

*Immediate Release*

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## State of Working West Virginia 2012 What is the Climate Ahead for West Virginia's Workers?

[Charleston, WV] – As the state celebrates Labor Day it is a good time to think about how West Virginia's workers are doing in this post-recession era. How is the state recovering from the loss of thousands of jobs it suffered at the peak of the downturn? What does the future hold for West Virginia's working families?

In *State of Working West Virginia 2012*, the West Virginia Center on Budget and Policy takes a close look at employment trends, wages and, in this year's in-depth section, the state's boom and bust energy economy and what lies ahead.

"We hear so much about the business climate for West Virginia. We think it's time in this report to ask about the climate for working people. They are the engines that drive the economy and keep the state going. Without them, nothing moves," stated Rick Wilson, Director of the American Friends Service Committee.

Key findings of the report include:

- West Virginia lost 21,300 jobs during the Great Recession. While the state still has 3,200 fewer jobs than it did before the Recession started, it would need to create 27,000 to maintain pre-recession levels given population growth.
- The typical worker in West Virginia makes over a dollar an hour less than the national average.
- Less than half of state workers are covered by employer-provided pensions and barely half receive employer-provided health insurance.
- The state's labor force is older, less educated and less diverse than the national average. In fact, one in four workers in the state is 55 or older. The labor force participation rate, the share of people 16 and older who are working or seeking work, is the lowest in the nation.
- The state's unemployment rate remains elevated and is much higher for younger workers, men, and African Americans.
- In June 2012, there was only one new job opening for every four workers looking for a job.
- West Virginia can expect to lose residents below the age of 65 while increasing the number of residents above the age of 75. Without working families to keep the population's age in balance, we are headed for a demographic disaster.
- While coal employment has increased over the past decade it could decline along with coal production over the current decade. To protect the state's budget from the booms and busts of its energy economy, policymakers have an opportunity to create permanent sources of wealth by setting aside revenue from the current natural gas production boom.

The report lists several policy recommendations for state leadership to consider. "The single biggest step we can take to improve our workforce is to expand Medicaid under the Affordable Care Act," said Ted Boettner, Executive Director of the West Virginia Center on Budget and Policy and coauthor of the report. "Not only will doing this provide health coverage to over 120,000 low-income workers, but it can help improve our state's low labor force participation rate."

Raising the minimum wage from \$7.25 to \$9.80 would create hundreds of jobs and give 182,000 West Virginia workers a raise. This, in turn, would provide millions in economic activity as the workers and their families spend more in their communities.

To help diversify our economy and prepare for the future, West Virginia needs to create a permanent mineral trust fund or "Future Fund" and convene a task force composed of economic development officials and others to help plan for the coming decline of coal in southern West Virginia.

Other policy recommendations include adopting a work-sharing program, which allows employers to reduce layoffs and allows workers to avoid long-term unemployment, issuing infrastructure bonds to help boost construction employment and repair the state's deficient roads, bridges and dams, and restoring cuts to child care assistance that allow low-income parents to work.

"As the effects of the recession on West Virginia continue to fade, many challenges persist for the state, now and into the future," explained Sean O'Leary, Policy Analyst with the West Virginia Center on Budget and Policy and coauthor of the report. "High unemployment, an aging and unhealthy workforce, and a changing economy all need to be addressed in order to secure future prosperity for the people of West Virginia."

The full report is available at [www.wvpolicy.org](http://www.wvpolicy.org).

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The West Virginia Center on Budget and Policy ([www.wvpolicy.org](http://www.wvpolicy.org)) is a public policy research organization that is nonpartisan, nonprofit, and statewide. The Center focuses on how policy decisions affect all West Virginians, especially low- and moderate-income families.