population. Figure 1 shows Jefferson County’s PCPI in 2005 followed by Morgan County at \$30,229. Berkeley County’s \$26,690 PCPI was just slightly above West Virginia’s \$26,419. The Washington MSA had the highest PCPI among the MSAs with \$48,697.

## **Figure 1 Eastern Panhandle Region**



In 2000, Morgan County had the lowest educational attainment in the Eastern Panhandle. Out of the county's total population over the age of 25, only 11.2 percent had a bachelor's degree or more. In contrast, 21.6 percent of Jefferson County's population over the age of 25 held at least a bachelor's diploma. Overall, the Eastern Panhandle had an educational attainment level of 16.7 percent, above the state's 14.8 percent, but well below the U.S. and the Washington MSA's level of 24.4 and 42.5 percent, respectively.

According to Census 2000, Morgan County's median age of 40.7 years was higher than West Virginia's 38.9, which was the highest of any state in the country. However, the Eastern Panhandle Region is relatively young overall. Berkeley and Jefferson counties, the two most populated of the three, had median ages well below the state average, but still slightly above the nation's median age of 35.3 years.

As Table 1 shows, the value of construction starts in the Eastern Panhandle embodied more than one third of the West Virginia's total value construction starts in 2006. According to F.W. Dodge, Berkeley's investment of \$949.4 million in new construction alone accounts for 30 percent of the state's new construction. Out of the \$949.4 million, 54.2 percent was for residential construction reflecting the strong population growth in the county. Jefferson and Morgan had construction starts valued at \$222.1 and \$79.5 million, respectively.

**Table 1**  
**Eastern Panhandle Region Selected Economic Indicators By County**

	Population			FW Dodge Const. Value (\$Thous.)	Per Capita Personal Income		Nonfarm Job Growth	Unempl. Rate	Educational Attainment
	Census 2006e	Av. An. G.R. 2000-2006(%)	Median Age 2000	2006	2005(\$)	Av. An. G.R. 2000-2005(%)	Av. An. G.R. 2001-2006(%)	2006(%)	2000(%)
Berkeley, W.Va.	97,534	4.1	35.8	949,453	26,990	3.0	2.5	4.2	15.1
Jefferson, W.Va.	50,443	2.9	36.8	222,110	31,877	3.7	2.7	3.3	21.6
Morgan, W.Va.	16,337	1.4	40.7	79,451	30,229	5.1	0.3	4.7	11.2
Wash.-Arl.-Alex., DC-VA-MD-WV MSA	5,290,400	1.6	--	--	48,697	3.7	1.8	3.1	42.5
Hagerstown-Martinsburg, MD-WV MSA	257,619	2.4	--	--	29,468	3.9	1.2	4.4	14.5
Winchester, VA-WV MSA	118,932	2.3	--	--	29,873	3.2	2.8	2.8	18.3
Eastern Panhandle Region	164,314	3.5	--	1,251,014	28,833	3.4	2.4	4.0	16.7
Maryland	5,615,727	0.9	36.0	--	41,972	4.1	0.9	3.9	31.4
Virginia	7,642,884	1.2	35.7	--	37,503	3.8	1.2	3.0	29.5
West Virginia	1,818,470	0.1	38.9	3,166,358	26,419	3.8	0.6	4.9	14.8
U.S.	299,398,484	1.0	35.3	--	34,471	2.9	0.7	4.6	24.4

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 WVBEF.

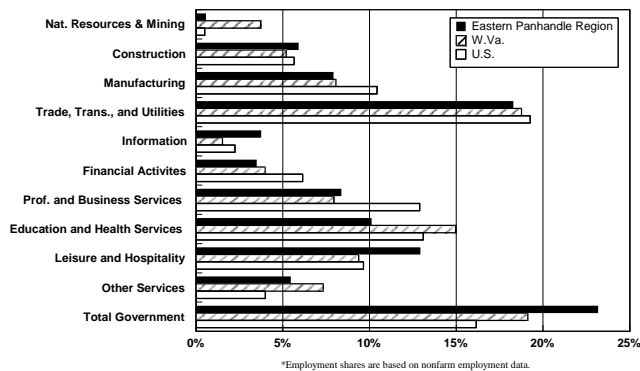
Educational Attainment measures the percent of the population above age 25 that has earned a associate's degree or higher from Census 2000.

