

# NORTH CENTRAL WEST VIRGINIA

## ECONOMIC OUTLOOK 2021-2025



### North Central West Virginia Economic Outlook

#### 2021-2025 is published by:

Bureau of Business & Economic Research  
West Virginia University  
John Chambers College of Business & Economics  
(304) 293-7831 | [bebureau@mail.wvu.edu](mailto:bebureau@mail.wvu.edu)  
[business.wvu.edu/bber](https://business.wvu.edu/bber)  
Javier Reyes, Ph.D., Milan Puskar Dean

#### Written by:

**Brian Lego**  
Research Assistant Professor  
Bureau of Business & Economic Research

**John Deskins, Ph.D.**  
Director  
Bureau of Business & Economic Research

## Executive Summary

North Central West Virginia has been one of the state's strongest and steadiest economic regions for the past decade or so. The four-county area did lose some jobs during 2019, but those losses were tied to court-ordered delays of pipeline construction projects and layoffs at a large manufacturer rather than a deterioration in the area's underlying economic fundamentals. Despite the region's solid economic foundation, the COVID-19 pandemic did strike a major blow to the region's economy in early-2020 and continues to affect the area to this day. 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 nearly 9,000 jobs between early-2010 and mid-2019, almost outperforming the state overall during this time period.** Regional payrolls fell during 2019, though most of those losses were tied to delays with natural gas pipeline projects.
- **While the four-county area has weathered the COVID-19 pandemic better than some parts of the state, North Central West Virginia has recovered fewer than half of the jobs lost during March and April 2020.**
- **The region's leisure and hospitality sector remains a serious drag on job growth, as capacity limits on venues such as college football games, restaurants, bars and other locations weigh on payrolls.**
- **The region's energy sector continues to display significant volatility. Coal production fell sharply in the second half of 2019 but collapsed in the first half of 2020 due to the combined impacts of the pandemic and plunging steam coal demand.**
- **Unemployment in the region skyrocketed to more than 14 percent in mid-April, but has fallen to below 7 percent in mid-September, more than two percentage points lower than the statewide average.**
- **Labor force participation is higher in the area compared to most of West Virginia's other major**

**economic regions.** 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.**
- **Regional demographic trends are largely favorable. More than 26,000 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 recover from the COVID-19 pandemic over the next two years, reaching the area's pre-pandemic level of employment by 2022. Key aspects of our North Central forecast are as follows:

- **We expect employment to grow at an annual rate of between 1.4 and 1.5 percent per year in North Central WV.** This rate is higher than expected growth for West Virginia overall (1 percent) but will trail the national average (2.1 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.
- **Leisure and hospitality, professional and business services and health care are expected to lead in overall regional job growth.**
- **Unemployment is expected to reach pre-pandemic levels by mid- to late-2022 in the region and should remain well below the statewide average throughout the outlook period.**
- **Real per capita personal income is expected to increase at an annual average rate of more than 1.5 percent between 2021 and 2025.**
- **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 Virginia<sup>1</sup> has ranked as one of West Virginia’s strongest economic regions over the past decade. The four-county area did lose jobs overall in 2019, though most of this drop was associated with court-ordered delays of the Mountain Valley Pipeline (MVP) and Atlantic Coast Pipeline (ACP) projects as well as layoffs at the region’s large pharmaceutical manufacturing facility in Monongalia County. Indeed, excluding the construction sector, the North Central Region has registered job gains in 10 of the last 11 years.

While the area’s economy was not quite as strong as it had been in recent years, North Central remained one of the state’s healthiest-performing economic regions entering 2020. Unfortunately, the regional economy took a serious hit in March 2020 as the spread of the COVID-19 pandemic led to businesses, schools and government offices, including WVU, to close or limit hours and most were eventually forced to shuttered following the Governor Justice enacting a shelter-in-place order that lasted until early May 2020.

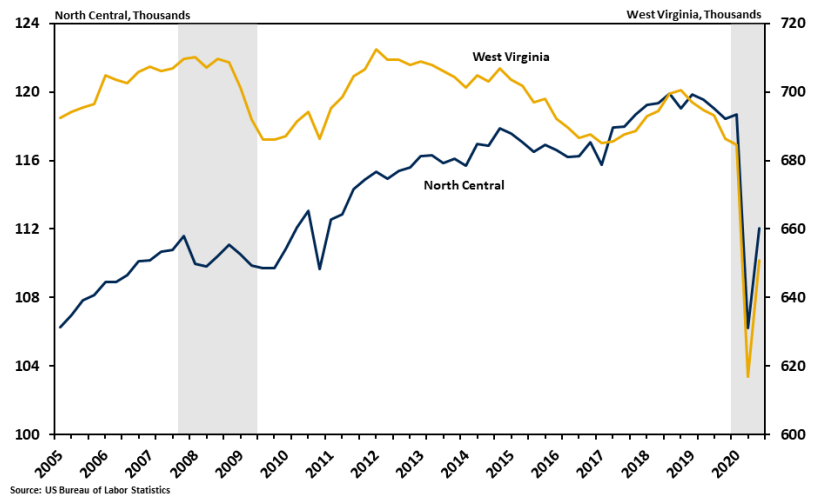
Overall, the region saw payrolls contract by nearly 12,000 (10.5 percent) between the first and second quarters of 2020 as businesses furloughed workers during closure or subsequent maximum capacity restrictions. While the area has seen payroll levels rebound as the reopening process has evolved, slightly less than half of the jobs lost during the initial phases of the pandemic have been recovered to-date as the region’s high share of hospitality establishments—including restaurants, bars, gyms and other similar venues—remain subject to maximum capacity restrictions of 25-50 percent.<sup>2</sup>

