

NORTH CENTRAL WEST VIRGINIA

ECONOMIC OUTLOOK 2020-2024



North Central West Virginia Economic Outlook

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Executive Summary

North Central West Virginia has remained one of the state's healthiest economic regions and continued to post solid job growth over the past couple of years. Even with some recent job losses by at one of the area's largest employers and protracted stoppages to natural gas pipeline projects, the area has recorded solid gains in income and employment and all four of the region's counties have shown varying degrees of improvement across a range of labor market indicators. In this report, we present a detailed discussion of North Central West Virginia's economy along with our forecast for regional conditions for the next five years.

Several key facts behind the recent economic performance of North Central West Virginia are as follows:

- **North Central West Virginia added more than 8,000 jobs between early-2010 and mid-2019, nearly equaling statewide job growth over this period.** The region saw little change in payrolls between mid-2014 and late-2016, but employment in the four-county area has increased by 3,500 since early-2017.
- **Among the region's four counties, Monongalia and Harrison counties have accounted for the bulk of economic growth both in recent quarters and over the past several years.** Marion County's economy has stabilized after seeing significant job loss over the previous decade.
- **Many of the region's sectors have outperformed statewide growth by sizable margins in recent years.**
- **The energy sector has seen a great deal of volatility in recent years, as regional coal and natural gas production have essentially gone in opposite directions** due to structural changes in the US electric power sector and rising global demand for natural gas.
- **Unemployment in the region is consistently lower than the statewide average by a sizable margin.**
- **Labor force participation is higher in the area compared to the balance of West Virginia.** While the region does lag the overall national average, workforce participation for several age groups is well above average.
- **Per capita personal income growth in North Central WV has lagged state and national averages since 2012.** Three counties in the region rank among the state's ten highest in terms of per capita income levels.
- **Regional demographic trends are also favorable. Nearly 27,000 residents have been added to the area since 2000.** The area's population is also younger and more highly-educated versus statewide norms.

Our forecast calls for North Central West Virginia to grow at a rate similar to the region's performance from the previous decade. Key aspects of our North Central forecast are as follows:

- **We expect employment to grow at an annual rate of nearly 0.8 percent per year in North Central WV.** This rate is higher than expected growth for West Virginia overall (0.2 percent) and surpasses the national average (0.6 percent).
- **Monongalia County is expected to exhibit the highest rate of job growth among the region's four counties.** Harrison County is expected to grow at an above-average rate, but at the same time likely has the most potential to deviate from expected growth.
- **The energy sector, professional and business services, health care and manufacturing are the sectors likely to lead in terms of overall regional job growth, though manufacturing is subject to considerable risk due to Mylan's merger with another pharmaceutical company.**
- **Unemployment is expected to remain low in coming years and should remain appreciably lower than the statewide average throughout the outlook period.**
- **Real per capita personal income is expected to increase at an annual average rate of more than 1.7 percent** over the next five years. This rate of growth surpasses the statewide average by a healthy margin.
- **The region's population is expected to continue to grow in coming years, but all the anticipated gains will occur in Monongalia County.**

Recent Economic Performance

North Central West Virginia¹ has stood out as a consistent performer and one of the few economic regions in the state to register appreciable growth in payrolls and real wages over the past decade or so. Indeed, even with the region’s economic slowdown that was linked to a slump in the energy sector between late-2014 and late-2016, the four-county area has managed to notch positive job and real wage growth in eight of the nine last years. While renewed increases in natural gas output and expansions in natural gas pipeline infrastructure within the region have provided a boost to the area’s economic growth, as a testament to the region’s economic diversity, gains have occurred across an array of sectors – with manufacturing representing the major drag on the four-county area’s performance. Overall, North Central West Virginia employers have added nearly 4,000 jobs since the first quarter of 2017.²

PERFORMANCE BY COUNTY Monongalia County represents the primary economic engine for North Central West Virginia. West Virginia University, with more than 24,200 students and 6,400 faculty and staff members located at the university’s main campus in Morgantown, acts as a stabilizing force amid the ups and downs caused by macroeconomic fluctuations and regional volatility in energy production. WVU has generated growth opportunities for the region’s economy thanks to numerous new construction and renovation projects across the university’s three campuses in addition to the generation of positive spillover effects created by faculty and staff engaging in research and outreach activities. While the FY2019 allocation from the state’s budget did increase the university’s baseline spending allocation by \$5 million, most of this increase was allocated to fund faculty and staff raises and only served to offset cuts in funding from the past several fiscal years.

While WVU represents Monongalia County’s single-largest economic driver, the private sector has accounted for a significant portion of local

economic growth in recent years as well. Projects such as the build-out of University Town Centre, Suncrest Towne Center and Fort Pierpont, as well as the early phases of construction and land development related to the WestRidge Business Park expansion serve as examples of major commercial and retail projects. In addition, WVU Medicine and Mon Health System have added outpatient, surgical and specialty care facilities in Morgantown and have also expanded the footprints of their main campuses

