

WHEELING AREA

ECONOMIC OUTLOOK

2023-2027



Wheeling Area Economic Outlook

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Executive Summary

The Wheeling Area has experienced major episodes of economic volatility over the past decade. The region has swung between periods natural gas pipeline construction activity adding thousands of jobs locally, only to be followed by unprecedented job losses during the COVID-19 recession. In this report, we present a detailed discussion of the Wheeling Area economy and an economic forecast of the region covering the next five years.

Several key facts behind the Wheeling Area's recent economic performance are as follows:

- **The Wheeling Area suffered above-average rates of job losses during the COVID-19 recession, as regional employment fell by more than 16 percent between mid-February and mid-April 2020.**
 - **Payrolls have recovered over the past two years, but employment in the region remains less than 97 percent of its pre-pandemic level, which lags the pace of recovery seen at the state and national level.**
 - Ohio County experienced the largest losses of any county in the region. Wetzel County is the lone county to see payrolls return to pre-pandemic levels.
 - **Coal production in the region plunged to its lowest levels in a decade during the pandemic, but productive operations and rebounding demand have allowed output to return close to pre-pandemic levels.**
 - **Natural gas output from horizontal wells has increased strongly in Marshall, Ohio, and Wetzel counties over the past two years, but production has fallen in Belmont County.**
 - **Measured unemployment in the region has been volatile in recent years. The jobless rate reached a pandemic high of nearly 16 percent but registered an all-time low of 3.7 percent in mid-2022.**
 - **The area's work force has declined steadily over the years and the pandemic caused additional losses, though nearly 3,000 people have entered the workforce since mid-2020.**
 - **Per capita income has grown above state and national averages over the last decade.** Ohio County residents have the highest income levels in the state.
- Our forecast calls for the Wheeling Area to continue its recovery from its recent economic downturn. However, the region will see increased uncertainty over the next year or so due to broader macroeconomic conditions. Growth will surpass the state average slightly over the outlook period. Key aspects of our forecast are as follows:
- **We expect employment to increase at an average annual rate of 0.3 to 0.4 percent in the region over the next five years.** Job growth in the region is expected to be at its strongest during the first half of the outlook period, driven in large part by continued normalization in the aftermath of the pandemic.
 - **While the region's economic outlook is positive, growth could exceed expectations if growth in downstream natural gas industries is realized, such as PTT Global's proposed ethane cracker facility.**
 - **Energy will lead the region overall, but services sectors will account for most of the region's growth, as consumer-driven sectors such as leisure and hospitality benefit as labor market shortages ease.**
 - Goods-producing sectors will grow slower than the regional average, but the energy sector is likely subject to considerable upside and downside risk during the outlook period.
 - **Unemployment is expected to rise over the next couple of years before stabilizing in the upper-5-percent range.**
 - **Inflation-adjusted income is expected to rise at an annual average rate of 1.8 percent between 2022 and 2026.**
 - **The region's population has declined by more than 18,000 residents over the past two decades.**
 - **Population losses are expected to continue in the area during the outlook period.** All four counties in the region are expected to lose residents.

Recent Economic Performance

The Wheeling Area¹ has experienced significant economic volatility over the past two decades and the region’s ups-and-downs have only increased over the past few years. The four-county region has been at the epicenter of development for West Virginia’s natural gas industry, including the major pipeline projects that were built out between 2017 and 2019. As those large infrastructure developments were completed (or became delayed indefinitely), a combination of two major healthcare facilities closing, market conditions for steam coal weakening significantly and the emergence of the COVID-19 pandemic in March 2020 precipitated an unprecedented level of job losses throughout the region in just over a year. Indeed, between January 2019 and April 2020 the Wheeling Area lost 14,000 jobs, with roughly 10,000 of those job declines coming in the span of a two-month period in March and April 2020.

The region has enjoyed a rebound in hiring activity since late-spring 2020 as public health restrictions were lifted and broader economic conditions have begun to normalize. Overall, employers in the four-county area have added roughly 8,000 jobs over the last two years or so. Unfortunately, this rate of improvement from the COVID-19 recession has lagged the pace of growth seen at the state and national over the recovery period. While a broad cross-section of the region’s sectors is recovering, and in a few instances have surpassed pre-pandemic levels, several key sectors have been constrained by supply chain bottlenecks and workforce shortages, as well as rapid increases in energy prices and other key inputs.²

PERFORMANCE BY COUNTY While most of the Wheeling Area experienced substantial job losses in the year before or during the COVID-19 recession, the region’s counties have recovered at demonstrably different paces over the past two years. Ohio County, which contains the region’s namesake principal city of Wheeling,

accounts for the largest share of jobs in the area. Although Ohio County was not growing rapidly prior to the pandemic, it had recorded some modest growth following the addition of several new major employers into the downtown Wheeling Area and increased development of the tri-state area’s natural gas industry. Ohio Valley Medical Center’s (OVMC) closure in late-2019 did cause an immediate loss of more than 700 healthcare sector jobs. Also, its high dependence on service-providing businesses with high degrees of consumer contact, e.g., the Wheeling

