Executive Summary

The Eastern Panhandle (EPH) has been West Virginia’s strongest economic region for much of the past decade. Numerous economic indicators point to broad strength in the area’s economy and the region’s performance tends to stack up well against national-level economic measures. In this report, we present a detailed discussion of the current state of the EPH economy along with our forecast for the likely path of economic activity over the next five years.

Several key facts behind the recent economic performance of the Eastern Panhandle Region are as follows:

- **Employment in the EPH rebounded at a healthy pace after the Great Recession and the region has continued to build upon those gains in recent years.** Local employers have added roughly 10,000 new jobs on a cumulative basis since 2010 compared to 7,500 for the state over the same period.

- **Among the region’s three counties, employment growth has been strongest in Berkeley County, but Jefferson and, more recently, Morgan counties have contributed to area job gains.**

- **While growth has generally been broad based, the manufacturing and transportation and warehousing sectors have led the region in job creation over the past several years.** The openings of Procter & Gamble’s $500 million manufacturing facility and Macy’s fulfillment center have accounted for a large portion of this growth.

- **Not all the region’s sectors have recorded significant job growth.** Leisure and hospitality, professional and business services and the public sector have provided only modest contributions at best to payrolls in the EPH.

- **Unemployment in the region is substantially lower than the national and statewide average.**

- **Labor force participation rates in the EPH exceed the overall statewide average by a wide margin.** Overall participation rates in Jefferson and Berkeley counties surpass the national average while Morgan County’s working-age population (25 to 54 years) participate in the workforce at rates well above the US average.

- **The EPH has posted the largest population increase of any region in the state in recent decades.** Since 1998, the EPH has added more than 64,000 residents, while the balance of the state’s remaining 52 counties lost 70,000 residents over this period.

- **EPH’s population is younger and has a higher share of college-educated residents compared to the state.**

Our forecast calls for continued healthy growth in the Eastern Panhandle over the next five years. Key aspects of our EPH forecast are as follows:

- **We expect employment to grow at an average annual rate of nearly 0.9 percent per year in the EPH through 2024.** Gains will be strongest between 2019 and 2021 but will still surpass state and US job growth over the latter half of the outlook by a healthy margin.

- **The manufacturing sector is expected to produce the fastest rate of job growth in the coming years, with a forecast of more than 2.2 percent annually.** Gains will be driven largely by the build-out of operations at the P&G facility, but several other manufacturers in the region are also adding workers in the coming years.

- **Several service-providing sectors will post above-average job growth as strong increases in incomes and population support local demand for healthcare and other services.** Construction will grow at a slow rate overall but several major highway projects and gas pipeline installations will buoy the sector.

- **Unemployment is expected to rise moderately during the outlook period but remain well below the statewide average.**

- **Strong gains in wages and salaries for local workers and DC-area commuters, along with healthy investment income gains, will drive personal income growth for the EPH in coming years.**

- **The EPH population is expected to grow at a rate of 0.7 to 0.8 percent annually in coming years.** Berkeley County will enjoy the fastest population growth, but all three counties are expected to add residents over the next five years.
Recent Economic Performance

The Eastern Panhandle\(^1\) has been West Virginia’s strongest economic region for the past decade, registering healthy and consistent job growth since the US emerged from the Great Recession in mid-2009. Indeed, since the first quarter of 2010 the three-county region has added roughly 10,000 jobs while statewide employment gains totaled 7,500 over the same period. Furthermore, even as West Virginia’s economy has seen an appreciable improvement in conditions over the past two years or so, the Eastern Panhandle has still managed to account for nearly half of overall jobs added statewide since the first quarter of 2017. The opening and ramping-up of production activity at Procter & Gamble’s new facility in Berkeley County has been a major source of the region’s growth, but gains have occurred across other segments of the area’s economy.\(^2\)

