

Pendleton County Labor Market Summary

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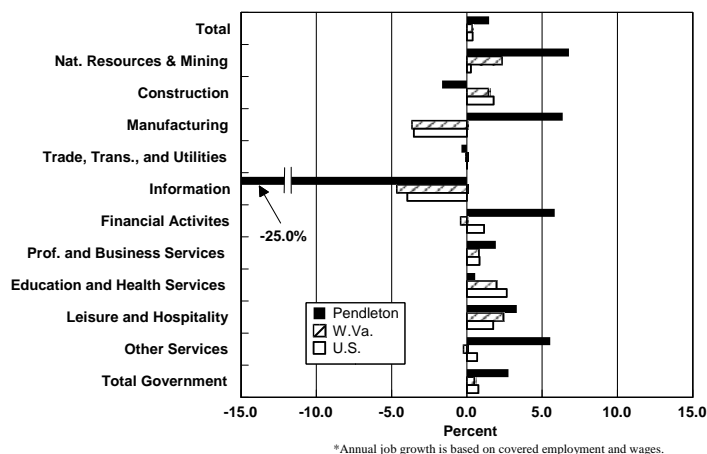
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by
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This summary provides an overview of the current performance of the Pendleton County labor market compared to the Potomac Highlands Region, the state of West Virginia, and the U.S. The Potomac 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.

While Pendleton County lost 23 jobs in 2005, it has added 101 jobs overall since 2001, translating into an average annual growth rate of 1.5 percent per year. That far exceeded the growth rates recorded by the Potomac Highlands region (0.3 percent), West Virginia (0.3 percent), and the nation (0.4 percent). As Figure 1 shows, the county added jobs at a rapid clip in natural resources and mining; manufacturing; financial activities; and other services (repair and maintenance, personal services; non-profits). The county has lost 52 jobs in the information sector, which translates into an annual rate of job loss of over 25 percent per year. Recent employment growth represents a stabilization of jobs in the county, after very large job losses during the late 1990s related to the closure of a shoe manufacturing plant in the county.

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



Pendleton County nonfarm employment is concentrated in government, particularly in federal government (including Department of Defense), which accounts for 11.5 percent of county nonfarm jobs. County nonfarm employment shares are well below the state average in construction; manufacturing; professional and business services; and leisure and hospitality.

Farming remains an important part of the county economy, with 21.9 percent of full and part-time employment in this sector. Pendleton County's cash receipts from livestock and products (primarily poultry) sales totaled \$67.1 million in 2004 and dominated total farm cash receipts.

Annual wages per worker have risen steadily in Pendleton County during the last three years. However, the wage level in the county, at \$25,179, remains well below the West Virginia (\$31,344) and national (\$40,671) averages.

Rebounding job growth and population losses in the county have combined to push the unemployment rate down from 7.8 percent in 2000 to 3.8 percent by 2005. That puts the county's unemployment rate well below the state (5.0 percent) and national (5.1 percent) averages. The county's labor force participation rate, according to data from Census 2000, hit 59.5 percent. That's well above the West Virginia rate of 55.3 percent, but remains well below the national average of 64.9 percent.

Pendleton County's labor force has increased by 800 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 Pendleton County's labor force accounted for 8.9 percent of gains in the Potomac Highlands Region.

In 2000, Pendleton County was a net exporter of commuters, sending 1,414 employed residents to jobs outside of the county, while importing 263 workers from outside the county. Rockingham County (including Harrisonburg) in Virginia was the top destination of Pendleton County commuters, drawing 19.6 percent of employed Pendleton County residents.

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 below the state average of 9.8 percent. This suggests that the county's labor market is more stable than the state's.

Of the county's residents age 25 and older, 14.5 percent reported an associate's degree or better level of educational attainment in 2000. This is well below the state (19.2 percent) and national (30.7 percent) averages. 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 882 enrollees in customized training programs in 2005.

According to the latest estimates from the U.S. Census Bureau, Pendleton County lost 54 residents last year, continuing a trend of population declines that began in 1999. These population losses since 1999 contrast with growth for the Potomac Highlands region, the state, and the nation during the period. The county's median age, at 41.1 years in 2000, exceeded the state (38.9 years) and national levels (35.3 years), and this will tend to suppress population growth. The county has a much larger share of its population in the 65-84 age group than the nation, but its population share in the 85 and older age group is similar to West Virginia and the U.S.