Figure 1: Total Employment

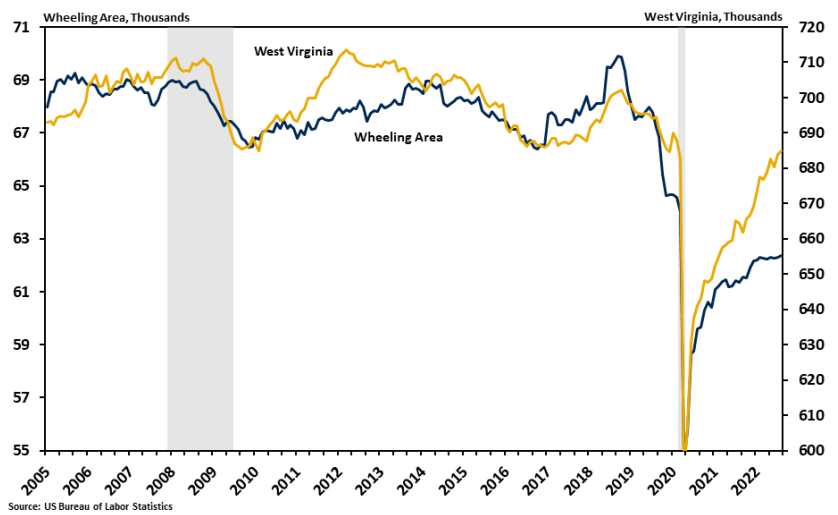
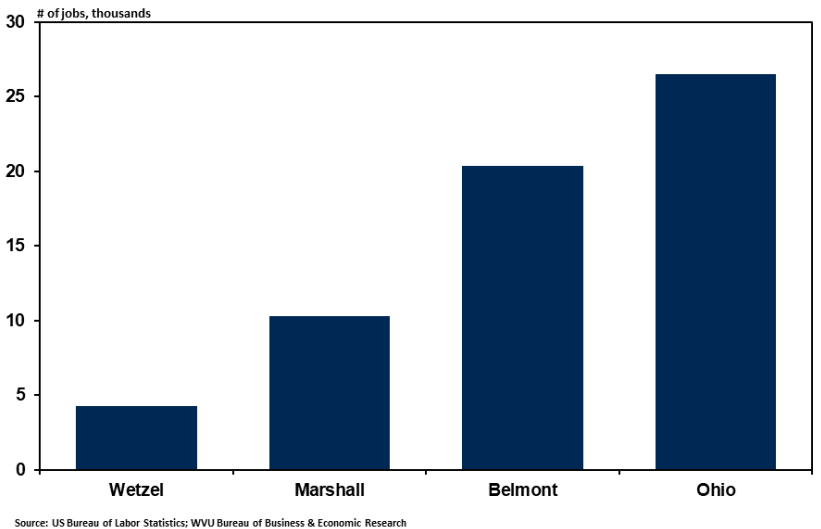


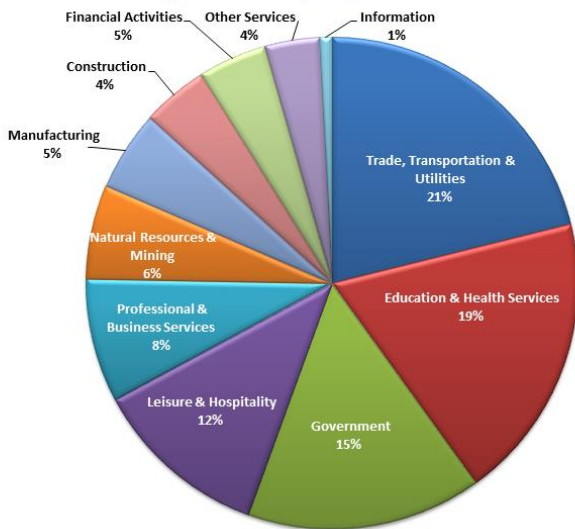
Figure 2: Total Employment by County (2021)



¹ For the purposes of this report, The Wheeling Area is comprised of four counties: Marshall, Ohio and Wetzel counties in West Virginia plus Belmont County, Ohio.

² Sources for historical information are noted in each figure.

Figure 3: Wheeling Area Employment Distribution by Sector



Source: US Bureau of Labor Statistics; 2021 data.

Island Casino & Hotel and other leisure and hospitality sector businesses along the I-70 corridor, has weighed on underlying growth in Ohio County over the past two years. Indeed, surges in infections and hospitalizations during the late fall/winter months of 2020, as well as during the emergence of the more infectious Delta and Omicron variants left many service sector employers unable to operate at full capacity well after public health restrictions were lifted. On a positive note, hiring activity has picked-up considerably since mid-2021 as some of the constraints on labor supply have eased and the overall level of employment in the county has returned to just over 98 percent of its pre-pandemic level.

Belmont County, Ohio, which contains the largest number of residents and a sizable portion of employment in the region, has seen its total base of payroll employment decline for several years prior to the pandemic. The financial services sector accounted for a large portion of the county’s job losses, but other private service-providing sectors in the economy struggled prior to the pandemic—most notably business services and information. Natural resources and mining had been the area’s key source of job growth between early-2016 and late-2018 thanks to rapid increases in output from the Utica Shale, but production growth has slowed considerably in this portion of the shale basin as investment and development have shifted to areas with higher rich gas deposits.

Although Ohio County experienced the largest absolute change in payrolls during the COVID-19 recession, Marshall County has accounted for most of the region’s

overall economic volatility for a longer period. Due to the massive level of natural gas pipeline infrastructure development occurring within Marshall County and neighboring areas, payrolls in the county surged by 3,300 between late-2016 and mid-2018. After these projects were ultimately completed or faced multiple delays and stoppages due to legal challenges or regulatory review, a nearly equal number of jobs were lost in Marshall County during 2019.

