



Eastern Panhandle Region Outlook

FORECAST: 2005-2009

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Executive Summary

The Eastern Panhandle (Berkeley, Jefferson, and Morgan counties in West Virginia) remains one of the fastest growing regions in the state. Since 2000, it has added jobs and residents at a faster rate than either the state or the nation, while also exceeding comparable growth rates posted by the Washington, Hagerstown, and Winchester metropolitan statistical areas (MSAs). Indeed, Berkeley County ranked 71st in the nation with a population growth rate of 17.7 percent from 2000 to 2004.

The region's labor market remains tight, with an unemployment rate of 3.8 percent in 2004. That's far below the West Virginia and national rates, at 5.3 percent and 5.5 percent, respectively. However, it's a bit above the unemployment rates posted by the Washington MSA, at 3.7 percent, and the Winchester MSA, at 3.2 percent.

Per capita personal income growth has also been strong during the 1998-2003 period, with the region's gains averaging 3.9 percent per year, before adjustment for inflation. That growth exceeded the comparable national rate. With national inflation rates in the neighborhood of 2.0 percent per year during the period, this implies solid gains in the region's standard of living.

Overall job growth in the region has been driven by strong gains in the construction sector, which reflects the additional residents in the region, along with rising employment activity in the professional and business services; leisure and hospitality; and education and health care sectors. Only two industries in the Eastern Panhandle experienced negative growth from 2000 to 2004. Manufacturing jobs declined in the region, with the closure of the World Kitchen (glass products) facility and job losses in machinery production. These losses have been softened somewhat by gains in other manufacturing sectors, including transportation equipment (aircraft and parts). The Eastern Panhandle also experienced job losses in its second largest industry, trade, transportation, and utilities.

The outlook for the Eastern Panhandle Region is positive, assuming the national economy avoids severe recession. The forecast calls for the region to continue to add residents and jobs at rates far exceeding those expected for the state and the nation. Job growth in the region is expected to be strongest in construction; professional and business services; education and health care; government; and leisure and hospitality. Job losses in manufacturing are expected to continue, but moderate, as the transportation equipment sector adds jobs during the forecast. Gains in trade, transportation, and public utilities are expected to be modest due to expected job losses at the General Motors Distribution Center during the forecast. Finally, continued strong job growth contributes to continued gains in the region's inflation-adjusted per capita personal income.

Risks to the regional outlook include the risk of a severe national downturn, which remains a possibility due to surging energy prices (boosted even more by hurricanes Katrina and Rita) and tightening monetary policy. Federal spending on defense and homeland security has contributed to strong growth in the Washington MSA and the region lately. It seems unlikely that recent weather-related events will produce realignment in federal spending priorities away from these activities, but high levels of federal indebtedness will eventually require tax increases or spending cuts, which may impact the region.

Recently released home price data from the Federal Office of Home Enterprise Oversight suggests that the Washington, Hagerstown, and Winchester MSA housing markets are at or near boom levels, according to research done at the FDIC. This translates into an increased risk of a housing bust during the forecast, perhaps precipitated by rising mortgage interest rates. However, in other metropolitan regions in the U.S. house price declines have tended to be associated with major local economic problems, which do not seem likely in the near future in the Eastern Panhandle.

In addition, the gaming sector of the regional economy has significantly contributed to recent job growth. However, this sector faces the possibility in increased competitive pressures as Maryland continues to discuss legalization of this activity within its borders.

