

The West Virginia Economy: What To Watch For in 2023

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West Virginia Press Association
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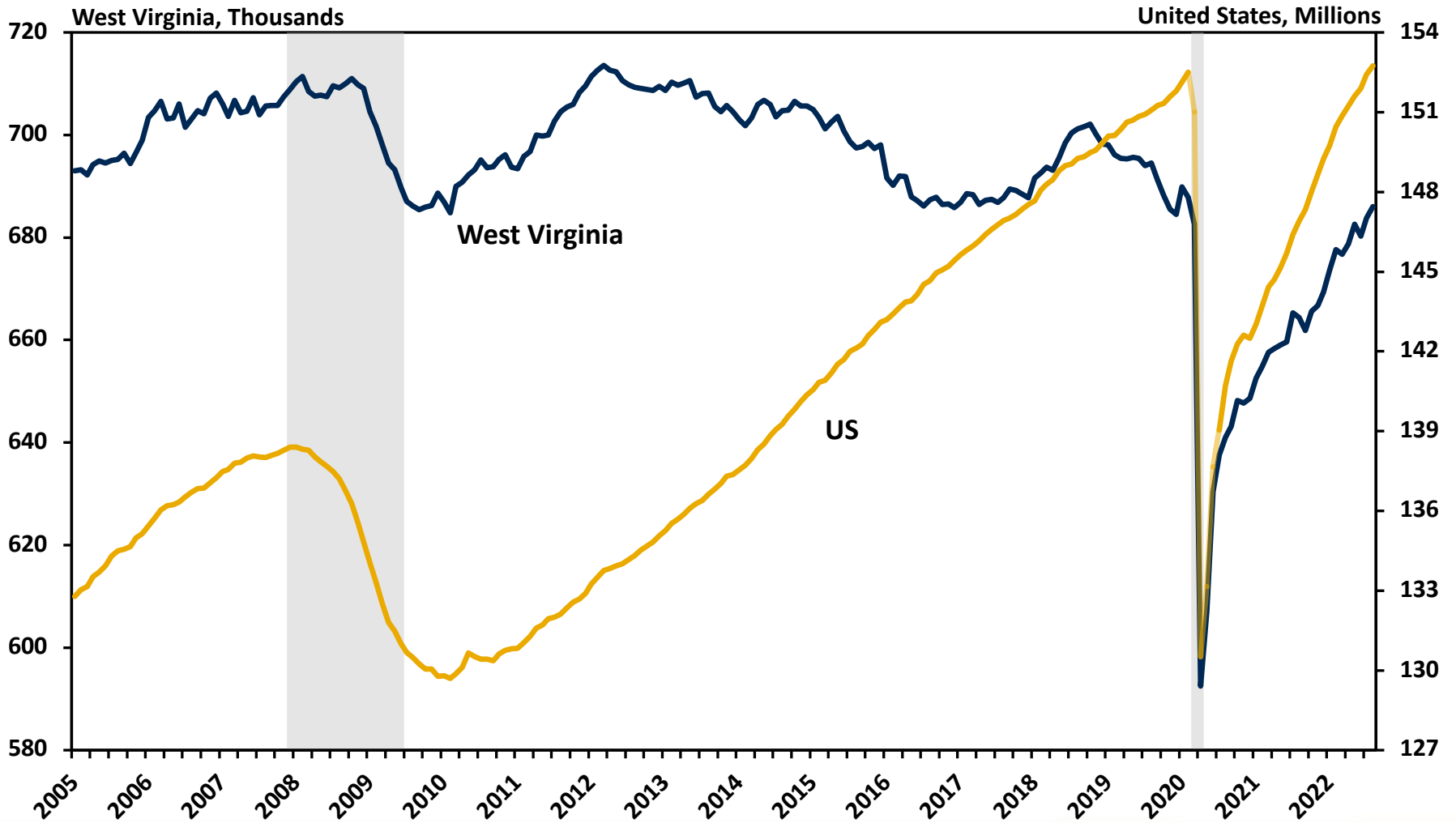
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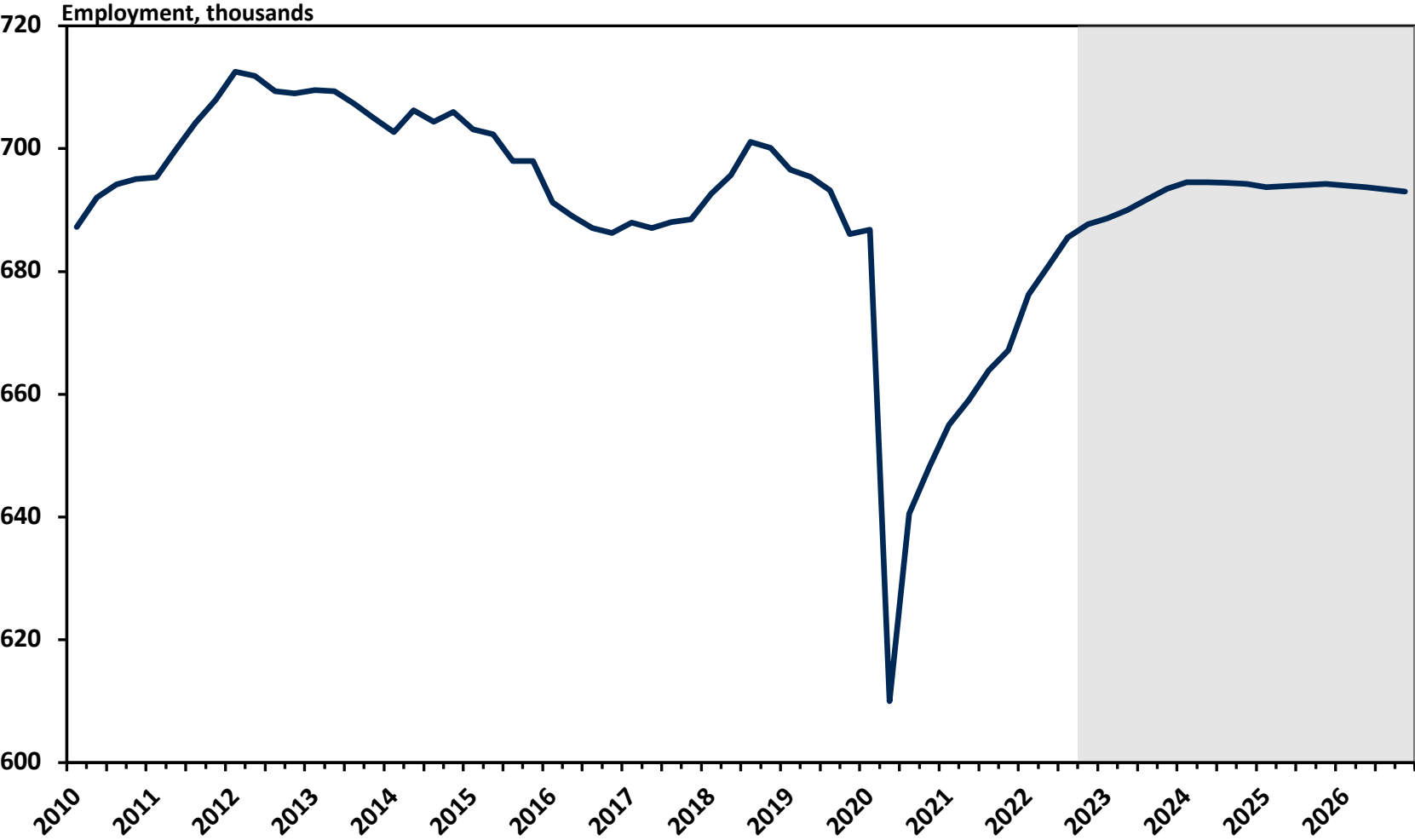
What to watch for in 2023...