Energy sector payrolls in the county struggled further over the subsequent three years or so as steam coal demand cratered due to the combined effects of the pandemic and the downward trend in coal-fired electricity generation. Coal industry payrolls in Marshall County have rebounded to levels nearly equivalent to those observed just prior to the pandemic, though well short of the number of miners employed during 2018 or 2019 when operating rates were appreciably higher. Russia’s invasion of Ukraine has increased global prices for coal and natural gas, though hiring activity has been limited due to the same labor force and supply chain constraints that have plagued many industries over the past two years.

Wetzel County is the region’s most rural economy but is also the only county in the Wheeling Area to surpass pre-pandemic levels of employment. Wetzel is among the state’s top natural gas producing counties and has seen withdrawal volumes rise steeply since 2017, leading to more than a doubling of gas industry payrolls over that period. Outside of energy production, however, Wetzel County’s performance has been more mixed over the past several years, as the area’s limited pool of available labor and supply chain bottlenecks have hampered growth for several key services and goods-producing industries alike.

ENERGY SECTOR The Wheeling Area is unique in comparison to most economic regions in West Virginia as the four-county area possesses both major coal mining operations and abundant deposits of natural gas and natural gas liquids (NGLs). Marshall, Ohio and Wetzel counties rank as the first, third and fifth highest-producing counties in the state and account for nearly 40 percent of the state’s total coal production. After seeing output crater to 13.9 million tons in 2020, Marshall County has seen coal production rebound close to pre-pandemic levels, with 17 million tons of coal produced in 2021.

During the first half of 2022, coal tonnage remains roughly on par with the levels observed during the first six months in 2021. Coal-fired generators have sought to bolster coal inventories ahead of the 2022/2023 winter heating season, given expectations for stronger seasonal heating demand and more competitive pricing for coal-fired generation—as natural gas spot prices have sustained levels not seen since early-2008.

Ohio County's coal production remained relatively strong during the COVID-19 recession as total tonnage fell only 8 percent in 2020 down to 6.8 million tons in 2020 and rebounded back to pre-pandemic levels with 7.2 million tons produced in 2021. Coal output remained strong during the first half of 2022, totaling 4.1 million tons, which puts Ohio County production on pace to set a new annual record high. Wetzel County's coal production has also remained elevated over the last two years and is on pace to surpass 6 million short tons for the second consecutive year in 2022. Belmont County's coal industry appears to have finally come to an end, after the Century Mine reported its permanent closure in mid-2022, resulting in the loss of 100 mining jobs.

For the past decade, the Wheeling Area's economy has developed into an integral part of the Appalachian Basin's natural gas industry, in terms of both the upstream and midstream levels of production. Marshall, Wetzel and Ohio counties ranked 2nd, 6th and 7th in terms of statewide natural gas production in 2021 and their recorded withdrawal volumes accounted for nearly one-third of the state's output. Belmont County ranks as Ohio's leading natural gas-producing county, accounting for more than 35 percent of the state's overall horizontal well gas volume in 2019. While Belmont remains Ohio's shale gas production leader, withdrawal volumes have fallen appreciably in recent years as drillers have turned their focus toward other portions of the shale basin containing more highly prized rich gas deposits.

By comparison, natural gas withdrawal volumes have remained strong in West Virginia's shale-producing counties—even during the COVID-19 recession. Exploration and development activity did fall off during 2020, as the number of rigs operating in the area fell well down into the single digits. However, thanks to previous development of highly productive wells, natural gas output in the three-county area surged to 724 bcf in 2021 and despite market volatility caused by Russia's invasion

of Ukraine and increasing stress on gas transmission infrastructure, both dry gas and NGL output through the first half of 2022 is on par with the same period a year ago.

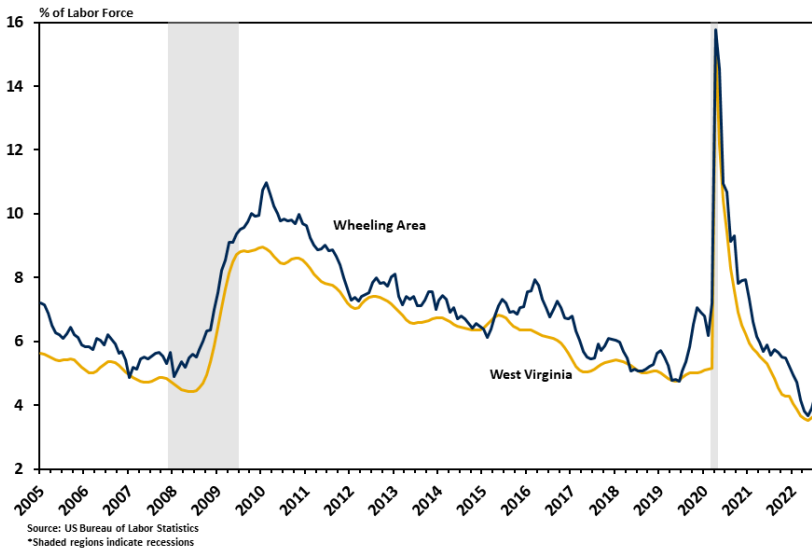
In terms of the downstream market, the Mid-Atlantic Region's natural gas industry remains in its infancy. Royal Dutch Shell's ethane cracker was recently completed and is currently slated to begin ethylene production in the coming weeks. More locally, however, downstream prospects remain a discussion point rather than a reality now as PTT Global Chemical continues to evaluate its options with the Dilles Bottom property in Belmont County.

