

# West Virginia's Labor Market in April a Repeat: Employment Down, Unemployment Down

By Bob Schnorbus, Regional Economics Manager ([bob.schnorbus@rich.frb.org](mailto:bob.schnorbus@rich.frb.org))

West Virginia's labor market repeated a pattern of "good news-bad news" that has now been in place for much of this year. Starting in February, total nonfarm employment (as measured by the establishment survey) declined on a seasonally adjusted basis for three straight months through April while the unemployment rate (as measured by the household survey) continued to decline. Neither measure has changed dramatically over this period, but the mixed pattern makes characterizing the underlying trend in the state's labor market in recent months difficult.

The obvious good news is that the state's unemployment rate continued to edge downward, reaching 6.9 percent in April—nearly a full percentage point below its level at the end of last year. West Virginia's current unemployment rate also compares favorably with the national average, which was 8.1 percent in April and has fallen less than half a percentage point since the end of last year. Clearly, after hanging around 8.5 percent through much of 2010, the state's unemployment rate has enjoyed a favorable downward trend that speaks to strengthening labor market conditions, even if the unemployment rate remained well above the low 4 percent range that prevailed before the onset of recession.

The obvious bad news is that, so far this year, the state has been unable to sustain an upward trend in either private sector or government jobs that was in place for much of the previous two years. Indeed, January of this year marked the high point of state employment since the recovery began in earnest in early 2010. The subsequent three months of decline mark the longest period of consecutive declines since late 2009, when the recession was technically coming to an end. While the weakening on the government side of the market has been somewhat greater proportionately than on the private sector side, both have contributed to the most recent softening in overall state employment. While state-related employment cutbacks have been leading the government sector downward since the start of the year, federal-related cutbacks have also contributed to the government sector's recent weakness. Weakening on the private sector side has continued to be a mixed bag since the start of the year, with most major industries tending to lose employment, but with notable gains in such industries as education and health services, and financial activities. There has been little change in manufacturing.

Finally, it is worth noting that employment among the state's major metropolitan areas has also tended to be somewhat mixed in recent months. Morgantown continued to be a leader in state employment growth over the recovery period and has done exceptionally well so far this year. The Cumberland, Md., metropolitan area, which spills over into West Virginia, has also done extremely well since early 2011, but job gains seem to have stalled in recent months. In terms of a comeback, the best performance goes to the Winchester metropolitan area (another overlapping metropolitan area), which lost nearly 10 percent of its jobs over the recession before regaining most of those jobs by the start of this year. On average, West Virginia's nine largest metropolitan areas have steadily added jobs to the state's economy over the recovery, including the first four months of this year, suggesting that problems are concentrated in more rural areas.

