

# West Virginia Business & Economic

# REVIEW

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West Virginia University College of Business and Economics

## *Cruising Near the Edge of Recession* *from the West Virginia Economic Outlook Mid-Year Review 2001*

The state continued to expand last year, adding another year of positive results to a decade of gradual improvement. The state's job count rose by 9,600 to reach another new high. The growth rate was slow though, at 1.3 percent for the year, well below growth rates posted in the early 1990s and well below the national growth rate in 2000 of 2.2 percent. Per capita personal income was up again, the unemployment rate dropped (again) to 5.5 percent, and the state's population level looks to have stabilized near 1.8 million residents.

The outlook for 2001-2002 is very cloudy at the moment. The national economy is clearly weakening, with real gross domestic product (GDP) rising just 1.2 percent at an annual rate in the first quarter of 2001. Consumer spending has slowed this year, and investment spending dropped sharply in both the fourth quarter of 2000 and the first quarter of this year. The manufacturing sector has weakened markedly during the last year, registering declines in employment and production. National manufacturing jobs are down 3.3 percent from May 2000 to May 2001.

In West Virginia, manufacturing jobs are down 2.4 percent during the last year. Chemical products and primary metals manufacturing in the state have been under intense pressure. Indeed, during the May 2000 to May 2001 period, primary metals lost 600 jobs, while chemical products employment declined by 500. Both sectors have been under heavy pressure on a number of fronts, including rising energy costs and stiff foreign competition (related to a strong dollar, and in the case of primary metals, industry-wide over-capacity).

Tight energy markets have finally reversed declining coal prices, with spot prices rocketing up during the year. Coal mining jobs have stopped falling, and indeed preliminary estimates for the

first quarter of 2001 put seasonally adjusted West Virginia coal jobs at 16,400. That's 600 jobs above the first quarter of 2000. Coal production has also stabilized this year, with production through the first half of the year up 1.0 percent over 2000, according to preliminary estimates.

The state outlook depends in part how the national economy performs. DRI-WEFA prepared the U.S. forecast (in May 2001) that underpins the state forecast. The economists at DRI-WEFA still believe that the national economy has a good chance of avoiding recession during 2001-2002, but they think it will be a close call. Growth for most of the major indicators is expected to be significantly slower than we've seen during the last few years.

Sustained national growth helps to put a floor under state economic momentum. The baseline state outlook calls for continued, but sluggish, growth. That translates into a gradually rising standard of living for West Virginia residents, but also implies that the state will fall further behind the national economy. The state and national forecasts are briefly summarized in Table 1 (page 2). For a more detailed look at the Mid-Year Review 2001 forecast, see the BBER website: [www.bber.wvu.edu](http://www.bber.wvu.edu).

A national recession in the near-term remains a significant risk. Recent Federal Reserve action, combined with mild fiscal policy stimulus, may not be enough to stave off economic declines resulting from higher-than-expected high-technology inventory overhangs. This, combined with declining stock market valuations, sliding consumer confidence, and tight energy markets, might be enough to produce a mild recession. A mild downturn morphing into a severe downturn is also a risk, as consumers, overburdened with debt, slash spending more than currently expected.

A falling national economy would cloud the state's outlook. Though this does not necessarily mean that a national recession would generate a state recession, it does mean that national economic problems would slow the state's growth, at a minimum. In fact, the current recession scenarios, (with telecommunications and information technology manufacturing falling hard, dropping stock market values, tight energy markets) may have less of an impact on the state.

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**Table 1**  
**W. Va. and U.S. Economic Growth**

|                                  | 1990-2000 |      | 2000-2005 |      |
|----------------------------------|-----------|------|-----------|------|
|                                  | W. Va.    | U.S. | W. Va.    | U.S. |
| Job Growth                       | 1.6       | 1.9  | 1.0       | 1.1  |
| Real Per Capita Income Growth    | 1.8       | 1.9  | 2.2       | 2.3  |
| Population Growth                | 0.1       | 1.2  | -0.1      | 0.9  |
| Real Gross State Product Growth* | 2.4       | 3.3  | 1.7       | 3.1  |
| Unemployment Rate Change         | -0.3      | -0.2 | 0.0       | 0.3  |

\* U.S. growth rates are for real gross domestic product. Real gross state product for W.Va. for 2000 is forecast data.

As usual, the state outlook faces homegrown risks. These relate to some of the largest industries in the state, like coal mining, chemical products, primary metals, and electric power generation. Each of these sectors continues to face regulatory risk. Although the current political environment may ease these pressures somewhat, they remain of long-term concern. Further, the chemical products and primary metals sectors face international competitive pressures that may not ease in the short-run.

## Forecast Overview by Indicator

### Jobs

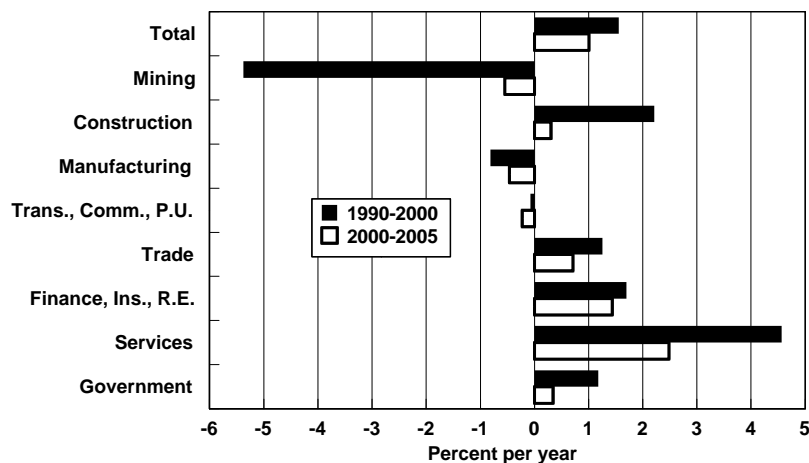
West Virginia's job growth averaged 1.6 percent per year during the 1990-2000 period, short of the national average growth rate of 1.9 percent per year. Most sectors in the state added jobs, as Figure 1 shows, but the state experienced huge job losses in coal mining, chemical manufacturing, and primary metals manufacturing during the decade.

