

THE STATE OF WORKING WEST VIRGINIA 2014



ECONOMIC RECOVERY AND TRANSITION IN THE MOUNTAIN STATE: STATE'S ENERGY ECONOMY SHIFTS NORTH

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Overview

This report is the seventh in an annual series that examines the state of West Virginia's economy as it impacts working people. Each year, we examine the latest available data on employment, income, productivity and job quality as well as the immediate economic challenges and opportunities.

The themes have varied from year to year with changes in the economy but the basic goal remains the same: to look at what can sometimes seem to be dreary numbers and indicators from the point of view of those who actually do the work.

It is very common to find reports in the media or comments from political leaders about the state's business climate; it is all too seldom that the discussion turns to the climate for working people and their families. It is our belief that the economy exists for people and not people for the economy, and that a strong economy requires a growing middle class..

In this report, as in those of the past, we will attempt to identify short- and long-term trends and to find the story behind the numbers. Each year, we also recommend policy changes to improve conditions for working people, some of which have actually come to pass.

To use a nautical metaphor for a landlocked state, West Virginia's economy can at times resemble a sailboat or a motorboat. In the former case, it is driven by external factors, such as the national and global economy. But, like a motorboat, our economy can also be driven by internal factors, such as its historic dependence on natural resource extraction.

In addition to external or internal market factors, the decisions of policymakers can have a huge impact on the economy and the quality of life for working families. Fortunately, in a democracy, this is something which ordinary working people can influence—and indeed have recently done so with some success.

Specifically, this report will explore three aspects of our current reality:

The lingering effects of the Great Recession. What turned out to be the worst economic downturn since the Great Depression was scarcely noticed by most people when it began late in 2007. And although it was officially declared by the National Bureau of Economic Research to have ended in June 2009,¹ this news would have brought little comfort to the millions of Americans who lost homes, jobs or income since that summer.

The Great Recession is an example of the sailboat effect. The crisis was caused by under-regulated speculation on Wall Street and a housing bubble far from West Virginia, but its effects on the Mountain State were severe and long lasting. At its lowest point, in the fall of 2010, nearly 70,000 West Virginians were officially unemployed.² While the federal government recently reported that consumer spending had returned to pre-recession levels by 2012,³ the current unemployment rate at six percent is one-third higher than the 2007 level. Further, the recovery has been unbalanced, with a net loss of jobs that paid high- or mid-level wages and a net increase of low-paying jobs.

The decline of coal employment in southern West Virginia and the challenges of transition. The dynamics of energy extraction in West Virginia is an example of the motorboat effect. We are in the strange situation of simultaneously facing an energy boom in central and northern West Virginia and a coal bust in the south. West Virginia's overall economy

as measured by Gross Domestic Product (GDP) grew at a healthy rate of 5.1 percent in 2013. This growth in economic activity may have been driven in part by developing Marcellus Shale natural gas resources. However, job growth did not mirror GDP growth, due in part to a rapid decline of coal jobs in southern West Virginia.

Around 5,000 coal mining jobs were eliminated between 2011 and early 2014, most in the southern coalfields. State coal production declined by over 35 percent between 1997 and 2013, and by 28 percent between 2008 and 2013. Again, this drop in production was regional. Mining in northern West Virginia has been much more stable. One mark of the shift from south to north can be found in the fact that the leading coal-producing county is now Marshall rather than Boone.

Although many people blame this decline on the Environmental Protection Agency and the Obama administration's alleged "war on coal," much of these changes have been market driven by such factors as competition from cheaper and easier-to-mine coal elsewhere and the natural gas boom. However the blame gets assigned, the state faces the challenge of an economic transition.

The impact of recent policy changes on working families. For good or ill, the policy changes made by our political leaders can have a major impact on working people, their families and communities. One dramatic example is the impact of cuts in state taxes enacted since 2006. These will cost the state \$360 million in 2014 alone and an estimated \$425 million in fiscal year 2015. Far from paying for themselves, they have forced cuts to the state budget the past two years and resulted in several bruising controversies regarding funding for key programs. In fact, it would have actually been cheaper to provide in-state tuition for all West Virginia college students.⁴

Other recently enacted policies are having or will have a more positive effect. This is most clearly the case with Governor Tomblin's decision to expand Medicaid coverage to working adults earning up to 138 percent of the federal poverty level. At this point, over 147,000 West Virginians, the vast majority of whom were previously uninsured, have gained coverage since January 1, 2014. This coverage has already reduced costs associated with uncompensated care and promises to create thousands of jobs.

More promising policy results are on the horizon, including some we have advocated here. Medicaid expansion, along with reforms in the criminal justice system, could help address the related problems of substance abuse and the overcrowding of state correctional institutions. An increase in the state minimum wage will take place January 1, 2015 and reach around 125,000 working West Virginians, most of whom are adults. Further expansions of early childhood education and improvements in child nutrition and well-being bode well for the future. Finally, in 2014 the West Virginia legislature created the Future Fund, long advocated here, which could be a means of creating a permanent source of wealth for the people of West Virginia.

Finally, after examining these trends, we will make policy recommendations that may further promote the well-being of working families and their communities. With any luck, and with help from the readers of this report, some of these might be enacted as well.

Section One

The State of Recovery: 2010 to 2013

During the Great Recession of 2007-2009, West Virginia experienced its worst job performance since the collapse of the manufacturing and coal mining industries during the 1980s. West Virginia's private sector economy lost more than 22,200 jobs from 2008 to 2010, when the effects of the recession were at their worst.⁵

Unbalanced Job Recovery

By 2013, West Virginia had recovered about 68 percent, or 15,100, of private-sector jobs lost during the recession, but there was a disparity between the types of jobs lost during the recession and those added during the upturn.

- During West Virginia's recession (2008-2010), private sector employment in mid-wage industries fell 5.4 percent, and fell 5.6 percent in high-wage industries, compared to only 0.9 percent for low-wage industries.
- During West Virginia's recovery (2010-2013), nearly twice as many private sector low-wage jobs were added than were lost during the recession, while mid-wage industries only recovered 69.0 percent of the jobs lost, and only 47.7 percent of high-wage industry jobs have come back.

Wage Categories Defined

This analysis divides 108 industries for which relevant data are available at the state level into 3 categories:

Low-wage industries pay a worker on average from \$254 to \$509 per week, or about \$13,200 to \$26,500 per year. Jobs in this category include food service and retail.

Mid-wage industries pay a worker on average from \$546 to \$887 per week, or about \$28,400 to \$46,100 per year. Jobs in this category include some manufacturing, repair workers, and educational services.

High-wage industries pay a worker on average from \$904 to \$1,954 per week, or about \$47,000 to \$101,600 per year. Jobs in this category include coal miners, doctors, and natural gas.

Wage and job data are gathered from Workforce WV, Employment and Wages data. Comprehensive jobs and wage data for each industry are available in the Appendix.

The unbalanced recession and recovery in West Virginia's labor market has left fewer workers employed in good-paying jobs than before the recession. In 2013, there were nearly 3,000 fewer West Virginians employed in mid-wage industries than in 2008, and more than 5,700 fewer workers employed in high-wage industries. In contrast, in 2013 low-wage industries employ nearly 1,600 more workers than in 2008 (**Figure 1.1**).

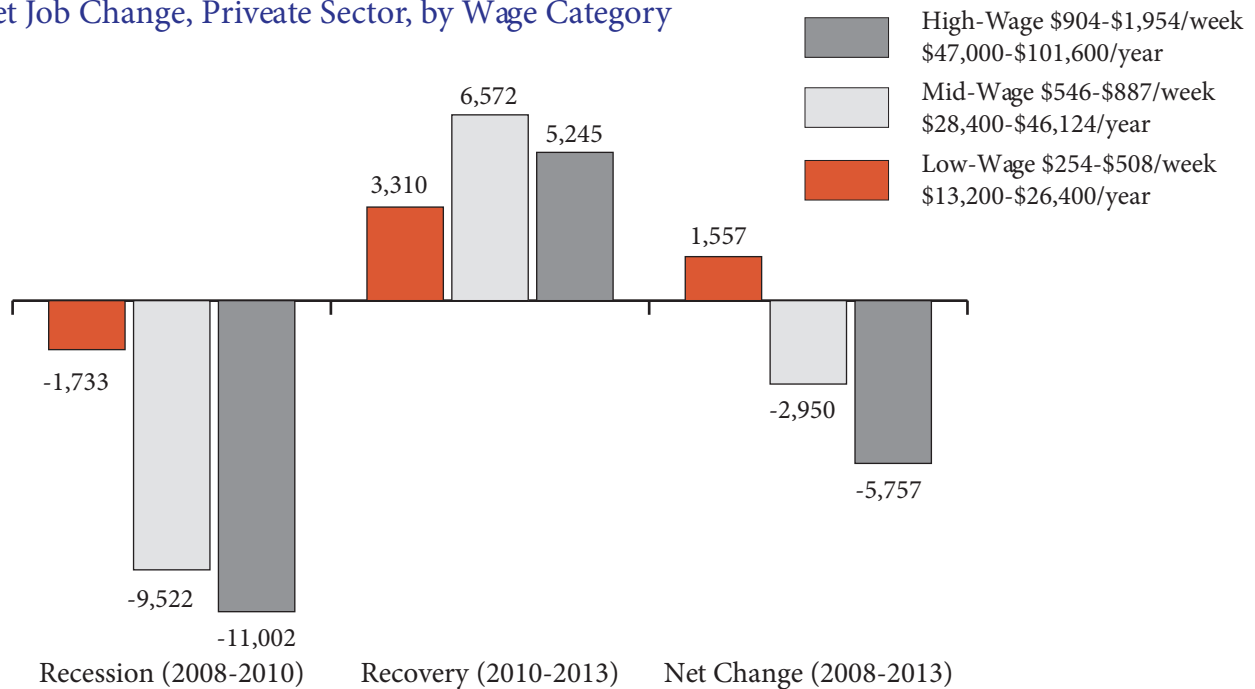
Food and accommodation drive low-wage growth

The largest share of new jobs added in the low-wage industry during the recovery occurred in one of the lowest paid industries. The food and drink service industry added 2,100 jobs from 2010 to 2013, one of the largest increases of any industry. However, at an average of only \$258 per week, workers earn the second lowest wage of any industry in West Virginia. Food and drink service make up about 14 percent of the jobs added in West Virginia during the recovery.

FIGURE 1.1

Mid- and High-Wage Industries Haven't Fully Recovered from Recession

Net Job Change, Private Sector, by Wage Category



Source: WVCBP Analysis of Workforce West Virginia Data.

