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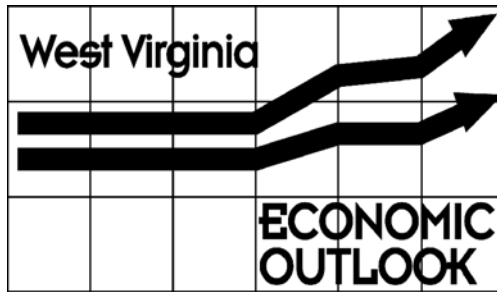
# Morgantown MSA

## Outlook

FORECAST: 2012-2016

March 2012

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### Executive Summary

The Morgantown metropolitan statistical area (MSA) continued to expand in 2011, adding jobs and generating a slight drop in the unemployment rate. From 2010 to 2011, the local area added 130 jobs, which translated into a 0.2 percent growth rate. That was slower than the state growth rate for the year (0.7 percent) and the national growth rate of 1.1 percent. In addition, the local unemployment rate fell from 6.1 percent in 2010 to 6.0 percent in 2011, according to preliminary estimates.

Job growth in the Morgantown MSA last year was concentrated in health care; professional and business services; leisure and hospitality; and natural resources and mining. However, those job gains were nearly offset by job losses in construction; other services, government (federal, related to Census 2010), and financial activities.

While local job growth slowed during 2011, it is important to keep in mind that job growth in the Morgantown MSA during the past three years far outpaced state and national growth. Indeed, the Morgantown MSA posted an annual growth rate of 1.4 percent per year from 2008 to 2011, in contrast to the job losses for the state and nation. In addition, per capita personal income and population growth in the Morgantown MSA has been strong during the past five years, far exceeding growth rates posted by either the state or the nation.

The forecast calls for the Morgantown MSA to continue to post solid growth in jobs, income, and population during the 2012-2016 period, assuming the nation avoids recession. Job growth is forecast to average 1.8 percent per year during the next five years, similar to growth during the previous five year period, and well above the 1.0 percent per year rate expected for the state and similar to the national rate of 1.7 percent per year. Job growth is expected to be widespread across sectors, including job gains in natural resources and mining (new coal mine and continued development of the Marcellus Shale play). Most of the job growth is concentrated in health care (with the expansion of facilities at WVU); professional and business services; government (expansion of federal prisons and military facilities in Preston County); trade, transportation, and utilities; and leisure and hospitality.

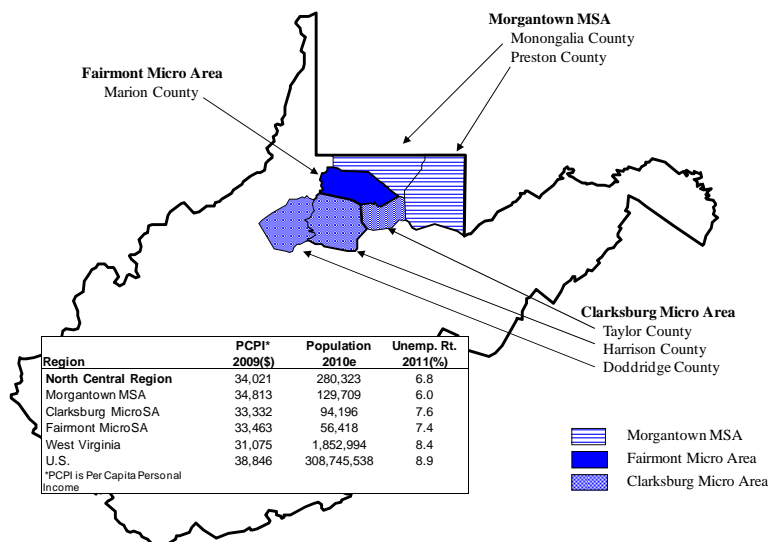
While the baseline forecast calls for growth, there are risks to the outlook. If the national economy falls into recession, perhaps precipitated by a financial crisis in Europe, it will adversely affect local growth. In addition, state and federal budgets are likely to tighten during the forecast, putting pressure on spending for health care and other government programs that are important parts of the local economy. Finally, the Morgantown MSA is likely to remain an engine of growth for the state, which will mean increasing pressure on the local transportation infrastructure.

## Morgantown MSA In Perspective

The North Central Region of West Virginia is comprised of three areas: the Clarksburg MicroSA, the Fairmont MicroSA, and the Morgantown MSA. The Clarksburg MicroSA includes Doddridge, Harrison, and Taylor counties, while the Fairmont MicroSA is comprised of Marion County. The Morgantown MSA includes two counties: Monongalia and Preston.

