

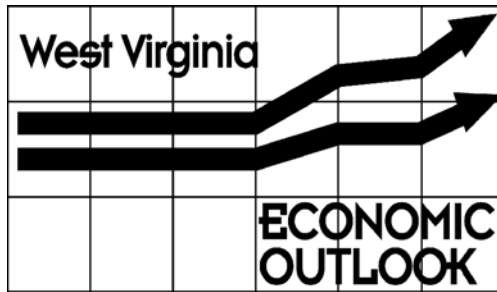
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# Eastern Panhandle Region Outlook

FORECAST: 2009-2013

October 2009

BUREAU OF BUSINESS AND ECONOMIC RESEARCH  
COLLEGE OF BUSINESS AND ECONOMICS  
WEST VIRGINIA UNIVERSITY  
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## *Executive Summary*

The Eastern Panhandle region has been hit hard by the national and global downturn. Indeed, recent estimates suggest that the region lost job at a rate of -3.6 percent from the second quarter of 2008 to the same quarter of 2009. That is worse than the state rate (-3.0 percent) but not quite as bad as the U.S. rate (-3.9 percent). As a result of the job losses, the non-seasonally adjusted unemployment rate in the Eastern Panhandle skyrocketed from 4.5 percent in the second quarter of 2008 to 8.7 percent during the same period of 2009. The region was not alone in posting rapid increases in unemployment, because both the state and the nation recorded similar spikes. The state rate in the second quarter of 2009 hit 8.5 percent, while the national rate was 9.1 percent.

Job losses in the region during the past four quarters were widely distributed across industries. However, the largest job losses were registered in construction; leisure and hospitality; trade; information; manufacturing; and professional and business services. Job losses in construction reflect the unwinding of the housing boom earlier this decade. This residential construction slowdown is reflected in data on the value of housing starts from FW Dodge. According to this source, the value of residential construction activity in the region during the first eight months of 2009 has fallen by 86.6 percent from their peak level during the same period in 2006. Job losses in trade reflect the retrenchment of consumer spending (both in the region and nationally) and the closure of a local call center. Job losses in leisure and hospitality; professional and business services; and information are likely related to the overall business cycle slowdown. Not all sectors in the region lost jobs during the past four quarters, as federal and local government jobs increased, as did employment in the education and health care sector.

The outlook for the Eastern Panhandle calls for large job losses in 2009, with the region expected to lose jobs at a -2.3 percent rate. However, employment is forecast to grow during the 2010-2013 period, assuming the national economy recovers as expected. On average during the 2009-2013 period, employment rises by 1.4 percent per year, which is just below growth so far this decade. Job growth is expected to be above state rate and similar to the national rate. Most of the net job growth comes in the service-providing sectors, especially professional and business services; trade, transportation, and utilities; education and health care; and government. Job gains during the forecast contribute to solid inflation-adjusted per capita income gains and drive the unemployment rate down. Population growth continues during the forecast, averaging 2.1 percent per year, well above the state and national rates.

Risks to the outlook include possibility that the nation descends again into recession in 2010. That would drive expected growth in the region down as well. The region also faces increased competition for gaming, as Maryland pursues this revenue source. This has the potential to slow growth in leisure and hospitality activity in the region.

