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Hardy County West Virginia Population Economics & Housing 1950-2012

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A. Project Introduction and Methodology.

Cambria Planning Group was hired to develop a data report based on West Virginia comprehensive planning requirements covering population, economic, and housing characteristics.

The report was developed using data from the U.S. Census, 1960 through 2010; the American Community Survey (ACS), 2008-2012; the Hardy County Planning Department; the US Department of Housing and Urban Development; and the State of West Virginia. A bibliography of sources has been included at the end of the report, including specific table citations for both the US Census and the American Community Survey.

Data Limitations. Historic data was drawn from the US Census reports from 1960 thru 2000, although it should be noted that the data quality and accuracy varied by Census and can not be deemed entirely reliable, especially for the 1970 and 1980 Census reports. Current and recent trend data is drawn from the 2000 and 2010 Census and from the American Community Survey. While it is assumed that both the 2000 and 2010 Census reports are reasonably accurate, the American Community Survey data accuracy rates diminish and margin of error rates increase for jurisdictions with populations under 65,000. Detailed housing data for 2010 was not released as part of the 2010 US Census, most notably SF-3 and SF-4. The information, instead, was released as part of the 2010 ACS data. The American Community Survey, started prior to the 2000 Census, uses a five-year averaging model, which is currently limited but is expected to improve in accuracy over a number of cycles. For this reason, where possible, the data was ground truthed using information from the Hardy County Planning Department and the county's GIS system.

Geography.

Hardy County is located on West Virginia's eastern border with Virginia and is adjacent to three West Virginia counties (Hampshire to the north, Grant to the west, and Pendleton to the south) and two Virginia counties (Shenandoah to the east and Rockingham to the southeast). In addition, the county shares a corner with Mineral County, West Virginia and Frederick County, Virginia. While Mineral County is included in this study because of significant social service

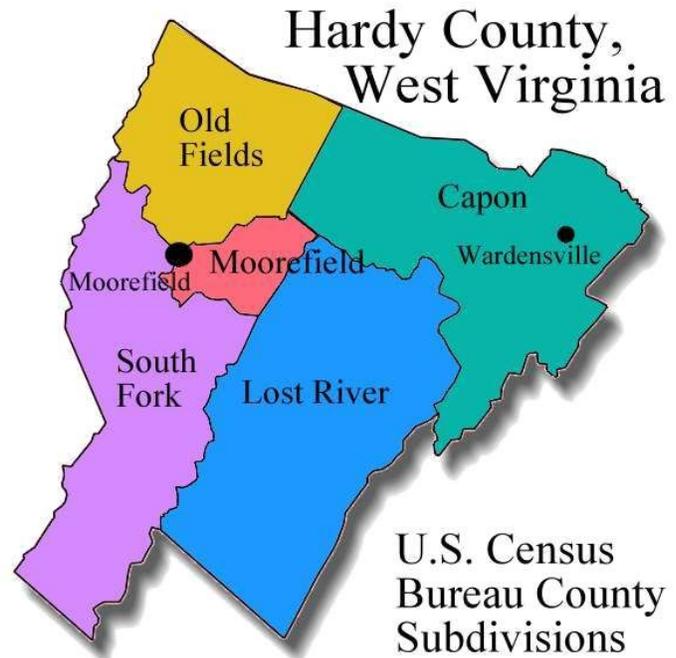
connections and a shared primary highway, Frederick County, Virginia is not included because of the lack of direct primary route access between the two counties.



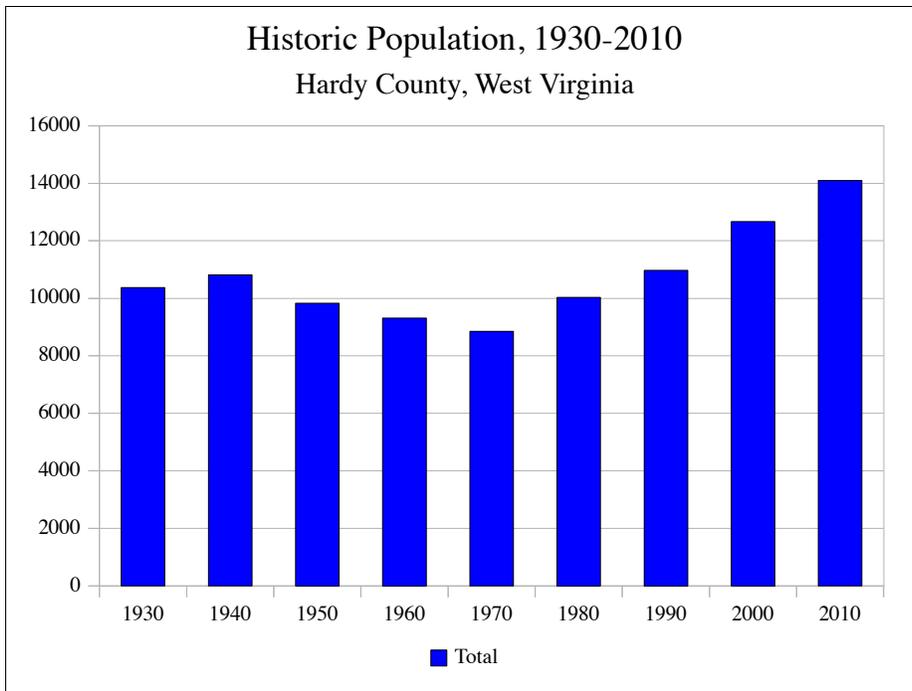
Census Districts. Hardy County has five Census districts: 1) Capon, in the northeast; 2) Lost River, in the east and southeast; 3) Moorefield, in the center of the county; 4) Old Fields, in the northwest; and 5) South Fork in the southeast. The data in this study is based on district data rather than on the three Census tracts because the geography has been more stable over the past 50 years and the information is more accessible to citizens.

B. Population

Historic Context. In some ways, the story of Hardy County is the story of many rural areas, both in West Virginia and nationally, that saw their populations decrease in the decades during and after World War II as residents went in search of economic and occupational opportunities. Between 1930 and 1940, the number of residents between the ages of 20 and 29 increased 22.9%, from 1,452 to 1784. From 1940 to 1960, 45.4% of 20 to 29 year olds left Hardy County. Some went to the war, others left for better employment opportunities generated by the war effort and industrial expansion. Of the 4,270 residents who were members of the Greatest Generation (born between 1900 and 1924), less than 60% were present in Hardy County ten years later.



The same pattern held true for the next generation as well. According to the 1930, 1940, and 1950 census reports, the Silent Generation accounted for 4,634 members who had spent all or part of their childhoods in Hardy County between 1925 and 1944. As with their predecessors, many left in the years between 1945 and 1970. By 1970, the Silent Generation in Hardy County had lost 58.7% of its population. Although a few of the older members of the generation may have served in World War II, towards the end of the war, they would have been the primary generation serving in Korea and in the beginning of the Vietnam War. It is assumed that



far more left to find employment opportunities elsewhere. Unlike the previous generations or the generations since, the members of the Silent Generation did not return to Hardy County peaking in 2000, at 53% of the original total. Factoring in where folks were born, the percentage of the returned members of the Silent Generation is even lower.