Metropolitan statistical areas (MSAs) are defined by the Federal Office of Management and Budget around urbanized areas with a population of at least 50,000 residents. Micropolitan statistical areas (MicroSAs) are defined around urbanized areas with a population of at least 10,000 residents but less than 50,000. The county including the urbanized area is the central county in the statistical area. Nearby counties are also included if commuting connections are strong enough. Figure 1 displays the geographic areas mentioned above in more detail.

**Figure 1**  
**North Central Region**



The total population of the North Central Region of West Virginia in 2010 was 280,323 inhabitants, which is displayed in Table 1. In 2010, the Morgantown MSA had the largest population in the region of 129,709 residents, or rather 46.3 percent of the total population of the North Central Region. Comprising the remainder of the region's population were the Clarksburg MicroSA (94,196 residents) and the Fairmont MicroSA (56,418 residents) in 2010.

Demographic characteristics vary significantly across the nation and numerous regions in the state. For instance, the median age in West Virginia during 2010 was 41.3 years, which was just over four years above the national median age of 37.2 years. The Clarksburg MicroSA also recorded a rather high median age, indeed above the state's, at 42.0 years. Despite West Virginia's relatively high median age, the Morgantown MSA was rather young at 32.3 years. This can be attributed to the presence of West Virginia University in Morgantown.

Another important regional characteristic to consider is educational attainment. In 2010, 17.5 percent of the state's population age 25 or older held a Bachelor's degree or higher. This rate was 10.7 percentage points lower than the national educational attainment rate of 28.2 percent. The Clarksburg MicroSA level of educational attainment was below both the state and national level,

at 16.2 percent. On the other hand, the Morgantown MSA posted a higher share than both the state and nation, at 28.3 percent. A higher rate for educational attainment in the Morgantown MSA rather than other areas of West Virginia can be explained by the existence of West Virginia University in Morgantown.

**Table 1**  
**North Central Region Selected Economic Indicators by County**

	Population			Value of New Const. Contracts	Per Capita Personal Income		Nonfarm Job Growth	Unempl. Rate	Median Household Income	Educational Attainment
	Census 2010e	Av. An. G.R. 2005-2010(%)	Median Age 2010	Mil. \$ 2011	2009(\$)	Av. An. G.R. 2004-2009(%)	Av. An. G.R. 2006-2011(%)	2011(%)	2010(\$)	2010(%)
Doddridge, W.Va.	8,202	2.4	42.4	3.4	22,165	2.2	-0.8	9.4	--	--
Harrison, W.Va.	69,099	0.3	41.8	166.3	36,257	4.9	0.6	7.4	40,589	22.5
Marion, W.Va.	56,418	0.0	41.0	17.1	33,463	5.0	-0.5	7.3	--	--
Monongalia, W.Va.	96,189	2.2	29.1	131.5	36,767	5.1	2.1	5.6	42,028	37.2
Preston, W.Va.	33,520	2.4	42.0	20.7	28,994	5.4	0.1	7.4	--	--
Taylor, W.Va.	16,895	1.1	42.3	2.2	25,916	4.7	-0.2	8.1	--	--
Clarksburg MicroSA	94,196	0.6	42.0	171.9	33,332	4.7	0.5	7.6	37,758	16.2
Fairmont MicroSA	56,418	0.0	--	17.1	33,463	5.0	-0.5	7.4	--	--
Morgantown MSA	129,709	2.3	32.3	152.2	34,813	5.2	1.9	6.0	39,749	28.3
<b>North Central Region</b>	<b>280,323</b>	<b>1.2</b>	<b>--</b>	<b>341.2</b>	<b>34,021</b>	<b>5.0</b>	<b>1.0</b>	<b>6.8</b>	<b>--</b>	<b>--</b>
West Virginia	1,852,994	0.5	41.3	5,388.1	31,075	4.0	-0.1	8.4	38,218	17.5
U.S.	308,745,538	0.9	37.2	--	38,846	2.8	-0.7	8.9	50,046	28.2

Population data are estimates from U.S. Census Bureau  
 Value of new construction contracts data are from FW Dodge.  
 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 are from the American Community Survey.  
 Nonfarm Job data is from BLS and Workforce WV.  
 Educational Attainment measures the percent of the population above age 25 that has earned a bachelor's degree or higher from the American Community Survey.

