

Hampshire County Labor Market Summary

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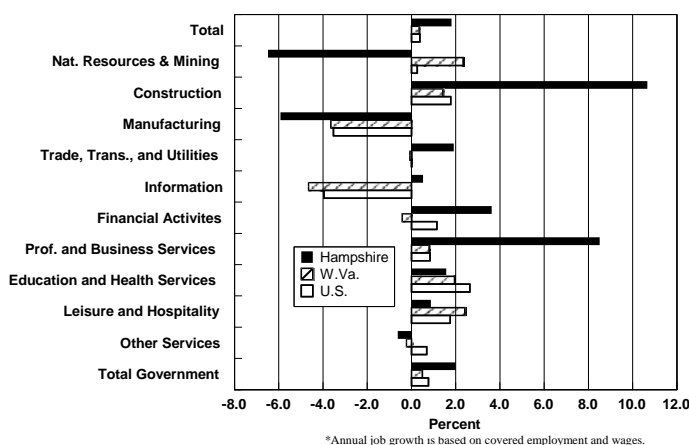
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by
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This summary provides an overview of the current performance of the Hampshire County labor market compared to the Winchester metropolitan statistical area (MSA), Potomac Highlands Region, the state of West Virginia, and the U.S. Table 1 below contains summary data for the county, the region, metropolitan areas with component counties in the region, the state, and the nation. The Potomac Highlands Region includes Grant, Hampshire, Hardy, Mineral, and Pendleton counties and the Winchester MSA includes Hampshire County in West Virginia and Frederick County and Winchester City in Virginia. Data summarized in this document (and detailed in the associated Excel database) include job growth and wages by industry, the unemployment rate and labor force participation, population growth and demographics, educational attainment, job turnover by industry, farming, and commuting patterns.

Hampshire County added 281 jobs during the 2001-2005 period, with 30 of those jobs coming last year. Job gains since 2001 translate into an average annual growth rate of 1.8 percent per year. The county's job growth during the period beat the Potomac Highlands region (0.3 percent), West Virginia (0.3 percent), and national (0.4 percent) rates. As Figure 1 shows, the county added jobs at a rapid clip in construction; professional and business services, while also posting solid gains in trade, transportation, and utilities; financial activities; education and health care; government; and leisure and hospitality. Strong job gains in construction reflect strong population growth in the county. The county posted job losses in natural resources and mining; manufacturing; and other services, while registering little change in information.

Figure 1
Annual Job Growth
Hampshire County, W.Va. and the U.S.
2001-2005



Hampshire County's nonfarm employment mix is weighted strongly toward government employment, with a regional jail located in the county. The county nonfarm employment shares in construction; health care; and leisure and hospitality are similar to the state average, but employment shares in manufacturing; trade, transportation, and utilities; and professional and business services are below the state average.

Farming remains an important part of the county economy, with 9.7 percent of county full and part-time employment in 2004. Livestock (primarily poultry) dominated farm cash receipts in 2004, while cash receipts from crops have declined strongly since the mid-1980s.

Annual wages per worker in Hampshire County continued to grow steadily during the last three years, but at \$24,254 per job, remain well below the state (\$32,344) and national (\$40,671) averages.

Even with strong job gains during the last three years, the county's unemployment rate has risen from 3.8 percent in 2001 to 5.0 percent in 2003 and then fallen to 3.9 percent in 2005, following the state and national trends. In 2000, the labor force participation rate in the county, at 58.3 percent, exceeded the rate for West Virginia (55.3 percent), but fell well below the rates for the Winchester MSA (67.6 percent) and the nation (64.9 percent).

Hampshire County's labor force has increased by 3,730 since 1980, with growth driven by gains in resident employment. The labor force includes both employed residents, as well as unemployed residents that are actively seeking work. The growth in Hampshire County's labor force accounted for 41.3 percent of gains in the Potomac Highlands Region. The growth in employed residents in the county reflect a strong commuting connection with Frederick County (and Winchester city) Virginia.

Hampshire County sent 34.3 percent of its employed residents to jobs in Frederick County (including Winchester City) in 2000. This reflects the fact that Hampshire County is part of the Winchester MSA. Metropolitan statistical areas are defined in part based on the strength of commuting flows across counties.

