

Wyoming County

History and Population¹

Wyoming County was formed in 1850 from Logan County. The County, approximately 507 square miles, is south of Raleigh County and abuts Mingo, Mercer, McDowell, Logan and Boone Counties. The county seat is Pineville and other municipalities include Mullens and Oceana. Wyoming County's leading industries are coal, natural gas, timber and livestock.

During the past twenty years, Wyoming County's population has been declining, like many of the counties in our study. In 1980, 35,993 people lived in the County. In 1990, the population decreased by 6,000 people and the 1999 estimate is 26,987. According to the U.S. Census, an overwhelming majority of the population is white (98.8 percent). Wyoming County remains a typical Appalachian community.

Education

In 1998, Wyoming County had ten elementary schools, three middle or junior high schools, four high schools and one vocational school. The only higher education institution in the county is the *Southern West Virginia Community College*. The nearest colleges are the *College of West Virginia* in Raleigh County, *Appalachian Bible College* in Raleigh County, *Concord College* in Mercer County and *Bluefield State College* in Mercer County.

In 1990, only 53.0 percent of people eighteen years of age or older were high school graduates. This is much lower than the state average of 66 percent and the national average of 77.6 percent. Almost 16 percent of the population had not completed the ninth grade. Roughly 6.2 percent of the population were college graduates or higher.

¹All data obtained from internal Center estimates (baseline and simulations) or from the following publicly available sources: *West Virginia Blue Book 1997*, *U.S. Census*, *U.S. Bureau of Labor Statistics*, *WV Bureau of Employment Programs Labor Market Information and County Profiles*, *WV Department of Education Reports Cards*, *U.S. Census American Factfinder*.

The Economy

One US Route (52) and six WV Routes (10, 16, 54, 85, 97, 971) are within Wyoming County boundaries. The local system of highway mileage totals 357 miles. Expressways, truck lines, and feeder systems total 143 miles. Automobiles registered in the county dropped by over 6.7 percent in the 1990's and currently stands at roughly 20,500. Bus and parcel services are available. Norfolk and Southern operates the only rail line and Wyoming County Public Airport is the only air service available. The nearest navigable river is the Kanawha River.

In 1998, 65 percent of workers residing in Wyoming County worked in the county. In 1999, the single largest employers were the *Wyoming County Board of Education*; *U.S. Steel Mining Company*; *Talon Manufacturing Company*; *Wyoming Count Council on Aging, Inc.*; and the *Wyoming County Commission*. The 1999 unemployment rate was 10.7 percent, higher than the state average of 6.6 percent, and more than double the national average of 4.1 percent.

Mining is clearly the most important industrial sector in Wyoming County. It employs more workers than every other sector with exception to government, and pays over \$20,000 more in average wages than any other industry. Transportation, Communications and Public Utility sectors and construction pay the provide the nearest average annual wages, and retail sales in the county stood at just over \$131 million in 1999. The average annual wage in Wyoming County was \$26,390. See Table 1.

Table 1
1998 Employment and Wages

Industry	Employment	Average Annual Wages (\$)
West Virginia	678,568	25,278
Wyoming County	5,720	26,390
Mining	1,237	49,554
Transportation and Public Utilities	404	29,003
Wholesale Trade	79	28,307
Construction	274	27,527
Government	1,297	23,852
Manufacturing	354	20,573
Finance, Insurance, and Real Estate	146	18,006
Services	928	15,864
Retail Trade	995	12,596

Table 2 illustrates the structure of the mining industry in the county. These data, from 1999, offer the most recent count of mining and mining related firms in the county. Their average sales and the average number of employees illustrate the distribution of firm size in the county. The issues of firm size and regional *economies of scale* are discussed in more detail in Chapter 3 and Appendix C of this study.