Net job growth during the decade was strongest in services, which includes health care, business services, several travel and tourism-related sectors, and social services, among a host of others. During the 1990s, services generated 77.3 percent of net job growth in the state, compared to 56.0 percent nationally.

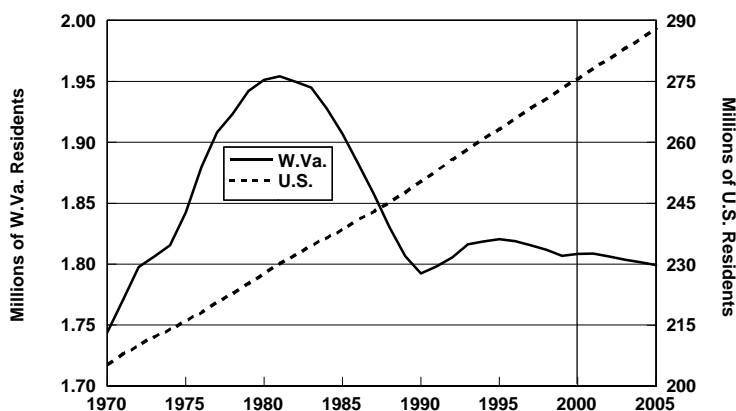
The forecast calls for job growth to continue, but for growth to be noticeably slower. Coal mining jobs are forecast to roughly stabilize around current levels, as higher coal prices work their way through the industry. If coal mining jobs rise in 2001, as the forecast anticipates, it will be the first annual average employment increase since 1994.

Construction jobs are forecast to remain at high levels, as interest rates fall during the forecast period. The manufacturing outlook calls for jobs to drop precipitously, particularly in chemicals and primary metals, as a strong dollar, tight energy markets, and capacity concerns continue to concentrate competitive pressures on these sectors. The wood products sector is forecast to continue to add jobs,

**Figure 1**  
**W. Va. Annual Job Growth Decelerates during the Forecast**



**Figure 2**  
**W. Va. Population Stabilizes around 1.8 Million Residents**



as is the transportation equipment industry (auto parts and aircraft). The services sector generates most of the net job growth during the forecast, but even this workhorse loses some steam during the next five years. Look for business services to continue to lead the pack.

### Income

With steady job gains, the state's standard of living (as measured by inflation-adjusted per capita personal income) is likely to rise during the next five years. However, this is also likely to be cold comfort, as the U.S. forecast calls for faster gains nationally. Overall inflation-adjusted per capita personal income is forecast to rise by 2.2 percent per year in the state, compared to 2.3 percent for the U.S.

### Population

According to Census 2000, the state added nearly 15,000 residents during the 1990s. This is close to the growth suggested by the preliminary population estimates for the 1990-1999 period. The state's rate of population growth during the decade, while positive, was slow. Indeed, West Virginia recorded the second slowest rate of growth (0.8 percent growth during the decade) of any state in the nation. Only North Dakota grew slower, with 0.5 percent growth, while U.S. population rose by 13.2 percent.

West Virginia's demographics do not foster rapid population gains. The state's population growth typically arises from two major sources: natural increase and net migration. Natural increase is the annual difference between births and deaths. Since births have nearly equaled deaths during the last few years, population gains have gotten little boost from natural increase. That leaves net migration to do the heavy lifting. Net migration depends on relative economic performance, and, while West Virginia posted solid economic gains during the 1990s, most other states did better. Thus, the state was unable to generate much in the way of positive net migration.

As Figure 2 shows, the forecast calls for the situation to remain much the same, with the state's population roughly stabilized around 1.8 million residents during the next five years. But just because the overall population level is forecast to remain stable does not mean that nothing important will be happening. According to the 2000 Census,

West Virginia has the highest median age in the nation, at 38.9 years (compared to 35.3 nationally). With little natural increase or net migration, the state's demographic age will continue to rise. This will impact labor force participation rates and the demand for health and social services.

### Unemployment Rate

The state's unemployment rate hit 5.5 percent in 2000 and has remained in that neighborhood so far in 2001. The national rate in 2000 was 4.0 percent, leaving West Virginia 1.5 percentage points above the national rate. That's a large distance, but it's also the closest the state's been since the late 1970s. The state's labor market is in the best shape it's been in for decades. Remember, though, that a declining unemployment rate is not necessarily an unambiguous sign of an improving economy. West Virginia's rate has fallen during the last half of the decade in part because of solid employment gains. However, the preliminary population estimates also suggest that another important factor has been net out-migration from the state.

The forecast calls for the state's unemployment rate to remain near 2000 levels during the forecast, as job growth continues to be balanced by population stability. The U.S. forecast calls for the national rate to rise near the state level during the forecast.