Mid-wage manufacturing and construction replaced by service jobs

The three largest job-losers among mid-wage industries since the recession began are in the construction and manufacturing industries. West Virginia lost 2,000 jobs in the construction of buildings industry, 1,900 jobs in the wood product manufacturing industry, and 1,000 jobs in the fabricated metal products manufacturing industry between 2010 and 2013. Overall, West Virginia has lost 4,800 construction jobs and 8,000 manufacturing jobs since 2008.

The growth in mid-wage jobs has been led by the service industry, with the ambulatory health care services industry adding 5,200 jobs since 2008, and the employment services industry adding 1,355.

Healthcare and natural gas fuel growth at the top

The support activities for oil and gas industry added nearly 1,600 jobs during the state's recovery, accounting for 30 percent of all the high-wage jobs added during the recovery. The hospital industry also added more than 900 jobs during the recovery, after actually adding 100 jobs during the recession as well. Overall, the healthcare and social services industry has grown by 9,700 jobs since 2008.

Like in the mid-wage industries, job losses in the high-wage industries were found in the construction and manufacturing sectors. (Detailed industry listings can be found in the appendix.)

Public sector shrinks during recovery

While the stimulus boosted jobs in the public sector during the recession, budget cuts have seen government jobs on the decline during the recovery. The federal government has shed nearly 1,100 jobs in West Virginia since 2010, while local governments have lost more than 3,600, most of them in education. Contrasting with federal and local governments, state government employment increased by 1,000 jobs between 2010 and 2013. Overall, the number of public sector jobs in West Virginia has fallen by 3,700 since 2010.

No Wage Growth During Recovery

Wage growth in West Virginia has been virtually non-existent in West Virginia during the recovery. The state's median wage, or the wage earned by the worker in the middle of the wage distribution, fell 2.1 percent between 2010 and 2013, from \$16.41 per hour to \$16.07 per hour after adjusting for inflation (Table 1.1).

Wages across the wage distribution have been stagnant during the recovery, for both the wealthiest and poorest workers. Workers in the bottom 30 percent of the wage distribution have seen their wages fall by 5.6 percent during the recovery, while wages for workers in the top 30 percent fell 2.2 percent. Only workers in the 80th percentile (the top 20 percent) saw an increase in wages since 2010 (Table 1.1).

TABLE 1.1

Wages by Deciles, West Virginia (2010-2013), 2013 Dollars

	2010	2013	Change	Percent Change
10th percentile	\$8.25	\$8.13	-\$0.12	-1.5%
20th percentile	\$9.76	\$9.68	-\$0.08	-0.8%
30th percentile	\$11.90	\$11.23	-\$0.67	-5.6%
40th percentile	\$14.14	\$13.22	-\$0.92	-6.5%
50th percentile (Median)	\$16.41	\$16.07	-\$0.34	-2.1%
60th percentile	\$19.30	\$19.04	-\$0.26	-1.3%
70th percentile	\$22.82	\$22.31	-\$0.51	-2.2%
80th percentile	\$26.93	\$27.22	\$0.29	1.1%
90th percentile	\$35.68	\$35.64	-\$0.04	-0.1%

Source: Economic Policy Institute Analysis of Current Population Survey Data.

Both men and women have seen their wages decline during the recovery. The median wage for men and women both fell by 5 percent from 2010 to 2013 (Table 1.2). The state's gender gap in wages remained the same, with the median hourly wage for women of \$13.47 equal to about 74 percent of the median hourly wage for men of \$18.13.

Educated workers saw steeper wage decreases during the recovery than the typical worker in West Virginia. The median hourly wage for workers with a college degree fell by 5 percent from 2010 to 2013, and 11.5 percent for workers with some college education. The median hourly wage for workers with just a high school diploma fell by only 0.6 percent. However, the median hourly wage for college educated workers is still more than \$9.00 higher than that of workers with only a high school education (Table 1.2).

TABLE 1.2

Median Wage by Gender and Education, West Virginia (2010-2013)

	2010	2013	Change	Percent Change
Male	\$19.11	\$18.13	-\$0.98	-5.1%
Female	\$14.20	\$13.47	-\$0.73	-5.1%
High school	\$14.00	\$13.92	-\$0.08	-0.6%
Some college	\$15.61	\$13.81	-\$1.80	-11.5%
Bachelor's or higher	\$24.48	\$23.22	-\$1.26	-5.1%

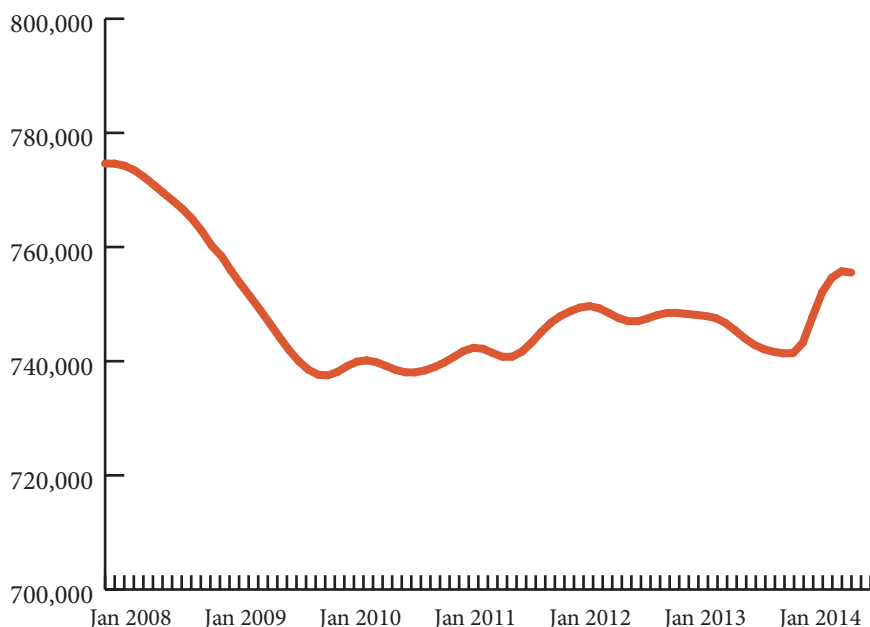
Source: Economic Policy Institute Analysis of Current Population Survey Data.

Employment Growth Slow During Recovery

Pre-recession, the number of workers with jobs in West Virginia peaked in December of 2007 at 775,825. During the recession, that figure fell to its lowest point of 737,627 in December of 2009 a decline of 38,198 or 4.9 percent. Since then, employment has grown slowly, with some setbacks. West Virginia's average monthly employment during 2013 was 744,749, an increase less than 6,000 workers over 2010's average. Since then, employment growth has picked up speed, and as of June 2014, there were 755,524 workers employed in West Virginia (**Figure 1.2**).

FIGURE 1.2

Monthly Employment, West Virginia (2008-2014), Seasonally Adjusted



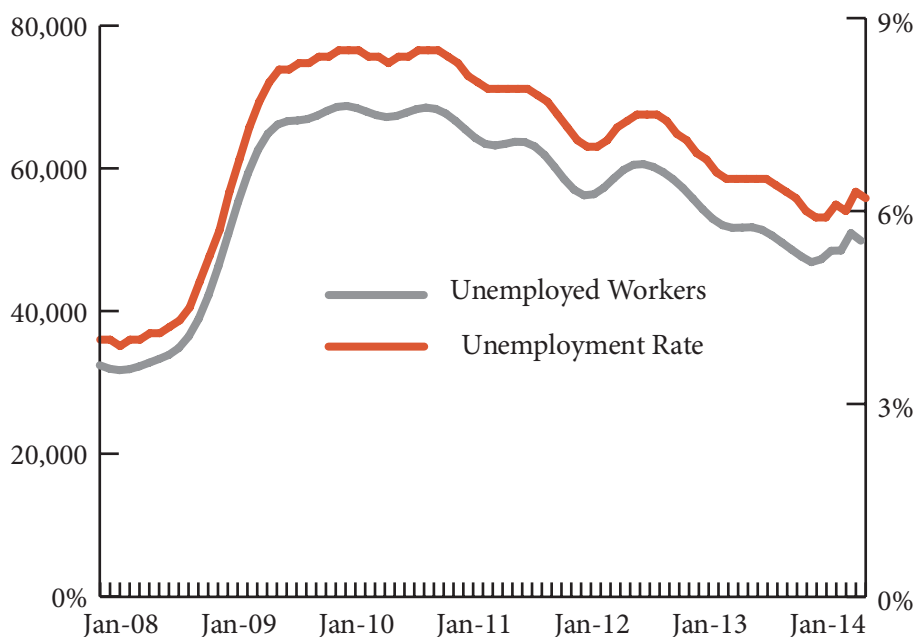
Source: Bureau of Labor Statistics, Local Area Unemployment Statistics.

Unemployment Still Above Pre-recession Levels

As the number of employed workers fell sharply during the recession and grew slowly during the recovery, the reverse was true for the number of unemployed workers in West Virginia. The average monthly number of unemployed workers in West Virginia during 2008 was 34,074. That figure spiked to 68,293 in 2010, with the state's unemployment rate peaking at 8.5 percent, double its pre-recession rate. Since then, the number of unemployed workers slowly descended to 51,493 in 2013, while the unemployment rate fell to 6.5 percent. As of June 2014, the state's unemployment rate was 6.2 percent, 2 percentage points higher than the pre-recession rate, with 49,866 unemployed workers (**Figure 1.3**).

FIGURE 1.3

Monthly Unemployment, West Virginia (2008-2014), Seasonally Adjusted



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics.

Underemployment and Long-term Unemployment Still High

While the unemployment rate remains above pre-recession levels, it has been on the decline. However, other measures of the state's economic health have not improved much during the recovery.

West Virginia's underemployment rate, which includes those who are unemployed as well as those who are employed part-time for economic reasons and those who are marginally attached to the labor force, jumped from 9.1 percent in 2008 to 14 percent in 2010. Since then, the state's underemployment rate fell slightly to 12.0 percent, still well above the pre-recession rate. Underemployment is highest among younger workers and workers lower levels of educational attainment (**Table 1.3**)

TABLE 1.3

Underemployment Rate by Demographic, West Virginia

	2008	2010	2013
All	9.1%	14.0%	12.0%
Male	9.4%	14.8%	12.9%
Female	8.9%	13.1%	11.1%
16-24 yrs	20.5%	32.5%	26.2%
25-54 yrs	7.7%	12.6%	11.1%
55 yrs and older	5.6%	7.9%	7.7%**
Less than high school	20.2%	31.5%	28.7%**
High school	9.8%	16.7%	15.7%**
Some college	8.2%	12.7%	10.4%
Bachelor's or higher	4.0%	4.4%*	4.5%**

* Change from 2008 to 2010 is not statistically significant ** Change from 2010 to 2013 is not statistically significant

Source: Economic Policy Institute Analysis of Current Population Survey Data.