**PERFORMANCE BY COUNTY** Each of the Eastern Panhandle Region’s three counties posted job losses during the national economic downturn, but the path of recovery has varied appreciably for each over the last decade. Berkeley County is the region’s economic center, containing the largest principal municipality of Martinsburg and nearly two-thirds of all jobs within the region. In addition, Berkeley also has the area’s highest degree of connectedness with the broader DC-MD-VA region and other East Coast markets thanks to lying directly on the I-81 corridor and just a short distance to I-70. Over the course of the Great Recession and the early stages of the national economic recovery, Berkeley County saw total payrolls shrink by nearly 12 percent on a cumulative basis. The county’s recovery and expansion have also largely mirrored the path of the broader US economy rather than West Virginia as the county’s level of employment has steadily increased since late-2010, jumping by nearly one-fourth (7,200) through mid-2019.

Jefferson County, which contains just under 30 percent of the region’s jobs, experienced an episode of moderate job losses during the economic downturn and while the county has seen payrolls trend higher for much of the past decade, employment growth has been volatile since early-2014. Nonetheless, the level of employment in Jefferson County has increased 14 percent over the course of the three-county area’s economic expansion. Morgan County has been the weakest performer in the region as payrolls contracted until early-2016, but the rural economy’s prospects have improved significantly since the beginning of 2018 thanks to broad-based growth in manufacturing.

\(^1\) For the purposes of this report, The Eastern Panhandle Region is comprised of three counties: Berkeley, Jefferson and Morgan counties.

\(^2\) Sources for historical information are noted in each figure.
construction and a couple of private service-providing sectors.

**COMMUTER JOBS** While payrolls at businesses located within the region have grown at a healthy pace, the Eastern Panhandle depends significantly on economic activity occurring in larger population centers in adjacent states. Earnings from outside of the three-county area account for more than one-third of region’s income as roughly 40 percent of the Eastern Panhandle’s workforce holds a job in places such as Fairfax, Virginia, Bethesda, Maryland, or downtown Washington DC. The Greater DC Area’s economy has enjoyed strong growth for much of the last decade and its high degree of diversity and dynamism offers an array of employment options for commuters that reside in exurban counties, such as those in Berkeley and Jefferson counties. Of course, this dependence upon the Greater Washington DC Area has hurt the area as fiercely partisan budget battles in recent years have led to sequestration and a couple of federal government agency shutdowns.

**MAJOR GROWTH DRIVERS** Several sectors have contributed to the Eastern Panhandle’s economic expansion in recent years, but a large proportion of local gains are connected to the opening of a few new large employers. For example, the trade, transportation and utilities sector has recorded substantial growth over the past decade, due in large part to the opening of Macy’s fulfillment center in Martinsburg. The facility has seen increased emphasis and hiring activity in recent years as Macy’s seeks to emphasize their online presence over physical store locations, announcing its intentions to employ more than 6,000 people (full-time, part-time and seasonal) for the 2019 holiday season.

The other major event that has produced a significant number of new jobs in the Eastern Panhandle has been the construction and opening of Procter & Gamble’s new manufacturing facility, only the second such plant to open in the US since 1971. Valued at approximately $500 million, the facility represents the single-largest capital investment ever in West Virginia and has led to the addition of 1,200 new manufacturing jobs since operations began in late-2017/early-2018. P&G is currently building out the plant’s product line capacity from Bounce, Swiffer and dish soap products (Gain and Joy) also to include shampoo and body wash products. The addition of these other product lines is expected to precipitate the hiring of at least 300 workers within the next year at the facility.

Given the size and scope of P&G’s facility and the national reach of the company’s products, the new manufacturing plant has also spawned the co-location of supply chain and support service businesses at the facility’s campus in the Martinsburg area. For example, two companies manufacture bottles and caps on-site as new orders from retailers are processed while other vendors in the area will manufacture packaging and cardboard crates as new shipments are ready to be sent to the company’s regional distribution center in Shippensburg, Pennsylvania. As P&G builds out its other remaining production lines at its Berkeley County manufacturing facility, these packaging companies will likely see job gains of their own.