The Eastern Panhandle Region's employment mix is fairly well balanced, compared to the nation. The government was the biggest employer in the Eastern Panhandle during 2006, as Figure 2 shows. The government employed 23.2 percent of the total nonfarm payroll workers in the three-county region. This is a higher share than the state's 19.1 percent, and the nation's 16.2 percent. These statistics reflect the presence of large federal employers in the region such as the U.S. Coast Guard, the Veterans Administration Center, and the U.S. Department of Treasury.

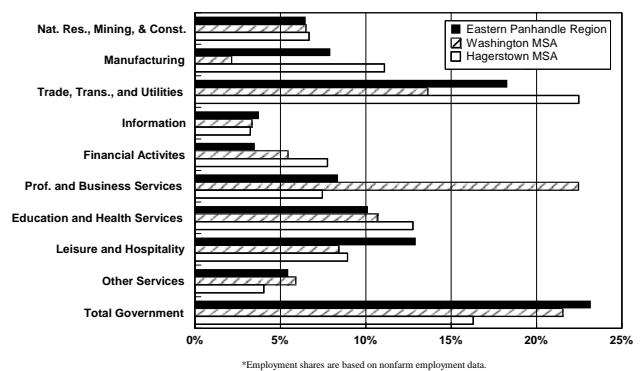
As Figure 2 also shows, trade, transportation, and utilities had the second largest share of employment in the Eastern Panhandle with 18.3 percent of the total non-farm employment. In contrast to the state, but similar to the nation, natural resources and mining accounted for a small share of jobs in the region, at 0.6 percent. The state share in 2006 was 3.7 percent.

Leisure and hospitality's share of the region's employment is higher than that of either the manufacturing or educational and health services sectors. This reflects the presence of Charles Town Races in Jefferson County, as well as other resort and recreation establishments in the region. Leisure and hospitality jobs account for 12.9 percent of total employment, well above the state at 9.4 percent, and the nation at 9.7 percent. The state employed 8.0 percent of its nonfarm workers in the manufacturing sector in 2006, while the Eastern Panhandle employed 7.9 percent. For both the state and the nation, manufacturing accounts for a smaller share of jobs than nationally (10.4 percent). The region's manufacturing mix includes machinery production at Royal Vendors, wood products at Caperton Furnitureworks, and rubber and plastic products at Aker Plastics.

**Figure 2**  
Eastern Panhandle Region  
Employment Shares\* Compared To The State  
And Nation For 2006



**Figure 3**  
Eastern Panhandle Region  
Employment Shares\* Compared To  
Nearby MSAs For 2006



Information accounts for a larger share of jobs in the Eastern Panhandle (3.8 percent) than it does for the state or the nation. This reflects the presence of Quad/Graphics and Quebecor, two large printing establishments, as well as other print, broadcast, and telecommunications firms in the region. Professional and business services accounts for a larger share of jobs in the region than the state, but lags well behind the nation.

Relative to the Washington and Hagerstown MSAs, the Eastern Panhandle retains a larger share of government jobs. Figure 3 shows trade, transportation, and utilities as one of the sectors that employs a great number of non-farm workers in all three regions. Furthermore, it had the highest employment share in the Hagerstown MSA with 22.5 percent of total non-farm jobs. Out of the three areas, the Hagerstown MSA had the highest concentration of manufacturing jobs with 11.1 percent. The Washington MSA experienced higher employment in the professional and business services sector with a share of 22.4 percent.

In 2006, compared to West Virginia and the United States, the Eastern Panhandle had a smaller percentage of the civilian labor force unemployed. In the Eastern Panhandle only 4.0 percent of the labor force actively seeking employment was not successful in finding jobs, which was lower than the state's 4.9 percent and the nation's 5.1 percent. Similarly, the region's 2.4 percent average annual job growth during the 2001 to 2006 period was higher than the state (0.6 percent), the nation (0.7 percent), and both the Washington and the Hagerstown MSAs (1.8 and 1.2 percent respectively). Only the Winchester MSA outpaced the Eastern Panhandle Region, with annual job growth of 2.8 percent.