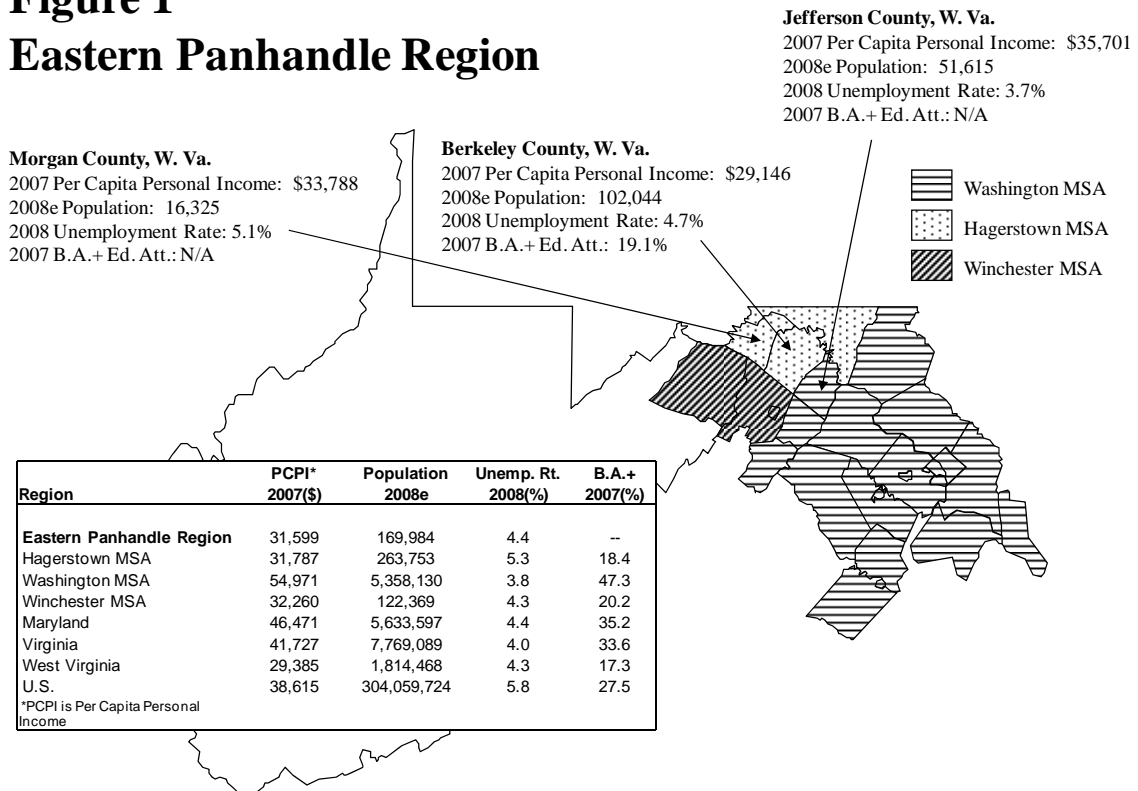
### ***Eastern Panhandle Region In Perspective***

Figure 1 shows the Eastern Panhandle of West Virginia, which is comprised of Berkeley, Jefferson, and Morgan counties. Berkeley and Morgan counties are a part of the Hagerstown-Martinsburg MSA, and Jefferson County is located in the Washington MSA. Berkeley and Morgan counties also border the Winchester MSA, which includes Hampshire County in West Virginia.

Berkeley County is the most populous county in the Eastern Panhandle, with 102,044 residents in 2008. This is 60.0 percent of the population of the Eastern Panhandle and 38.7 percent of the Hagerstown-Martinsburg MSA. Jefferson County’s 51,615 residents in 2008 ranked second in the Eastern Panhandle, while Morgan County was third with an estimated 16,325 residents.

Jefferson County had a per capita personal income (PCPI) of \$35,701 in 2007 and was the highest in the Eastern Panhandle. Jefferson County’s PCPI was also much greater than the West Virginia benchmark of \$29,385, but was lower than the national PCPI of \$38,615. PCPI is measured as an area’s total personal income divided by that area’s population. Morgan and Berkeley counties had PCPIs in 2007 of \$33,788 and \$29,146, respectively. Berkeley County was the only county in the Eastern Panhandle to have a PCPI below West Virginia. The Washington MSA had the highest PCPI of any MSA in the region at \$54,971 in 2007.

## **Figure 1 Eastern Panhandle Region**



In 2007, 19.1 percent of Berkeley County's population over the age of 25 had a bachelor's degree or more. This is 1.8 percentage points higher than West Virginia, but 8.4 percentage points below the United States. The Hagerstown-Martinsburg MSA, of which Berkeley County is part of, had an educational attainment rate of 18.4 percent in 2007, 0.7 percentage points below Berkeley County. Berkeley County's educational attainment, however, was lower than the adjacent Washington (47.3 percent) and Winchester (20.2 percent) MSAs.

As Table 1 shows, Berkeley County's median age in 2007 was 36.0 years, which is lower than both West Virginia at 40.4 years and the U.S. at 36.7 years. Berkeley County also has a lower median age than the surrounding Washington and Winchester MSAs at 36.3 and 37.6 years, respectively. According to F.W. Dodge, the Eastern Panhandle accounted for 27.5 percent of West Virginia's \$2,014.8 million in new construction starts in 2008. The Eastern Panhandle had \$553.1 million in construction starts in 2008, \$441.8 million of which was located in Berkeley County alone. Jefferson and Morgan counties had construction starts of \$85.0 million and \$26.4 million, respectively.