### Gross State Product

West Virginia's gross state product (GSP), before adjusting for inflation, rose at an average annual rate of 4.1 percent per year during the 1990s. That's well below the national rate of 5.6 percent. On a per-worker basis, the state's nominal GSP rose at an average annual rate of 2.7 percent per year during the 1990s, compared to 3.7 percent for the nation, and ranking the state 43<sup>rd</sup> in the nation. Growth in real GSP per worker reflects a similar trend. With slowing growth expected during the next five years, GSP growth decelerates. On a per-worker basis, the forecast calls for real GSP growth to remain near levels established during the 1990s, as the state economy sustains productivity gains, but for gains to trail the national average.

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# *New Regional Forecasts from the West Virginia Economic Outlook*

Economic growth varies considerably across regions in West Virginia. In response to this, the BBER develops regional forecasts designed to increase our understanding of regional economic performance. During the last few months, the BBER has released new forecasts for the Steubenville-Weirton MSA, the Potomac Highlands Region, and the Eastern Panhandle Region (see Figure 1 for each region's boundaries). This article offers a summary of these forecasts. In the recent past, the BBER has also released forecasts for the Beckley-Bluefield region and the Wheeling MSA. Full details of the forecasts are available on the BBER web site: [www.bber.wvu.edu](http://www.bber.wvu.edu). Contact the BBER to discuss funding a regional forecast for your region.

## **Steubenville-Weirton MSA Outlook**

The Steubenville-Weirton Metropolitan Statistical Area (MSA) lagged behind West Virginia and the nation during the 1990s. The region posted net job losses during the decade, in contrast to the state and the nation, primarily due to huge job losses in manufacturing. On the brighter side, the region's job growth in services nearly matched state and national rates, with travel and tourism services (Mountaineer Race Track and Gaming Resort) posting positive results. However, overall weak job growth performance held down income growth and contributed to large population losses during the decade. Population losses contributed to labor force declines, which, in turn, helped to produce lower unemployment rates during the 1990s.

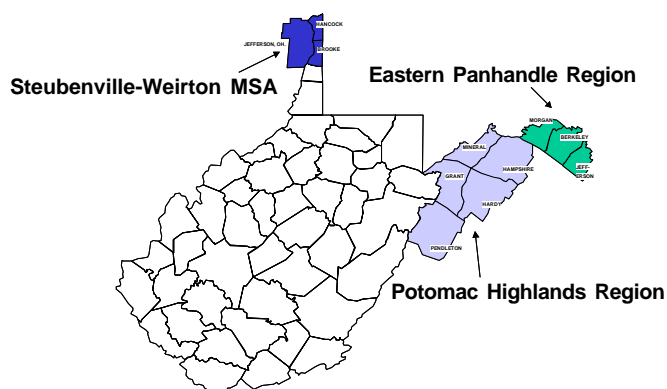
The forecast for the region depends on the outlook for the national and international economies. If the U.S. avoids recession during the 2000-2005 period, the region has a solid foundation on which to build. However, regional growth is likely to be very slow and to fall well short of state and national growth rates. If the national slowdown currently underway turns into a recession, that will produce net job losses in the region, drive income growth down, and produce rising unemployment rates. Further, the region is very specialized in manufacturing sectors (especially steel production with Weirton Steel Corporation, Wheeling-Pittsburgh Steel Corporation, and Wheeling-Nisshin, Inc. located in the region) that have been punished by strong international competitive pressures in recent years. If these pressures accelerate during the forecast period, results for the region will probably fall well short of current expectations.

## **Potomac Highlands Region Outlook**

The Potomac Highlands region produced solid economic gains during the 1990s, posting positive net job growth, adding to inflation-adjusted per capita personal income, attracting new residents, and pushing down the rate of unemployment. However, economic growth in the region generally fell short of the pace set by the nation, West Virginia, Virginia, and Maryland. Job losses in mining, construction, and transportation, communications, and public utilities, slowed gains in the region (as did comparatively slow government job growth), while manufacturing job growth outpaced the state and the nation during the 1990s.

The forecast calls for the region to continue on its upward trajectory during the 2000-2005 period, if the national economy avoids recession. However, this growth can be expected to fall short of the growth expected for the nation. Regional growth rates are forecast to remain near the levels set during the last decade. The region is

**Figure 1**  
**Three Regions with New Regional Forecasts**



likely to continue to post population gains well in excess of the state rate of growth. The unemployment rate for the region is forecast to remain close to the West Virginia rate during the forecast, leaving it above the national rate.

## **Eastern Panhandle Region Outlook**

The Eastern Panhandle region expanded far faster than did the state during the 1990s. Regional job growth during the last decade more than doubled the rates posted by the Washington, D.C. PMSA, and the state of West Virginia; it almost doubled the national rate. In addition, population gains were strong during the decade, the region's per capita personal income expanded, and unemployment rates were low.

The forecast for the next five years calls for the region to continue to expand, if the national economy avoids recession. Job growth is forecast to far exceed state and national rates, with strong gains in service-producing sectors like trade, services, and government. Manufacturing and construction jobs are also forecast to post positive growth during the forecast period. Strong job growth performance drives gains in per capita personal income and contributes to continued population expansion. Regional unemployment rates are expected to remain low during the forecast period.