The North Central Region recorded a nominal per capita personal income (PCPI) of \$34,021 in 2009, which was above West Virginia's PCPI of \$31,075, but below the national PCPI of \$38,846. In the region, the Morgantown MSA posted the highest PCPI (\$34,813); however, the Fairmont and Clarksburg MicroSAs registered only slightly lower PCPIs of \$33,463 and \$33,332, respectively.

In 2010, the median household income registered in West Virginia was \$38,218. This was almost \$12,000 less than the national median household income of \$50,046. The median household income of the Morgantown MSA, at \$39,749, was below the national level but higher than the state's level. The Clarksburg MicroSA reported a lower median household income than both the state and the nation, at \$37,758.

The North Central Region experienced an unemployment rate of 6.8 percent in 2011. This rate was significantly lower than the rate of the state (8.4 percent) and that of the nation (8.9 percent). The Morgantown MSA had a rate lower than that of the North Central Region, at 6.0 percent. The Fairmont MicroSA (7.4 percent) and the Clarksburg MicroSA (7.6 percent) also posted unemployment rates lower than both the state and the nation.

Monongalia County recorded the lowest unemployment rate (5.6 percent) out of all the counties in the North Central Region in 2011. Doddridge County had the highest unemployment rate, at 9.4 percent, in the North Central Region.

The total value for new construction starts in West Virginia in 2011 was \$5.39 billion. The North Central Region accounted for 6.3 percent of all construction starts in West Virginia in 2011, at \$341.2 million. The Morgantown MSA registered \$152.2 million new starts, which was 44.6

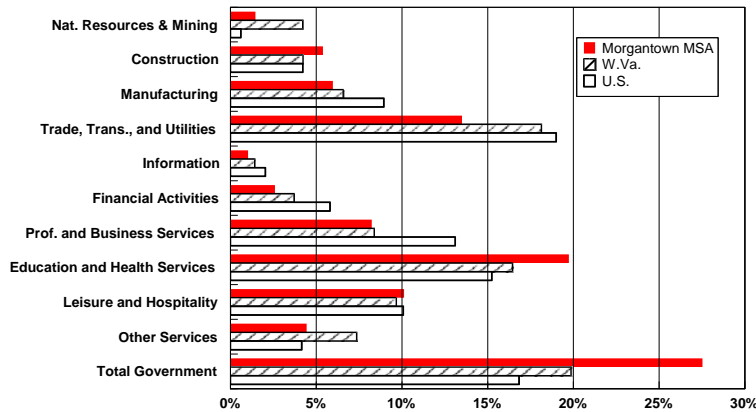
percent of the North Central Region. The Clarksburg MicroSA (\$171.9 million) and the Fairmont MicroSA (\$17.1 million) comprised the rest of the North Central Region’s construction starts.

The largest component of construction starts in 2011 within the Morgantown MSA was \$102.0 million in new nonresidential starts, which accounted for 67.0 percent of total starts in the metropolitan area. The value for new starts was \$35.7 million in nonbuilding and \$14.5 million in residential construction in the Morgantown MSA.

The Morgantown MSA posted the third largest per capita real GDP of any MSA in West Virginia. At \$40,069 in 2010, this was \$5,488 less than the average for all U.S. metropolitan areas (\$45,557). Of all the MSAs in West Virginia, the Washington MSA recorded the highest per capita real GDP, at \$68,283. This was just over \$20,000 higher than the U.S. metropolitan portion and \$28,000 higher than the Morgantown MSA. In West Virginia, the Charleston MSA recorded the second highest per capita real GDP (\$43,961), and the Cumberland MSA had the lowest, at \$22,140. GDP is defined as the market value of all final goods and services produced within a region in a certain period.

Figure 2 compares employment shares by industry in 2011 for the Morgantown MSA, West Virginia, and the United States. The Morgantown MSA had a relatively high share of natural resources and mining employment, at 1.5 percent, compared to the national share of 0.6 percent, but it was well below the state share of 4.2 percent. Also compared to the state and nation, the Morgantown MSA accounted for a relatively low share (13.5 percent) in the trade, transportation, and utilities industry in 2011. In this sector the nation had a share of 19.0 percent, and West Virginia posted a share of 18.1 percent.

**Figure 2**  
**Morgantown MSA**  
**Employment Shares\* Compared To The State**  
**And Nation For 2011**



\*Employment shares are based on nonfarm employment data.