One important measure of labor market performance is the job turnover rate. This is computed by summing the number of job accessions and job separations per quarter, dividing this sum by two, and then dividing by the number of jobs. According to new data released by U.S. Census Bureau, the county's overall turnover rate is 9.3 percent, which is below the state average of 9.8 percent. This suggests that the county's labor market is about as stable as the state.

The share of county residents with an associates degree or better in 2000, at 14.7 percent, was well below rates found in the Winchester MSA (23.0 percent), West Virginia (19.2 percent), and the nation (30.7 percent). However, Potomac State College of West Virginia University, in Mineral County, has granted 708 degrees or certificates during the last five years and Eastern West Virginia Community College, in Hardy County, had undergraduate headcount enrollment of 882 in certificate, associate degree, or non-degree programs in fall 2005.

Population growth in the county has been strong since 2000, with 1,700 new residents added by 2005. Indeed, the county added 476 residents last year. Population growth since 2000 translates into an annual growth rate of 1.6 percent, which far exceeds the West Virginia (0.1 percent) and national (1.0 percent) rates, but falls short of the rate recorded by the Winchester MSA (2.2 percent). The demographic mix of the county is slightly younger than the West Virginia average, with a median age of 38.5 years, compared to the West Virginia average of 38.9 years. The county's median age remains well above the national average of 35.3 years, reflecting the relatively large population shares in the 45-64 and 65-84 age groups, compared to the nation.

The value of construction activity in the county, as measured by F.W. Dodge, has grown strongly during the last five years, from the \$10 million range in 1999 to just over \$40 million in 2002, before settling back to the \$20-\$25 million range by 2004-2005. The region has seen strong surges in both non-residential activity (particularly in 2002) and residential activity (since 2001). Increasing residential building may be related to increasing second home activity in the county. According to Census 2000, 23.2 percent of homes in the county were for seasonal, recreational, and occasional use, compared to 4.5 percent for the state and 3.3 percent for the nation. That ranked Hampshire County 4th in the state.

Table 1
Summary Data for Hampshire County

	Hampshire County	Potomac Highlands Region	Cumberland MSA	Winchester MSA	W.Va.	U.S.
Nonfarm Jobs (Thous., 2005)*	4,063	23,236	37,369	54,055	695,300	131,595,637
Annual Job Growth (2001-2005, %)	1.8	0.3	0.4	1.8	0.3	0.4
Average Annual Wage Per Worker (2005)	\$24,254	\$26,835	\$28,635	\$33,788	\$31,344	\$40,671
Job Turnover Rate (Four Qtr. Avg., %)**	9.3	--	--	--	9.8	--
Unemployment Rate (2005, %)	3.9	4.5	5.8	2.8	5.0	5.1
Labor Force Participation Rate (2000, %)**	58.3	59.8	57.9	67.6	55.3	64.9
Population (2005)	22,025	81,857	100,667	116,267	1,816,856	296,410,404
Annual Population Growth (2000-2005, %)	1.6	0.6	-0.2	2.2	0.1	1.0
Median Age (2000)	38.5	--	39.1	--	38.9	35.3
Share of residents with:						
Associates Degree or More (2000, %)^	14.7	15.4	20.2	23.0	19.2	30.7
High School Degree or More (2000, %)^	71.3	74.2	80.0	76.4	75.2	80.4
Per Capita Personal Income (2004)	\$20,444	\$22,480	\$23,907	\$28,735	\$25,792	\$33,050
Farm Cash Receipts (2004, \$Mil, Livestk & Crops)	\$16.8	\$236.7	\$14.5	\$44.1	\$467.2	\$250,737.3

*Quarterly Covered Employment and Wages (QCEW)