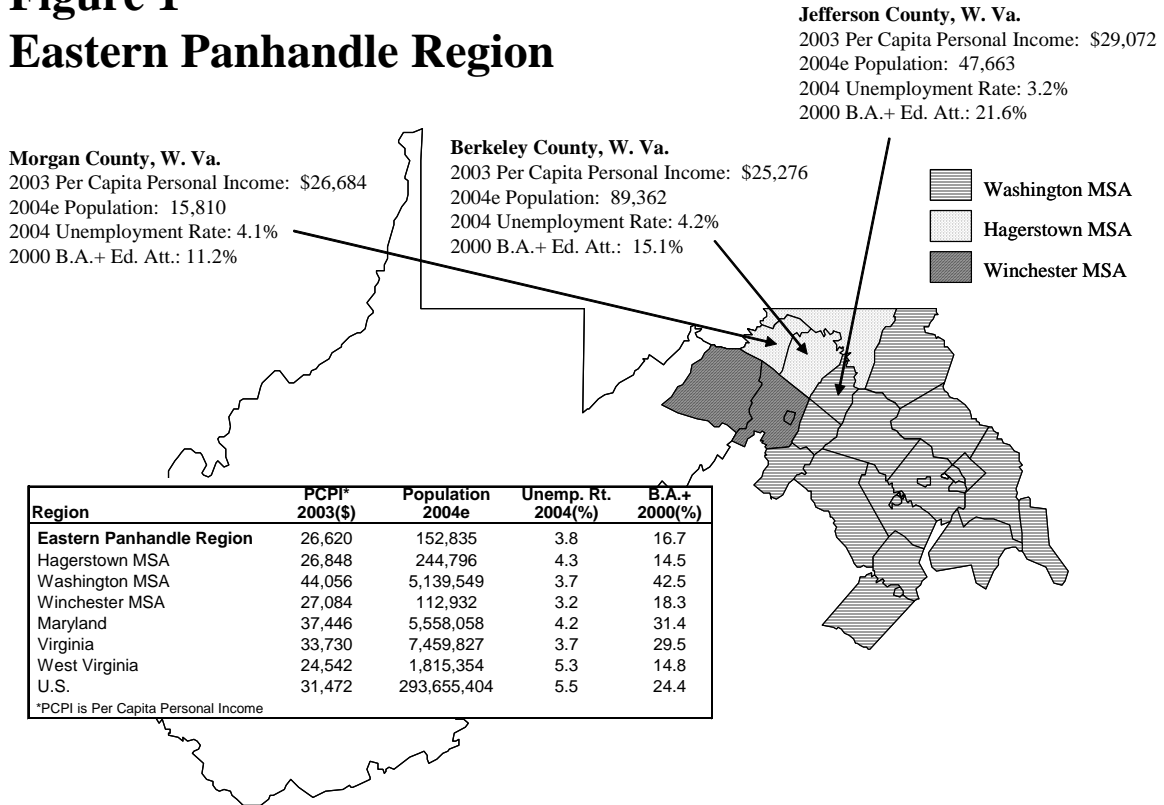
Eastern Panhandle Region in Perspective

Berkeley, Jefferson, and Morgan counties make up the Eastern Panhandle Region as seen in Figure 1. According to 2004 U.S. Census estimates, the Eastern Panhandle region accounts for 8.4 percent of the West Virginia's total population. Berkeley County is the largest county in the region with a 2004 estimated population of 89,362. Jefferson County is the second largest county with a population of 47,663 and Morgan County is the smallest with a population of 15,810. From 2000 to 2004 the region grew by 18,931 residents at an annual average rate of 3.4 percent. The region's average annual growth rate far exceeded the rate for West Virginia (0.1 percent) and the U.S. (1.0 percent).

The Eastern Panhandle Region is located near or in three metropolitan statistical areas (MSAs). Morgan County and Berkeley County are part of the Hagerstown MSA and Jefferson County is part of the Washington MSA. Also bordering the Eastern Panhandle Region to the Southwest is the Winchester MSA. The Washington MSA is by far the largest in the area with a 2004 estimated population of 5,139,549. All of the nearby MSAs had average annual growth rates exceeding both the West Virginia and national rate from 2000 to 2004. The Hagerstown MSA with a 2.3 average annual growth rate grew the fastest of the nearby MSAs.

Also included in Figure 1 is 2003 per capita personal income (PCPI). PCPI is calculated by dividing an areas total personal income including earnings from work, asset income, and transfer income by its population. According to the U.S. Bureau of Economic Analysis, the Eastern Panhandle Region had a PCPI of \$26,620 in 2003 exceeding the West Virginia PCPI of \$24,542 but below the U.S. average of \$31,472. Jefferson County had the highest PCPI in the region at \$29,072. Of the three MSAs the Washington MSA had the largest PCPI at \$44,056.

Figure 1 Eastern Panhandle Region



Compared to West Virginia, the Eastern Panhandle is demographically young. According to the 2000 U.S. Census, West Virginia had a median age of 38.9 in 2000. The two largest counties in the Eastern Panhandle Region (Berkeley and Jefferson) both had median ages below West Virginia’s as seen in Table 1. Each of the component counties in the region posted median ages above the U.S. level of 35.3 years.

As measured by the share of residents age 25 and older with a bachelor’s degree or better in 2000, educational attainment in the Eastern Panhandle (16.7 percent) was above the West Virginia level (14.8 percent) but well below the national rate of 24.4 percent. Jefferson County had the highest rate in the Eastern Panhandle with 21.6 percent. Of the local MSAs the Washington MSA had the highest attainment rate with a staggering 42.5 percent of its population age 25 years or older earning at least a bachelors degree. That’s the highest educational attainment rate of any major metropolitan area in 2000.