**EDUCATION AND HEALTH** Like most regions in West Virginia, and across much of the nation for that matter, the education and health services sector has expanded its footprint steadily in the Eastern Panhandle over the past couple of decades. Since 2012 alone, the sector has posted an overall net increase of more than 1,000 jobs. WVU Medicine is the region’s largest private healthcare provider thanks to its cooperative operational agreement with Berkeley Medical Center and Jefferson Medical Center. Both facilities have received upgrades in recent years to match rising demand for healthcare services in recent years, including the late-2018 opening of the Jefferson Medical Center’s new surgical suite and the
expansion of operating room capacity at Berkeley Medical Center that is scheduled for completion in 2020.

OTHER SERVICE SECTORS Leisure and hospitality is the third-largest sector in the Eastern Panhandle region. The sector is a major player due in large part to the presence of Hollywood Casino, but the three-county region also plays host to other tourism and recreational venues such as Harpers Ferry, Berkeley Springs and Cacapon Resort state parks as well as other local attractions featuring the area’s numerous scenic vistas. In addition, the redevelopment of Coolfont Resort should provide another venue to attract visitors into the region.

Overall, the sector has seen payrolls increase by more than 12 percent since the first quarter of 2014, as the sector has been bolstered by strong income and population growth plus the addition of several new hotels and dining options along the I-81 corridor in Berkeley County. As mentioned above, Hollywood Casino accounts for the largest share of the sector’s activity in the Eastern Panhandle, but the emergence of gaming venues such as MGM National Harbor have hurt the casino’s position in competing for visitors from surrounding states. However, Hollywood Casino has become the leader in sports betting operations, accounting for $19.1 million of the state’s total $29 million handle in October 2019.

Although growth has been slow, the professional and business services sector has consistently added jobs in the three-county area since 2012. The Eastern Panhandle’s adjacency to Northern Virginia and Suburban Maryland has made it a viable location for several federal contractors as well as back-office support for other private sector companies, particularly for IT, legal and accounting services for DC-area employers.

PUBLIC SECTOR While many residents commute into Maryland, Northern Virginia or Washington DC to work for federal agencies, the public sector also has a large presence in the Eastern Panhandle—accounting for 1 in 4 jobs in the region. Aside from state and local government offices, the US federal government employs nearly 4,700 workers, with offices and various facilities for Treasury, Veterans Affairs, Customs, the National Parks Service and other agencies.

Total public sector employment in the region has remained mostly unchanged since 2010.

CONSTRUCTION The Eastern Panhandle has not experienced the large-scale increases in natural gas pipeline construction activity seen in other parts of West Virginia over the past two years, but the sector has still recorded solid growth of its own in the region. Given the acceleration in population growth and the steep drop-off in homebuilding activity that followed the US housing market’s collapse, much of the construction sector’s activity in the three-county area has been buoyed in large part by a resurgence in new home construction.

However, the largest boost to the sector in recent years has been the land development and construction associated with the P&G facility in Tabler Station. At $500 million, the plant is the state’s largest private nonresidential construction project and while external work on the primary facility is complete, finalizing production lines for the company’s various shampoo and bath soap brands will not happen until next year. Nonbuilding construction projects have been a factor in bolstering the region’s construction sector in recent years. A series of stormwater system upgrades to meet Chesapeake Bay watershed regulations, the extension of a natural gas pipeline into Morgan and Berkeley counties as well as highway projects funded by the Roads to Prosperity program represent improvements in local infrastructure.

Figure 4: Unemployment Rate

![Unemployment Rate Graph]


**Stated region indicates researched
AGRICULTURE While the Eastern Panhandle contains a limited amount of mining operations, the three counties comprise one of the few regions in West Virginia that generates a measurable level of agricultural production. According to the 2017 Census of Agriculture, the Eastern Panhandle contains nearly 1,800 farming operations, with cattle, horses and apple orchards comprise most of the area’s farming activities.

Preliminary data indicate gross cash sales of crops and livestock by local farms totaled nearly $65 million in 2018. Although this represents a structurally higher level of sales compared to as recently as the late 2000s, farm sales have declined down by nearly 13 percent since 2014 as the pricing environment for several of the region’s primary cash crops and livestock remains poor. Trade disputes between the US and China have significantly hurt global trade flows for a wide range of farm commodities, which has only weighed on farm operations in the region and other parts of the US the last couple of years.

