

Mineral County Labor Market Summary

Update November 2006



College of Business and Economics
West Virginia University
www.bber.wvu.edu

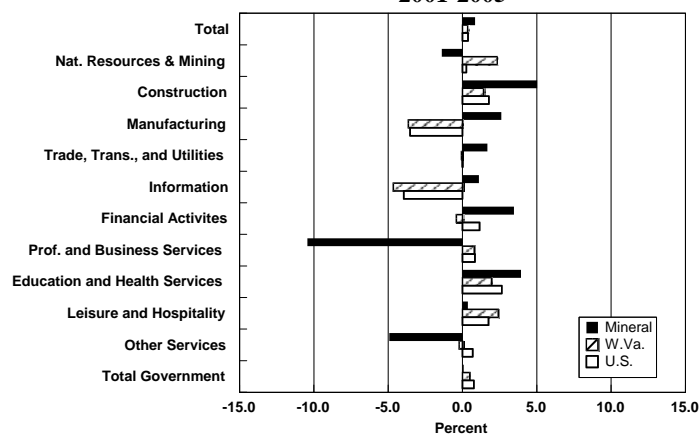
Copyright © 2006 WVU Research Corporation

by
George W. Hammond, Ph.D.
Anthony Gregory

This summary provides an overview of the current performance of the Mineral County labor market compared to the Cumberland MSA (of which Mineral County is a part), the Potomac Highlands Region, the state of West Virginia, and the U.S. The Potomac Highlands Region includes Grant, Hampshire, Hardy, Mineral, and Pendleton counties. Table 1 below contains summary data for the county, the region, metropolitan areas with component counties in the region, the state, and the nation. 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.

After losing 119 jobs in 2003, Mineral County bounced back in 2004 (adding 218 jobs) and again in 2005 (adding 140 jobs). Overall job growth last year was driven by gains in manufacturing (up 78 jobs) and by the rebounding professional and business services sector (up 118 jobs). Since 2001, the county has added 236 jobs, which translates into an annual growth rate of 0.9 percent per year, which exceeded the rates of job growth recorded by the Cumberland MSA, the Potomac Highlands region, West Virginia, and the nation. As Figure 1 shows, the county added jobs at a rapid rate in construction; education and health care; finance; and manufacturing (in stark contrast to the state and nation). However, even though professional and business services employment rose strongly last year, jobs remain well below their 2001 level due to losses in the call center sector. This sector is sensitive to the overall business cycle and, in addition, is dealing with increased competitive pressures within the U.S. and internationally.

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



*Annual job growth is based on covered employment and wages.

Nonfarm employment shares in Mineral County are weighted toward manufacturing (particularly defense activity, with ATK Tactical Systems the largest employer in the county in March 2006); information; and government. Employment shares are below the state average for mining; financial activities; professional and business services; leisure and hospitality; and other services (repair and maintenance, personal services, and non-profits).

Farming remains a part of the county employment mix, with farming jobs accounting for 4.3 percent of total full and part-time employment in 2004, compared to the state share of 2.6 percent.

Mineral County has posted gains in annual wages per worker during the last four years, with wages hitting \$28,225 per job in 2005. Even with continued growth in wages, they remain well below the West Virginia (\$31,344) and national (\$40,671) levels. Wages are close to the national level (and above the state) in manufacturing, but are well below comparable national rates in all other major NAICS sectors.

The county's unemployment rate fell from 6.5 percent in 2002 to 5.1 percent last year, roughly following state and national trends. With this improvement, the county's rate is below Cumberland MSA (5.8 percent), but remained above Potomac Highlands region (4.5 percent), West Virginia (5.0 percent), and national (5.1 percent) rates. Mineral County's labor force participation rate (58.9 percent) was above the Cumberland MSA (57.9 percent), West Virginia (55.3 percent) rates, but was well below the national average of 64.9 percent.

Mineral County's labor force has increased by 2,410 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 Mineral County's labor force accounted for 26.7 percent of gains in the Potomac Highlands Region.

Mineral County is part of the Cumberland MSA, along with Allegany County in Maryland. This reflects the large commuting flows from Mineral to Allegany County. Indeed, in 2000, Mineral County sent 36.6 percent of its employed residents to jobs in Allegany County, while drawing 16.8 percent of its workforce from Allegany County.

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 9.2 percent, which is just below the state average of 9.8 percent. This suggests that the county's labor market is as stable as the state.