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# Census 2000 Update: W. Va. Households

|                   | Total Households |            |                       | Family Households as % of Total |      | Persons per Household |      |
|-------------------|------------------|------------|-----------------------|---------------------------------|------|-----------------------|------|
|                   | 2000             | 1990       | % Change<br>2000-1990 | 2000                            | 1990 | 2000                  | 1990 |
| U.S.              | 105,480,101      | 91,947,410 | 14.7                  | 68.1                            | 70.2 | 2.59                  | 2.63 |
| West Virginia     | 736,481          | 688,557    | 7.0                   | 68.4                            | 72.7 | 2.40                  | 2.55 |
| Barbour County    | 6,123            | 5,835      | 4.9                   | 71.3                            | 73.6 | 2.47                  | 2.60 |
| Berkeley County   | 29,569           | 22,350     | 32.3                  | 70.0                            | 72.6 | 2.53                  | 2.60 |
| Boone County      | 10,291           | 9,656      | 6.6                   | 72.5                            | 76.9 | 2.47                  | 2.68 |
| Braxton County    | 5,771            | 4,950      | 16.6                  | 71.0                            | 74.3 | 2.46                  | 2.61 |
| Brooke County     | 10,396           | 10,131     | 2.6                   | 68.8                            | 74.6 | 2.36                  | 2.56 |
| Cabell County     | 41,180           | 39,146     | 5.2                   | 61.9                            | 67.1 | 2.27                  | 2.39 |
| Calhoun County    | 3,071            | 2,978      | 3.1                   | 71.7                            | 75.2 | 2.46                  | 2.64 |
| Clay County       | 4,020            | 3,627      | 10.8                  | 73.2                            | 77.0 | 2.55                  | 2.75 |
| Doddridge County  | 2,845            | 2,623      | 8.5                   | 73.9                            | 74.6 | 2.56                  | 2.67 |
| Fayette County    | 18,945           | 18,292     | 3.6                   | 69.3                            | 72.1 | 2.41                  | 2.55 |
| Gilmer County     | 2,768            | 2,717      | 1.9                   | 67.3                            | 72.7 | 2.43                  | 2.61 |
| Grant County      | 4,591            | 3,925      | 17.0                  | 71.3                            | 76.1 | 2.43                  | 2.62 |
| Greenbrier County | 14,571           | 13,775     | 5.8                   | 68.1                            | 71.8 | 2.32                  | 2.48 |
| Hampshire County  | 7,955            | 6,182      | 28.7                  | 70.9                            | 74.5 | 2.49                  | 2.63 |
| Hancock County    | 13,678           | 13,781     | -0.7                  | 69.5                            | 74.2 | 2.36                  | 2.54 |
| Hardy County      | 5,204            | 4,286      | 21.4                  | 68.5                            | 74.3 | 2.42                  | 2.55 |
| Harrison County   | 27,867           | 27,009     | 3.2                   | 68.5                            | 71.9 | 2.42                  | 2.53 |
| Jackson County    | 11,061           | 9,645      | 14.7                  | 74.2                            | 79.1 | 2.50                  | 2.66 |
| Jefferson County  | 16,165           | 12,914     | 25.2                  | 70.0                            | 73.5 | 2.54                  | 2.68 |
| Kanawha County    | 86,226           | 84,713     | 1.8                   | 64.9                            | 69.6 | 2.28                  | 2.42 |
| Lewis County      | 6,946            | 6,615      | 5.0                   | 69.2                            | 71.6 | 2.40                  | 2.54 |
| Lincoln County    | 8,664            | 7,647      | 13.3                  | 75.4                            | 79.8 | 2.54                  | 2.79 |
| Logan County      | 14,880           | 15,425     | -3.5                  | 73.5                            | 78.4 | 2.50                  | 2.77 |
| McDowell County   | 11,169           | 12,880     | -13.3                 | 70.2                            | 75.9 | 2.42                  | 2.72 |
| Marion County     | 23,652           | 22,667     | 4.3                   | 65.6                            | 69.9 | 2.34                  | 2.47 |
| Marshall County   | 14,207           | 14,051     | 1.1                   | 71.1                            | 74.6 | 2.44                  | 2.59 |
| Mason County      | 10,587           | 9,603      | 10.2                  | 71.5                            | 75.6 | 2.42                  | 2.59 |
| Mercer County     | 26,509           | 25,390     | 4.4                   | 67.7                            | 72.6 | 2.33                  | 2.50 |
| Mineral County    | 10,784           | 9,981      | 8.0                   | 71.5                            | 75.1 | 2.46                  | 2.62 |
| Mingo County      | 11,303           | 11,830     | -4.5                  | 72.7                            | 78.7 | 2.49                  | 2.84 |
| Monongalia County | 33,446           | 29,087     | 15.0                  | 55.3                            | 60.6 | 2.28                  | 2.40 |
| Monroe County     | 5,447            | 4,749      | 14.7                  | 71.3                            | 74.9 | 2.41                  | 2.58 |
| Morgan County     | 6,145            | 4,731      | 29.9                  | 70.7                            | 75.1 | 2.40                  | 2.52 |
| Nicholas County   | 10,722           | 9,970      | 7.5                   | 72.4                            | 77.2 | 2.46                  | 2.67 |
| Ohio County       | 19,733           | 20,646     | -4.4                  | 61.6                            | 65.3 | 2.27                  | 2.35 |
| Pendleton County  | 3,350            | 3,061      | 9.4                   | 70.3                            | 75.8 | 2.40                  | 2.58 |
| Pleasants County  | 2,887            | 2,769      | 4.3                   | 74.0                            | 74.9 | 2.51                  | 2.62 |
| Pocahontas County | 3,835            | 3,628      | 5.7                   | 65.9                            | 70.5 | 2.30                  | 2.44 |
| Preston County    | 11,544           | 10,619     | 8.7                   | 72.4                            | 76.7 | 2.50                  | 2.70 |
| Putnam County     | 20,028           | 15,695     | 27.6                  | 76.3                            | 80.4 | 2.56                  | 2.71 |
| Raleigh County    | 31,793           | 29,483     | 7.8                   | 69.5                            | 74.0 | 2.38                  | 2.57 |
| Randolph County   | 11,072           | 10,366     | 6.8                   | 69.2                            | 72.5 | 2.41                  | 2.55 |
| Ritchie County    | 4,184            | 3,928      | 6.5                   | 71.7                            | 74.6 | 2.45                  | 2.57 |
| Roane County      | 6,161            | 5,740      | 7.3                   | 72.7                            | 75.1 | 2.49                  | 2.62 |
| Summers County    | 5,530            | 5,240      | 5.5                   | 67.9                            | 72.7 | 2.32                  | 2.52 |
| Taylor County     | 6,320            | 5,741      | 10.1                  | 71.0                            | 74.0 | 2.47                  | 2.58 |
| Tucker County     | 3,052            | 3,017      | 1.2                   | 69.5                            | 72.3 | 2.35                  | 2.51 |
| Tyler County      | 3,836            | 3,709      | 3.4                   | 73.9                            | 76.7 | 2.47                  | 2.62 |
| Upshur County     | 8,972            | 8,245      | 8.8                   | 70.8                            | 73.6 | 2.45                  | 2.61 |
| Wayne County      | 17,239           | 15,626     | 10.3                  | 73.4                            | 77.4 | 2.48                  | 2.66 |
| Webster County    | 4,010            | 3,996      | 0.4                   | 70.2                            | 77.0 | 2.41                  | 2.67 |
| Wetzel County     | 7,164            | 7,303      | -1.9                  | 70.9                            | 74.4 | 2.45                  | 2.61 |
| Wirt County       | 2,284            | 1,942      | 17.6                  | 74.4                            | 76.2 | 2.56                  | 2.67 |
| Wood County       | 36,275           | 34,168     | 6.2                   | 68.6                            | 73.1 | 2.39                  | 2.52 |
| Wyoming County    | 10,454           | 10,474     | -0.2                  | 73.7                            | 79.5 | 2.45                  | 2.76 |