Pendleton County construction activity has been volatile during the 1999-2005 period, according to data from F.W. Dodge, rising from \$4.75 million in 2001 to \$11.28 million in 2004, before falling to \$6.8 million in 2005. The county has seen increasing residential construction activity since 2001, some of which may reflect increased activity in the second-home residential market. In 2000, 22.1 percent of homes in Pendleton County were for seasonal, recreational, or occasional use, which ranked the county 5th in the state.

Table 1
Summary Data for Pendleton County

	Pendleton County	Potomac Highlands Region	Cumberland MSA	Winchester MSA	W.Va.	U.S.
Nonfarm Jobs (Thous., 2005)*	1,772	23,236	37,369	54,055	695,300	131,595,637
Annual Job Growth (2001-2005, %)	1.5	0.3	0.4	1.8	0.3	0.4
Average Annual Wage Per Worker (2005)	\$25,179	\$26,835	\$28,635	\$33,788	\$31,344	\$40,671
Job Turnover Rate (Four Qtr. Avg., %)**	9.2	--	--	--	9.8	--
Unemployment Rate (2005, %)	3.8	4.5	5.8	2.8	5.0	5.1
Labor Force Participation Rate (2000, %)**	59.5	59.8	57.9	67.6	55.3	64.9
Population (2005)	7,844	81,857	100,667	116,267	1,816,856	296,410,404
Annual Population Growth (2000-2005, %)	-0.8	0.6	-0.2	2.3	0.1	1.0
Median Age (2000)	41.1	--	39.1	--	38.9	35.3
Share of residents with:						
Associates Degree or More (2000, %)^	14.5	15.4	20.2	23.0	19.2	30.7
High School Degree or More (2000, %)^	72.0	74.2	80.0	76.4	75.2	80.4
Per Capita Personal Income (2004)	\$23,622	\$22,480	23,907	\$28,735	\$25,792	\$33,050
Farm Cash Receipts (2004, \$Mil, Livestk & Crops)	\$67.6	\$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.

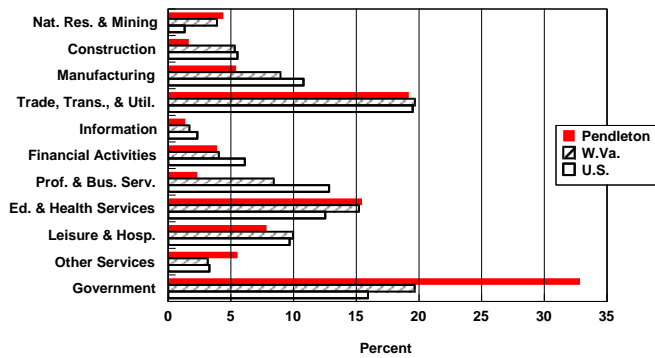
^percent of population age 25 and older.

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.

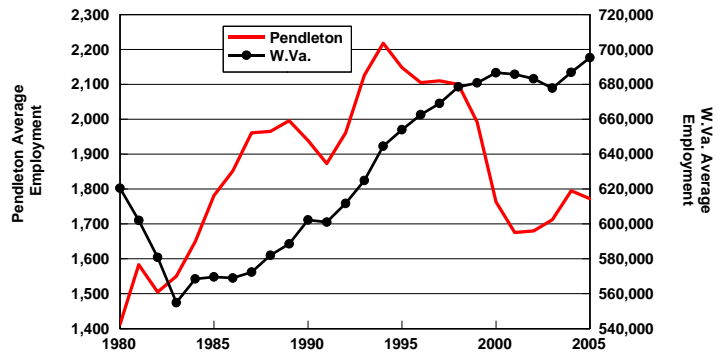
Winchester MSA includes Hampshire County, W.Va., Frederick County, Va., and Winchester City, Va.