### ***Recent Developments***

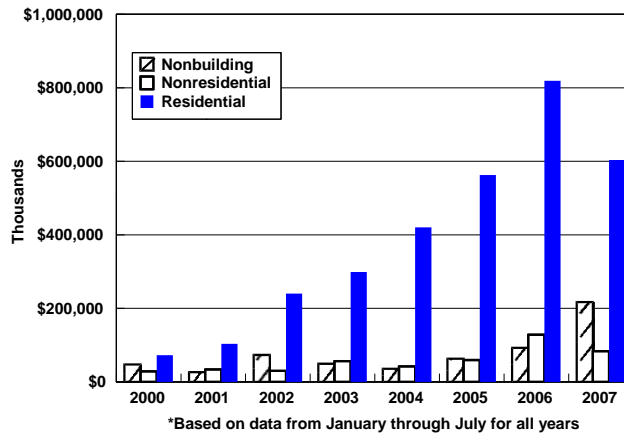
Referring back to Table 1, it can be seen that population gain was faster in the Eastern Panhandle than the MSAs, and both the state and the nation, with the region adding residents at an annual average rate of 3.5 percent from 2000 to 2006. The growth was primarily driven by Berkeley County, which recorded annual population growth of 4.1 percent, 1.2 points above Jefferson, and 2.7 points above Morgan. Finally, the population gains in the region far outpaced those of any other region in the state. Indeed, without the growth of the Eastern Panhandle the state as a whole would have recorded net population losses during the period.

During the same period, the Eastern Panhandle also added jobs at a faster rate than the state and the nation. The region's annual job growth, however, was driven mainly by Berkeley and Jefferson counties. As Table 1 displays, Morgan County added jobs at a slow 0.3 percent rate annually. Berkeley County added jobs at an annual rate of 2.5 percent, while Jefferson County grew by 2.7 percent per year. The Winchester MSA had the highest annual job growth among the MSAs at 2.8 percent annually.

This rapid employment growth helped spur rising incomes, as evidenced by the PCPI growth. The Eastern Panhandle's PCPI annual growth of 3.4 percent has helped to bring the income per capita to \$28,833 in 2005, well above West Virginia's \$26,419. From 2000 to 2005, the region and the state have been closing the gap with respect to the nation's PCPI. The United States' PCPI only grew at a rate of 2.9 percent, while West Virginia's grew at 3.8 percent. Out of the three counties that form the Eastern Panhandle, Morgan County had the fastest growing PCPI from 2000 to 2005 at 5.1 percent per year.

The value of construction starts in the Eastern Panhandle for the first seven months of 2007 fell short of the value of construction starts during the same period in 2006, according to data from FW Dodge. So far in 2007, the value of construction starts in the Eastern Panhandle is \$904 million at an annual rate, compared to \$1.0 billion during the first seven months of 2006. As Figure 4 shows, slowing residential construction activity accounts for the decline in the value of construction starts in the region. Indeed, the value of residential construction starts was \$603.6 million during the first seven months of 2007, compared to \$819 million in 2006. The value of nonresidential construction starts also fell through July 2007 to \$83 million at an annual rate, compared to \$128 million for the same period of 2006. Only the value of nonbuilding activity (infrastructure) has increased so far in 2007, hitting an annual rate of \$217 million, after posting \$93 million for the same period in 2006.