**Table 1**  
**Eastern Panhandle Region Selected Economic Indicators By County**

	Population			FW Dodge	Per Capita		Nonfarm	Rate	Educational
	Census	Av. An. G.R.	Median Age	Const. Value	Personal Income		Job		Attainment
	2008e	2003-2008(%)	2007	(\$Thous.)	2008	2007(\$)	2002-2007(%)	2003-2008(%)	2007(%)
Berkeley, W.Va.	102,044	3.8	36.0	441,824	29,146	2.8	2.0	4.7	19.1
Jefferson, W.Va.	51,615	2.4	--	84,959	35,701	4.4	1.3	3.7	--
Morgan, W.Va.	16,325	1.2	--	26,360	33,788	4.8	-0.6	5.1	--
Wash.-Arl.-Alex., DC-VA-MD-WV MSA	5,358,130	1.1	36.3	--	54,971	5.1	1.5	3.8	47.3
Hagerstown-Martinsburg, MD-WV MSA	263,753	2.2	37.0	--	31,787	3.7	0.9	5.3	18.4
Winchester, VA-WV MSA	122,369	2.1	37.6	--	32,260	3.8	1.4	4.3	20.2
Eastern Panhandle Region	169,984	3.1	--	553,143	31,599	3.5	1.6	4.4	--
Maryland	5,633,597	0.5	37.4	--	46,471	4.9	0.9	4.4	35.2
Virginia	7,769,089	1.1	37.0	--	41,727	4.8	1.4	4.0	33.6
West Virginia	1,814,468	0.1	40.4	2,014,818	29,385	4.1	0.9	4.3	17.3
U.S.	304,059,724	0.9	36.7	--	38,615	4.6	1.1	5.8	27.5

Population data are estimates from U.S. Census Bureau

U.S. employment data are from the BLS - labor force data.

Per capita personal income data are from the U.S. Bureau of Economic Analysis.

Median household incomes and Median Age are from the U.S. Census Bureau. Census 2000

Nonfarm Job data is from BLS and WVBEP.

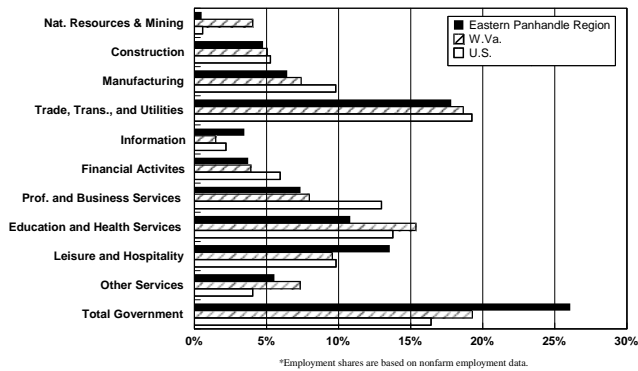
Educational Attainment BA+ measures the percent of the population above age 25 that has earned a bachelor's degree or higher from **Census 2000**.

As Figure 2 shows, government was the biggest employer in the Eastern Panhandle in 2008, with an employment share of 26.1 percent. This high government employment share can be attributed to several large government employers in the Eastern Panhandle such as the U.S. Department of Treasury, the U.S. Coast Guard, the Department of the Interior, the Veterans Administration Center, and the West Virginia Division of Natural Resources. The state and nation also had relatively large shares of government employment at 19.3 and 16.4 percent, respectively. The second highest employment share in the Eastern Panhandle in 2008 was trade, transportation, and utilities at 17.8 percent.

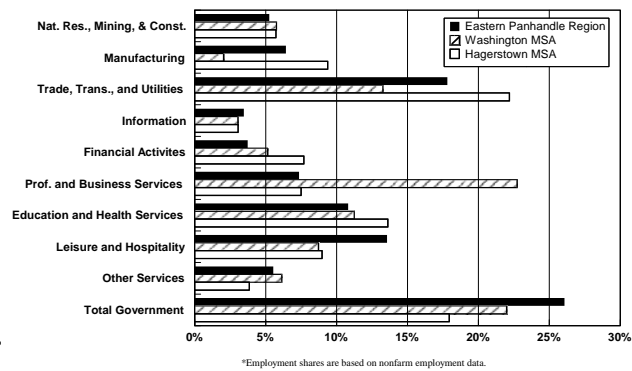
Leisure and hospitality also had a large share of employment in the Eastern Panhandle in 2008 at 13.6 percent. This share was considerably larger than either West Virginia's (9.6 percent) or the nation's (9.8 percent) leisure and hospitality employment share. This large job share reflects the presence of PNCI Charles Town Gaming in Jefferson County, which was the second highest employer in the county in 2008.