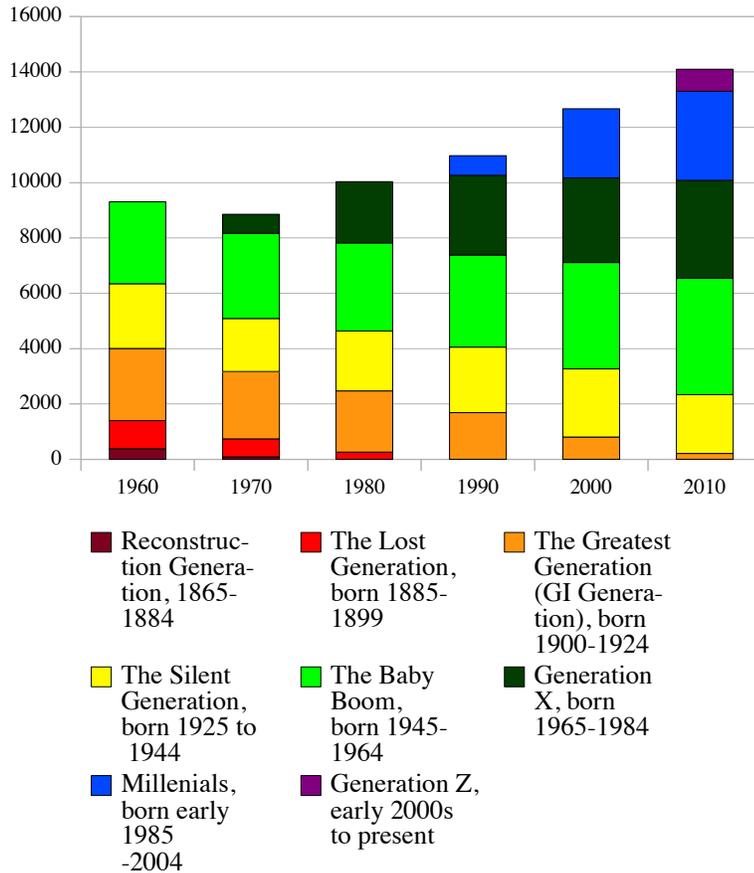
The exodus of the Silent Generation, with their kids in tow, during the 1950s

(Continued on page 6)

Generational & Age Analysis: Hardy County, 1960-2010

Distribution by Generation, 1960-2010

Hardy County, West Virginia



Hardy County's population growth, since 1970, can be attributed to two factors: changing economic opportunities since 1970 and the influx of new or returning residents, most notably over the age of 40. It, however, can not be attributed to natural growth.

In 2010, Baby Boomers represented the largest generation in Hardy County, and clearly represents the largest retirement or near retirement age generation Hardy County has seen. However, it is important to note that the birthrate in the 1950s and 1960s was substantially lower than the rate for either the the Greatest Generation (1900-1924) or the Silent Generation (1925-1944), many of whom moved in the years following World War II (between 1945 and 1970). In the period between 1930 and 1970, lost nearly 15% of the total population. The percentage would have been much higher if not for the population 60 and older. There were significant decreases in every age group under the age of 40, especially in the years from 1941 and 1970. The percentage of children 9 and under dropped from a record high of 2,526 in 1930 to 1,915 in 1960 so a low of 1,383 in 1980.

	1930	1940	%±	1950	%±	1960	%±	1970	%±
9 and Under	2526	2336	-7.52%	2234	-4.37%	1915	-14.28%	1489	-22.25%
10 to 19	2208	2384	7.97%	1882	-21.06%	1805	-4.09%	1708	-5.37%
20 to 29	1452	1784	22.87%	1450	-18.72%	974	-32.83%	1047	7.49%
30 to 39		1334		1029	-22.86%	1190	15.65%	872	-26.72%
40 to 49		1057		1087	2.84%	1051	-3.31%	1099	4.57%
50 to 64		1198		1270	6.01%	1360	7.09%	1527	12.28%
65 and older		720		880	22.22%	1013	15.11%	1113	9.87%

Source: US Census, 1930-2010; Census of Population Volume 1 (1930-1980 table numbers varied); SF-1 (1990-2010)

	1970	1980	%±	1990	%±	2000	%±	2010	%±
9 and Under	1489	1383	-7.12%	1400	1.23%	1622	15.86%	1618	-0.25%
10 to 19	1708	1737	1.70%	1503	-13.47%	1636	8.85%	1685	3.00%
20 to 29	1047	1550	48.04%	1558	0.52%	1397	-10.33%	1438	2.93%
30 to 39	872	1306	49.77%	1639	25.50%	1930	17.75%	1795	-6.99%
40 to 49	1099	1001	-8.92%	1431	42.96%	1890	32.08%	2132	12.80%
50 to 64	1527	1666	9.10%	1762	5.76%	2310	31.10%	3090	33.77%
65 and older	1113	1387	24.62%	1684	21.41%	1884	11.88%	2339	24.15%

Hardy County: Cohort Analysis, 1960-2010

Born	1960	1970	1980	1990	2000	2010	Current Age, 2010
After 2004						793	Under 5 years
2000-2004						825	5 to 9 years
1995-1999					755	849	10 to 14 years
1990-1994					867	836	15 to 19 years
1985-1989				710	881	712	20 to 24 years
1980-1984				690	755	726	25 to 29 years
1975-1979			664	746	660	880	30 to 34 years
1970-1974			719	757	737	915	35 to 39 years
1965-1969		691	830	693	907	1016	40 to 44 years
1960-1964		798	907	865	1023	1116	45 to 49 years
1955-1959	946	901	780	850	987	1064	50 to 54 years
1950-1954	969	807	770	789	903	1015	55 to 59 years
1945-1949	1048	569	719	817	923	1011	60 to 64 years
1940-1944	757	478	587	614	746	798	65 to 69 years
1935-1939	484	444	510	572	641	602	70 to 74 years
1930-1934	490	428	491	566	526	394	75 to 79 years
1925-1929	604	564	580	624	548	333	80 to 84 years
Before 1925	586	535	559	552	392	212	85 years and over
	537	515	527	439	226		
	514	514	455	319	192		
	525	498	407	218			
	448	373	268	156			
	387	306	147				
	339	207	110				
	286	139					
	204	88					
	115						
	69						
Total Population	9308	8855	10030	10977	12669	14025	

Cohort Charts. A cohort chart illustrates what happens to single cohorts over time. A single line represents a five year cohort. For example, in 1960, there were 946 people under the age of 5 (born 1955 to 1959). By 2010, Hardy County had 1,064 people born between 1955 and 1959. The chart is color coded to align with the generational chart on page 4.

