

Grant County Labor Market Summary

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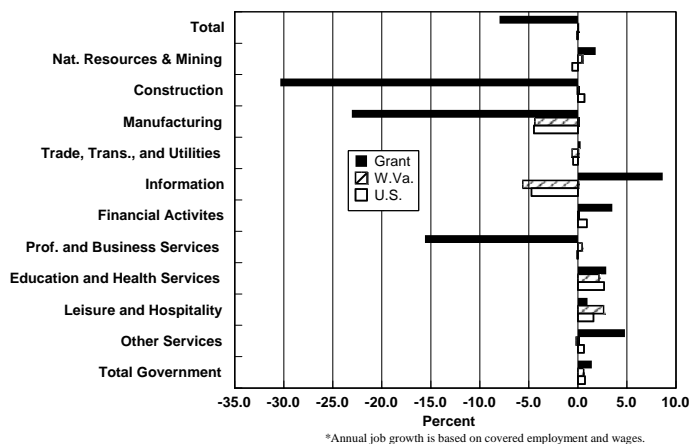
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by
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This summary provides an overview of the current performance of the Grant County labor market compared to the Potomac Highlands Region, the state of West Virginia, and the U.S. Table 1 below contains summary data for the county, the region, metropolitan areas with component counties in the region, the state, and the nation. The Potomac Highlands Region includes Grant, Hampshire, Hardy, Mineral, and Pendleton counties. Data summarized in this document (and detailed in the associated Excel database) include job growth and wages by industry, the unemployment rate and labor force participation, population growth and demographics, educational attainment, job turnover by industry, farming, and commuting patterns.

Grant County has lost just over 1,000 jobs since 2001, which translates into an annual rate of job loss of -8.0 percent per year. This is a far greater rate of job loss than was experienced by the Potomac Highlands Region (-0.3 percent), the state (0.0 percent) or the nation (-0.1 percent). Figure 1 below shows that the fastest rate of job loss came in construction, manufacturing, and professional and business services (primarily temporary employment services). Job losses in construction reflect the completion of scrubber installation at the Mount Storm power plant. Work on this project produced a major surge in construction jobs, which peaked in 2001. Manufacturing job losses reflect the closure of the Advantage Foods (owned by Perdue Farms) poultry processing plant. In contrast, the county added jobs in natural resources and mining; information; financial activities; health care; leisure and hospitality; other services (repair and maintenance, personal services, and non-profits); and government.

Figure 1
Annual Job Growth
Grant County, W.Va. and the U.S.
2001-2004



Grant County's nonfarm employment mix is weighted toward mining; construction; trade, transportation, and utilities; and government, with relatively small employment shares in financial activities; professional and business services; health care; and leisure and hospitality. Grant County's manufacturing employment share is similar to the nation, with large wood products employers located in the county.

Farming remains an important part of the Grant County economy, with this sector accounting for 8.8 percent of full and part-time employment in 2003 (compared to 2.7 percent for the state). Livestock, primarily poultry, dominates farming activity in the county.

Annual wages per worker in Grant County rose strongly in 2001, with the influx of relatively high-paying construction jobs boosting overall wages. Average annual wages in the county have remained in the neighborhood of the state average since 2001.

During the same period, Grant County's unemployment rate spiked from 4.5 percent in 2001 to 6.7 percent by 2004, as we would expect given the job losses during the period. In 2004, Grant County's unemployment rate was above the rates recorded by the region (5.1 percent), state (5.3 percent), and nation (5.5 percent). The general trend in the county was similar for the region, state, and nation, as the lingering labor market effects of the national recession of 2001 continued to be felt. According to U.S. Bureau of the Census data for 2000, the county's labor force participation rate (60.0 percent) is well above the state rate (55.3 percent), just above the region's rate (59.8 percent), but well below the national rate (64.9 percent).

Grant County's labor force has remained between 4,000 and 6,000 residents since 1980, reflecting the ups and downs of county job growth. The labor force includes both employed residents and unemployed residents that are actively seeking work. It excludes unemployed residents that are not actively seeking work.