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	Av. An. G.R.	Job Growth	Rate	Attainment
	2004e	2000-2004(%)	2000	(\$Thous.)	2003(\$)	1998-2003(%)	2000-2004(%)	2004(%)	2000(%)
Berkeley, W.Va.	89,362	4.0	35.8	284,527	25,276	3.8	2.0	4.2	15.1
Jefferson, W.Va.	47,663	2.9	36.8	153,318	29,072	3.8	2.2	3.2	21.6
Morgan, W.Va.	15,810	1.3	40.7	35,488	26,684	5.1	1.3	4.1	11.2
Wash.-Arl.-Alex., DC-VA-MD-WV MSA	5,139,549	1.6	--	--	44,056	4.2	1.6	3.7	42.5
Hagerstown-Martinsburg, MD-WV MSA	244,796	2.3	--	--	26,848	4.1	0.7	4.3	14.5
Winchester, VA-WV MSA	112,932	2.2	--	--	27,084	3.4	1.9	3.2	18.3
Eastern Panhandle Region	152,835	3.4	--	473,333	26,620	3.9	2.0	3.8	16.7
Maryland	5,558,058	1.1	36.0	--	37,446	4.3	0.6	4.2	31.4
Virginia	7,459,827	1.2	35.7	--	33,730	4.0	0.5	3.7	29.5
West Virginia	1,815,354	0.1	38.9	2,037,557	24,542	3.9	0.0	5.3	14.8
U.S.	293,655,404	1.0	35.3	--	31,472	3.2	-0.1	5.5	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.

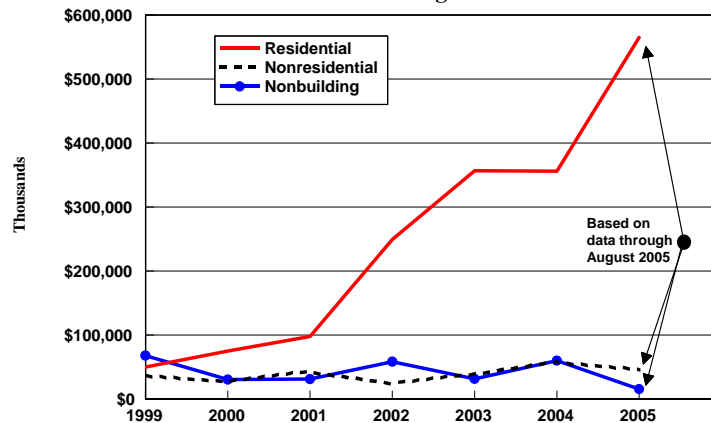
Median household incomes and Median Age are from the U.S. Census Bureau, Census 2000

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.

According to F.W. Dodge data, the Eastern Panhandle Region had \$473.3 million worth of construction starts in 2004. The Eastern Panhandle Region accounted for about 23.2 percent of West Virginia's \$2,037.6 million construction starts in 2004. Berkeley County accounted for the most in the region with \$284.5 million. The majority of construction starts in the Eastern Panhandle fell under the residential sector as seen in Figure 2. In 2004 \$356.0 million or 75.2 percent of the \$473.3 million of construction in the region went towards residential construction projects. Further, in 2004 42.9 percent of all of West Virginia's residential construction value was in the Eastern Panhandle Region. Figure 2, also displays annualized data for 2005 based on the first eight months of the year. Using the annualized data, the Eastern Panhandle Region is expected to continue to have high growth in the residential construction. The construction patterns in the nonbuilding and nonresidential construction and expected to remain similar to the trends displayed in the past six years.

Figure 2
Eastern Panhandle Region
Value of Construction Starts by Type
F.W. Dodge



Even with surging residential construction activity in the region, single-family home prices continue to rise rapidly. Indeed, according to data from the Office of Federal Home Enterprise Oversight, single-family home prices have risen by 72.4 percent in the Hagerstown MSA from the first half of 2000 to the first half of 2005. This far exceeds the single family home price increase posted by West Virginia (31.3 percent) and the U.S. (52.2 percent). However, it's below the home price increases registered in the Washington MSA (98.1 percent) and the Winchester MSA (84.8 percent).

Figure 3 compares the employment shares of the Eastern Panhandle to those of West Virginia and the U.S. The region's largest employment share is located in the government sector with 23.0 percent of the regions total jobs. The region has a higher concentration in this sector than either West Virginia or the U.S., which reflects the presence of several large federal employers in the region, such as the Veterans Administration Center, U.S. Department of Treasury (IRS), U.S. Coast Guard, and the National Park Service.