Generations by Popular Name and Years of Birth:

Regularized Span

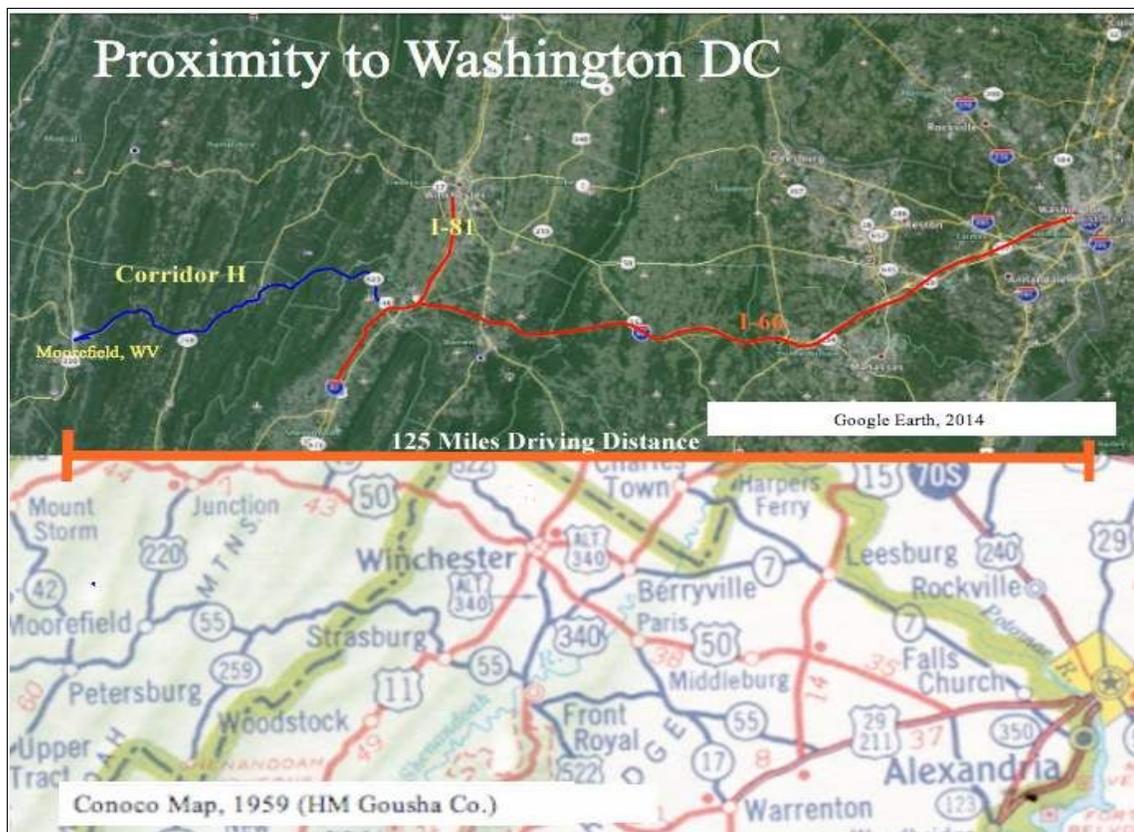
	Residents 85 & older (mixed generations)	
	Reconstruction Generation (1865 to 1882)	1865-1884
	The Lost Generation, born 1883-1900 (spans 17 years)	1885-1899
	The Greatest Generation (GI Generation), born 1901 to 1924 (spans 24 years)	1900 to 1924
	The Silent Generation, born 1925 to 1942 (spans 18 years)	1925 to 1944
	The Baby Boom, born 1943 to 1964 (spans 22 years)	1945 to 1964
	Generation X, born early 1960s to early 1980s (spans 20 years)	1965 to 1984
	Millennials, born early 1980s to early 2000s (spans 20 years)	1985 to 2004
	Generation Z, early 2000s to present	2005 and later

Unfortunately, popularized generational names and time spans do not easily lend themselves to Census data. For that reason, we regularize the generations by five year cohort for ease of analysis. With the exception of the age cohorts ages 75 and older, and those under the age of 15, every five year cohort is currently larger than it was at the beginning of the cohort's time frame. For example in 1980, there were 719 children who were born between 1970 and 1974. Those children are now 35 to 39 years old and the number of people within that five year cohort has increased from 719 to 915, a 27.3% increase between 1980 and 2010.

and 1960s decreased the overall impact and growth rate in Hardy County during the years of the Baby Boom (1945 to 1964). As the birthrate increased nationally, peaking in 1957, the peak in Hardy County was actually a decade earlier. In 1950, according to the US Census, there were 1,184 children under the age of 5; in 1960, that number had dropped to 946, bucking the national trend. Of the four Baby Boom cohorts, those born between 1945 and 1949, saw the single largest decrease in overall population between 1960 and 1970. While every cohort exhibits a drop between the ages of 20 and 24, none of the drops have been on the same scale. In 1960, there were 1,048 residents born during that five year span; by 1970, their numbers had dropped to 569, a 45.7% decrease in ten years.

Since 1950, Hardy County has undergone a demographic sea-change, mirroring the experiences of many rural areas within a two to three hour radius of a major urban area. For decades, Hardy County's economy was defined by family farms, by the poultry industry, and by the supporting industries and small businesses in Moorefield and Wardensville. Relatively speaking, the county was insulated from many of the national cultural shifts by geography. Prior to the advent of interstate highway system in the 1950s through 1980s, Washington D.C. was a distant entity neither easily accessed or readily accessible.

While the construction of I-81 in Virginia's Shenandoah Valley brought the world a bit closer, the major shifts occurred not with I-81, but with the construction of I-66. In 1959, Washington DC, in the best of conditions, was five hours, some 150 miles of blue highways, and a portion of the Alleghenies and all of the Blue Ridge away. The roads did not lend themselves to high speeds, although on a map, the route was reasonably direct: Route 55 east to US Route 211/29 in Virginia, just east of Warrenton. Take a left and 37 miles later, through assorted small towns



Western Expansion & Urbanization: The Domino Effect



Jurisdictions, east to west, in the I-66 and I-81 Corridors	Cost of Living Index	Median Home Cost	Per Capita Income
Fairfax County, VA	156	\$427,900	\$46,460
Prince William County, VA	126	\$274,100	\$32,281
Fauquier County, VA	120	\$263,700	\$38,695
Marshall, VA	154	\$279,000	\$39,830
Warren County, VA	115	\$148,800	\$26,433
Front Royal, VA	111	\$150,500	\$23,218
Shenandoah County, VA	104	\$172,700	\$25,979
Strasburg, VA	100	\$165,700	\$25,611
Middletown, VA	110	\$183,900	\$26,961
Hardy County, WV	87	\$146,200	\$20,323
Frederick County, VA	111	\$179,200	\$28,116
Winchester	112	\$179,700	\$26,154
Hampshire County, WV	98	\$128,800	\$19,911
US Baseline	100	\$153,300	\$26,154

The Domino Effect: As areas develop and the cost of living increases, residents begin to relocate to neighboring jurisdictions with lower costs of living, often placing greater pressures on local infrastructure, creating new development pressures, including the need for affordable housing, and eventually driving up overall costs. This is especially true if the new residents are in income ranges above the existing range for their new jurisdiction. If their income is substantially higher, it can skew local data. Development pressure in Hardy County are being driven by new residents and by second homers specifically in the Capon and Lost River districts and are effectively driving up the cost of housing and, in the long term, the cost of living.