**PERFORMANCE BY COUNTY** Monongalia County represents the North Central region’s primary economic engine. To that point, West Virginia University is the linchpin of the county’s economy given the presence of 30 thousand students, faculty and staff on its main campus in Morgantown typically acts as a stabilizing force amid the ups and downs caused by macroeconomic fluctuations and

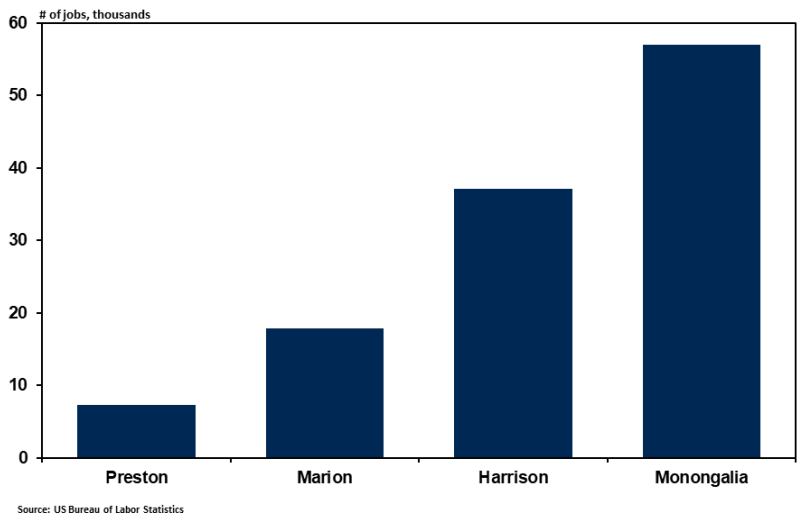
regional volatility in energy production. WVU has generated growth opportunities for the region’s economy thanks to numerous new construction and renovation projects across the university’s three campuses in addition to the generation of positive spillover effects created by faculty and staff engaging in research and outreach activities.

As with other educational institutions across the US, WVU has struggled as a result of the pandemic as weaker enrollment numbers and reduced room and board collections have generated sizable losses in the current

**Figure 1: Total Employment**



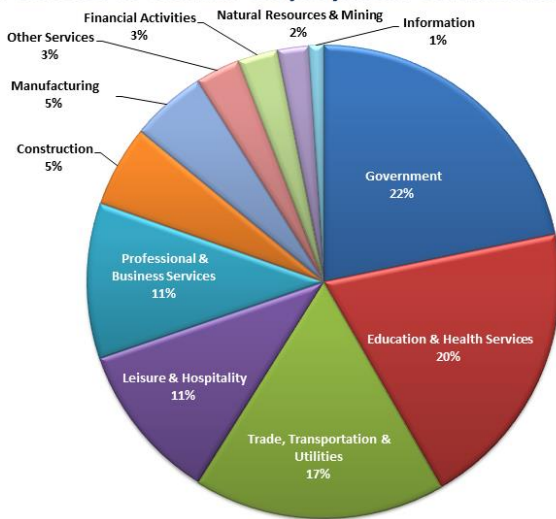
**Figure 2: Total Employment by County (2019)**



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

<sup>2</sup> Sources for historical information are noted in each figure.

**Figure 3: North Central Employment Distribution by Sector**



Source: US Bureau of Labor Statistics; 2019 data.

fiscal year. In addition, attendance restrictions and a smaller slate of football and basketball games have reduced the athletic department’s revenue collections and has also had the knock-on effect of significantly lower room night revenue figures for hotels throughout the I-79/68 corridor. The university did experience a large uptick in COVID-19 positive cases during September that appeared to threaten the continuation of on-campus instruction for the fall semester; however, a two-week switch over to full remote learning, tighter enforcement of distancing guidelines and increased testing activity appear to have quelled spread of the virus.

From a structural standpoint, while WVU represents Monongalia County’s single-largest economic driver, the private sector also plays a major role in shaping economic activity in the region. New commercial centers such as the University Town Centre, Suncrest Towne Center, Fort Pierpont and the under-construction WestRidge Business Park have facilitated an array of retail and consumer service development to larger areas of the county. In addition, WVU Medicine and Mon Health System have added outpatient, surgical and specialty care facilities throughout the North Central region (and beyond) over the past several years. These new developments were certainly hurt by the COVID-19 pandemic, particularly the county’s healthcare providers during the second quarter, as hospitals, doctors and other medical offices delayed routine care and elective procedures out of an abundance of caution to prevent spread of the virus.

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 received an FDA “483” report of facility violations and has also suffered through several rounds of layoffs over the past few years that have prompted the loss of several hundred jobs. Mylan’s purchase by Pfizer spin-off Upjohn in late-July 2019 has not resulted in any major operational changes such as downsizing or relocating production activity to other sites, but the merger and the company’s recent negative coverage from generic drug product pricing—particularly the EpiPen—do raise long-term risks should other industry or policy changes emerge.

