

Charleston MSA Outlook

FORECAST: 1998-2003

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Executive Summary

The Charleston Metropolitan Statistical Area (MSA) has recorded economic growth at or above the state average during the 1990s so far. Job and per capita personal income growth in the region have exceeded the statewide average, while population growth matched the statewide average during the 1990-97 period. In addition, the Charleston MSA registered an unemployment rate well below the statewide average (and just below the national average) in 1997. If the U.S. economy avoids recession during the 1998-2003 period, the forecast calls for the Charleston MSA to continue growing, although at a somewhat slower pace than during the first seven years of the decade.

Recent Developments

The Charleston MSA consists of two counties: Kanawha and Putnam. For 1997, current estimates show 253,900 residents for the region, which accounted for 14 percent of West Virginia population. As shown in Figure 1, the population of Kanawha County far exceeds that of Putnam County.

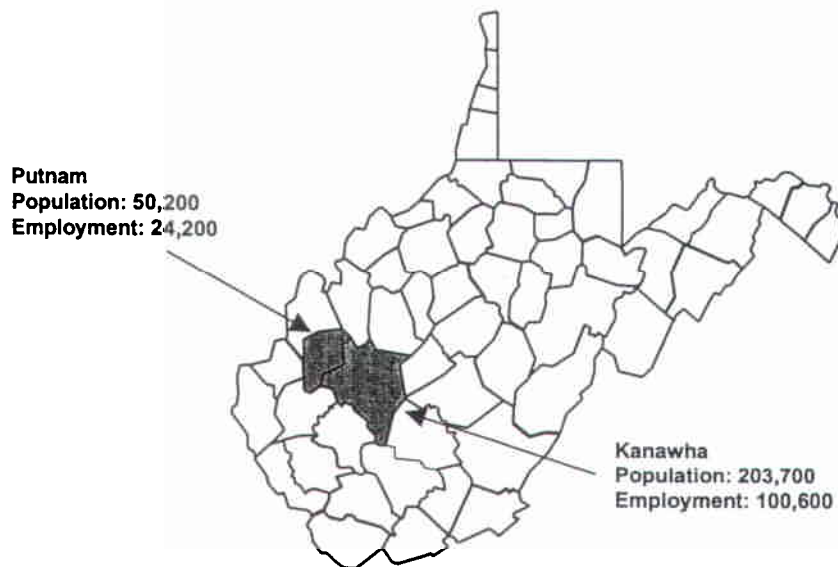
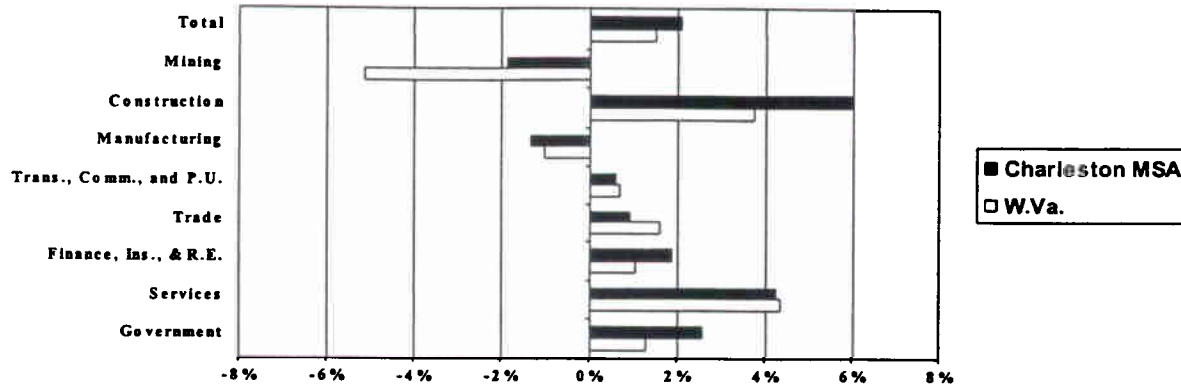


FIGURE 1
Charleston MSA
Data for 1997

the statewide average. Although the region did lose jobs in manufacturing, its losses have been at about the same pace as recorded statewide. Since 1990, the manufacturing jobs have fallen from 10,947 to 9,977.

FIGURE 3
Annual Nonfarm Job Growth: 1990-97
W.Va. and the Charleston MSA



The sectors which have driven job growth in the Charleston MSA so far in the 1990s have been construction, services, and government. Construction and government have posted growth rates in excess of the statewide average, while services job growth in the region has roughly matched the West Virginia average.

Vigorous job growth in the region has contributed to a reduction of the unemployment rate from a high of 8.9 percent in 1992 to 4.8 percent in 1997. The two counties' unemployment rates were very similar in 1997, with Kanawha County at 4.8 percent and Putnam County at 4.7 percent.

Per capita personal income growth in the Charleston MSA during the 1990-1996 period (4.6 percent per year) exceeded both the national growth rate of 4.1 percent per year and the statewide growth rate of 4.3 percent per year. Per capita personal income growth was faster in Putnam County (5.2 percent per year, ranked 3rd), followed by Kanawha County (4.6 percent per year, ranked 17th).