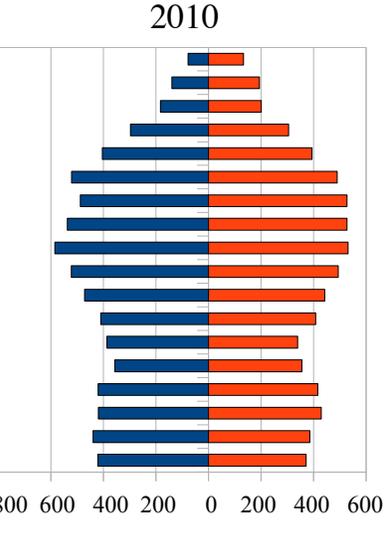
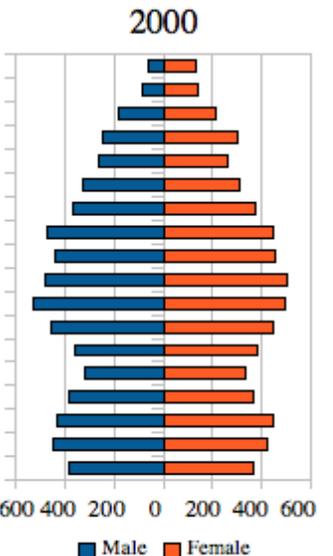
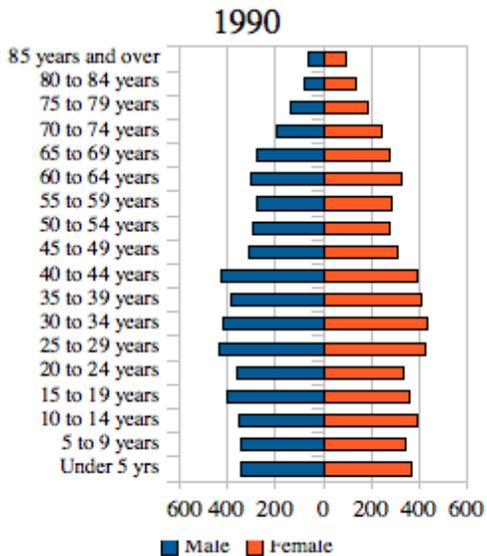
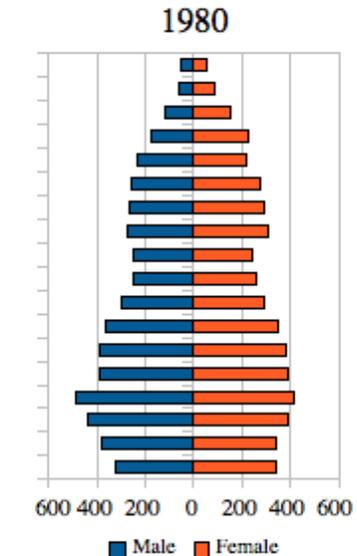
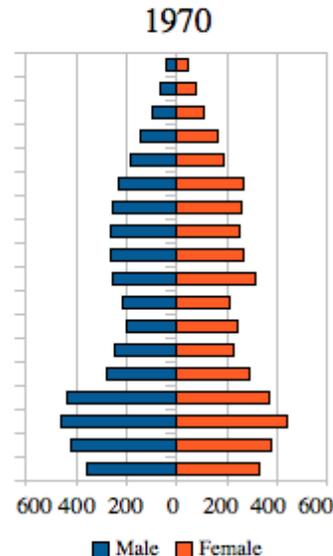
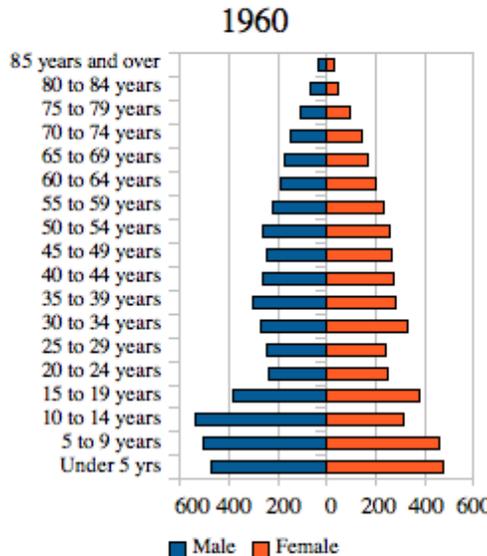
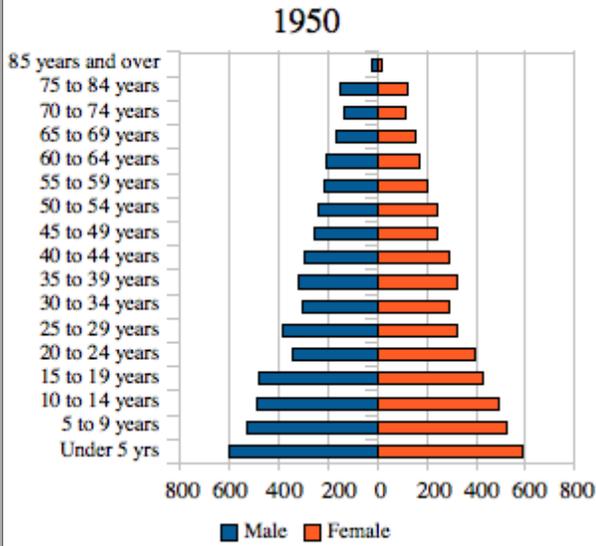
Sources: Sperling's Best Places, 2014; ACS, US Census Bureau, 2014

and changing speed limits, you were in Washington. Interstate 66 followed Route 55, The construction of I-66 not only made the Washington DC metro area more accessible to Hardy County, it made Hardy County more accessible to weekenders and telecommuters from the Washington D.C. Area. As the D.C, Metropolitan Area spreads west and additional ex-urban areas surrounding D.C. develop, including Winchester, the completion of Corridor H will bring the outskirts of the D.C. Metropolitan Area to Hardy County.

Changing Demographics. Over the past 25 years, Hardy County has seen significant increases in a number of key indicators, including:

- An expansion of residents primarily in households with commuters from neighboring Virginia jurisdictions in the Washington D.C. and Winchester Metropolitan Areas. In 2010, 21.9% of workers were commuting to jobs in Virginia.;
- An expansion of full-time and part-time residents ages 45 and older, including second homers, early retirees, and retirees interested in living a "rural lifestyle" in reasonably close proximity to urban areas. Between 1990 and 2010, the percentage of the population ages 55 and over increased by.