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



Source: Employment and Wages, Workforce WV

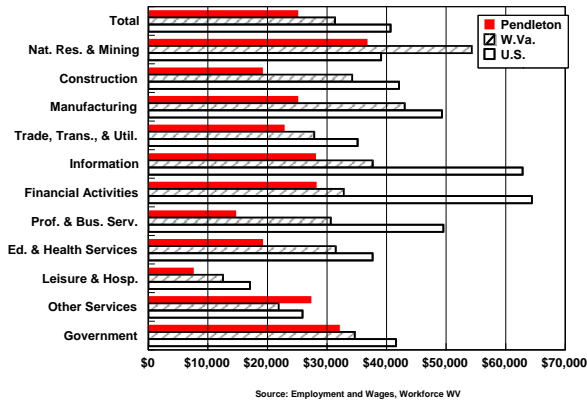
Employment Trends in
Pendleton County and W.Va.



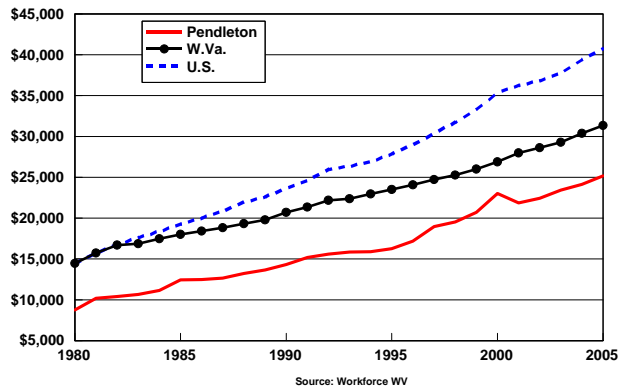
Source: Employment and Wages, Workforce WV

- The government sector accounted for 32.8 percent of Pendleton County's nonfarm employment in 2005, more than any other sector, due to a concentration of federal jobs in the county.
- At 2.3 percent, Pendleton County has a low concentration in the professional and business services sector, compared to West Virginia (8.4 percent) and the U.S. (12.8 percent).
- Pendleton County's employment has experienced a huge drop from 1997 (2,110) to its current level of in 2005 (1,772), with the closure of a footwear manufacturing facility.
- Nonfarm employment has grown at an average annual rate of 1.5 percent since 2001, higher than the state and national growth rates.

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

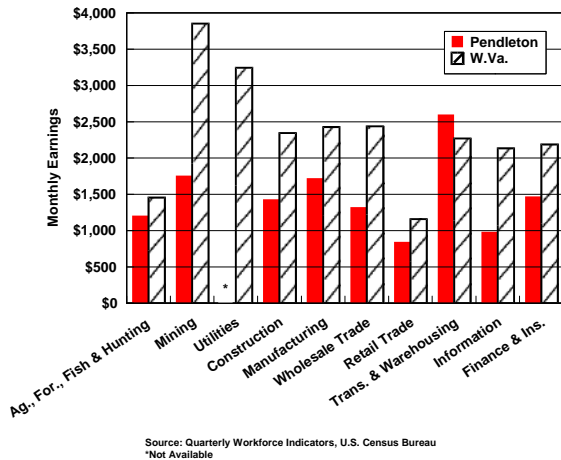


**Total Wages per Worker in
Pendleton County, W.Va., and U.S.**

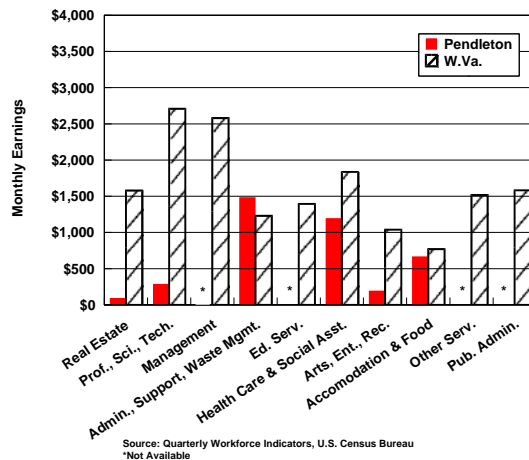


- In 2005 Pendleton County's average annual wage per worker was \$25,179 this was below both the West Virginia (\$31,344) and U.S. (\$40,671) averages.
- The natural resources and mining sector had the highest annual wage in Pendleton County at \$36,788 in 2005.