UNEMPLOYMENT After reaching the mid-8.0 percent range during 2009 and 2010, the Eastern Panhandle’s unemployment rate has fallen significantly to reflect the broader improvements in local job growth and a stronger DC-area economy for regional commuters. The region’s jobless rate did rise to just over 4.0 percent in mid-2018 but has since fallen to the low-3.0 percent range amid the recent upturn in labor force growth, leaving the three-county area with the lowest unemployment rate for any economic region in West Virginia and pushing the region’s jobless rate below levels that were observed even at the height of economic expansions of the late-1990s and mid-2000s.

LABOR FORCE In contrast to broader statewide trends, the Eastern Panhandle’s unemployment rate declines over the past several years can be linked to improving labor market conditions instead of attrition in the workforce. Overall, the Eastern Panhandle’s labor force has increased by approximately 11,000 people since the beginning of 2010. In terms of official workforce participation, the region has nearly two-thirds of its residents aged 16 years and older working or actively looking
for work, surpassing both statewide and national averages. In addition, though Morgan County’s participation rate is below the national average, the area’s most rural county is like its more urbanized counties in the region in that it has a very high rate of workforce participation among prime working-age population (25 to 54 years).

INCOME Per capita personal income in the Eastern Panhandle was estimated at nearly $43,100 during calendar year 2018, a 3.9 percent gain over 2017 (without adjusting for inflation). The region’s per capita income levels have increased 15 percent since 2012, lagging both statewide and national averages. However, this can be attributed in part to healthy population growth as the Eastern Panhandle has seen wages and salaries from local workers and commuters grow at an above-average rate. Of the three counties in the Eastern Panhandle region, residents in Jefferson County have the highest per capita income at roughly $50,000, more than $9,000 above the state average and second highest among the 55 counties. Per capita income levels in Berkeley and Morgan counties were lower at $41,200 and $34,500, respectively.

POPULATION The Eastern Panhandle has consistently ranked as West Virginia’s fastest-growing region for the past 20+ years. Between 1997 and 2017, Berkeley, Jefferson and Morgan counties combined to add just over 64,500 residents, offsetting an almost identical magnitude in population decline from the state’s remaining 52 counties combined over this time period. Population growth in the Eastern Panhandle has decelerated compared to the early- to mid-2000s, but gains have picked up over the past four years (1.1 percent annually) thanks to improving job prospects and cheaper house prices versus Virginia and Maryland.

DEMOGRAPHICS Given the region’s influx of residents from neighboring states, the Eastern Panhandle’s population more closely resembles that of Maryland and Virginia rather than other parts of West Virginia across a range of demographic characteristics. In addition, the three-county area is one of only two economic regions in the state to see consistent gains via net in-migration and natural increase (births minus deaths). The local population tends to possess higher levels of educational attainment. More than 23 percent of the area’s population over the age of 25 holds at least a bachelor’s degree, with Jefferson County containing the highest share of college graduates in the region.