**Per quarter, from third quarter 2004 to third quarter 2005. Data for MSAs are W.Va. part only.

***Estimated based on institutionalized population for all ages.

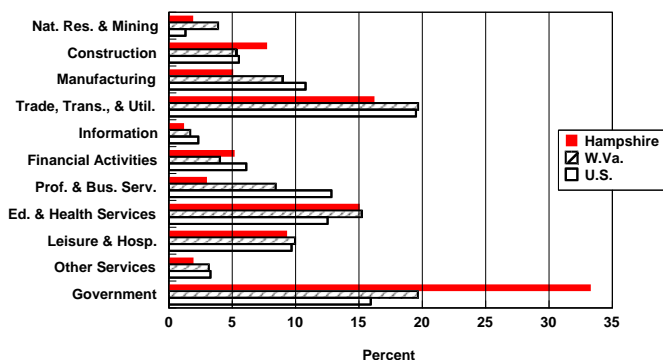
^percent of population age 25 and older.

Potomac Highlands Region includes Grant, Hampshire, Hardy, Mineral, and Pendleton counties in W.Va.

Cumberland MSA includes Mineral County, W.Va. and Allegany County, Md.

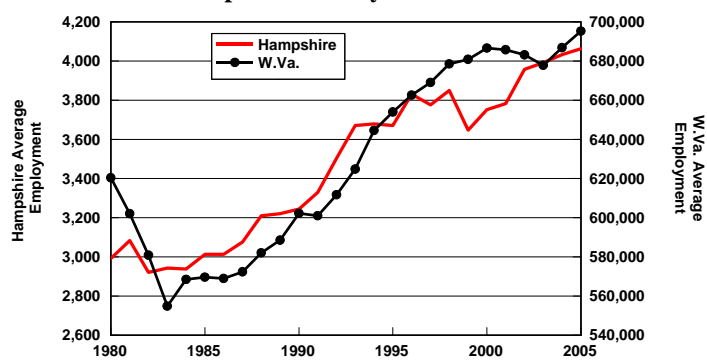
Winchester MSA includes Hampshire County, W.Va., Frederick County, Va., and Winchester City, Va.

Nonfarm Employment Shares 2005
Hampshire County, W.Va., and U.S.



Source: Employment and Wages, Workforce WV

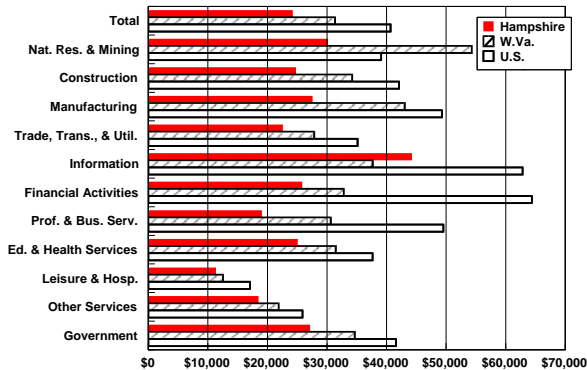
Employment Trends in
Hampshire County and W.Va.



Source: Employment and Wages, Workforce WV

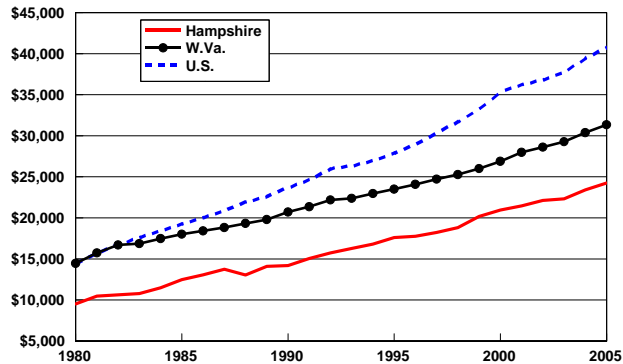
- In Hampshire County, 33.3 percent of employment is located in the government sector, more than the West Virginia (19.7 percent) and U.S. (15.9 percent) average.
- Hampshire County has far smaller concentrations than West Virginia and the nation in the manufacturing; trade, transportation, and utilities; and professional and business services.
- In 2005, Hampshire County had an average employment level of 4,063 and has recorded job growth since 2001 that matched that of the Winchester MSA and exceeded West Virginia and the nation.