West Virginia had a larger employment share than both the Eastern Panhandle and the nation in education and health services. The state's share was 15.4 percent while the region and nation had employment shares of 10.8 percent and 13.8 percent, respectively. Construction employment shares were very similar between all three regions in 2008. The Eastern Panhandle had a construction employment share of 4.8 percent in 2008, while the state had a 5.0 percent share and the United States had a 5.3 percent share.

**Figure 2**  
Eastern Panhandle Region  
Employment Shares\* Compared To The State  
And Nation For 2008



**Figure 3**  
Eastern Panhandle Region  
Employment Shares\* Compared To  
Nearby MSAs For 2008



The Eastern Panhandle had a larger share of jobs in information in 2008 (3.5 percent) than either the state or the nation. West Virginia's share in information was 1.5 percent, while the nation's was slightly higher at 2.2 percent. Quad/Graphics and Quebecor World Fairfield, two large printing establishments located in Berkeley County, account for the large share of jobs in the information sector.

Similar to the nation, the Eastern Panhandle's lowest employment share was in natural resources and mining at 0.5 percent. The state had a larger share in natural resources and mining in 2008 at 4.0 percent.

Figure 3 shows that relative to the Washington and Hagerstown MSAs, the Eastern Panhandle has a higher share of government jobs in 2008. The region also has a larger share of jobs in leisure and hospitality than either MSA. The Washington MSA has a much larger share of professional and business services employment than either the Eastern Panhandle or the Hagerstown MSA. The Washington MSA's professional and business services employment share was 22.7 percent in 2008, while the Eastern Panhandle and Hagerstown MSA had shares of 7.4 percent and 7.5 percent, respectively. The Hagerstown MSA had the greatest share of jobs in manufacturing at 9.4 percent, compared to 6.4 percent in the Eastern Panhandle and 2.0 percent in the Washington MSA.

In 2008, unemployment was at a lower rate in the Eastern Panhandle than the nation, but not lower than West Virginia. On average in 2008, 4.4 percent of the labor force that was actively seeking employment in the Eastern Panhandle was unsuccessful, compared to rates of 4.3 percent for West Virginia and 5.8 percent for the U.S.

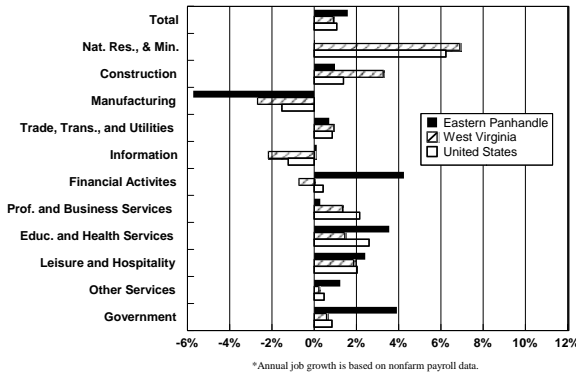
### ***Recent Developments***

Referring back to Table 1, population growth in the Eastern Panhandle has outpaced the surrounding MSAs, the state, and the nation. The Eastern Panhandle's population increased from 146,179 residents in 2003 to 169,984 residents in 2008, which translates into an annual growth rate of 3.1 percent. Population gains in the region were driven primarily by Berkeley County, which had an average annual population growth of 3.8 percent, followed by Jefferson County at 2.4 percent per year, and Morgan County at 1.2 percent per year. Each individual county outpaced both the state and the nation which posted population growth rates of 0.1 percent per year and 0.9 percent per year, respectively. It is important to note that without the large population growths in the Eastern Panhandle, West Virginia would have recorded a population loss from 2003 to 2008.