MANUFACTURING Though occupying a smaller footprint in the Wheeling Area's economy compared to say, 25 years ago, the manufacturing sector certainly remains a significant presence in the four-county area thanks to a sizable concentration of chemicals, plastics, and metals manufacturing businesses. The shale gas boom throughout the region has energized portions of the Wheeling Area's manufacturing base, most notably the chemicals and plastics producers, which rely heavily on natural gas and by-products from shale deposits as feedstock. In addition, new companies have emerged in the tri-state area (e.g., Pietro Fiorentini) that manufacture pipe fittings, controls and other components that are used to drill or transport natural gas.

SERVICE SECTORS Energy production and manufacturing activity play a major role in the Wheeling Area's economy, the trade, transportation and utilities super-sector ranks as the largest source of private sector employment in the Wheeling Area. Prior to 2019, the super-sector was relatively stable in terms of payroll levels, though the performance was uneven across its underlying sectors. For example, retail trade was the weakest segment in the four-county area by a wide margin, as factors affecting traditional brick-and-mortar retail activity nationally were also affecting several of the region's larger retail operating chains.

Of course, the pandemic led to an abrupt loss in retail and transportation jobs locally due to public health measures and general concerns related to the virus in close-contact settings such as retail and warehousing facilities. Payrolls have recovered close to pre-pandemic levels as businesses have worked to rebuild staffing levels to meet strong levels of consumer spending that was pent up during the

Figure 4: Unemployment Rate



pandemic and continued strength of shipping demand. At the same time, payroll growth in the super-sector has been encumbered by high levels of job openings and increased workforce turnover. Retailers, warehouses, and trucking companies face significant wage competition across the sector, as well as from other industries as workers seek higher-paying positions in new careers.

Education and health services contains nearly one-in-five of the region’s jobs. While the sector’s trends have been positive at the state and national level over the past decade, conditions locally have been less positive overall in recent years. Several hospitals in the region have posted poor fiscal results amid rising costs and declining populations in the service area. Reynolds Memorial Hospital was purchased by WVU Medicine in 2016 while Wheeling Hospital, Wetzel County Hospital and Barnesville Hospital all entered into management agreements with WVU Medicine within the past few years. These moves appear to have solidified the sector and improve longer-term prospects as they have already allowed these facilities to gain leverage from the WVU Medicine network and begin expanding services via new specialty care centers that were available only in larger hospital systems outside the area.

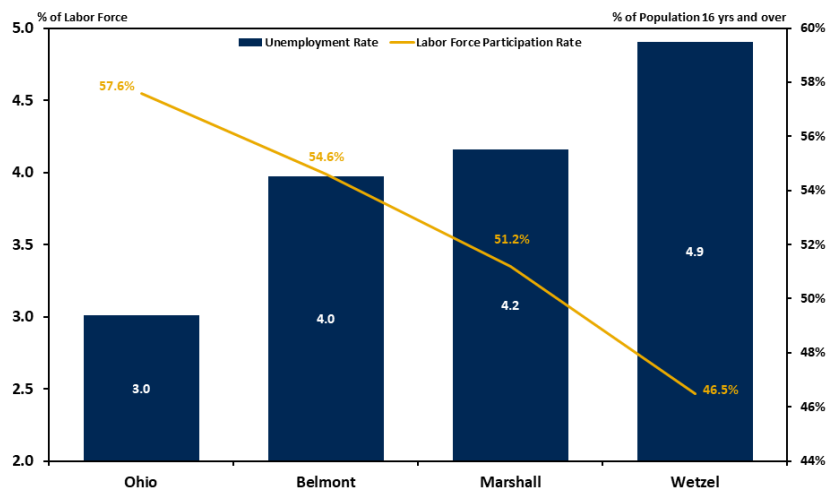
The COVID-19 pandemic has also represented a significant test to the sector over the past two+ years. Indeed, the surge in hospitalizations in Winter 2020/2021 as well as the much larger surge during the Delta-variant surge in late-

summer 2021 have led to considerable strains on hospital staff and resources. Even though new cases remain elevated due to the more infectious Omicron variant, providers have wound down their expanded COVID-19 care wards as vaccinations, monoclonals, and antiviral medications have reduced the burden of severe disease and need for highly intensive care at hospitals. As a result, hospitals have returned staffing back to more normal operational levels and slowly restored non-emergent care to pre-pandemic levels.

UNEMPLOYMENT After declining appreciably between early-2016 and early-2019, the Wheeling Area’s unemployment rate started to trend higher even prior to the pandemic, reaching nearly 7 percent by the end of 2019. The four-county region’s jobless rate spiked during March and April 2020, peaking at nearly 16 percent, before rapidly declining over the subsequent two years or so. Indeed, as labor markets within the region and across other parts of the nation have become increasingly tight, the unemployment rate in the Wheeling Area has fallen significantly. As recently as May 2022, the region’s jobless rate fell to a reported 3.7 percent, the lowest reading on record. The rate has increased in recent months, but these preliminary data can be volatile and subject to revision in future periods.