Figure 1: Total Employment

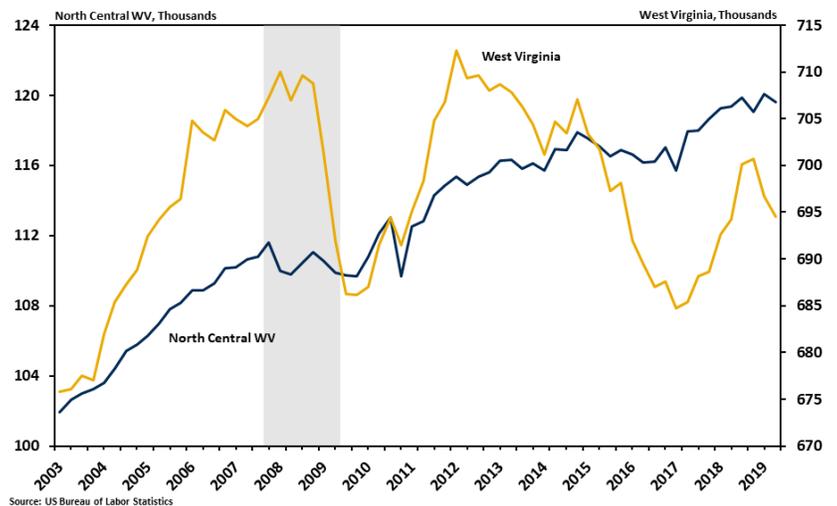
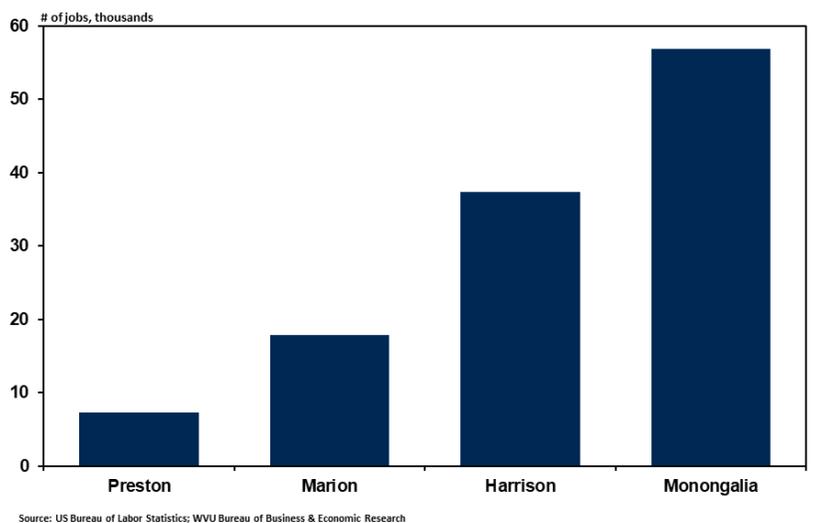


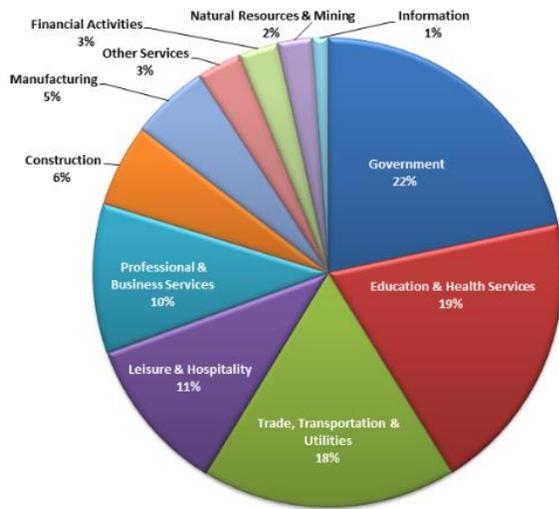
Figure 2: Total Employment by County (2018)



¹ For the purposes of this report, North-Central West Virginia consists of Harrison, Marion, Monongalia and Preston counties.

² Sources for historical information are noted in each figure.

Figure 3: North Central WV Employment Distribution by Sector



Source: US Bureau of Labor Statistics; 2018 data.

over the past several years, providing a sizable boost to local healthcare sector payrolls.

Although the economic backdrop for Monongalia County has been decidedly positive, one of the region’s largest private sector employers has experienced some turbulent conditions and faces some significant near-term uncertainty. Indeed, Mylan Pharmaceuticals has eliminated several hundred jobs over the past two years and faced intense public scrutiny over pricing of some generic drug products—especially the epipen. Lastly, in late-July 2019, Pfizer announced its decision to purchase Mylan and merge it with Upjohn, spinning off the operations into a new company. No indications have been made to date as to whether Mylan’s operations in Morgantown will experience any workforce reductions as a result of the merger but remains a significant risk to the region’s economic performance as the company employs more than 2,000 people locally.

After remaining in a stable range between early-2012 and mid-2016, Harrison County has accounted for a growing share of overall regional growth over the past three years. Accelerating growth in natural gas output and large-scale construction of new natural gas pipeline capacity have provided a significant boost to local economic activity. Indeed, the Mountain Valley Pipeline (MVP) and Atlantic Coast Pipeline (ACP) as well as the Goff Connector all lie within the county’s boundaries, while the Mountaineer XPress (MXP) and Sherwood Lateral for Rover II are located just to the West in Doddridge County. The MVP and ACP

are currently held up due to federal court rulings, these and other projects appreciably bolstered regional growth.

The other major sources of gains for Harrison County in recent years stem from development at the North Central West Virginia Airport, including the addition of flight services and an increase in aircraft repair and servicing at hangars. Also, the continued build-out of the Charles Pointe and White Oaks development as well as expanded hiring at the FBI’s Criminal Justice Information Services (CJIS) facility in Clarksburg have lifted the county’s performance over the past few years.

Preston County’s employment situation has been stable for the most part during the past five years or so. By comparison, Marion County has generally been the weakest performer within the North Central WV region over the past several years. Payroll levels have increased moderately since mid-2018, but even with the jobs added by coal and natural gas over the past few years, Marion County’s level of employment is only slightly higher than what was observed in the early 1990s.