**Annual Wages per Worker 2005
Hampshire County, W.Va., and U.S.**



Source: Employment and Wages, Workforce WV

**Total Wages per Worker in
Hampshire County, W.Va., and U.S.**

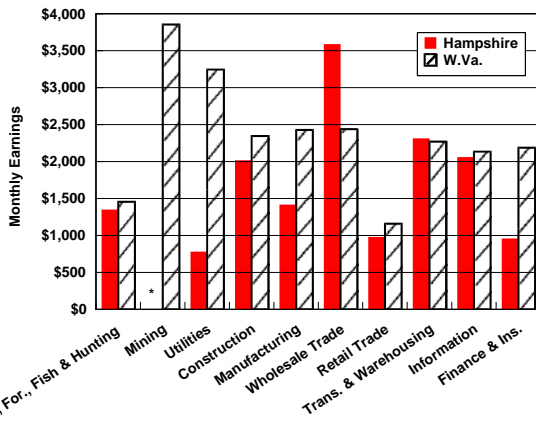


Source: Workforce WV

- On average workers in Hampshire County are paid \$24,254 a year, which is lower than both the West Virginia (\$31,344) and U.S. (\$40,671) averages.
- Annual wages per worker in Hampshire County are lower than West Virginia and the U.S. for all NAICS sectors except information.

**Average New Hire Earnings
Hampshire County and W.Va.**

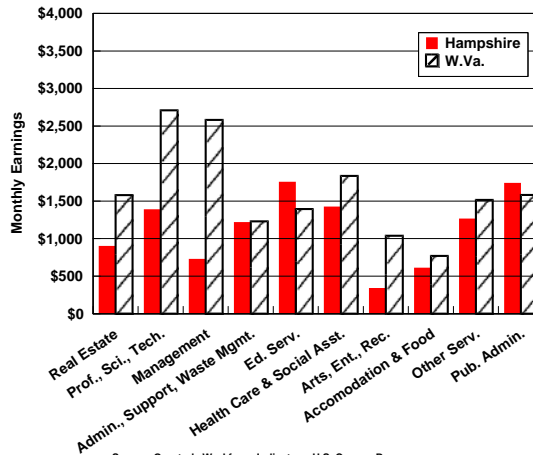
Average from 2004Q3 to 2005Q3



Source: Quarterly Workforce Indicators, U.S. Census Bureau
*Not Available

**Average New Hire Earnings
Hampshire County and W.Va.**

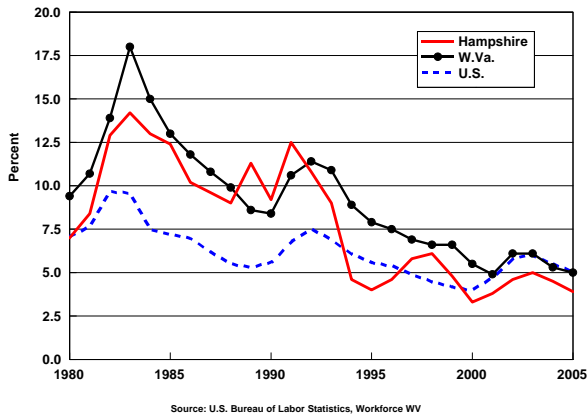
Average from 2004Q3 to 2005Q3



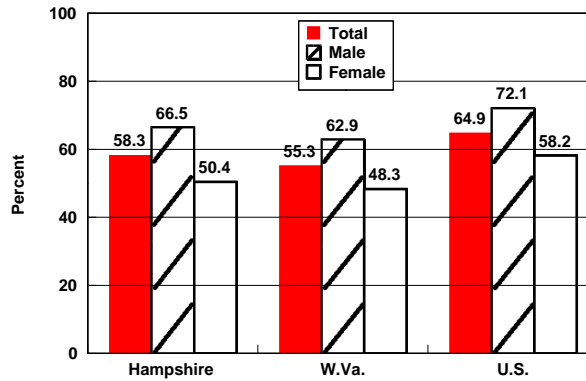
Source: Quarterly Workforce Indicators, U.S. Census Bureau
*Not Available

- At \$1,456.25 per month, average new hire earnings are far lower in Hampshire County than for West Virginia (\$1,747.75).
- New hire earnings in Hampshire County are higher than West Virginia in wholesale trade; transportation and warehousing; education services; and public administration.