**Figure 9: Summary Population Profiles**

<table>
<thead>
<tr>
<th></th>
<th>EPH</th>
<th>West Virginia</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Population (2018)</strong></td>
<td>191,721</td>
<td>1,805,832</td>
<td>327,167,434</td>
</tr>
<tr>
<td><strong>% Population Under 18 (2018)</strong></td>
<td>22.5%</td>
<td>20.2%</td>
<td>22.6%</td>
</tr>
<tr>
<td><strong>% Population 65 Years + (2018)</strong></td>
<td>15.9%</td>
<td>19.9%</td>
<td>15.8%</td>
</tr>
<tr>
<td><strong>Population with Less than High School Diploma (2017, 25 yrs. +)</strong></td>
<td>12.0%</td>
<td>12.9%</td>
<td>12.0%</td>
</tr>
<tr>
<td><strong>Population with High School Diploma, No College (2017, 25 yrs. +)</strong></td>
<td>36.6%</td>
<td>41.2%</td>
<td>27.1%</td>
</tr>
<tr>
<td><strong>Population with Some College (2017, 25 yrs. +)</strong></td>
<td>28.1%</td>
<td>25.7%</td>
<td>28.9%</td>
</tr>
<tr>
<td><strong>Population with Bachelor’s Degree or Higher (2017, 25 yrs. +)</strong></td>
<td>23.4%</td>
<td>20.2%</td>
<td>32.0%</td>
</tr>
<tr>
<td><strong>Median Age (2018)</strong></td>
<td>40.3</td>
<td>42.7</td>
<td>38.2</td>
</tr>
<tr>
<td><strong>Mean Household income (2017)</strong></td>
<td>$77,952</td>
<td>$59,557</td>
<td>$84,525</td>
</tr>
<tr>
<td><strong>Average Household Size (2018)</strong></td>
<td>2.62</td>
<td>2.50</td>
<td>2.74</td>
</tr>
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</table>

Source: US Census Bureau
Economic Outlook

Expectations for the US economy, and to a lesser extent the broader West Virginia economy, during the forecast horizon will have a significant impact on the Eastern Panhandle’s performance going forward. The forecast calls for local economic growth to remain healthy over the next five years, thanks to a combination of continued growth in the DC-area economy and rising job growth prospects from within the three-county region. The final phase of hiring activity by Procter & Gamble as it opens its remaining production lines will account for a large share of job growth during the initial years of the outlook period.

EMPLOYMENT OUTLOOK

We anticipate total employment in the three-county region will increase at a rate of more than 0.9 percent per year through 2024. This represents a slower pace of growth for the Eastern Panhandle compared to how the region has performed over the past decade, but firmly places it as one of the state’s expected fastest-growing economic regions going forward. Growth will likely occur at its fastest rates during the first couple of years of the outlook period, averaging nearly 2 percent during 2019 and 2020 as the P&G facility continues to ramp up operations and Rockwool opens in late-2020.

COUNTY FORECAST

Among the three counties, Berkeley County is expected to enjoy the strongest rate of growth over the next five years, averaging 1 percent annually. Berkeley County will notch its strongest growth in 2019 and 2020, reflecting the final phase of the build-out for P&G as well as additional hiring activity coming from bottling, packaging and distribution companies located at the Tabler Station campus location or those found along the I-81 corridor. Jefferson County will also enjoy growth that exceeds both statewide and national averages during the outlook period. Although the opening of the Rockwool facility in late-2020 will provide a one-time bump of 100 to 150 jobs once it becomes operational, the county is expected to enjoy moderate growth along a broad cross-section of its major sectors.

Morgan County will see its growth lag the region’s more urbanized counties but is expected to register employment gains that exceed the state over the five-year outlook. The rural county should enjoy moderate job growth in a few sectors, such as construction, manufacturing, tourism and professional and business services. In addition, infrastructure investments could raise the county’s growth potential during the outlook and into the longer term. Expanded highway access and the addition of natural gas pipeline infrastructure could offer increased opportunities for residential and industrial development opportunities, particularly as growth begins to spread out farther away from the I-81 corridor.

TOP PERFORMERS

Among the Eastern Panhandle’s major sectors, our forecast calls for manufacturing to record the strongest pace of job growth during the next five years, expanding at a rate of 2.2 percent annually. Approximately 1,200 employees are in place for P&G’s facility at present to produce fabric softeners, Swiffer and dish soap products, but an additional 300 or so are expected to be added in the next year or so as production lines for Old Spice, Aussie and other bath care products come on-line. Also, these new product lines will boost plastics and paper product manufacturing by associated business in the local supply chain locally as new orders increase demand for bottling and packaging activity.