Source: U.S. Census Bureau, Census 2000 Summary File 1 and Census 1990, STF 1.

A household includes all persons who occupy a housing unit, like a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters. Family households consist of a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption.

# Census 2000 Update: W. Va. Housing

|                   | Total Housing Units |                    | Occupied Housing Units |                    | Homeowner Vacancy Rate |      | Rental Vacancy Rate |      |
|-------------------|---------------------|--------------------|------------------------|--------------------|------------------------|------|---------------------|------|
|                   | 2000                | % Change 2000-1990 | 2000                   | % Change 2000-1990 | 2000                   | 1990 | 2000                | 1990 |
| U.S.              | 115,904,641         | 13.3               | 105,480,101            | 14.7               | 1.7                    | 2.1  | 6.8                 | 8.5  |
| West Virginia     | 844,623             | 8.1                | 736,481                | 7.0                | 2.2                    | 2.2  | 9.1                 | 10.1 |
| Barbour County    | 7,348               | 5.6                | 6,123                  | 4.9                | 2.2                    | 2.6  | 6.2                 | 8.9  |
| Berkeley County   | 32,913              | 29.7               | 29,569                 | 32.3               | 2.3                    | 2.1  | 7.2                 | 8.0  |
| Boone County      | 11,575              | 8.1                | 10,291                 | 6.6                | 2.3                    | 1.8  | 12.3                | 10.9 |
| Braxton County    | 7,374               | 29.2               | 5,771                  | 16.6               | 3.1                    | 1.8  | 7.6                 | 9.0  |
| Brooke County     | 11,150              | 2.9                | 10,396                 | 2.6                | 1.6                    | 1.6  | 7.7                 | 9.9  |
| Cabell County     | 45,615              | 4.6                | 41,180                 | 5.2                | 2.2                    | 2.6  | 8.5                 | 10.4 |
| Calhoun County    | 3,848               | 11.7               | 3,071                  | 3.1                | 2.0                    | 1.8  | 6.9                 | 6.7  |
| Clay County       | 4,836               | 10.9               | 4,020                  | 10.8               | 1.7                    | 1.2  | 6.4                 | 8.2  |
| Doddridge County  | 3,661               | 12.6               | 2,845                  | 8.5                | 2.3                    | 3.1  | 5.6                 | 6.7  |
| Fayette County    | 21,616              | 3.7                | 18,945                 | 3.6                | 2.3                    | 2.5  | 9.1                 | 10.6 |
| Gilmer County     | 3,621               | 11.7               | 2,768                  | 1.9                | 3.0                    | 3.0  | 14.3                | 10.3 |
| Grant County      | 6,105               | 28.6               | 4,591                  | 17.0               | 1.8                    | 1.4  | 8.5                 | 10.2 |
| Greenbrier County | 17,644              | 5.3                | 14,571                 | 5.8                | 3.0                    | 2.3  | 9.1                 | 9.7  |
| Hampshire County  | 11,185              | 26.9               | 7,955                  | 28.7               | 1.7                    | 2.8  | 7.1                 | 6.8  |
| Hancock County    | 14,728              | 0.2                | 13,678                 | -0.7               | 1.3                    | 1.4  | 9.6                 | 8.8  |
| Hardy County      | 7,115               | 27.7               | 5,204                  | 21.4               | 1.6                    | 1.7  | 5.3                 | 7.2  |
| Harrison County   | 31,112              | 3.7                | 27,867                 | 3.2                | 2.7                    | 3.0  | 10.7                | 14   |
| Jackson County    | 12,245              | 15.8               | 11,061                 | 14.7               | 1.5                    | 1.4  | 8.1                 | 7.3  |
| Jefferson County  | 17,623              | 20.7               | 16,165                 | 25.2               | 1.5                    | 2.7  | 4.4                 | 6.2  |
| Kanawha County    | 93,788              | 1.1                | 86,226                 | 1.8                | 1.9                    | 2.2  | 8.5                 | 10.7 |
| Lewis County      | 7,944               | 6.6                | 6,946                  | 5.0                | 1.8                    | 2.3  | 7.5                 | 8.3  |
| Lincoln County    | 9,846               | 16.8               | 8,664                  | 13.3               | 2.0                    | 1.0  | 7.7                 | 9.0  |
| Logan County      | 16,807              | -0.2               | 14,880                 | -3.5               | 2.5                    | 1.9  | 13.4                | 8.5  |
| McDowell County   | 13,582              | -11.4              | 11,169                 | -13.3              | 4.6                    | 2.1  | 13.1                | 14.5 |