One reason that West Virginia's underemployment rate remains so high is because of how hard it is for unemployed workers to get back in the workforce, particularly if they have been unemployed for a long time.

One of the effects of the recession that has not improved during the recovery is the state's sharp increase in long-term unemployment. The long-term unemployment share is the percent of unemployed workers who have been unemployed for more than six months. Long-term unemployment is one of the most severe forms of joblessness, creating long lasting financial and psychological impacts.

West Virginia's long-term unemployment share more than doubled during the recession, from 16.1 percent in 2008 to 34.7 percent in 2010. West Virginia's long-term unemployment share has remained unchanged during the recovery, with 35.6 percent of unemployed worker having been unemployed 6 months or longer in 2013. More than one in three of the state's unemployed workers have been out of work for more than six months during the recovery.

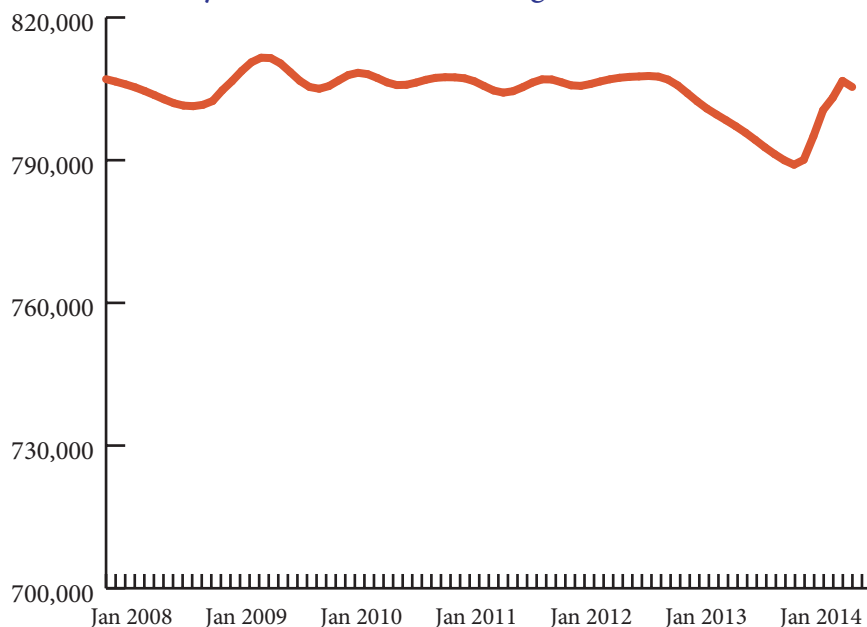
Labor Force Not Growing

Despite the effects of the recession, West Virginia's labor force, which included employed workers and unemployed workers actively looking for work, grew somewhat during the recession. The size of the state's labor force averaged 803,517 workers in 2008, growing to 807,291 in 2010, a small increase during the recession.

During the recovery, the size of the state's labor force actually experienced a minor decline, falling from 807,291 in 2010 to 796,242 in 2013, a decrease of 0.5 percent. However, as of June, 2014, the state's labor force was back up to 805,390, basically unchanged since the recession (**Figure 1.4**).

FIGURE 1.4

Monthly Labor Force, West Virginia (2008-2014), Seasonally Adjusted



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics.

Labor Force Participation Unchanged During Recovery, Still Lowest in the Country

West Virginia has historically had the lowest labor force participation rate, the share of the population aged 16 and older who are either working or seeking work, in the country. This did not change during the recession and subsequent recovery.

West Virginia's overall labor force participation rate dipped from 56.7 percent in 2008 to 54.5 percent in 2010. The state saw little change to its labor force participation rate during the recovery, with its rate in 2013 at 53.8 percent (**Table 1.4**)

TABLE 1.4

Labor Force Participation Rate by Demographic, West Virginia

	2008	2010	2013
All	56.7%	54.5%	53.8%**
Male	63.4%	61.2%	59.6%**
Female	50.3%	48.2%	48.4%**
16-24 yrs	56.6%	49.0%	47.8%**
25-54 yrs	74.7%	73.7%*	73.0%**
55 yrs and older	30.7%	32.0%*	33.3%**
Less than high school	27.1%	27.4%*	21.8%
High school	57.2%	53.0%	51.3%**
Some college	67.2%	62.1%*	62.8%**
Bachelor's or higher	76.8%	76.1%*	75.4%**

* Change from 2008 to 2010 is not statistically significant

** Change from 2010 to 2013 is not statistically significant

Source: Economic Policy Institute Analysis of Current Population Survey Data.

Nearly every demographic saw no change in its labor force participation rate during the recovery, with the exception of workers with less than a high school diploma, whose labor force participation rate declined by 5.6 percentage points.

Overall, prime-age (25 to 54 years old) and college educated workers have higher labor force participation rates, both before and after the recession and recovery. Men in West Virginia have higher labor force participation rates than women, a gap that has been maintained during the recovery.

Section Two

Broken Link: Growth, Jobs and Wages

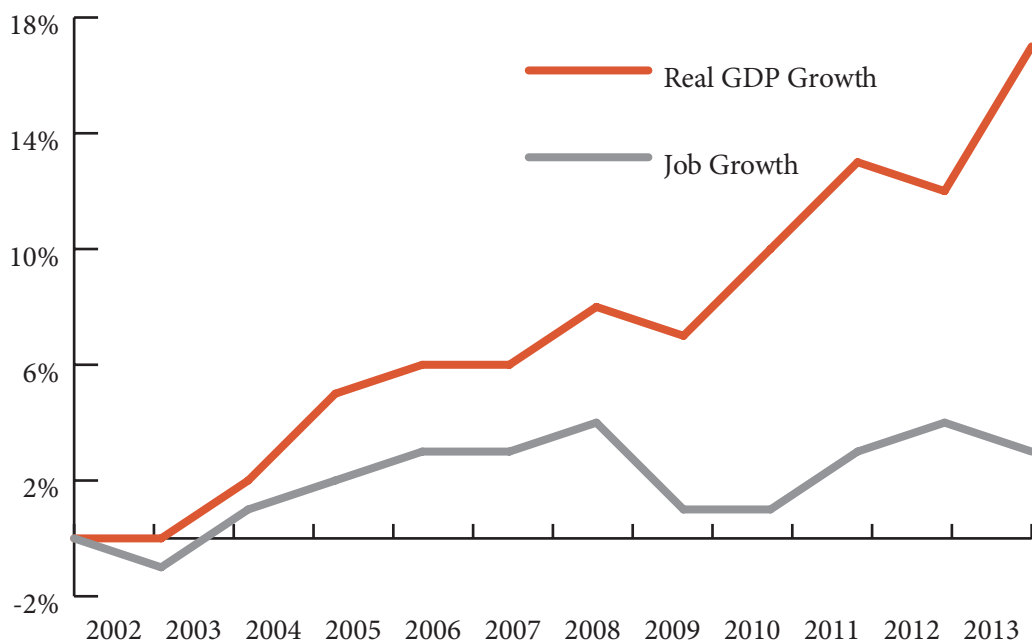
West Virginia experienced fairly strong economic growth in 2013. While the state ranked third-highest in real gross domestic product (GDP) growth from 2012 to 2013, however, it ranked dead last in job growth over this period, losing almost 7,000 jobs.

GDP and Jobs

West Virginia ranked 3rd highest among the 50 states in real GDP growth from 2012 to 2013, at 5.1 percent. But the state ranked dead last in job growth, actually losing almost 7,000 jobs. West Virginia actually lost jobs even as the economy grew. In fact, the link between the growth of the economy (real GDP) and job growth has been weak for much of the past decade. While real GDP grew by 17.2 percent since 2002, job growth has been an anemic 3 percent (**Figure 2.1**).

FIGURE 2.1

West Virginia Real GDP Growth vs. Job Growth



Source: Bureau of Economic Analysis and Bureau of Labor Statistics.

West Virginia's recent GDP growth has been fueled in large part by the natural gas industry and the boom in shale gas extraction. West Virginia's mining sector's GDP grew by \$3.3 billion from 2012 to 2013, an increase of 40 percent. Without that \$3.3 billion in growth, West Virginia would have experienced negative real GDP growth between 2012 and 2013. But even with this rapid rise in GDP, mining employment still fell by 1,830 jobs, and mining wages also declined.

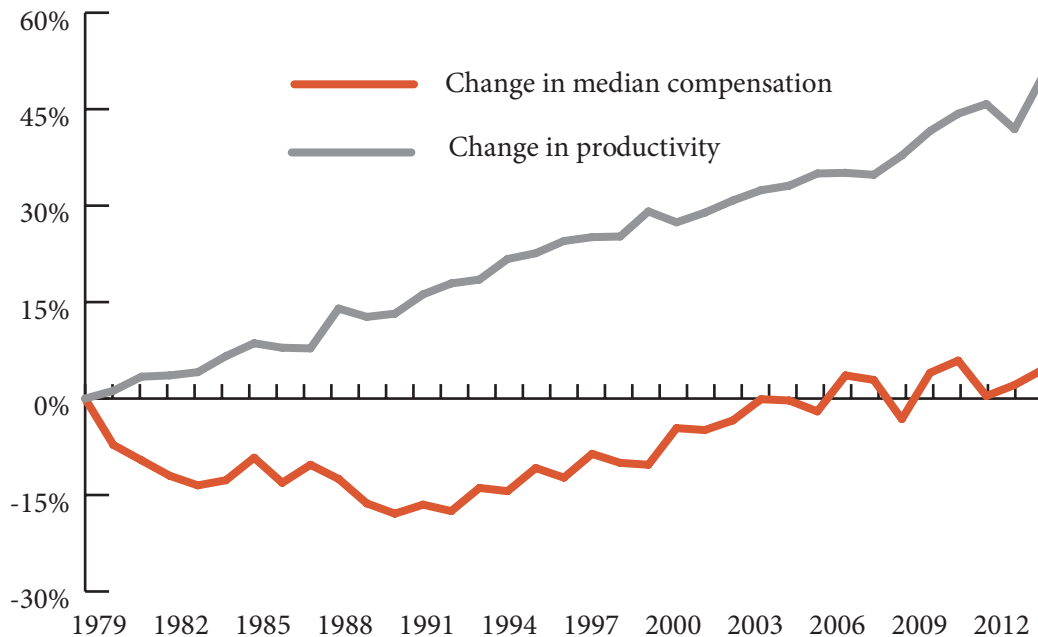
Productivity and Compensation

One potential explanation for why West Virginia's economy has grown without adding many jobs is increasing worker productivity. West Virginia's productivity, or economic output per worker, increased by 5.8 percent from 2012 to 2013, the third biggest increase among the 50 states. But just as growing GDP has not translated into more jobs, even though West Virginia's workers are producing more, their pay has not reflected their production.

