

## WEST VIRGINIA

### October Summary

According to the most recent data, conditions in West Virginia labor markets continued to deteriorate and the residential real estate market weakened.

**Labor Markets:** Employers in West Virginia cut 2,300 jobs (0.3 percent) in August for a seventh consecutive month of payroll decline. The jobs lost were in private service providing industries, with professional and business services reporting the largest decline of 1,200 jobs (1.9 percent). Meanwhile, the public sector added 1,100 jobs in August (0.7 percent)—the first monthly gain since January 2012. Since August 2011, firms in the state cut 5,300 jobs (0.7 percent) for the largest year-over-year decline since January 2010. The biggest absolute decline was reported in the trade, transportation, and utilities industry, which cut 2,700 jobs. Employment activity at the metro level was mixed, although metro-level reports were generally positive.

**Household Conditions:** The unemployment rate in West Virginia increased for the fourth consecutive month—edging up 0.2 percentage point to 7.5 percent—its highest point this year. For the third straight month, this increase was accompanied by labor force contraction, as the state's civilian labor force declined 0.3 percent (2,500 workers). On the other hand, real personal income grew 0.7 percent in the second quarter of 2012—the largest quarterly increase reported in a year. Further, households in the state reported 1.2 percent income growth since the second quarter of 2011. In the second quarter, the share of West Virginia mortgages with payments 90 or more days past due increased very slightly, but remained around 2.2 percent, reflecting a slight (0.1 percentage point) increase in the prime delinquency rate and a 0.2 percentage point increase in the subprime rate.

**Housing Markets:** The number of residential permits issued in West Virginia declined 34.0 percent in August and 15.0 percent since August 2011. Housing starts were also down, falling 37.1 percent in the month and 20.0 percent in the preceding year. On a more positive note, according to the CoreLogic house price index, West Virginia home values appreciated 1.2 percent in July and 2.5 percent over the preceding year, marking fifteen consecutive months of year-over-year house price increase in the state. House prices increased in July and over the year in every MSA in the state, with only the Huntington MSA posting a decline in residential permit levels in August.

### A Closer Look at... State Tax Collections

**State Tax Collections in Q2-2012:** \$1,555,408,000

**Year-to-Date State Tax Collections in Q2-2012:** \$2,782,562,000

**Change from Q2-2011:** 4.2 percent (\$112,003,000)

**State Tax Collections in 2011:** \$5,270,114,000

**Change from 2010:** 8.3 percent (\$401,658,000)

**Largest Year-over-Year (Year-to-Date) Increase:** 16.7 percent in Q1:2006

**Largest Year-over-Year (Year-to-Date) Decrease:** -8.5 percent in Q1:2009

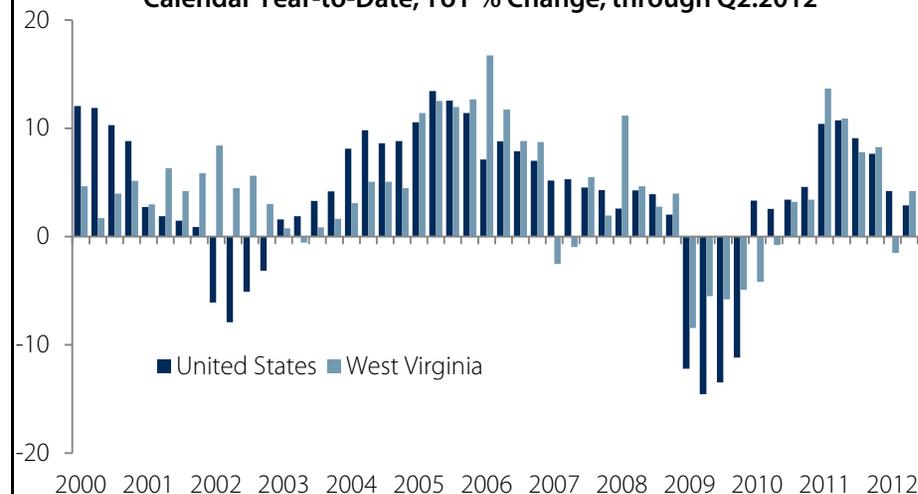
**Largest Sources of Tax Collections (2011):**