The county was also a net exporter of employed residents in 2000, with 19.2 percent of employed residents commuting to work in Hardy County. Mineral, Hardy, Pendleton counties in West Virginia and Garrett County in Maryland combined contributed 22.4 percent of the Grant County workforce in 2000.

One important measure of labor market performance is the job turnover rate. This is computed by summing the number of job accessions and job separations per quarter, dividing this sum by two, and then dividing by the number of jobs. According to new data released by U.S. Census Bureau, the county's overall turnover rate is 9.1 percent, which is below the state average of 10.2 percent. This suggests that the county's labor market is a bit more stable than the state average.

Grant County's educational attainment level fell below the region, state and national averages in 2000, measured by the share of population age 25-and-older with an associate's degree or more. However, Potomac State College of West Virginia University, in Mineral County, has granted 680 degrees or certificates during the last five years and Eastern West Virginia Community College, in Hardy County, had 1,380 enrollees in customized training programs in 2004.

While the county has lost jobs and seen its unemployment rate rise recently, it has added residents. Recent population estimates from the Census Bureau suggest that the county has added 250 net new residents since 2000. This translates into an average annual growth rate of 0.6 percent per year, which matches the region's growth rate, exceeds the state rate (0.1 percent) and is about one-half of the national growth rate of 1.0 percent.

The county's demographic mix is a bit older than the state and national averages. Grant County's median age in 2000 was 39.3, compared to 38.9 for West Virginia and 35.3 for the U.S. As is true for many counties in West Virginia, Grant County has a smaller share of its population in the younger age groups (school age, 18-24, and 25-44) than is true for the U.S. It has a higher share of residents in the 45-64 and 65-84 age groups, but about the same share as nationally in the 85-and-older age group.

The county's population growth has been reflected in an increase in residential construction contracts, as measured by F.W. Dodge. Indeed, the value of Grant County residential construction contracts has from less than \$2.0 million in 2001 to almost \$16 million by 2004. Part of the increased residential building may be related to second home activity in the county. According to Census 2000, 13.3 percent of homes were for seasonal, recreational, and occasional use, compared to 4.5 percent for the state and 3.3 percent for the nation.

Table 1
Summary Data for Grant County

	Grant County	Potomac Highlands Region	Cumberland MSA	Winchester MSA	W.Va.	U.S.
Nonfarm Jobs (Thous., 2004)*	3,573	22,741	36,595	52,542	686,844	129,288,553
Annual Job Growth (2001-2004, %)	-8.0	-0.3	-0.1	1.5	0.0	-0.1
Average Annual Wage Per Worker (2004)	\$28,919	\$26,106	\$28,142	\$32,395	\$30,383	\$39,348
Job Turnover Rate (Four Qtr. Avg., %)**	9.1	--	--	--	10.2	--
Unemployment Rate (2004, %)	6.7	5.1	6.3	3.2	5.3	5.5
Labor Force Participation Rate (2000, %)**	60.0	59.8	57.9	67.6	55.3	64.9
Population (2004)	11,537	81,330	101,016	112,932	1,815,354	293,655,404
Annual Population Growth (2000-2004, %)	0.6	0.6	-0.2	2.2	0.1	1.0
Median Age (2000)	39.3	--	39.1	--	38.9	35.3
Share of residents with:						
Associates Degree or More (2000, %)^	14.2	15.4	20.2	23.0	19.2	30.7
High School Degree or More (2000, %)^	70.8	74.2	80.0	76.4	75.2	80.4
Per Capita Personal Income (2003)	\$23,505	\$21,673	\$23,148	\$27,084	\$24,542	\$31,472
Farm Cash Receipts (2003, \$Mil, Livestk & Crops)	\$29.9	\$205.1	\$13.3	\$38.6	\$420.9	\$217,598.2

*Quarterly Covered Employment and Wages (QCEW)