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All forecast estimates presented herein are derived from the West Virginia University Bureau of Business & Economic Research Econometric Model unless otherwise noted.
The Rockwool insulation materials plant is also expected to bolster manufacturing sector payrolls in the area by 100-150 once the facility comes on line by mid-to late-2020. While the baseline forecast assumes the project will be completed and enter operation next year, permitting and other issues associated with the project have faced legal challenges, which could lead to delays in the facility becoming operational has been contested by a host of lawsuits over the past year or so, suggesting the project does face some appreciable level of downside risk. Given the large investments in infrastructure occurring throughout West Virginia, the region’s cement production is expected to enjoy solid growth over the next few years while building materials should post only moderate growth, reflecting less robust increases in new home construction in the Mid-Atlantic Region in the coming years.

Education and healthcare services will continue to grow at a strong pace in the region during the outlook period, though most of the sector’s 1.4 percent average annual increase will come from health services. Many of the same underlying drivers of supply and demand that are affecting healthcare spending across West Virginia and the nation will play out in the Eastern Panhandle, though to varying degrees. WVU Medicine has signaled its intention to invest in its healthcare facilities in a fast-growing market, such as the current project related to the addition of new operating room capacity at Berkeley Medical Center of the recently-completed surgical center upgrades at Jefferson Medical Center. We anticipate additional growth will occur not only due to the general upward movement in healthcare service demand, but the added effect of strong regional population growth will place stress on the region’s health care services capacity.

While the outcomes of presidential and congressional elections in 2020 are far from a certainty at this point, several Democratic presidential candidates have signaled their preference for increased government involvement in the sector, whether via the introduction of a Medicare-for-all funding model or a public option where Medicare/Medicaid would serve as an alternative that would compete with but not replace private insurance. Regardless of whether either of these, or similarly designed programs, are enacted or not, both parties have signaled some level of dissatisfaction with the status quo and a change that could affect the sector’s underlying growth potential remains a considerable risk for the region. Similarly, the area’s private education sector faces downside risks for growth due to increased state and federal scrutiny of for-profit postsecondary institutions such as American Public University System (APUS).

**OTHER SECTORS** Construction activity will buoy the Eastern Panhandle’s performance, but at 0.4 percent per year the sector’s contribution will be appreciably smaller than what occurred over the past few years. Nonresidential construction activity will likely shrink considerably in the next year or so as the finishing touches are placed on the P&G manufacturing plant and the

**Figure 11: Employment Growth Forecast by Area**

**Figure 12: Eastern Panhandle Employment Growth Forecast by Sector**

Rockwool facility is completed as expected. The strong pace of homebuilding activity seen over the past few years is expected to slow considerably during the forecast horizon as rising regional house prices and the likelihood of higher interest rates erode affordability and dampen demand for new single-family units, particularly in Berkeley and Jefferson counties. Infrastructure development will buoy the sector during the outlook period, led by major highway projects such as the Tabler Station to Apple Harvest Drive widening on I-81, Phase II of Inwood, the Berkeley Springs Bypass and US 340 widening to the Virginia state line. Altogether, these and other projects will generate several hundred million dollars’ worth of construction activity over the course of the forecast horizon and seek to alleviate the region’s congestion problems, repair deteriorated roadways and attempt to optimize design and access to infrastructure in areas most likely to see the largest amount of future commercial development activity – e.g. Tabler Station.

Employment in the region’s trade, transportation and utilities sector is projected to increase 0.4 to 0.5 percent per year between 2019 and 2024. Strong regional population and income growth along with a rising wealth effect created by house price appreciation and healthy equity market returns combine to create a strong backdrop for local consumer spending during the outlook period. However, the retail sector in the three-county area will likely be limited by structural changes that are affecting the sector from a national perspective.

Indeed, the increased utilization of Amazon and other online-based platforms that ship direct to consumers or directly to stores for pickup continue to capture share of the consumer’s discretionary budget, creating significant structural change in the sector during a relatively short period. Moreover, consumers are using these services for an increasingly wider set of goods, such as groceries, apparel and other items that were once thought to be much less exposed to shifts over to online purchasing. Given that this trend is expected to continue, retailers are expected to shift the emphasis of their workforces during the outlook period to online order fulfilments and will likely make greater use of self-checkout technology, which will in turn lower overall labor demand.