Harrison County has experienced the greatest volatility as any county in the North Central region over the past couple of years. Although natural gas production activity has increasingly shifted to shale-gas rich counties such as Doddridge, Tyler and Wetzel in recent years, many drilling and field support services tend to locate their regional management operations in Harrison County. These operations have seen appreciable growth since 2017 as regional gas and NGL production has surged.

Harrison County also notched substantial increases in construction and engineering services employment between early-2017 and mid-2019 as the MVP, ACP, Goff Connector, Mountaineer Xpress (MXP) and the Sherwood Lateral for Rover II were all under construction within the county or in the surrounding region. However, those jobs have largely waned as several of these projects were completed while the ACP and MVP have been delayed due to court challenges. In fact, the job losses associated with these projects being completed or delayed account for most job declines recorded for the entire region in 2019.

Despite the volatility in growth linked to the energy sector, Harrison County’s economy has had some segments have been consistent sources of new job creation in recent years. Regional aerospace manufacturing and service operations have expanded in the area, as has flight service into the North Central West Virginia Airport. Also, the continued build-out of the Charles Pointe and White Oaks development as well as increased staffing at the FBI’s Criminal Justice Information Services (CJIS) facility in Clarksburg.

Preston County's employment situation has been stable for the most part during the past six years or so, though the area's payroll levels are lower than pre-pandemic levels. Marion County has remained the region's weakest economy for several years, with total payrolls falling by roughly 2,000 (12 percent) since early-2016. Overall, the county's level of employment has is only slightly above what was observed during the early 1990s when coal strikes halted operations at local mines for several months. The recent closure of the Fairmont Regional Medical Center was also a negative event in 2020, though WVU Medicine's announcement to take over the hospital and build a new facility within the next couple of years does provide some positive upside.

**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 federal arm of the public sector has been especially supportive to regional growth in recent years, due in large part to personnel and program investments at the FBI's facility since 2016.

Prior to the pandemic, the backdrop for state government employment had improved thanks to growing tax revenue collections associated with natural gas pipeline construction activity and energy production, though slumping enrollment figures were weighing on educational institutions throughout the state—particularly smaller regional 4-year colleges such as Fairmont State. Unfortunately, the COVID-19 pandemic has had a large negative impact on colleges and universities as lower enrollment and fewer students living in on-campus housing has led to significant losses in tuition collections as well as room and board for the 2020-21 academic year.

**HEALTHCARE SECTOR** Healthcare services 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

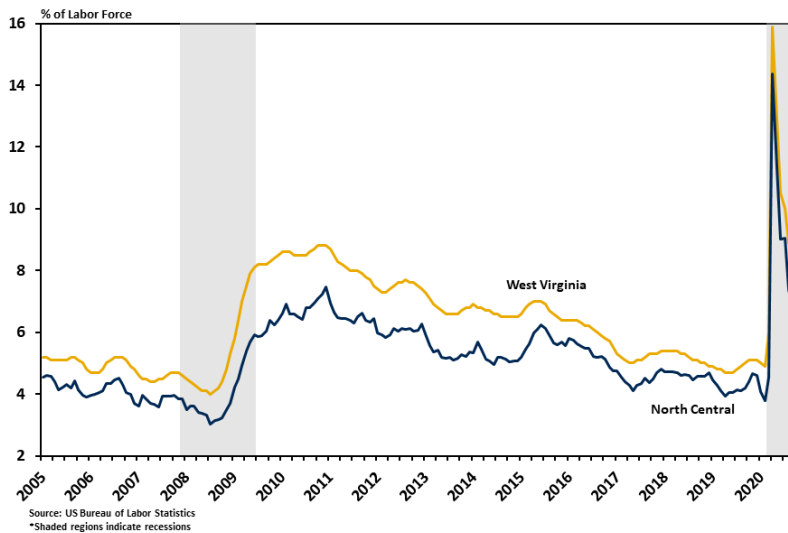
Center at University Town Centre. Construction work continues on the new 155-bed tower that will house WVU Medicine Children's Hospital, providing the region's healthcare hub with an additional point of strength as the facility will enable WVU Medicine to renowned pediatric physicians and researchers and also bolster the ability to provide top healthcare opportunities for children in West Virginia rather than referring pediatric cases to Cleveland, Columbus or Pittsburgh.

**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 the ups-and-downs in pipeline development for the region given that it falls within the footprint of the now-canceled ACP, court-delayed MVP project and Goff Connector. Another project, the \$555-million Hammerhead Pipeline project connects a 65-mile connection between the MVP and Ohio Valley Connector in Wetzel County, is situated in western portions of Monongalia and Marion counties. However, the project is embroiled in a legal dispute between the two companies backing the project.

Following the ACP's cancelation earlier in the year by Duke and Dominion, the lone remaining major project in the region is the MVP – and that pipeline project is currently tied up in federal courts and regulatory reviews. Since the ACP was in an earlier stage of progress, its cancelation eliminates the potential of high-wage construction and engineering that were expected to locate into the region once the ACP re-started. The MVP's court-ordered delay since late-2019 and subsequent court challenges will not have the impact on these types of jobs as much of the site development and pipeline installation has already occurred. However, the absence of additional pipeline capacity could have future impacts on natural gas development in West Virginia and could even harm that process in the broader Appalachian Basin.