In 2000, 18.0 percent of Mineral County residents age 25 and older had an associate's degree or better level of educational attainment. This rate exceeded the Potomac Highlands region average was close to the Cumberland MSA and West Virginia levels, but fell well below the national average of 30.7 percent. The county posted a relatively large share of residents with an associate's degree (6.3 percent), which exceeded the West Virginia level of 4.3 percent and matched the national average. Further, 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.

According to the latest estimates, the county's population was stable last year, as it has been since 2000. Population stability in the county outperformed the Cumberland MSA growth rate of -0.2 percent since 2000, but fell just short of the West Virginia (0.1 percent) rate and well short of the national rate of 1.0 percent per year. The county's median age, at 39.1 years in 2000, was relatively high compared to the state (at 38.9 years) and nation (at 35.3 years). The county's population is concentrated in the 45-64 and 65-84 age groups, with 39.3 percent of the population. This contrasts with the national share of 32.9 percent in 2000.

In 2005, Mineral County construction activity remained well above 1999 levels, according to data from F.W. Dodge. This growth is related to increased activity in residential and infrastructure projects. In addition, legislation has recently been introduced by Senators Sarbanes and Mikluski of Maryland which would create a 35-mile north-south highway corridor in Allegany County and West Virginia, as part of the Appalachian Highway Development System.

Table 1
Summary Data for Mineral County

	Mineral County	Potomac Highlands Region	Cumberland MSA	Winchester MSA	W.Va.	U.S.
Nonfarm Jobs (Thous., 2005)*	7,085	23,236	37,369	54,055	695,300	131,595,637
Annual Job Growth (2001-2005, %)	0.9	0.3	0.4	1.8	0.3	0.4
Average Annual Wage Per Worker (2005)	\$28,225	\$26,835	\$28,635	\$33,788	\$31,344	\$40,671
Job Turnover Rate (Four Qtr. Avg., %)**	9.2	--	--	--	9.8	--
Unemployment Rate (2005, %)	5.1	4.5	5.8	2.8	5.0	5.1
Labor Force Participation Rate (2000, %)**	58.9	59.8	57.9	67.6	55.3	64.9
Population (2005)	27,028	81,857	100,667	116,267	1,816,856	296,410,404
Annual Population Growth (2000-2005, %)	0.0	0.6	-0.2	2.3	0.1	1.0
Median Age (2000)	39.1	--	39.1	--	38.9	35.3
Share of residents with:						
Associates Degree or More (2000, %)^	18.0	15.4	20.2	23.0	19.2	30.7
High School Degree or More (2000, %)^	80.3	74.2	80.0	76.4	75.2	80.4
Per Capita Personal Income (2004)	\$23,306	\$22,480	\$23,907	\$28,735	\$25,792	\$33,050
Farm Cash Receipts (2004, \$Mil, Livestk & Crops)	\$8.8	\$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.

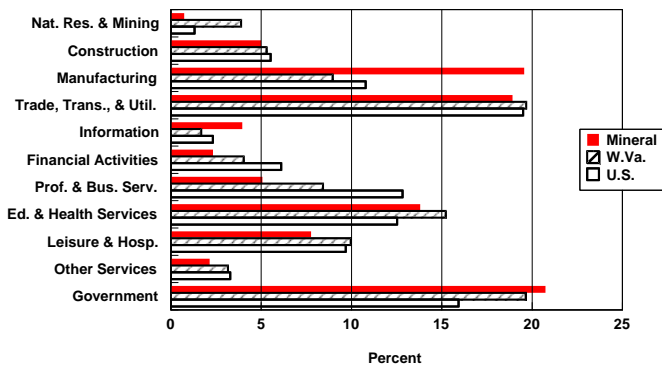
^percent of population age 25 and older.

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.

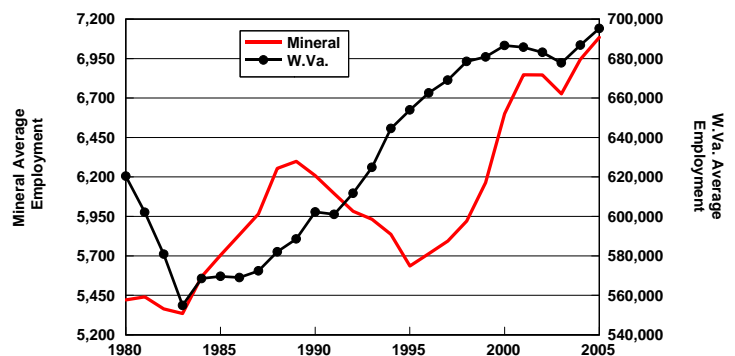
Winchester MSA includes Hampshire County, W.Va., Frederick County, Va., and Winchester City, Va.