The Morgantown MSA also accounted for a low share of financial activities employment, at 2.6 percent, compared to 3.7 percent for West Virginia and 5.8 percent for the nation in 2011. In addition, manufacturing accounted for a smaller share in the Morgantown MSA (6.0 percent). The manufacturing sector in the Morgantown MSA includes Mylan Pharmaceuticals. In this industry, the state registered a share of 6.6 percent, and the nation had a share of 8.9 percent. The Morgantown MSA also posted a lower share of employment within the information sector (1.0 percent). The state and nation recorded employment shares of 1.4 percent and 2.0 percent, respectively, in the information industry.

Employment shares within the professional and business services sector were relatively similar in the Morgantown MSA (8.2 percent) and West Virginia (8.4 percent) in 2011. The nation recorded a higher share in this industry, at 13.1 percent. In addition, the Morgantown MSA and the nation posted the same share of employment in the leisure and hospitality industry, at 10.1 percent. West Virginia registered a slightly lower share in this sector, at 9.7 percent.

There were three industries in which the Morgantown MSA recorded a noticeably higher share of employment than the state and nation: education and health services, government, and construction. In 2011, the Morgantown MSA posted a share of 19.7 percent in the education and health services sector. This was 3.3 percent above West Virginia's employment share (16.4 percent) and 4.5 percent higher than the nation's share of 15.2 percent. This reflects the presence of the West Virginia University Health Sciences Center and Monongalia General Hospital in Monongalia County.

The Morgantown MSA also posted high shares of employment in the government sector, at 27.5 percent, compared to the state (19.9 percent) and the nation (16.8 percent). This reflects the presence of West Virginia University (state government) and federal government employers like the U.S. Department of Justice (federal prisons in Preston County) and a National Institute for Occupational Health and Safety facility, among others. Local government jobs, primarily education, are also included in the government sector.

The Morgantown MSA also posted a higher employment share in construction. In comparison to the state and nation (both 4.2 percent), the Morgantown MSA accounted for a higher employment share, at 5.4 percent, in 2011 in the construction industry.

### **Recent Developments**

From 2005 to 2010, population growth averaged 1.2 percent per year in the North Central Region of West Virginia. This was higher than both West Virginia's rate of 0.5 percent per year and the nation's rate of 0.9 percent per year. The Morgantown MSA had the fastest growth rate within the North Central Region, at 2.3 percent per year. The Clarksburg MicroSA averaged lower population growth, at 0.6 percent, while growth in the Fairmont MicroSA remained stable.

Of all the counties in the North Central Region, Doddridge and Preston counties posted the highest average annual population growth from 2005 to 2010, at 2.4 percent. Marion County registered the lowest growth and remained stable during this period.

Nominal per capita personal income (PCPI) growth averaged 5.0 percent annually from 2004 to 2009 in the North Central Region. This outpaced the growth rate for both the nation (2.8 percent annually) and West Virginia (4.0 percent annually). The Morgantown MSA (5.2 percent), Fairmont MicroSA (5.0 percent), and Clarksburg MicroSA (4.7 percent) recorded annual growth rates above West Virginia and the nation during the same period.

Preston County experienced the highest average annual PCPI growth rate, at 5.4 percent, from 2004 to 2009 of all the counties in the North Central Region. Monongalia County posted the second highest annual growth rate, at 5.1 percent. The lowest growth rate of 2.2 percent per year was in Doddridge County during the same period.

Per capita real GDP growth is an additional economic indicator that can be used to analyze the economic conditions within a region. On average from 2005 to 2010, the Morgantown MSA reported the highest per capita real GDP growth rate (2.8 percent per year) of any MSA in West

Virginia. This surpassed the average of all U.S. metropolitan areas (-0.1 percent per year). Three MSAs in West Virginia averaged negative growth between 2005 and 2010 annually: the Winchester MSA (-1.5 percent), the Steubenville-Weirton MSA (-1.5 percent), and the Hagerstown-Martinsburg MSA (-2.0 percent).

House prices in the Morgantown MSA increased on average by 0.2 percent from the fourth quarter of 2010 to the same quarter in 2011. Contrarily, West Virginia and the U.S. registered decreases in house prices during the same period, at -1.4 and -3.0 percent, respectively. The HPI, as defined by the Federal Housing Finance Agency (FHFA), is a measurement of average price changes in repeat sales or refinancings on the same properties whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac since January 1975.

