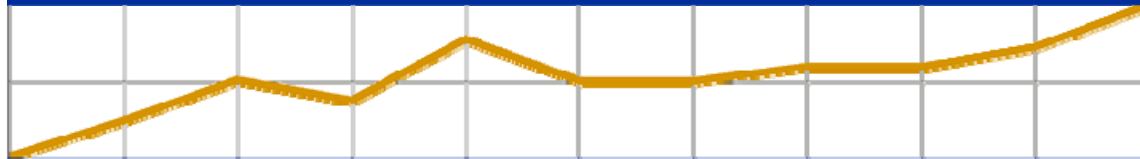


Harrison County Economic Monitor



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What is the Cost of Living in Harrison County?

By Amy Higginbotham

With gas price increases, the housing market bust, and increasing grocery costs, many individuals are wondering just what is the cost of living in their area and how does it compare to the rest of the nation. For Harrison County, the cost of living for a professional household is 6.7 percent below the national average of urban areas, according to the ACCRA Cost of Living Index. Harrison County was the 186th most expensive place to live among the 318 urban areas that participated in the survey during the second quarter of 2008.

The ACCRA Cost of Living survey, which is published quarterly by the Council for Community and Economic Research, measures the regional differences in the cost of consumer goods and services, excluding taxes and non-consumer expenditures. The prices collected and compared are geared to represent goods and services purchased by a typical professional household in the top income quintile of the area.

The prices for goods and services that were collected by canvassing Harrison County area businesses fall into six specific categories: groceries, housing, utilities, transportation, healthcare, and miscellaneous goods and services (for instance, clothing, fast food, movies, beer/wine, veterinarian services). The composite cost of living index was compiled from these prices through a weighting structure. For instance, grocery items carry a weight of 13 percent of the total cost of living while housing and healthcare items carry a weight of 29 percent and 4 percent respectively. The average for all areas participating in the survey is 100 and each city's index is interpreted compared to the average for all places. An index below 100 means that an area's cost of living is less than average and an index number above 100 means that it is above average.

For the second quarter of 2008, Harrison County's composite or total cost of living index was 6.7 percent below the national average, as shown in Table 1. While only just below the national average, Harrison County's cost of living was 57.6 percent below the most expensive area [New York (Manhattan), NY] and 13 percent above Pryor Creek, OK, which was the least expensive of the 318 urban areas. In comparison to other micropolitan statistical areas, Harrison County was found to be significantly less expensive than Kodiak, AK but more expensive than other areas like Ashland, OH and Tupelo, MS. Harrison County's cost of living was the third highest of the five participating areas in the state, with a total index 6.4 percent below Morgantown's total index.

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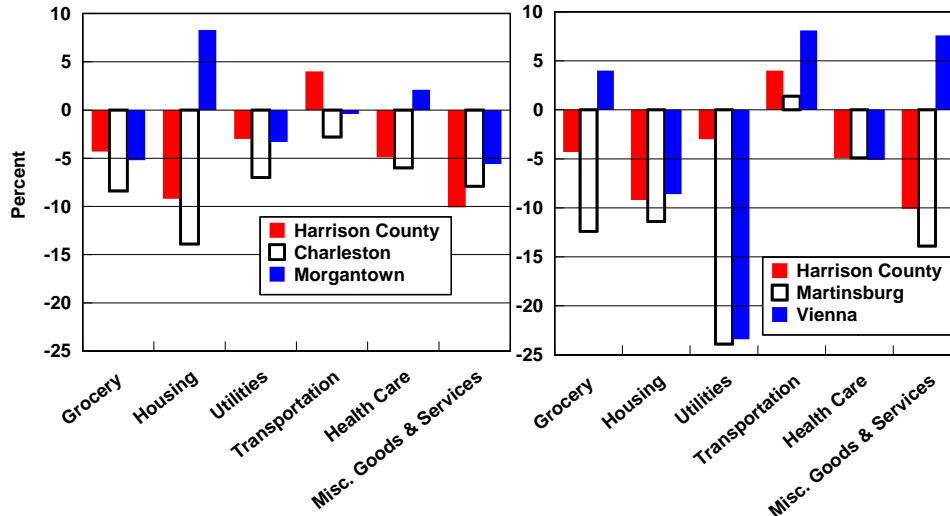
Table 1
ACCRA Cost of Living: Second Quarter 2008