PUBLIC SECTOR The public sector is a major feature of North Central West Virginia’s economic landscape. In addition to the presence of higher education institutions, namely WVU and Fairmont State University, several major federal installations can be found in the area, including the FBI’s CJIS facility, Department of Energy’s National Energy Technology Laboratory, Louis A. Johnson VA Medical Center, National Institute for Occupational Safety and Health (NIOSH) and US Bureau of Prisons.

The backdrop for state employment in the four-county area has been weak due to the protracted nature of West Virginia’s poor fiscal conditions and declining enrollment figures for both WVU and Fairmont State. These institutions did see some relief in 2019 thanks to a strong increase in tax revenue collections, but most of their funding gains were to meet increased faculty and staff salaries. More recently, the Justice Administration has signaled state agencies need to be prepared for mid-year budget cuts due to below-target revenue collections for FY20. Federal employers in the region have also been under pressure due to slow federal spending growth and re-alignment of budget priorities under the Trump

Administration, but personnel and program investments at the FBI’s facility since 2016 have boosted federal payrolls in the region.

HEALTHCARE SECTOR Healthcare services also represents another linchpin to the North Central Region’s economy. J.W. Ruby Memorial Hospital and the Monongalia Health System employ more than 9,000 people in Monongalia County alone and WVU Medicine has aggressively expanded its operations, including a new 114-bed Southeast tower at Ruby Memorial and the Outpatient Center at University Town Centre. Work is also currently underway on a new 155-bed tower that will house an expansion for WVU Medicine Children’s Hospital, though construction is not expected to be completed until next year. Monongalia Health System has added several smaller facilities in recent years, chiefly the Monongalia Health Medical Park facilities adjacent to Route 705 in Morgantown. All told, the sector has added nearly 5,000 jobs on net in the four-county area since the beginning of 2010, though these gains occurred mostly in Monongalia and Harrison counties.

CONSTRUCTION North Central West Virginia has been home to a significant amount of natural gas pipeline construction activity. Indeed, Harrison County has been a central location for much of this development as the Atlantic Coast Pipeline (ACP), Mountain Valley Pipeline (MVP) and Goff Connector all lie within the county’s borders. In addition, the \$555-million Hammerhead Pipeline project will connect be a 65-mile connection between the MVP and Ohio Valley Connector in Wetzel County, and will be built through western portions of Monongalia and Marion counties.

These projects have been bogged down by court-ordered delays and regulatory reviews by FERC and other federal agencies. However, a significant portion of construction has already taken place, but more importantly these projects will alleviate a significant bottleneck to the Appalachian Basin’s natural gas pipeline infrastructure. The region’s natural gas output has been sold at relatively large discount since it cannot be easily delivered to and utilized by industrial and electric utility end users. Finally, the projects have resulted in the addition of hundreds of new construction and trucking jobs in the four-county area due to intense labor needs for site preparation, transporting and installing

pipe, and adding compressor stations and other major equipment investments.

ENERGY The natural resources and mining sector accounts for only 2 percent or so of jobs in the region, but cyclical and structural changes in energy production have had substantial impacts on the North Central region’s economy. Harrison County has consistently ranked among the state’s top natural gas-producing counties but has not kept pace with Doddridge, Marshall, Ritchie, Tyler and Wetzel counties. However, many drilling and field service firms that operate in fields located in surrounding counties have established their regional operations in and around the Clarksburg area.

Monongalia and Marion counties have experienced strong growth in withdrawal volumes in recent years, though they still account for a relatively small share of statewide production. Overall, regional employment in the oil and gas industries has increased more than 18 percent since late-2016. In addition to abundant natural gas assets, North Central West Virginia contains an appreciable amount of coal production. Total tonnage reached 18.1 million tons in 2018, a half-million ton drop versus 2017. Through the first three quarters of 2019, coal tonnage has declined 2 percent compared to the same period last year. While output has held relatively steady during the past year or so, coal mine payrolls have remained mostly stable at nearly 1,500 over the past year.

UNEMPLOYMENT North Central West Virginia consistently has an unemployment rate that comes in well