Since 1979, West Virginia's worker productivity has increased by more than 50 percent, while median compensation, the wages and other benefits earned by the worker in the middle of the distribution, has only increased by 4.5 percent (**Figure 2.2**). Workers are benefiting little from both economic and productivity growth.

FIGURE 2.2

West Virginia Worker Productivity vs. Median Compensation



Source: Economic Policy Institute analysis of unpublished total economy data from Bureau of Labor Statistics, Labor Productivity and costs program; employment data from Bureau of Labor Statistics, Local Area Unemployment Statistics; wage data from the Current Population Survey and compensation data from the Bureau of Economic Analysis, State/National Income and Product Accounts public data series.

Rising Inequality

West Virginia's economic growth and productivity gains of the past three decades have not resulted in widespread broad prosperity. Instead, more and more of the state's wealth and income are flowing to the top, benefiting the wealthiest.

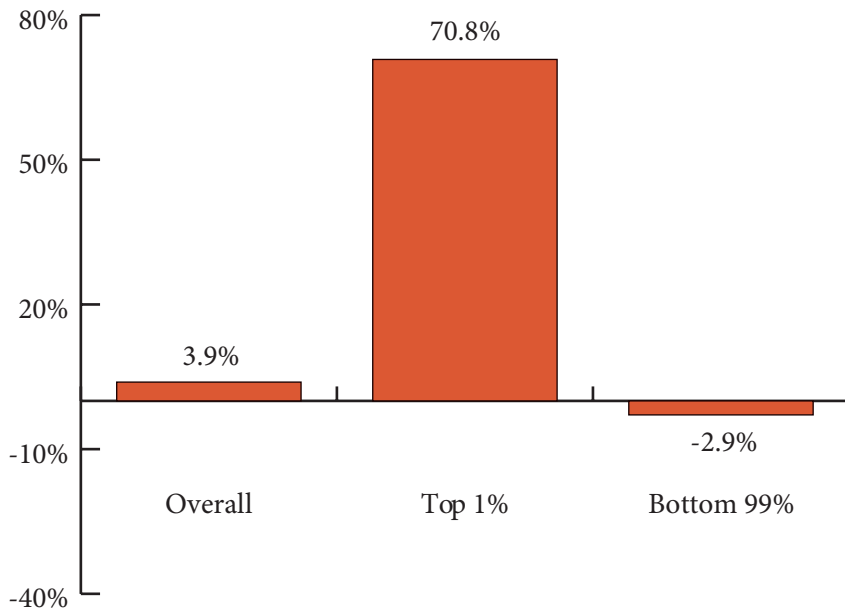
Between 1979 and 2011 the state's average real income grew just 3.9 percent, but over that time period, all of that growth was captured by the top one percent of richest West Virginians. The average real income for the top one percent grew by nearly 71 percent, while the average real income for the bottom 99 percent fell by almost three percent (**Figure 2.3**).

Because of that lopsided income growth, the share of income held by the top 1% in West Virginia has steadily grown since 1979, and is reaching historically high levels (**Figure 2.4**). And as the West Virginia's economy grows more top heavy, the income gap widens. In 1979 the average income of the top 1% was 10.1 times higher than the average income of the bottom 99%. By 2011, that ratio had grown to 17.7 times higher.

The average income of the bottom 99 percent in West Virginia would be 12.3 percent higher if they still earned the same share of income they earned in 1979. That is equal to about \$5,200 per person. Instead, those income gains were collected by wealthiest in the state.

FIGURE 2.3

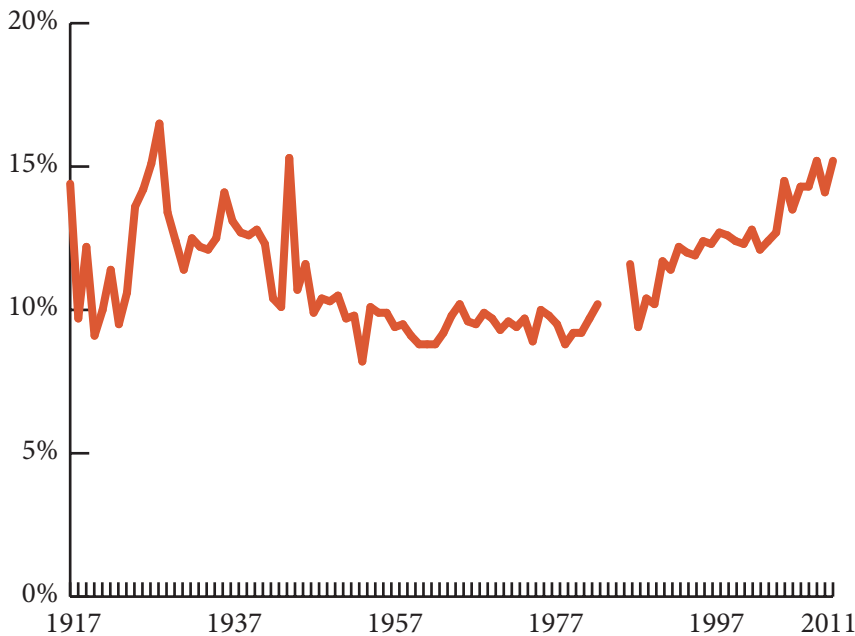
Average Real Income Growth in West Virginia, 1979-2011



Source: Estelle Sommeiler and Mark Price, *The Increasingly Unequal United States of America: Income Inequality by State, 1917 to 2011*, an Economic Analysis and Research Network (EARN) report.

FIGURE 2.4

Share of Income Held by the Top 1% in West Virginia, 1917-2011



Source: Estelle Sommeiler and Mark Price, *The Increasingly Unequal United States of America: Income Inequality by State, 1917 to 2011*, an Economic Analysis and Research Network (EARN) report.

The consumption and demand that creates jobs is fueled by the middle class, and when they have more money, they create more jobs. The concentration of income at the top prevents that from happening, as a small fraction of the population can't create enough demand for goods and services by themselves, but they are the ones accumulating the additional income.

A recent Standard and Poor's report showed that rising income inequality was threatening economic growth in the United States. It is harming state and local budgets as well; as the wealthy both are able to protect much of their income from taxes, they also spend less as a whole than the poor and middle class, reducing sales tax revenue.⁶

Section Three

Energy Economy Shifting North: Coal Continues Decline, Gas Reaches New Heights

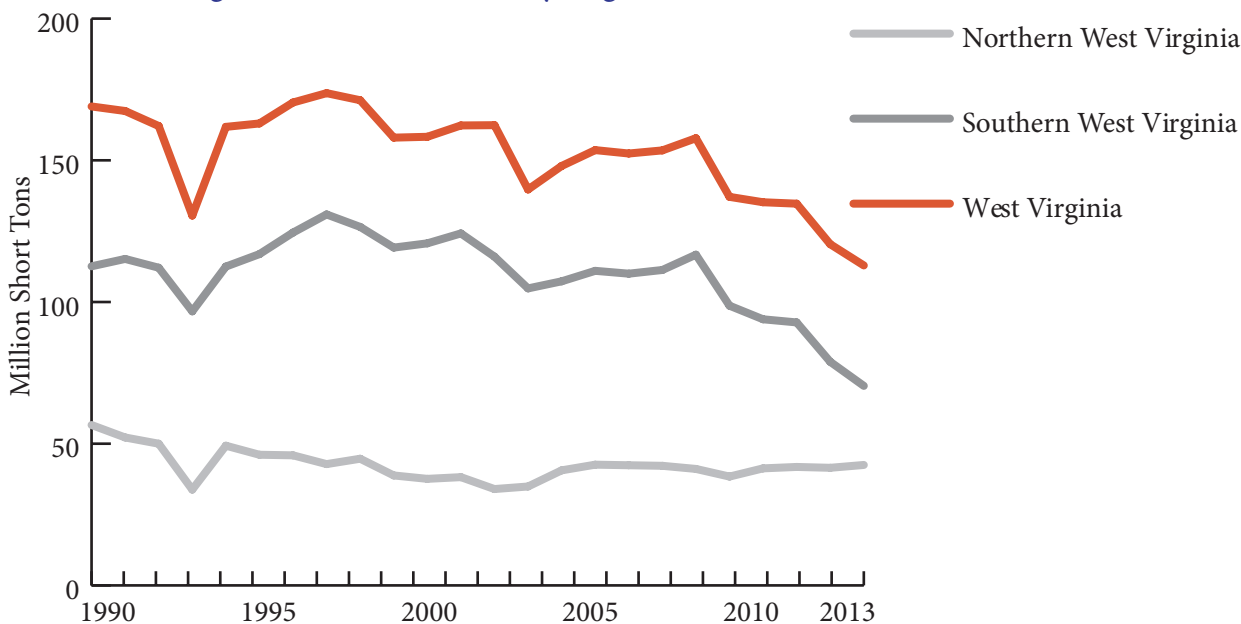
Over the last decade, West Virginia's energy-based economy has gone through significant changes. While the development of the Marcellus shale in the northern part of the state has led to a boom in natural gas production and employment, southern West Virginia has experienced a sharp decline in coal production and employment that will likely continue to grow. Meanwhile, coal production and employment in the northern part of the state has remained relatively steady. As a result, the state's energy economy has experienced uneven economic growth within West Virginia as energy production and jobs have shifted north. As this process continues to unfold over the coming years, the southern coalfields could face substantial economic hardship as coal jobs disappear and the population dwindles.

Coal Mining Declining in Southern West Virginia

Over the last two decades, coal production in West Virginia has fallen sharply from a high in 1997 of 173 million tons to less than 113 million tons in 2013. This decline is mostly due to the sharp drop in production in the southern part of the state, where production has dropped from 117 million tons in 2008 to just 70 million tons in 2013. Meanwhile, production in the northern part of the state has remained relatively flat since the mid-1990s. Today, counties in the northern part of the state make up about 35 percent of total coal production compared to 27 percent in 2008 (**Figure 3.1**). Nothing highlights this shift in production more than the fact that Marshall County, which is located in the north-central part of the state, is now the state's largest coal producer (2013), pushing past Boone County, which has led the state in coal production for over three decades.