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

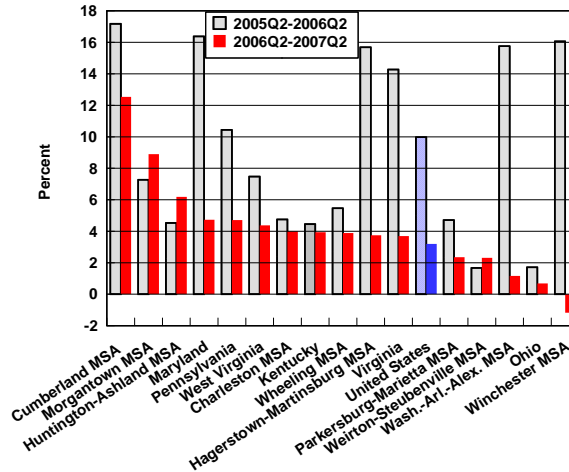


The high level of construction activity in the region has been connected with fast rates of house appreciation and population increase. According to the Office of Federal Housing Enterprise Oversight (OFHEO), all three MSAs with counties in the Eastern Panhandle posted high rates of single-family house price appreciation until 2006. Houses appreciated by 92.1 percent in the Hagerstown-Martinsburg MSA from the last quarter of 2001 to the same quarter of 2006. House prices rose by 103.7 percent in Washington, and by 99.7 percent in Winchester during the same period. Those are well above the state's 35.9 percent increase and the nation's 55.0 percent.

Appreciation, however, has slowed down significantly so far this year, as Figure 5 shows. For instance, single-family house prices for the Hagerstown-Martinsburg MSA increased by only 3.7 percent from the second quarter of 2006 to the same quarter of 2007, compared to 15.9 percent during the mid-2005 to mid-2006 period and 24.9 percent from mid-2004 to mid-2005. Similarly, house price appreciation in the Washington MSA dropped from 15.8 from the second quarter of 2005 to the same quarter of 2006 to just 1.2 percent during the past four quarters. The Winchester MSA has experienced an even more dramatic deceleration, with house prices falling by 1.2 percent during the past four quarters. In comparison, West Virginia house prices continued to rise (by 4.4 percent) last year, while national house prices rose by 3.2 percent.

The high levels of construction activity from 2001 to 2006 have driven annual job growth in the construction sector to be the highest level of any industry in the Eastern Panhandle. While average job growth in the construction sector reached 11.0 percent per year, the manufacturing sector has been losing workers at an annual rate of 3.4 percent. As Figure 6 shows, the number of non-farm jobs in West Virginia and the United States did not grow as fast as in the region. In fact, the fastest growth in the state was experienced in the natural resources and mining industries at 3.6 percent. Similarly, education and health services experienced the highest nonfarm employment growth at the national level at 2.6 percent per year. Professional and business services had the second highest rate of growth in the Eastern Panhandle with 5.3 percent, compared to 0.09 and 1.2 percent for West Virginia and the U.S., respectively.

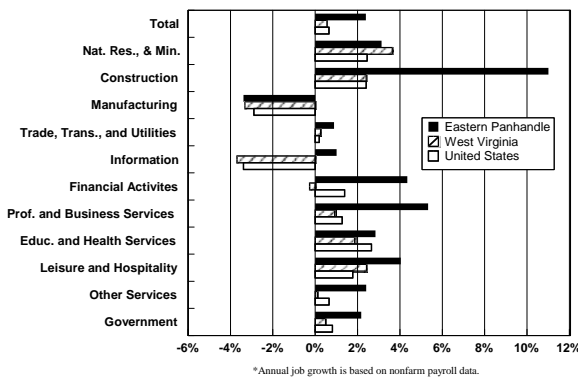
**Figure 5**  
**House Price Appreciation Slows Significantly**  
 Office of Federal Housing Enterprise Oversight



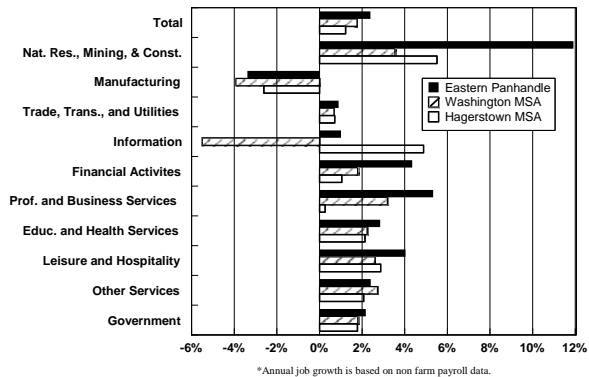
Manufacturing in the Eastern Panhandle has experienced rapid job losses from 2001 to 2006. Employment in this sector has decreased at an average annual rate of 3.4 percent. This trend is comparable with the state as a whole which has been losing jobs in the manufacturing sector at a rate of 3.3 percent annually. These job losses reflect the closure of World Kitchen (ceramics manufacturing), Kidde Fire Fighting, and cuts in machinery production. All three counties have had negative job growth in the manufacturing sectors over the five year period. However, Berkeley County's job loss rate of 1.4 percent is not as severe as Jefferson (7.3 percent job loss) and Morgan (5.6 percent job loss).