| Marion County     | 26,660              | 4.6                | 23,652                 | 4.3                | 2.9                    | 2.6  | 12.9                | 12.4 |
| Marshall County   | 15,814              | 1.2                | 14,207                 | 1.1                | 1.2                    | 1.9  | 6.3                 | 9.2  |
| Mason County      | 12,056              | 10.3               | 10,587                 | 10.2               | 1.6                    | 2.9  | 8.1                 | 11.7 |
| Mercer County     | 30,143              | 6.0                | 26,509                 | 4.4                | 2.5                    | 2.6  | 10.6                | 10.9 |
| Mineral County    | 12,094              | 10.6               | 10,784                 | 8.0                | 2.2                    | 1.7  | 7.4                 | 7.3  |
| Mingo County      | 12,898              | -1.4               | 11,303                 | -4.5               | 3.0                    | 1.7  | 13.4                | 11.6 |
| Monongalia County | 36,695              | 16.3               | 33,446                 | 15.0               | 2.4                    | 1.8  | 7.7                 | 8    |
| Monroe County     | 7,267               | 21.2               | 5,447                  | 14.7               | 2.3                    | 2.2  | 8                   | 6.5  |
| Morgan County     | 8,076               | 19.5               | 6,145                  | 29.9               | 3.2                    | 2.9  | 7.6                 | 12.7 |
| Nicholas County   | 12,406              | 10.4               | 10,722                 | 7.5                | 2.6                    | 1.7  | 7.8                 | 8    |
| Ohio County       | 22,166              | -4.6               | 19,733                 | -4.4               | 2.1                    | 2.4  | 13.4                | 13.1 |
| Pendleton County  | 5,102               | 13.0               | 3,350                  | 9.4                | 2.3                    | 1.8  | 10.5                | 11.2 |
| Pleasants County  | 3,214               | 2.6                | 2,887                  | 4.3                | 1.1                    | 1.7  | 5                   | 8.7  |
| Pocahontas County | 7,594               | 36.1               | 3,835                  | 5.7                | 2.3                    | 1.9  | 26.7                | 6.7  |
| Preston County    | 13,444              | 10.8               | 11,544                 | 8.7                | 2.1                    | 2.0  | 9.2                 | 10.6 |
| Putnam County     | 21,621              | 28.1               | 20,028                 | 27.6               | 1.9                    | 2.3  | 9                   | 6.6  |
| Raleigh County    | 35,678              | 7.2                | 31,793                 | 7.8                | 2.5                    | 2.7  | 8.8                 | 9.5  |
| Randolph County   | 13,478              | 7.4                | 11,072                 | 6.8                | 2.0                    | 1.5  | 7.9                 | 9    |
| Ritchie County    | 5,513               | 11.7               | 4,184                  | 6.5                | 2.1                    | 2.5  | 5                   | 6.9  |
| Roane County      | 7,360               | 11.3               | 6,161                  | 7.3                | 2.2                    | 2.3  | 7.3                 | 7.7  |
| Summers County    | 7,331               | 8.3                | 5,530                  | 5.5                | 1.9                    | 2.4  | 8.3                 | 11.3 |
| Taylor County     | 7,125               | 9.1                | 6,320                  | 10.1               | 2.4                    | 3.1  | 9.4                 | 11.4 |
| Tucker County     | 4,634               | 18.8               | 3,052                  | 1.2                | 2.7                    | 2.2  | 17.1                | 13.7 |
| Tyler County      | 4,780               | 7.6                | 3,836                  | 3.4                | 2.2                    | 3.1  | 6.8                 | 9.5  |
| Upshur County     | 10,751              | 13.1               | 8,972                  | 8.8                | 2.0                    | 2.7  | 7.9                 | 10.4 |
| Wayne County      | 19,107              | 12.5               | 17,239                 | 10.3               | 1.5                    | 1.3  | 7.8                 | 7.7  |
| Webster County    | 5,273               | 4.0                | 4,010                  | 0.4                | 1.9                    | 1.4  | 8                   | 8.7  |
| Wetzel County     | 8,313               | 2.3                | 7,164                  | -1.9               | 1.7                    | 1.6  | 9.9                 | 9.7  |
| Wirt County       | 3,266               | 16.9               | 2,284                  | 17.6               | 1.3                    | 1.9  | 10.4                | 9.9  |
| Wood County       | 39,785              | 5.8                | 36,275                 | 6.2                | 1.8                    | 2.3  | 9.1                 | 10.8 |
| Wyoming County    | 11,698              | -0.5               | 10,454                 | -0.2               | 1.7                    | 1.6  | 8.2                 | 12.3 |

Source: Census 2000, SF1 and Census 1990, STF1.