**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

**Figure 4: Unemployment Rate**



have established their regional operations in and around the Clarksburg area.

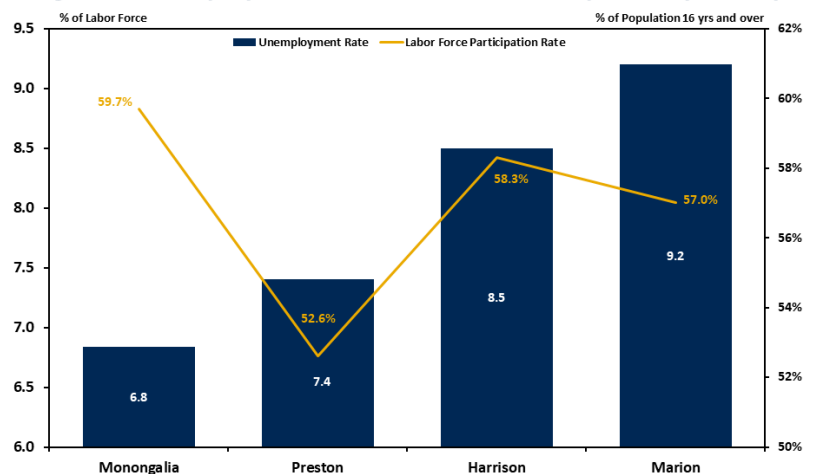
Monongalia and Marion counties have experienced strong growth in withdrawal volumes in recent years, though they still account for a relatively small share of statewide production. In addition to abundant natural gas assets, North Central West Virginia contains an appreciable amount of coal production. Total tonnage reached 17.5 million tons in 2019, marking a one-half million ton drop versus 2018. However, steam coal shipments from area mines started to turn sharply lower during the second half of the year in 2019 as coal-fired power plants saw their share of electricity generation erode further amid competition from new natural gas plants across the Mid-Atlantic region. Production plunged during the first half of 2020 as the pandemic decimated total electricity demand during the months of March and April and remained weak in subsequent months due to losing even more market share to natural gas and renewables. Overall, mined coal tonnage in the four-county area totaled just 5.2 million short tons during the first half of 2020, marking a 46 percent drop from the same period in 2019. Payrolls are down at a lower rate during the same time period (27 percent), but mine employment was already trending appreciably lower prior to the pandemic.

**UNEMPLOYMENT** North Central West Virginia consistently has an unemployment rate that comes in well below the statewide average. Prior to pandemic, the four-county region’s jobless rate remained largely in the mid- to low-4 percent range

for much of the time between 2017 and 2019, even falling below 4 percent for brief episodes. Overall, the region’s labor market was among the tightest in the state as suggested by the reported unemployment rate. However, closures and maximum capacity allowances did cause the four-county area’s jobless rate to increase steeply over the course of March and April, though the rate did peak at a lower reading compared to state and national averages by reaching a reported unemployment rate of 14.4 percent in mid-April. The reopening process did allow furloughed employees to return to work over the course of May and June in large numbers, which helped to push the jobless rate down more than five percentage points by mid-June. Month-to-month drops in the unemployment rate have slowed considerably as many consumer-based enterprises (restaurants, bars, gyms, etc) are subject to maximum capacity allowances of 25 to 50 percent. Numerous businesses have been forced to close permanently due to sustained revenue losses and those that remain open cannot bring staffing back to pre-pandemic levels due to restrictions and the fact that consumers remain concerned about the risk of COVID-19 spread in these venues.

Among the four counties, Monongalia possesses the lowest rate in the region at roughly 6.8 percent as of the third quarter of 2020, followed closely by Preston County at 7.4 percent. Marion County typically has the region’s highest rate of unemployment and that trend has continued over the course of the pandemic, averaging a

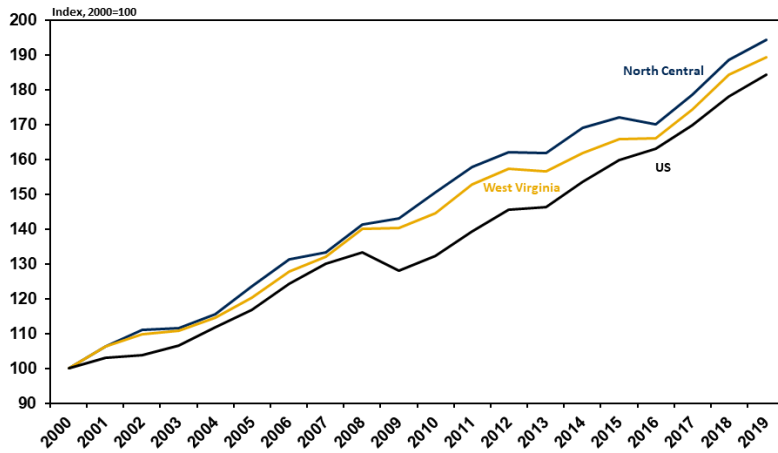
**Figure 5: Unemployment and Labor Force Participation by County**



Source: US Bureau of Labor Statistics; US Census Bureau  
 Note: Unemployment rate represents 2020q3 average; labor force participation rate is 2018 annual average