Metropolitan Area	Composite							Estimated 2007
	Index (100%)	Grocery Items (13%)	Housing (29%)	Utilities (10%)	Transportation (9%)	Health Care (4%)	Misc. Goods & Services (35%)	MSA Population
West Virginia Urban Areas								
Harrison County*	93.3	95.7	90.8	97.0	104.0	95.1	89.9	91,688
Charleston	91.0	91.6	86.1	93.0	97.2	94.0	92.1	303,950
Martinsburg-Berkeley County	88.0	87.6	88.6	76.1	101.4	95.1	86.1	261,198
Morgantown	99.7	94.8	108.3	96.7	99.6	102.1	94.4	117,770
Vienna	98.8	104.0	91.4	76.6	108.1	94.9	107.6	160,656
Other Micropolitan Statistical Areas								
Ashland, OH	85.8	95.7	71.0	101.2	94.5	91.9	87.4	54,902
Dodge City, KS	91.1	88.6	83.1	89.2	98.0	92.7	97.4	33,340
Kodiak, AK	124.8	154.3	118.7	139.4	112.2	128.3	118.5	12,997
Paducah, KY	91.5	100.8	79.3	106.9	92.9	91.7	93.9	97,791
Staunton-Augusta County, VA	96.2	98.3	92.0	100.3	93.0	97.1	98.8	116,412
Tupelo, MS	86.7	93.1	67.9	103.7	97.5	90.1	92.2	132,245
Major U.S. Metro Areas								
Baltimore, MD	122.1	105.2	161.3	127.4	104.2	100.6	99.7	2,668,056
Charlotte, NC	93.7	102.1	80.1	92.3	98.2	109.1	99.9	1,651,568
Dallas, TX	90.7	100.2	68.6	106.3	104.8	103.9	96.2	4,111,529
Denver, CO	103.5	103.9	110.3	89.4	99.1	107.0	102.4	2,464,866
Detroit, MI	100.7	92.5	102.8	112.4	100.4	97.2	99.0	1,985,101
New York (Manhattan), NY	220.3	145.2	408.5	177.3	115.8	133.3	135.9	11,607,843
Orlando, FL	99.3	100.8	87.5	98.1	104.9	99.1	108.0	2,032,496
Pittsburgh, PA	93.1	96.4	77.8	97.9	105.0	94.4	100.2	2,355,712
Richmond, VA	101.2	96.7	105.0	102.2	104.6	109.8	96.9	1,212,977
Seattle, WA	123.4	119.1	149.9	81.6	111.0	123.8	117.7	2,536,182
Washington, DC	138.4	105.7	222.3	93.8	106.6	103.5	102.9	5,306,565

* 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 318 Urban Areas Volume 41(2); U.S. Census Bureau

Harrison County's average cost of living was balanced by higher-than-average transportation costs and lower-than-average housing and miscellaneous goods/services costs. As shown in Figure 1, Harrison County's transportation costs were 4.0 percent more expensive than average and second highest in the state for the second quarter. The county's housing costs were 9.2 percent below the national average while being 16.2 percent less expensive than housing found in Morgantown. The cost of miscellaneous goods/services were 10.1 percent lower than average ranking it the 17th least expensive urban area. Grocery, utilities, and health care costs in the second quarter were found to be slightly below average for Harrison County. Grocery items in the county, which included prices for 26 items found in five local grocery stores, were only slightly below the average but well below the cost of groceries in Vienna. Harrison County's utility and health care costs were found to be between 3 and 5 percent below average.