Individual Income Tax--43.5 percent

General Sales Tax--24.6 percent

Motor Fuels Sales Tax--5.7 percent

**West Virginia State Tax Collections**  
Calendar Year-to-Date, YoY % Change, through Q2:2012



# SNAPSHOT

# A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

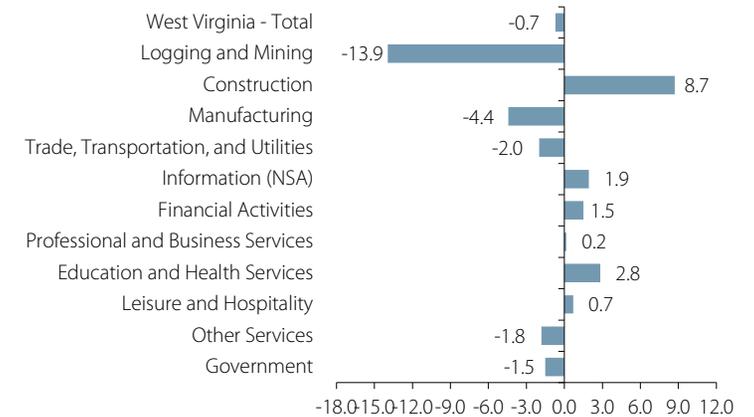
October 2012

FEDERAL RESERVE BANK OF RICHMOND

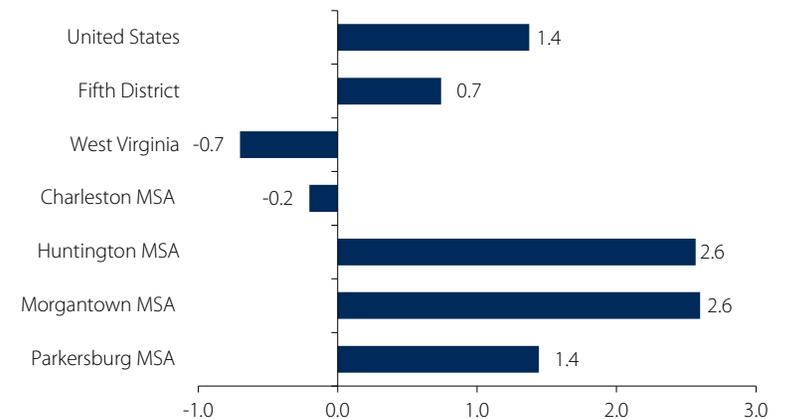
## WEST VIRGINIA Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	August	133,300.0	0.07	1.37
Fifth District - Total	August	13,558.4	-0.22	0.74
West Virginia - Total	August	750.7	-0.31	-0.70
Logging and Mining	August	29.0	-5.23	-13.95
Construction	August	36.2	1.40	8.71
Manufacturing	August	47.4	0.42	-4.44
Trade, Transportation, and Utilities	August	132.4	0.00	-2.00
Information (NSA)	August	10.6	2.91	1.92
Financial Activities	August	27.2	0.00	1.49
Professional and Business Services	August	62.9	-1.87	0.16
Education and Health Services	August	127.3	0.08	2.83
Leisure and Hospitality	August	73.2	-1.61	0.69
Other Services	August	53.9	-0.92	-1.82
Government	August	150.6	0.74	-1.50
Charleston MSA - Total	August	147.4	0.14	-0.20
Huntington MSA - Total	August	115.9	0.96	2.57
Morgantown MSA - Total	August	67.1	-0.15	2.60
Parkersburg MSA - Total	August	70.3	0.43	1.44

West Virginia Payroll Employment Performance  
Year-over-Year Percent Change through August 2012



West Virginia Total Employment Performance  
Year-over-Year Percent Change through August 2012