Population Distribution, by Age and Gender, 1950-2010



- an increase in education attainment, which means that long term that there will be a growing disconnect between the local workforce and the local labor market, effectively shifting the eastern portions of Hardy County to a bedroom community status for workers in Virginia jurisdictions.
- an increase in median family income and per capita income beyond the local wage structure;
- a broadening of occupational specialties that can not be accounted for in the local economy;
- an increase in the overall cost of housing beyond the local affordability range (monthly expenditures exceeding 30% of gross income);
- an increase in manufactured housing, as affordable housing became harder to find and the need for affordable housing increases;
- an increase in second homes as the cost of real estate in the Blue Ridge increase and as I-66 made the George Washington National Forest accessible to weekenders from Washington D.C.;

I-66 construction began in 1977, as part of a transcontinental interstate that was intended to extend from Washington D.C. to Fresno, California. Corridor H was part of the original design. One need only look at the demographic shifts over the past 50 years to see the evidence of change.

Nativity. In 1960, 90.8% of Hardy County residents were born in West Virginia, although not necessarily in Hardy County. Ten years later, the percentage of West Virginia natives had dropped to 88.2%, a relatively minor decrease. By 1990, a few years after the completion of I-66, the percentage of West Virginia natives had dropped to 61.3%. In the western half of the County, the percentage of residents born in West Virginia remained relatively high (73% in the Moorefield district; 72.5% in the Old Fields district; and 74.3% in the South Fork District). In the eastern half of Hardy County, however, it was a much different story: 52.9% in Wardensville, 42.7% in the Capon district, and 45.1% in the Lost River district.

Nativity, by Generation: Hardy County, West Virginia, 2010

Generation	Total	Born in state of residence:	Born in other state in the United States:	Native; born outside the United States:	Foreign born:	Total Born in WV	Total Born Elsewhere	% Born Elsewhere
Generation Z, early 2000s to present	822	457	365	0	0	457	365	44.40%
Millenials, born early 1985 -2004	4085	2162	1827	24	72	2162	1923	47.07%
Generation X, born 1965-1984	2804	1273	1419	43	69	1273	1531	54.60%
The Baby Boom, born 1945-1964	3919	1959	1905	6	49	1959	1960	50.01%
Silent Generation, born 1935 to 1944	1302	868	434	0	0	868	648	49.77%
Silent Generation (1925-1934) & The Greatest Generation (GI Generation), born 1900-1924	900	686	214	0	0	686	214	23.78%

In a 20 year span, two of the five districts had shifted from a majority of West Virginia natives to a non-native majority, and the district closest to the I-66 terminus near Middletown, the Capon district, saw the greatest shift.

For Hardy County and the counties to the east in Virginia, the construction of I-66 created an economic domino effect. Historically, the cost of living in the Washington D.C. Metro Area has been far higher than the rest of Virginia and West Virginia. Prior to the construction of I-66, the impact of the high cost of living was essentially contained on the eastern side of the Blue Ridge. Once I-66 was built, the cost of living, especially the cost of housing, began rising in the northern Shenandoah Valley. Shenandoah County, Frederick County, Winchester and Northern Virginia residents moved west in search of more affordable housing, housing prices and cost of living in Hardy County started to rise.

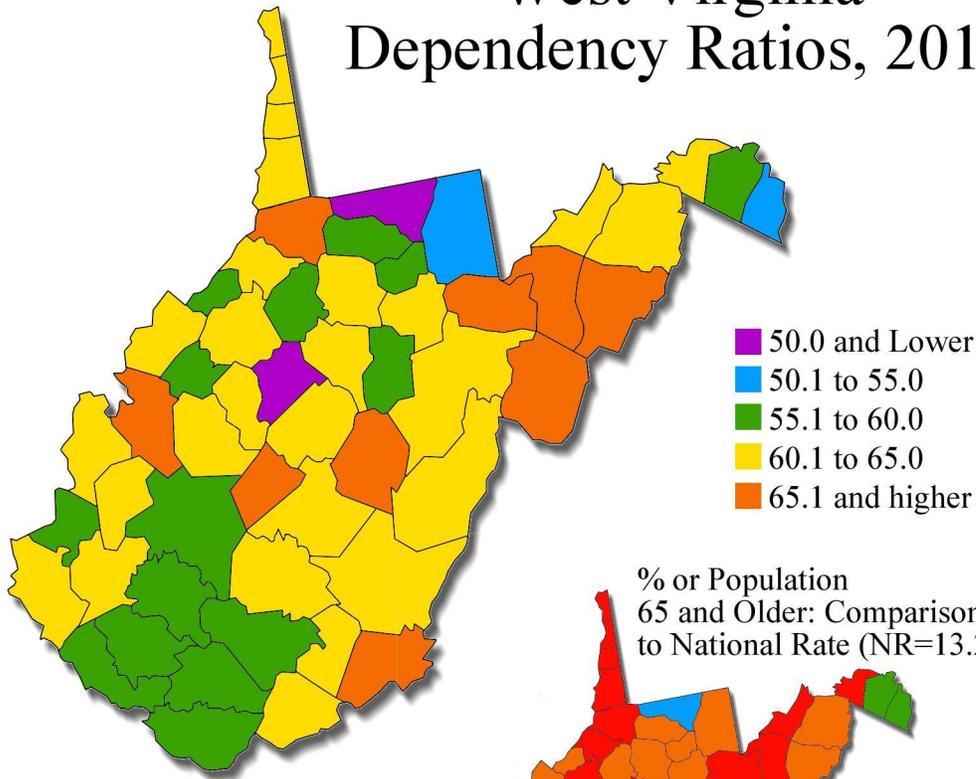
In 1970, 86.2% of population, 5 years and older, had lived in either the same house they had lived in five years earlier (69.8%) or in a different house in Hardy County (16.4%). Only 3% of the residents had moved from a house in another state. In 1990, the percentage of residents who had relocated from another state after 1985 doubled to 7.32%. In fact, as noted above, the number of residents originally from another state rose from 8% of the population in 1970 to 38.4% in 1990, suggesting that the percentage who relocated from another state was far higher than 7.32%. Since 1990, the shifts have become more pronounced. By 2010, over half the residents in Hardy County born between 1965 and 1984 (54.6%), half of the residents born between 1945 and 1964 (50.01%), and nearly half of those born between 1925 and 1944 (49.7%) were born someplace other than West Virginia

The Dependency Ratio. The population shift over the past twenty-five years has had at least one significant, positive impact: a lowering of the County's overall dependency ratio. Hardy County's dependency ratio is still higher than the ideal, the balance between those of workforce age (18 to 64) and those outside workforce (children and retirees) is improving. In 1960, Hardy County had an overall age dependency ratio of .96, which means there was approximately one person in the workforce for every one person outside of the workforce, based on the current definition. The situation was created by a combination of a relatively high number of children 17 and under and a significant retiree age population. In the fifty years since, the dependency ratio between those under 18 and those in the labor force has continued to decrease from .70 in 1960 to .35 in 2010.

