

Immediate Release

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From Weirton Steel to Wal-Mart Deindustrialization of West Virginia Leaves State with Fewer Quality Jobs

[Charleston, WV] – Not that long ago West Virginians had access to good-paying jobs with benefits that did not necessarily require a college education and provided a good wage. A transition took place in the 1980s and 90s, however, causing the number of those jobs to decline and the state’s largest employer to become Wal-Mart. Now, workers are paid less, work more and many need federal benefits to make ends meet according to “State of Working West Virginia 2013: From Weirton Steel to Wal-Mart,” an annual Labor Day report by the West Virginia Center on Budget and Policy and the American Friends Service Committee.

“The late ‘70s and early ‘80s were sort of a golden age for capitalism in West Virginia. Unlike the present, the middle class was growing,” stated Ted Boettner, Executive Director of the West Virginia Center on Budget and Policy and coauthor of the report. “The state outperformed the nation with higher wages, stronger economic growth, more union participation, better health and pension benefits, and lower income inequality.”

While the state has taken positive steps recently and is considering more measures to help West Virginia’s working families, it has been unable to replace the high-paying quality manufacturing jobs that were lost in the 1980s due to deindustrialization and changes in the global market that affected steel prices. This led to a sharp decline in wages and a shift away from jobs like those offered at Weirton Steel to those available at Wal-Mart.

“Over the past thirty years, working families in West Virginia have been squeezed by stagnating wages and fewer opportunities, along with the rising cost of living,” explained Sean O’Leary, Fiscal Policy Analyst with the West Virginia Center on Budget and Policy and one of the report’s authors. “Today’s workers in West Virginia are more educated and experienced than ever, but they are seeing less of the benefits of their work.”

The report discusses several recommendations that could help the state’s workers in both the near and long-term including investing in education, quality child care and West Virginia’s roads, bridges and other infrastructure. Low-wage earners would also benefit from raising the minimum wage, creating a state Earned Income Tax Credit and establishing voluntary retirement accounts to help them save for the future.

Another way to save for the days ahead is to create a West Virginia Future Fund by setting aside severance taxes from the state’s extractive industries like coal and natural gas. With the projected expansion of the natural gas industry, money set aside now would help the state for generations to come.

“West Virginia’s history is full of radical changes that, for the most part, were unforeseen. This report makes recommendations that will help us face an uncertain future with resiliency,” according to Rick Wilson, Executive Director of the American Friends Service Committee and the report’s lead author. “Our state has taken some positive steps recently on early childhood education, health care expansion, corrections, and child nutrition. We can continue to move ahead by building public and private assets and investing in people.”