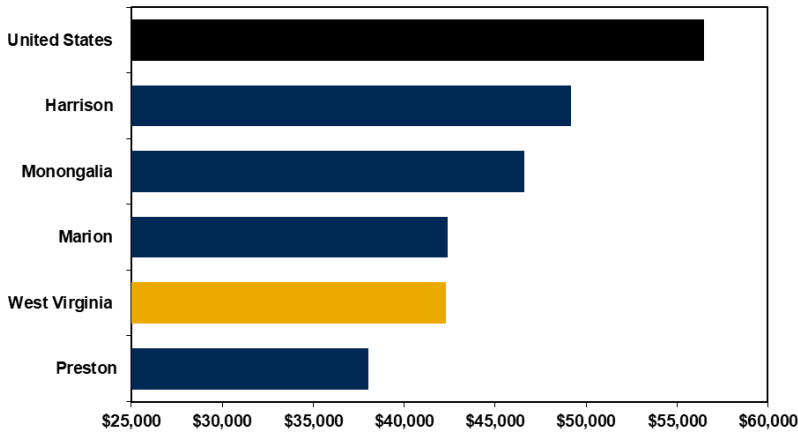


**Figure 6: Per Capita Personal Income**



Source: US Bureau of Economic Analysis  
 \*Note: The 2019 figure for North Central is an estimate.

**Figure 7: Per Capita Personal Income by Area (2019)**



Source: US Bureau of Economic Analysis.  
 \*Note: The 2019 figure for counties is a preliminary estimate.

seasonally adjusted 9.2 percent during the third quarter of 2020.

Workforce participation tends to exceed statewide averages in North Central West Virginia. Prior to the pandemic, the four-county area’s labor force increased by more than 7,000 between early-2016 and late-2019. This stands in contrast to the rest of West Virginia, where the adult-aged workforce contracted significantly over the same time period. 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, coming in just below the statewide figure. Each county in the region lags the national average

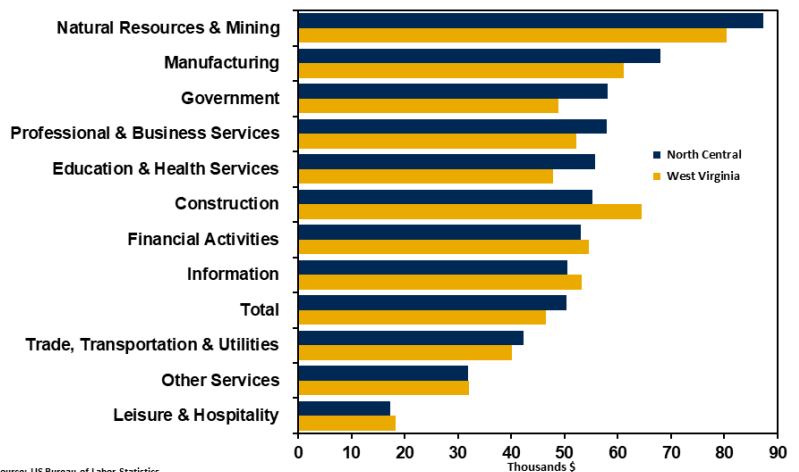
rate of workforce participation by several percentage points but focusing on the prime working age population of 25 to 54 the region compares relatively well with nearly 80 percent of residents in this cohort either work or are looking for work.

**INCOME** Per capita personal income (not adjusted for inflation) in the North Central West Virginia Region was estimated at nearly \$45,400 during calendar year 2019. This marked a 3 percent rate of growth in average income levels from 2018, a slower increase from more than 5 percent average annual gains from the previous two years. Overall, North Central West Virginia has seen per capita income increase nearly 20 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 \$49,200 in 2019, followed by Monongalia, where residents earned more than \$46,600 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

**Figure 8: Average Annual Salary by Major Sector (2019)**



Source: US Bureau of Labor Statistics

see gains in the number of residents, adding roughly 26,000 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. However, Monongalia County’s population growth was slowing since 2016 and posted its first year-to-year decline in population since 1990, owing to a dramatic reversal in international migration flows.

graduates and is the only county in the state to exceed the national average, as more than 41 percent of residents 25 years and older hold bachelor’s degree or higher.

**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 29 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

**Figure 9: Summary Population Profiles**

|  | North Central   | West Virginia    | United States      |
|--|-----------------|------------------|--------------------|
| <b>Total Population (2019)</b>   | <b>262,372</b>  | <b>1,792,147</b> | <b>328,239,523</b> |
| <b>% Population Under 18 (2019)</b>                                      | <b>18.7%</b>    | <b>20.1%</b>     | <b>22.3%</b>       |
| <b>% Population 65 Years + (2019)</b>                                    | <b>17.3%</b>    | <b>20.5%</b>     | <b>16.5%</b>       |
| <b>Population with Less than High School Diploma (2018, 25 yrs. +)</b>   | <b>10.3%</b>    | <b>12.2%</b>     | <b>11.7%</b>       |
| <b>Population with High School Diploma, No College (2018, 25 yrs. +)</b> | <b>36.7%</b>    | <b>39.7%</b>     | <b>26.9%</b>       |
| <b>Population with Some College (2018, 25 yrs. +)</b>                    | <b>24.5%</b>    | <b>26.7%</b>     | <b>28.9%</b>       |
| <b>Population with Bachelor's Degree or Higher (2018, 25 yrs.+)</b>      | <b>28.6%</b>    | <b>21.3%</b>     | <b>32.6%</b>       |
| <b>Median Age (2019)</b>   | <b>38.4</b>     | <b>42.9</b>      | <b>38.4</b>        |
| <b>Mean Household Income (2018)</b>                                      | <b>\$68,904</b> | <b>\$61,707</b>  | <b>\$87,864</b>    |
| <b>Average Household Size (2019)</b>                                     | <b>2.58</b>     | <b>2.51</b>      | <b>2.73</b>        |