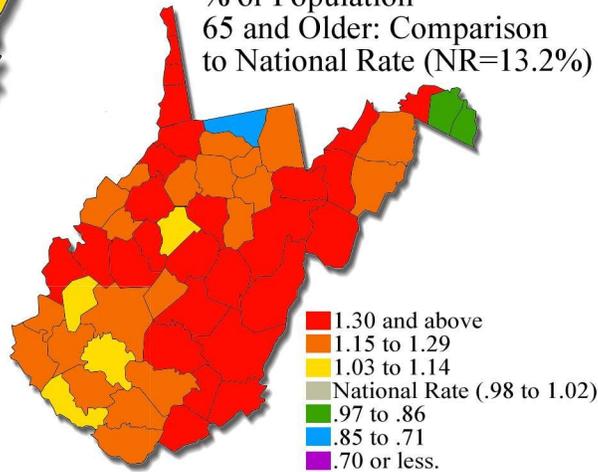
The old-age dependency ratio, on the other hand, has steadily increased over the same period of time from .22 in 1960 to .27 in 2010. The increase can be attributed to two factors: 1) a lengthening of the average lifespan; and 2) an increase in retiree population as people who built second homes in earlier years retire to Hardy County from elsewhere. Given the actual increase in retiree population, as a percentage of the whole, from 10.9% in 1960 to 16.7% in 2012, the increase in the old-age dependency ratio is not particularly surprising. The trend is likely to continue given that the largest age group in Hardy County are Baby Boomers (born 1945 to 1964), less than half of whom have actually reached retirement age. Baby Boomers account for 30% of the population in Hardy County. Of those who have not reached retirement age, half will retire by 2020 and all will have reached retirement by 2030. Based on the nativity data, it is fair to assume that a substantial proportion of the Boomers will eventually move elsewhere as they

(Continued on page 12)

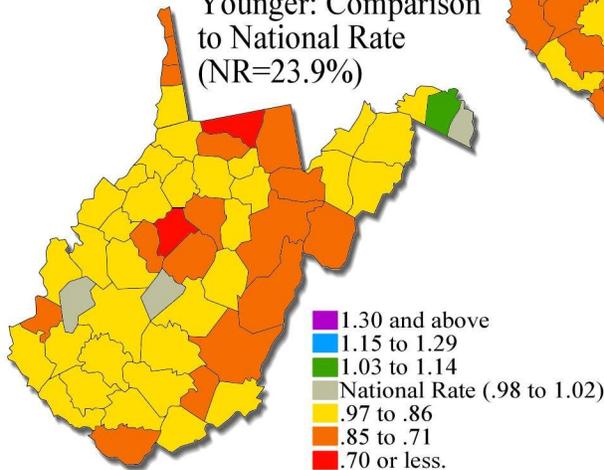
West Virginia Dependency Ratios, 2012



% of Population
65 and Older: Comparison
to National Rate (NR=13.2%)



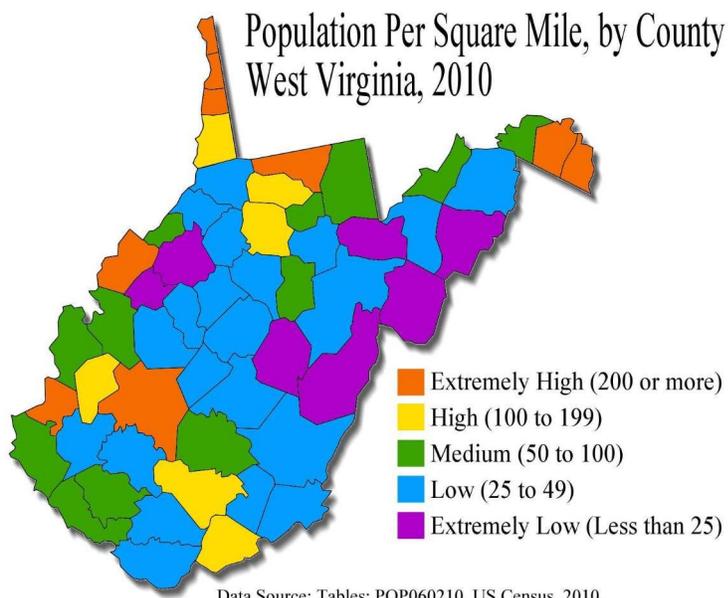
% of Population
17 Years and
Younger: Comparison
to National Rate
(NR=23.9%)



The dependency ratio is the ratio between those who are workforce age (18 years to 64 years) to those who are either too young to be in the workforce (17 years or younger) or are retired (65 years and older). If a jurisdiction has a ratio of 0.50 or lower, it means there is a two to one ratio (two workers for every dependent). If the number is 1.0 then there is a one to one ratio: one worker per dependent. The higher the number, the greater strain on local resources.

Dependency Ratio, 1960 to 2012

	1960	1970	1980	1990	2000	2010	2012
Total population	9308	8855	10030	10977	12669	14025	13912
Under 18 years	3489	2932	2797	2618	2954	3009	3134
18 years to 64 years	4706	4810	5846	6675	7831	8687	8422
65 years and over	1013	1113	1387	1684	1884	2339	2356
Age dependency ratio	0.96	0.84	0.72	0.64	0.62	0.62	0.65
Old-age dependency ratio	0.22	0.23	0.24	0.25	0.24	0.27	0.28
Child dependency ratio	0.70	0.61	0.48	0.39	0.38	0.35	0.37



For some counties, like McDowell, population loss and lower density can be attributed to negative turns in economic fortune; for others, like Hardy County, terrain, poor roads, and lack of connectivity beyond the county boundaries have helped to insulate the jurisdiction and impede growth.

Typically, low density jurisdictions face three challenges: 1) providing and distributing resources; 2) access to technological innovation and infrastructure; and 3) increased cost per person for services provided. In addition, low density jurisdictions have economies based either on agriculture or on an extractive industry, industries that experience wide market fluctuations and, in the case of agriculture, climate-based disruptions and damage.

shift from independent living arrangements to dependent arrangements (assisted living and retirement facilities or family member households).

The dependency ratio does not account for the portion of the population who took early retirement, those who continue to work past age 65, or those who enter the workforce earlier than age 18.

V. Projected Growth

West Virginia, as a whole, is a rural state. The population density for the state is 77.1 people per square mile, well below the density for the United States (87.4). At 24.1 people per square mile, Hardy County is well below the state rate, and is one of only seven counties with a population density at or below 25.