Job Growth

Total Employment



Employment Forecast



What to watch for in 2023...

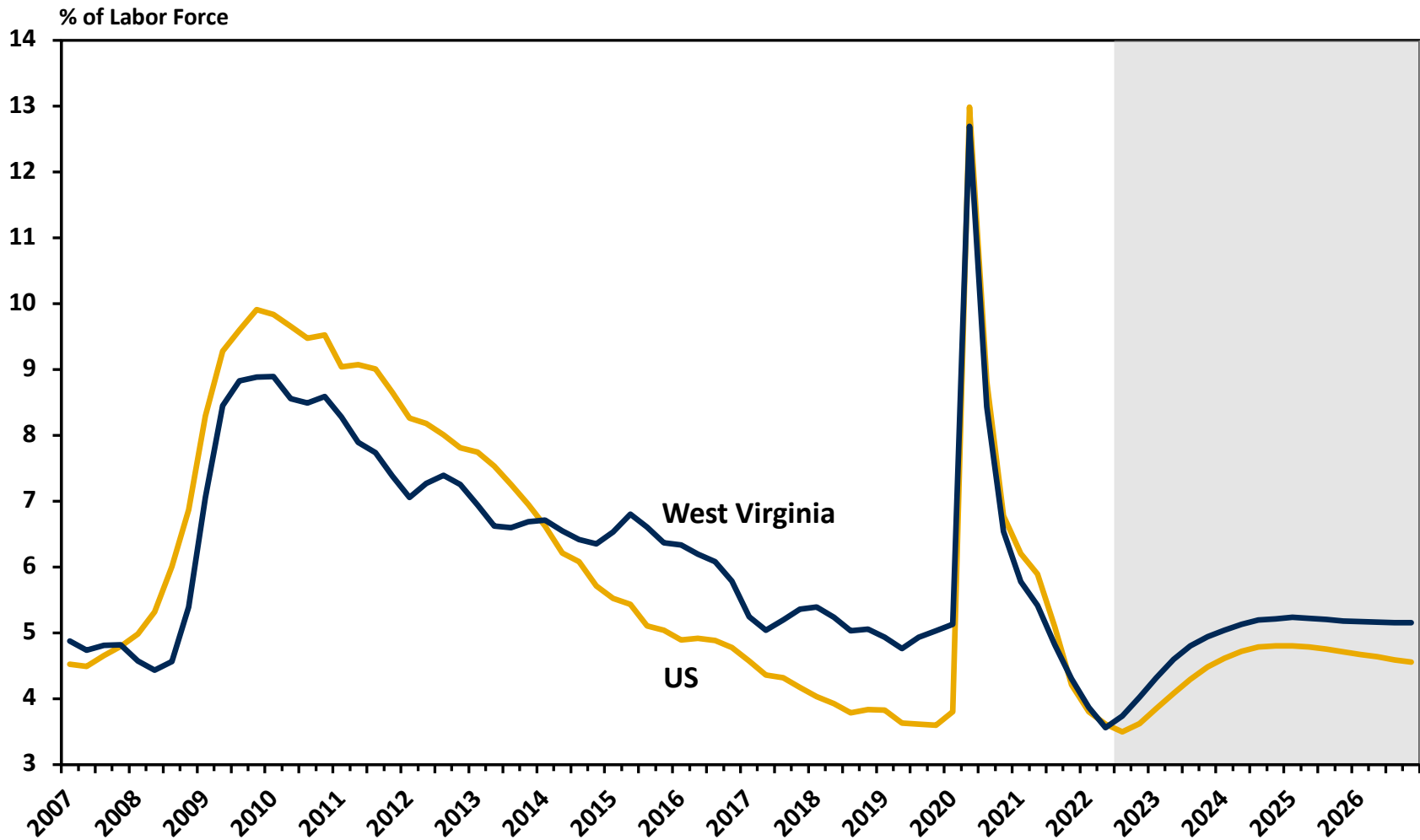
Labor Force Growth