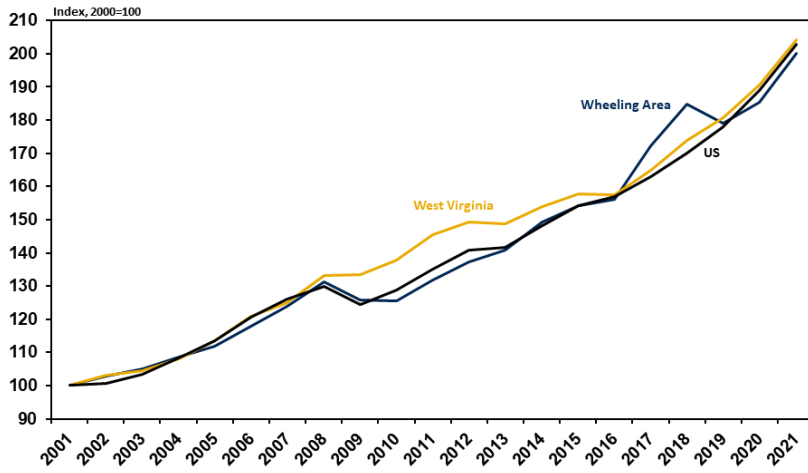
Across the region’s four counties, unemployment rates have converged much closer than what is typically observed in historical data. Indeed, Ohio County had the

Figure 5: Unemployment and Labor Force Participation by County



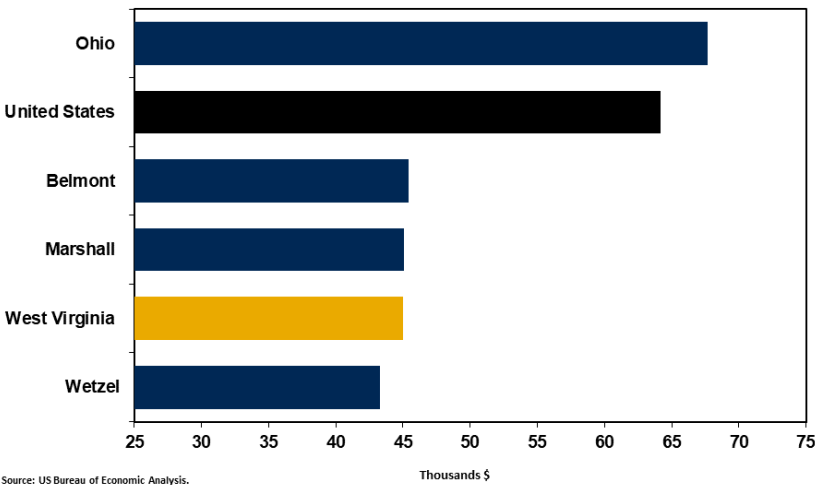
Source: US Bureau of Labor Statistics; US Census Bureau
 Note: Unemployment rate and labor force participation represent 2022q2 averages

Figure 6: Per Capita Personal Income



Source: US Bureau of Economic Analysis
 *Note: The 2021 figure for the Wheeling Area is an estimate.

Figure 7: Per Capita Personal Income by Area (2021)



Source: US Bureau of Economic Analysis.
 *Note: The 2021 figure for counties is a preliminary estimate

area’s lowest jobless rate at 3 percent during the second quarter of 2022, while Wetzel had the highest at 4.9 percent.

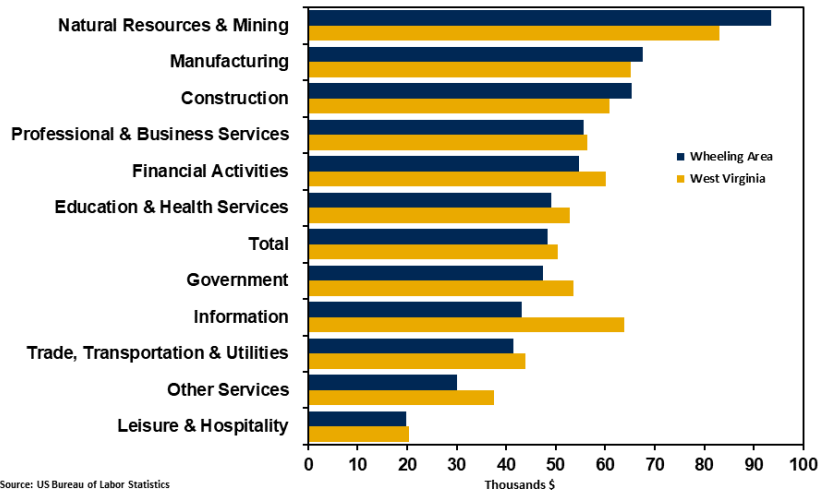
LABOR FORCE Reflecting a combination of the region’s underlying economic volatility and underlying demographic trends, the Wheeling Area has recorded substantial labor force attrition over much of the past decade or so. Overall, the region’s workforce declined by roughly 6,000 people between early-2010 and late-2019. The COVID-19 pandemic has exacerbated the drop-off in the region’s workforce, as numerous workers retired early for various reasons. The four-county area’s labor force shrunk by an additional 5,000 or so during the onset of the COVID-19 recession,

but as economic conditions have improved and the overall burden caused by the disease has waned, the area has seen its workforce increase by roughly 3,000 since the second quarter of 2020.

Workforce participation rates in the Wheeling Area tend to be at least on par with the West Virginia statewide average in the more urban counties of Ohio and Belmont. Marshall lags the statewide average by several percentage points overall, but like Ohio and Belmont counties, workforce participation among the prime working age (25 to 54 years) falls roughly in line with the national average. By comparison, Wetzel County’s workforce participation rate (46.5 percent) lags both state and national averages by a sizable margin and the county’s participation rate deficit persists across all age cohorts.

