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North Central Region and Morgantown MSA Outlook 2005: Executive Summary

by George W. Hammond, Ph.D.

CONTENTS

N. Central & Morgantown MSA Outlook	1
Population Report	4

In March 2005, the Bureau of Business and Economic Research released forecasts for the North Central Region and the Morgantown MSA. The full forecast publication is available on the BBER website at www.bber.wvu.edu.

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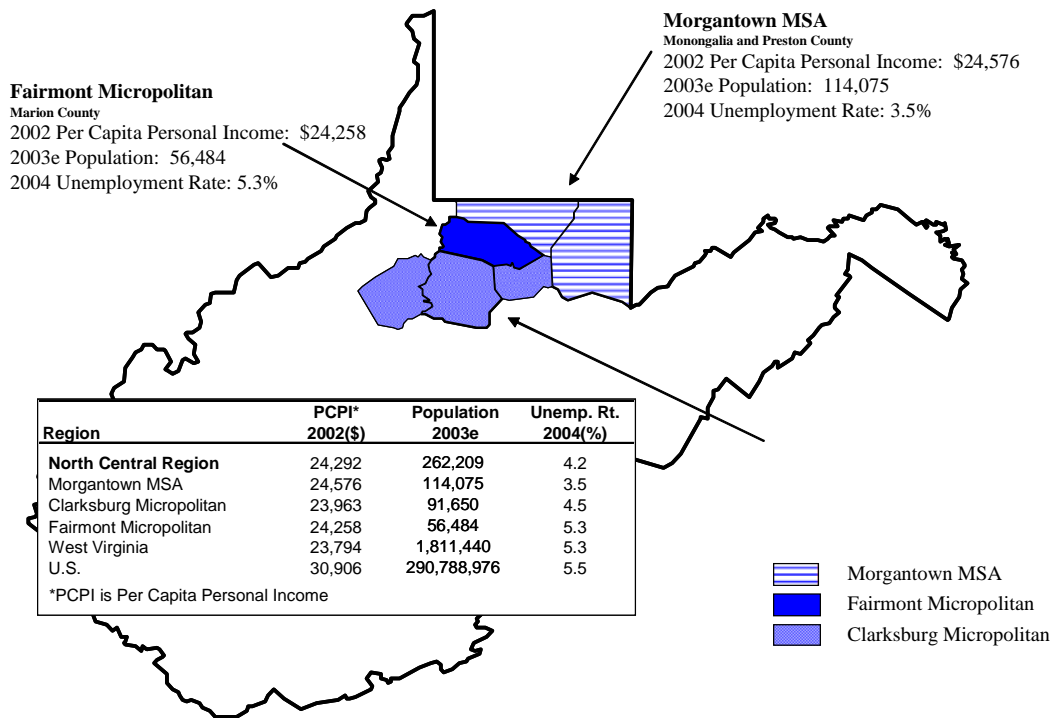
The North Central Region, as defined here, is composed of the Clarksburg micropolitan area, the Fairmont micropolitan area, and the Morgantown MSA. **Figure 1** contains the basic economic/demographic facts for the region and its component labor market areas.

Overall, the region has far outpaced state economic growth since 2000. Indeed, the region added jobs at an average annual rate of 1.3 percent during the 2000-2004 period, in contrast to net job losses for the state and the nation. The region added jobs in most sectors during the period, but the fastest growth was concentrated in professional and business services (call centers and high-tech), construction, health care, and leisure and hospitality. The region has posted positive population growth during the 2000-2003 period, outpacing state gains, but falling well short of the national average. In addition, per capita personal income growth in the region has exceeded state and national gains during the last five years, reflecting strong job growth. Finally, the region's unemployment rate averaged 4.2 percent in 2004, well below the state (5.2 percent) and national (5.5 percent) averages.

Within the region, the fastest growth lately has come in the Morgantown MSA, with job growth in the combined Monongalia and Preston County area averaging 2.2 percent per year since 2000. The strongest job gains in the MSA came in professional

and business services, construction, government, and health care. In addition, the MSA has registered very strong population gains since 2000, with the MSA growth rate (0.8 percent per year) far exceeding the state rate of 0.1 percent and coming close to the national rate of 1.0 percent. The MSA also experienced the fastest per capita income growth (5.6 percent per year) during the last five years and the lowest unemployment rate (3.5 percent) in 2004 of any of the labor markets in the North Central Region.