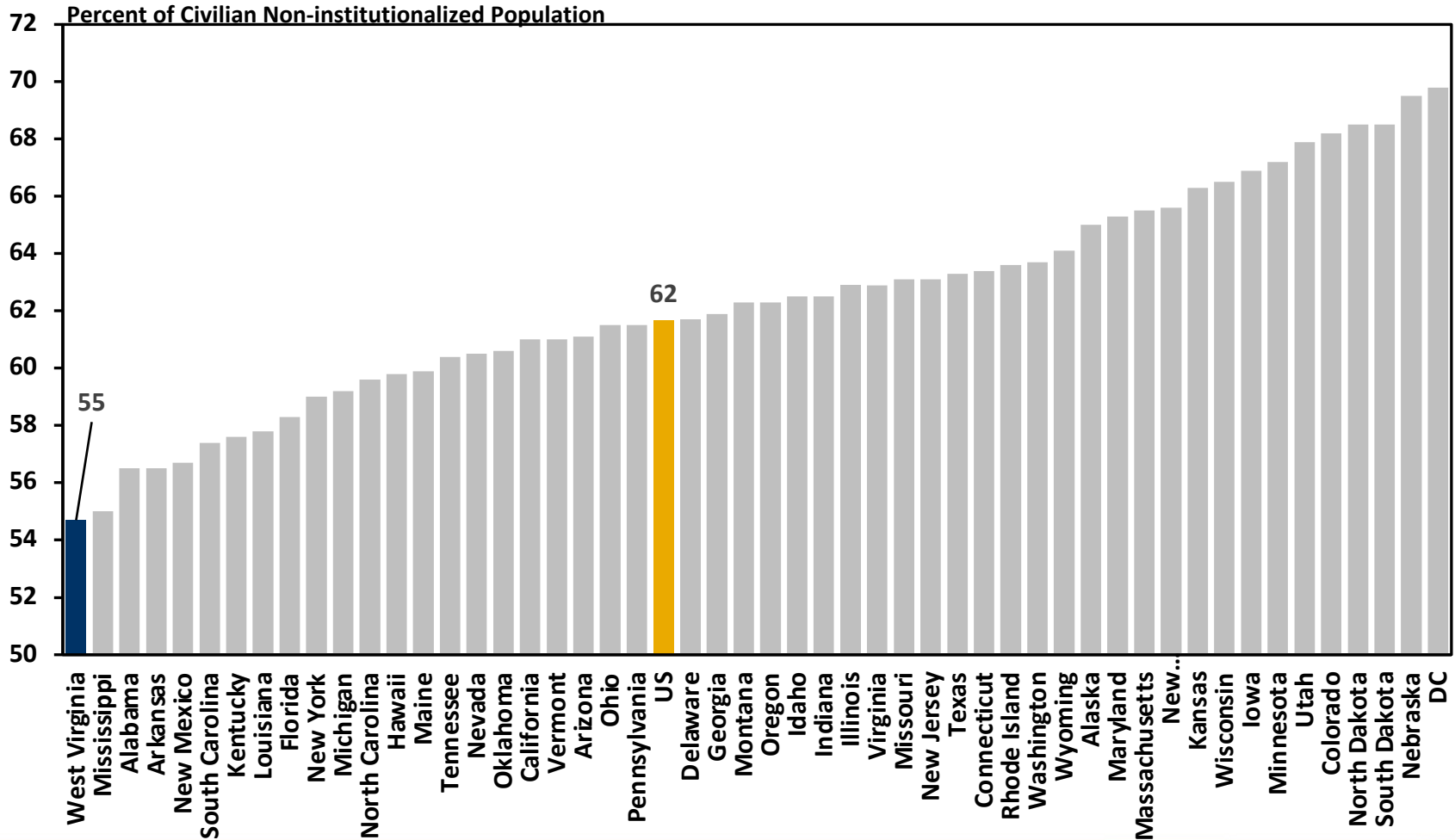
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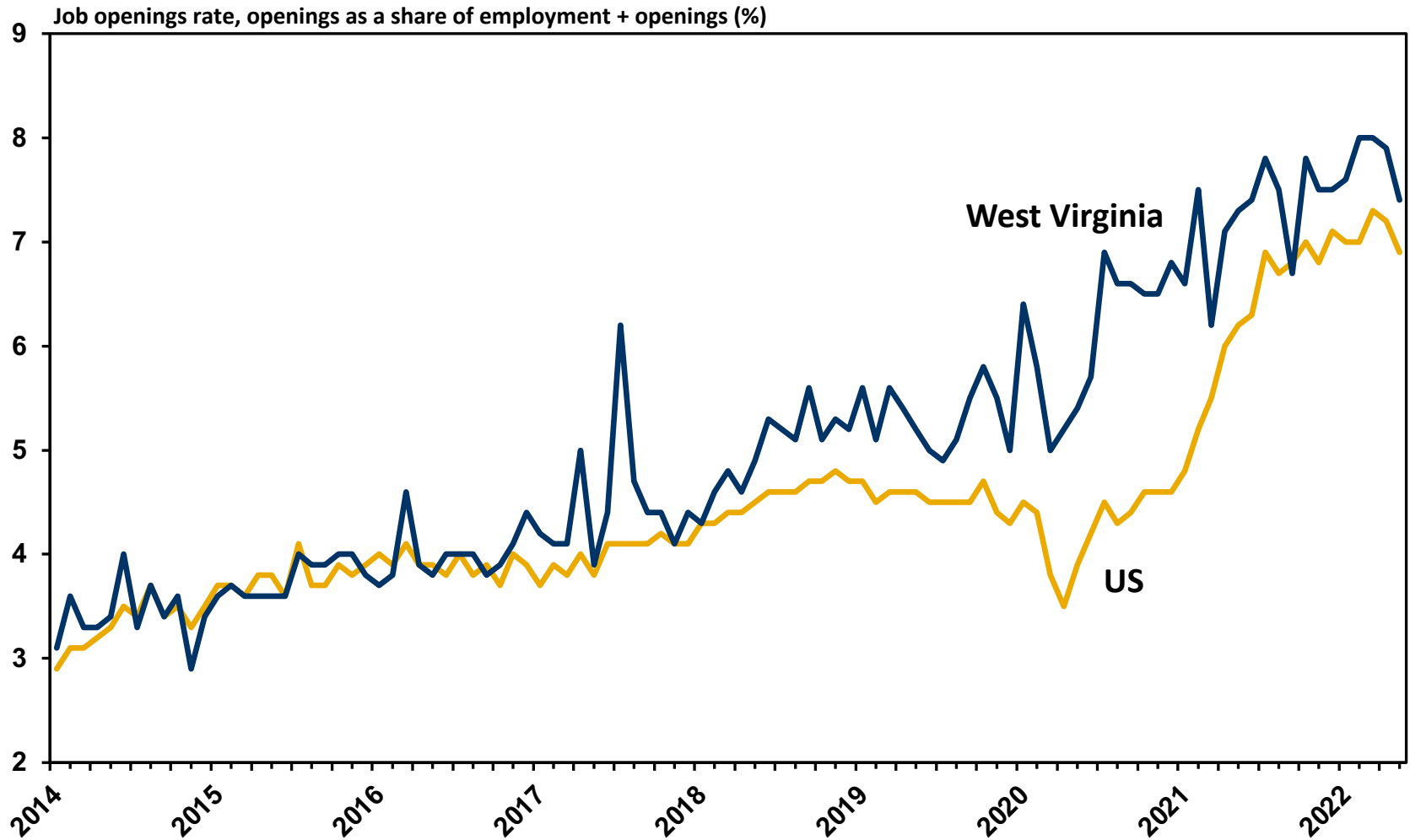
Unemployment Rate Forecast