INCOME Per capita personal income for the Wheeling Area is estimated at \$51,700 during calendar year 2021, equaling a 7.9 percent increase over 2020. Federal pandemic relief extending from the American Rescue Plan Act, including direct payments to households and a temporary expansion of the child tax credit, provided a large boost to personal income via the transfer payments component. In addition, wage income increased considerably in 2021 due to strong hiring activity and rapid wage growth. Overall per capita income for the region has surged 52 percent over the past decade (not

Figure 8: Average Annual Salary by Major Sector (2021)



Source: US Bureau of Labor Statistics

adjusting for inflation, as presented in Figure 6), surpassing income growth at both the state and national. Even after adjusting for inflation, residents in the Wheeling Area have enjoyed healthy gains in real purchasing power over the last 7 years.

Ohio County residents received income levels of \$67,600 per person during 2021, ranking it as the highest among West Virginia’s 55 counties and the only county in the state with average income levels exceeding the national average. Belmont and Marshall counties both have per capita income levels on par with that of the statewide average, while Wetzel County lags the statewide figure by nearly two thousand dollars (\$43,300 vs \$45,000).

DEMOGRAPHICS The Wheeling Area’s resident population totals have declined in a steady fashion over the past few decades. Indeed, the region’s population numbers have shrunk by roughly 18,000 since 2001. Each county in the region has lost residents, although Belmont has been the most stable in the region.

Just as with the rest of the state, the Wheeling Area’s population has been negatively affected by deaths consistently outnumbering births. Part of this is due to the area’s larger-than-normal share of elderly residents but causes of death from a host of issues ranging from heart disease to drug overdoses help explain the region’s high mortality rate. COVID-19 has also impacted the region’s health outcomes and mortality over the past year or so, as more than 18 thousand residents have been confirmed to

be infected and more than 450 have died over the course of the pandemic.

Finally, the four-county area lags both state and national averages in measures of attaining four-year degrees or higher, with just over 20 percent of residents aged 25 years and older possess at least a bachelor’s degree. At the same time, the region does perform well in terms of two-year degrees and other types of vocational training as more than 10 percent of the 25 years and older population have received an associate degree.

Figure 9: Summary Population Profiles

	Wheeling Area	West Virginia	United States
Total Population (2021)	151,910	1,782,959	331,893,745
% Population Under 18 (2021)	19.3%	20.1%	22.2%
% Population 65 Years + (2021)	22.4%	20.7%	16.8%
Population with Less than High School Diploma (2020, 25 yrs. +)	8.7%	12.4%	11.5%
Population with High School Diploma, No College (2020, 25 yrs. +)	42.0%	40.0%	26.7%
Population with Some College (2020, 25 yrs. +)	29.0%	26.3%	28.9%
Population with Bachelor’s Degree or Higher (2020, 25 yrs.+)	20.3%	21.3%	32.9%
Median Age (2021)	44.5	42.8	38.8
Mean Household Income (2020)	\$68,043	\$65,332	\$91,547
Average Household Size (2020)	2.36	2.40	2.60
Labor Force Participation Rate (2020)*	54.4%	54.7%	61.7%

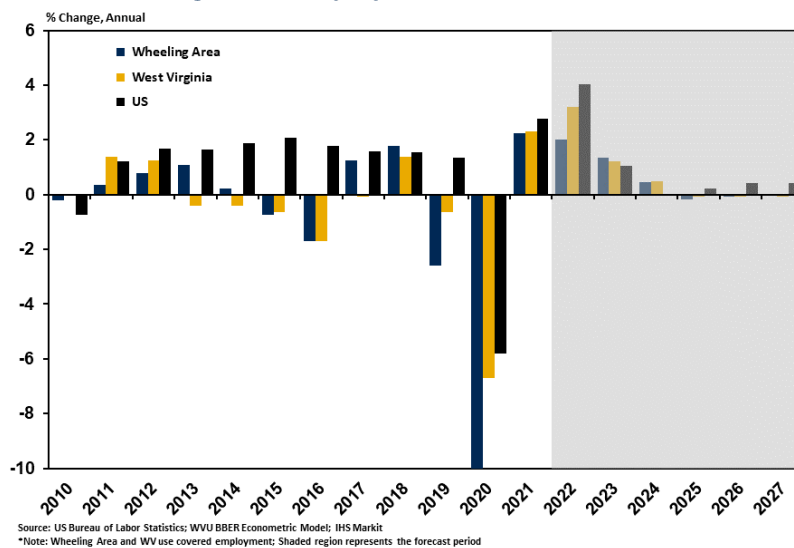
Source: US Census Bureau

*Note: WV and US figures are from 2021.

Economic Outlook

Expectations for the West Virginia and US economy during the 2022-2027 forecast horizon will have a significant impact on Wheeling Area’s performance going forward.³ Given the likelihood of future Federal Reserve interest rate hikes to cool inflationary pressures, and the potential of these rate increases to precipitate an economic slowdown or even an outright recession within the next year, the Wheeling Area’s outlook is subject to significant uncertainty. In addition, the ongoing volatility in energy markets caused by Russia’s invasion of Ukraine creates additional risk (both upside and downside) to the region’s near-term economic performance.

Figure 10: Employment Growth Forecast



With that said, the baseline forecast assumes the Wheeling Area’s recovery from the COVID-19 recession will continue. While the overall rate of growth will fall somewhere between the state and national average during the five-year forecast horizon, the 0.3 to 0.4 percent rate of growth expected during the outlook period will prevent total payroll employment for the region from returning to pre-pandemic levels.