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

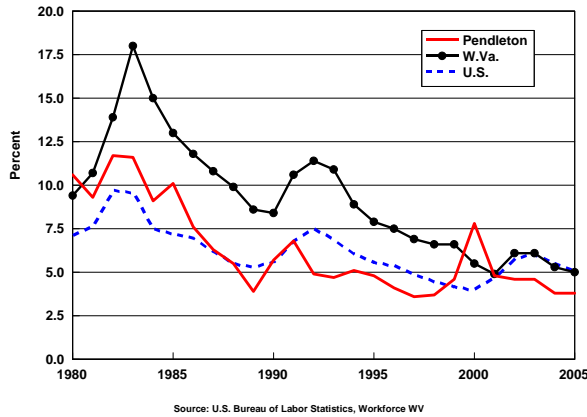


**Average New Hire Earnings
Pendleton County and W.Va.**
Average from 2004Q3 to 2005Q3

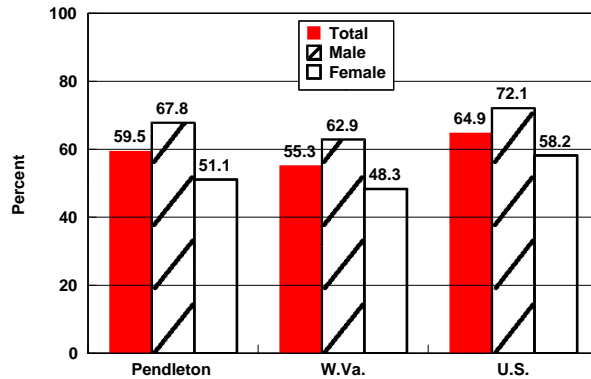


- New hire earnings in Pendleton County, at \$1,362.00 per month, are well below the West Virginia level of \$1,747.75.
- Pendleton County's new hires in the transportation and warehousing sector earn \$2600.25 a month, the most of any sector, and higher than the sector average for West Virginia level.

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

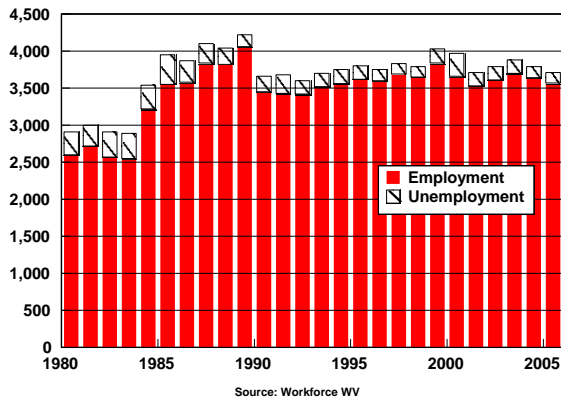


Labor Force Participation Rates Census 2000

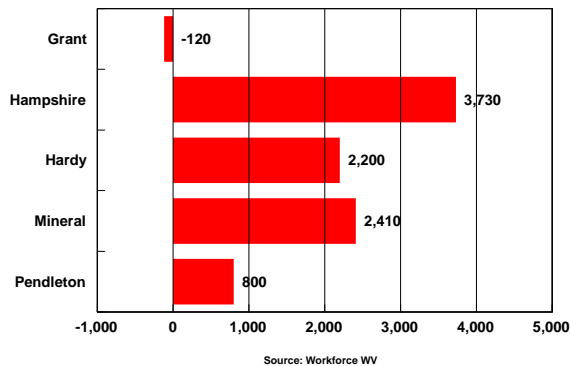


- In 2005 Pendleton County had an unemployment rate of 3.8 percent, lower than both West Virginia (5.0 percent) and the U.S. (5.1 percent).
- Since 1980, Pendleton County’s unemployment rate has been closer to the national rate than the West Virginia rate.
- Pendleton County’s labor force participation rate was 59.5 percent in 2000, which was above the state rate but well below the national rate.