Labor Force Participation by State, 2021



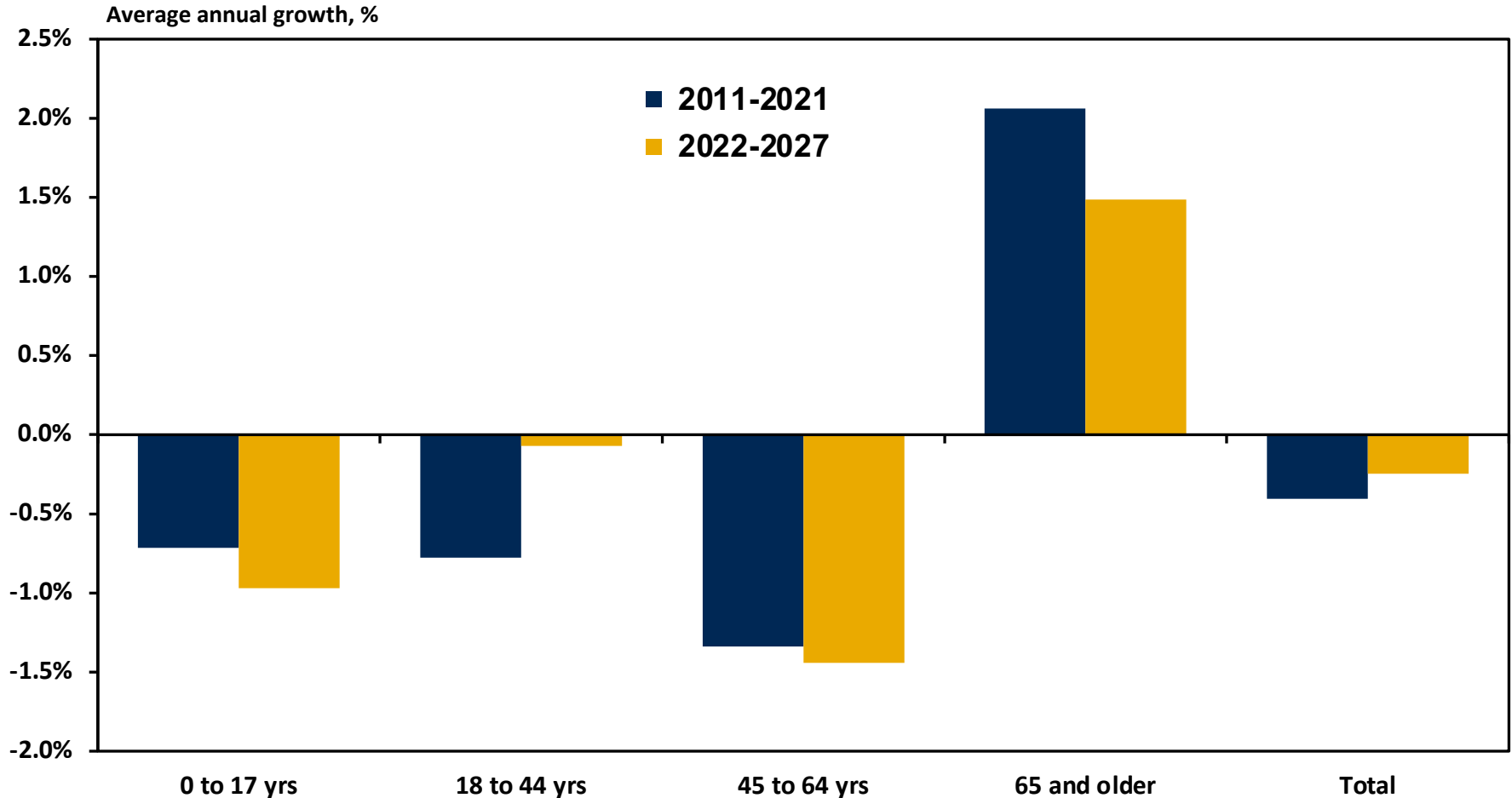
Job Openings Rate, Total Nonfarm Employment



What to watch for in 2023...

In-Migration

West Virginia Population Growth by Age Group



What to watch for in 2023...