Unemployment Rate Trends in Hampshire County, W.Va., and U.S.

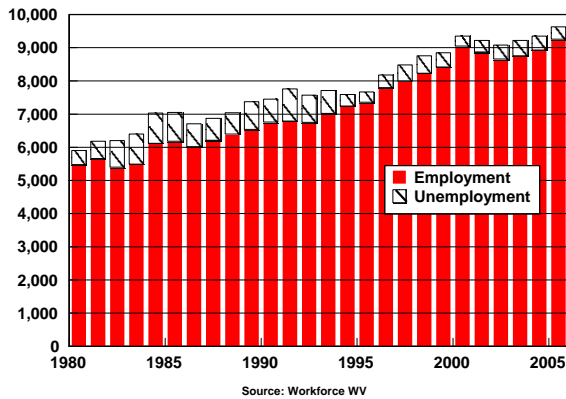


Labor Force Participation Rates Census 2000

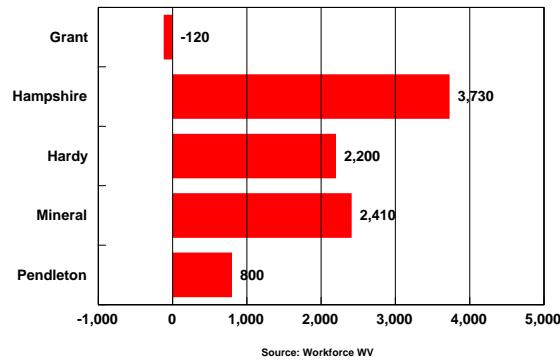


- The 2005 unemployment rate in Hampshire County was 3.9 percent, which is lower than the state (5.0 percent) and national (5.1 percent) average, but higher than the Winchester MSA rate of 2.8 percent.
- Hampshire County's unemployment rate has been below the West Virginia average every year since 1992.
- At 58.3 percent Hampshire County's labor force participation rate exceeds the West Virginia rate but falls below the U.S. rate.

Hampshire County Employment and Unemployment

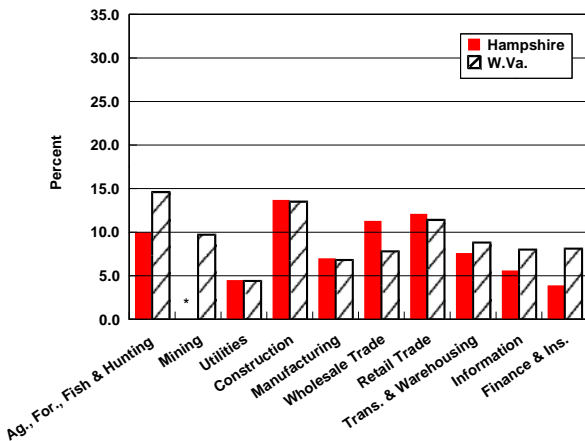


Potomac Highlands Region Labor Force Growth by County 1980-2005



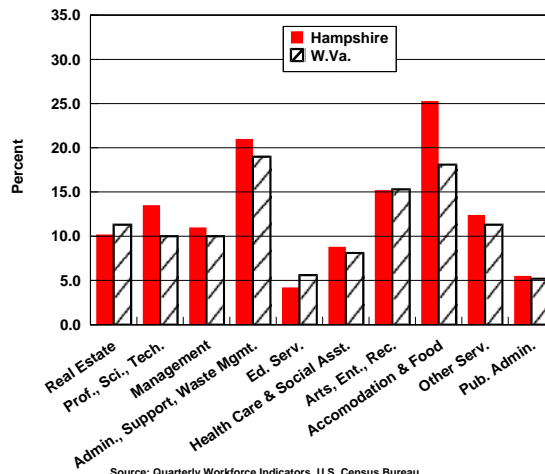
- Hampshire County's labor force has increased by 3,730 since 1980, with growth driven by gains in resident employment.
- The labor force includes both employed residents, as well as unemployed residents that are actively seeking work.
- The growth in Hampshire County's labor force accounted for 41.4 percent of gains in the Potomac Highlands Region.