Pendleton County Employment and Unemployment

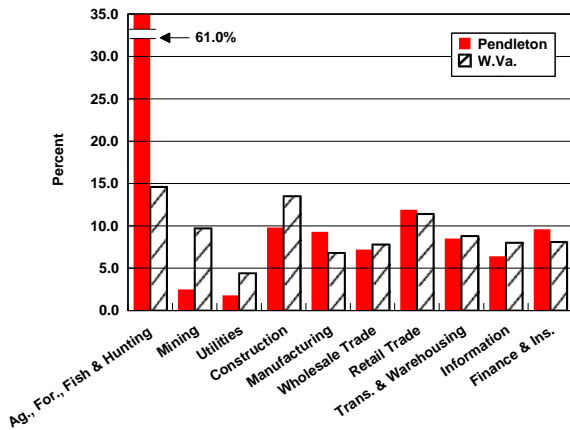


Potomac Highlands Region Labor Force Growth by County 1980-2005



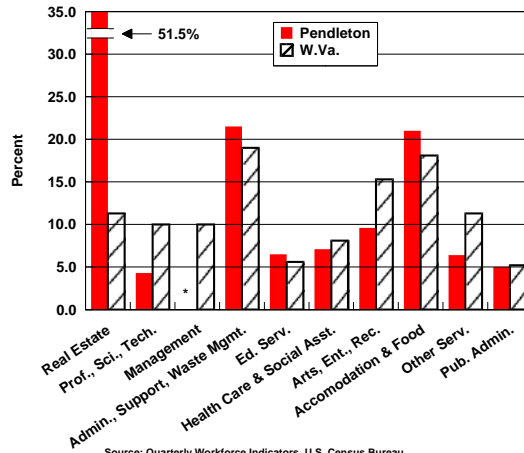
- Pendleton County’s labor force has increased by 800 since 1980, with growth driven by gains in resident employment.
- The labor force includes both employed residents, as well as unemployed residents that are actively seeking work.
- The growth in Pendleton County’s labor force accounted for 8.9 percent of gains in the Potomac Highlands Region.

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



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

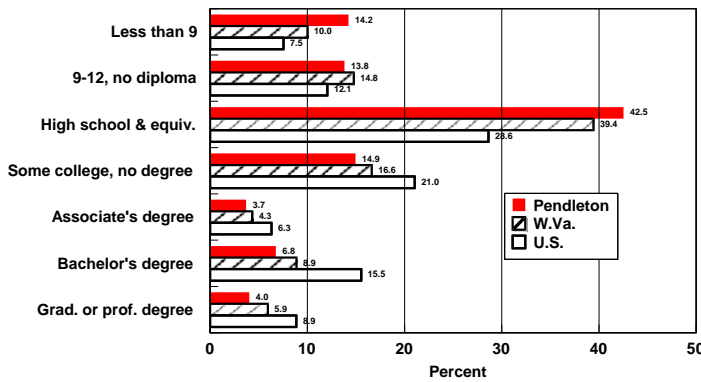
**Turnover Rates
Pendleton County and W.Va.**
Average from 2004Q3 to 2005Q3



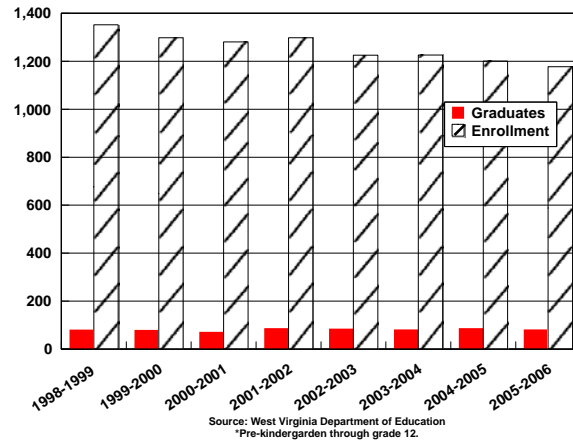
Source: Quarterly Workforce Indicators, U.S. Census Bureau
*Not Available

- At 9.2 percent, the all-industry turnover rate in Pendleton County is below the West Virginia rate of 9.8 percent.
- Turnover rates in the county were very high in the agriculture, forestry, fishing, and hunting sector and the real estate sector. Administrative, support, and waste management and accommodation and food service sectors also showed relatively high turnover rates.
- 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**



