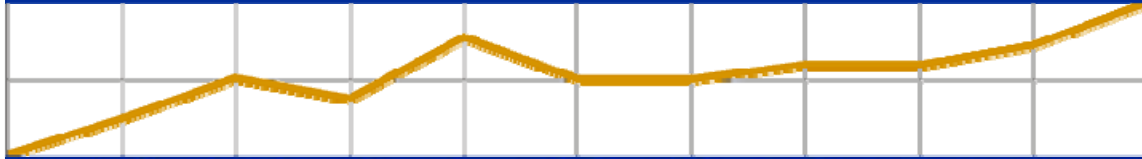


Harrison County Economic Monitor



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Harrison County: Trade Off Between Low Housing and High Transportation Costs

By Amy Higginbotham

With housing costs 12 percent below average and transportation costs almost 8 percent above average, Harrison County's cost of living was low for the first quarter of 2009. According to the ACCRA Cost of Living Survey, Harrison County's total index was 6.7 percent below the national average ranking the area 124 lowest of the 309 participating urban areas in the United States. While total cost of living was below average for the county, transportation costs were the highest in the state and housing costs were 168th lowest in the nation.

The ACCRA Cost of Living survey, which is compiled by the Council for Community and Economic Research, is a quarterly survey used to compare the cost of maintaining a standard of living appropriate for moderately affluent professional/managerial households in urban areas across the nation. This cost of living measurement is geared toward a specific household base, which consists of a two-income household with one child whose income range starts on average above \$90,000 a year. The data used in this survey consists of prices for 60 specific goods and services collected voluntarily from six categories: grocery items, housing, utilities, transportation, health care, and miscellaneous goods and services. The average for all areas participating in the survey is 100 and each area's index is interpreted compared to the average for all prices.

For the first quarter of 2009, New York City (Manhattan), NY had the highest cost of living in the nation at 119.3 percent above average and 135 percent above the cost of living in Harrison County (Table 1). The lowest cost area in the United States was Pryor Creek, OK with an estimated population of 9,239 and total cost of living index 16.7 percent below average. Areas within the nation that had the same or similar cost of living levels as Harrison County include Dayton Ohio; Sumter, South Carolina; Plano, Texas; and Shreveport, Louisiana.

Of the participating areas in West Virginia, Morgantown had the highest total cost of living in the state and ranked 87th highest in the nation. The lowest cost of living in West Virginia for the first quarter of 2009 was in Martinsburg-Berkeley County, whose composite index was 9.1 percent below Harrison County's index. Harrison County and Charleston had similar cost of living levels at 6.7 percent and 7.4 percent below the national average respectively.

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Table 1
ACCRA Cost of Living First Quarter 2009

	Composite Index (100%)	Grocery Items (13%)	Housing (29%)	Utilities (10%)	Transportation (9%)	Health Care (4%)	Misc. Goods & Services (35%)	Estimated 2008 MSA Population
West Virginia Urban Areas								
Harrison County*	93.3	96.0	88.0	94.5	107.7	92.8	91.8	92,212
Charleston	92.6	87.9	88.2	95.0	104.5	93.2	93.4	303,944
Martinsburg-Berkeley County	84.8	89.8	80.5	71.4	100.1	97.0	84.2	263,753
Morgantown	100.1	96.4	108.7	93.1	105.7	100.4	94.0	118,506
Other Micropolitan Statistical Areas								
Ashland, OH	84.6	93.6	66.9	103.6	104.2	92.9	83.4	55,125
Dodge City, KS	89.5	92.7	80.5	82.2	99.8	96.0	94.1	33,293
Kodiak, AK	126.2	153.4	117.5	127.5	152.7	127.3	114.3	13,049
Paducah, KY	89.9	96.9	76.8	97.5	92.9	93.3	95.2	98,093
Staunton-Augusta County, VA	95.7	96.8	92.8	97.7	95.1	96.2	97.5	117,170
Tupelo, MS	85.3	89.2	69.0	105.2	95.0	87.7	88.6	133,318
Major U.S. Metro Areas								
Baltimore, MD	121.7	105.2	164.4	121.8	100.8	99.9	100.1	2,667,117
Charlotte, NC	92.3	100.7	78.1	97.7	97.3	103.0	96.9	1,701,799
Dallas, TX	92.9	98.2	72.4	106.1	100.8	105.2	100.7	4,226,003
Denver, CO	101.9	106.4	107.9	99.4	87.9	104.8	100.1	2,506,626
Detroit, MI	100.1	90.9	102.4	119.0	103.5	96.7	95.0	1,949,929
New York (Manhattan), NY	219.3	145.1	400.6	163.7	128.3	128.2	146.0	19,006,798
Orlando, FL	98.2	95.7	86.7	100.8	103.8	98.7	106.5	2,054,574
Pittsburgh, PA	92.2	94.6	71.6	123.8	103.2	89.5	96.5	2,351,192
Richmond, VA	105.3	104.2	102.9	118.8	99.8	110.0	105.1	1,225,626
Seattle, WA	125.7	107.5	152.3	81.1	121.5	122.1	124.5	2,559,174
Washington, DC	138.4	111.9	220.6	97.4	102.9	104.4	104.3	5,358,130