Table 2
The Structure of Coal Mining in Wyoming County (1999)

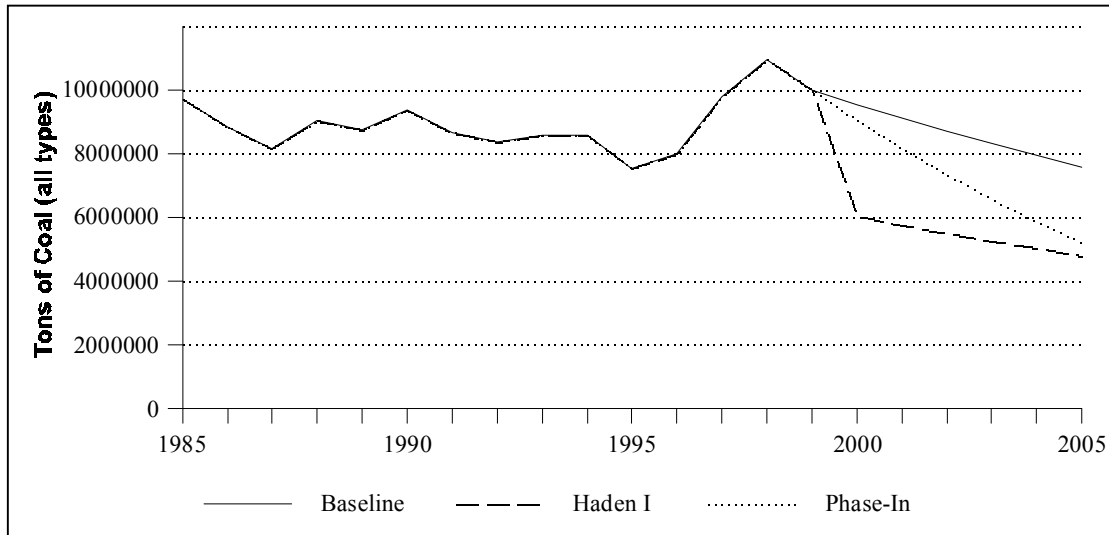
Activity	# of Firms	Mean Employees	Average Sales (\$millions)
Bituminous coal and lignite-surface mining	1	N/A	N/A
Bituminous coal	1	30	3.3
Bituminous coal	2	14	1.7
Bituminous coal	2	700	12.3
Coal mining services	5	25	18.7
Mine preparation services	1	4	0.1

Note: This is the most current firm structure available.

Forecast and Simulations

Using the method described in the main text of this study we estimate the baseline forecast of economic activity surrounding coal production in the county for 2000. From this we also constructed two simulations, that of a phased in Haden Decision (effectively restricting new surface coal permits) and a restrictive Haden Decision (which limits any valley fill activity by surface mining operations). This baseline forecast is a benchmark against which the effects of pending litigation may be judged. The benchmark and two simulations appear in Figure 1.

Figure 1
Wyoming County: Baseline and Simulations



The Baseline

The effect of current regulation and market influences on the production of coal in Wyoming County are illustrated in a baseline forecast. The expected baseline forecast would result in decreases in wages, employment, and output in Wyoming County. The effects are illustrated in Table 3.

Table 3
Wyoming County Baseline

Industry	Employment	Wages	Output
Agriculture	0	2,000	4,000
Mining	46	2,279,000	12,776,000
Construction	3	90,000	196,000
Manufacturing	1	20,000	88,000
TCPU	4	162,000	539,000
Trade	16	244,000	540,000
FIRE	3	44,000	361,000
Services	11	235,000	492,000
Other	0	0	0
Total	-84	-\$3,076,000	-\$14,996,000

Note: figures may not sum due to independent rounding and exclusion of some minor categories. TCPU is transportation, communications and public utilities, FIRE is finance, insurance and real estate.

In addition to the commercial impact we project a public sector job loss of roughly 20 positions in education, public safety and administration resulting from a decrease for the demand of public services and loss in revenue attributable to the decline in coal production.

The Haden Decision Phase-In

In our first simulation we assume that the pending litigation described in the Haden Decision is phased-in. This phase-in results in no further valley fill permits approved for surface mines. The remaining time each currently approved seam can be mined has not been the subject of research; however, we feel that assuming a seven year life-span of each seam conservatively estimates the period of phase-in of the Haden Decision. The expected Haden Decision phase-in simulation would result in decreases in wages, employment, and output in Wyoming County, see Table 4.

Table 4
Wyoming County: Haden Decision Phase-In

Industry	Employment	Wages	Output
Agriculture	0	0	0
Mining	92	4,558,000	25,937,000
Construction	6	182,000	397,000
Manufacturing	2	41,000	178,000
TCPU	8	329,000	1,094,000
Trade	32	496,000	1,096,000
FIRE	5	90,000	733,000
Services	23	478,000	998,000
Other	0	0	0
Total	-168	-\$6,174,000	-\$30,433,000

Note: figures may not sum due to independent rounding and exclusion of some minor categories. TCPU is transportation, communications and public utilities, FIRE is finance, insurance and real estate.