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### WEST VIRGINIA

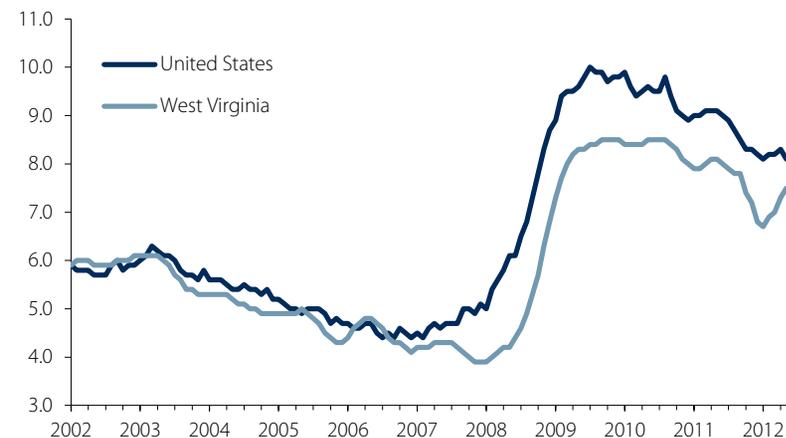
#### Labor Market Conditions

Unemployment Rate (SA)	August 12	July 12	August 11
United States	8.1	8.3	9.1
Fifth District	8.0	7.9	8.6
West Virginia	7.5	7.3	8.1
Charleston MSA	7.0	6.9	7.3
Huntington MSA	7.1	7.2	8.3
Morgantown MSA	5.2	5.2	5.8
Parkersburg MSA	7.0	7.1	8.5

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	August	154,645	-0.24	0.63
Fifth District	August	15,325	-0.22	-0.07
West Virginia	August	798	-0.31	-0.04
Charleston MSA	August	137	-0.29	-0.07
Huntington MSA	August	130	-0.08	1.09
Morgantown MSA	August	67	-0.15	2.75
Parkersburg MSA	August	77	0.13	0.52

Initial Unemployment Claims (NSA)	Level	MoM % Change	YoY % Change	
United States	August	1,368,004	-18.97	-14.08
Fifth District	August	128,338	-16.84	-8.36
West Virginia	August	7,074	-11.13	14.15

West Virginia Unemployment Rate  
Through August 2012



West Virginia Labor Force  
Year-over-Year Percent Change through August 2012



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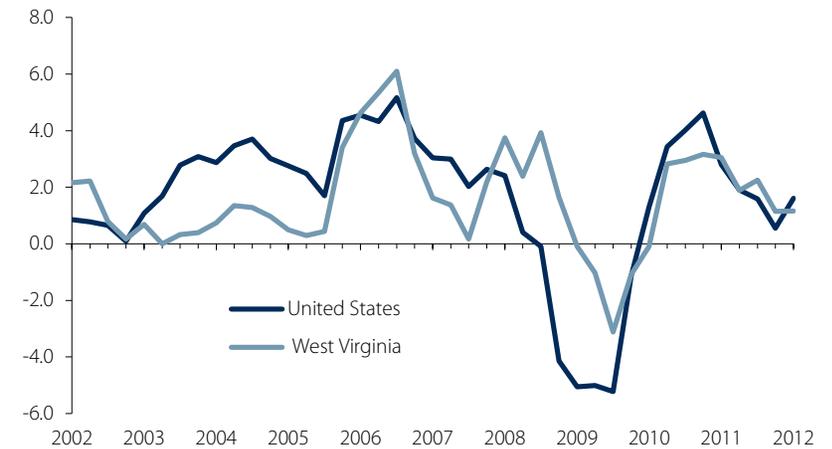
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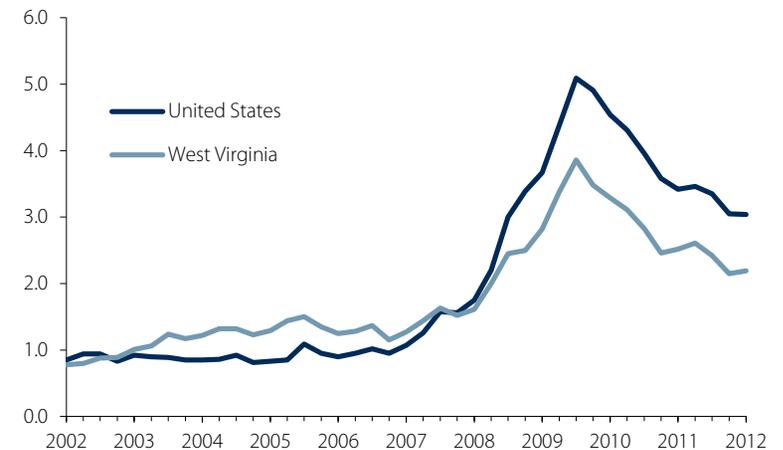
#### Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q2:12	11,574,853	0.83	1.61
Fifth District	Q2:12	1,145,462	0.81	1.76
West Virginia	Q2:12	55,191	0.68	1.15
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q2:12	315,319	1.07	-14.55
Fifth District	Q2:12	21,961	-4.43	-10.77
West Virginia	Q2:12	999	-7.24	-17.51
Mortgage Delinquencies (% 90+ Days Delinquent)	Q2:12	Q1:12	Q2:11	
<b>United States</b>				
All Mortgages	3.04	3.05	3.42	
Prime	1.86	1.83	2.21	
Subprime	9.16	9.13	11.26	
<b>West Virginia</b>				
All Mortgages	2.19	2.15	2.52	
Prime	1.09	1.00	1.30	
Subprime	8.33	8.08	9.70	