* ACCRA pricing was completed for the Clarksburg Micropolitan Statistical Area which includes all of Harrison County.
Source: ACCRA Cost of Living Index: Comparative Data for 309 Urban Areas Volume 42(1); U.S. Census Bureau

In terms of transportation costs, Harrison County was the most expensive in the state and ranked 51st highest in the nation (Table 2). The highest transportation costs were found in Kodiak, Alaska, whose costs were 52.7 percent above the average and 41.8 percent above Harrison County. Transportation costs, which include gasoline and automobile maintenance, in Harrison County were 7.7 percent above the national average. All other participating areas in West Virginia also had above average transportation costs for the first quarter with indexes ranging from 0.1 percent to 5.7 percent above average and 1.8 percent to 7.1 percent below Harrison County's costs.

While transportation costs were high in the county, Harrison County's housing costs were 12 percent below the national average. Housing costs include monthly 2 bedroom apartment rent, total purchase price of a new 2,400 square foot home and 30 year mortgage rate. Both the apartment rent and the home price in the county were \$115 and \$39,073 below the average for the nation respectively. While not the lowest in the state, Harrison County's housing costs were 19 percent below Morgantown's housing cost index.

Table 2
Transportation and Housing Costs First Quarter 2009

	Transportation		Housing		
	Auto Maintenance (computer balance 1 wheel)	Gasoline (regular, price per gal.)	Apartment Rent (monthly, 2-bedroom)	House Price (new, 2,400 sq. ft.)	Mortgage Rate (30 yr. fixed rate mortgage)
Charleston	\$8.50	\$1.95	\$661	\$270,485	5.14%
Harrison County	\$11.17	\$1.86	\$697	\$264,640	5.23%
Martinsburg-Berkeley County	\$9.94	\$1.75	\$724	\$240,043	5.07%
Morgantown	\$9.99	\$1.88	\$788	\$338,602	5.05%
Kodiak, AK	\$12.59	\$2.84	\$1,025	\$363,500	4.81%
Honolulu, HI	\$13.75	\$2.27	\$2,560	\$745,271	4.92%
New York (Manhattan), NY	\$15.00	\$2.11	\$3,500	\$1,168,000	5.33%
National Average	\$9.97	\$1.75	\$812	\$303,713	-