**Turnover Rates
Hampshire County and W.Va.**
Average from 2004Q3 to 2005Q3



Source: Quarterly Workforce Indicators, U.S. Census Bureau
*Not Available

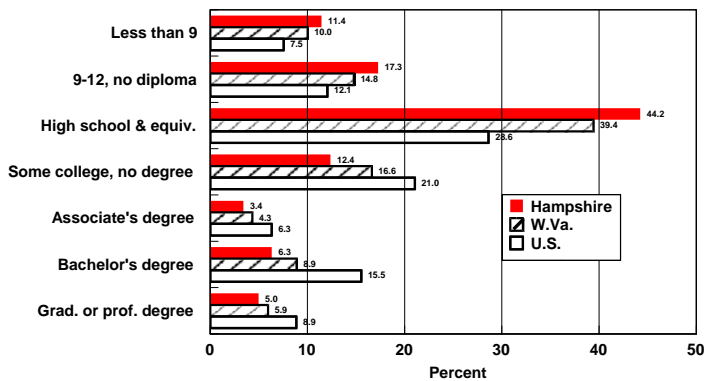
**Turnover Rates
Hampshire County and W.Va.**
Average from 2004Q3 to 2005Q3



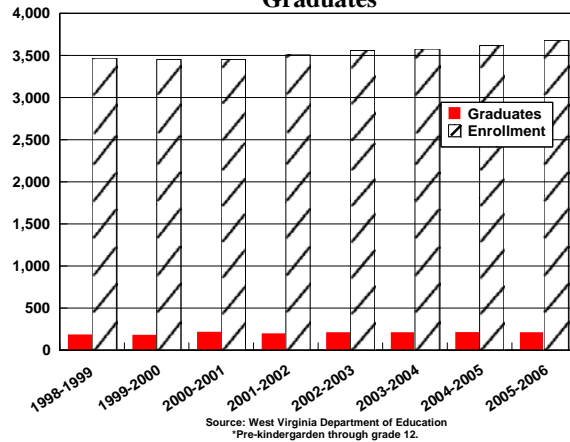
Source: Quarterly Workforce Indicators, U.S. Census Bureau
*Not Available

- Hampshire County has relatively high turnover rates in the accommodation and food services sector and the administrative support and waste management sector (which includes call centers).
- Across all industries, the turnover rate in Hampshire County, at 9.3 percent, is below the state rate of 9.8 percent.
- The turnover rate is computed by summing the number of job accessions and job separations per quarter, dividing this sum by two, and then dividing by the number of jobs.

**Educational Attainment
Census 2000**



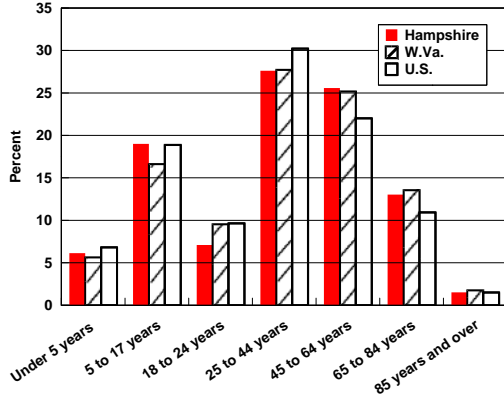
Hampshire County School Enrollment and Graduates



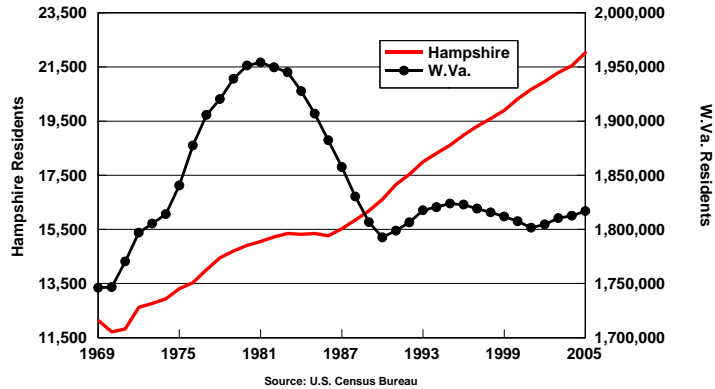
Source: West Virginia Department of Education
*Pre-kindergarten through grade 12.