West Virginia Real Personal Income  
Year-over-Year Percent Change through Q2:12



West Virginia Mortgage Delinquencies  
Percent 90+ Days Delinquent through Q2:12



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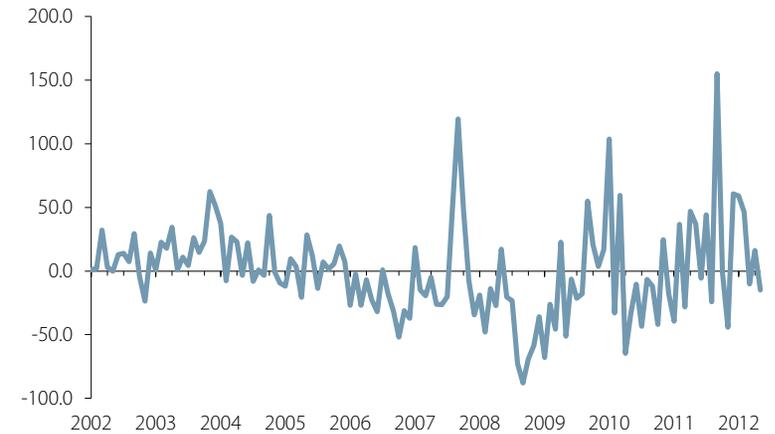
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FEDERAL RESERVE BANK OF RICHMOND

### WEST VIRGINIA Real Estate Conditions

Total Private Building Permits (NSA)	Period	Level	MoM % Change	YoY % Change
United States	August	77,745	7.90	27.57
Fifth District	August	9,626	-7.08	14.36
West Virginia	August	142	-33.95	-14.97
Charleston MSA	August	16	23.08	6.67
Huntington MSA	August	3	-25.00	-66.67
Morgantown MSA	August	3	200.00	200.00
Parkersburg MSA	August	10	42.86	0.00
Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	August	750.0	2.32	29.09
Fifth District	August	89.7	-11.45	7.55
West Virginia	August	1.3	-37.14	-20.00
House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	July	146	1.26	3.79
Fifth District	July	170	1.30	3.38
West Virginia	July	122	1.23	2.49
Charleston MSA	July	148	1.22	1.14
Huntington MSA	July	111	1.23	8.38
Morgantown MSA	July	122	1.23	2.49
Parkersburg MSA	July	116	1.23	0.32
Median Home Sales Price - NAR (NSA)	Period	Level (\$ 000s)	QoQ % Change	YoY % Change
Charleston MSA	Q2:12	127	-3.65	-5.94

West Virginia Building Permits  
Year-over-Year Percent Change through August 2012



West Virginia House Price Index (CoreLogic)  
Year-over-Year Percent Change through July 2012

