

West Virginia’s Job Growth Not Broadly Shared

By Sean O’Leary
January 2024

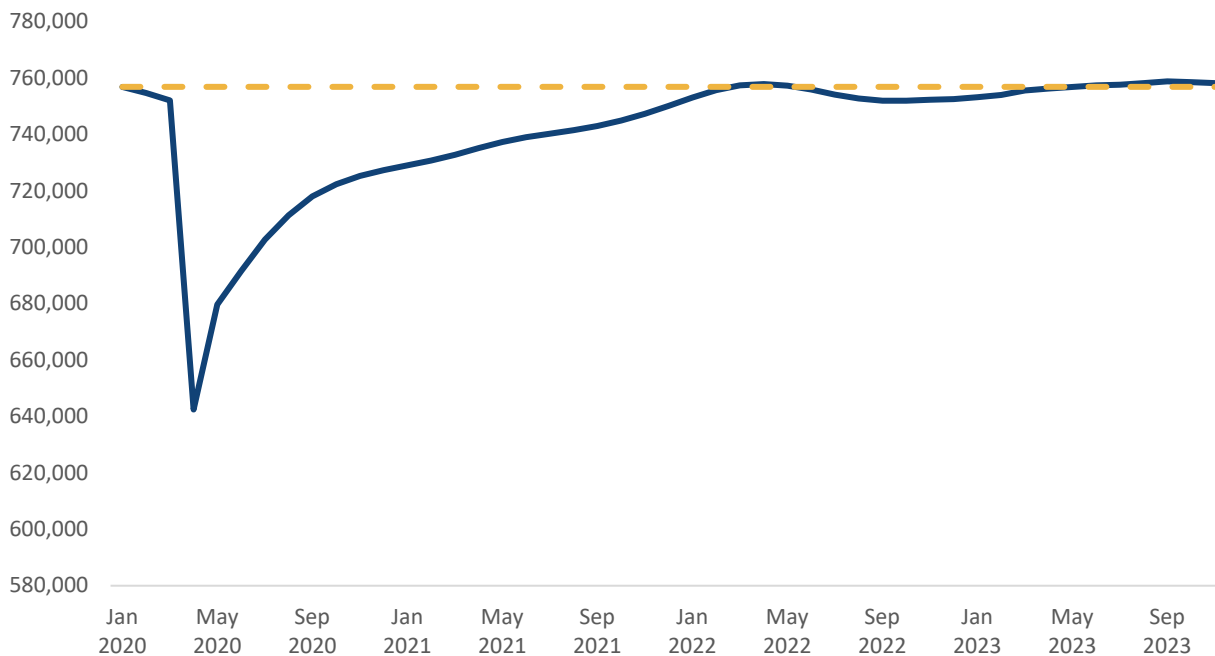
Overview

During the first months of the pandemic, West Virginia experienced a sharp decline in jobs, with total nonfarm employment falling from 756,806 in January 2020 to 642,446 in April 2020. Thanks to a strong federal response, including stimulus checks, enhanced unemployment benefits, and supports for businesses and workers, the state slowly gained back the jobs lost, with total employment reaching 758,168 in November of 2023, a gain of 1,362 (Figure 1). However, there is great variation across the state, with most of the employment growth occurring in a handful of counties, while 18 counties are still below their pre-pandemic employment numbers.

Figure 1

West Virginia is Back to Pre-Pandemic Employment Levels

Total nonfarm employment, West Virginia, January 2020 – November 2023 (seasonally adjusted)



Source: WVCBP analysis of Bureau of Labor Statistics, Local Area Unemployment Statistics data

Note: November 2023 employment figures are preliminary

Economy Varies Widely by Region

Proposed legislation in West Virginia in 2023 would have cut the number of weeks workers are eligible for unemployment from the current level of 26 weeks to as few as 12 weeks. Calculated using a practice known as “indexing,” the number of weeks available would fluctuated based on the statewide average unemployment rate.¹

