

# What's up with W.Va.'s rosy job figures?

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CHARLESTON, W.Va. (AP) — West Virginia has seen more of its work force employed in recent months than at any time in at least the last half-century, initial figures show. But then there's the question of what — and who — gets the credit.

With a civilian labor force of 818,200 in September, 96 percent had a job, giving the state its lowest recorded unemployment rate, according to WorkForce West Virginia.

The figures are not adjusted for seasonal changes in the labor market. But even the initial seasonally adjusted numbers suggest the state's jobless rate has hit a record low this year.

Gov. Joe Manchin has his theories to explain the rosy figures.

"We've had three good years of economic upturn," he told The Associated Press last week. "I think it's responsible government. I think we're being rewarded from people having confidence in the state."

But it was President Bush that got the blame when those figures went south in 2004. During his re-election campaign, Democrats sought to remind voters that West Virginia had lost more than 23,000 jobs since Bush took office. The labor force had also shrunk by more than 21,000 people during that time.

State Republican Party Chairman Doug McKinney believes the September figures must be viewed within the context of a national economy. That economy, he said, has been shaped by the tax cuts passed by the GOP-controlled Congress at Bush's urging in 2001 and 2003.

"I think he should get all the credit for it," McKinney said of Bush. "The tax cuts caused people to reinvest their money, and they reinvested in more jobs."

Manchin, a Democrat, agrees with McKinney — to a point.

"Any time you put more money in people's pockets, they'll spend it better than government will," Manchin said. "But if you want to see a real uptick in the economy, you need to give those cuts to those who live paycheck to paycheck."

The comments from either man would likely spur debate, but Marshall economist Cal Kent points to factors behind the job numbers that both would agree with at least partly.

The coal and natural gas markets have been well-recognized drivers of economic activity and tax revenues in the Mountain State, Kent said.

"I don't think there's any end to the boom there, but we can't expect those two industries to continue to grow at the rates that they've grown at over the last two years," said Kent director of

Marshall's Center for Business and Economic Research.

"They've attracted workers to the state," Kent continued. "The question then becomes, can we keep them here? It's been a while since we've had that fortunate situation to happen."

But that point brings Kent to another factor that provides context.

"Our labor force has shrunk from the fact that we're getting older and there's so much out-migration," he said. "The unemployment rate not only reflects an improving economy, it also reflects a brain drain."

Online figures from WorkForce West Virginia, formerly the Bureau of Employment Programs, only go back to 1960. They suggest the civilian labor force is also reaching record highs for that period.

But the state's population actually peaked in 1950, at just over 2 million people; it has about 1.8 million now. And WorkForce officials also note that the state adopted its current method of calculating such figures in 1976. They caution about making direct comparisons with the earlier numbers.

Kent attributes the more recent growth — nearly 33,000 jobs since 2004 — to two other, positive factors: the construction boom recently enjoyed in the Eastern Panhandle, and the influx of high-tech jobs in the Kanawha Valley and Morgantown-Fairmont corridor.

The latter industry is considered part of the service sector of the economy. That sector has grown by 47 percent, or more than 200,000 jobs, since 1980. The goods-producing sector has dwindled by nearly an equal margin, from 218,700 jobs to 127,289.

"You've got to remember that services is not just flipping hamburgers," Kent said. "Those are the jobs that are growing, those are the jobs that the new economy really requires."

But that trend has revealed yet another shortcoming in the state's economic picture: the education of its workforce.

"All of the industries that are expanding and coming in are tech-oriented," Kent said. "We could have significant increase of employment if we had better skills and better training for a more significant percentage of our labor force."

Kent detects a looming driver of new jobs: casino table games at three of the state's four racetracks.

"Table games will also provide a spurt of jobs," he said. "That is going to be a real positive, particularly in the Northern Panhandle because that has been a depressed area."