Despite rising concerns over the potential of a broad US recession within the next year or so, the labor market’s ongoing recovery will likely be the strongest during the front half of the outlook period. Most of this growth will be driven by the region’s service sectors, which will

continue to see conditions normalize as the pandemic wanes further and more people enter the workforce.

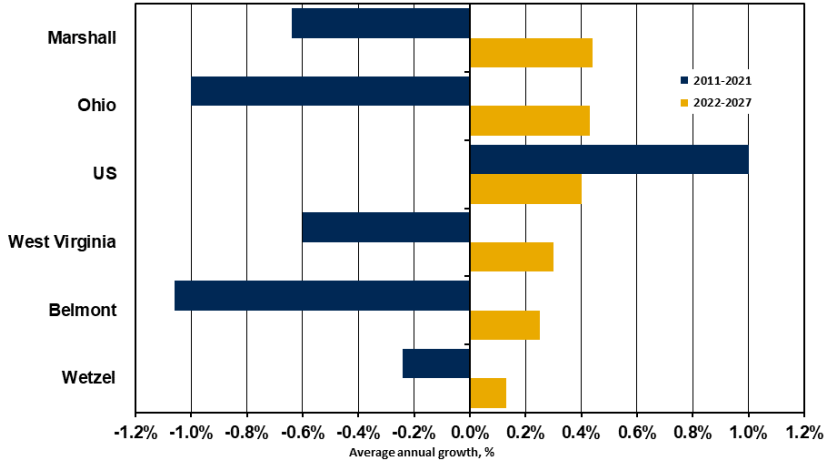
Longer term, the energy sector is expected to lead the way in new job growth at roughly 1.6 percent annually. However, the outlook for the sector overall is decidedly mixed and subject to significant risks, particularly in the later stages of the forecast horizon. Steam coal production should remain at or close to current levels for the next couple of years thanks to a competitive pricing environment for domestic electricity generation, at least compared to natural gas. In addition, export demand for steam coal should remain healthy as well thanks to demand from developing economies such as India, Vietnam, and Turkey. Longer term, of course, the continued transition toward natural gas and renewables to generate electricity in the US does not bode well for long-term coal demand.

The region’s natural gas industry will experience some significant volatility over the next year or so due to uncertainty in capital markets and the extent to which Russia’s invasion of Ukraine further destabilizes global energy prices and supplies. Longer term prospects are distinctly more positive due to rising domestic and international demand for natural gas to generate electricity and for downstream manufacturing. For instance, while PTT Global Chemical’s proposed ethane cracker in Belmont County remains in limbo, the recent completion of Shell’s ethane cracker in Monaca, PA, will boost use of regionally produced NGLs and create additional market uses for natural gas. Moreover, this would yield growth opportunities for the Wheeling Area’s manufacturing sector, which has struggled to sustain meaningful growth the last few decades.

Of course, the natural gas industry does face its own set of downside risks. These risks largely stem from lingering uncertainty over the potential for midstream infrastructure (e.g., the Mountain Valley Pipeline) and downstream projects to face a growing wave of legal

³ All forecast estimates presented herein are derived from the West Virginia University Bureau of Business & Economic Research Econometric Model unless otherwise noted.

Figure 11: Employment Growth Forecast by Area



has opportunities for upside potential linked to the region’s ability to capture spillover growth from mid- and downstream natural gas industries setting up shop in the tri-state area.

BUSINESS SERVICES The energy industry will play an outsized role in the Wheeling Area’s performance during the outlook period in a direct manner, but its influence will extend into other segments of the region’s economy as well. Indeed, a significant portion of the region’s professional and business services sector has an interdependent relationship with the area’s coal and natural gas industries vis-à-vis providing contract labor workers, as well as engineering, legal and other support services. During the

challenges or large swings in regulatory coverage due to the outcomes in federal election cycles every four to eight years.

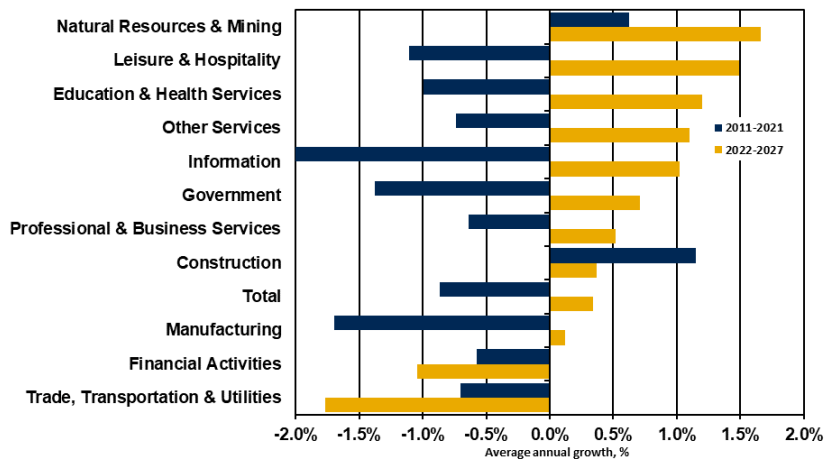
COUNTY DIFFERENCES Among the region’s four counties, Marshall County is expected to realize the fastest pace of job growth going forward at roughly 0.4 percent annually. Of course, this trajectory is subject to the highest level of risk on either the upside or downside due to its exposure to coal and natural gas commodity markets. Ohio County is also expected to enjoy growth slightly above the state and national average during the outlook period. Some of this will reflect a bounce back in activity as the effects of the pandemic begin to fade as well as a rebound or stabilization in a few sectors that have struggled significantly in recent years. Namely, venues such as Wheeling Island and consumer-oriented businesses ranging from restaurants, hotels, retailers and theaters that line the I-70 corridor benefit from the ebbing impact of the pandemic. In addition, the county will benefit from major efforts aimed at revitalizing and developing the City of Wheeling.