FIGURE 3.1

West Virginia Coal Production by Region, 1990-2013

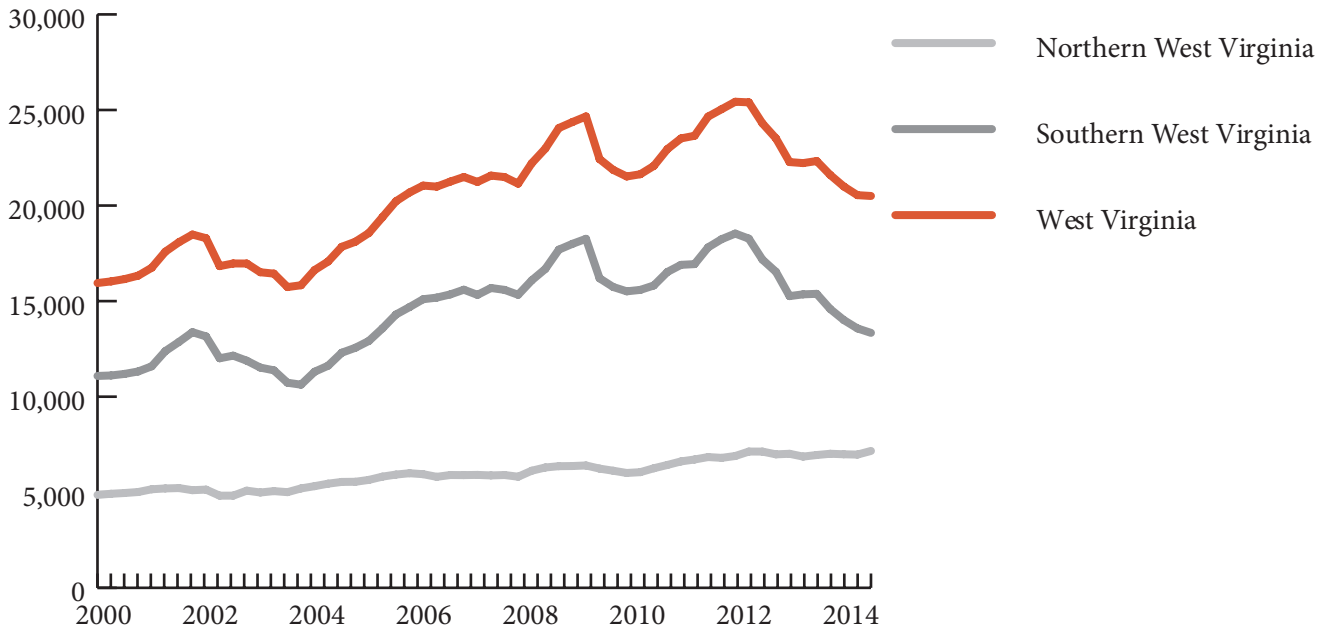


Source: U.S. Energy Information Administration (EIA), Annual Coal Report 1990-2012 and 4th Quarter Coal Report : Southern Coal Counties: Boone, Clay, Fayette, Greenbrier, Kanawha, Lincoln, Logan McDowell, Mercer, Mingo, Nicholas, Raleigh, Wayne and Wyoming. Northern Coal Counties: Barbour, Braxton, Brooke, Grant, Harrison, Marion, Marshall, Mason, Mineral, Monongalia, Ohio, Preston, Randolph, Taylor, Tucker, Upshur and Webster.

West Virginia coal mining employment has also shifted to the north. According to data from the U.S. Mine Health Safety Administration, the state has lost 4,930 coal mining jobs from the end of 2011 to the second quarter of 2014, with the southern coal counties losing 5,195 jobs while northern coal counties have gained of 265 coal jobs over this period. In fact, coal employment in northern West Virginia is at a two-decade high of 7,162 (**Figure 3.2**).

FIGURE 3.2

West Virginia Coal Mining Employment by Region, 2000-2014



Source: WVCBP analysis of U.S. Mine Health and Safety Administration Quarterly Coal Mining & Employment data. Southern Coal Counties: Boone, Clay, Fayette, Greenbrier, Kanawha, Lincoln, Logan McDowell, Mercer, Mingo, Nicholas, Pocahontas, Putnam, Raleigh, Wayne, and Wyoming. Northern Coal Counties: Barbour, Berkeley, Braxton, Brooke, Gilmer, Grant, Hampshire, Hancock, Harrison, Marion, Marshall, Mason, Mineral, Monongalia, Morgan, Ohio, Pendleton, Preston, Randolph, Ritchie, Taylor, Tucker, Upshur, Webster, Wetzel, and Wood.

The steep decline in coal production and employment in the southern counties is due to several market and regulatory factors, including sharp declines in labor productivity, the hollowing out of the state's thick coal seams, rising coal prices, a softening market for metallurgical coal, state and federal environmental regulations, and growing competition from other coal basins and natural gas for electricity production.⁷

According to the 2014 Annual Energy Outlook from the U.S. Energy Information Administration (EIA), Central Appalachian coal production (southern West Virginia) will drop to 103 million tons by 2020, a difference of 24 million from 2013.⁸ By 2040, EIA expects Central Appalachian coal production drop to about 80 million tons. Conversely, EIA projects that coal production from Northern Appalachia (northern West Virginia) will slightly grow over this period, from 143 million tons in 2020 to about 151 million by 2040.

Natural Gas Booming in Northern West Virginia

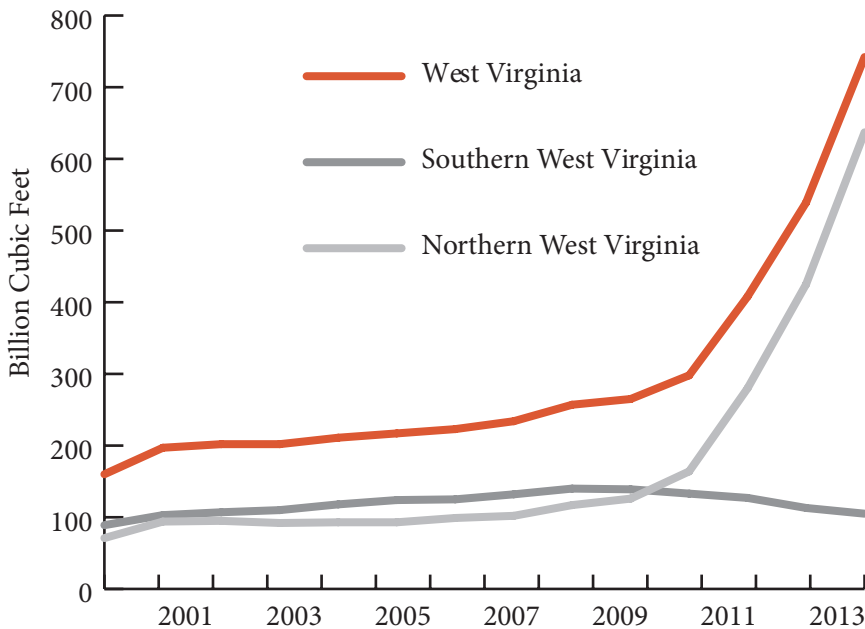
At the same time that the state experienced a sharp decline in coal production, there was a boom in natural gas production from Marcellus Shale development. In 2005, which was the year the first Marcellus Shale permit was issued, the state produced about 217 billion cubic feet of natural gas. By 2013, the state's production of natural gas more than tripled to over 742 billion cubic feet. In 2013, the state also experienced a significant increase in oil production, from 2.6 million barrels in 2012 to 6.4 million barrels in 2013.

The recent growth of natural gas production was exclusively driven by the development of the Marcellus Shale in the north-central part of the state. Natural gas production in the southern West Virginia declined from a high of 140 billion cubic feet in 2008 to just 105 billion cubic feet in 2013. Meanwhile, production in the northern part of the state has increased almost

sevenfold, from 93 billion cubic feet in 2005 to 637 billion cubic feet in 2013 (**Figure 3.3**).

FIGURE 3.3

West Virginia Natural Gas Production by Region, 2000-2013

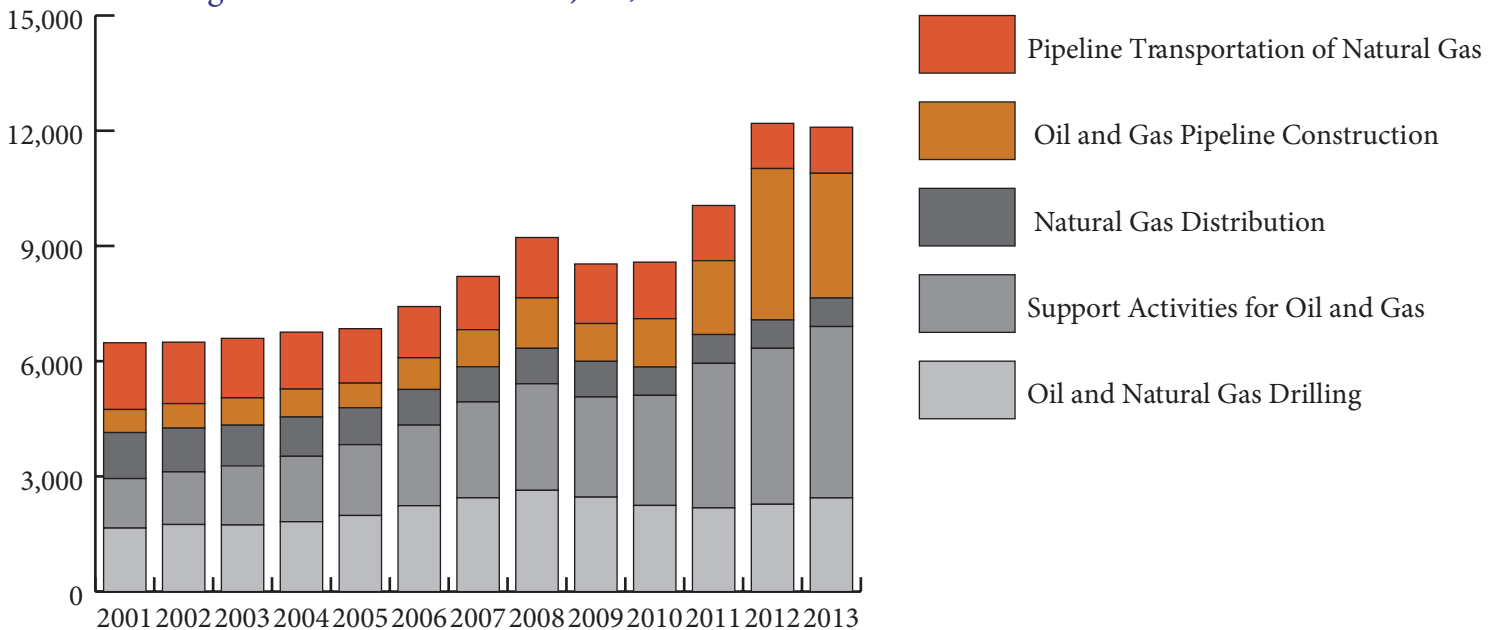


Source: WVCBP Analysis of West Virginia Geological and Economic Survey Data. Southern Coal Counties: Boone, Clay, Fayette, Greenbrier, Kanawha, Lincoln, Logan McDowell, Mercer, Mingo, Nicholas, Raleigh, Wayne and Wyoming. Northern Coal Counties: Barbour, Braxton, Brooke, Grant, Harrison, Marion, Marshall, Mason, Mineral, Monongalia, Ohio, Preston, Randolph, Taylor, Tucker, Upshur and Webster.