The second largest employment share in the Eastern Panhandle is the trade, transportation, and utilities sector containing 18.0 percent of the region's jobs. The leisure and hospitality sector is also a big employer in the Eastern Panhandle, reflecting the presence of Charles Town Races, accounting for 13.4 percent of the regions jobs in 2004. The information sector accounts for a larger share of employment in the region than it does for the state and nation. The major printing establishments in the region, Quad/Graphics and Quebecor, are classified in the information sector, which also includes print and broadcast media, as well as telecommunications.

Manufacturing accounted for 8.3 percent of region jobs in 2004, similar to the state share but below the national average. The region's manufacturing mix includes machinery production at Royal Vendors, wood products at Tom Seely Furniture, and rubber and plastic products at Aker Plastics, among others. Professional and business services (call centers, accountants, engineers, lawyers, employment agencies) are a larger share of the region's job mix than for the state, but account for a smaller share of jobs than nationally. Finally, natural resources and mining is a much smaller share of the region's employment mix than it is for the state.

Figure 3
Eastern Panhandle Region
Employment Shares* Compared to the State
And Nation for 2004

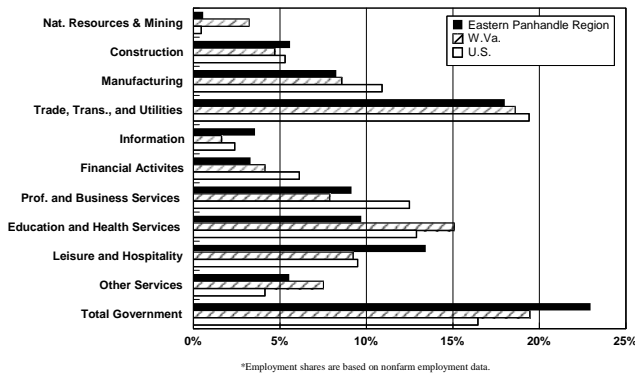
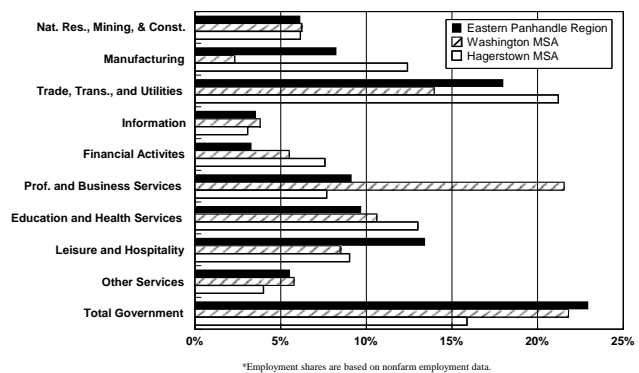


Figure 4
Eastern Panhandle Region
Employment Shares* Compared
Nearby MSAs for 2004



In Figure 4, the Eastern Panhandle is compared to two of the nearby MSAs, Washington and Hagerstown. The Eastern Panhandle has a larger concentration of jobs in the government sector than either the Washington or Hagerstown MSA. Within the government sector, federal employment is much more important for the Washington MSA than it is for the Hagerstown MSA or the Eastern Panhandle Region. The Washington MSA also has a much larger concentration of jobs in professional and business services (21.5 percent) than the other two regions. The Hagerstown MSA has a concentration of jobs in trade, transportation, and utilities, that is greater than, the Washington MSA, the Eastern Panhandle, and even above the national average.

Recent Developments

The Eastern Panhandle Region has added 18,931 residents since 2000. This translates into an annual rate of 3.4 percent, which far exceeds the state (0.1 percent) and national (1.0 percent) rates. Indeed, without the net population gains in the region, the state as a whole would have recorded net population losses during the period.

Further, Berkeley County was among the top 100 fastest growing counties in the nation 2000 to 2004. Berkeley County (ranked 71st in the nation) experienced a 17.7 percent population increase during this time period. Five counties in the Washington MSA were also included in the top 100, with Loudon County in Virginia on top of the list with a 41.0 percent increase.

The Eastern Panhandle is also growing in terms of employment. From 2000 to 2004, the region had an average annual growth rate of 2.0 percent in nonfarm jobs. All of the Panhandle counties displayed similarly high growth rates, but Jefferson County was the highest with an average annual rate of 2.2 percent. In comparison, West Virginia did not add jobs at all during the period, and the U.S. lost jobs at a rate of -0.1 percent per year. The nearby MSAs also grew at rates above the U.S. average with the Winchester MSA growing the fastest at 1.9 percent as seen in Table 1.