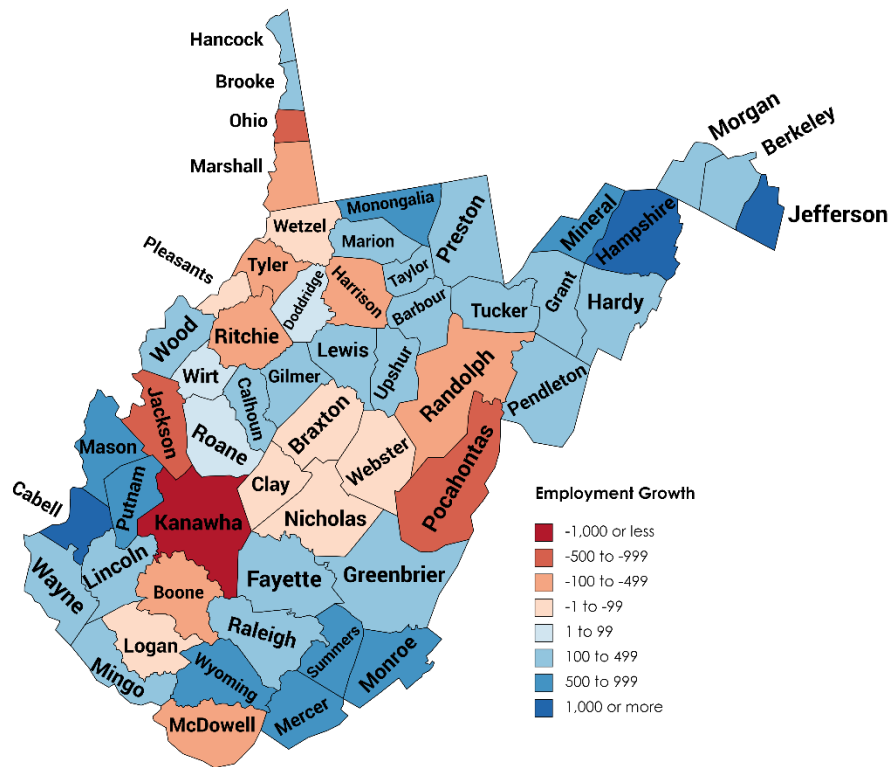
¹ West Virginia Legislature, 2023 Session, HB 2588.

At the county level, cutting weeks of unemployment eligibility would create significant hardship for workers in areas of the state that have yet to fully recover from the pandemic. For example, while statewide employment growth totaled 1,362 from January 2020 to November 2023, county employment growth ranged from a loss of 2,182 in Kanawha County to a gain of 1,298 in Cabell County. Eighteen counties are still experiencing the impact of the pandemic, with less employment in November 2023 than in January 2020. On the other end of the spectrum, three counties, Cabell, Hampshire, and Jefferson have each experienced employment gains of over 1,000 compared to their pre-pandemic levels (Figure 2). This means that just two counties account for more than double the state’s net employment growth. With so much of the state’s recent job growth driven by just a few counties, workers across the state are experiencing vastly different job markets. In counties still struggling to recover from the pandemic, indexing unemployment rates to a statewide average would be especially harmful.

Figure 2

Job Growth Varies Greatly Across the State

Total employment growth from January 2020 to November 2023 (not seasonally adjusted)



Source: WVCPB analysis of Bureau of Labor Statistics, Local Area Unemployment Statistics data

Economic Development Announcements Primarily Limited to a Handful of Border Counties

West Virginia has made a number of major economic development announcements over the past year.² However, these announcements of companies locating or expanding in West Virginia are occurring in only a handful of counties, often located on the border, meaning that any job and economic growth they generate will

² West Virginia 2022 Year in Review, West Virginia Office of Economic Development.

not be broadly shared, but instead concentrated in small areas or shared with border states. Of the eleven announcements highlighted in the West Virginia Department of Economic Development’s 2022 Year in Review, ten are located in border counties. For example, the Nucor announcement impacts only Mason County, right on the border of Ohio, while Form Energy in Brooke County is isolated in the Northern Panhandle and bordered by both Ohio and Pennsylvania. In addition, West Virginia is spending hundreds of millions of dollars in tax and other incentives in these handful of counties, leaving little room for investment across the rest of the state.

Conclusion

The pandemic response evidenced in multiple ways how unemployment insurance reduces individual and family hardship but doesn’t reduce labor force participation or harm the state’s economy. Indexing the weeks of unemployment available based on the statewide average would be an inequitable policy decision, allowing West Virginia’s economically strong counties to determine the number of weeks of unemployment benefits available in some of the state’s more economically distressed regions. This would cut benefits for displaced workers in these counties when they need them the most and continue to allow these areas to fall behind the rest of the state.

West Virginia Center on Budget and Policy

1610 Washington St, Suite 200
Charleston, West Virginia 25311
Tel 304-720-8682 | Fax 304-720-9696

Like us on Facebook
Follow us on Twitter @WVCBP
Visit us at wvpolicy.org