Regional Growth

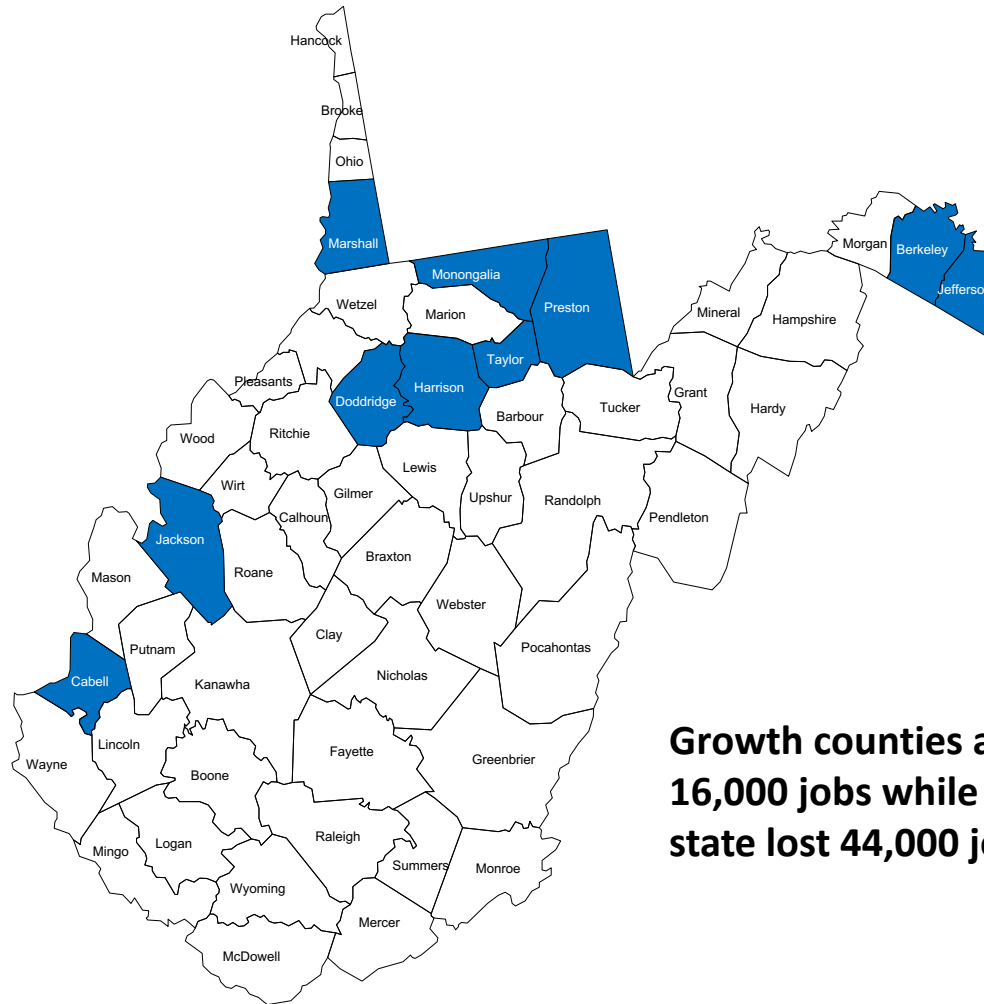


West Virginia University

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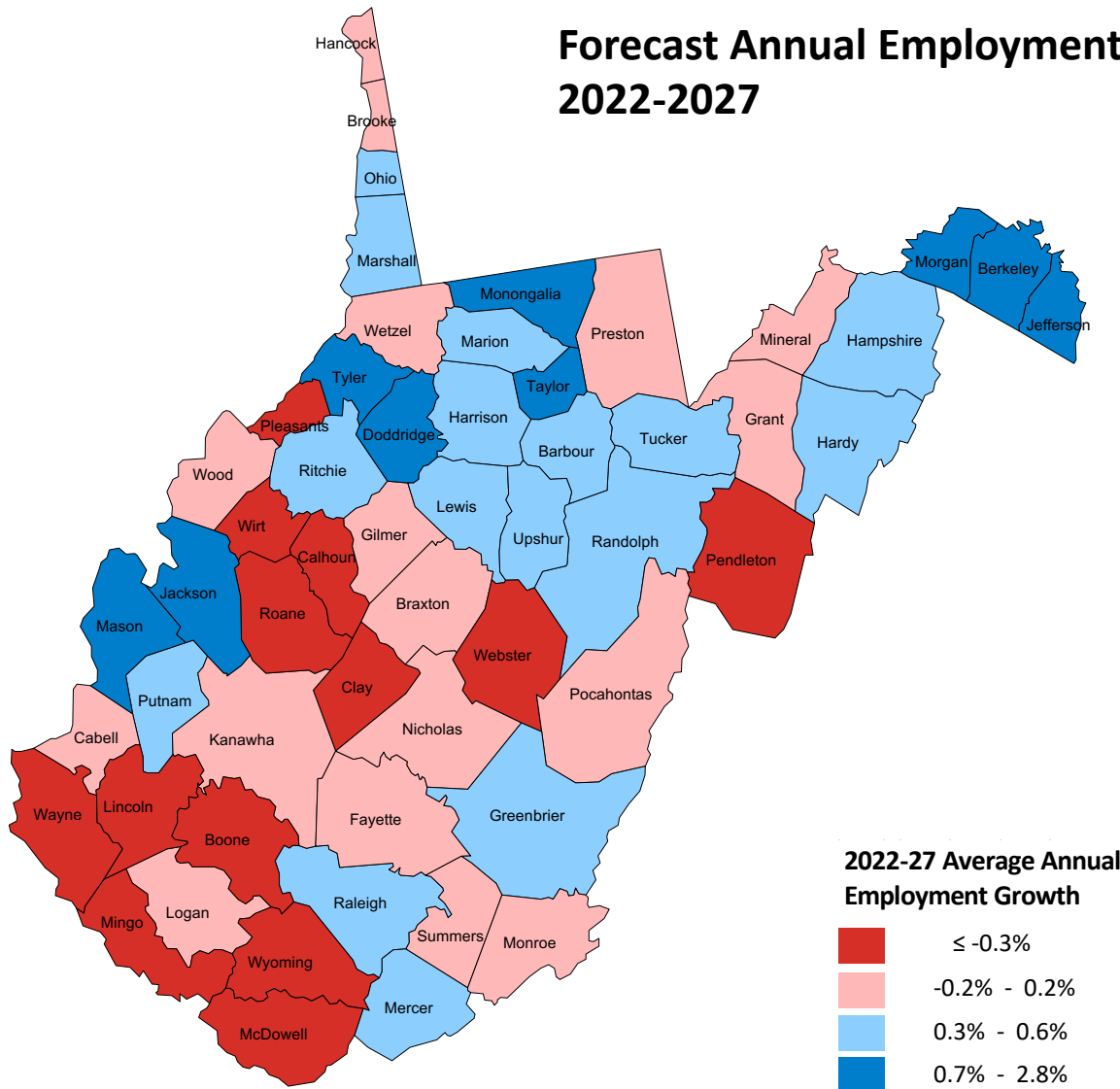
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Leading Growth Counties: 2012-2019



**Growth counties added nearly
16,000 jobs while balance of
state lost 44,000 jobs**

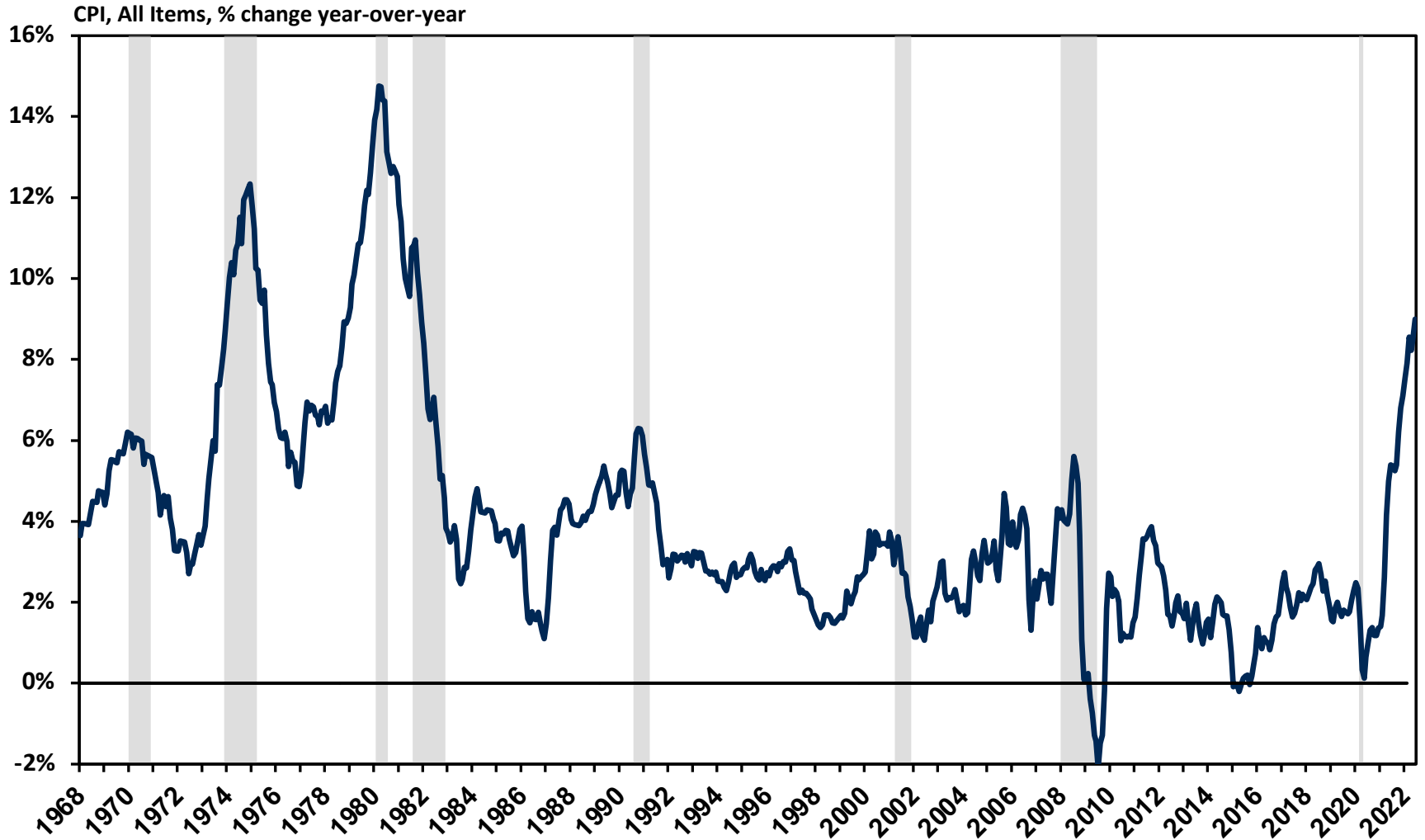
Forecast Annual Employment Growth, 2022-2027



What to watch for in 2023...