- Hampshire County has a larger share of residents with a high school degree as their highest level of educational attainment than do West Virginia or the nation. It also has correspondingly small shares of residents with a Bachelor's degree or better level of attainment.
- Hampshire County school enrollment was 3,678 in 2005-2006, with 213 graduates.

**Population Age Distribution
Census 2000**

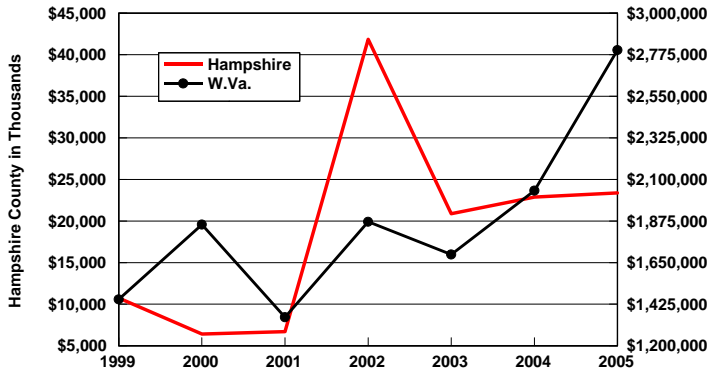


**Population Trends in
Hampshire County and W.Va.**

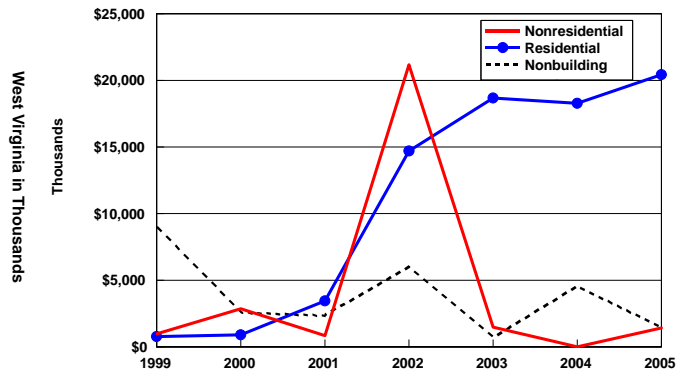


- From 2000 to 2005, Hampshire County has added 1,706 residents, which translates into an annual growth rate of 1.6 percent per year, far exceeding the state (0.1 percent) and national (1.0 percent) rates.
- At 38.5 years, Hampshire County has a relatively low median age, compared to other counties in the region and West Virginia (38.9 years). However, the county's median age far exceeds the national median age of 35.3 years.