In addition to these private sector impacts, we project a loss of 41 public sector jobs under this scenario.

The Restrictive Haden Decision

If the currently pending litigation results in a full closure of all mines in which valley fill activities occur, this would result in the loss of virtually all surface mining. The forecasted outcome would result in decreases in wages, employment, and output in Wyoming County. The commercial effects are illustrated in Table 5. To this impact we project the loss of an additional 175 public sector jobs.

Table 5
Wyoming County: Restrictive Haden Decision

Industry	Employment	Wages	Output
Agriculture	2	20,000	35,000
Mining	399	19,772,000	112,060,000
Construction	24	786,000	1,716,000
Manufacturing	7	177,000	769,000
TCPU	35	1,420,000	4,726,000
Trade	137	2,144,000	4,736,000
FIRE	22	387,000	3,165,000
Services	97	2,065,000	4,312,000
Other	1	4,000	4,000
Total	-724	-\$26,775,000	-\$131,523,000

Note: figures may not sum due to independent rounding and exclusion of some minor categories. TCPU is transportation, communications and public utilities, FIRE is finance, insurance and real estate.

Of course the Haden Decision phase-in and the restrictive Haden Decision simulations converge at seven years, or the beginning of 2007. The impact of this affects the aggregate employment, output and wages within the counties. The impact on individual firms is more difficult to simulate. Firm response to decreased demand can result in lay-offs, a shift in the focus of the firms activity or a complete closure of the firm.

A potential impact on the number of firms in a sample set of industries in Wyoming County is illustrated in Table 6.

Table 6
Wyoming County: Selected Restrictive Haden
Decision Induced Firm Losses

Industry	Job Losses	Total Employment	Total Firms (1999)	Potential Firms Lost
Motor Freight Transportation/Warehousing	17	87	18	8
Wholesale Trade	15	71	16	4
General Merchandise Stores	13	146	13	3
Food Stores	32	311	25	11
Automotive Dealers and Service Stations	19	117	27	7
Eating and Drinking Places	25	92	18	7
Miscellaneous Retail	21	102	32	10
Banking	11	88	5	1
Real Estate	10	42	12	4
Doctors and Dentists	16	66	12	4
Legal Services	10	34	6	3
Social Services, nec	8	9	2	1

The Impact on Public Services

The Full Haden Decision may potentially impact not only the private sector jobs, wages and output, but also the public sector which supports them. While a full accounting of the change in both tax revenues and expenditures is outside the scope of this study, it seems apparent that a loss in employment will dramatically affect the county. Building from considerable recent historical evidence, the dramatic decline in jobs, due to the Haden Decision, will reduce demand for key public services through out-migration. Indeed, there is little evidence that the potential decline in employment following these events will differ substantially from that of the early 1980's. This means that the jobs lost through the dissipation of coal mining activity will not be absorbed in other sectors. The highly skilled workers displaced in Wyoming County however will find ample similar opportunities elsewhere. Declines in employment have continued to reduce public school enrollment. Potential out-migration due to the restrictive Haden Decision may result in a decline in enrollment of 8.58 percent (or roughly 402 of 4,686 students in the county). The rate at which this occurs is outside the scope of this study.

This impact will have dramatic implications regarding the staffing and potential consolidation of schools within the county.

In addition to these impacts we can expect a fiscal impact on the County. On the revenue collection side, we project the loss of Severance Taxes of roughly \$1,011,000, of which over

\$750,000 is a direct loss to the County. The County currently levies rough \$11.7 million in property taxes on an assessed value of \$567.5 million. The impact on property taxes and revenues other than severance taxes has not been estimated in this study.

Summary & Conclusions

The impacts on Wyoming County described in this section reflect our best estimate of the baseline forecast and simulated effects of the Haden Decision given its two potential outcomes of litigation. The impacts outlined here are conservative, and are not intended to be alarmist, but instead seek to offer planning guidance to local planning officials, both public and private. Clearly a comparison with other counties suggests that the impact on coal production in Wyoming County dramatic. However, this analysis does not include the cross border commuting from Wyoming County that is a hallmark of the county's labor force. Hence any impacts on the adjacent counties will also influence Wyoming County.