The number of jobs within the natural gas and oil industry grew over this time. Employment in this industry includes oil and natural gas extraction, support activities, distribution, and pipeline construction and transportation. According to Workforce West Virginia, the state had 6,846 jobs in the industry in 2005. By 2013, employment had grown to 12,092, an increase of nearly 77 percent. (**Figure 3.4**)

FIGURE 3.4

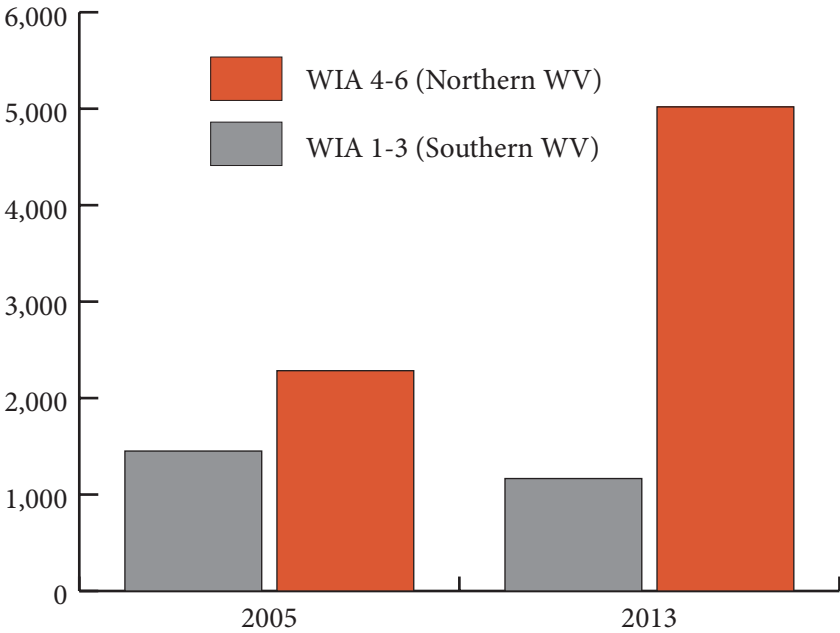
West Virginia Natural Gas and Oil Jobs, 2000-2013



Source: Workforce West Virginia.

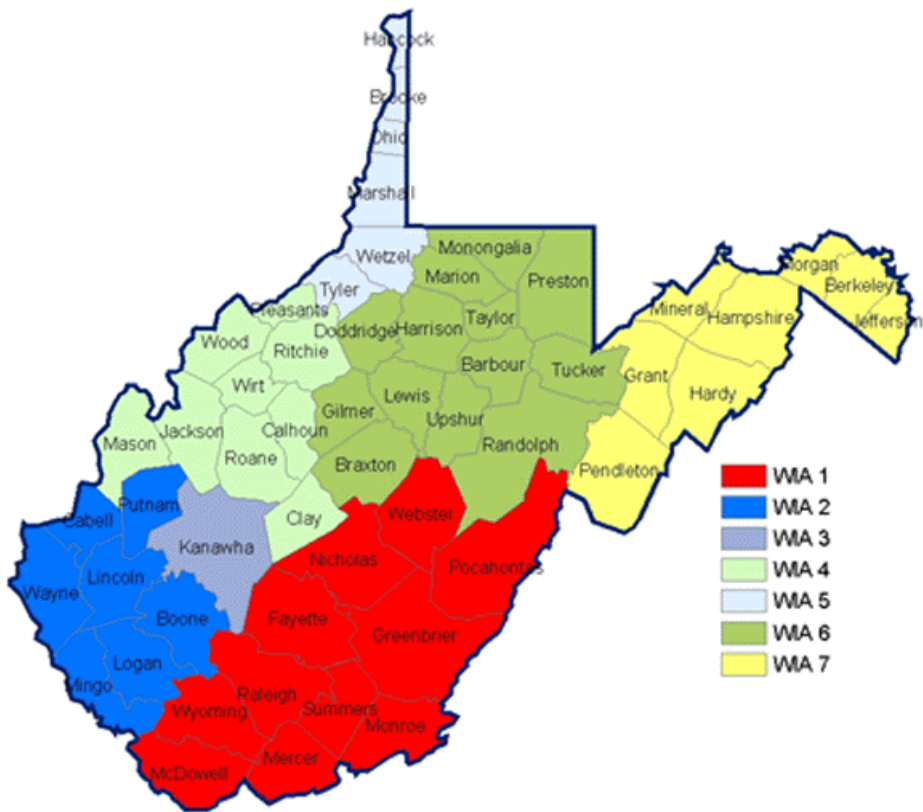
While detailed data on employment in the natural gas and oil extraction industries are unavailable at the county level in West Virginia, it is possible to examine employment by regional Workforce Investment Areas for natural gas and oil extraction and support activities. The northern part of the state (WIA 4-6) saw an increase in oil and gas employment from 2005 to 2013 of an estimated 2,735 jobs while the southern part of the state saw a decline of 285 jobs (**Figure 3.5**).

FIGURE 3.5
West Virginia Natural Gas and Oil Jobs by Region



Source: WVCBP Analysis of Workforce West Virginia Data.

MAP 3.1
Workforce Investment Areas



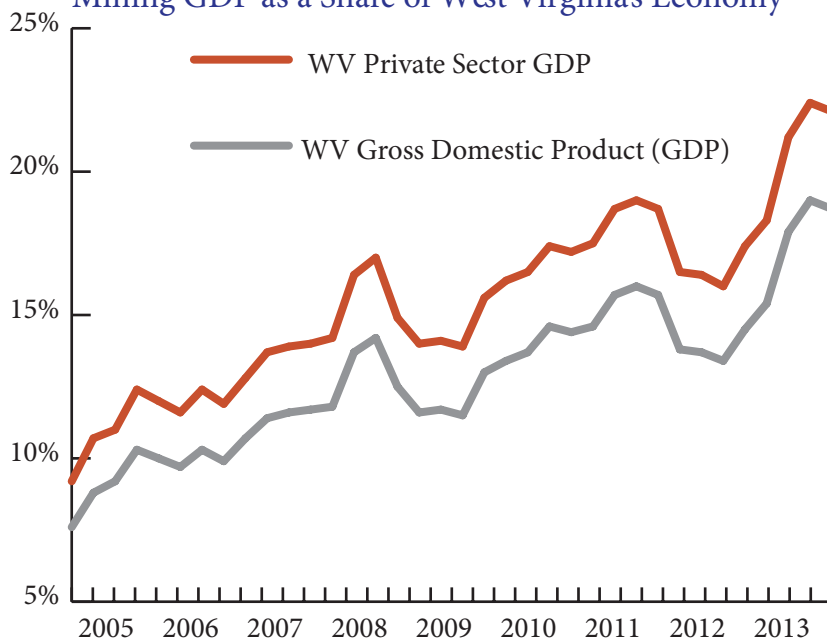
Source: Workforce West Virginia.

Energy Growing Part of State's Economy

In spite of the recent decline in coal production, the mining industry – which includes coal, natural gas, and oil - in West Virginia has become a larger part of the state's economy over the last decade due to the growth in the natural gas and oil industry. As a share of the state's gross domestic product, mining has grown from 7.6 percent in 2005 to 18.7 percent in 2014. It has also become a larger part of the state's private sector, growing from 9.2 percent in 2005 to 22.1 percent in 2014. Today, West Virginia is more reliant on its mining industries for economic output (GDP) than all but two states (Alaska and Wyoming). Over this same period compensation from the mining sector has also grown. At the beginning of 2005, compensation from mining was 5.3 percent of the state's total compensation compared to 8.3 percent in first quarter of 2014 (**Figure 3.6**).

FIGURE 3.6

Mining GDP as a Share of West Virginia's Economy



Source: U.S. Bureau of Economic Analysis.

Shaping Our Future

While strong growth in the natural gas and oil industry has helped offset losses in coal production and employment for the state as a whole, the southern coalfields are likely to continue to experience a decline in mining employment and production for the foreseeable future. The impact of these changes to southern West Virginia over the coming decades will present significant challenges to an area of the state that already has long-standing problems with economic opportunity and health. To ensure that the southern coalfields experience a soft landing from the decline of coal, the state needs to develop long-term strategies at the community level to diversify the economy and help it transition successfully.

Section Four

A Tale of Two Policies

Tax, budget and policy issues can sometimes seem to be dry and boring topics. Yet they can have a huge impact for good or ill on the lives of working people. This section will examine how two very different policy decisions are impacting working families: tax reform and Medicaid expansion.

Beginning in 2006, West Virginia made major changes to its tax system. Some of these changes, such as the creation of a State Family Tax Credit, benefitted low-wage workers. The food tax, a regressive tax that impacted low-income workers more heavily than others, was phased out over a period of years. Other changes included the gradual elimination of the business franchise tax and major reductions in the corporate net income tax.

At the time, it was argued that these tax cuts would pay for themselves. In January 2014, however, state tax officials admitted that instead they had cost the state \$360 million in lost revenue in that fiscal year alone.⁹ This is approximately 12 percent of the 2015 state general revenue budget. By then, the state will have given up \$426 million in revenue.¹⁰

While it was argued that these cuts made West Virginia more economically competitive, we have already seen that the state has yet to recover fully from the effects of the recession and that the cuts have done little, if anything, to relieve the distress in southern West Virginia. During the last two fiscal years, the state has imposed across-the-board budget cuts that have impacted infrastructure, education, social services, and economic development.

Several programs that assist vulnerable families were targeted for reduction or elimination, including domestic violence programs, child advocacy centers, child care subsidies for working families, early childhood education, and family resource centers and networks. While funding for these programs was temporarily restored only after bruising policy fights, their status for the future is uncertain.

The Road Not Taken

Given the well-established connection between educational attainment and economic well-being, it is particularly disturbing to note that corporate tax cuts of uncertain value are taking place even as the state reduces its support for higher education. According to the Center on Budget and Policy Priorities, in FY 2014, the state spent 21.6 percent less per student than in FY 2008, a difference of over \$1,800.¹¹

These reductions in support for higher education translate into higher tuition fees—and often higher debt—for students attempting to improve their life chances. In June 2014, for example, West Virginia University announced an eight percent tuition increase, which will mean an extra \$500 per semester for in state students. Similar rate hikes have been adopted at all state institutions of higher education.¹² Average annual tuition for public four-year colleges has increased by 26.3 percent in West Virginia since 2008 when adjusted for inflation, which far outpaces any increase in income.¹³

Perhaps nothing better illustrates the contrast between corporate tax cuts and rising college costs than the fact that West Virginia could provide free tuition and fees for all in-state undergraduate students for less than \$250 million--\$110 million less than the cost of the tax cuts.¹⁴ If that really happened, this boost in support for higher education would truly have made West Virginia a national leader and arguably positioned the state for higher economic growth.