Figure 4: Unemployment Rate

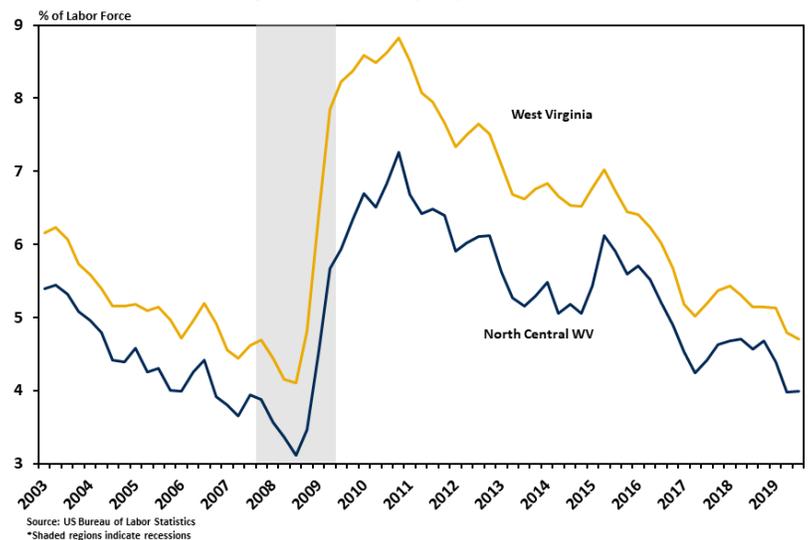
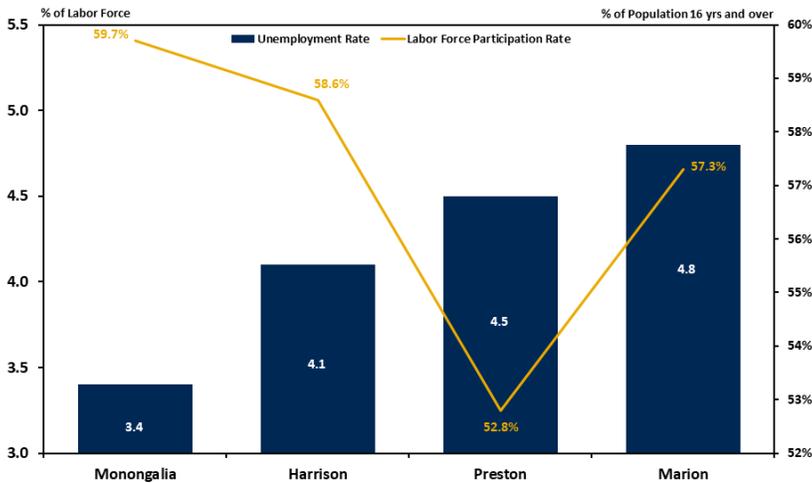
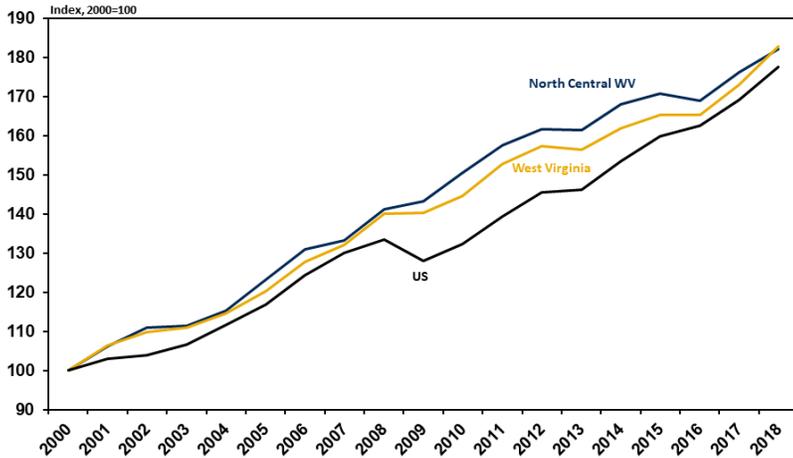


Figure 5: Unemployment and Labor Force Participation by County



Source: US Bureau of Labor Statistics; US Census Bureau
 Note: Unemployment rate figures are 2019q3 averages; Participation rates are 2013-2017 averages.

Figure 6: Per Capita Personal Income



Source: US Bureau of Economic Analysis
 *Note: The 2018 figure for North Central WV is an estimate.

rate in the region at 3.4 percent, while Marion County contains the highest incidence of unemployment at 4.8 percent.

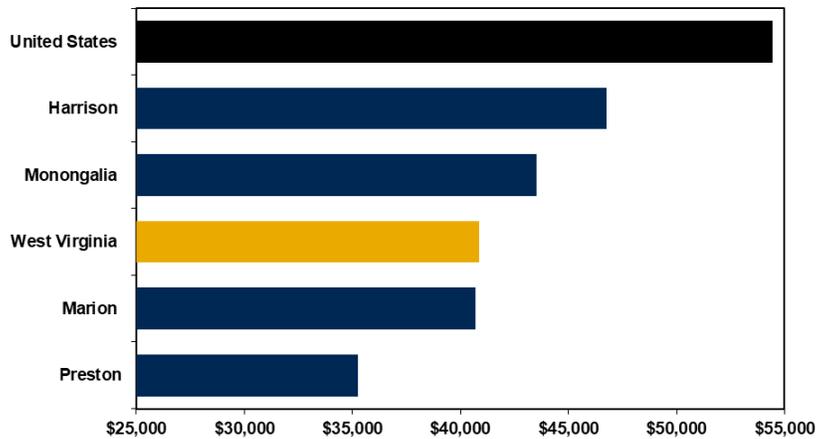
Workforce participation tends to exceed statewide averages in North Central West Virginia. Overall, the four-county region’s labor force has expanded by more than 6,000 since the beginning of 2012, with half of that gain occurring in the span of just the last two years. This stands in contrast to the rest of West Virginia, where the adult-aged workforce has contracted significantly. In terms of the share of residents aged 16 and older that actively participate in the workforce, Monongalia County has the highest at nearly 60 percent either holding a job or actively seeking employment. Preston County is the lowest in the region but is generally on par with the statewide average. Moreover, while all four counties lag the national average rate of workforce participation by several percentage points, most of the region performs well when comparing this labor force measure for the prime working-age population of 25 to 54 years of age.

INCOME Per capita personal income (not adjusted for inflation) in the North Central West Virginia Region was estimated at nearly \$42,700 during calendar year 2018. This marked a 3.4 percent rate of growth in average income levels from 2017. Overall, North Central West Virginia has

below the statewide average. The four-county region’s jobless rate reached its lowest level on record in mid-2008 at just above 3 percent before more than doubling to a peak of 7.3 percent by the end of 2010.