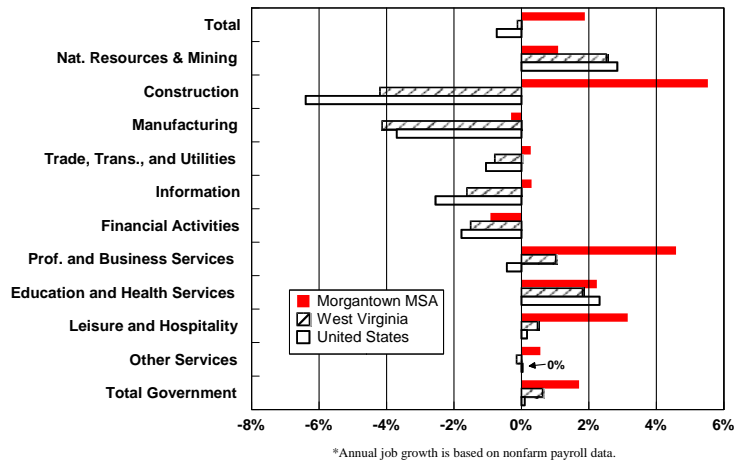
West Virginia lost jobs on average at a rate of -0.1 percent per year from 2006 to 2011. However, this was less severe than the nation, which lost jobs at a rate of -0.7 percent annually during the same period. Not all regions in West Virginia experienced job losses. Indeed, the North Central Region added jobs at a rate of 1.0 percent per year. In addition, the Morgantown MSA registered an employment growth rate of 1.9 percent per year, making it the fastest growing statistical area in the North Central Region.

Out of all the counties in the North Central Region, Monongalia County posted the fastest employment growth rate annually, at 2.1 percent, during the 2006 to 2011 period. Conversely, Doddridge County recorded the fastest decline in jobs during the same period, at -0.8 percent per year.

Figure 3 displays annual job growth rates from 2006 to 2011, comparing the Morgantown MSA to the state and nation. During this period, total nonfarm employment increased at 1.9 percent per year in the Morgantown MSA, compared to employment declines in West Virginia (-0.1 percent per year) and the nation (-0.7 percent per year). In the Morgantown MSA, the construction, professional and business services, and leisure and hospitality sectors grew the fastest. Employment decreased in only two industries in the Morgantown MSA during this period: manufacturing and financial activities.

Although the Morgantown MSA experienced rapid employment growth annually during the 2006 to 2011 period in the construction industry (5.5 percent), both the state and nation suffered losses. Indeed, employment in this sector decreased annually in West Virginia at -4.2 percent and in the nation at -6.4 percent. Construction employment increases in the Morgantown MSA were driven by activity at the Longview Power plant and the installation of scrubbers at the Fort Martin plant.

**Figure 3**  
**Morgantown MSA**  
**\*Annual Job Growth: 2006-2011**



Despite these decreases in the state and nation, employment in some industries grew steadily from 2006 through 2011. Indeed, the fastest employment growth in West Virginia during the past five years was in the natural resources and mining sector, at 2.5 percent per year. Nationally, employment growth was also fastest in the natural resources and mining industry during this period, at 2.8 percent per year.

**Forecast: 2012-2016**

The outlook for the Morgantown MSA depends on the performance of the U.S. and world economies. The national forecast, which underpins the local outlook, comes from IHS Global Insight. The forecast was completed in January 2012 and reflects the expected future performance of the U.S. economy at that time. Table 2 summarizes the IHS Global Insight forecast for the U.S.

Real GDP growth is forecast to remain positive through 2016. Real GDP growth is expected to be at least 2 percent for each year of the forecast. Real GDP grew by 3.0 percent in 2010, but fell to 1.8 percent in 2011; it is forecast to be 2.0 percent in 2012. Real GDP growth is expected to be above trend level (3.0 percent) in 2014 and 2015, but it is expected to fall below the trend level for the rest of the forecast.

Real GDP growth leads to the expected positive job growth throughout the forecast. Job growth rose from -0.7 percent in 2010 to 1.0 percent in 2011. Job growth is expected to increase every year until 2015, when it hits 2.0 percent, but then it is expected to fall to 1.7 percent at the end of the forecast.

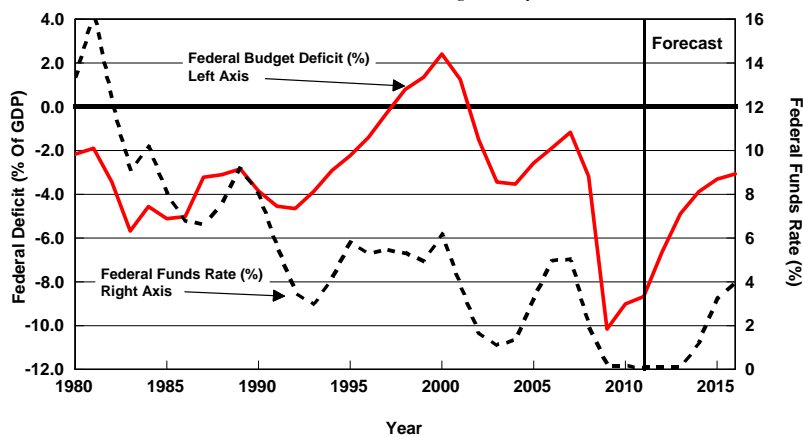
The unemployment rate is expected to fall during the forecast. The unemployment rate was 9.0 percent in 2011 and is expected to be 8.8 percent in 2012. It is forecast to fall further to 6.6 percent in 2016.