Figure 1
North Central Region



The national forecast, through 2009, calls for continued steady national growth. This sets the stage for strong growth in the region. Job growth is forecast to accelerate from 1.3 percent per year during the 2000-2004 period to 1.6 percent per year during the forecast. All major sectors are forecast to add jobs during the next five years, with the strongest job growth expected to come in construction, professional and business services, and health care, as **Figure 2** shows. This strong job growth, which exceeds expected state and national growth, generates continued population and per capita personal income growth, while driving the region's unemployment rate down from 4.2 percent in 2004 to 3.1 percent by 2009.

The forecast calls for the Morgantown MSA to continue its strong growth performance, far exceeding expected state and national job growth. As **Figure 3** shows, MSA job growth is forecast to average 2.2 percent per year, with the strongest job growth expected in construction, professional and business services, and health care, although all major sectors are expected to add jobs. This job growth contributes to strong population and income growth, as well as to a declining unemployment rate.

Overall, the North Central Region is well positioned to continue to outperform the state and in some cases the nation. The region as a whole, and the Morgantown MSA in particular, boast a significant concentration of highly educated residents. This will be a

key component of future economic growth, particularly with respect to gains in high-paying service sector jobs. The region and the MSA also continue to invest in productive infrastructure, with expansions and renovations planned for the region's retail, education, health care and medical research, high-tech, and tourism sectors. Indeed, the value of construction starts in the region has risen from \$210 million in 2002 to \$268 million in 2004, according to FW Dodge. These investments set the stage for continued growth regionally and in the MSA.

Figure 2
North Central Region
Annual Job Growth: History and Forecast

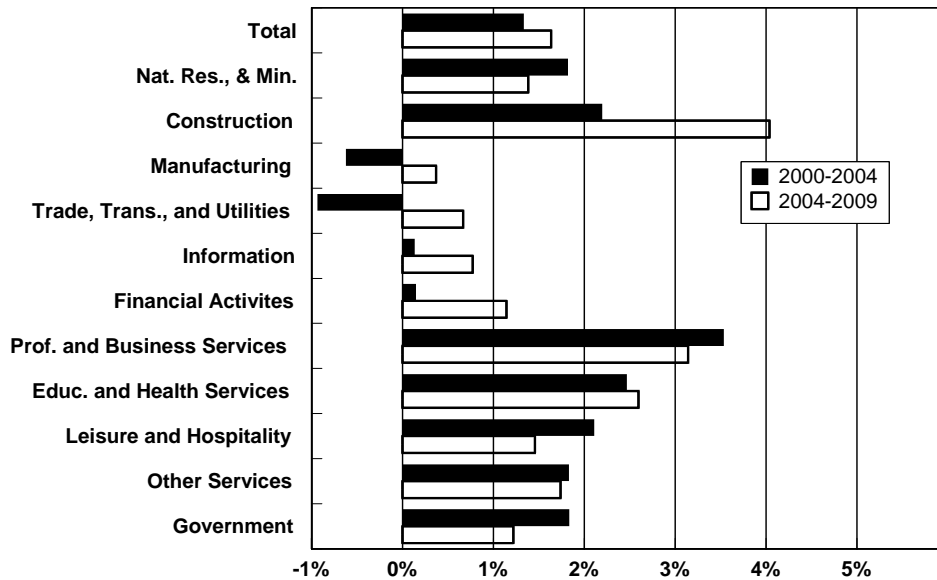
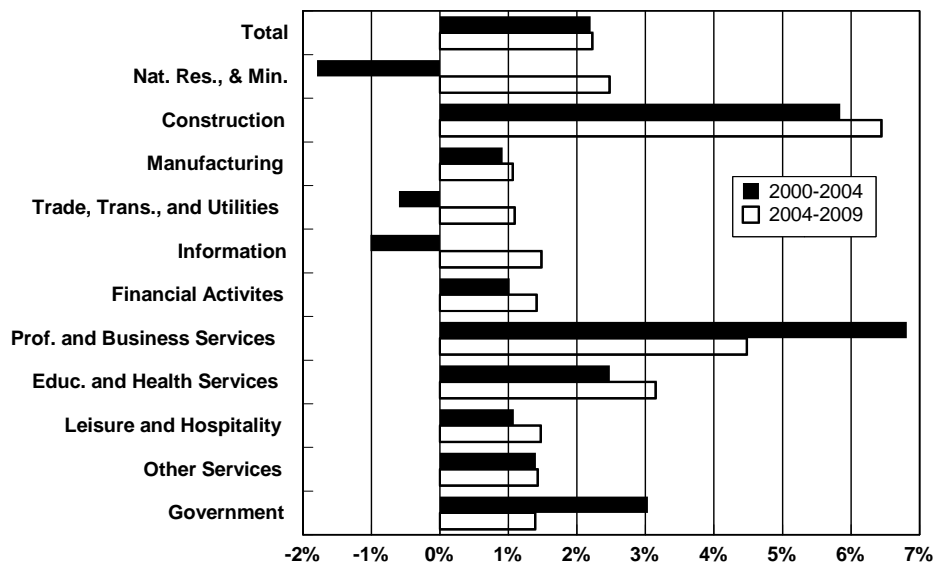