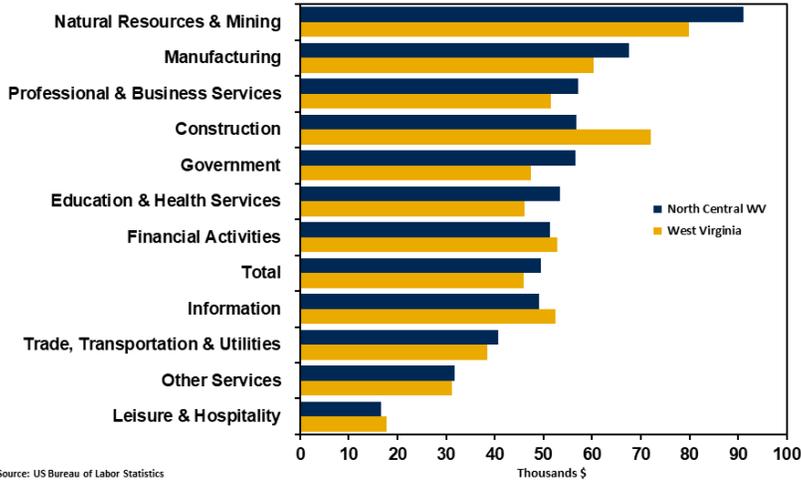
After falling steadily over the subsequent four years to a low of 5 percent in late-2014, energy industry layoffs and uncertainty in the public sector caused the region’s unemployment rate to surpass 6 percent in less than a year’s time. Since that point, however, the regional unemployment rate has trended lower and has remained below 4 percent in each of the past two quarters—the lowest sustained reading since 2008. Among the four counties, Monongalia possesses the lowest

Figure 7: Per Capita Personal Income by Area (2018)



Source: US Bureau of Economic Analysis
 Note: County per capita income figures for 2018 are provisional estimates.

Figure 8: Average Annual Salary by Major Sector (2018)



Source: US Bureau of Labor Statistics

seen per capita income increase nearly 13 percent since 2012, falling short of state and national growth.

Harrison County has the highest per capita income of all four counties in the region at approximately \$46,700 in 2018, followed by Monongalia, where residents earned more than \$43,500 on average. While the region’s diverse mix of high-wage industries does make income growth somewhat less volatile, per capita income trails the national average by a considerable margin overall due to the presence of tens of thousands of college students at WVU, Fairmont State and smaller institutions.

POPULATION Although many economic regions in West Virginia have suffered sustained population losses, North Central West Virginia has tended to see gains in the number of residents, adding nearly 27,000 people overall

since 2000. The region did experience slight population declines the last two years. Monongalia County represents the region’s most populous county and is the third largest statewide at 106 thousand residents and has been the region’s leader in population growth over the past decade or so, offsetting the moderate losses recorded in Harrison and Marion counties.

DEMOGRAPHICS Many of North Central West Virginia’s underlying demographics offer a noticeable contrast to the rest of the state. However, many of these differences are driven in large part by Monongalia County, since the region’s other three counties resemble the state by most demographic measures. For example, while the region’s overall median age is 38 years, the presence of West Virginia University helps to place nearly 40 percent of Monongalia County’s population under the age of 25 and make the area’s overall age distribution appear measurably younger.

Finally, rates of educational attainment for the region are noticeably higher versus other parts of the state as nearly 28 percent of residents aged 25 and older possess a college degree, more than 7 percentage points above the statewide figure. Unsurprisingly, Monongalia County contains the state’s highest concentration of college graduates and is the only county in the state to exceed the national average, as more than 40 percent of residents 25 years and older hold bachelor’s degree or higher.

Figure 9: Summary Population Profiles

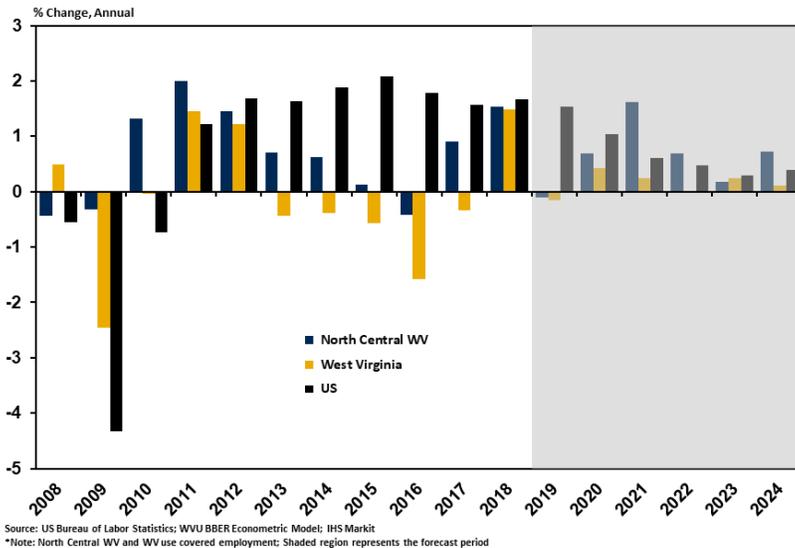
	North Central WV	West Virginia	United States
Total Population (2018)	263,910	1,805,832	327,167,434
% Population Under 18 (2018)	18.8%	20.2%	22.6%
% Population 65 Years + (2018)	16.8%	19.9%	15.8%
Population with Less than High School Diploma (2017, 25 yrs. +)	10.8%	12.9%	12.0%
Population with High School Diploma, No College (2017, 25 yrs. +)	36.8%	41.2%	27.1%
Population with Some College (2017, 25 yrs. +)	24.8%	25.7%	28.9%
Population with Bachelor’s Degree or Higher (2017, 25 yrs.+)	27.6%	20.2%	32.0%
Median Age (2018)	38.1	42.7	38.2
Mean Household Income (2017)	\$66,444	\$59,557	\$84,525
Average Household Size (2018)	2.62	2.50	2.74

Source: US Census Bureau

Economic Outlook

Expectations for the US and West Virginia economies during the forecast horizon will have a significant impact on the North Central Region’s economic performance. Our forecast calls for the region to shrug off a slight decline in payrolls during 2019 and record growth that tends to exceed statewide and national averages over the remainder of the outlook period.