National Inflation and Interest Rates

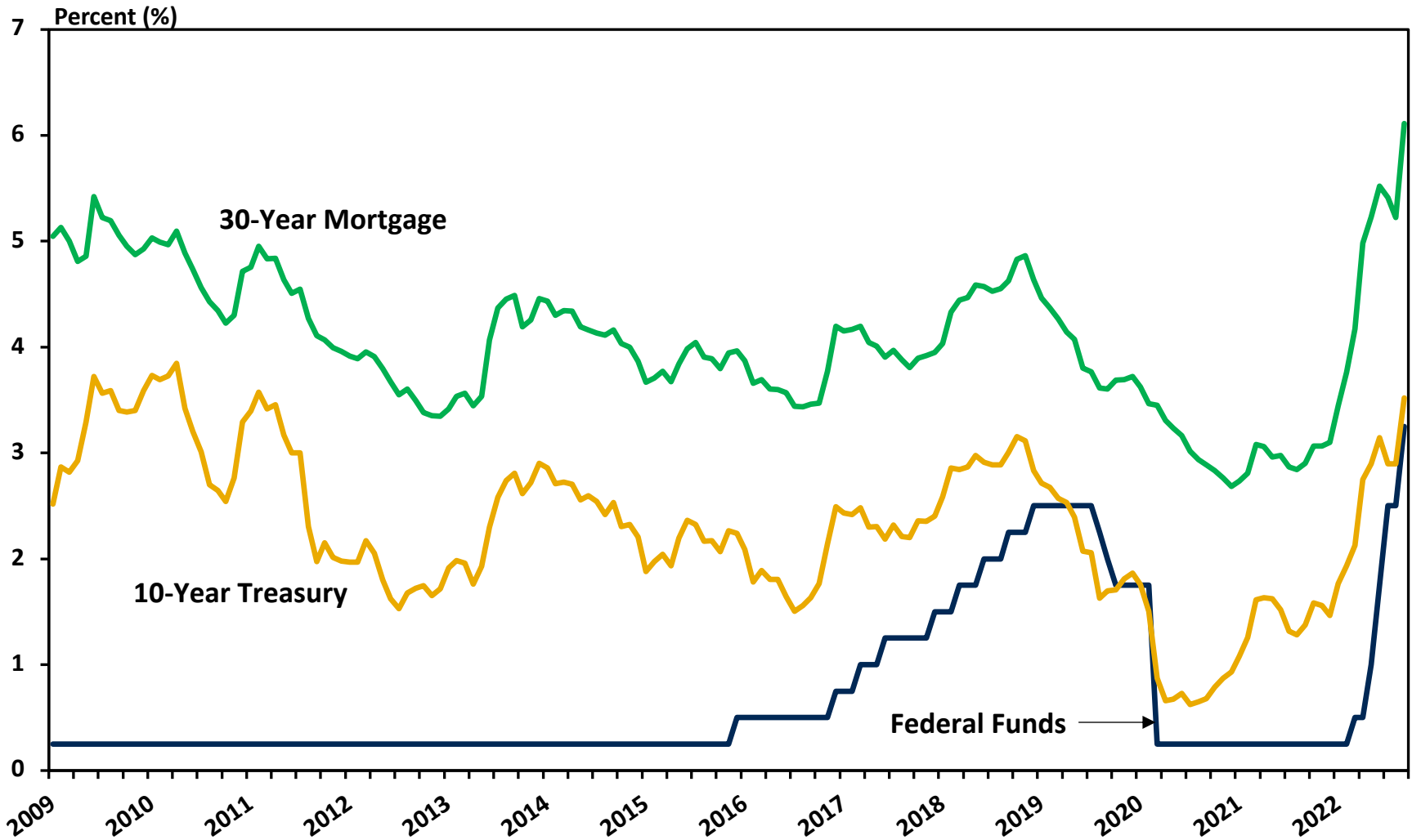
Inflation Rate



Drivers of Inflation

- Oil Prices
- Global Supply Chain Constraints
- Labor Force Shortages
- Aggressive Fiscal and Monetary Policy

Select United States Interest Rates



What to watch for in 2023...