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



Source: Employment and Wages, Workforce WV

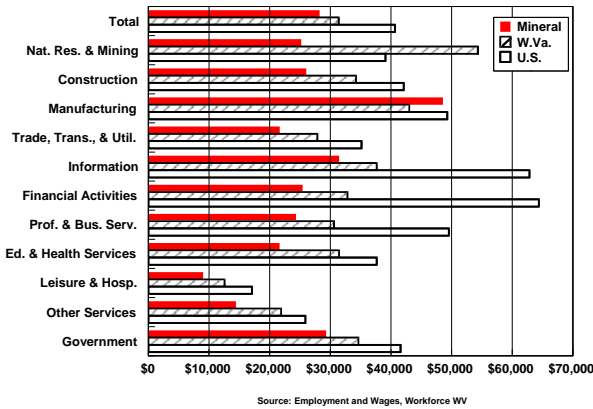
Employment Trends in
Mineral County and W.Va.



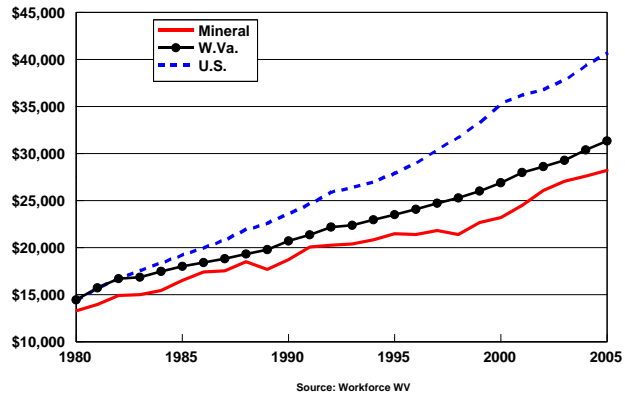
Source: Employment and Wages, Workforce WV

- Mineral County's three largest employment sectors in order are government (20.7 percent); manufacturing (19.6 percent); and trade, transportation, and utilities (18.9 percent). Manufacturing activity includes defense-related equipment, with ATK Tactical Systems the largest employer in the county in March 2006.
- Compared to West Virginia (8.4 percent) and the U.S. (12.8 percent), Mineral County (5.1 percent) has a much lower concentration in the professional and business services sector.
- Since 1980 Mineral County's total nonfarm employment has grown faster than the state rate.

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

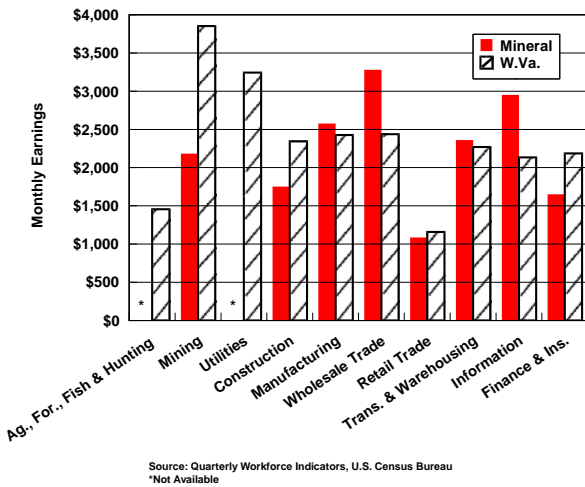


**Total Wages per Worker in
Mineral County, W.Va., and U.S.**

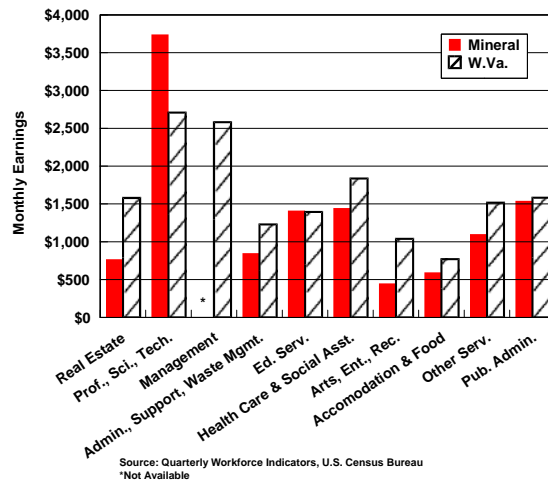


- In 2005, Mineral County’s total annual wages per worker were \$28,225, which was below both West Virginia (\$31,344) and the U.S. (\$40,671).
- Workers in manufacturing in Mineral County earned average annual wages of \$48,580 in 2005, which was above West Virginia and similar to the national level.