Figure 10: Employment Growth Forecast



EMPLOYMENT OUTLOOK We anticipate total employment in the four-county region will increase at an average annual rate of nearly 0.8 percent. This pace of job growth is nearly identical to what was observed during the past decade and will only augment the North Central region’s share of overall statewide economic output going forward. Regional growth will likely be strongest between 2020 and 2022 with payroll gains expanding at an annual average of 1 percent over those years. While growth will be relatively broad-based overall during the five-year outlook period, the surge in growth expected over the next few years will be led by several major construction projects in Monongalia and Harrison counties.

Monongalia County is expected to pace the region overall in terms of job growth during the outlook period, even surpassing the national average by nearly one-half of a percentage point. However, Mon County’s growth will be subject to considerable risk going forward as it remains unclear how Mylan’s purchase by Pfizer and

subsequent merger with Upjohn will affect the pharmaceuticals production facility and research labs in Morgantown. Harrison County is expected to grow at an above-average pace during the outlook period though job growth will likely be strongest during the first few years thanks to robust construction activity. At the same time, Harrison does have the most potential (both upside and downside) in the region for growth to differ from the baseline due to its higher exposure to cyclical swings in natural gas and manufacturing activity. Preston County is expected to post employment growth of 0.5 percent per year, though the relatively low level of employment makes it easy for the county to lag or exceed forecast job growth. Marion County will likely enjoy the slowest growth in the four-county area at 0.3 percent during the five-year outlook period and these will mark only a very mild recovery from the deep losses experienced in the county’s protracted economic downturn that lasted from 2012 to 2018.

SECTOR OUTLOOK The natural resources and mining sector is expected to pace the region’s overall job growth during the outlook period, with payrolls rising by an average annual rate of 2.1 percent. Regional coal production faces a great deal of risk from continued structural change in the domestic electric power sector as several coal-fired power plants in other states that purchase coal from area mines have become

Figure 11: Employment Growth Forecast by Area

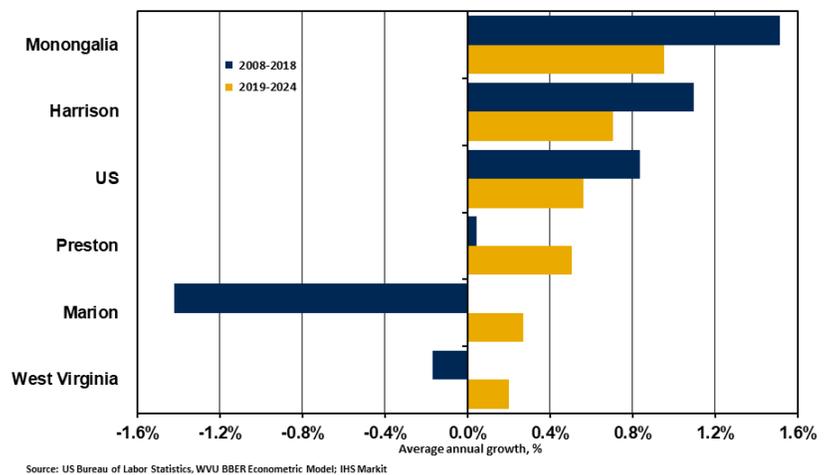
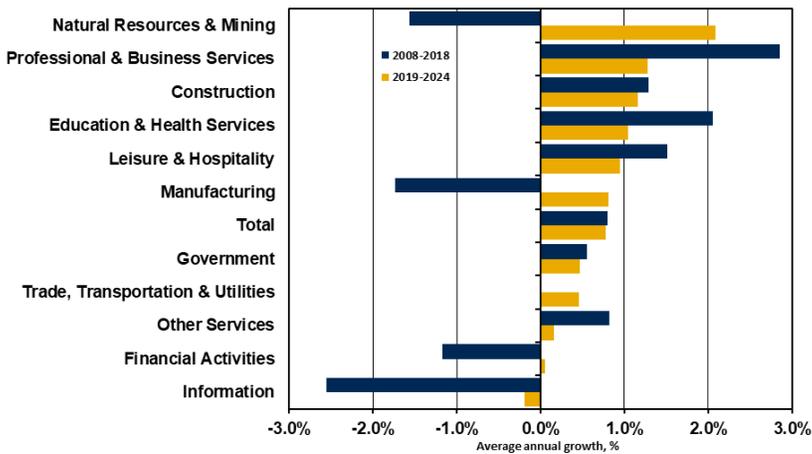


Figure 12: North Central WV Employment Growth Forecast by Sector



increasingly uncompetitive with combined-cycle natural gas plants and utility scale renewable generators.

At the same time, the region’s natural gas industry is positioned to drive growth in the overall sector thanks to the continued development of natural gas and natural gas liquid (NGL) resources throughout the tri-state area and continued increases in domestic and international demand for natural gas. The delays for the MVP, ACP and Hammerhead project are expected to shut-in regional production to some extent over the next several quarters, but the forecast operates under the assumption assumes the projects will eventually clear legal and regulatory hurdles by mid-2020 and enter service by 2021.