Figure 1
Percent Differences From Participating City Average
By Expenditure Category



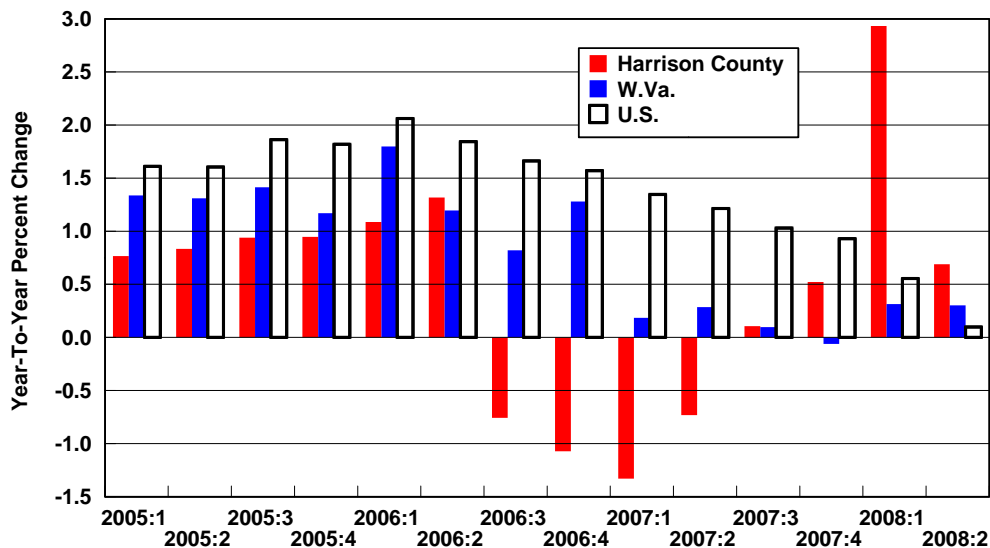
While the ACCRA Cost of Living Index gives us an indication of the costs incurred to live in Harrison County compared to other urban areas, we must interpret this with some caution. First, the index is not representative of the entire population but rather only reflects the costs that professional household in the top income quintile experience. Secondly, the index does not take into account the taxes and non-consumer expenditures that individuals in this specific category are faced with, which could drastically influence the costs to live in the participating cities.

Harrison County Job Growth Rebounds In Early 2008

By George W. Hammond, Associate Director, BBER

Harrison County job growth rebounded in early 2008, after softening during late 2006 and into 2007, as Figure 2 shows. This accelerating growth in the county contrasts with softening employment gains for West Virginia and the nation. Indeed, Harrison County added jobs at a 0.7 percent rate from the second quarter of 2007 to the same quarter of 2008, while West Virginia posted a 0.3 percent growth rate during the same period, and the nation added jobs at just a 0.1 percent rate. Professional and business services, natural resources and mining, government, and leisure and hospitality generated the fastest job gains during the past four quarters, while construction, financial activities, and information lost jobs at the fastest rate. Even though construction jobs in the second quarter of 2008 were below their second quarter of 2007 level, activity remained at a relatively high level.

Figure 2
Harrison County Job Growth Strengthens In 2008



According to the latest data from FW Dodge, the value of new residential construction starts in Harrison County has decelerated significantly during the first half of 2008. The value of residential construction starts has fallen from \$28.3 million during the first half of 2007 to \$17.7 million so far in 2008. This slowdown in residential activity mirrors the residential construction slowdown statewide and nationally. In contrast, nonbuilding (highways, roads, water, sewer) activity is up strongly so far in 2008, compared to the first half of 2007. Finally, nonresidential activity is well down compared to the first half of 2007, reflecting the huge impact of the United Hospital Center in 2007. Projects are typically captured in the FW Dodge data 60 days before ground breaking and the entire value of the project is recorded at once.

Harrison County Economic Indicators

(Data Not Seasonally Adjusted)