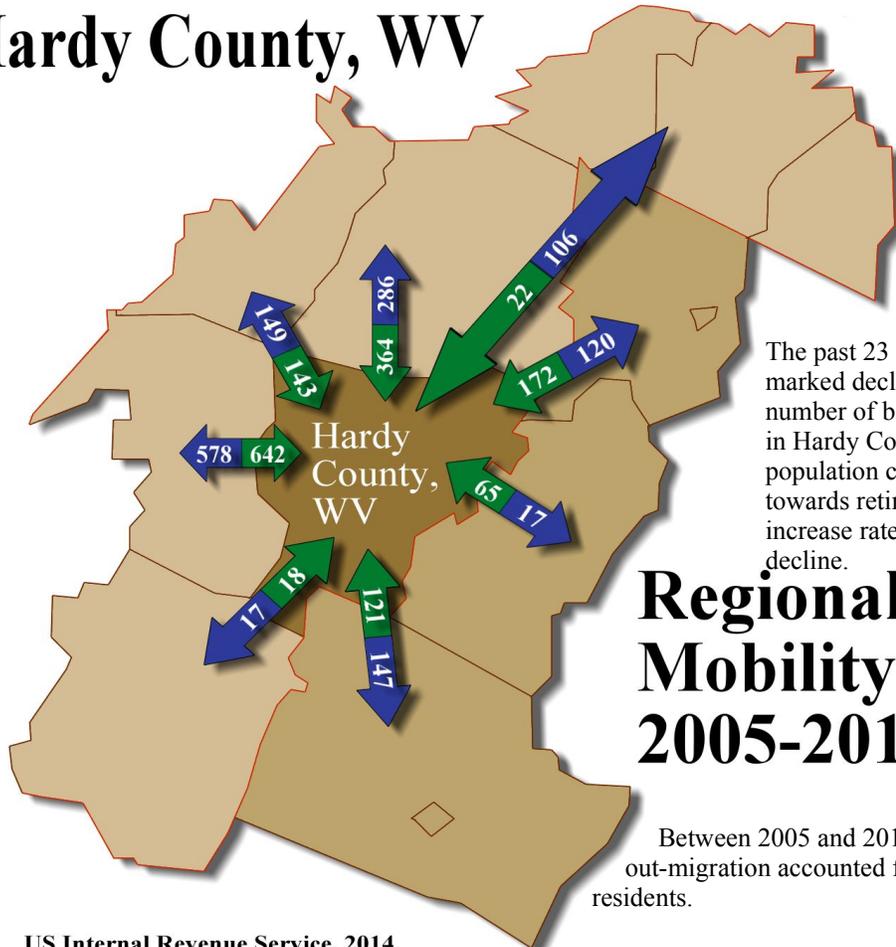
The two towns, Moorefield and Wardensville, as well as the Moorefield, Capon, and Old Fields districts, have densities higher than Hardy County, although it is not particularly surprising due to their proximity to Corridor H. It is fair to assume that the northern districts, especially, will experience additional growth once the corridor has been completed from Wardensville to I-81 in Virginia. The remaining two districts, Lost River and South Fork, have far lower population densities (15.1 and 19.9 respectively), a trend that is likely to continue, although the South Fork district may see additional suburbanized growth as the area on the southern edge of Moorefield develops.

Projected Growth. There are four elements that help to determining population growth: births and deaths, which account for natural growth or natural decline, and in-migration and out migration. For Hardy County, migration rates have a far greater impact on both the composition of the population and the overall growth patterns.

(Continued on Page 16)

Changing Population: 1990 to 2012

Hardy County, WV



The past 23 years have shown a marked decline in the overall number of births and the birthrate in Hardy County. As the population continues to skew towards retiree age, natural increase rates are also likely to decline.

Regional Mobility, 2005-2010

Between 2005 and 2010, regional in- and out-migration accounted for a net gain of 163 residents.

US Internal Revenue Service, 2014

	2000-01	2005-06	2012-2013
births (per 1000)	12.3	11.8	9.6
deaths (per 1000)	9.7	10.5	10.9
Natural Increase Rate	0.0026	0.0013	-0.0014

Jurisdiction	In Migration	Out Migration
Mineral County	143	149
Rockingham County, VA	121	147
Berkeley County, WV	22	106
Grant County, WV	642	578
Hampshire County, WV	364	286
Shenandoah County, VA	65	17
Frederick County, VA	172	120
Winchester, VA	36	0
Pendleton County WV	18	17

While retirees, especially those who are moving from Hardy County to retirement facilities in neighboring Virginia counties, may account for some of the regional migration, income data from the IRS suggests that economic opportunity, jobs, and education may well be more of a contributing factor. On a broader scope, population movement into Hardy County is directly tied to and impacted by economic patterns in Northern Virginia and Maryland. There is some evidence to suggest that since the beginning of the recession in 2008, fewer people in the Baby Boom generation are taking early retirement, which has slowed the conversion of second homes into year-round homes and slowed the overall sale of second homes. As the economy improves, this trend is likely to reverse.

Finally, as the Federal Government and private industries expands telecommuting, especially in the D.C. metro area, older workers are likely to continue to move to lower cost areas within a three hour radius.

Trends Analysis

First, some of these trends have been noted in other sections of this report.

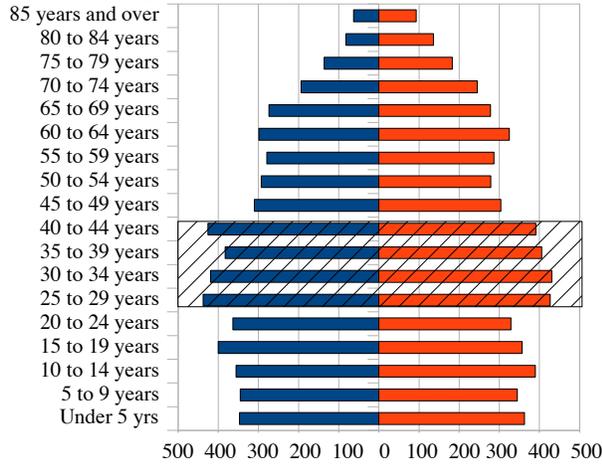
1. *Increase in population over age 69.* Over the past 23 years, the number of retirees age 70 and older has increased 35.1%. For those age 80 and older, the population has increased 112.1%. The increase, especially at the upper range, suggests that a greater percentage of the elder population is choosing to age in place. However, it should be noted that the individual cohort (those who are 80 and older) decreased 42% between 2000 and 2010, a decrease that cannot be explained solely by the death rate. Given the lack of retirement facilities in Hardy County, it is more likely that the decrease can be attributed residents leaving

Hardy County for retirement facilities in other areas.

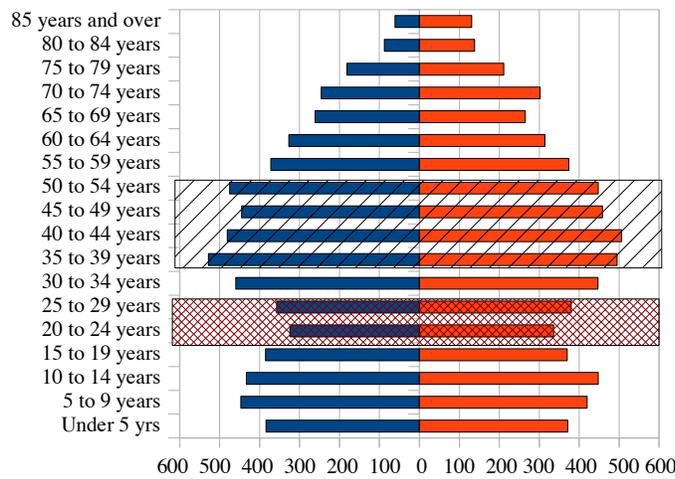
2. *Destabilized population.* As the 2012 population tree indicates, the economy has had a significant impact on the population of Hardy County. While most age groups saw at least some increase in population, the rule does not hold for those 25 to 34. Between 2000 and 2013, the number of residents, age 25 to 34, dropped by 32.3%. This is especially true for women. While the female population increased for those in the 60 to 64 (80.6%) and 65 to 70 (68.7%), it dropped for for women ages 25 through 40. There was a 36.9% decrease for women ages 25 to 29, 45.1% drop for women 30 to 34, and a 17% drop for women ages 35 to 39. While this helps to explain the decreasing birth rate, it also raises significant concerns surrounding the question of why.