From 2000 to 2004 the construction industry has been the fastest growing in the Eastern Panhandle growing at an average annual rate of 12.6 percent, which reflects the strong population growth in the region. The second fastest growing industry was the professional and business service sector as shown in Figure 5, followed by leisure and hospitality and education and health care. Gains in professional and business services appear to be related to Aerotek (an employment services company specializing in technology and engineering employment), which has broken into the top 10 employers in Berkeley County during the last year.

Only two industries in the Eastern Panhandle experienced negative growth from 2000 to 2004. Manufacturing jobs declined at a -7.0 percent per year pace, which was a faster rate of job loss than either West Virginia or the U.S. These job losses reflect the closure of World Kitchen (ceramics manufacturing) and in machinery production. These losses have been softened by gains in the transportation sector (aircraft and parts). The Eastern Panhandle also experienced a 0.7 percent per year decline in its second largest industry, trade, transportation, and utilities from 2000 to 2004.

Figure 5
Eastern Panhandle Region Job Growth
Compared to W.Va. and U.S.
 2000-2004

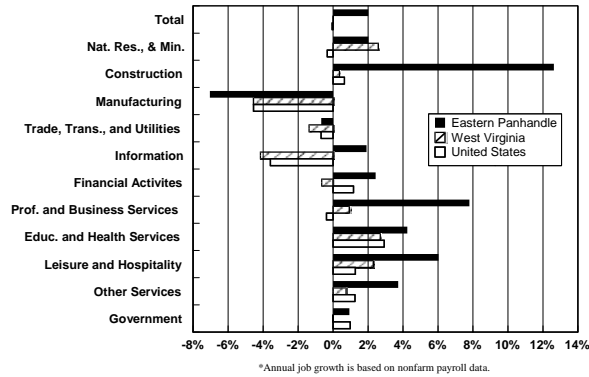
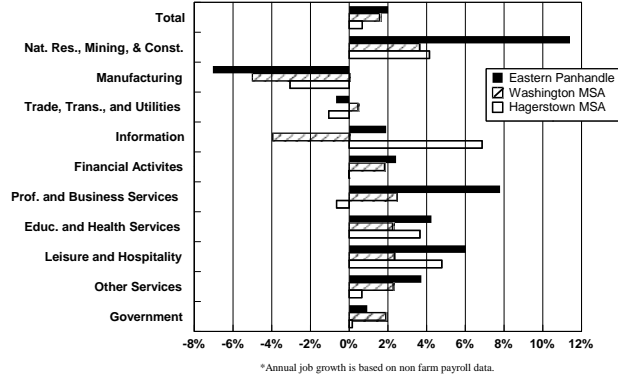


Figure 6
Eastern Panhandle Region Job Growth
Compared to Nearby MSAs
 2000-2004



Similar to the Eastern Panhandle, both the Washington and Hagerstown MSAs experienced positive total job gains at higher rates than the U.S. from 2000 to 2004. However, the Eastern Panhandle outperformed both of these MSAs' total job growth rates. Figure 6 also shows that the Eastern Panhandle grew at higher rates than both of these MSAs in most of the industries.

From 1998 to 2003 the Eastern Panhandle has shown equivalent growth to that of West Virginia in PCPI at a 3.9 percent average annual rate. This rate is above the 3.2 percent rate for the U.S., which none of the Eastern Panhandle counties fell below. Compared to the MSAs in the area the Eastern Panhandle Region's PCPI outpaced only the Winchester MSA. The Washington MSA had the highest growth rate in PCPI measurement at 4.2 percent per year.

In 2004 the Eastern Panhandle had an unemployment rate of 3.8 percent, considerably lower than West Virginia (5.3 percent) and the U.S. (5.5 percent). The MSAs in the area continued to have low unemployment rates as well. The Hagerstown (4.3 percent), Washington (3.7 percent), and Winchester MSAs (3.2 percent) all had lower rates than the national average. These low unemployment rates are striking giving the strong population growth in the area and reflected vigorous job gains during the last four years.

Forecast: 2005-2009

Local economic performance depends in part on national and international conditions because local economies typically have strong trading and commuting ties with partners outside of the region. In other words, local economies are not self-sufficient and thus they both import and export goods, services, and labor beyond their local boundaries.