Region/Indicator	Year			Quarter				
	2005	2006	2007	2007:2	2007:3	2007:4	2008:1	2008:2
Harrison County								
Total Nonfarm Employment*	34,485	34,532	34,408	34,837	34,520	34,640	34,623	35,077
Total Nonfarm Employment (%)	0.9	0.1	-0.4	15.1	-3.6	1.4	-0.2	5.3
Nat. Res. and Mining	748	763	731	727	753	743	753	757
Construction	1,473	1,705	1,611	1,880	1,553	1,510	1,453	1,717
Manufacturing	2,412	2,343	2,326	2,343	2,310	2,343	2,367	2,367
Trade, Trans., and Util.	7,436	7,460	7,487	7,560	7,473	7,513	7,477	7,513
Information	724	682	670	677	673	670	667	667
Financial Activities	1,076	1,106	1,135	1,143	1,127	1,130	1,127	1,123
Prof. & Bus. Servs.	2,563	2,563	2,603	2,590	2,747	2,710	2,753	2,783
Educ. & Health Servs	5,109	5,058	4,991	4,990	4,963	4,980	4,963	4,937
Leisure and Hospitality	3,042	3,033	3,035	3,077	3,147	3,103	3,080	3,117
Other Services	2,240	2,241	2,246	2,257	2,253	2,270	2,280	2,280
Total Government	7,671	7,576	7,578	7,607	7,527	7,670	7,713	7,823
Unemployment Rate (%)	4.6	4.5	4.2	4.1	4.1	3.9	4.8	4.7
Residential Const. Contracts (\$ mil. NSA AR)	23	26	23	34	21	13	15	21
Non-Building Const. Contracts (\$ mil., NSA AR)	9	13	19	27	47	1	11	87
Non-Residential Const. Contracts (\$ mil., NSA AR)	51	18	204	812	0	0	5	20
Total Const. Contracts (\$ mil., NSA AR)	83	58	246	872	68	14	31	127
Population	68,153	68,384	68,309	n/a	n/a	n/a	n/a	n/a
Per Capita Personal Income (\$)	29,186	31,333	n/a	n/a	n/a	n/a	n/a	n/a
West Virginia								
Total Nonfarm Employment (thous.)	746.5	756.0	756.9	760.9	757.8	764.4	747.0	763.2
Total Nonfarm Employment (%)	1.3	1.3	0.1	9.0	-1.6	3.5	-8.8	8.9
Unemployment Rate (%)	5.0	4.7	4.6	4.5	4.4	4.2	5.4	5.2
Residential Const. Contracts (\$ mil. AR)	1,134	1,226	982	1,058	826	956	714	692
Non-Building Const. Contracts (\$ mil., NSA AR)	990	917	2,438	2,041	830	835	391	1,476
Non-Residential Const. Contracts (\$ mil., NSA AR)	727	1,030	846	1,974	478	362	419	564
Total Const. Contracts (\$ mil., NSA AR)	2,851	3,174	4,265	5,074	2,133	2,152	1,524	2,732
Housing Price Index (NSA, 1980Q1=100.0)	208.3	223.1	231.7	230.1	232.8	233.9	235.8	n/a
Housing Price Index (%)	9.7	7.1	3.9	-0.2	4.8	1.9	3.4	n/a
Population	1,805,626	1,808,699	1,812,035	n/a	n/a	n/a	n/a	n/a
Per Capita Personal Income (\$)	26,523	28,206	29,537	n/a	n/a	n/a	n/a	n/a
United States								
Total Nonfarm Employment (thous.)	133,703	136,086	137,623	138,140	137,670	138,974	136,461	138,276
Total Nonfarm Employment (%)	1.7	1.8	1.1	7.4	-1.4	3.8	-7.0	5.4
Unemployment Rate (%)	5.1	4.6	4.6	4.4	4.7	4.6	5.3	5.2
Housing Price Index (NSA, 1980Q1=100.0)	349.9	377.8	388.0	388.6	387.3	388.4	387.5	n/a
Housing Price Index (%)	11.7	8.0	2.7	1.0	-1.4	1.2	-0.9	n/a
Population	295,895,897	298,754,819	301,621,157	n/a	n/a	n/a	n/a	n/a
Per Capita Personal Income (\$)	34,757	36,714	38,611	n/a	n/a	n/a	n/a	n/a

Notes:

Construction data is from FW Dodge. Monthly data is reported at annual rate. NSA means Non-seasonally Adjusted data. 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 Office of Federal Housing Enterprise Oversight.
 Data compiled by WVU Bureau of Business and Economic Research, www.bber.wvu.edu
 *Total nonfarm employment may not equal industry sums

New! Harrison County Data Profile 2007 Now Available Online
 Visit www.bber.wvu.edu for employment, income, and population data through 2006

Harrison County Economic Monitor

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