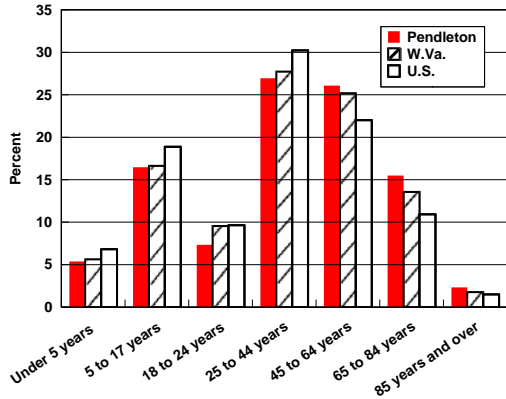
Pendleton County School Enrollment and Graduates



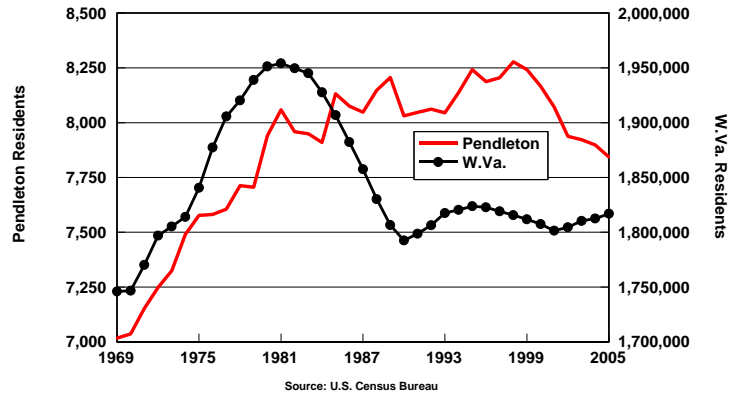
Source: West Virginia Department of Education
*Pre-kindergarten through grade 12.

- In 2000, 10.8 percent of Pendleton County's population had a bachelor's degree or higher level of education. This is much lower than the state (14.8 percent) and the national (24.4 percent) rates.
- During 2005-2006, Pendleton school enrollment was 1,177, with 82 graduates.

**Population Age Distribution
Census 2000**

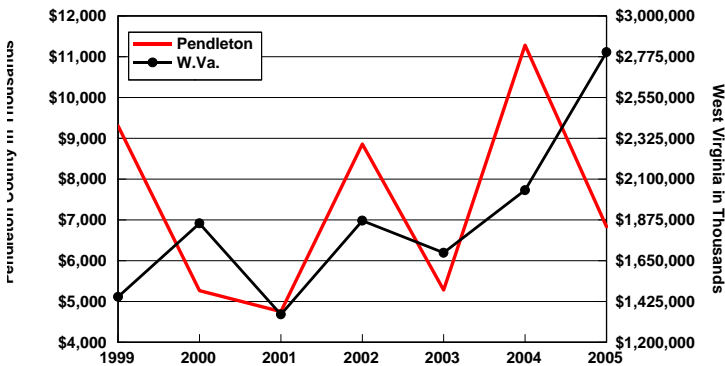


**Population Trends in
Pendleton County and W.Va.**

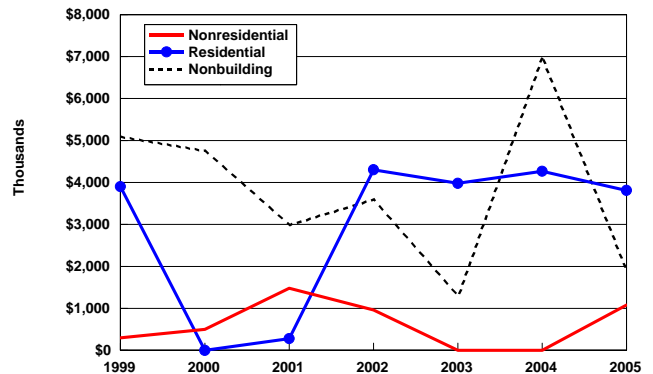


- At 41.1 years, the median age of Pendleton County residents far exceeds the West Virginia (38.9 years) and the national (35.3 years) median ages.
- With 43.9 percent of Pendleton County's population older than 44 years old, Pendleton County is older than both West Virginia (40.5 percent) and the U.S. (34.5 percent).
- Pendleton County's population has grown at an average annual rate of 0.3 percent from 1969 to 2005 which was higher than West Virginia's rate of 0.1 percent.