The Eastern Panhandle added jobs from 2001 to 2006 at a higher rate than both the Washington MSA and the Hagerstown-Martinsburg MSA. Figure 7 shows total non-farm employment growth in the Eastern Panhandle at a rate of 2.3 percent, compared to the Washington MSA's 1.7 percent and the Hagerstown MSA's 1.2 percent. The Washington MSA lost non-farm jobs in the information sector at an average annual rate of 5.5 percent. In contrast, the information services sector experienced the second highest annual growth for the Hagerstown MSA at 4.9 percent. Figure 7 shows that all three areas lost jobs in manufacturing, although the Washington MSA lost them at a faster pace.

**Figure 6**  
**Eastern Panhandle Region Job Growth Compared To W.Va. And U.S.**  
 2001-2006



**Figure 7**  
**Eastern Panhandle Region Job Growth Compared To Nearby MSAs**  
 2001-2006



### **Forecast: 2007-2011**

The future economic performance of the Eastern Panhandle Region depends in part on national and international growth. Thus, the forecast for the region depends on a national forecast. Table 2 shows the U.S. forecast which underlies the Eastern Panhandle region outlook. According to the forecast, released by Global Insight in August 2007, real GDP growth is forecast to drop to 1.9 percent in 2007, from 2.9 percent in 2006. Growth is then expected to rebound to 2.5 percent in 2008 and remain in the 3.0 percent range until 2011, when growth decelerates to 2.4 percent. Overall, the baseline outlook calls for the nation to avoid recession through 2011.

The continuing decline in sales of new homes and the increase in foreclosures make housing the biggest cause for slower GDP growth in 2007 and 2008. Instability of the subprime mortgage market and rising mortgage interest rates will drag down demand for housing, causing existing house prices to fall by 1.9 percent in 2007 and by 3.7 percent in 2008. While the fallout from the housing correction hits some regions of the country harder (and longer) than others, Global Insight expected national house price appreciation to resume in 2009.

Not convinced that inflation will remain low, the Federal Reserve is expected to keep the federal funds rate unchanged through the forecast, at 5.25 percent. On the other hand, the 30-year fixed mortgage rate is expected to increase from 6.45 percent in 2007 to 7.27 in 2011, as mortgage lenders tighten standards. Rising mortgage interest rates help keep rebounding housing activity from returning to recent high levels by the end of the forecast.

Global Insight expects oil prices to rise sharply in the third quarter of 2007. On average, the price per barrel of the West Texas Intermediate crude oil for the second half of 2007 is projected to reach \$73.33 and \$73.75 during 2008. Yet, expected easing of refining supply constraints should allow retail prices for gasoline to drop to an average of \$2.71 per gallon in 2008. Rising oil prices and falling house prices are expected to dampen consumer spending through 2008.