TABLE 4.1

Total Cost of Tuition and Fees for In-State Undergraduate Students in West Virginia

	Estimated Resident Undergraduate Students	Total Resident Tuition and Fees	Total Cost
Bluefield State College	1,525	\$5,180	\$7,899,500
Concord University	2,182	\$5,716	\$12,474,838
Fairmont State University	3,431	\$5,236	\$17,962,962
Glenville State College	1,165	\$5,860	\$6,826,900
Marshall University	7,147	\$5,930	\$42,380,809
Potomac State College of WVU	1,021	\$3,562	\$3,636,802
Shepherd University	2,287	\$5,834	\$13,340,765
West Liberty University	1,778	\$5,930	\$10,543,314
West Virginia State University	1,860	\$5,442	\$10,124,746
West Virginia University	11,991	\$6,090	\$73,024,361
West Virginia University IT	780	\$5,558	\$4,335,240
Blue Ridge CTC	1,816	\$3,120	\$5,665,920
Bridgemont CTC	540	\$3,484	\$1,881,360
Eastern WV CTC	475	\$2,424	\$1,151,400
Kanawha Valley CTC	1,093	\$3,236	\$3,536,948
Mountwest CTC	1,371	\$3,048	\$4,178,808
New River CTC	2,123	\$3,234	\$6,865,782
Pierpont CTC	1,985	\$3,860	\$7,662,100
Southern WV CTC	1,463	\$2,520	\$3,686,760
WV Northern Community College	1,361	\$2,546	\$3,465,106
WVU at Parkersburg	2,834	\$2,964	\$8,399,976
Total Cost			\$249,044,398

Source: WVCBP analysis of West Virginia Higher Education Policy Commission Data.

Changing and Saving Lives

A much more positive example of how policy decisions can impact working families is the 2013 decision by Governor Earl Ray Tomblin to expand Medicaid coverage under the Affordable Care Act. Originally, Medicaid expansion of eligibility to 138 percent of the federal poverty level was required by all states, but a 2012 US Supreme Court decision made it optional. To date, 27 states and the District of Columbia have elected to expand eligibility.

Prior to the passage of the Affordable Care Act, the late Senator Robert C. Byrd estimated the number of uninsured West Virginians at over 240,000.¹⁵ Estimates of the number of West Virginians who might gain coverage under the expansion ranged widely. An actuarial study engaged by the WV Offices of the Insurance Commissioner conservatively stated that “In total, 93,000 more West Virginia residents will be enrolled in Medicaid and the WVCHIP in 2018 if Medicaid is expanded under the ACA.”¹⁶ More optimistic scenarios expected enrollment to eventually reach 120,000.¹⁷

What no one anticipated was the amazingly successful enrollment effort by the state Department of Health and Human Services, which enrolled over 45,000 West Virginians by the time the expansion went into effect on January 1, 2014. At this writing, over 147,000 working West Virginians have gained coverage under the expansion, a number that far exceeds the

most optimistic projections.

It would be difficult to overstate the impact that this expansion has had and is having on working families. Anecdotal evidence suggests that this is life changing and in some cases life saving. Earlier quantitative projections estimated that prior to the expansion 223 West Virginians, or four per week, died prematurely for lack of coverage.¹⁸

In July 2014, the business website Wallethub.com found that the percentage of uninsured West Virginians dropped from 17.34 to 6.59, due largely to the expansion. West Virginia is now among the states with the lowest rate of uninsured residents, coming in at number six and in the company of Rhode Island, Massachusetts, Hawaii, and Oregon.¹⁹

Economic Impacts of the Expansion

This growth in coverage seems to be reducing cost. *The Charleston Daily Mail* reported in July 2014 that the Charleston Area Medical Center (CAMC), West Virginia's largest hospital system, "has seen a dramatic decrease in self-pay patients, charity care, uncompensated care and bad debt since expanded Medicaid and subsidized private insurance policies started becoming effective on January 1."

The number of uninsured patients at CAMC was almost seven percent in December 2013. It dropped to 1.7 by January 2014 and has been around one percent since. It has been projected that this could mean a \$20 million or 35 percent drop in charity care this year, along with a \$35.5 million or 51 percent drop in bad debt and a \$55.5 million or 43.8 percent drop in uncompensated care.²⁰

This reduction in the cost of uncompensated care is likely to reduce insurance premiums for those not covered by Medicaid since these costs are passed on to consumers. A 2009 study suggested that this cost constituted a "hidden health tax" on people with private insurance that increased premiums by over \$1,000 per year.²¹

Even prior to the expansion, the traditional Medicaid program had a powerful and positive impact on the state. A 2003 WVU Bureau of Business and Economic Research study found that "since Medicaid attracts additional federal funding, it can be viewed as a net job, income and wealth generator for West Virginia." The economic impact of the program spread beyond hospitals and health facilities to many other kinds of businesses, supporting over 32,000 jobs, \$677.3 million in employee compensation, \$955.2 million in value added and \$1.88 billion in business volume for West Virginia.²²

With the expansion, we can anticipate a proportionate increase in economic activity. In 2013, FamiliesUSA predicted an increase of 6,200 jobs by 2016, along with \$664 million in economic activity and an eventual savings over 10 years of \$281 million in uncompensated care costs.²³

Finally, Medicaid expansion promises to help address other persistent problems, ranging from prison overcrowding to substance abuse. In a promising development, the state Division of Corrections has committed to helping former inmates gain coverage under Medicaid, a move that has already helped people with addiction problems gain access to treatment. As the state moves towards drug courts, the possibility exists for diverting nonviolent offenders from prison to treatment, a move that will reduce costs as well as help salvage individuals and communities.²⁴

Policy Matters

These two contrasting examples of tax cuts and Medicaid illustrate the degree to which policy decisions matter in the lives of ordinary West Virginians. Fortunately, in a democracy, however imperfect, the public has the opportunity to influence these decisions in the interests of working families. Civic engagement is the key.

Section Five

Recommendations

West Virginia faces an uncertain future with an imperfect recovery from the Great Recession, simultaneous energy booms and busts, and self-inflicted wounds to the state budget. And, as we have seen, public policies can either miss the mark or go far in promoting well-being and shared prosperity. We hope that the following recommendations can help to move the state in a positive direction.

Transition in the coalfields. While coal is likely to be a part of West Virginia's economy for years to come, it is probably facing a long-term decline, particularly in southern West Virginia. The challenges of competition from natural gas, other energy sources, and cheaper coal from elsewhere will persist long after the Obama administration has left the stage. So will concerns about the impacts of global climate change.

Overheated rhetoric and oversimplified scapegoating may score short-term political points, but they do little to help miners, their families and their communities prepare for a different future. Already around the state, efforts are underway to promote serious, deliberative discussions about our economic future among diverse stakeholders. These should continue, and they should engage, but not be controlled by, state political leaders.

At the policy level, southern West Virginia communities would be better served if our congressional delegation supported the creation of transitional assistance programs. There are numerous examples for the creation of programs that affect workers and communities affected by economic changes, industrial declines, military base closings, and trade policy.²⁵

Another federal policy option is to revisit and update the Abandoned Mine Lands program, which has provided funding to remediate damage done to mine sites prior to 1977. If updated to permit the remediation of more recent damage, miners could be put to work restoring damaged areas.

Benefitting from the boom. In 2014, the West Virginia legislature took a major step forward by creating a Future Fund from natural resource severance taxes, something we have advocated for years. The goal of such a fund is the creation of a permanent source of wealth from the extraction of nonrenewable resources. Unfortunately, as the law is written, it will be years before money flows into the fund and builds sufficient interest to address tomorrow's needs for infrastructure, education and economic development. We recommend the bill be revisited and amended so that we can build assets for the future.

Addressing job quality. As we have seen, some of the high-paying jobs lost in the Great Recession have not come back and many of the newly created jobs pay low wages and offer few benefits. In addition, the link between rising productivity and higher wages is broken. On a positive note, West Virginia recently took steps to improve conditions for low-wage workers, from expanding Medicaid to raising the minimum wage. Further progress could be made by passing legislation that allows workers to earn paid sick leave; creating a program for voluntary retirement accounts for workers not offered pensions from their employers; enacting a state earned income tax credit; and indexing the state minimum wage to the rate of inflation. Given the link between educational attainment and earnings, policy makers would do well to revisit the affordability of higher education.

We have a revenue problem. We have heard much recently of “tough budget years” as if these were caused by sunspots or some occult phenomenon rather than earlier decisions to reduce revenues by cutting taxes. Given pressing needs on multiple fronts, state leaders should begin looking for increased sources of revenue. One relatively simple option is to increase the state tobacco tax, which is one of the lowest in the country and which has not been increased since 2003. Such a step has polled well and would raise revenue as well as discourage young people from smoking.²⁶ Other options might include applying sales taxes to services currently exempt from taxation and increasing the progressivity of income taxes. The state could well benefit from greater transparency on corporate taxes and tax credits.

Investing in children. West Virginia has made several strides in child policy in recent years, including the expansion of early childhood education, the passage of the Feed to Achieve Act and the expansion of free school breakfasts and lunches, and the adoption of state school policies promoting physical activity. We should build on past successes by expanding access to in-home family education/home visiting programs, which have been proven to improve outcomes for infants, young children and their families, particularly if received during the first years of life.²⁷ Such programs should be available voluntarily to all new or expectant parents, and not based on income or risk status.

Juvenile justice. State leaders should also build on past success in criminal justice reform by reforming the state’s juvenile justice system, which is expensive, dysfunctional, prone to racial disparities and which unnecessarily incarcerates low-risk offenders who would be better served by community-based corrections. Incarceration early in life has long-lasting negative effects on workforce participation, employment, earnings, assets and family stability.²⁸

Workforce participation. One factor which exerts a downward force on state economic indicators is the state’s low workforce participation rate. State leaders should study the issue and develop programs, including subsidized employment, to increase participation rates, particularly among at-risk individuals, with a long range goal of working towards full employment. Supports for employment that reward work or remove obstacles, such as tax credits for low-wage workers and subsidies for child care, can further incentivize workforce participation.

Civic engagement. Finally, all the best policy ideas in the world are of little use unless people become engaged in deliberation, discussion and action about the issues that affect their lives. Many of the success and victories of recent years have come from civic engagement at the grassroots level, such as the Our Children Our Future Campaign to End Child Poverty in West Virginia. Another encouraging development is the What’s Next, West Virginia project, which is promoting discussions around the state about West Virginia’s economic future. Efforts such as these have the promise of making democracy work for working people.