**Average New Hire Earnings
Mineral County and W.Va.
Average from 2004Q3 to 2005Q3**

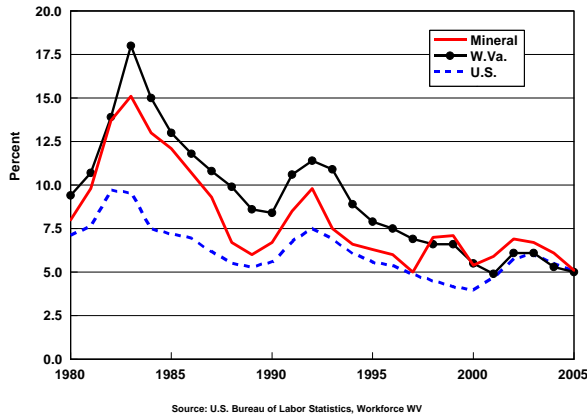


**Average New Hire Earnings
Mineral County and W.Va.
Average from 2004Q3 to 2005Q3**

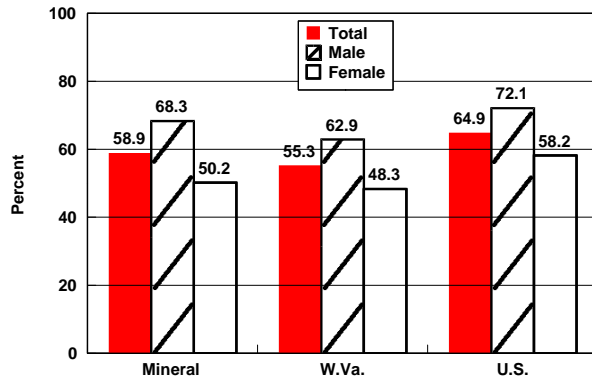


- At \$1,576.00 per month, new hire earnings across all industries in Mineral County were below the West Virginia level of \$1,747.75
- Mineral County new hire wages were highest in the professional, scientific, and technology sector, at \$3,740.75 per month, which is well above the West Virginia average.

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

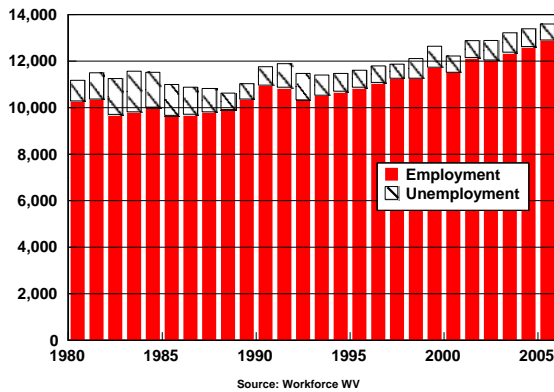


Labor Force Participation Rates Census 2000

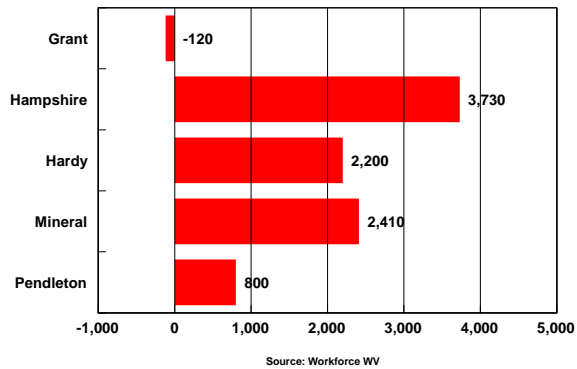


- In 2005, Mineral County had an unemployment rate of 5.1 percent, just slightly above the West Virginia rate (5.0 percent) and equal to the U.S. rate (5.1 percent).
- Mineral County's 58.9 percent labor force participation rate is higher than the West Virginia level but below the U.S. rate of 64.9 percent.
- The difference between male and female participation rates in Mineral County is greater than those for West Virginia and the nation.

