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Why is West Virginia So Poor? State of Working West Virginia 2016

(Charleston, WV) West Virginia continues to be one of the poorest states in the country, with consistently low income and high levels of poverty. A new report released today by the West Virginia Center on Budget and Policy, “State of Working West Virginia 2016: Why is West Virginia So Poor?” examines the causes of West Virginia’s chronic poverty and provides recommendations to address it.

“There were few bright spots for West Virginia’s economy this past year,” explained Sean O’Leary, Senior Fiscal Analyst with the West Virginia Center on Budget and Policy and one of the report’s authors. “Jobs and wage-growth continue to be hard to find, and those West Virginians who are working increasingly find themselves working for low wages. The lack of an educated workforce continues to be one the key factors holding West Virginia’s economy back.”

West Virginia suffers from a resource curse, and studies show states with a heavier-than-average reliance on mining jobs are likely to have lower incomes. Policymakers could improve the state’s economic outlook by focusing on improving education, workforce participation, health, and job skills while also building top-notch infrastructure and encouraging innovation and entrepreneurship.

“It is clear the trickle-down approach to solving West Virginia’s on-going budget crisis is not boosting our economy or improving our quality of life,” said Ted Boettner, Executive Director of the West Virginia Center on Budget and Policy and coauthor of the report. “However, a middle-out approach, that raises wages for all and invests in people and top-notch infrastructure, can boost long-term growth and make us healthier and more productive.”

Some Key Findings

- Following the Great Recession, West Virginia has experienced little job growth and elevated levels of unemployment.
- In recent years, West Virginia replaced its high-wage jobs with low-wage jobs, contributing to decades of stagnant wage growth.
- The trickle-down approach to state economic policy that emphasizes putting more money and power in the hands of the wealthy often fails to deliver strong economic growth or a better quality of life.
- In order to increase incomes in the state, West Virginia will need to expand its stock of knowledge by increasing the amount of innovative research occurring here, and by substantially raising the education levels of West Virginians.

The full report is available at www.wvpolicy.org.