The transportation and warehousing segment will be a relatively stronger performer than the rest of the sector over the next five years. The structural changes that are negatively affecting brick-and-mortar retailers will benefit this segment since many stores are expected to emphasize online ordering from store website and mobile apps that will then ship products directly to the consumer or physical store locations for pick up. Regardless, both will lead to orders moving through fulfilment and distribution centers in some fashion, such as the Macy’s facility in Martinsburg.

Furthermore, the P&G facility will likely foster more growth opportunities for transportation and warehousing centers beyond those companies that have already decided to co-locate. Indeed, the region’s direct access to the I-70/I-81 corridor and proximity to major Eastern US markets should provide a significant competitive advantage going forward and could lead to the development of a larger logistics hub in the three-county area’s central corridor.

The public sector is expected to see payrolls increase roughly 0.5 percent annually over the next five years, and most of this is expected to occur at the local government level. High income levels and projected gains in population will likely create the need for new school facilities and the expanded provisions of other local services. Federal government jobs in the region are generally expected to remain stable over the outlook period, save for a temporary jump in payrolls attributed to census enumerator and survey processor hiring in 2020.
The forecast calls for the leisure and hospitality sector to see an average annual increase of 1.2 percent during the outlook period. Portions of the sector tied more closely to consumer discretionary spending and tourist/business travel will enjoy the strongest growth. By comparison, while the gaming industry is expected to see little in the way of job gains, Hollywood Casino has managed to position itself as the state’s leader in sports betting services via its on-site and mobile app services. While not likely to offset the long-term downward trend in casino visitors caused by the emergence of newer venues such as MGM National Harbor Casino Resort, the continued unavailability of sports betting services in Maryland does provide Hollywood Casino some degree of competitive advantage for at least the next couple of years.

UNEMPLOYMENT OUTLOOK Strong job growth will allow the Eastern Panhandle’s unemployment rate to remain very low throughout the forecast horizon. Large revisions to historical data as well as any unanticipated changes in the labor force participation rate for the Eastern Panhandle could cause the forecast for the area’s unemployment rate to differ significantly from both its projected level and path.

Strong wage growth should generate enough economic incentives for increasing labor force participation over the long term and will likely even put some upward pressure on the jobless rate as the forecast progresses, with job growth eventually lagging growth in the working-age population. Jefferson County is expected to have the lowest unemployment rate throughout the forecast horizon, falling to the lower-3.0 percent range. Morgan County’s jobless rate will likely be the highest among the three counties in the region but will remain well below the statewide average coming at the low-to-mid-4.0 percent range.

LABOR FORCE GROWTH Unlike many of West Virginia’s economic regions, the Eastern Panhandle should continue to see solid and consistent growth in the size of its labor force through 2024. In addition to positive in-migration flows for the region, the absolute size of the under-18 population will enable the area’s workforce to grow on net. Even Morgan County will see moderate labor force growth despite having a measurably larger share of residents near retirement age.

INCOME Inflation-adjusted total personal income is expected to increase 2.0 per year in the Eastern Panhandle through 2024, surpassing the statewide average by more than half of a percentage point. Wages and salaries will underpin overall income growth as will continued increases in imported earnings from commuters.

Nonwage income sources, particularly investment income from capital gains realizations, dividends and rental properties, will also grow at a healthy pace going forward. While government transfer payments will increase during the forecast period, the region’s labor market dynamics and underlying demographic characteristics will cause the region to see transfer payment increases lag corresponding statewide growth, which helps to explain the region’s slower rate of income growth versus the national average.

POPULATION The Eastern Panhandle’s population is expected to grow 0.7 to 0.8 percent annually between 2019 and 2024. Though representing a measurable slower rate of growth for the three-county area compared to the past decade, it will push the region’s population total beyond the 200 thousand mark and contrast sharply with the population losses that are expected to occur in nearly all the state’s other economic regions during the outlook period. The forecast calls for Berkeley to lead the region’s overall performance, adding residents at 0.9 percent annually, while Jefferson will trail slightly with average annual increases of nearly 0.7 percent. Morgan County will grow at a noticeably slower rate of 0.1 percent.