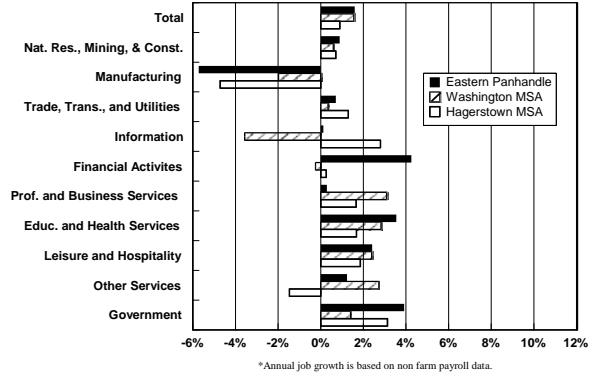
Per capita personal income has also increased substantially in the Eastern Panhandle region. PCPI in the region was \$31,599 in 2007, above West Virginia's \$29,385, but well below the national benchmark of \$38,615. PCPI in the Eastern Panhandle is also lower than the surrounding Washington and Winchester MSAs, which have PCPIs of \$54,971 and \$32,260, respectively. PCPI grew at a rate of 3.5 percent per year from 2002 to 2007 in the Eastern Panhandle, which was slower than the state (4.1 percent per year) and the nation (4.6 percent per year). Morgan County had the fastest growing PCPI from 2002 to 2007 at 4.8 percent per year. Jefferson County was second with a growth of 4.4 percent per year, while Berkeley County was in third with a PCPI growth of 2.8 percent from 2002 to 2007.

As Figure 4 shows, the Eastern Panhandle added new jobs at a rate of 1.6 percent per year during the 2003-2008 period, outpacing West Virginia at 0.9 percent per year and the United States at 1.1 percent per year. The Eastern Panhandle also outpaced the surrounding MSAs, with the Washington MSA growing in employment at a rate of 1.5 percent per year, the Winchester MSA growing at 1.4 percent per year, and the Hagerstown-Martinsburg MSA growing at 0.9 percent per year from 2003 to 2008, as Figure 5 shows. Berkeley County grew the fastest of the three Eastern Panhandle counties, increasing employment at an average annual rate of 2.0 percent from 2003 to 2008. Jefferson County grew at a rate of 1.3 percent, while Morgan County lost jobs from 2003 to 2008 at a rate of -0.6 percent per year.

**Figure 4**  
**Eastern Panhandle Region Job Growth**  
**Compared To W.Va. And U.S.**  
 2003-2008



**Figure 5**  
**Eastern Panhandle Region Job Growth**  
**Compared To Nearby MSAs**  
 2003-2008



Financial activities employment growth in the Eastern Panhandle has been the highest of any industry in the region from 2003 to 2008. Average job growth in the financial activities industry was 4.2 percent per year, while the state averaged a growth of -0.7 percent per year for the same time period. From 2007 to 2008, the Eastern Panhandle added 40 financial activities jobs.

As Figure 4 shows, jobs in information grew at a rate of 0.1 percent per year in the Eastern Panhandle, contrary to the state and nation, which both experienced negative job growths in information from 2003 to 2008 at -2.2 percent per year and -1.2 percent per year, respectively.

Government had the second fastest growth in the Eastern Panhandle from 2003 to 2008, posting a 3.9 percent per year growth. This outpaced both West Virginia and the United States, which posted growths of 0.6 percent per year and 0.8 percent per year, respectively.

Education and health care also posted rapid job growth in the Eastern Panhandle during the past five years, growing far faster than either the state or the nation. Indeed, education and health care job growth in the region was more than double the state rate and was 40 percent faster than the national rate.

Manufacturing was the only industry to have negative job growth from 2003 to 2008 in the Eastern Panhandle. Employment in manufacturing decreased at a rate of -5.7 percent per year during the time period. West Virginia and the nation also lost jobs in the manufacturing industry between 2003 and 2008. West Virginia posted a -2.7 percent per year loss in jobs while the nation posted a decrease in employment of -1.5 percent per year.

The Eastern Panhandle also added jobs at a faster rate than either the Washington MSA or the Hagerstown MSA from 2003 to 2008. As Figure 5 shows, the Eastern Panhandle grew in employment at a rate of 1.6 percent per year from 2003 to 2008, compared to the Washington and Hagerstown MSAs' rates of 1.5 percent per year and 0.9 percent per year, respectively. Contrary to the Eastern Panhandle and Hagerstown MSA which posted job growths in the information sector of 0.1 percent per year and 2.8 percent per year, respectively, the Washington MSA posted an employment loss in the information sector of -3.6 percent per year from 2003 to 2008.