Belmont County’s growth is expected to come in at 0.2 percent per year on average through 2027. The area’s slow rebound from the pandemic should continue over the next few years and we do anticipate natural gas to at least buoy the county’s economy as Utica Shale resources are expected to see some uptick in exploration and development going forward. Wetzel County is expected to post the slowest rate of growth but

forecast horizon, we anticipate the energy industry’s growth, along with broader US economic gains that will buoy demand for business services firms, will cause payrolls to increase nearly 0.5 percent per year.

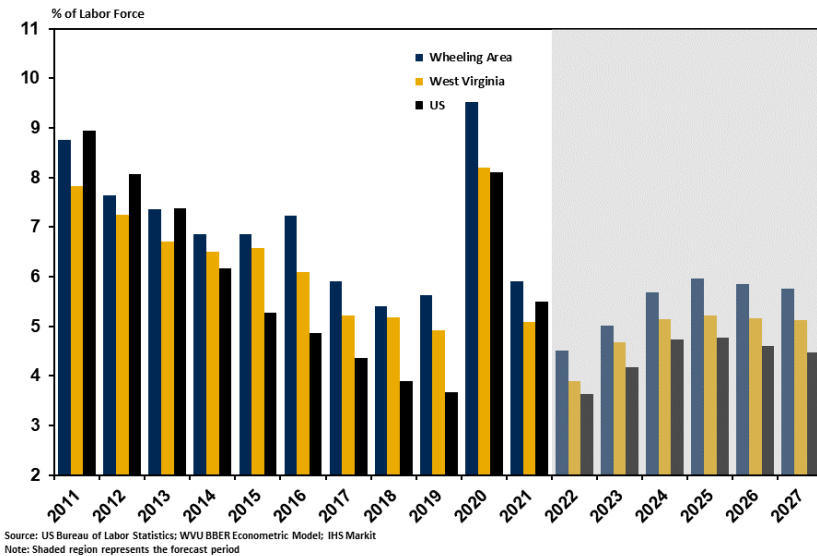
MANUFACTURING The forecast calls for manufacturing payrolls to increase between 0.1 and 0.2 percent annually during the outlook period. The region’s chemicals industry has endured what has been a decades-long downward trend in both production and employment caused by the closure and downsizing of many plants over the years. Going forward, we anticipate at least some stabilization for these manufacturers, a direct result of an abundant supply of low-cost feedstock in the Marcellus and Utica Shale plays. Moreover, opportunities will increase as the Monaca, PA, Shell ethane cracker scales up operation over the next year or so since the facility will produce

Figure 12: Wheeling Area Employment Growth Forecast by Sector



Source: US Bureau of Labor Statistics, WVU BBER Econometric Model

Figure 13: Unemployment Rate Forecast



over the next few years, climbing to the upper five percent range by late-2024/early-2025.

Ohio County is expected to have the lowest unemployment rate in the four-county region, averaging in the low-3.0 percent range during the midway point of the outlook period. Wetzel County will continue to possess the area’s highest rate of unemployment going forward, averaging in the upper six percent range by 2024.

INCOME Inflation-adjusted personal income in the Wheeling Area is expected to increase 1.8 percent between 2022 and 2027. Job gains in high-wage industries such as public infrastructure construction activity, natural gas and manufacturing as well as continued growth in royalty payments from gas production will support income gains through the middle and latter portions of the outlook period. Transfer payments will be a major buoy to incomes in the area as a growing share of residents become eligible for Social Security/Medicare.

polyethylene pellets that can be used by local plastics and chemicals manufacturers, rather than having these inputs imported from the Gulf Coast or abroad.

OTHER SERVICES Education and health services is expected to add jobs at a 1.2 percent average annual rate through 2027. Initial gains for the sector will be driven by the further waning of the COVID-19 pandemic, which should allow healthcare facilities to retire any remaining pandemic era constraints to care and scheduling. Longer term, demographic factors suggest healthcare demand will likely increase going forward as the area’s population ages further, but decades of declining population suggest limited upside for significant additions to hospital capacity—particularly given the recent closures of two area hospitals. At the same time, the emergence of WVU Medicine as a strategic partner for several facilities provide at least a stabilizing presence for the sector and could foster growth in certain specialty medicines not previously available to residents.

UNEMPLOYMENT OUTLOOK Large revisions to historical data in the next benchmark revision as well as any unanticipated changes in the Wheeling Area’s labor force participation rate could cause the forecast for the regional unemployment rate to differ significantly from both its projected level and path. In addition, the path of the US and WV economies over the next year or so will have a significant influence on the trajectory of the unemployment rate. With that said, the forecast calls for the regional unemployment rate to rise

POPULATION Historical demographic trends for the Wheeling Area are expected to persist into the outlook period as the forecast calls for the region’s population to shrink at a rate of more than 0.6 percent annually over the next five years. Population losses are expected to occur in all the region’s counties, though Wetzel County is expected to lose residents at the fastest rate (0.8 percent average annual decline). Marshall, Belmont and Ohio counties are expected to post population declines between 0.2 and 0.4 percent per year through 2027.

Figure 14: Population Forecast