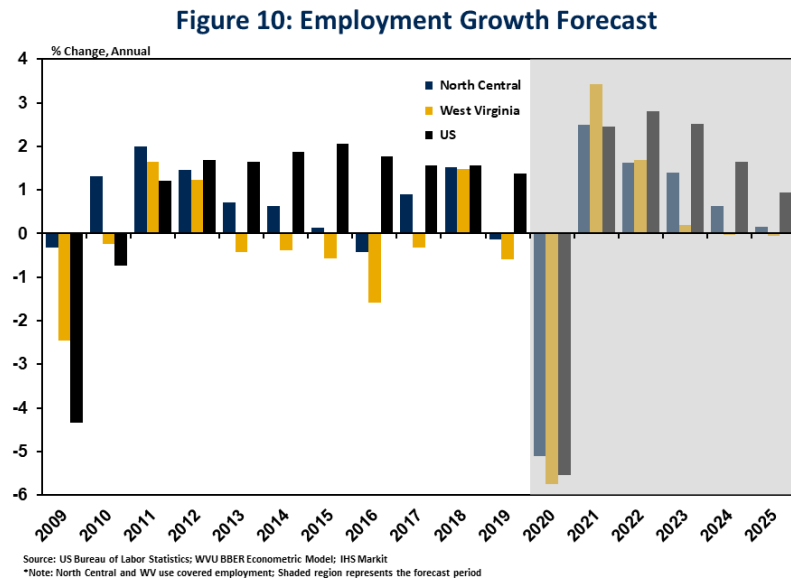
Source: US Census Bureau



# 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, particularly the trajectory of COVID-19 pandemic within the state and nationally. The forecast calls for the region to recover from the COVID-19 pandemic over the course of 2021 and 2022 following an estimated drop in employment of more than 5 percent during 2020. The four-county area is expected to record growth that easily surpasses the statewide average but falls short of expected gains at the national level.

county's growth over the next two years will be generated by a strong recovery in the leisure and hospitality sector as the broad deployment of vaccines and therapeutics lead to the eventual relaxation of social distancing and maximum capacity restrictions on restaurants and other indoor venues. Also, hotels will benefit from the resumption of business and leisure travel and the end to seating capacity restrictions at WVU sporting events. We also anticipate a boost to construction payrolls during the middle portion of the forecast period as we assume Longview Power builds a new natural gas combined-cycle plant and a small solar generation facility. At the same time, Mon County's expected growth path will be subject to considerable risk going forward as lingering uncertainty remains about what Upjohn ultimately will decide to do with Mylan's generic drug production and research facilities in Morgantown. In addition, the eroding outlook for domestic steam coal demand increases the potential for more reductions in coal tonnage in the coming years, leading to the possibility of further declines in miner payrolls in the county.

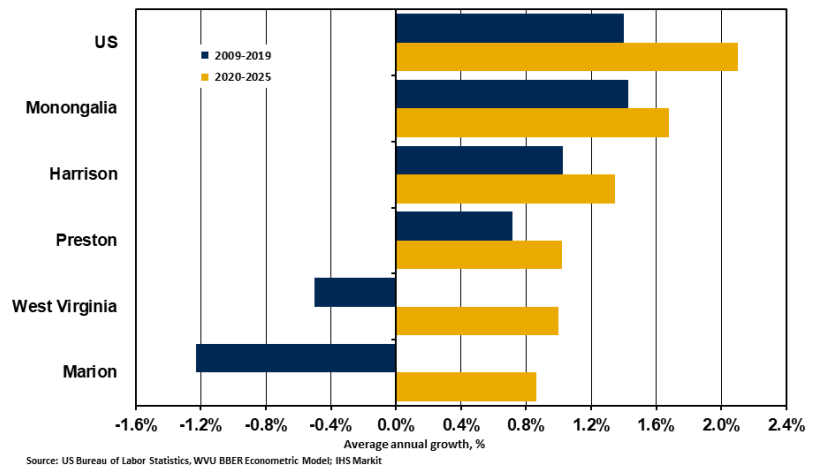


**EMPLOYMENT OUTLOOK** We anticipate total employment in the four-county region will increase at an average annual rate of just over 1.4 percent during the five-year outlook period. While this high rate of growth can be explained in large part by favorable comparisons to pandemic-related job losses and other low levels of economic activity that persisted during parts of the first and second quarters of 2020, employment growth over the 2021 to 2025 period is expected to fall in line with the region's gains over the 2009 to 2019 time period. Indeed, the region's employment levels are expected to surpass pre-pandemic levels by early-2022.