Homeowner vacancy rate is the ratio of the number of units for sale divided by the sum of owner-occupied units and the number of units for sale. Rental vacancy rate is the ratio of the number of unoccupied units for rent divided by the sum of renter-occupied units and the number of unoccupied rental units.

# West Virginia and United States Economic Indicators

|  | 00 Q2   | 00 Q3   | 00 Q4   | 01 Q1   | 01 Q2   | 1998    | 1999    | 2000    |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>United States</b>                           |         |         |         |         |         |         |         |         |
| Real GDP (Bil. \$1996 Chain-Wtd.)              | 9,229.4 | 9,260.1 | 9,303.9 | 9,334.5 | 9,351.6 | 8,508.9 | 8,856.5 | 9,224.0 |
| % Change                                       | 5.7     | 1.3     | 1.9     | 1.3     | 0.7     | 4.3     | 4.1     | 4.1     |
| Consumer Price Index (CPI-U) (1982-84=100)*    | 171.7   | 173.1   | 174.0   | 175.7   | 177.5   | 163.0   | 166.6   | 172.2   |
| % Change                                       | 4.3     | 3.2     | 2.2     | 3.9     | 4.2     | 1.6     | 2.2     | 3.4     |
| Total Nonfarm Payroll Employment (Mil.)        | 131.9   | 131.9   | 132.3   | 132.6   | 132.5   | 125.8   | 128.9   | 131.8   |
| % Change                                       | 2.7     | 0.2     | 1.0     | 0.9     | -0.2    | 2.6     | 2.4     | 2.2     |
| Unemployment Rate (%)                          | 4.0     | 4.0     | 4.0     | 4.2     | 4.5     | 4.5     | 4.2     | 4.0     |
| Initial Claims for Unemployment Ins. (Thous.)  | 288     | 306     | 337     | 353     | 410     | 316     | 296     | 302     |
| Industrial Production (1992=100)               | 147.1   | 148.4   | 148.1   | 145.5   | 143.9   | 133.7   | 139.2   | 147.0   |
| % Change                                       | 7.9     | 3.5     | -0.9    | -6.8    | -4.2    | 4.8     | 4.1     | 5.6     |
| Capacity Utilization Rate                      | 82.6    | 82.4    | 81.3    | 79.2    | 77.9    | 82.1    | 81.2    | 82.1    |
| Housing Starts (Mil.)                          | 1.586   | 1.505   | 1.539   | 1.627   | 1.631   | 1.621   | 1.647   | 1.575   |
| Retail Sales (Bil.\$)                          | 3,076   | 3,098   | 3,101   | 3,137   | 3,175   | 2,634   | 2,860   | 3,083   |
| % Change                                       | 2.7     | 2.9     | 0.4     | 4.7     | 5.0     | 4.9     | 8.6     | 7.8     |
| Federal Funds Rate*                            | 6.27    | 6.52    | 6.47    | 5.59    | 4.33    | 5.35    | 4.97    | 6.24    |
| Ten-Year Treasury Note Rate*                   | 6.18    | 5.89    | 5.57    | 5.05    | 5.27    | 5.26    | 5.64    | 6.03    |
| <b>West Virginia</b>                           |         |         |         |         |         |         |         |         |
| Total Nonfarm Payroll Employment (Thous.)      | 738.8   | 733.0   | 736.7   | 740.3   | 738.8   | 719.2   | 726.0   | 735.6   |
| % Change                                       | 2.8     | -3.1    | 2.0     | 1.9     | -0.8    | 1.6     | 0.9     | 1.3     |
| Mining   | 20.5    | 20.5    | 20.5    | 21.1    | 21.2    | 23.7    | 21.3    | 20.5    |
| % Change                                       | 0.7     | 1.3     | 0.0     | 10.8    | 1.9     | -3.7    | -10.1   | -3.8    |
| Construction                                   | 33.9    | 32.9    | 34.3    | 35.9    | 34.7    | 34.2    | 33.6    | 33.8    |
| % Change                                       | -4.6    | -10.9   | 17.2    | 20.9    | -13.0   | -2.0    | -1.8    | 0.6     |
| Manufacturing                                  | 80.7    | 80.2    | 79.9    | 79.2    | 78.3    | 82.4    | 81.6    | 80.7    |
| % Change                                       | -5.7    | -2.1    | -1.8    | -3.1    | -4.8    | 1.0     | -1.0    | -1.1    |
| Trans., Comm. and Public Utilities             | 37.5    | 36.8    | 37.6    | 37.0    | 37.3    | 38.4    | 38.1    | 37.4    |
| % Change                                       | -2.8    | -6.9    | 8.2     | -5.9    | 2.9     | -1.3    | -0.8    | -1.8    |
| Trade  | 164.1   | 164.2   | 165.0   | 165.3   | 164.2   | 162.6   | 163.3   | 164.2   |
| % Change                                       | -0.1    | 0.2     | 1.9     | 0.8     | -2.6    | 0.6     | 0.4     | 0.6     |
| Finance, Ins. and Real Estate                  | 29.5    | 29.4    | 29.5    | 29.6    | 29.9    | 28.7    | 29.8    | 29.5    |