As a consequence, we must consider the outlook for the national and international economies as we construct the outlook for the Eastern Panhandle Region. To do this, we use the September 2005 national forecast provided by Global Insight, Inc. (a global economic forecasting and consulting firm).

As shown in Table 2, Global Insight expects the effects on the U.S. economy from Hurricane Katrina to be more of a speed bump than a collision. The loss of wealth and spike in energy prices is expected to slow real GDP growth from 3.7 to 3.5 percent in 2005, but the impending reconstruction efforts will create additional activity, which results in an upward revision of the 2006 forecast from 3.2 to 3.4 percent. Real GDP is expected to remain in this range before tailing off to 2.9 percent in 2009.

Table 2
U.S. Forecast
Global Insight September 2005

	Actual 2004	Years				
		Forecast				
	2005	2006	2007	2008	2009	
	Annual Percent Change					
Real GDP	4.2	3.5	3.4	3.2	3.4	2.9
Industrial Production	4.1	3.0	3.2	2.6	3.3	2.9
Nonfarm Employment	1.1	1.6	1.5	1.4	1.3	0.9
Nominal Personal Income	5.9	6.0	6.5	5.7	5.9	5.6
Personal Consumption Deflator	2.6	2.9	2.2	1.7	2.0	2.2
Real Export Growth (GDP Basis)	8.4	7.8	7.8	9.6	9.7	8.2
Real Import Growth (GDP Basis)	10.7	6.8	6.9	4.2	5.0	4.7
Housing Price Growth Average, Existing Houses	9.0	7.8	3.1	2.0	2.9	3.9
	Percent					
Unemployment Rate	5.5	5.1	4.9	4.8	4.7	4.7
Federal Funds Rate	1.35	3.09	4.33	4.60	4.81	5.00
30-Year Fixed Mortgage Rate	5.84	5.74	6.42	6.75	6.96	7.28
	Billions of Dollars (FY)					
Federal Budget Surplus (Unified Basis)	-413	-338	-343	-270	-251	-220
	Key Prices					
Trd.Wtd. Value of U.S. Dollar vs Major Trading Partners (2000=1.000)	0.840	0.816	0.776	0.735	0.731	0.746
Oil - West Texas Intermediate (\$ per barrel)	41.47	58.09	59.08	49.00	45.25	43.88

In spite of the additional hurricane shocks to energy prices, Global Insight believes the effects will be temporary as the price of West Texas Intermediate Oil stays just under \$60 through 2006 and then begin to decline to near 2004 levels of \$43. Retail gas prices are expected to retreat to around \$2.50 per gallon by the end of 2005.

The housing boom is expected to subside, but not turn into a crash. This year will finish with existing home prices having risen 7.8 percent, down from 9.0 in 2004. Prices are expected to level off at around three percent annually to 2009 as the 30-year conventional mortgage rates steadily climb to 7.28 percent in 2009 from 5.74 in 2005.

Global Insight expected the Federal Open Market Committee to delay its rate hikes at the September and November meetings as consumers recover from the hurricane, although the federal funds rate was still expected to rise over the longer-term hitting 4.50 percent by early 2006. Note that the Federal Open Market Committee defied Global Insight's expectations and raise the federal funds rate at their September meeting to 3.75 percent.

The trade deficit, the difference between exports and imports, is expected to decline throughout the forecast as the real growth rate of exports remains above the growth of imports each year through 2009. Part of the reason for this is the value of the dollar against major trading partners is expected to decline continuously through 2008, with a total decline of 10.4 percent.

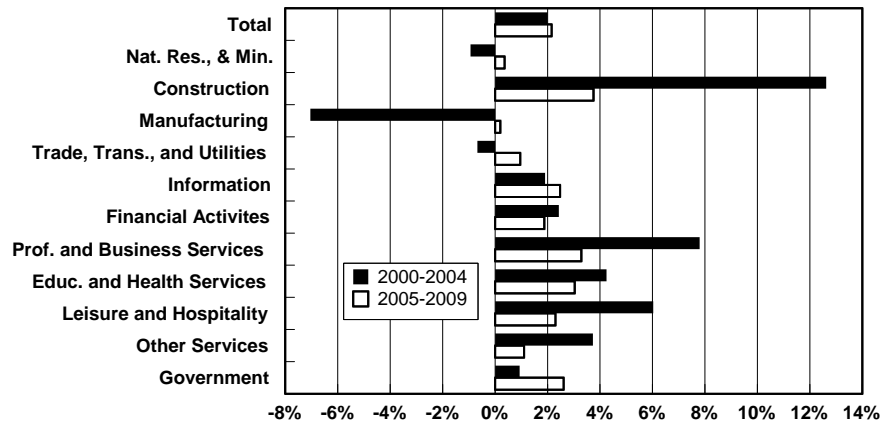
Nonfarm employment growth is expected to remain strong, finishing 2005 at 1.6 percent, up from 1.1 percent in 2004. Over the next three years growth is only expected to be slightly lower than the 2005 level, going from 1.5 to 1.3 percent from 2006 to 2008. The result of this is significant nominal personal income growth, rising from 6.0 percent in 2005 to 6.5 in 2006 and staying above 5.6 percent for the rest of the forecast.