After hitting 2.4 percent in 2011, inflation (measured by the personal consumption expenditures deflator) is expected to remain below the 2.0 percent mark through 2016. Crude oil prices (West Texas Intermediate) are expected to fluctuate during the forecast. Crude oil prices are forecast to be the lowest in 2012, at \$91.00 per barrel, and the highest in 2014 at \$115.44 per barrel.

The Federal Reserve said that it will keep the federal funds target rate in the 0.0-0.25 percent range until mid-2013, but the forecast calls for the rate to remain low until 2014. As Figure 4 shows, the federal funds rate is expected to stay in the 0.10 range until 2014, when it jumps to 1.23 percent. The federal funds rate is then expected to rise to 4.0 percent by the end of the forecast. The 30-year fixed mortgage rate is expected to reach its lowest point in 2012, at 4.08 percent. It is then forecast to increase every year of the forecast, hitting 6.39 percent in 2016.

The federal deficit is forecast to improve over the forecast. The federal deficit is expected to fall from -1,297 billion dollars in 2011 to -567 billion dollars in 2016. The federal deficit as a share of GDP is expected to fall from -8.67 percent in 2011 to -3.06 percent in 2016.

**Figure 4**  
**The Federal Budget Deficit Declines**  
**While Interest Rates Climb During The Forecast**  
 Forecast From IHS Global Insight January 2012



The residential housing sector is forecast to slowly recover during the forecast. Housing starts are expected to increase over the forecast, rising from 0.726 million in 2012 to 1.735 million in 2016. House prices (as measured by the Federal Housing Finance Agency) are also forecast to increase during the forecast. After a decreasing by 4.4 percent in 2012, house prices rise by 0.9 percent in 2013. This would be the first time house prices have increased since 2007.

Real export growth is expected to fall from 6.9 percent in 2011 to 4.0 percent in 2012. A big factor in this decline is the Eurozone crisis. Export growth is forecast to rebound and stay in the 7.1 to 8.4 percent range for the rest of the forecast.

The forecast for continued U.S. growth during the next five years sets the stage for continued local economic growth as well. The forecast calls for the Morgantown MSA to continue to generate strong job, income, and population growth during the next five years and for the local unemployment rate to gradually fall from current levels. Table 3 summarizes the Morgantown MSA forecast.

Job growth in the Morgantown MSA is forecast to average 1.8 percent per year during the 2011-2016 period, which far exceeds the growth rate expected for the state (1.0 percent per year) and slightly exceeds the national rate of 1.7 percent per year.



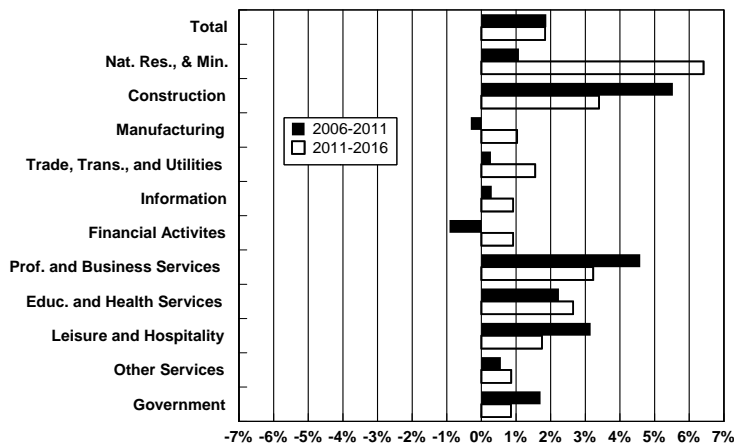
**Table 2**  
**U.S. Forecast**  
**IHS Global Insight, January 2012**