While downstream natural gas industries will remain absent within the North Central region, the opening of the Shell ethane cracker in Monaca, PA, in 2022 will signify the first step in developing a more diversified network of uses for the four-county area’s natural gas production beyond sourced fuel for power plants, delivering gas by pipeline to industrial customers along the Gulf Coast or converting it to LNG so as to export overseas.

The professional and business services sector is expected to add jobs at a rate of 1.3 percent annually during the outlook period, benefiting in part from broader regional and national economic growth underpinning demand for business support firms. Tech services firm Leidos agreed to consolidate its Morgantown Area operations into one new larger facility in the WestRidge business park and is also expected to increase its local workforce in order to manage a \$100 million contract focused on bolstering

cybersecurity and enterprise security for the National Oceanic and Atmospheric Administration (NOAA). WVU’s presence will certainly engender further opportunities for research, innovation and technology going forward, as will the assortment of federal and private research facilities that are located along the I-79 High-Tech Corridor.

In addition, the professional and business services sector is expected to benefit directly from the energy sector’s rebound and projected growth over the next several years. Indeed, contract labor services are utilized heavily by gas drilling firms and as production and exploration activity continue to increase over the next couple of years these jobs should increase in number. The sector will also see a continued bump in payrolls over the next couple of years as the ACP, MVP and Hammerhead project work toward completion and enter service at some point during 2021 or 2022. Finally, given the many complexities associated i land development, gas leases and other deals, rising natural gas production bodes well for a range of firms specializing in legal, accounting, engineering and other expert service industries.

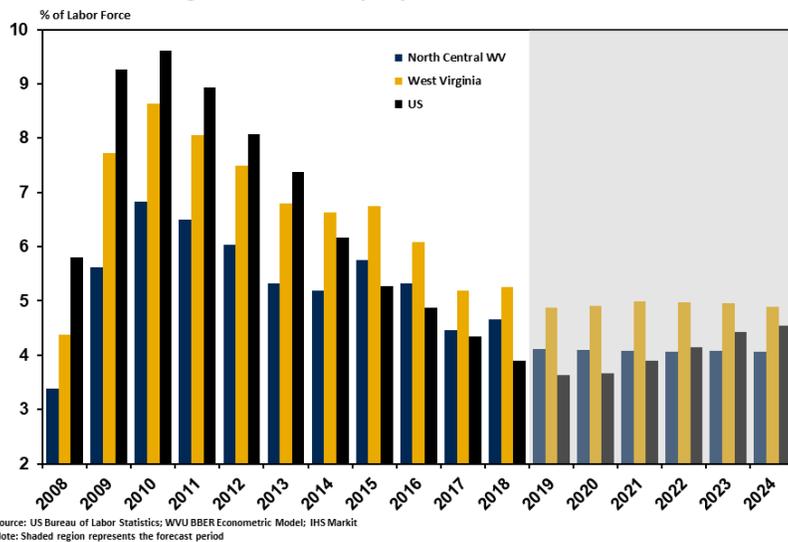
While construction will not rank as the region’s fastest growing sector over the entirety of the outlook period, a host of projects driven by the energy industry as well as large increases in public infrastructure spending will promote substantial growth in construction activity for several parts of the region during the middle portion of the outlook period. Of course, the ACP, MVP and Hammerhead project represent a significant keystone in not only fostering the next stage in growth of the tri-state area’s natural gas industry, but also providing a source of jobs for highly-skilled and high wage construction trades workers.

Despite the massive growth in natural gas production within West Virginia, the state has remained an outlier compared to much of the Eastern US in that electricity generation is still overwhelmingly provided by coal-based power plants. However, that is expected to change within the next few years as Longview Power and Energy Solutions Consortium (ESC) intend to build advanced combined-cycle natural gas power plants in Monongalia and Harrison counties, respectively. Longview plans to construct a 1,200MW natural gas-fired power plant—

along with a 70MW utility-scale solar installation—on a site adjacent to its existing coal-fired power plant. Although permit approvals could alter the project’s timeline, the power plant is expected to create a few thousand construction sector jobs as it is built out to an anticipated completion in late-2022/early-2023. Once operational, the ACC-NG plant will require roughly 30 highly-skilled power generation jobs to keep the plant up and running. ESC’s proposed natural gas plant will have a capacity roughly half the size of the Longview facility and assuming it meets the targeted commissioning date of mid-2022, the \$600-million+ project will create several hundred construction jobs.

during the outlook period. Most of these gains will occur within the first two years of the forecast horizon, coinciding with the WVU Medicine’s addition of the new children’s hospital facilities within the new Southeast Tower at Ruby Memorial. From a longer-term perspective, the region has become a hub for healthcare services for residents across West Virginia. This status will only be reinforced over the longer term as an aging population bids up demand for healthcare services statewide and some specialized services could be shifted entirely to the North Central Region as cost issues cause parts of West Virginia facing declining and/or highly-rural populations to focus on providing basic care.

Figure 13: Unemployment Rate Forecast



The North Central Region’s core consumer-driven sectors, namely leisure and hospitality and retail trade, should continue to record steady increases in payrolls. Population gains and strong income growth in the region will drive most of these gains going forward. In addition, the eventual build-out of University Town Centre, along with the start of construction on consumer outlets at WestRidge have the potential to drive economic activity into less developed portions of Monongalia County. The Charles Pointe and White Oaks developments will remain focal points for consumer spending activity in the southern portion of the region and could see additional retail, dining, lodging and entertainment business appear during the outlook period.