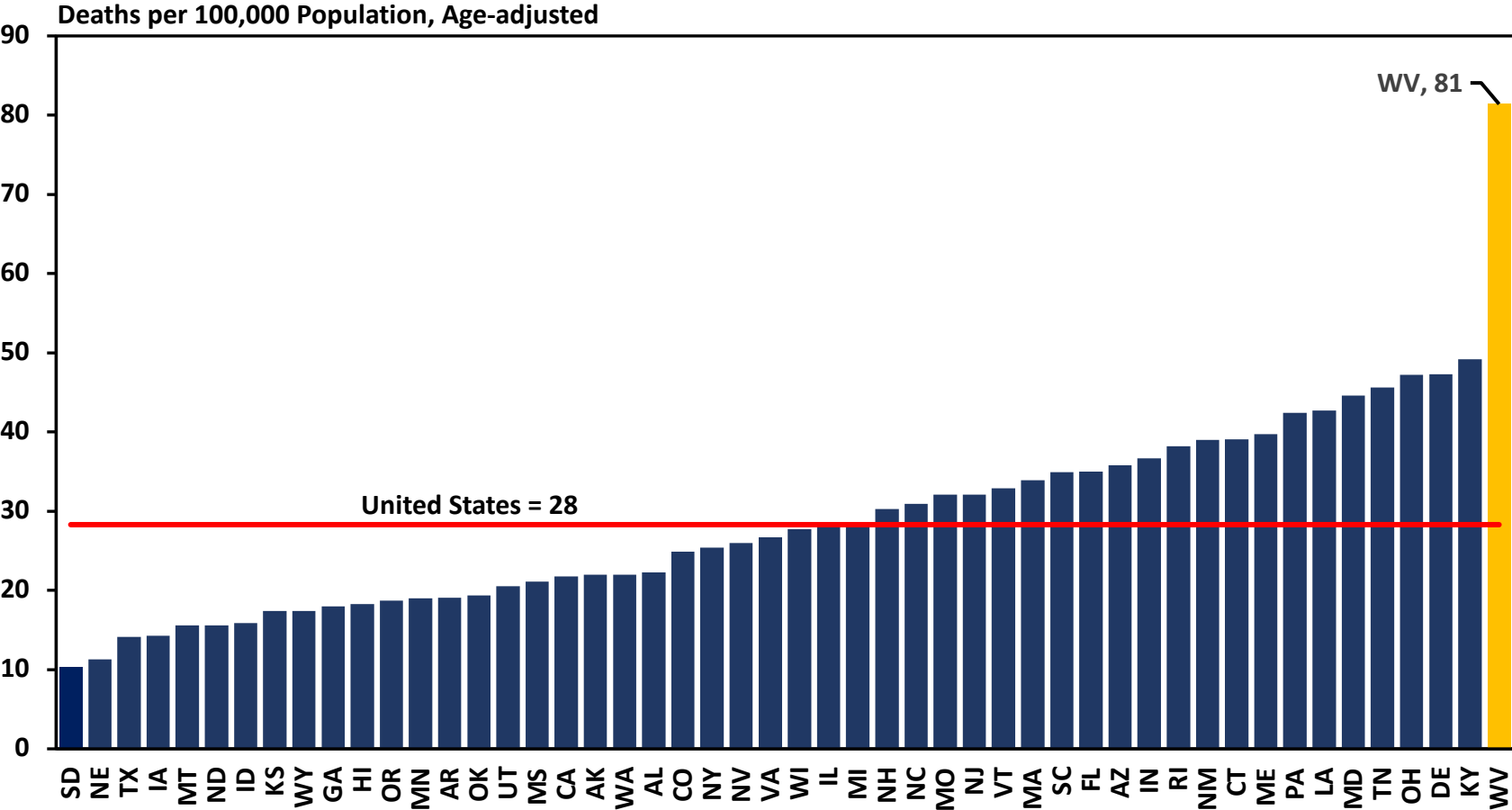
Improvement in Human Capital Outcomes



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Drug Overdose Death Rate, 2020

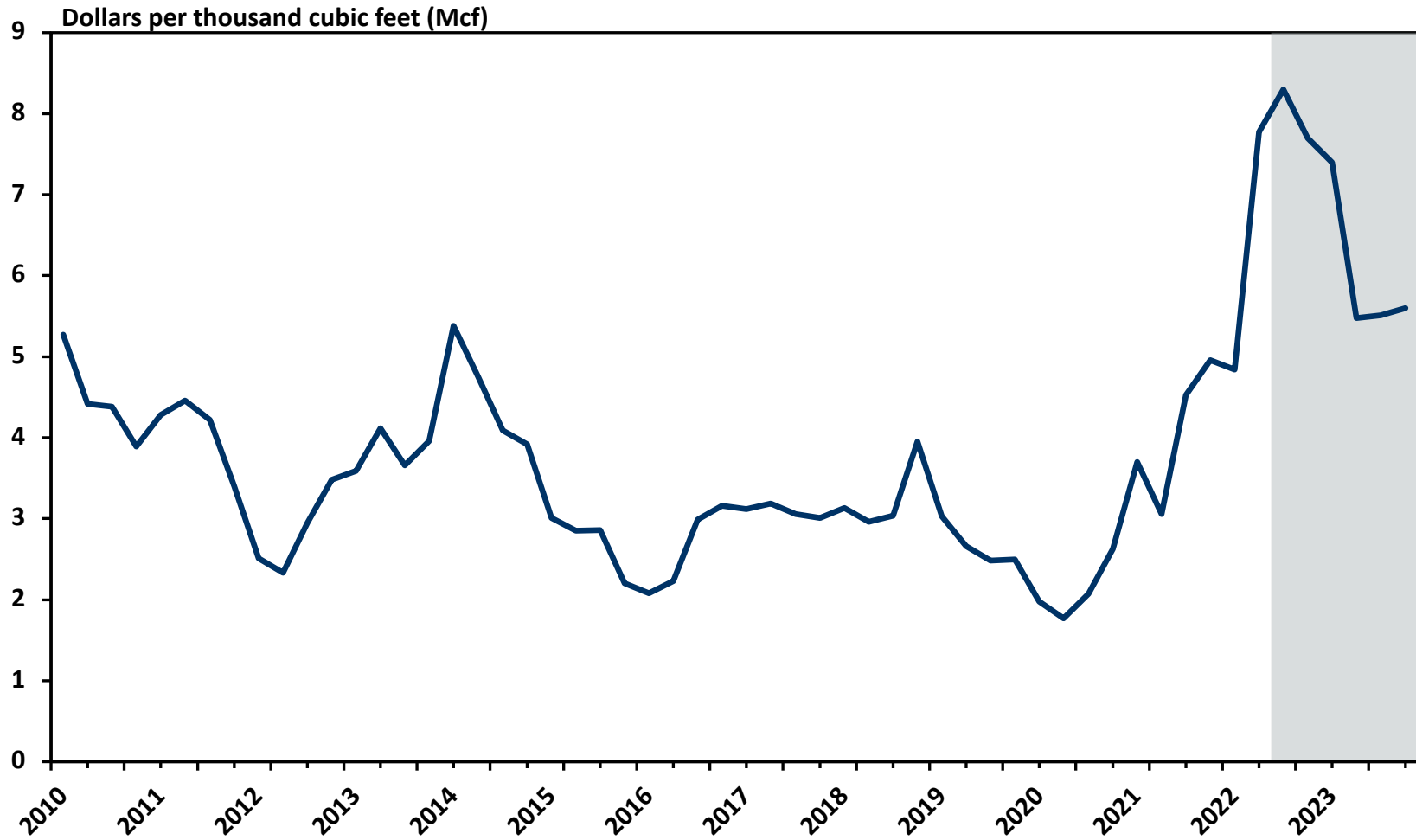


Source: Centers for Diseases Control and Prevention, CDC Wonder

What to watch for in 2023...