	Years						
	Actual 2010	Forecast					
	2011	2012	2013	2014	2015	2016	
	<b>Annual Percent Change</b>						
Real GDP	3.0	1.8	2.0	2.4	3.4	3.3	2.8
Industrial Production	5.3	4.1	2.8	2.9	4.0	3.5	2.8
Nonfarm Employment	-0.7	1.0	1.2	1.6	1.9	2.0	1.7
Nominal Personal Income	3.7	4.7	3.4	3.8	5.1	5.2	5.1
Personal Consumption Deflator	1.8	2.4	1.2	1.6	1.9	1.9	1.9
Real Export Growth (GDP Basis)	11.3	6.9	4.0	7.6	8.4	7.5	7.1
Real Import Growth (GDP Basis)	12.5	4.8	3.2	3.5	3.9	4.2	3.8
Housing Price Appreciation FHFA Index	-3.6	-3.7	-4.4	0.9	4.6	5.5	3.1
	<b>Percent</b>						
Unemployment Rate	9.6	9.0	8.8	8.6	7.9	7.1	6.6
Federal Funds Rate	0.18	0.10	0.10	0.11	1.23	3.27	4.00
30-Year Fixed Mortgage Rate	4.69	4.46	4.08	4.48	5.12	6.08	6.39
	<b>Billions of Dollars (FY)</b>						
Federal Budget Surplus (Unified Basis)	-1,294	-1,297	-1,028	-780	-650	-584	-567
	<b>Key Prices</b>						
Real Trd.Wtd. Value of U.S. Dollar vs Major Trading Partners (2005=1.000)	0.927	0.860	0.895	0.867	0.861	0.863	0.865
Oil - West Texas Intermediate (\$ per barrel)	79.41	95.08	91.00	107.88	115.44	104.50	110.97

Local job growth is expected to be widespread across sectors, but the majority of new jobs are expected in education and health care; professional and business services; government; trade, transportation, and utilities; construction; and leisure and hospitality.

As Figure 5 shows, job growth in the Morgantown MSA during the next five years is expected to come at a pace similar to that during the 2006-2011 period. However, at 1.8 percent per year, the forecast calls for the job growth rate to fall well short of that posted during the 2000-2006 period (3.2 percent per year).

**Figure 5**  
**Morgantown MSA**  
**Annual Job Growth: History and Forecast**



Job gains are expected to accelerate in natural resources and mining during the forecast, which reflects the startup of a new CONSOL Energy coal mine in Monongalia County, as well as new jobs related to the development of the Marcellus Shale play. Construction jobs also increase during the forecast, which reflects continuing capital investment at West Virginia University (including expansion of health care facilities), federal building (prisons and defense) projects in Preston County, as well as additional infrastructure, residential, and nonresidential projects. Manufacturing jobs also increase during the forecast, reflecting continued strong demand for pharmaceuticals, as well as increased activity due to strong U.S. export growth.

Most net job growth in the Morgantown MSA is expected in the service-providing sectors. Professional and business services employment is expected to rise rapidly during the forecast, reflecting solid global growth. Health care jobs also increase at a rapid pace, as the aging of the baby boom generation picks up steam. Leisure and hospitality jobs also increase, reflecting the overall population and income growth in the local economy. Trade, transportation, and utilities jobs increase for the same reason. In addition, government jobs continue to increase in the Morgantown MSA, in contrast to the forecast for West Virginia and the U.S. This results in part from expansion of federal prison facilities and military installations (Camp Dawson) in Preston County.

The solid job growth in the Morgantown MSA during the next five years contributes to a significant reduction in the local unemployment rate, which falls from 6.0 percent in 2011 to 4.8 percent by 2016. That reflects a significant improvement in the local labor market and leaves the local rate well below the state (6.4 percent) and national average (6.6 percent). However, the Morgantown unemployment rate in 2016 is expected to remain significantly above the pre-recession low of 3.0 percent.

Continued job growth in the Morgantown MSA will translate into solid gains in inflation-adjusted per capita personal income. Real per capita personal income is forecast to grow at an average annual rate of 1.7 percent per year in the local economy, which is just below the growth rates expected for the state and the nation (1.8 percent per year).

Job and income growth both contribute to strong population growth in the Morgantown MSA, which averages 1.0 percent per year. That is far faster than the modest population losses expected for the state and equal to the national growth rate.

While the baseline forecast calls for continued solid growth in the local economy, there are risks to the outlook. First, if the national economy falls into recession then that will contribute to slower growth or even outright declines in the local economy. Risks to the national economy at this time are emanating from the possibility of a major financial crisis beginning in Europe and spreading around the globe.