**Table 2**  
**U.S. Forecast**  
**Global Insight August 2007**

	Actual 2006	Years Forecast				
		2007	2008	2009	2010	2011
		Annual Percent Change				
Real Gross Domestic Product	2.9	1.9	2.5	3.2	2.9	2.4
Industrial Production	4.0	1.7	2.1	2.7	2.2	1.7
Nonfarm Employment	1.9	1.4	1.1	1.5	1.4	0.9
Nominal Personal Income	6.6	6.4	5.2	5.6	5.5	5.0
Personal Consumption Deflator	2.8	2.3	1.9	1.9	1.8	1.9
Real Export Growth (GDP Basis)	8.4	6.8	9.0	8.5	7.3	6.3
Real Import Growth (GDP Basis)	5.9	2.2	4.3	5.8	5.9	5.3
House Price Growth Avg., Existing Houses	1.3	-1.9	-3.7	2.3	3.5	3.9
		Percent				
Unemployment Rate	4.6	4.6	4.8	4.6	4.4	4.4
Federal Funds Rate	4.96	5.25	5.25	5.25	5.25	5.25
30-Year Fixed Mortgage Rate	6.42	6.45	6.81	7.08	7.24	7.27
		Billions of Dollars (FY)				
Federal Budget Surplus (Unified Basis)	-248	-175	-227	-267	-256	-252
		Key Prices				
Trd.Wtd. Value of U.S. \$ vs Major Trading Partners (2000=1.000)	0.812	0.776	0.742	0.725	0.733	0.740
Oil - West Texas Intermediate (\$ per barrel)	66.12	67.43	73.75	72.83	71.58	70.67



Table 2 also shows an anticipated weakening of the dollar with respect to other major currencies. For instance, by the end of 2007 the U.S. dollar is expected to lose value against the euro, reaching a rate of \$1.40 per euro. However, the decline of the dollar, combined with strong economic growth around the world, is expected to help generate sustained growth in the U.S. through an increase in exports. Global Insight predicts that exports will increase in 2008 at an annual rate of 9.0 percent.

Continued growth in real GDP translates into continued national job gains. This, in turn, keeps the national unemployment rate close to the current level. Although the unemployment rate is expected to reach 4.8 percent in 2008, by 2011 the forecast calls for it to decline to 4.4 percent.

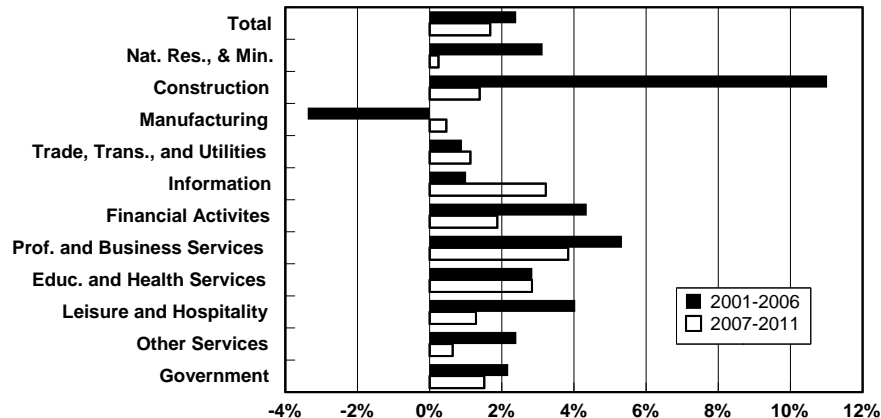
After falling to \$175 billion in FY2007, the federal budget deficit is anticipated to increase to \$227 billion in 2008. Global Insight expects slower economic growth and increased spending for the wars in Iraq and Afghanistan to contribute to the expanding deficit next year.

With continued national economic growth during the next five years, the stage is set for continued growth in the Eastern Panhandle as well. As Table 3 shows, the forecast for the 2007-2011 period calls for the region to continue to generate solid job and income growth, accompanied by strong population gains.

The forecast for job growth in the Eastern Panhandle calls for continued job gains, although the rate of growth is expected to fall from 2.4 percent per year during the last five years to 1.7 percent per year during the 2007-2011 period, as Figure 8 shows. The goods-producing sector (mining, construction, manufacturing) adds to expected job gains during the forecast, but service-providing jobs dominate growth.

The construction sector is expected to continue to add jobs during the next five years, but at a much reduced rate. Indeed, job growth is forecast to decelerate from 11.0 percent per year during the 2001-2006 period to just 1.4 percent per year during the forecast. That deceleration reflects the expected correction in the housing market during the 2007-2009 period. As noted above, residential construction activity so far in 2007 is running well below 2006 levels. Manufacturing employment is forecast to stabilize around current levels, as local firms cope with the same intense competitive pressures faced by manufacturers nationwide.