Figure 3
Morgantown MSA
Annual Job Growth: History and Forecast



Eastern Panhandle Continues to Dominate West Virginia's Population Gains in 2004

by Randy Childs, Economist

As **Table 1** indicates, the Eastern Panhandle gained 5,411 residents from July 1, 2003 to July 1, 2004, according to the latest county-level population estimates released by the U.S. Census Bureau. Twenty-seven of West Virginia's 55 counties gained population during the year. The 27 counties gained 8,786 residents. There were 5,172 of these residents in Berkeley and Jefferson counties, the two fastest growing counties in the state. Putnam County ranked third in residents gained, attracting 803 net new residents. Hampshire, Jackson, Morgan, Randolph, Upshur, Harrison, and Monongalia counties rounded out the top ten counties with population increases.

The 28 counties that lost residents from 2003 to 2004 lost a total of 4,872 net residents. Overall the state added 3,914 net residents during the year. The following map shows which counties gained or lost population during the year. Population losses were most evident in the southern coal fields and the Northern Panhandle along with some of the counties with the states largest cities (Charleston, Parkersburg, Huntington, Weirton, and Wheeling).

Figure 1
Population Change
July 1, 2003 to July 1, 2004

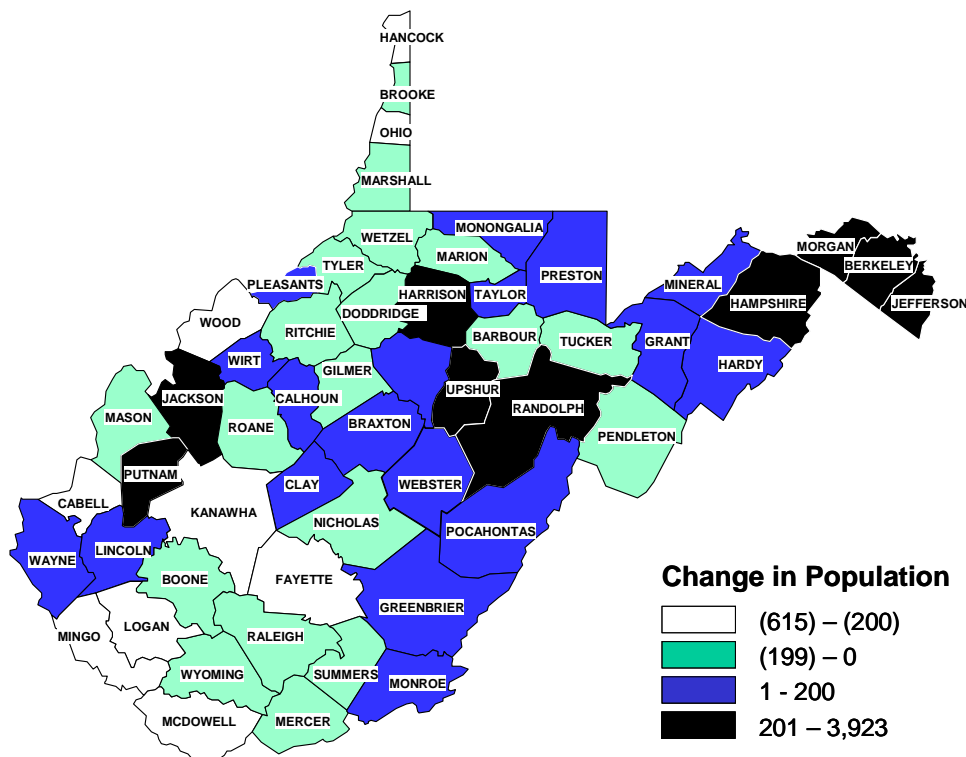


Table 1
Annual Estimates of Population Change for Counties of West Virginia and County Rankings:
July 1, 2003 to July 1, 2004