Current estimates show that Charleston MSA population growth has averaged 0.2 percent per year during that last seven years. This matches the statewide population growth rate of 0.2 percent, but falls short of the national average rate of growth of 1.0 percent per year. While the region as a whole has added residents since 1990, the two counties within the region have experienced very different results. Putnam County has added residents at the fastest rate of any county in the state during the 1990s so far while Kanawha County has lost residents. In addition, current estimates suggest that the Charleston MSA recorded a small population decline during 1997 of 500 residents, due to population losses in Kanawha County.

Forecast: 1998-2003

The fortunes of the Charleston MSA are linked to those of the U.S. and international economies. If the U.S. economy skirts recession during the next five years, then the Charleston MSA economy will follow suit. If the U.S. economy slips into recession, then growth in the Charleston MSA will suffer. The forecast for the Charleston MSA, which is described below, rests on the assumption that the U.S. economy will avoid recession during the next five years. The U.S. forecast, prepared by Standard & Poor's DRI in September 1998, calls for U.S. growth to slow significantly during the 1999-2000 period, but for the national economy to continue growing.

TABLE I
Charleston MSA Employment, Population, and Income Forecasts

	Actual				Forecast				Chlstrn. MSA 1998-2003	Annual Growth Chlstrn. MSA (%) 1998-2003	W.Va. (%) 1998-2003	U.S. (%) 1998-2003
	1995	1996	1997	1998	1999	2000	2001	2002				
Total	120,358	122,387	124,494	127,402	129,765	132,372	134,163	135,275	136,496	1,841	1.4	1.1
Goods Producing	18,514	18,519	18,932	19,039	19,246	19,416	19,730	19,917	20,045	203	1.0	-0.2
Mining	1,779	1,226	1,910	1,801	1,754	1,707	1,653	1,621	1,581	-43	-2.6	-2.9
Construction	6,909	6,826	7,045	7,031	7,149	7,281	7,409	7,505	7,578	111	1.5	1.0
Manufacturing	9,826	9,757	9,977	10,207	10,343	10,428	10,658	10,791	10,886	137	1.3	0.0
Service Producing	101,844	103,658	105,562	108,364	110,519	112,956	114,433	115,357	116,451	1,639	1.5	1.4
Trans., Comm., P.U.	9,042	8,843	9,100	8,965	9,069	9,101	9,184	9,220	9,276	63	0.7	0.0
Trade	31,302	31,461	31,141	31,822	32,500	33,086	33,536	33,862	34,162	474	1.4	0.9
Finance, Ins., R.E.	6,581	6,641	7,164	7,471	7,561	7,622	7,652	7,673	7,723	51	0.7	0.6
Services	32,918	34,377	35,253	36,718	37,815	39,188	40,150	40,550	40,985	872	2.2	2.3
Government	22,001	22,426	22,904	23,387	23,574	23,960	23,911	24,052	24,304	184	0.8	1.0
Labor Force	126,076	130,066	131,159	132,320	133,970	135,811	137,451	138,829	140,318	1,611	1.2	0.8
Employment	118,922	123,048	124,832	126,388	127,966	129,858	131,501	132,641	133,885	1,511	1.2	0.8
Unemployment Rate	5.7	5.4	4.8	4.5	4.5	4.4	4.3	4.5	4.6	0.0	0.5	-0.1
Total Population	254.3	254.4	253.9	253.7	254.0	254.1	254.3	254.3	254.5	0.1	0.1	0.1
Population (Thousands)												
Total	5,254,686	5,366,930	5,499,708	5,679,404	5,822,599	5,945,877	6,047,878	6,135,823	6,246,222	114,858	1.9	1.4
Wage and Salary	3,143,500	3,231,208	3,335,684	3,476,285	3,574,991	3,661,079	3,720,421	3,761,658	3,818,744	68,585	1.9	0.9
Other Labor Income	359,458	354,983	352,118	358,962	365,920	376,955	385,585	392,503	400,115	8,339	2.2	2.5
Proprietors' Income	377,982	381,555	386,460	396,191	401,534	411,739	418,901	424,526	430,578	6,948	1.7	1.0
Dividends, Interest, Rent	829,474	855,592	865,440	868,190	873,320	864,789	863,182	867,978	880,114	2,378	0.3	0.2
Transfer Income	1,081,732	1,101,008	1,115,721	1,138,111	1,164,652	1,189,442	1,213,913	1,237,920	1,261,849	25,048	2.1	2.5

Charleston MSA: Kanawha and Putnam counties
 * Covered nonagricultural employment by industry includes employment at firms participating in the West Virginia Unemployment Compensation system. These estimates exclude the self-employed, student workers, most church workers, railroad workers, and unpaid family workers. West Virginia Forecast from West Virginia Economic Outlook 1999
 † U.S. forecast from Standard & Poor's DRI, September 1998.

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