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



While the goods-producing sector is expected to add jobs during the forecast, overall job growth is driven by the service-providing sector. All service-providing sectors are expected to contribute to job gains but most of the growth comes from government; professional and business services; health care; leisure and hospitality; and trade. Government job gains arise from both the federal and local sectors, as federal activity in the region expands and continued population growth requires the expansion of local services, such as education. Professional and business services, after suffering job losses in 2007, rebounds to add jobs during the forecast. Health care employment continues to expand in the region, reflecting population growth. Leisure and hospitality employment is also expected to continue to grow, as rising population growth drives expansion in hotels and motels, as well as restaurants and bars. Job growth at Charlestown Races may slow as competition heats up from gaming activities in Pennsylvania.

Overall, continued job gains (both in the region and in the wider Washington metropolitan area) translate into continued expansion in inflation-adjusted per capita personal income. Growth is expected to be similar to the state rate during the forecast (at 2.0 percent per year), but below the expected national rate of 2.9 percent.

The forecast also calls for the region to continue to generate population gains during the 2007-2011 period, adding 4,300 residents per year, which translates into an annual growth rate of 2.5 percent per year. The region's proximity to major labor markets and relatively (compared to other counties in the Washington metropolitan area) competitive cost of living make it an attractive residential location. The region is forecast to grow much faster than the state of West Virginia (0.1 percent per year) and the nation (0.9 percent) during the next five years.

Continued job growth in the region translates into tight labor markets in the Eastern Panhandle. The unemployment rate is forecast to remain in the neighborhood of 4.0 percent through 2009, when it declines further to 3.8 percent. The region's labor market may face further pressure as the FBI locates a record center in Winchester, Virginia, which is expected to employ 1,300.

The Eastern Panhandle Region is likely to remain one of the fastest growing regions of the state during the next five years. However, there are risks to the forecast. Nationally, concerns are running high that the housing correction may turn into a severe housing bust. This is also a concern for the housing markets including West Virginia's Eastern Panhandle. There is already evidence of a startling slowdown in house price appreciation in the Washington, Winchester, and Hagerstown-Martinsburg metropolitan areas. The baseline forecast incorporates a major deceleration in construction job growth during the forecast, if that turns out to be optimistic, then employment, income, and population growth could come in well below current expectations.

The leisure and hospitality sector has generated strong job gains so far this decade. The gaming industry has significantly contributed to that growth. This sector will face increasing competition in coming years from slot activity in Pennsylvania (and perhaps Maryland, as that state continues to debate the issue).

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

	Actual				Forecast				Annual Growth					
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	East. Panh. 2007-2011*	East. Panh. (%) 2007-2011*	U.S.(%) 2007-2011*	
<b>Total</b>	44,110	44,870	46,380	47,610	49,100	49,331	50,300	51,424	52,190	52,746	854	1.7	0.8	1.2
Goods Producing	6,620	6,630	6,670	7,060	7,070	6,862	6,798	6,918	7,108	7,092	57	0.8	0.1	-0.1
Nat. Res. & Mining	220	240	260	250	280	281	282	282	283	284	1	0.2	-0.3	-2.8
Construction	1,950	2,200	2,560	2,950	2,900	2,753	2,722	2,786	2,879	2,909	39	1.4	0.7	0.5
Manufacturing	4,450	4,190	3,850	3,860	3,890	3,828	3,794	3,850	3,946	3,899	18	0.5	-0.2	-0.4
Service Producing	37,490	38,240	39,710	40,550	42,030	42,468	43,502	44,507	45,082	45,654	796	1.8	1.0	1.5
Trade, Trans., Util.	8,370	8,350	8,410	8,750	8,980	8,958	9,051	9,148	9,255	9,369	103	1.1	0.5	1.2
Information	1,570	1,670	1,630	1,750	1,840	1,921	1,962	2,057	2,113	2,181	65	3.2	-0.7	-0.2
Financial Activities	1,420	1,470	1,550	1,680	1,720	1,724	1,739	1,789	1,829	1,858	34	1.9	0.9	1.2
Prof. & Business Serv.	3,600	3,520	4,200	4,150	4,110	3,868	3,960	4,134	4,277	4,500	158	3.9	2.9	3.2
Education & Health	4,360	4,410	4,510	4,720	4,970	5,001	5,165	5,392	5,449	5,596	149	2.9	1.5	1.4
Leisure & Hospitality	5,340	5,840	6,180	6,090	6,350	6,484	6,671	6,773	6,812	6,827	86	1.3	1.4	1.8
Other Services	2,460	2,530	2,580	2,630	2,680	2,747	2,834	2,850	2,873	2,819	18	0.7	0.4	0.1
Government	10,370	10,450	10,650	10,780	11,380	11,766	12,120	12,364	12,474	12,502	184	1.5	0.2	0.8