**Per quarter, from second quarter 2003 to second quarter 2004. Data for MSAs are W.Va. part only.

***Estimated based on institutionalized population for all ages.

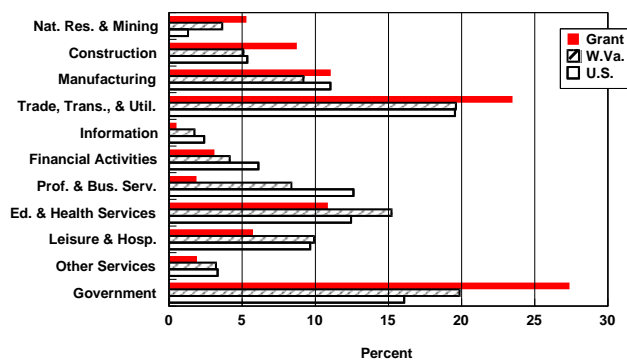
^percent of population age 25 and older.

Potomac Highlands Region includes Grant, Hampshire, Hardy, Mineral, and Pendleton counties in W.Va.

Cumberland MSA includes Mineral County, W.Va. and Allegany County, Md.

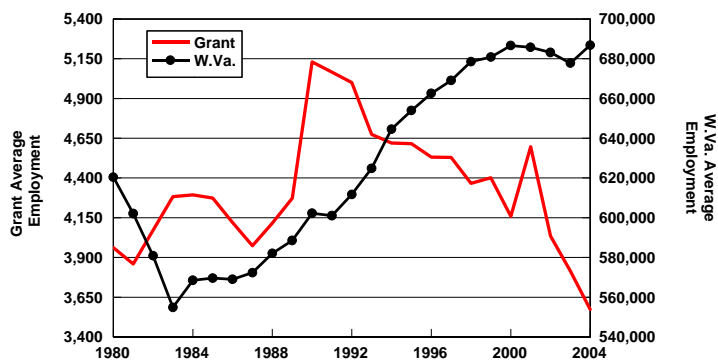
Winchester MSA includes Hampshire County, W.Va., Frederick County, Va., and Winchester City, Va.

Nonfarm Employment Shares 2004
Grant County, W.Va., and U.S.



Source: Employment and Wages, Workforce WV

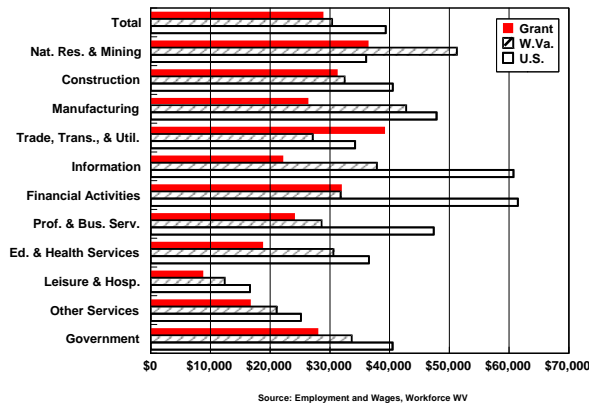
Employment Trends in
Grant County and W.Va.



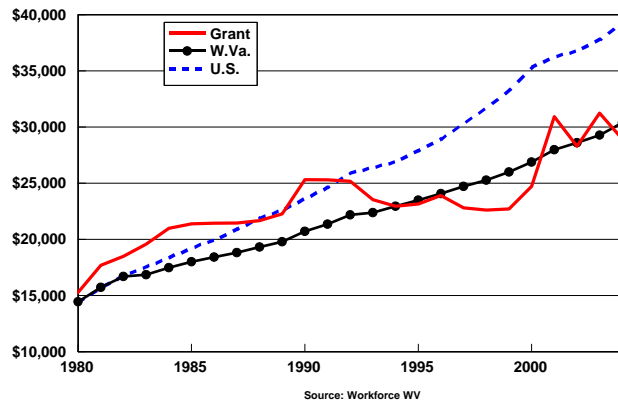
Source: Employment and Wages, Workforce WV

- In Grant County in 2004, the government (27.4 percent) and trade, transportation, and utilities (23.5 percent) sectors accounted for 50.9 percent of employment.
- Compared to West Virginia (8.4 percent) and the U.S. (12.6 percent), Grant County (1.9 percent) has a very small concentration in the professional & business services sector.
- Total employment in Grant County has fallen recently to 3,573 in 2004 due to the completion of a major construction project at a power plant and the closure of a major poultry processor in the county.