Despite a generally upbeat national outlook, the U.S. economy still faces significant risks. Continued spikes in energy prices, particularly oil, could hamstring consumer spending and reduce business profits. The housing market could turn out to be a bubble and crash, reducing household wealth and thus consumer spending. Foreign confidence in the dollar may decline and increase the cost of imports and the weight of foreign financed government debt. The effect of Katrina may be worse than our indicators suggest, as they count rebuilding of old structures as new investment. It is also possible that the Fed will be overzealous in its rate hiking and wide up stalling instead of gradually slowing the economy.

Continued national growth sets the stage for continued strong growth in the Eastern Panhandle Region. The forecast calls for the region to add jobs, population, and real personal income at rates far exceeding the state and national rates during the next four years.

The forecast calls for Eastern Panhandle Region job growth to average 2.2 percent per year during the 2005-2009 period, with is very close to its growth during the previous four years and is more than triple the expected state rate (0.7 percent) and far above the expected growth rate for the nation (1.3 percent per year). As Figure 7 shows, the fastest job gains are expected in construction; professional and business services; education and health care; information; government; and leisure and hospitality.

Figure 7
Eastern Panhandle Region
Annual Job Growth: History and Forecast



Job gains in construction reflect the strong population gains expected in the region, with is forecast to add an additional 17,300 residents during the next four years. This population growth should also eventually spur additional construction activity in non-residential structures (factories, office buildings) and infrastructure (roads, highways, water, and sewer projects).

Note that manufacturing jobs are expected to stabilize during the period, as that sector faces strong competitive pressures nationally and internationally, after losing another 100 jobs from 2004 to 2005 with the closing of the Eastman Kodak plant in Jefferson County. The transportation sector (aircraft and parts) should help moderate manufacturing job losses as it expands in the area.

Gains in professional and business services are driven by overall growth in the nearby metropolitan areas and also by continued national growth. These gains are likely to be reflected in employment/staffing agencies, management consulting, accounting, and legal services. It is also likely that current trends in federal government procurement spending (related to homeland security and defense) will favor gains in professional and business services in the region, as government agencies contract out high-technology activities.

The information sector is forecast to continue growing as national and international growth supports overall demand. This sector includes the major printing operations in the region, as well as the print and broadcast media and telecommunications firms.

Population gains will also help to spur growth in locally-oriented activities such as education and health care; retail trade; financial activities; local government; and other services (repair and maintenance, personal services, and non-profits).

Finally, federal government activity in the region is expected to grow, as the Coast Guard expands its identification and verification activity in the area.

Strong job growth sustains gains in real per capita personal income and the combination of job growth, income gains, and the region's attractiveness in terms of cost of living compared to other counties in the Hagerstown and Washington MSAs translate into continued strong population gains in the region.

Risks to the regional outlook include the risk of a severe national downturn, which remains a possibility due to surging energy prices (boosted even more by hurricanes Katrina and Rita) and tightening monetary policy. Federal spending on defense and homeland security has contributed to strong growth in the Washington MSA and the region lately. It seems unlikely that recent weather-related events will produce realignment in federal spending priorities away from these activities, but surging federal indebtedness will eventually require tax increases or spending cuts, which may impact the region.

The region's manufacturing sector faces the same competitive pressures buffeting the sector nationwide, although additional gains in the transportation equipment (aircraft and parts) are possible. Recently released home price data from the Federal Office of Home Enterprise Oversight suggests that the Washington, Hagerstown, and Winchester MSA housing markets are at or near boom levels, according to research done at the FDIC. This translates into an increased risk of a housing bust during the forecast, perhaps precipitated by rising mortgage interest rates. However, in other metropolitan regions in the U.S. house price declines have tended to be associated with major local economic problems, which do not seem likely in the Eastern Panhandle in the near future.

In addition, the gaming sector of the regional economy has significantly contributed to recent job growth. However, this sector faces the possibility in increased competitive pressures as Maryland continues to discuss legalization of this activity within its borders.