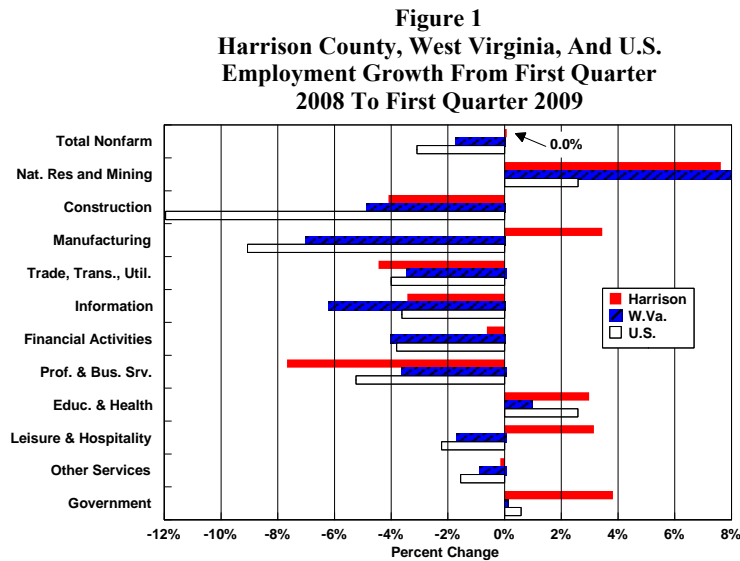
Although the ACCRA Cost of Living index is useful indicator of local economic conditions, it should be considered with caution. The index is estimated for a specific group of individuals and does not include many of the taxes imposed on those individuals. Local conditions of an area are not part of the index and should be considered before concluding exactly what relative cost of living information means.

Harrison County Slows But Outperforms The State And Nation

By George W. Hammond and Peter Shirley

According to the latest employment data, Harrison County is feeling the effects of the national downturn, but is handling it better than the state. Indeed, Harrison County employment growth exceeded both the West Virginia and the national rates from the first quarter of 2008 to the first quarter of 2009. Harrison County's employment flatlined during the past four quarters (no growth), but that is much better than the job growth performance of the state (down by -1.7 percent) and the nation (down by -3.1 percent).

As Figure 1 shows, Harrison County posted job gains in natural resources and mining, manufacturing, education and health care, leisure and hospitality, and government during the past four quarters. With the exception of natural resources and mining, job growth in the county exceeded growth rates posted by the state and the nation. Like the state and the nation, Harrison County posted job losses in construction; trade, transportation and utilities; information; financial activities; professional and business services; and other services.



Harrison County's labor market performance is also reflected in the unemployment rate, which surged from 4.4 percent in the first quarter of 2008 to 5.9 percent in the first quarter of 2009 (nonseasonally adjusted). However, in the first quarter of 2009, the Harrison County unemployment rate remained well below the state rate (6.8 percent) and the national rate of 8.8 percent).

Construction activity in Harrison County softened in the first quarter of 2009, compared to the same quarter of 2008. Construction employment fell by 64 jobs during the period, which translates into a percentage decline of 4.1 percent. However, that drop was less than the decline posted statewide (-4.9 percent) and was about one third of the drop recorded nationally. According to data from FW Dodge, the value of construction contracts in the county fell by \$3.0 million during the past four quarters. That decline reflects a large drop in residential contracts, which fell from \$15 million in the first quarter of 2008 to \$8 million in the first quarter of 2009, and also a decline in nonresidential activity. Those declines were partly offset by a large increase in non-building (infrastructure) contracts during the period.

Harrison County Economic Indicators

(Data Not Seasonally Adjusted)