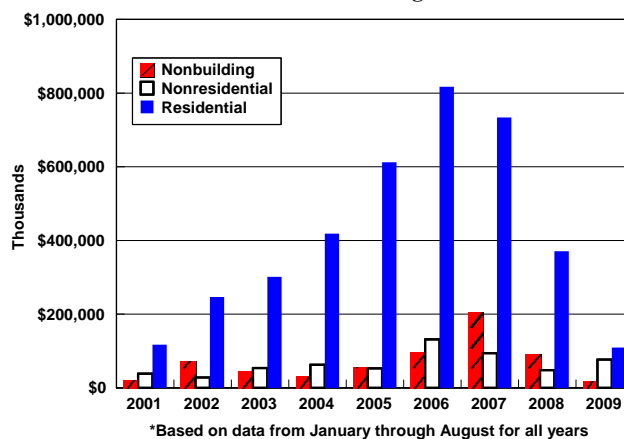
Construction activity in the Eastern Panhandle has undergone a radical shift during the past three years, with strong employment growth shifting to strong employment losses. Indeed, the region shed 630 jobs from 2005 to 2008. Figure 6 shows construction starts by type in the Eastern Panhandle from January through August 2001 to January through August 2009. Total construction starts for the Eastern Panhandle region peaked in 2006, when the region had \$1.05 billion in construction starts through the first eight months of the year. The largest contributor to construction starts in the Eastern Panhandle region is residential construction starts, which comprised 78.0 percent of all construction starts in the Eastern Panhandle through the first eight months of 2006. Indeed, from January through August 2001 to January through August 2009 residential construction starts have been greater than nonbuilding and nonresidential construction starts combined.

With the bursting of the housing bubble, housing activity has decreased dramatically. Residential construction starts in the first eight months of 2009 were \$109.6 million, an 86.6 percent decline from their record value in the first six months of 2006 at \$817.2 million, and a 70.4 percent decline from the same time period in 2008, in which residential construction starts were \$370.6 million.

Nonbuilding construction starts have also shown a declining trend in recent years. The record for nonbuilding construction starts from January through August 2001 to January through August 2009, was in 2007 when nonbuilding construction starts in the Eastern Panhandle region were \$206.6 million. Since then, however, nonbuilding have plummeted 55.5 percent from 2007 to 2008, then by another 80.0 percent from 2008 to 2009, where nonbuilding construction starts are now at \$18.4 million for the first eight months of the year.

Nonresidential construction starts, dissimilarly from residential and nonbuilding starts in the Eastern Panhandle region, paint a much more muddled picture. The peak for nonresidential starts was in the first eight months of 2006, at \$131.8 million. From 2006 to 2007, we see a 28.5 percent decline in nonresidential construction starts to \$94.2 million, then another 48.9 percent decline to \$48.1 million in nonresidential construction starts in the first eight months of 2008. But unlike nonbuilding and residential construction starts, we see a 59.4 percent jump in nonresidential construction starts in the first eight months of 2009, up to \$76.7 million.

**Figure 6**  
**Eastern Panhandle Region**  
**Value Of Construction Starts By Type**  
 F.W. Dodge



Similarly to the plummeting of residential construction starts, the bursting of the housing bubble is also reflected in the price of houses. Indeed, Table 2 shows the Federal Housing Finance Agency's House Price Index (HPI) for West Virginia, the nation, and the MSAs in the Eastern Panhandle region. As the table shows, house prices declined by -4.0 percent nationally from the second quarter of 2008 to the same quarter of 2009. House prices held up better in West Virginia, falling by -1.5 percent during the same period. The MSAs including the Eastern Panhandle region have suffered much more severely than the national trend. Indeed, the Hagerstown-Martinsburg MSA, the Washington MSA, and the Winchester MSA have each posted major declines in house prices during the past two years.

### ***Forecast: 2009-2013***

Many factors influence the economy of the Eastern Panhandle, including the performance of the national economy. Because of this, the forecast for the U.S. economy must be examined when forecasting for the Eastern Panhandle. Table 2 summarizes the U.S. economy forecast by IHS Global Insight, a large economic consulting and forecasting firm.

Often characterized as the broadest, inflation-adjusted measure of economic activity, real GDP is continuing to bottom out through the second quarter of 2009. While the sharpest declines in real GDP were in the fourth quarter of 2008 and the first quarter of 2009, the forecast calls for real GDP to begin to recover in the third quarter of 2009 and to stay positive as the nation slowly recovers through most of 2010.

As Table 2 shows, Real GDP is expected to fall by 2.5 percent in 2009 as the nation feels the effects of a recession. In 2010, however, the nation is forecasted to be pulling out of the downturn, with Real GDP increasing by 2.0 percent. The nation returns to normal growth from 2010 through the end of the forecast, with Real GDP growth at 2.9 percent by 2013.