Monongalia County is expected to pace the region overall in terms of job growth during the outlook period, though gains over the next five years will lag the national average by nearly one-half of a percentage point. A significant portion of the

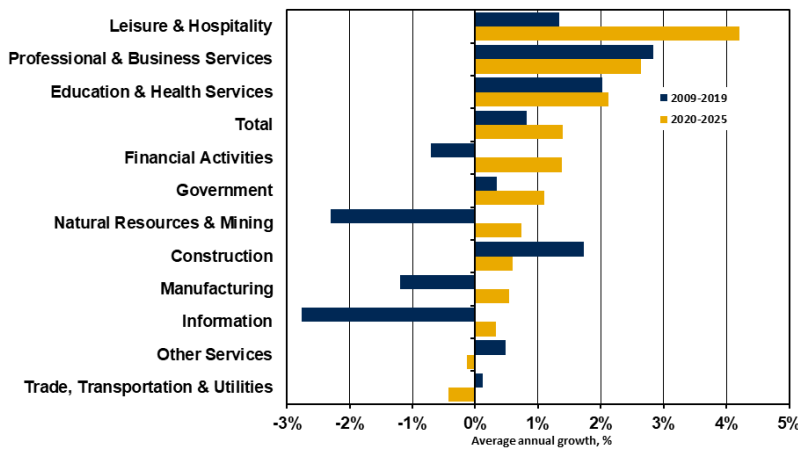
Harrison County is expected to grow faster than the statewide average over during the outlook period, achieving average annual growth of nearly 1.4 percent. Much like Mon County, Harrison County will see its large base of hotels, restaurants and other businesses in the leisure and hospitality sector benefit from the COVID-19 pandemic expected to wane by late-2021. In addition, anticipated growth in

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



aerospace manufacturing and service activity along with the stability provided by major federal installations located in the area will also buoy the county going forward. Volatility in the energy sector could affect growth over the next five years, though we anticipate positive contributions from expanding natural gas development in the neighboring counties will provide a benefit. Preston County is expected to post employment growth of roughly 1 percent per year, though the relatively low level of employment in the county makes it easy for gains to deviate from the baseline forecast. Marion County will likely enjoy the slowest growth in the four-county area at 0.8 to 0.9 percent annually, but risks are biased to the downside due to the county’s heavy exposure to secularly declining manufacturing activity and the poor outlook for domestic steam coal demand.

**Figure 12: North Central Employment Growth Forecast by Sector**



**SECTOR OUTLOOK** The forecast calls for the leisure and hospitality sector to lead in terms of job growth over the next five years. Given current expectations that several pharmaceutical interventions—both therapeutics and vaccines—will become available to a rising share of the population during 2021, the potential for COVID-19 infections should recede by the second half of the year. As a result, restaurants and other indoor venues currently under capacity restrictions can slowly raise customer numbers back to pre-pandemic levels, although this assumes no permanent changes in consumer demand for these activities or permanent reduction of hospitality businesses due to the COVID-19 recession.

The professional and business services sector is expected to post average annual job growth of 2.6 percent during the outlook period. Part of this increase will reflect the

sector’s initial rebound in 2021, several factors will boost its performance over the remaining part of the forecast. A nationwide shift to remote work for many tech services jobs combined with the region’s competitive level of skilled labor and improving broadband availability should bolster the four-county area’s ability to capture a growing share of these workers. More firms are already physically locating in clusters along the I-79 corridor and more are expected as developments such as WestRidge target tech and other skilled service firms. WVU’s presence will certainly engender further opportunities for research, innovation and technology, as will the assortment of federal and private research facilities that are located along the I-79 High-Tech Corridor.

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 be 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.

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 a roughly equivalent pace 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. In addition, WVU Medicine is building a newer Fairmont Regional Medical Center, after the old facility was closed during summer 2020, that is targeted for completion in 2022.

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. In addition, the completion of the WVU Children’s Hospital will enable the region to provide critical care and research opportunities for pediatric medicine, enabling the area to retain greater amounts of care that was previously transferred to larger hospitals such as UPMC Children or Cleveland Clinic Children’s Hospital.

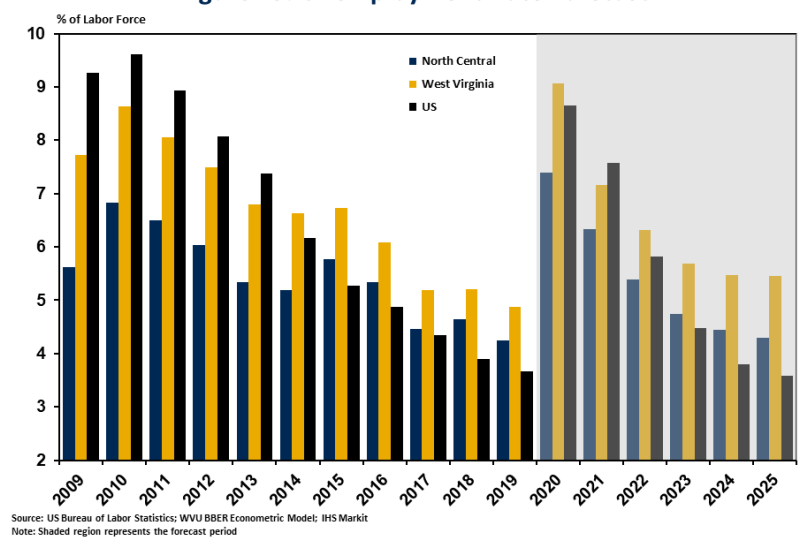
While construction will not rank as the region’s fastest growing sector over the entirety of the outlook period, a host of projects driven by the energy industry as well as large increases in public infrastructure spending will promote substantial growth in construction activity for several parts of the region during the middle portion of the outlook period.