Geographic Area	State Ranking of Counties							
	Population Estimates		Change, 2003 to 2004		Population Estimates		Change, 2003 to 2004	
	July 1, 2004	July 1, 2003	Number	Percent	July 1, 2003	July 1, 2004	Number	Percent
West Virginia	1,815,354	1,811,440	3,914	0.2	(X)	(X)	(X)	(X)
Barbour	15,476	15,602	-126	-0.8	37	36	41	51
Berkeley	89,362	85,439	3,923	4.6	3	4	1	1
Boone	25,721	25,745	-24	-0.1	26	26	30	29
Braxton	14,950	14,837	113	0.8	39	39	13	13
Brooke	24,785	24,983	-198	-0.8	27	28	46	49
Cabell	94,801	95,110	-309	-0.3	2	2	52	37
Calhoun	7,415	7,356	59	0.8	52	52	20	12
Clay	10,424	10,329	95	0.9	45	45	16	8
Doddridge	7,418	7,468	-50	-0.7	51	50	33	44
Fayette	47,049	47,351	-302	-0.6	12	11	51	43
Gilmer	6,982	7,032	-50	-0.7	54	54	33	45
Grant	11,537	11,442	95	0.8	43	43	16	10
Greenbrier	34,886	34,778	108	0.3	16	17	14	19
Hampshire	21,542	21,272	270	1.3	32	32	4	5
Hancock	31,507	31,808	-301	-0.9	18	18	50	52
Hardy	13,209	13,064	145	1.1	42	42	11	6
Harrison	68,303	68,093	210	0.3	7	7	9	20
Jackson	28,477	28,238	239	0.8	21	21	5	9
Jefferson	47,663	46,414	1,249	2.7	11	12	2	2
Kanawha	195,218	195,823	-605	-0.3	1	1	54	36
Lewis	17,132	17,082	50	0.3	33	34	21	22
Lincoln	22,564	22,423	141	0.6	31	31	12	16
Logan	36,502	36,769	-267	-0.7	15	15	49	46
Marion	56,453	56,512	-59	-0.1	9	9	35	32
Marshall	34,722	34,916	-194	-0.6	17	16	45	41
Mason	25,941	26,091	-150	-0.6	25	25	43	42
McDowell	24,726	25,341	-615	-2.4	28	27	55	55
Mercer	62,070	62,134	-64	-0.1	8	8	36	31
Mineral	27,145	27,143	2	0.0	23	23	27	27
Mingo	27,389	27,610	-221	-0.8	22	22	47	50
Monongalia	83,918	83,734	184	0.2	5	5	10	23
Monroe	13,568	13,470	98	0.7	41	41	15	15
Morgan	15,810	15,571	239	1.5	36	37	5	3
Nicholas	26,276	26,289	-13	0.0	24	24	28	28
Ohio	45,410	45,659	-249	-0.5	13	13	48	40
Pendleton	7,897	7,910	-13	-0.2	49	49	28	33
Pleasants	7,441	7,411	30	0.4	50	51	25	18
Pocahontas	8,995	8,991	4	0.0	48	48	26	26
Preston	29,856	29,768	88	0.3	19	19	18	21
Putnam	53,836	53,033	803	1.5	10	10	3	4
Raleigh	79,175	79,252	-77	-0.1	6	6	39	30
Randolph	28,495	28,261	234	0.8	20	20	7	11
Ritchie	10,486	10,513	-27	-0.3	44	44	31	35
Roane	15,359	15,392	-33	-0.2	38	38	32	34
Summers	13,809	13,958	-149	-1.1	40	40	42	53
Taylor	16,202	16,171	31	0.2	35	35	23	24
Tucker	7,046	7,160	-114	-1.6	53	53	40	54
Tyler	9,365	9,438	-73	-0.8	47	47	38	48
Upshur	23,996	23,770	226	1.0	30	30	8	7
Wayne	42,515	42,468	47	0.1	14	14	22	25
Webster	9,849	9,777	72	0.7	46	46	19	14
Wetzel	17,048	17,117	-69	-0.4	34	33	37	39
Wirt	5,835	5,804	31	0.5	55	55	23	17
Wood	87,100	87,430	-330	-0.4	4	3	53	38
Wyoming	24,698	24,888	-190	-0.8	29	29	44	47

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