Mineral County Employment and Unemployment

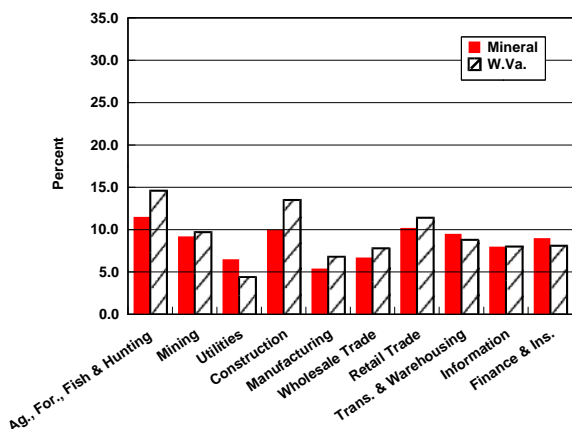


Potomac Highlands Region Labor Force Growth by County 1980-2005



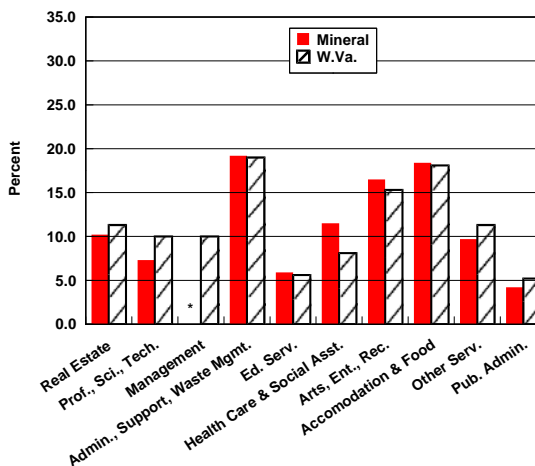
- Mineral County's labor force has increased by 2,410 since 1980, with growth driven by gains in resident employment.
- The labor force includes both employed residents, as well as unemployed residents that are actively seeking work.
- The growth in Mineral County's labor force accounted for 26.7 percent of gains in the Potomac Highlands Region.

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



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

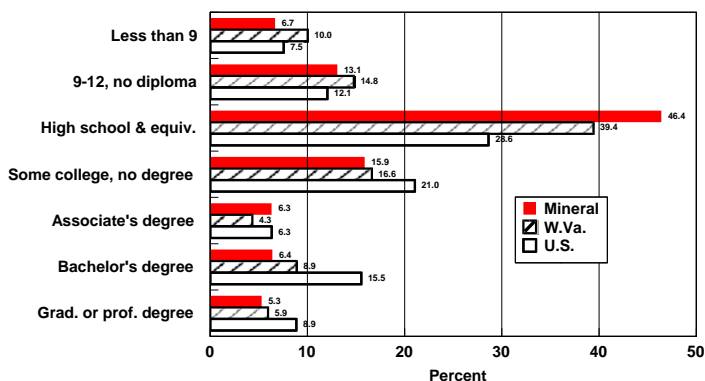
**Turnover Rates
Mineral County and W.Va.**
Average from 2004Q3 to 2005Q3



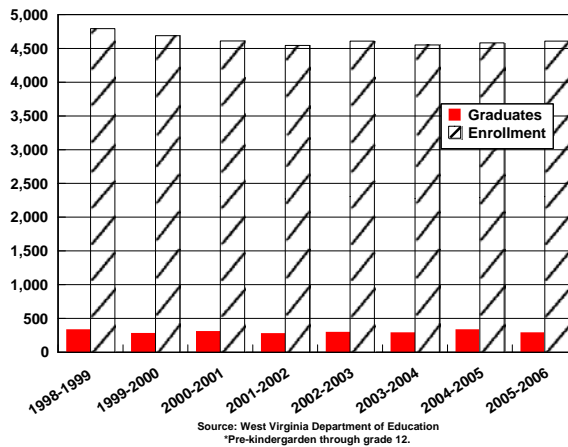
Source: Quarterly Workforce Indicators, U.S. Census Bureau
*Not Available

- At 9.2 percent, the turnover rate across all industries in Mineral County was below the West Virginia level of 9.8 percent.
- County turnover rates were highest in the administrative, support and waste management sector and lowest in public administration.
- 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**