Region/Indicator	Year			Quarter				
	2006	2007	2008	2008:1	2008:2	2008:3	2008:4	2009:1
Harrison County								
Total Nonfarm Employment*	34,532	34,427	34,847	34,287	35,110	35,040	34,950	34,313
Total Nonfarm Employment (%)	0.1	-0.3	1.2	-6.7	10.0	-0.8	-1.0	-7.1
Nat. Res. and Mining	763	731	778	743	780	790	797	800
Construction	1,705	1,654	1,708	1,547	1,880	1,710	1,693	1,483
Manufacturing	2,343	2,211	2,045	2,033	2,050	2,043	2,053	2,103
Trade, Trans., and Util.	7,460	7,683	7,814	7,800	7,790	7,870	7,797	7,453
Information	682	670	679	680	697	673	667	657
Financial Activities	1,106	1,108	1,078	1,070	1,097	1,077	1,070	1,063
Prof. & Bus. Servs.	2,563	2,514	2,553	2,607	2,520	2,567	2,517	2,407
Educ. & Health Servs.	5,058	5,015	5,103	5,033	5,100	5,143	5,133	5,183
Leisure and Hospitality	3,033	3,013	2,976	2,857	3,033	3,043	2,970	2,947
Other Services	2,241	2,251	2,279	2,240	2,317	2,280	2,280	2,237
Total Government	7,576	7,579	7,838	7,680	7,850	7,847	7,977	7,973
Unemployment Rate (%)	4.4	4.0	3.8	4.4	3.8	3.5	3.6	5.9
Residential Const. Contracts (\$ mil. AR)	26	23	22	15	21	40	13	8
Non-Building Const. Contracts (\$ mil. AR)	13	19	30	11	87	9	13	18
Non-Residential Const. Contracts (\$ mil. AR)	18	204	10	5	20	1	15	2
Total Const. Contracts (\$ mil. AR)	58	246	63	31	127	51	41	28
Population	68324	68254	68853	n/a	n/a	n/a	n/a	n/a
Per Capita Personal Income (\$)	30827	32627	n/a	n/a	n/a	n/a	n/a	n/a
West Virginia								
Total Nonfarm Employment (thous.)	756.0	758.3	761.1	750.7	763.5	764.5	765.7	737.4
Total Nonfarm Employment (%)	1.3	0.3	0.4	-8.6	7.0	0.5	0.7	-14.0
Unemployment Rate (%)	4.6	4.3	4.3	4.9	4.2	3.9	4.0	6.8
Residential Const. Contracts (\$ mil. AR)	1,226	1,012	605	810	769	603	237	369
Non-Building Const. Contracts (\$ mil. AR)	919	2,449	1,005	398	1,491	1,297	834	669
Non-Residential Const. Contracts (\$ mil. AR)	1,030	914	417	380	643	398	247	283
Total Const. Contracts (\$ mil. AR)	3,175	4,376	2,027	1,589	2,902	2,298	1,318	1,320
Housing Price Index (1980Q1=100.0)	220.7	228.4	231.5	232.8	234.4	229.5	229.4	n/a
Housing Price Index (%)	7.1	3.5	1.4	4.1	2.9	-8.1	-0.3	n/a
Population	1,806,760	1,809,836	1,814,468	n/a	n/a	n/a	n/a	n/a
Per Capita Personal Income (\$)	27,935	29,385	30,831	n/a	n/a	n/a	n/a	n/a
United States								
Total Nonfarm Employment (thous.)	136,086	137,598	137,066	136,380	138,061	137,057	136,764	132,168
Total Nonfarm Employment (%)	1.8	1.1	-0.4	-7.1	5.0	-2.9	-0.9	-12.8
Unemployment Rate (%)	4.6	4.6	5.8	5.3	5.2	6.0	6.6	8.8
Housing Price Index (1980Q1=100.0)	376.2	385.3	375.2	384.8	378.7	369.0	368.3	n/a
Housing Price Index (%)	7.7	2.4	-2.6	-0.7	-6.2	-9.8	-0.8	n/a
Population	298,362,973	301,290,332	304,059,724	n/a	n/a	n/a	n/a	n/a
Per Capita Personal Income (\$)	36,794	38,615	39,751	n/a	n/a	n/a	n/a	n/a

Notes:

Construction data is from FW Dodge. Monthly data is reported at annual rate. AR indicates annual rate
 Per Capita Personal Income is from www.bea.gov . Population is based on Census estimates on July 1 of that year
 Employment data is from the Bureau of Labor Statistics and WORKFORCE West Virginia
 Housing Price Index is from the Federal Housing Finance Agency. www.fhfa.gov
 Data compiled by WVU Bureau of Business and Economic Research, www.bber.wvu.edu
 *Total nonfarm employment may not equal industry sums

Harrison County Economic Monitor

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