WVU and WVU Medicine also have a handful of major projects that are expected to be completed during the 2020 to 2022 timeframe. Public infrastructure investments within the region will appreciable over the next several years. An array of major roadway and other public infrastructure projects have already been approved throughout the I-79/I-68 corridor in Harrison, Marion and Monongalia counties. Not only will these projects create direct economic impacts during the construction phase in the outlook period, they also create opportunities to ease prior limitations in the region’s infrastructure that, had they not been addressed, would have placed limits on the North Central economy’s growth potential—especially in Monongalia County.

Public sector employment in the four-county area is expected to grow 0.4 to 0.5 percent annually between 2019 and 2024. State government payrolls will increase slightly over the next five years, reflecting the cyclical and structural problems that are anticipated to continue for several of the state’s major sources of tax revenue. Local government employment should see more potential for growth as increased revenue streams (local sales taxes and fees, natural gas, etc.) allow the area’s city and county governments meet the needs of a growing population that demands more local government services.

After growing 2 percent annually over the last decade or so, the education and healthcare services sector is expected to see job gains come in at roughly half that pace

The FBI Criminal Justice Information Services Division in Bridgeport could potentially add more workers depending upon expanded federal mandates on background checks conducted at the facility. Elsewhere, we do not anticipate any major changes for the region’s other federal employers, but downside risks are a factor that cannot be

ignored as the outcome of the 2020 election could lead to changes in spending priorities, especially given the anticipated growing strain Medicare and Social Security will soon begin to exert on the broader federal budget.

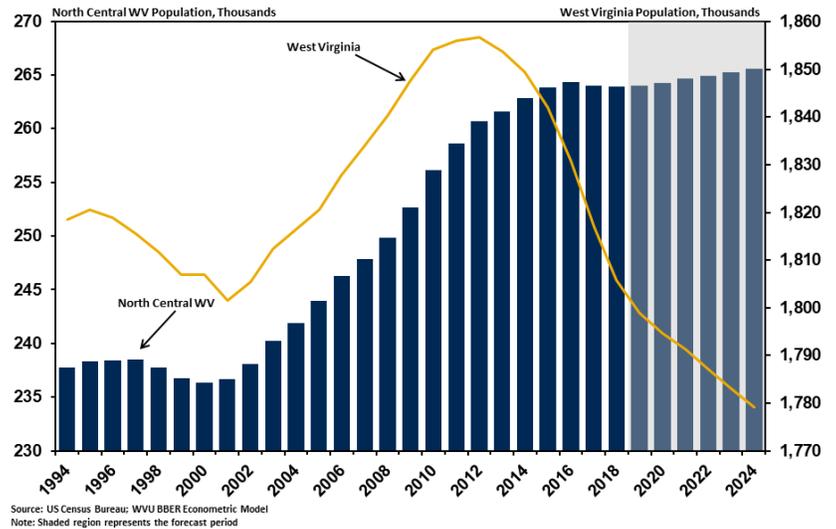
UNEMPLOYMENT OUTLOOK Large revisions to historical data as well as any unanticipated changes in the labor force participation rate for North Central West Virginia could cause the forecast for the area’s unemployment rate to differ significantly from both its projected level and path. Nonetheless, expected job growth during the outlook period is expected to result in further declines in North Central West Virginia’s unemployment rate. After averaging roughly 4.1 percent for all of calendar year 2019, our forecast calls for the jobless rate to hover around 4.0 percent for the remainder of the forecast horizon.

Monongalia County will maintain the lowest jobless rate among the region’s four counties throughout the forecast, edging lower to the mid-3.0-percent range. Harrison County’s unemployment rate will remain below the statewide average and eventually decline by late-2019. Harrison County’s jobless rate will generally track the statewide average while Marion County will see the largest percentage-point decline in its unemployment rate thanks to better job prospects within the county and healthy growth in neighboring Harrison and Monongalia counties.

INCOME GROWTH Inflation-adjusted per capita income in North Central West Virginia is projected to increase at an average annual rate of 1.7 percent through 2024. Job growth in relatively high-wage sectors will translate into strong increases in real wages and salaries earned by workers and continued improvements in equity markets should bolster local households’ investment income. Finally, growth in transfer payments will accelerate during the latter half of the outlook period as more people in the area enter retirement, particularly in Harrison, Marion and Preston counties.

POPULATION OUTLOOK The region’s resident population is expected to increase between 0.1 and 0.2 percent per year during the outlook period, which will lag the rate of growth observed in the most recent decade. Monongalia County will account for virtually all the area’s population growth over the next five years, adding residents at 0.6 to

Figure 14: Population Forecast



0.7 percent per year. One potential downside risk to regional population growth, particularly within Monongalia County, could be from smaller numbers of international students and professionals immigrating to the US because of recent discussions on proposed changes in federal immigration policy. In addition, even with the level of infrastructure development assumed in the forecast, portions of Monongalia County have significant deficiencies in terms of infrastructure capacity that will severely hamper residential and commercial development. If these deficiencies are not addressed, it could dampen the area’s attractiveness to potential residents.

The region’s other three counties will see varying degrees of population losses during the outlook period, though Harrison does have some potential for population gains that will depend to a great extent on the state’s ability to attract midstream and downstream opportunities for natural gas. Preston County’s population is expected to see only slight declines over the next five years while Marion County will continue to struggle with losses of greater than 0.2 percent annually during the forecast horizon.