**Annual Wages per Worker 2004
Grant County, W.Va., and U.S.**



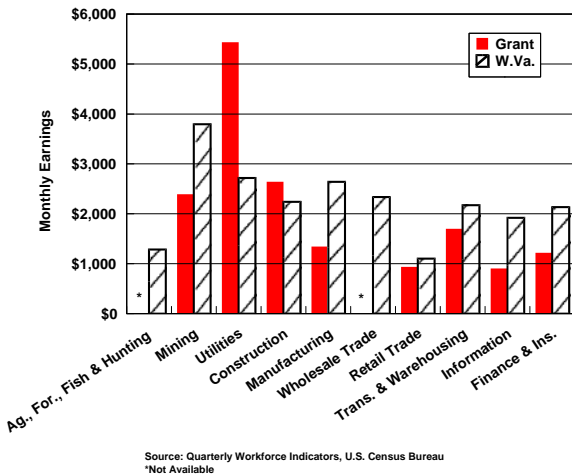
**Total Wages per Worker in
Grant County, W.Va., and U.S.**



- In 2004 Grant County’s average annual wage per worker was \$28,919, which was below both West Virginia (\$30,383) and the U.S. (\$39,348).
- Compared to West Virginia and the U.S., Grant County only had higher annual wages per worker in trade, transportation, and utilities.

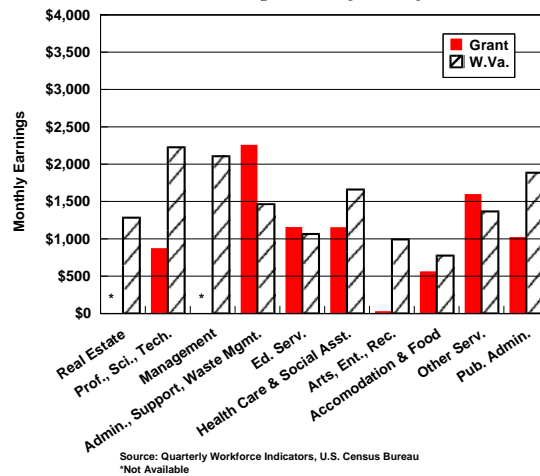
**Average New Hire Earnings
Grant County and W.Va.**

Average from 2003Q2 to 2004Q2



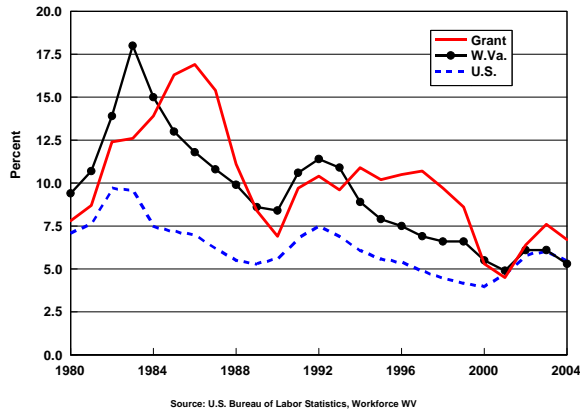
**Average New Hire Earnings
Grant County and W.Va.**

Average from 2003Q2 to 2004Q2

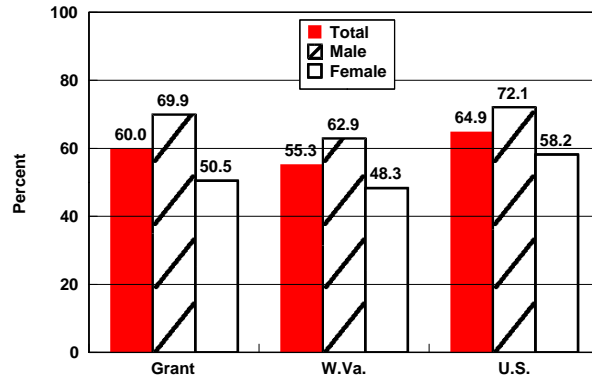


- On average new hires in Grant County in the utilities sector make more than twice the West Virginia average in that sector.
- New hires in the professional, scientific, and technical services and manufacturing sectors earn significantly less in Grant County than statewide.
- On average, new hire wages in Grant County, at \$1,842.50, are similar to the state average of \$1,890.00.