Even though natural gas production in West Virginia has expanded rapidly over the past several years, the state has remained an outlier compared to the rest of the Eastern US since coal-fired generation remains the predominant form of electricity generated—by a very large margin. However, that is expected to change within the next few years as Longview Power intends to build an advanced combined-cycle natural gas power plant and solar facility in Monongalia County (with a portion located across the border in Pennsylvania). Indeed, Longview plans to construct a 1,200MW natural gas-fired power plant and a 70MW utility-scale solar installation. The project’s permits have been authorized, though it is likely legal challenges could alter the timeline for its anticipated completion in late-2022/early-2023.

The North Central Region’s trade, transportation and utilities sector is expected to register a small decline in employment through 2025. The region’s newer retail centers should perform well during the outlook period thanks to anticipated population and income gains. For retail, however, the shift toward online direct-ship or order-and-pickup purchasing activity by consumers appears to have accelerated as a result of the pandemic and is not expected to reverse itself to any significant extent going forward. This will continue to place additional pressure on brick-and-mortar establishments, particularly the region’s malls and older strip-outlet centers.

Public sector employment in the four-county area is expected to grow 1 percent annually between 2020 and 2025. Barring any lingering revenue problems associated with the pandemic or reductions in funding from Charleston, WVU and other educational institutions should at least see some stability emerge beyond 2021. By contrast, local government has more potential for increases in manpower as increased revenue streams (local sales taxes and fees from home rule, natural gas activity, and general commercial growth) allow the area’s city and county governments meet the needs of a growing population that demands more local government services.

**Figure 13: Unemployment Rate Forecast**



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 impending shortfalls for Medicare and Social Security and how those will soon begin to strain the broader federal budget.

**UNEMPLOYMENT OUTLOOK** The COVID-19 pandemic has had a significant impact on the reported unemployment rate, and large revisions to historical data in March 2021 could lead to a significantly different assessment in the North Central region’s jobless rate. Furthermore, shifting demographic trends such as unanticipated changes in the labor force participation rate could cause further deviations in the four-county area’s unemployment

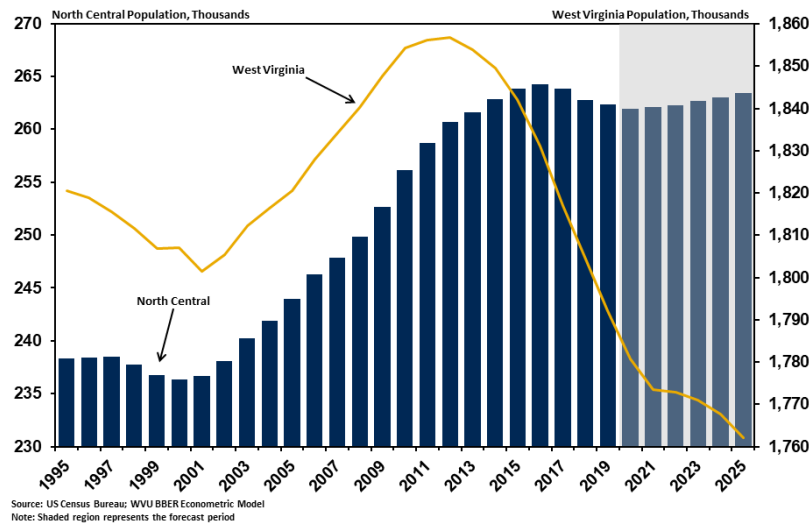
forecast. With that said, the forecast calls for the regional unemployment rate to continue falling over the remainder of 2020, although the magnitude of declines will be smaller compared to the initial phases of reopening. Overall, the unemployment rate is expected to finish the year with an annual average of 7.4 percent, its highest level for a calendar year since the mid-1990s. Strengthening job growth in 2021 and 2022 will push the area unemployment rate down more than two percentage points and should fall below 5 percent by late-2022, eventually slowly falling through the low- to mid-4 percent range in the latter part of the outlook period.

Monongalia County will maintain the lowest jobless rate among the region’s four counties throughout the forecast, dropping to the upper-3 percent range in 2023. Harrison County’s unemployment rate will generally track the broader statewide figure during the outlook period, dipping below 6 percent in late-2022/early-2023. Marion County will see the largest percentage-point declines in its unemployment rate as the county’s commuters benefit from healthier job prospects along the I-79 corridor in Harrison and Monongalia counties.

continued improvements in equity markets should bolster local households’ investment income. Finally, growth in transfer payments will pick up strongly 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 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 continued changes to federal immigration policy by the Trump Administration. In addition, even with the level of infrastructure development assumed in the forecast, portions of Monongalia County have significant deficiencies in road capacity that will hamper residential and commercial development opportunities.

**Figure 14: Population Forecast**



**INCOME GROWTH** Given the substantial impact federal government transfers will have on personal income levels during 2020, the region is expected to see real per capita (and total) income decline in 2021. Consequently, this report will focus on income changes between 2021 and 2025, with the four-county area expected to record average annual growth of just over 1.5 percent. Job growth in relatively high-wage sectors will translate into strong increases in real wages and salaries earned by workers and

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.