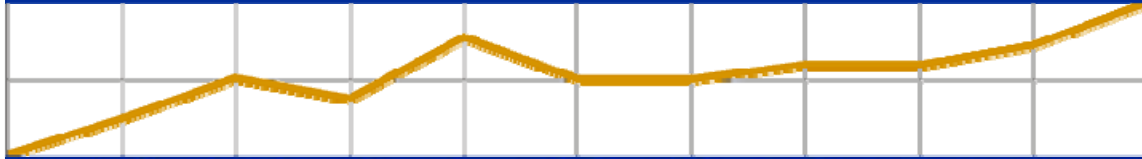


Harrison County Economic Monitor



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Have You Noticed Changes at the Grocery Store?

By Amy Higginbotham

Have prices for some items at the grocery store increased lately? Have some prices declined over the past year? The answer is yes to both for Harrison County. According to the ACCRA Cost of Living index, the price of items such as milk and eggs has declined in the area over the past year while others have risen.

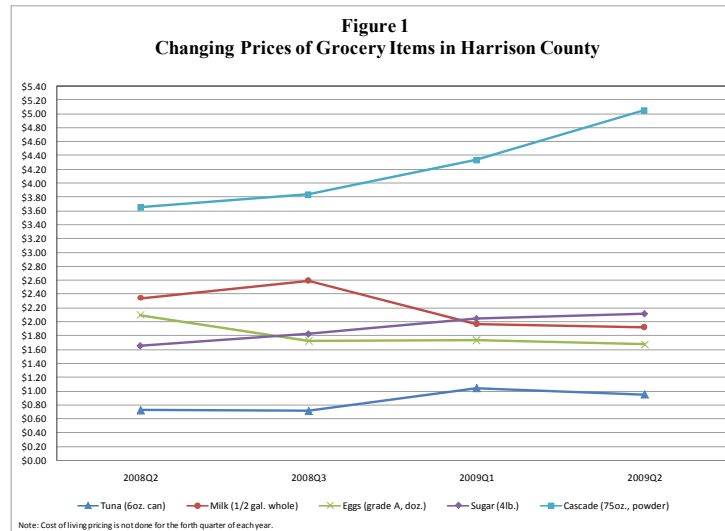
The ACCRA Cost of Living Index is a quarterly index compiled by the Council for Community and Economic Research (C2ER). The index using the prices of 60 specific goods and services voluntarily collected in approximately 300 urban areas throughout the US each quarter. These items are goods and services that a professional or managerial household in the top quintile income group of the area would consume. These items are categorized into six groups: grocery items, housing, utilities, transportation, health care, and miscellaneous goods and services. The average index for all participating areas is 100 and each area's index is interpreted compared to the average for all places.

From the second quarter of 2008 to the second quarter of 2009, five typical grocery items showed a significant change in price in Harrison County (Figure 1). The price of a half gallon of whole milk and of a dozen grade A large eggs had an average quarterly decline of 5.3 percent and 6.9 percent respectively. The downward trend in price for milk and eggs was not, however, unique to Harrison County. In fact, the national average for both items fell from \$2.34 to \$1.90 for milk and from \$2.01 to \$1.58 for eggs. Figure 1 also shows that the price of sugar, canned tuna, and dishwashing powder increased over this time period. A four pound bag of sugar increased from \$1.65 in the second quarter of 2008 to \$2.11 for the second quarter of 2009. National, the average price increased from \$1.90 to \$2.06. A 75 oz. box of Cascade dishwashing powder had an average quarterly increase in price of 11.5 percent in Harrison County while a 6 oz. can of tuna increase by a quarterly average of 12.1 percent. Unlike the other four items, the price of canned tuna hit a high in the first quarter of this year in Harrison County and nationally and then declined slightly in the second quarter.

While the prices of certain goods have fluctuated over the past year, Harrison County's cost of living remains below the national average. In fact, for the second quarter of 2009, Harrison County's total cost of living was 5.4 percent below the national average (Table 1). Harrison County's total cost of living for the quarter was 6.7 percent below Morgantown's cost of living but 1.4 percent above Charleston and 9.2 percent above Martinsburg-Berkeley County.

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Harrison County's below average cost of living was due to below average pricing in five of the six item categories (Table 1). In fact, the prices of grocery, housing, utilities, health care, and miscellaneous goods and services in Harrison County were below average by 0.2 to 9.5 percent. Transportation costs, which include the price of a gallon of regular gasoline and a wheel balancing, were 3 percent above the national average. Harrison County's transportation costs were also above the transportation costs found in the 3 other participating areas in the state.

While the ACCRA Cost of Living Index is a useful tool in comparing cost of living in areas throughout the US, it should be interpreted with caution. The index is geared toward the cost of living for professional or managerial households within each participating area whose income levels are in the top quintile. Housing and utility costs are especially designated for this particular group of individuals. Also, the ACCRA Cost of Living Index does not take into account 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 areas.