Unemployment Rate Trends in Grant County, W.Va., and U.S.

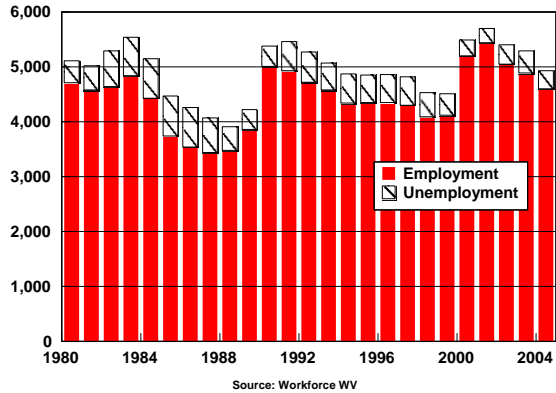


Labor Force Participation Rates Census 2000

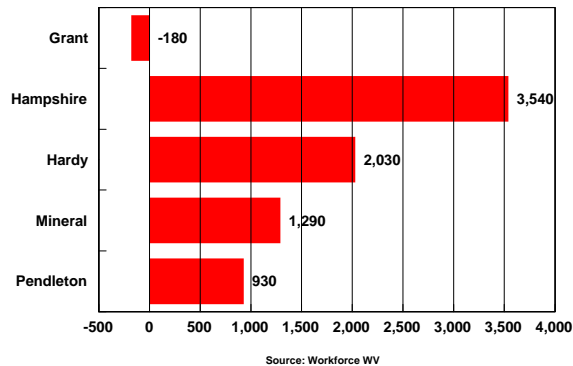


- In 2004 Grant County's unemployment rate was 6.7 percent, higher than both the state (5.3 percent) and national (5.5 percent) rates.
- At 60.0 percent Grant County's labor force participation rate was higher than West Virginia's (55.3 percent) but below the nation's (64.9 percent).
- Similar to West Virginia and the U.S., there is a gap between the male and female labor force participation rates, but in Grant County the gap of 19.4 percent is larger.

Grant County Employment and Unemployment



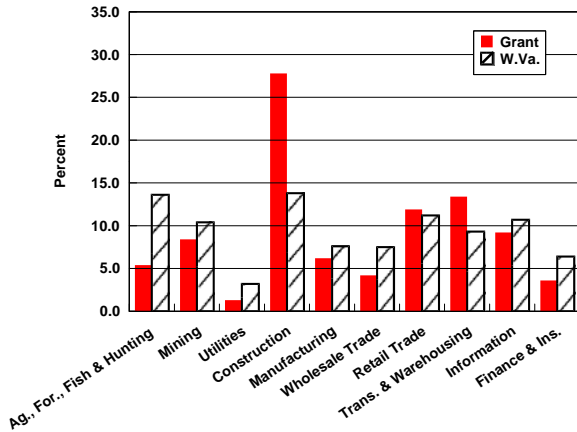
Potomac Highlands Region Labor Force Growth by County 1980-2004



- The Grant County labor force has varied between 4,000 and 6,000 since 1980.
- The labor force includes both employed residents and unemployed residents that are actively seeking work. It excludes residents that are unemployed, but not actively seeking employment.

Turnover Rates Grant County and W.Va.