There are also risks arising from the local industry mix. Health care is a major part of the Morgantown MSA economy. This sector faces risks as federal and state governments look for ways to restrain growth in Medicare and Medicaid. To the extent that this happens during the next five years, health care job growth may be slower than expected.

Finally, Morgantown is forecast to continue to grow far faster than the state as a whole. That means that the local transportation infrastructure will be confronted with additional users. In turn, this means it will be important for local planners and policymakers to continue to address infrastructure concerns, so that the needed investments are in place to support growth.

**Table 3  
Morgantown MSA Employment, Population, And Income Forecasts**

	Actual				Forecast				Annual Growth				
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Morgantown 2011-2016*	Morgantown (%) 2011-2016*	U.S.(%) 2011-2016*
Total	61,000	62,610	62,980	65,180	65,310	66,174	67,469	68,894	70,059	71,552	1,248	1.8	1.7
Goods Producing	7,740	8,080	7,500	8,520	8,370	8,564	8,617	8,910	9,229	9,561	238	2.7	1.8
Nat. Res. & Mining	960	1,040	860	830	950	961	1,001	1,083	1,180	1,296	69	6.4	0.5
Construction	2,710	2,900	2,860	3,850	3,520	3,641	3,607	3,787	3,980	4,160	128	3.4	4.1
Manufacturing	4,070	4,140	3,780	3,840	3,900	3,963	4,009	4,040	4,070	4,105	41	1.0	1.0
Service Producing	53,260	54,530	55,480	56,660	56,940	57,610	58,852	59,985	60,830	61,990	1,010	1.7	0.9
Trade, Trans., Util.	9,170	9,060	8,830	8,780	8,820	8,953	9,080	9,209	9,361	9,527	141	1.6	0.8
Information	670	660	650	710	670	656	683	694	699	701	6	0.9	0.8
Financial Activities	1,750	1,710	1,620	1,800	1,690	1,767	1,788	1,793	1,779	1,769	16	0.9	0.1
Prof. & Business Serv.	4,410	4,670	4,860	5,130	5,380	5,455	5,627	5,844	6,049	6,306	185	3.2	2.4
Education & Health	11,880	12,290	12,610	12,640	12,890	13,081	13,542	13,928	14,218	14,692	360	2.7	1.7
Leisure & Hospitality	5,900	6,190	6,340	6,430	6,610	6,712	6,908	7,041	7,121	7,209	120	1.7	0.4
Other Services	2,860	2,940	3,020	3,070	2,900	2,961	3,114	3,109	3,086	3,027	25	0.9	-0.4
Government	16,620	17,010	17,550	18,100	17,980	18,025	18,110	18,367	18,517	18,760	156	0.9	-0.2
Labor Force	62,900	63,400	63,400	63,900	63,570	64,744	64,954	65,354	66,170	66,790	644	1.0	0.1
Employment	60,900	61,500	60,100	60,000	59,750	60,920	61,250	61,859	62,793	63,552	760	1.2	0.6
Unemployment Rate	3.1	3.0	5.1	6.1	6.0	5.9	5.7	5.3	5.1	4.8	-0	-4.2	-5.8
Total Population	123,507	125,267	127,498	130,288	132,422	134,209	135,511	136,817	138,110	139,340	1,384	1.0	-0.1
Total	3,680,558	3,711,117	3,837,123	3,981,979	4,154,819	4,247,490	4,342,854	4,478,360	4,592,982	4,735,746	116,185	2.7	1.7
Wage and Salary	1,985,516	2,067,578	2,156,648	2,252,837	2,260,435	2,304,946	2,351,499	2,408,384	2,462,591	2,527,767	53,466	2.3	2.6
Other Labor Income	725,962	625,019	666,003	706,216	716,796	740,591	765,562	794,494	823,067	855,840	27,809	3.6	2.2
Proprietors' Income	317,925	329,762	307,649	320,218	333,941	342,114	353,214	369,110	378,979	388,293	10,870	3.1	1.8
Dividends, Interest, Rent	527,776	545,796	516,715	511,148	526,077	542,985	559,459	573,273	588,031	606,105	16,006	2.9	3.8
Transfer Income	649,543	669,268	750,265	789,396	893,720	907,787	925,649	966,550	1,002,447	1,045,744	30,405	3.2	2.6

The Morgantown MSA consists of Monongalia County and Preston County in West Virginia.  
\*This column contains the average yearly change during the 2011-2016 period.  
U.S. forecast is from IHS Global Insight, January 2012, W.Va. Forecast is from West Virginia Economic Outlook 2012.

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## **Morgantown MSA Outlook 2012-2016**

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