Table 1
ACCRA Cost of Living Second 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
Metropolitan Area								
West Virginia Urban Areas								
Harrison County*	94.6	95.9	90.5	99.8	103.0	91.8	93.6	92,212
Charleston	93.3	92.7	89.3	98.0	100.9	93.6	93.2	303,944
Martinsburg-Berkeley County	86.6	89.4	82.9	80.0	102.7	96.3	84.3	263,753
Morgantown	101.4	99.3	111.7	98.7	102.4	98.9	93.8	118,506
Other Micropolitan Statistical Areas								
Ashland, OH	86.2	96.2	70.4	111.9	94.2	92.8	85.0	55,125
Dodge City, KS	89.6	93.8	84.0	78.7	92.1	89.3	95.5	33,293
Kodiak, AK	124.1	144.4	122.8	125.0	138.4	129.1	112.1	13,049
Paducah, KY	89.5	99.8	76.5	101.3	90.2	94.5	92.7	98,093
Staunton-Augusta County, VA	95.6	95.6	95.2	86.2	94.7	94.4	99.2	117,170
Tupelo, MS	88.2	87.5	70.7	102.1	96.1	87.4	97.2	133,318
Major U.S. Metro Areas								
Baltimore, MD	122.5	109.4	163.2	121.5	102.8	98.3	101.4	2,667,117
Charlotte, NC	92.7	94.0	80.7	94.9	98.3	107.9	98.5	1,701,799
Dallas, TX	92.0	91.2	69.5	111.1	103.6	104.3	100.9	4,226,003
Denver, CO	104.1	103.6	108.6	93.0	98.5	104.6	105.5	2,506,626
Detroit, MI	100.2	94.0	100.7	127.2	98.3	96.2	94.9	1,949,929
New York (Manhattan), NY	217.5	142.8	402.5	146.7	132.4	143.3	143.3	19,006,798
Orlando, FL	97.0	97.5	85.9	105.1	103.4	94.2	102.3	2,054,574
Pittsburgh, PA	92.3	101.8	73.6	97.3	109.0	90.3	98.3	2,351,192
Richmond, VA	107.2	103.1	107.5	120.7	96.9	112.8	107.1	1,225,626
Seattle, WA	121.9	108.4	150.1	83.3	118.5	120.2	115.3	2,559,174
Washington, DC	140.0	111.6	222.7	103.2	107.6	102.3	104.4	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 320 Urban Areas Volume 42(2); U.S. Census Bureau

Job Losses Come To Harrison County

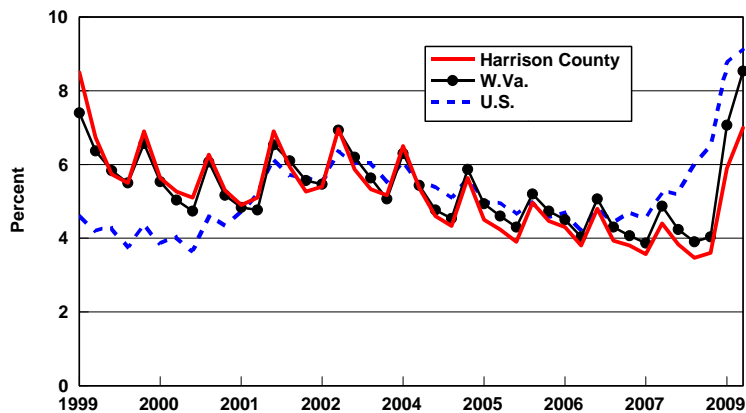
By George W. Hammond and Peter Shirley

Harrison County lost 190 jobs from the second quarter 2008 to the second quarter of 2009, which translates into an annual rate of decline of -0.5 percent. This is the first year-over-year decline in jobs that the county has posted since the third quarter of 2007. While job losses are never good, it is important to keep in mind that Harrison County continues to outperform the state and the nation. Indeed, the rate of job losses recorded in the county is far better than the huge job losses experienced by both West Virginia (down 2.9 percent) and the U.S. (down 4.0 percent) during the last year.

Most sectors in Harrison County lost jobs during the past year, but for the most part those losses were less severe than the state or national experience. Harrison County lost jobs at the fastest rate in information (which includes newspapers, television, and telecommunications); financial activities (real estate and banking); manufacturing; professional and business services; trade, transportation, and utilities; and other services. The county posted rough job stability in construction, in contrast to the state and the nation, and added jobs in health care and government, as did the state and the nation.