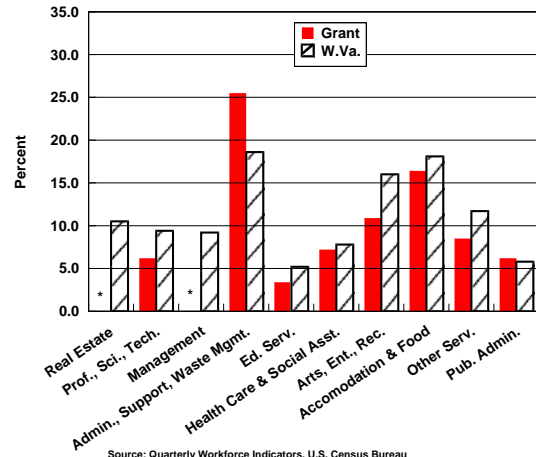
Average from 2003Q2 to 2004Q2



Source: Quarterly Workforce Indicators, U.S. Census Bureau
*Not Available

Turnover Rates Grant County and W.Va.

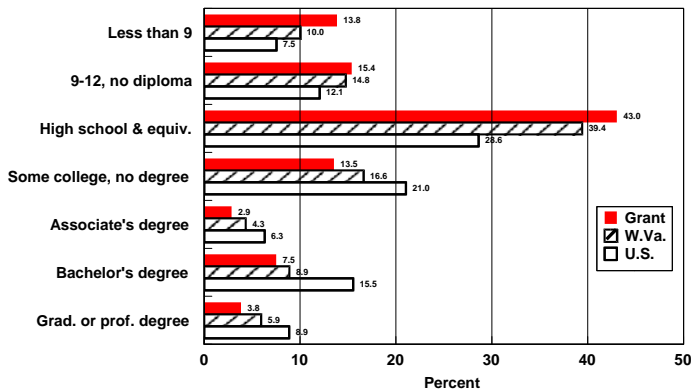
Average from 2003Q2 to 2004Q2



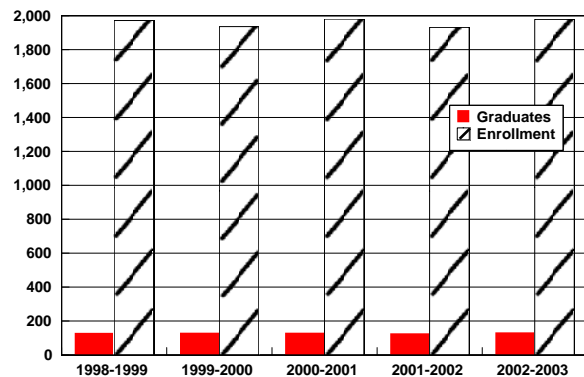
Source: Quarterly Workforce Indicators, U.S. Census Bureau
*Not Available

- Grant County has relatively high turnover rates in the construction sector (27.8 percent) and the administrative support, waste management sector (25.5 percent), compared to West Virginia.
- For most sectors, Grant County has turnover rates that are similar to or below the state. Across all industries, the Grant County turnover rate 9.1 percent, which is lower than the state average of 10.2 percent.
- The turnover rate is computed by summing the number of job accessions and job separations per quarter, dividing this sum by two, and then dividing by the number of jobs.

Educational Attainment Census 2000



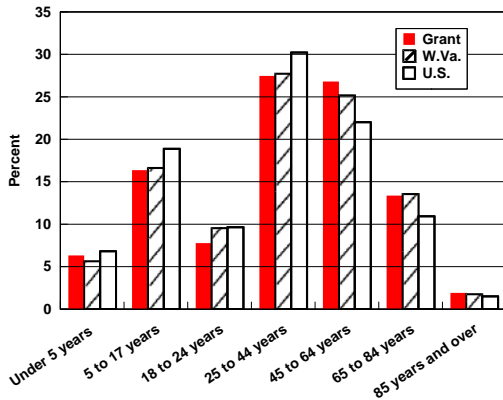
Grant County School Enrollment* and Graduates