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

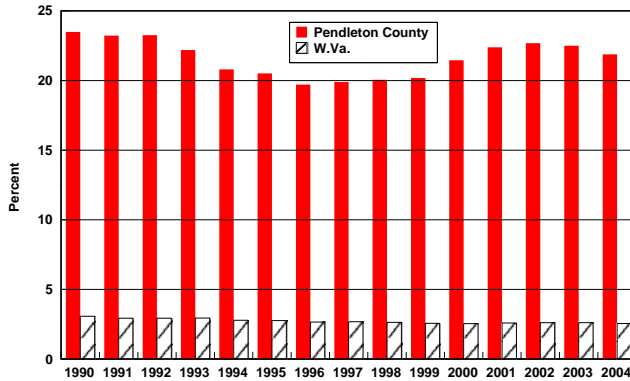


**Pendleton County, W.Va.
Value of Construction Starts by Type**
F.W. Dodge



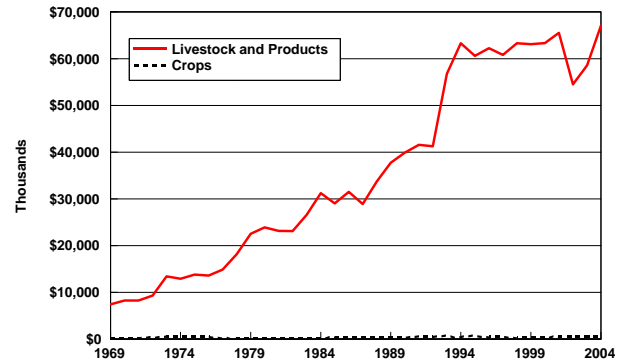
- Pendleton County's total construction value was \$6.8 million in 2005, according to data from F.W. Dodge, which was a \$4.5 million decrease from 2004.
- In 2002, Pendleton County experienced a steep increase in its residential construction value, and activity has remained in the \$4.0 million range.
- In 2000, 22.1 percent of homes in Pendleton County were for seasonal, recreational, or occasional use, which ranked the county 5th in the state.

Farm Employment Shares in Pendleton County and W.Va.



Source: Bureau of Economic Analysis

Farm Cash Receipts in Pendleton County



Source: Bureau of Economic Analysis

- Farm employment in Pendleton County accounted for 21.9 percent of total employment in 2004, which greatly exceeds the West Virginia average of 2.6 percent.
- Pendleton County's cash receipts from livestock and products (primarily poultry) sales totaled \$67.1 million in 2004 and dominated farm cash receipts.

Top Commuting Destinations for Pendleton County Residents, 2000

Counties with 1.0 percent or more

Work County	Number of Employed Residents Traveling to Work County	As a Percentage of Pendleton County Employed Residents
Pendleton County, WV	2,163	60.5
Rockingham County, VA	394	11.0
Harrisonburg city VA	307	8.6
Grant County, WV	224	6.3
Hardy County, WV	177	4.9
Pocahontas County, WV	71	2.0
Randolph County, WV	49	1.4
Total	3,577	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 Pendleton County Jobs, 2000

Counties with 1.0 percent or more

Residence County	Number of Workers Traveling From Residence County	As a Percentage of Pendleton County Workers
Pendleton County, WV	2,163	89.2
Grant County, WV	70	2.9
Randolph County, WV	48	2.0
Harrisonburg city VA	27	1.1
Highland County, VA	27	1.1
Total	2,426	100.0

- Rockingham County Virginia is the top commuting destination for Pendleton County residents, drawing 19.6 percent of Pendleton County employed residents.
- Grant and Randolph counties in West Virginia contribute the most workers to Pendleton County jobs.

Top 10 Largest Employers in Pendleton County March 2006

Rank	Company Name
1	Pendleton County Board of Education
2	Pendleton Nursing Home, Inc.
3	Department of Defense
4	Naval Security Group Activity
5	Greer Industries, Inc.
6	Allegheny Wood Products, Inc.
7	Hinkle Trucking, Inc.
8	Franklin IGA, Inc.
9	Pendleton Senior and Family Service
10	Wood Line Inc.

Source: Workforce WV

Industrial, Business, and Technology Parks in Pendleton County

Name	City	Miles to Highway*	Total Acreage
Upper Tract Industrial Park	Upper Tract	43	28.22

Source: West Virginia Development Office

*Location to nearest interstate or four lane highway.