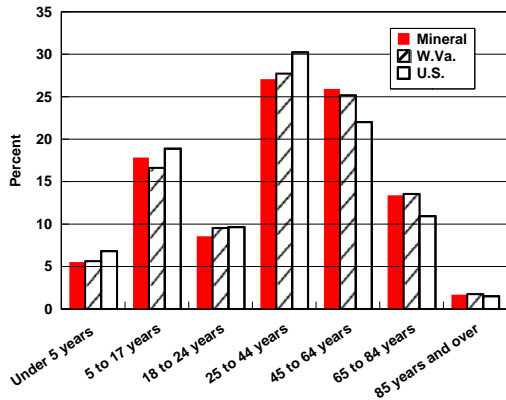
Mineral County School Enrollment and Graduates



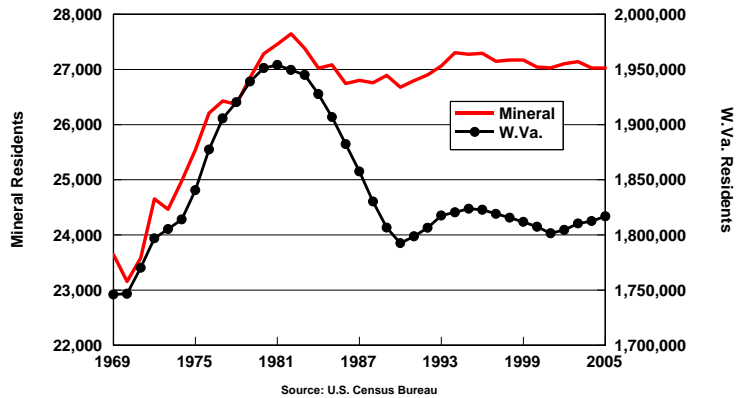
Source: West Virginia Department of Education
*Pre-kindergarten through grade 12.

- In 2000, 11.7 percent of Mineral County residents held a bachelor's degree or higher level of education, which is lower than both the state (14.8 percent) and national (24.4 percent) levels.
- During the 2005-2006 school year, school enrollment in the county was 4,609, with 295 graduates.

**Population Age Distribution
Census 2000**

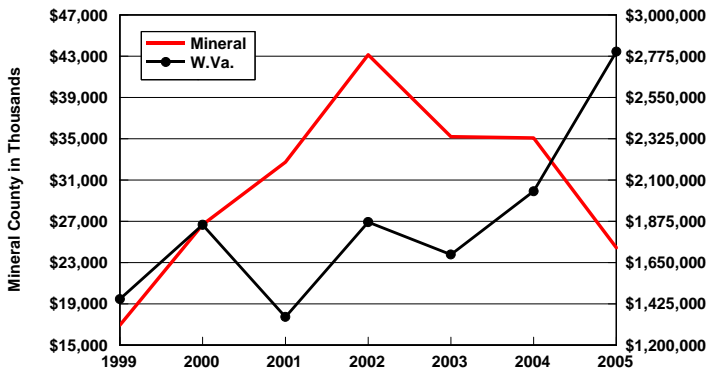


**Population Trends in
Mineral County and W.Va.**

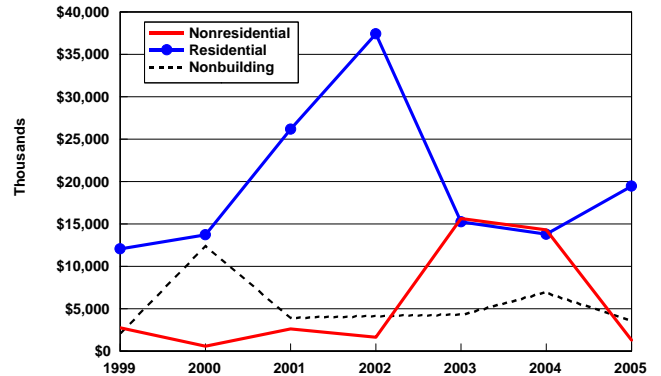


- Mineral County's 2005 population was 27,028 and has grown at an average annual rate of 0.4 percent since 1969.
- At 39.1 years, Mineral County's median age exceeds West Virginia's (at 38.9 years) and far exceeds the nation's (at 35.3 years).
- In 2000, 41.0 percent of Mineral County's residents were older than 44 years. That's similar to the West Virginia share, but far above the national share of 34.5 percent.