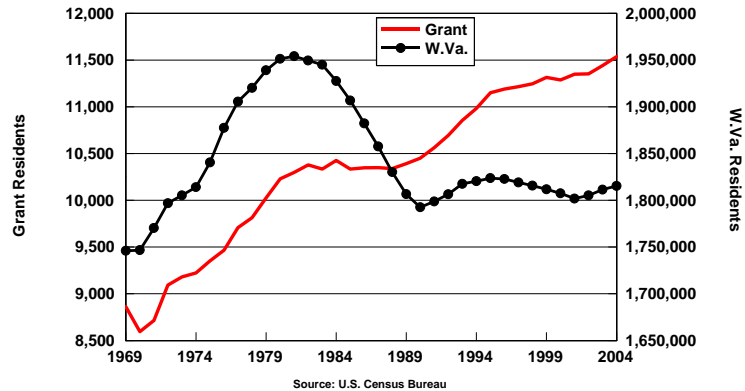
Source: West Virginia Department of Education
*Pre-kindergarten through grade 12.

- Grant County, at 11.4 percent, has a lower share of residents with a bachelor's degree or higher than West Virginia (14.8 percent) and the U.S. (24.4 percent).
- Of Grant County's population over the age of 25 years, 43.0 percent stop their education after attaining a high school degree or equivalent.
- Grant County school enrollment totaled almost 2,000 during the 2002-2003 school year, with 134 graduates.

**Population Age Distribution
Census 2000**

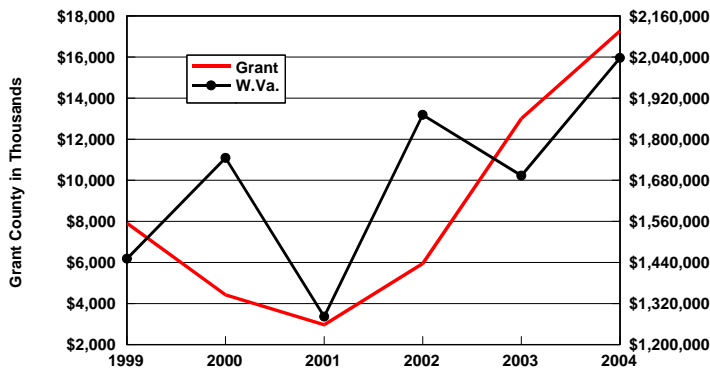


**Population Trends in
Grant County and W.Va.**

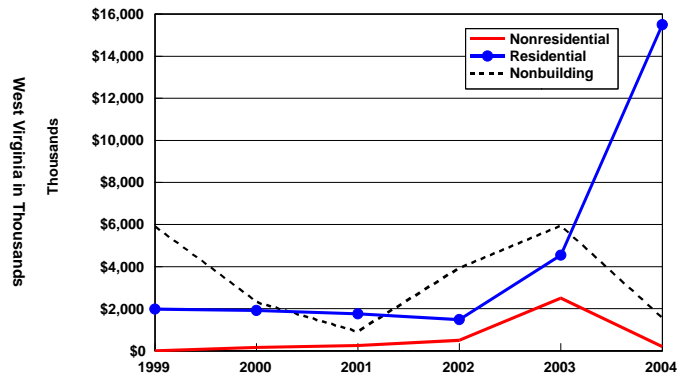


- The population age distribution in Grant County is very similar to that of the state and both have higher median ages (and population shares in the 45-84 age group) than the national average.
- In 2004, Grant County had a population of 11,537 and since 1969 the county's population has grown at an average annual rate of 0.76 percent.