Nonfarm employment is forecasted to fall by 3.7 percent in 2009, then fall by an additional 0.5 percent in 2010. It is not until 2011 that employment, which normally takes a longer time to recover from a recession, begins to increase at a rate of 1.8 percent. This declining trend in nonfarm employment is also reflected in the unemployment rate which is forecasted to stay above 9 percent all the way through 2011, in which the unemployment rate is forecasted to be 9.3 percent. After 2011, the unemployment rate is forecasted to steadily decline to 7.9 percent in 2013.

House prices are forecasted to dramatically decline in 2008 by 13.0 percent, then by another 15.7 percent in 2009, based on the FHFA index. By 2010, housing prices should have bottomed out, and will begin to rise by 1.0 percent, then by another 7.8 percent in 2011. In 2012, house prices are forecasted to be climb by 10.2 percent.

**Table 2**  
**U.S. Forecast**  
**IHS Global Insight, September 2009**

	<b>Actual</b>	<b>Years</b>				
		<b>Forecast</b>				
	2008	2009	2010	2011	2012	2013
		<b>Annual Percent Change</b>				
Real GDP	0.4	-2.5	2.0	2.9	3.6	2.9
Industrial Production	-2.2	-10.1	3.1	3.5	4.7	3.4
Nonfarm Employment	-0.4	-3.7	-0.5	1.8	2.4	2.0
Nominal Personal Income	2.9	-2.0	2.6	3.9	5.2	5.3
Personal Consumption Deflator	3.3	0.1	1.3	1.8	1.7	1.7
Real Export Growth (GDP Basis)	5.4	-11.3	5.8	7.1	8.2	8.9
Real Import Growth (GDP Basis)	-3.2	-14.1	8.9	6.6	6.6	4.4
Housing Price Appreciation FHFA Index	-13.0	-15.7	1.0	7.8	10.2	6.9
		<b>Percent</b>				
Unemployment Rate	5.8	9.2	9.9	9.3	8.5	7.9
Federal Funds Rate	1.93	0.16	0.24	1.70	3.34	3.55
30-Year Fixed Mortgage Rate	6.04	5.12	5.25	5.48	6.12	6.43
		<b>Billions of Dollars (FY)</b>				
Federal Budget Surplus (Unified Basis)	-455	-1561	-1324	-1041	-876	-694
		<b>Key Prices</b>				
Real Trd.Wtd. Value of U.S. Dollar vs Major Trading Partners (2000=1.000)	0.889	0.937	0.910	0.881	0.869	0.862
Oil - West Texas Intermediate (\$ per barrel)	99.76	60.33	66.50	77.17	83.16	87.02

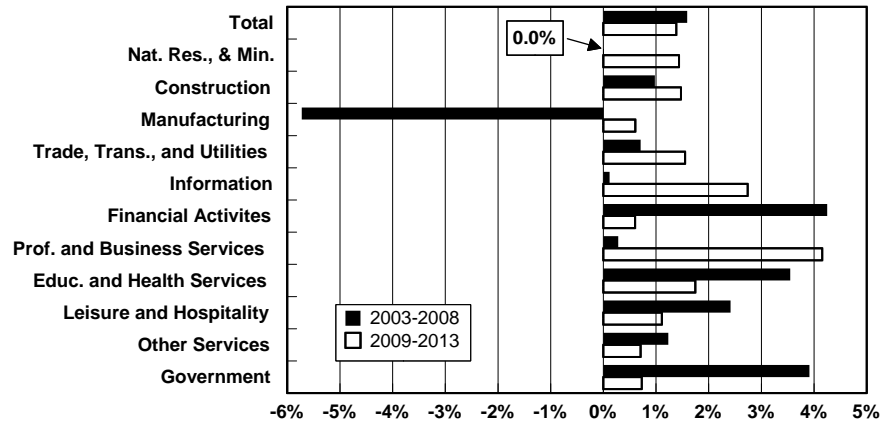
The federal funds rate, a benchmark overnight interest rate targeted by the Federal Reserve, after falling to 1.93 percent in 2008, is expected to approach and stay near zero in 2009 at 0.16 percent. This low target rate is to encourage banks to lend money, which will help consumers and businesses spend to help pull the U.S. out of the recession as soon as possible. Once the recession passes, the federal funds rate is expected to climb to 3.55 percent by 2013. This monetary tightening can also be seen in the 30-year fixed mortgage rate, which climbs from 5.12 percent in 2009 to 6.43 percent in 2013.