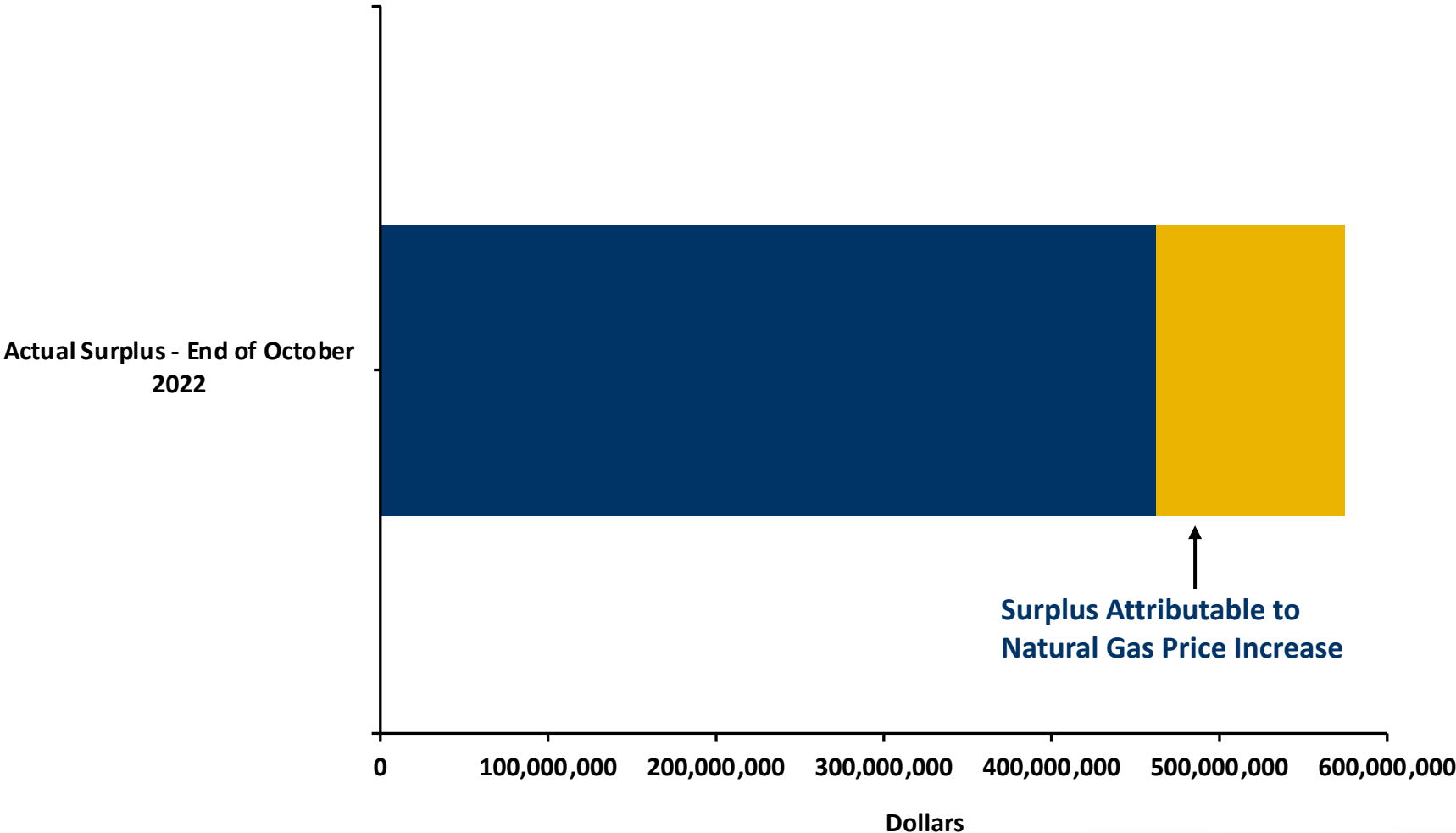
State Revenue Growth

Natural Gas Henry Hub Price Forecast



Source: U.S. Energy Information Administration

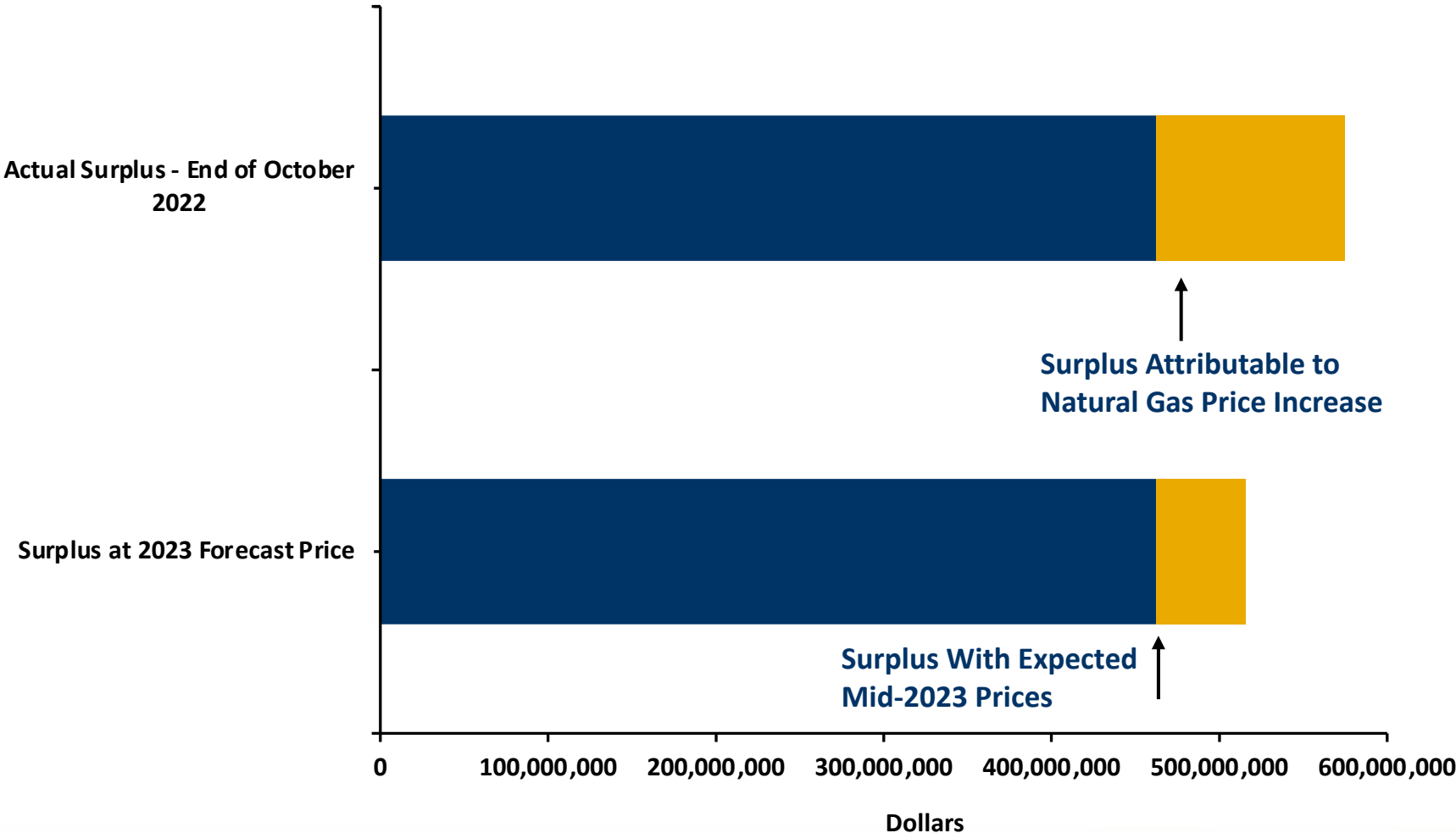
West Virginia Budget Surplus (YTD)



Surplus Calculations

- Total Surplus July-Oct: \$575 million
- Expected Taxable Natural Gas Price: \$2.25
- Actual Taxable Natural Gas Price: \$5
- Budgeted Natural Gas Severance at \$2.25 price: \$92 million
- Actual Natural Gas Severance: \$205 million
- Total Natural Gas Surplus: \$113 million (approx. 20 percent of total surplus)

West Virginia Budget Surplus (YTD)



Factors That We Are Not Considering...

- Higher natural gas prices boost corporate tax collections.
- Higher natural gas prices boost personal income tax collections through royalty income.
- Reductions in gas prices would likely reduce coal prices as well.
- A consideration of all three of these factors would further reduce the surplus estimated above.