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

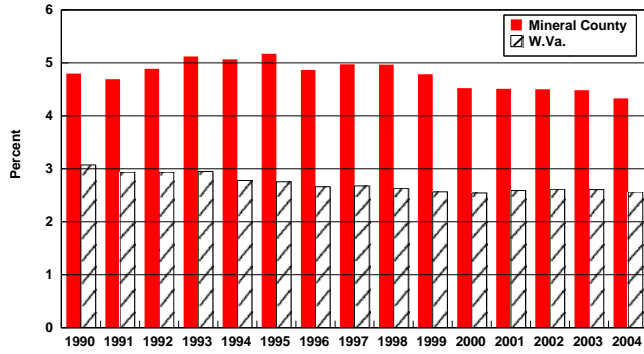


**Mineral County, W.Va.
Value of Construction Starts by Type**
F.W. Dodge



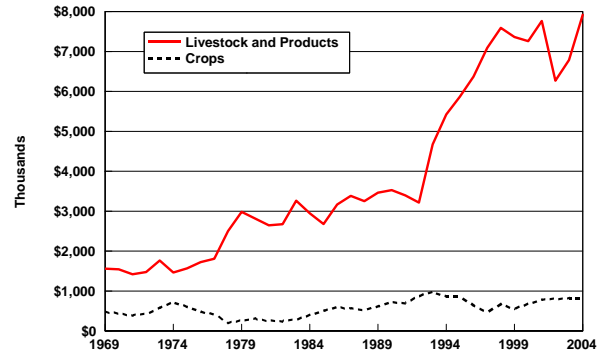
- Mineral County had a total construction value of \$24.4 million in 2005, a decrease of \$10.6 million from 2004
- In 2002, residential construction accounted for 86.8 percent of the county's total construction value, due to a large single family development.
- According to Census 2000, 3.9 percent of homes in the county are used for seasonal, recreational, or occasional uses, compared to 4.5 percent for the state and 3.3 percent for the nation.

Farm Employment Shares in Mineral County and W.Va.



Source: Bureau of Economic Analysis

Farm Cash Receipts in Mineral County



Source: Bureau of Economic Analysis

- Farm employment in Mineral County accounted for 4.3 percent of total full and part-time employment in 2004, compared to 2.6 percent for West Virginia.
- In 2004, cash receipts from livestock and products (primarily poultry) accounted for 90.5 percent of Mineral County's total farm cash receipts.

Top Commuting Destinations for Mineral County Residents, 2000

Counties with 1.0 percent or more

Work County	Number of Employed Residents Traveling to Work County	As a Percentage of Mineral County Employed Residents
Mineral County, WV	5,061	43.6
Allegany County, MD	4,247	36.6
Hampshire County, WV	381	3.3
Hardy County, WV	348	3.0
Grant County, WV	323	2.8
Frederick County, VA	247	2.1
Garrett County, MD	149	1.3
Winchester city VA	143	1.2
Total	11,595	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 Mineral County Jobs, 2000

Counties with 1.0 percent or more

Residence County	Number of Workers Traveling From Residence County	As a Percentage of Mineral County Workers
Mineral County, WV	5,061	73.2
Allegany County, MD	1,164	16.8
Garrett County, MD	155	2.2
Grant County, WV	152	2.2
Hampshire County, WV	133	1.9
Total	6,916	100.0

- Mineral County is part of the Cumberland metropolitan statistical area, along with Allegany County Maryland.
- Mineral County sends 36.6 percent of its employed residents to work in Allegany County and draws 16.8 percent of its workforce from Allegany County.
- These commuting flows are used in the formal process of defining a metropolitan statistical area.

Top 10 Largest Employers in Mineral County March 2006

Rank	Company Name
1	ATK Tactical Systems Company, LLC
2	Mineral County Board of Education
3	Wal-Mart Stores, Inc.
4	Potomac Valley Hospital of West Virginia
5	West Virginia University
6	Information Manufacturing Corporation
7	West Virginia Department of Highways
8	Lumber and Things, Inc.
9	Heartland Employment Services, Inc.
10	Automated Packaging Systems, Inc.

Source: Workforce WV

Industrial, Business, and Technology Parks in Mineral County

Name	City	Miles to Highway*	Total Acreage
Keyser-Mineral County Industrial Park	Keyser	20	211
Fort Ashby Business and Technology Park	Fort Ashby	12	70

Source: West Virginia Development Office

*Location to nearest interstate or four lane highway.