	Actual				Forecast				Annual Growth					
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	East. Panh. 2007-2011*	East. Panh. (%) 2007-2011*	U.S.(%) 2007-2011*	
<b>Total</b>	70,660	70,790	72,250	74,920	76,590	78,690	80,523	82,291	83,750	84,833	1,536	1.9	0.4	1.0
Labor Force	67,560	67,740	69,380	72,130	73,540	75,579	77,221	79,131	80,433	81,380	1,450	1.9	0.4	1.0
Unemployment Rate	4.4	4.3	4.0	3.7	4.0	4.0	4.1	3.8	4.0	4.1	0.0	0.7	-0.3	-1.0

	Actual				Forecast				Annual Growth					
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	East. Panh. 2007-2011*	East. Panh. (%) 2007-2011*	U.S.(%) 2007-2011*	
<b>Total</b>	141,674	147,190	152,530	158,433	164,314	168,406	172,704	176,681	181,057	185,548	4,285	2.5	0.1	0.9

	Actual				Forecast				Annual Growth					
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	East. Panh. 2007-2011*	East. Panh. (%) 2007-2011*	U.S.(%) 2007-2011*	
<b>Total</b>	3,621,806	3,699,705	3,910,443	4,093,721	4,341,993	4,538,766	4,753,067	4,979,154	5,200,297	5,415,661	219,224	4.5	2.3	3.4
Wage and Salary	1,236,650	1,299,154	1,356,355	1,407,391	1,457,686	1,478,329	1,515,285	1,557,947	1,591,130	1,619,692	35,341	2.3	1.4	3.0
Other Labor Income	360,922	381,832	416,599	438,542	457,941	468,380	484,894	502,320	518,481	534,604	16,556	3.4	1.1	2.1
Proprietors' Income	236,733	250,191	288,180	296,372	302,038	300,095	307,802	320,039	329,581	337,801	9,426	3.0	2.8	3.7
Dividends, Interest, Rent	467,045	434,268	448,257	439,366	474,458	503,404	531,907	560,445	591,018	611,447	27,011	5.0	1.8	4.7
Transfer Income	619,680	620,550	613,352	645,139	725,194	775,138	820,250	861,277	901,792	945,973	42,709	5.1	3.6	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 2007-2011 period.  
 West Virginia forecast is from the West Virginia Economic Outlook 2007.  
 U.S. forecast is from Global Insight, August 2007.

### **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 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](http://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](http://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](http://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](http://www.bea.gov).

## ***Eastern Panhandle Region Outlook 2007-2011***

George W. Hammond, Associate Director, BBER

J. Sebastian Leguizamon, Graduate Research Assistant

This document is published by the Bureau of Business and Economic Research at the College of Business and Economics, West Virginia University, P.O. Box 6025, Morgantown, WV 26506-6025, (304) 293-7876, fax (304) 293-7061, [george.hammond@mail.wvu.edu](mailto:george.hammond@mail.wvu.edu).

R. Stephen Sears     Milan Puskar Dean of the West Virginia  
University College of Business and  
Economics  
Tom S. Witt     Director of the Bureau of Business and  
Economic Research and Professor of  
Economics



Copyright © 2007 WVU Research Corporation  
[www.bber.wvu.edu](http://www.bber.wvu.edu)