| % Change                                       | -0.5    | -0.9    | 1.8     | 1.4     | 3.2     | 1.8     | 3.8     | -1.0    |
| Services                                       | 225.8   | 226.3   | 228.9   | 230.6   | 230.6   | 208.3   | 217.5   | 226.2   |
| % Change                                       | 4.1     | 0.9     | 4.7     | 3.0     | -0.1    | 4.7     | 4.4     | 4.0     |
| Government                                     | 146.9   | 142.6   | 141.1   | 141.5   | 142.8   | 140.8   | 140.9   | 143.3   |
| % Change                                       | 14.1    | -11.3   | -4.1    | 1.1     | 3.6     | 1.2     | 0.1     | 1.7     |
| Unemployment Rate (%)                          | 5.5     | 5.4     | 5.5     | 5.3     | 5.2     | 6.6     | 6.6     | 5.5     |
| Initial Claims for Unemployment Ins. (Thous.)  | 1,509   | 1,522   | 1,772   | 1,388   | 1,600   | 1,625   | 1,579   | 1,561   |
| Average Weekly Hours Coal Mining               | 44.5    | 45.1    | 46.5    | 45.3    | 47.2    | 44.4    | 43.2    | 45.1    |
| Average Weekly Hours Manufacturing             | 41.4    | 41.2    | 40.7    | 40.9    | 40.9    | 41.6    | 41.6    | 41.3    |
| Average Hourly Earnings Coal Mining (\$)       | 19.44   | 19.76   | 19.52   | 19.32   | 19.95   | 19.73   | 19.34   | 19.50   |
| % Change                                       | 3.1     | 6.9     | -4.9    | -3.9    | 13.6    | 0.0     | -2.0    | 0.8     |
| Average Hourly Earnings Manufacturing (\$)     | 14.53   | 14.70   | 14.75   | 14.78   | 14.93   | 13.72   | 14.09   | 14.61   |
| % Change                                       | 2.7     | 4.7     | 1.3     | 0.7     | 4.2     | 4.3     | 2.7     | 3.7     |
| Real Personal Income (Mil. 1996\$)             | 36,941  | 36,791  | 37,176  | 37,546  | n/a     | 35,545  | 36,097  | 36,827  |
| % Change                                       | 6.1     | -1.6    | 4.3     | 4.0     | n/a     | 2.9     | 1.6     | 2.0     |
| Wage and Salary                                | 18,089  | 17,895  | 18,248  | 18,592  | n/a     | 17,399  | 17,665  | 17,983  |
| % Change                                       | 9.1     | -4.2    | 8.1     | 7.8     | n/a     | 2.6     | 1.5     | 1.8     |
| Other Labor                                    | 2,347   | 2,325   | 2,360   | 2,388   | n/a     | 2,378   | 2,364   | 2,340   |
| % Change                                       | 3.6     | -3.6    | 6.0     | 4.9     | n/a     | 1.0     | -0.6    | -1.0    |
| Proprietors                                    | 2,294   | 2,287   | 2,277   | 2,297   | n/a     | 2,172   | 2,230   | 2,284   |
| % Change                                       | 2.7     | -1.2    | -1.6    | 3.5     | n/a     | 4.7     | 2.7     | 2.4     |
| Dividends, Interest, and Rent                  | 6,862   | 6,876   | 6,908   | 6,833   | n/a     | 6,322   | 6,570   | 6,862   |
| % Change                                       | 3.7     | 0.8     | 1.9     | -4.2    | n/a     | 6.1     | 3.9     | 4.4     |
| Transfer Payments                              | 8,239   | 8,233   | 8,238   | 8,345   | n/a     | 8,232   | 8,196   | 8,221   |
| % Change                                       | 3.1     | -0.3    | 0.2     | 5.3     | n/a     | 0.6     | -0.4    | 0.3     |
| Value of Total Housing Permits (Mil.\$)        | 300     | 283     | 371     | 432     | 346     | 327     | 382     | 329     |
| W. Va. Export-Weighted U.S. Dollar (1980=100)* | 144.3   | 147.1   | 152.1   | 150.2   | 155.5   | 136.7   | 136.7   | 145.8   |
| % Change                                       | 14.1    | 8.0     | 14.2    | -4.8    | 14.9    | 7.4     | 0.0     | 6.7     |

Notes: West Virginia average weekly hours, average hourly earnings, and initial claims for unemployment insurance data are obtained from the West Virginia Bureau of Employment Programs and seasonally adjusted using seasonal factors derived by the Bureau of Business and Economic Research. West Virginia employment and the state unemployment rate are seasonally adjusted by the West Virginia Bureau of Employment Programs. Personal income data are seasonally adjusted by the Bureau of Economic Analysis, U.S. Dept. of Commerce. Components may not sum to totals due to rounding. All percent changes are measured from the previous period and expressed as annual rates. Value of total housing permits data are from the Bureau of the Census, U.S. Dept. of Commerce.

\* Not Seasonally Adjusted.

n/a=Not Available.



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