**Grant County and W.Va.
Total Value of Construction Starts**
F.W. Dodge

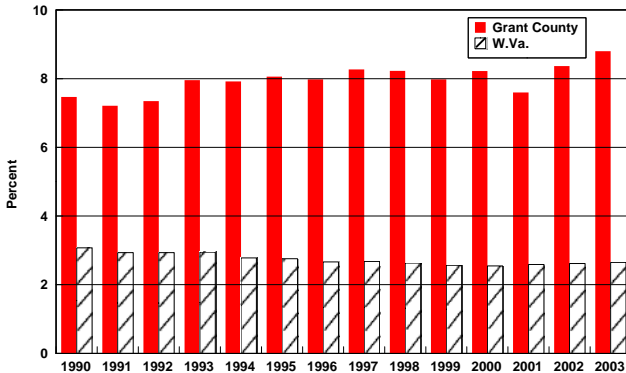


**Grant County, W.Va.
Value of Construction Starts by Type**
F.W. Dodge



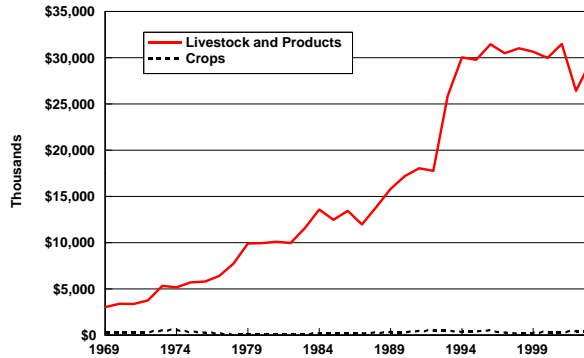
- In 2004 Grant County had a total construction value of \$17.3 million, according to data from F.W. Dodge. Grant County's construction has been growing rapidly since 2001, increasing at an average annual rate of 80.0 percent.
- Residential construction accounted for 89.7 percent of the county's 2004 total construction value.
- According to Census 2000, 13.3 percent of homes were for seasonal, recreational, and occasional use, compared to 4.5 percent for the state and 3.3 percent for the nation.

Farm Employment Shares in Grant County and W.Va.



Source: Bureau of Economic Analysis

Farm Cash Receipts in Grant County



Source: Bureau of Economic Analysis

- Grant County has a larger share of employment in farming than West Virginia. In 2003, 8.8 percent of the county's total full and part-time employment was in farming (as measured by the U.S. Bureau of Economic Analysis). Farming accounted for 2.7 percent of state employment.
- Grant County's farm cash receipts are dominated by livestock and products, primarily poultry, which accounted for 98.7% of farm cash receipts in 2003.

Top Commuting Destinations for Grant County Residents, 2000

Counties with 1.0 percent or more

Work County	Number of Employed	As a Percentage of
	Residents Traveling to Work County	Grant County Residents Employed
Grant County, WV	3,160	64.6
Hardy County, WV	940	19.2
Mineral County, WV	152	3.1
Garrett County, MD	150	3.1
Allegheny County, MD	104	2.1
Pendleton County, WV	70	1.4
Total	4,895	100.0

Source: U.S. Census Bureau, Population Division, Journey-To-Work & Migration Statistics Branch, Census 2000.

Tabulation by the Bureau of Business and Economic Research, West Virginia University

Top Commuting Sources for Grant County Jobs, 2000

Counties with 1.0 percent or more

Residence County	Number of Workers	As a Percentage of
	Traveling From Residence County	Grant County Workers
Grant County, WV	3,160	69.5
Mineral County, WV	323	7.1
Hardy County, WV	312	6.9
Pendleton County, WV	224	4.9
Garrett County, MD	159	3.5
Tucker County, WV	80	1.8
Hampshire County, WV	74	1.6
Preston County, WV	61	1.3
Randolph County, WV	52	1.1
Total	4,544	100.0

- Hardy County was by far the most popular commuting destination for Grant County residents in 2000.
- Mineral, Hardy, Pendleton counties in West Virginia and Garrett County in Maryland combined contributed 22.4 percent of the Grant County work force in 2000.

Top 10 Largest Employers in Grant County March 2005

Rank	Company Name
1	Grant Memorial Hospital
2	Virginia Electric and Power Company
3	Grant County Board of Education
4	Apcompower, Inc.
5	Grant County Nursing Home
6	Allegheny Wood Products, Inc.
7	Buffalo Coal Company, Inc.
8	Waco, Inc.
9	Grant County Mulch, Inc.
10	Allegheny Dimension

Source: Workforce WV

Industrial, Business, and Technology Parks in Grant County

Name	City	Miles to Highway*	Total Acreage
Grant County Industrial Park	Petersburg	66	100
Mountain Top Industrial Park	Mt. Storm	29	182

Source: West Virginia Development Office

*Location to nearest interstate or four lane highway.