The federal budget deficit is expected to climb massively in 2009 due in large part to the great amounts of fiscal stimulus passed by the federal government to try and reduce the impacts of the recession on the nation. Indeed, the federal budget deficit is expected to climb from \$455 billion in 2008 to \$1.56 trillion in 2009. After 2009, the federal budget deficit is expected to fall steadily every year to a deficit of \$694 billion in 2013.

The outlook for the Eastern Panhandle calls for the region to lose jobs in 2009. The rate of job loss (-2.3 percent) is less than the expected job losses for the state and the nation. Table 3 summarizes the outlook for the region.

Employment in the Eastern Panhandle grows from 2010 through 2013, as the national and world economies accelerate out of a particularly severe downturn. As Figure 7 shows, the region generates job growth on average from 2009 to 2013 at a rate of 1.4 percent per year. That exceeds the expected rate of job growth for the state (+0.7 percent), but is equal to the national average.

**Figure 7**  
**Eastern Panhandle Region**  
**Annual Job Growth: History And Forecast**



Construction jobs stabilize during the next two years, as the local housing correction abates, and then begins to grow slowly during the 2012-2013 period. From peak levels hit in 2005 (about 3,000 jobs), construction employment falls to the 1,800 job range during the forecast. Gradual construction job growth reflects continued population growth during the period. Manufacturing employment also stabilizes during the forecast, as the national (and world economies) gradually accelerate.

Most job growth during the next five years in the Eastern Panhandle comes in the service-providing sectors. Professional and business services jobs rebound during the forecast, as local and national demand growth picks up steam. Education and health care remains one of the fastest growing sectors in the local economy and government employment continues to contribute significant job gains. With local and national growth rebounding, trade, transportation, and utilities employment also rises during the forecast. Leisure and hospitality jobs also expand during the forecast, although at a slower pace. In contrast, information jobs rebound from recent lows at a relatively rapid pace as demand for printed materials recovers.

Rebounding job growth drives real per capita personal income gains during the forecast, with growth expected to average 1.3 percent per year. That's similar to the state rate of growth, but a bit below the national rate of 1.6 percent per year.

Job and income growth, along with continued strength in the Washington MSA, drives population gains during the forecast. Population growth in the Eastern Panhandle is expected to average 2.1 percent per year during the next five years, which is about 1.0 percent per year slower than the average rate from 2000-2008. The Eastern Panhandle unemployment rate is forecast to surge to 8.5 percent in 2010, from 4.4 percent in 2008, and then to gradually descend to 6.5 percent by 2013.

Risks to the Eastern Panhandle outlook includes the risk of slower than expected national growth. This would set the state for slower growth in the Eastern Panhandle as well. Local risks include the impact of increased competitive pressure as Maryland increases activity in the gaming sector.



## **Forecast Data Glossary**

Forecast data for West Virginia and the Eastern Panhandle Region come from the West Virginia Economic Outlook Project. U.S. forecast data are from IHS Global Insight.

### ***Nonfarm Payroll Employment by Industry***

Historical employment data come from the U.S. Bureau of Labor Statistics and the West Virginia Bureau of Employment Programs, Research, Information and Analysis. Data can be found on-line at [www.workforcewv.org](http://www.workforcewv.org). Estimates are from a survey of employers. Jobs are counted based on where the establishment is located, not on where the worker lives.

### ***Civilian Labor Force, Employment, Unemployment, and the Unemployment Rate***

Historical labor force data are available in the West Virginia County Profiles, published by the Bureau of Employment Programs. These data are available on-line at [www.workforcewv.org](http://www.workforcewv.org). Labor force data cover West Virginia residents only. They are counted as participating in the labor force if they are employed or, if unemployed, actively seeking work. The unemployment rate is the number of unemployed residents divided by the labor force.

### ***Population***

Historical population estimates are from the U.S. Census Bureau and are available on-line at [www.census.gov](http://www.census.gov). Population data reflect the number of persons whose usual place of residence was within the state or county on July 1. Persons in the military or institutionalized are counted where the military base or institution is located, as long as that is within the U.S.

### ***Real Personal Income***

Real personal income is nominal personal income adjusted for the effects of inflation, using the U.S. personal consumption deflator. Personal income includes earnings from work (wages, proprietors' income, fringe benefits); dividends, interest and rent; and transfer income (social security, Medicare, Medicaid, welfare). Historical data are compiled by the U.S. Bureau of Economic Analysis and is available on-line at [www.bea.gov](http://www.bea.gov).

## ***Eastern Panhandle Region Outlook 2009-2013***

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