Appendix

Industry Employment Trends, Organized by Wage Category

Low-Wage Industries

Industry	Average Weekly Wage 2013	Jobs Change Recession 2008-2010	Jobs Change Recovery 2010-2013	Percent Jobs Change 2008-2013	Employment Level (2008)	Employment Level (2013)
Motion picture and sound recording	\$253.60	63	-94	-4.9%	628	597
Food services and drinking places	\$258.23	-226	2,140	3.7%	51,383	53,297
Clothing and clothing accessories stores	\$289.50	-480	-121	-10.8%	5,582	4,981
Transit and ground passenger transportation	\$293.98	14	25	7.9%	496	535
Private households	\$296.87	269	682	73.5%	1,294	2,245
Amusements, gambling, and recreation	\$306.37	360	-1,805	-17.9%	8,092	6,647
Gasoline stations	\$316.58	269	612	9.9%	8,891	9,772
Social assistance	\$321.50	1,911	785	18.6%	14,490	17,186
Sporting goods, hobby, book and music stores	\$322.71	8	376	13.2%	2,907	3,291
Food and beverage stores	\$377.48	-882	-411	-8.9%	14,458	13,165
Miscellaneous store retailers	\$382.42	-471	-53	-12.4%	4,228	3,704
Performing arts and spectator sports	\$394.40	-41	-11	-6.9%	754	702
Apparel manufacturing	\$398.90	3	-70	-34.7%	193	126
General merchandise stores	\$400.98	-599	-880	-6.8%	21,816	20,337
Personal and laundry services	\$426.54	-191	-107	-5.3%	5,632	5,334
Scenic and sightseeing transportation	\$430.10	-4	9	9.4%	53	58
Investigation and security services	\$433.50	168	615	19.9%	3,940	4,723
Textile product mills	\$442.33	-15	-12	-18.6%	145	118
Other administrative support services	\$452.04	-142	263	11.3%	1,068	1,189
Crop production	\$452.25	-62	0	-10.1%	615	553
Services to buildings and dwellings	\$452.75	101	486	9.4%	6,263	6,850
Membership associations and organizations	\$469.08	-496	-97	-8.4%	7,035	6,442
Accommodation	\$469.87	-843	2,012	9.4%	12,401	13,570
Museums, historical sites, zoos,	\$475.63	29	27	30.3%	185	241
Business support services	\$480.33	-912	-1,386	-26.9%	8,551	6,253
Nursing and residential care facilities	\$508.58	436	325	4.2%	17,995	18,756
Low-Wage Category Total		-1,733	3,310	0.8%	199,095	200,672

Mid-Wage Industries

Industry	Average Weekly Wage 2013	Jobs Change Recession 2008-2010	Jobs Change Recovery 2010-2013	Percent Jobs Change 2008-2013	Employment Level (2008)	Employment Level (2013)
Travel arrangement and reservation services	\$546.33	-163	-46	-24.9%	840	631
Animal production	\$547.21	70	-6	29.8%	215	279
Building material and garden supply stores	\$560.62	-278	571	3.9%	7,499	7,792
Furniture and home furnishings stores	\$561.19	-214	-166	-17.4%	2,180	1,800
Food manufacturing	\$564.88	-231	-81	-8.6%	3,618	3,306
Nonstore retailers	\$571.65	-392	35	-15.8%	2,253	1,896
Forestry and logging	\$581.83	-201	-35	-23.5%	1,005	769
Warehousing and storage	\$581.83	-342	1,246	49.3%	1,834	2,738
Real estate	\$613.37	-366	148	-4.9%	4,473	4,255
Furniture and related product manufacturing	\$614.17	-443	-77	-29.2%	1,779	1,259
Employment services	\$616.87	38	1,317	19.8%	6,830	8,185
Electronics and appliance stores	\$646.33	160	-133	1.2%	2,213	2,240
Printing and related support activities	\$652.94	-262	132	-9.0%	1,438	1,308
Education services	\$656.25	576	5	11.7%	4,970	5,551
Health and personal care stores	\$664.96	104	243	5.3%	6,494	6,841
Other Manufacturing	\$673.31	-12	21	11.7%	77	86
Wood product manufacturing	\$681.27	-1,604	-275	-27.9%	6,740	4,861
Air transportation	\$681.67	-50	-95	-61.7%	235	90
Other professional and technical services	\$682.90	29	117	6.6%	2,225	2,371
Other agriculture	\$683.92	-62	-9	-35.3%	201	130
Facilities support services	\$696.54	40	181	139.9%	158	379
Motor vehicle and parts dealers	\$719.10	-649	952	2.6%	11,531	11,834
Publishing industries, except Internet	\$734.73	-609	-38	-17.3%	3,745	3,098
Accounting and bookkeeping services	\$738.65	-577	57	-12.1%	4,292	3,772
Couriers and messengers	\$739.48	42	182	10.7%	2,090	2,314
Postal service	\$748.67	-8	18	10.2%	98	108
Plastics and rubber products manufacturing	\$752.17	-369	63	-8.3%	3,701	3,395
Advertising and related services	\$754.88	-121	56	-9.7%	672	607
Repair and maintenance	\$755.58	-227	-192	-5.7%	7,386	6,967
Broadcasting, except Internet	\$758.06	-202	-18	-13.5%	1,633	1,413
Nonmetallic mineral product manufacturing	\$769.33	-435	-113	-15.7%	3,490	2,942
Credit intermediation and related activities	\$769.44	-594	-215	-7.3%	11,028	10,219
Waste collection	\$786.48	-79	235	16.5%	945	1,101
Specialized design services	\$799.54	-17	6	-7.9%	139	128
Waste treatment and disposal	\$815.88	-24	41	3.6%	478	495
Beverage and tobacco product manufacturing	\$826.15	-34	14	-5.2%	385	365
Computer and electronic product manufacturing	\$830.54	-204	-7	-14.7%	1,440	1,229
Remediation and other waste services	\$844.54	48	80	17.8%	718	846
Truck transportation	\$848.10	-834	-38	-10.0%	8,757	7,885
Construction of buildings	\$859.29	-1,443	-590	-18.9%	10,752	8,719
Rental and leasing services	\$861.88	-191	-446	-21.2%	3,008	2,371
Ambulatory health care services	\$867.56	1,605	3,606	15.3%	34,143	39,354
Paper manufacturing	\$869.12	-82	9	-10.8%	675	602
Other information services	\$877.96	-22	3	-21.6%	88	69
Unclassified Establishments	\$880.19	-98	60	-9.2%	411	373
Fabricated metal product manufacturing	\$887.42	-795	-246	-15.9%	6,548	5,507
Mid-Wage Category Total		-9,522	6,572	-1.7%	175,430	172,480

High-Wage Industries

Industry	Average Weekly Wage 2013	Jobs Change Recession 2008-2010	Jobs Change Recovery 2010-2013	Percent Jobs Change 2008-2013	Employment Level (2008)	Employment Level (2013)
Specialty trade contractors	\$904.25	-3,690	-60	-18.0%	20,788	17,038
Miscellaneous manufacturing	\$926.29	-194	-161	-23.4%	1,516	1,161
Support activities for transportation	\$944.06	197	19	13.2%	1,640	1,856
Merchant wholesalers, nondurable good	\$945.63	-1,020	-498	-18.9%	8,037	6,519
Merchant wholesalers, durable goods	\$955.62	-681	224	-3.5%	13,062	12,605
Hospitals	\$956.02	111	926	2.7%	38,976	40,013
Insurance carriers and related activities	\$959.13	-798	-574	-15.5%	8,857	7,485
Machinery manufacturing	\$959.56	-205	246	2.0%	2,068	2,109
Lessors of nonfinancial intangible assets	\$970.90	2	-5	-9.1%	33	30
Legal services	\$974.19	-20	257	4.1%	5,841	6,078
Other mining	\$998.79	-61	112	5.6%	912	963
ISPs, search portals, and data processing	\$1,043.25	90	-26	7.3%	875	939
Scientific research and development	\$1,052.27	171	22	13.8%	1,400	1,593
Electrical equipment and appliance manufacturing	\$1,070.15	-148	-79	-24.5%	925	698
Architectural and engineering services	\$1,132.17	-571	-197	-14.4%	5,333	4,565
Office administrative services	\$1,162.96	318	134	33.0%	1,371	1,823
Transportation equipment manufacturing	\$1,219.69	-329	317	-0.3%	4,739	4,727
Telecommunications	\$1,232.73	-165	-630	-19.1%	4,173	3,378
Water transportation	\$1,236.71	-319	11	-40.2%	767	459
Electronic markets and agents and brokers	\$1,250.17	-49	283	6.5%	3,604	3,838
Primary metal manufacturing	\$1,287.62	-1,409	-148	-25.5%	6,103	4,546
Support activities for oil and gas extraction	\$1,309.35	92	1,598	60.9%	2,773	4,463
Petroleum and coal products manufacturing	\$1,312.54	-49	-211	-28.4%	917	657
Management and technical consulting	\$1,328.08	161	785	40.8%	2,317	3,263
Heavy and civil engineering construction	\$1,339.58	-1,341	2,296	12.6%	7,585	8,540
Management of companies and enterprise	\$1,341.63	495	1,024	30.6%	4,971	6,490
Computer systems design and related services	\$1,343.96	591	378	38.3%	2,530	3,499
Support activities for coal mining	\$1,380.56	-239	9	-12.3%	1,864	1,634
Chemical manufacturing	\$1,549.19	-577	-24	-6.0%	9,963	9,362
Support activities for other mining	\$1,562.98	-154	197	3.0%	1,410	1,453
Utilities	\$1,563.83	-704	-459	-18.4%	6,334	5,171
Oil and gas extraction	\$1,576.17	-385	195	-7.2%	2,629	2,439
Coal mining	\$1,633.81	24	-496	-2.3%	20,452	19,980
Other finance and insurance	\$1,833.88	7	-108	-87.1%	116	15
Pipeline transportation	\$1,845.37	-84	-248	-20.6%	1,610	1,278
Securities, commodity contracts, investing	\$1,954.21	-69	136	7.2%	927	994
High-Wage Category Total		-11,002	5,245	-2.9%	197,418	191,661

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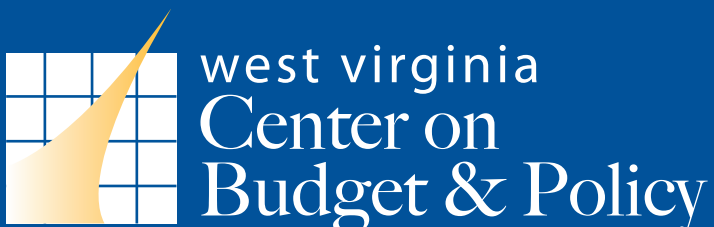
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