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

	Actual				Forecast			Annual Growth						
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	East. Panh. 2005-2009*	East. Panh. 2005-2009*	W. Va.(%) 2005-2009*	U.S.(%) 2005-2009*
Total	42,870	43,630	44,140	44,880	46,400	47,115	48,132	49,128	50,164	51,309	1,048	2.2	0.7	1.3
Goods Producing	7,010	6,600	6,650	6,640	6,680	6,847	6,900	6,983	7,121	7,334	122	1.7	0.2	0.0
Nat. Res. & Mining	270	280	250	250	260	261	262	263	264	265	1	0.4	1.0	-3.1
Construction	1,610	1,720	1,950	2,200	2,590	2,861	2,987	3,053	3,150	3,315	114	3.8	0.5	1.5
Manufacturing	5,130	4,620	4,450	4,190	3,830	3,725	3,650	3,667	3,707	3,754	7	0.2	-0.2	-0.6
Service Producing	35,860	37,030	37,490	38,240	39,720	40,269	41,232	42,145	43,043	43,975	927	2.2	0.9	1.5
Trade, Trans., Util.	8,580	8,590	8,370	8,350	8,350	8,232	8,323	8,421	8,481	8,553	80	1.0	0.1	1.2
Information	1,530	1,750	1,570	1,670	1,650	1,620	1,677	1,713	1,743	1,786	42	2.5	-0.2	1.7
Financial Activities	1,390	1,390	1,420	1,470	1,530	1,568	1,583	1,610	1,646	1,689	30	1.9	0.6	0.5
Prof. & Business Serv.	3,140	3,170	3,600	3,520	4,240	4,410	4,547	4,646	4,846	5,020	152	3.3	2.2	3.5
Education & Health	3,810	4,320	4,360	4,410	4,500	4,706	4,897	5,083	5,207	5,304	150	3.0	1.3	1.4
Leisure & Hospitality	4,930	5,210	5,340	5,840	6,230	6,421	6,596	6,757	6,875	7,032	153	2.3	1.4	1.4
Other Services	2,220	2,380	2,460	2,530	2,570	2,604	2,610	2,638	2,672	2,721	29	1.1	1.1	1.4
Government	10,260	10,220	10,370	10,450	10,650	10,707	11,000	11,278	11,574	11,870	291	2.6	0.4	0.7
Labor Force	70,270	70,720	71,060	71,180	71,620	72,996	74,251	76,035	77,789	79,617	1,655	2.2	0.7	1.3
Employment	67,750	68,080	67,990	68,200	68,880	72,968	74,222	76,007	77,761	79,588	1,655	2.2	0.7	1.5
Unemployment Rate	3.6	3.7	4.3	4.2	3.8	3.8	3.9	3.8	3.6	3.6	-0.0	-1.3	-0.1	-2.3
Total Population	133,904	137,399	141,761	147,424	152,835	156,812	161,138	165,302	169,681	174,156	4,336	2.7	-0.0	0.9
Real Personal Income (Thousands of 2000 Dollars)	3,261,156	3,452,683	3,587,604	3,719,062	3,868,552	4,033,278	4,238,673	4,430,508	4,630,168	4,834,399	200,280	4.6	2.3	3.8
Wage and Salary	1,151,280	1,179,346	1,229,986	1,286,797	1,336,151	1,371,295	1,417,933	1,469,114	1,522,031	1,577,564	51,567	3.6	1.3	3.6
Other Labor Income	329,942	336,210	365,320	384,558	405,891	424,524	442,165	459,094	477,321	498,028	18,376	4.1	1.2	1.4
Proprietors' Income	170,219	219,714	229,837	242,908	260,240	266,822	280,394	289,555	299,098	311,007	11,046	3.9	2.0	3.6
Dividends, Interest, Rent	491,581	485,612	448,976	434,008	465,810	473,654	520,345	567,010	615,265	660,083	46,607	8.7	1.8	5.8
Transfer Income	487,831	552,583	615,490	646,180	657,131	700,948	754,206	791,369	832,426	875,083	43,534	5.7	3.9	3.7

The Eastern Panhandle Region consists of Berkeley, Jefferson, and Morgan counties in West Virginia
 *This column contains the average yearly change during the 2005-2009 period.
 West Virginia forecast is from the West Virginia Economic Outlook Mid-Year Review 2005.
 U.S. forecast is from Global Insight (formerly DRI-WEFA), September 2005.

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. 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 2005-2009

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