Job losses in the second quarter (compared to year-ago levels) were matched by a strong increase in the Harrison County non-seasonally adjusted unemployment rate, as Figure 2 shows. The county's unemployment rate hit 7.0 percent in the second quarter of 2009, compared to 3.8 percent in the second quarter of 2008. Even though the county's unemployment rate is estimated to have risen rapidly, it remains well below the estimated state (8.5 percent) and national (9.1 percent) rates. This is consistent with the relatively healthy (compared to West Virginia and the U.S.) local job market.

Figure 2
Unemployment Rates For Harrison County,
W.Va., And The U.S.
Quarterly, Non-Seasonally Adjusted



According to the latest population estimates from the Census Bureau, Harrison County added 599 residents in 2008, which translates into a rate of growth of 0.9 percent. That is much faster than the population growth posted by West Virginia (0.3 percent) and is equal to the estimated national rate. In addition, the U.S. Bureau of Economic Analysis has released its latest estimates of per capita personal income in 2007. For Harrison County, income per capita hit \$32,627 in 2007, which is 11.0 percent above the state level, but is 16.0 percent below the nation.

Harrison County Economic Indicators

(Data Not Seasonally Adjusted)

Region/Indicator	Year			2008:2	2008:3	2008:4	2009:1	2009:2
	2006	2007	2008					
Harrison County								
Total Nonfarm Employment*	34,532	34,427	34,847	35,110	35,040	34,950	34,340	34,920
Total Nonfarm Employment (%)	0.1	-0.3	1.2	10.0	-0.8	-1.0	-6.8	6.9
Nat. Res. and Mining	763	731	778	780	790	797	800	767
Construction	1,705	1,654	1,708	1,880	1,710	1,693	1,487	1,890
Manufacturing	2,343	2,211	2,045	2,050	2,043	2,053	2,107	1,987
Trade, Trans., and Util.	7,460	7,683	7,814	7,790	7,870	7,797	7,460	7,577
Information	682	670	679	697	673	667	660	653
Financial Activities	1,106	1,108	1,078	1,097	1,077	1,070	1,063	1,050
Prof. & Bus. Servs.	2,571	2,514	2,553	2,520	2,567	2,517	2,410	2,447
Educ. & Health Servs	5,058	5,015	5,103	5,100	5,143	5,133	5,190	5,187
Leisure and Hospitality	3,033	3,013	2,976	3,033	3,043	2,970	2,947	3,040
Other Services	2,241	2,251	2,279	2,317	2,280	2,280	2,237	2,257
Total Government	7,576	7,579	7,838	7,850	7,847	7,977	7,973	8,073
Unemployment Rate (%)	4.4	4.0	3.8	3.8	3.5	3.6	5.9	7.0
Residential Const. Contracts (\$ mil. AR)	26	23	22	21	40	13	8	18
Non-Building Const. Contracts (\$ mil. AR)	13	19	30	87	9	13	24	24
Non-Residential Const. Contracts (\$ mil. AR)	18	204	10	20	1	15	2	1
Total Const. Contracts (\$ mil. AR)	58	246	63	127	51	41	34	43
Population	68,324	68,254	68,853	n/a	n/a	n/a	n/a	n/a
Per Capita Personal Income (\$)	30,827	32,627	n/a	n/a	n/a	n/a	n/a	n/a
West Virginia								
Total Nonfarm Employment (thous.)	756.0	758.3	761.1	763.5	764.5	765.7	737.7	741.7
Total Nonfarm Employment (%)	1.3	0.3	0.4	7.0	0.5	0.7	-13.8	2.2
Unemployment Rate (%)	4.6	4.3	4.3	4.2	3.9	4.0	7.1	8.5
Residential Const. Contracts (\$ mil. AR)	1,226	968	585	737	556	237	214	320
Non-Building Const. Contracts (\$ mil. AR)	919	2,449	995	1,491	1,255	832	645	2,118
Non-Residential Const. Contracts (\$ mil. AR)	1,030	914	435	643	398	318	421	369
Total Const. Contracts (\$ mil. AR)	3,175	4,332	2,015	2,870	2,210	1,387	1,279	2,808
Housing Price Index (1980Q1=100.0)	223.4	230.5	234.1	236.1	232.2	232.6	234.9	n/a
Housing Price Index (%)	7.1	3.2	1.5	1.3	-6.5	0.8	4.0	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	138,061	137,057	136,764	132,172	132,569
Total Nonfarm Employment (%)	1.8	1.1	-0.4	5.0	-2.9	-0.9	-12.8	1.2
Unemployment Rate (%)	4.6	4.6	5.8	5.2	6.0	6.6	8.8	9.1
Housing Price Index (1980Q1=100.0)	375.2	383.4	373.9	376.5	367.9	368.5	370.0	n/a
Housing Price Index (%)	7.5	2.2	-2.5	-6.5	-8.8	0.6	1.7	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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