**Hampshire County and W.Va.
Total Value of Construction Starts**
F.W. Dodge

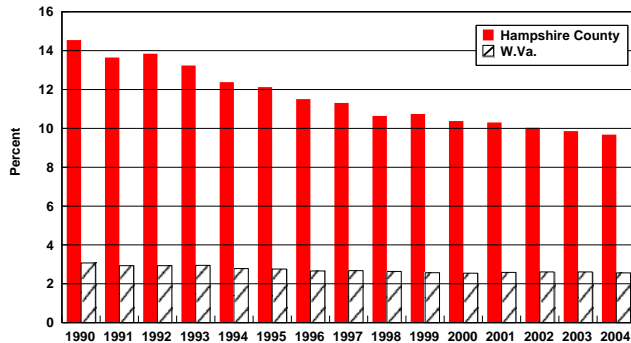


**Hampshire County, W.Va.
Value of Construction Starts by Type**
F.W. Dodge



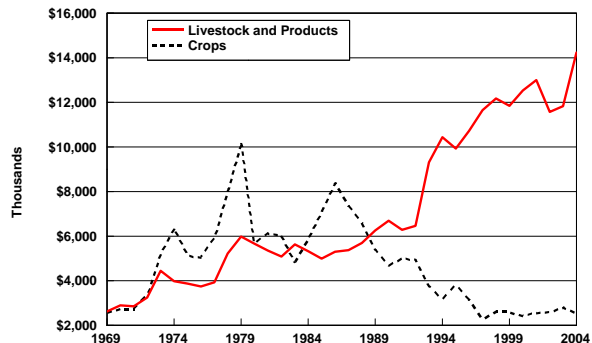
- In 2005 the total value of construction contracts in Hampshire County was \$23.4 million, according to data from F.W. Dodge, and has risen significantly since 2001.
- Residential construction contracts have been on the rise since 1999 with a sizeable increase from 2001 to 2002, reflecting population growth in the metropolitan area and low mortgage interest rates.
- Hampshire County witnessed an unusually high amount of nonresidential construction in 2002, at \$21.2 million, with activity reported in amusement, social and recreational buildings; government service building; and schools, libraries, and labs (non-manufacturing).
- According to Census 2000, 23.2 percent of homes in the county were for seasonal, recreational, and occasional use, compared to 4.5 percent for the state and 3.3 percent for the nation. That ranked Hampshire County 4th in the state.

Farm Employment Shares in Hampshire County and W.Va.



Source: Bureau of Economic Analysis

Farm Cash Receipts in Hampshire County



Source: Bureau of Economic Analysis

- In 2004 farm employment accounted for 9.7 percent of Hampshire County's total full and part-time employment, compared to 2.6 percent for West Virginia.
- Livestock and products (primarily poultry) dominated farm cash receipts in 2004 accounting for 84.6 percent of all farm cash receipts. This has not always been the case, crops accounted for a large share of cash receipts during the 1970s and 1980s.

Top Commuting Destinations for Hampshire County Residents, 2000

Work County	Counties with 1.0 percent or more	
	Number of Employed Residents Traveling to	As a Percentage of Hampshire County Employed Residents
Hampshire County, WV	3,638	43.4
Frederick County, VA	1,519	18.1
Winchester city VA	1,362	16.2
Hardy County, WV	467	5.6
Allegany County, MD	253	3.0
Mineral County, WV	133	1.6
Berkeley County, WV	109	1.3
Warren County, VA	96	1.1
Total	8,390	100.0

Source: U.S. Census Bureau, Population Division, Journey-To-Work & Migration Statistics Branch, Census 2000.

Tabulation by the Bureau of Business and Economic Research, West Virginia University

Top Commuting Sources for Hampshire County Jobs, 2000

Residence County	Counties with 1.0 percent or more	
	Number of Workers Traveling From	As a Percentage of Hampshire County Workers
Hampshire County, WV	3,638	79.1
Mineral County, WV	381	8.3
Allegany County, MD	164	3.6
Hardy County, WV	155	3.4
Frederick County, VA	97	2.1
Grant County, WV	44	1.0
Total	4,598	100.0

- Hampshire County is part of the Winchester Virginia metropolitan statistical area, which also includes Frederick County and Winchester City in Virginia. In 2000, Hampshire County sent 34.3 percent of its residents to work in Frederick County and Winchester City in Virginia.
- Hampshire County drew 11.9 percent of its workforce from Mineral County in West Virginia and Allegany County in Maryland.

Top 10 Largest Employers in Hampshire County March 2006

Rank	Company Name
1	Hampshire County Board of Education
2	West Virginia Schools for the Deaf and the Blind
3	Hampshire Memorial Hospital, Inc.
4	Potomac Comprehensive Diagnostic Guidance Center
5	Genesis Eldercare Network Services
6	Hampshire County Committee on Aging
7	Bank of Romney
8	Food Lion
9	West Virginia Regional Jail and Correctional Facility Authority
10	Hampshire County Commission

Source: Workforce WV

Industrial, Business, and Technology Parks in Hampshire County

Name	City	Miles to Highway*	Total Acreage
Hampshire County Industrial Park	Romney	28	57.943
Capon Bridge Industrial and Technology Park	Capon Bridge	15	90

Source: West Virginia Development Office

*Location to nearest interstate or four lane highway.