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HOW AMERICA WORKS

Left Behind in a Nationwide Jobs Recovery: Charleston, W.Va.

Thanks to its dependence on coal, the state lacks the educated workforce and thriving cities to prosper in today's economy

By Sarah Chaney

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Charleston, W.Va.—In a booming U.S. jobs market, this city of less than 50,000 is struggling to keep up.

A soup kitchen downtown in the state's capital city has been busier than usual in recent months, while a nearby health clinic is serving 12,000 more patients, many of whom are juggling multiple low-wage jobs, than it served five years ago.

Despite the emergence of some new small businesses on the city's west side, Charleston lags behind metros in other energy-rich states like Texas, including Austin and Midland, in job creation. Those cities are flourishing amid a fracking boom in states with oil and natural-gas reserves, while Charleston is suffering from West Virginia's dependence on increasingly out-of-favor coal. Since 2010, Charleston has shed 8,400 jobs.

Charleston is a victim of its state's demographics and rural characteristics: West Virginia lacks the educated workforce and thriving metro areas that are key to prospering in today's economy.

"We desperately, desperately need diversification in West Virginia, probably more so than any other state," said John Deskins, an economics professor at West Virginia University.

Unemployment in West Virginia, at 5.1% in December, is low by historical standards, but it's well above the December national rate of 3.9%. From 2010 to 2017, West Virginia's

working-age population dropped by 8.2%. The coal-based state's labor force has contracted by 3.3% since 2010.

Manufacturing employment hasn't picked up, while it's rising for the nation as a whole. Retail employment is low. Financial-services employment is down.

Jobs in coal have grown slightly since hitting bottom in 2016 as strengthening demand abroad for coal has helped drive up production, but coal is still losing market share to natural gas as fuel for electricity generation despite high-profile political support for the industry.

The bulk of the state's job gains from December 2016 to December 2018 were in construction, many tied to natural-gas pipeline construction. But many of them are temporary given the nature of construction work, economists say.

Boosting the number of jobs in industries like advanced manufacturing and technology would help the state retain graduates, a much-needed development given attainment of a bachelor's degree or higher is 20.2% in West Virginia compared with 32% at the national level. Just 7.1% of jobs in West Virginia are in advanced industries, which includes jobs focused on research and development, trailing behind most other states, a Brookings Institution analysis shows; nationally, 9.6% of all jobs are in advanced industries.

Young, educated West Virginians regularly leave for jobs outside the state.

Stacy Oden, a 32-year-old social-media contractor in the Charleston area, grew up with a friend group of about 10 women, all of whom earned at least a bachelor's degree. Ms. Oden said they all departed for jobs and opportunities outside the state.



Stacy Oden is the last among her friend group to remain in West Virginia. Here, Ms. Oden stands on a Charleston street on a recent day. PHOTO: MADDIE MCGARVEY FOR THE WALL STREET JOURNAL

“I am the only one left here,” she said. “It’s like everybody’s your grandma or your aunt or your sister or your friends, which is something you don’t see in cities that are larger and are moving at a faster pace,” she added.

An affinity for West Virginia’s rolling mountains and culture of close family ties keeps many natives in West Virginia. But this deep-rooted loyalty is sometimes not enough to keep young workers from leaving for places with greater job opportunities and better pay.

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Ruth Williams, 26, uprooted to Cincinnati for a job in aerospace engineering after she graduated from West Virginia University in 2016. Ms. Williams loves the close-knit culture of West Virginia, where she grew up, but said the state offered limited opportunities in her field.

“I don’t know if I would have been able to pursue my career the way I’d want to in West Virginia,” Ms. Williams said. “I’ll probably go to a lot of places in following my career. I really hope it does bring me back to West Virginia.”

Employment trends in West Virginia don’t bode well for an increase in advanced jobs, leaving the state well below the national midpoint in household earnings. Median household income in West Virginia was \$43,469 in 2017, compared with \$60,336 for typical workers across the country.

Employment in lower-wage industries has grown 14.5% from 2001 to 2016, while jobs in higher-wage industries declined by 2.8%, according to findings from the West Virginia Center on Budget and Policy. Sean O’Leary, senior policy analyst at the budget center, said a rise in low-paying service-sector jobs combined with a decline in high-wage coal jobs helps explain the divergence.

“If people can’t make ends meet, that’s when they come to my door at the soup kitchen,” said Tara Martinez, executive director at Manna Meal, a soup kitchen in Charleston’s downtown district. Last July, the kitchen provided well over 10,000 meals during the month, up from an average of about 9,000 per month in the first half of 2018.

The number of locals coming in for meals remained relatively high during the summer and early fall, which Ms. Martinez attributed, in part, to a lack of jobs in the area.

—Paul Overberg contributed to this article.



West Virginia's capital city, Charleston, is struggling to keep jobs and young, educated workers. Says West Virginia University economics professor John Deskins of the plight: 'We desperately, desperately need diversification in West Virginia, probably more so than any other state.' PHOTO: MADDIE MCGARVEY FOR THE WALL STREET JOURNAL

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In This Oil Boom Town, Even a Barber Can Make

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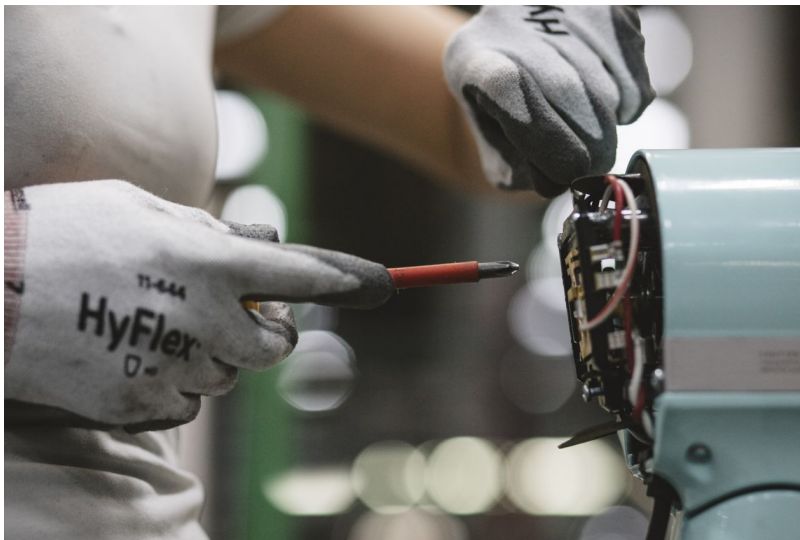
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