3. *Economic opportunity.* While Hardy County has maintained a fairly constant approach to economic development, the nature of economic opportunity and increased access to a broader world view in terms of career choices and changes in technology may account for the shifts in the county's population. For the most, the local economy is centered on a combination of agriculture and agricultural products, manufacturing of wood products, and retail (Walmart). Not unlike the period following WWII, younger workers have a broader field of interests in terms of employment than are locally available, which would help explain the large scale losses in the "younger workforce" age groups.

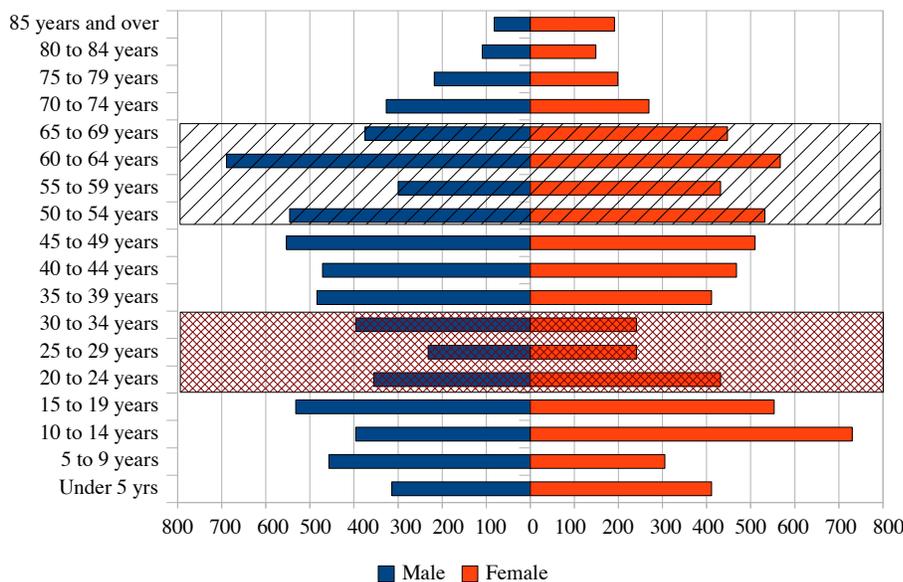
Population, by Gender, 1990



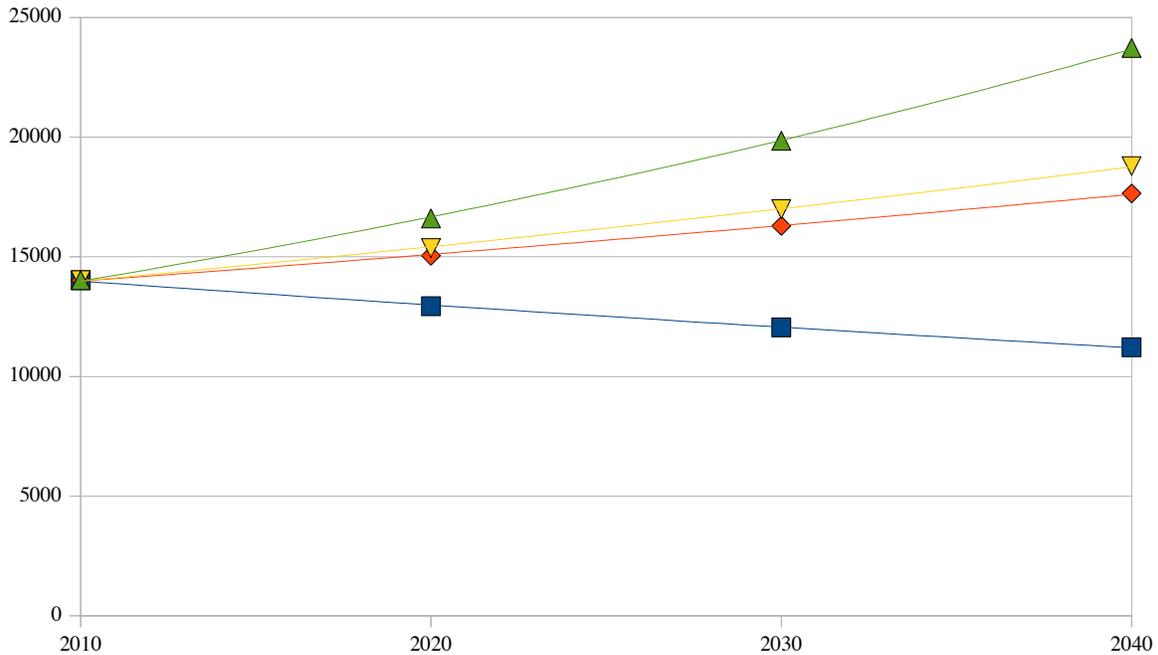
Population, by Gender, 2000



Population, by Gender, 2012



Projected Growth, 2010-2040



- **Shrinkage** (assumes current downward trend will continue, reflects national trend for rural areas R= -.71)
- ▲ **Exponential Regression for Shrinkage** (assumes current downward trend will continue, reflects national trend for rural areas R= -.71)
- ◆ **Low Growth** (assumes decreased rate based on economic factors R=.8%)
- ▲ **Exponential Regression for Low Growth** (assumes decreased rate based on economic factors R=.8%)
- ▼ **Moderate Growth** (assumes current rate of growth and continued growth among retirees and telecommuters, R=1.012%)
- ▲ **Exponential Regression for Moderate Growth** (assumes current rate of growth and continued growth among retirees and telecommuters, R=1.012%)
- ▲ **High Growth** (assumes increased rate, based on completion of Corridor H and diversification, R=1.8%)
- ▲ **Exponential Regression for High Growth** (assumes increased rate, based on completion of Corridor H and diversification, R=1.8%)

	Actual						Projected		
	1960	1970	1980	1990	2000	2010	2020	2030	2040
Shrinkage (assumes current downward trend will continue, reflects national trend for rural areas R= -.71)	9308	8855	10030	10977	12669	14025	12939	12049	11220
Low Growth (assumes decreased rate based on economic factors R=.8%)	9308	8855	10030	10977	12669	14025	15047	16295	17647
Moderate Growth (assumes current rate of growth and continued growth among retirees and telecommuters, R=1.012%)	9308	8855	10030	10977	12669	14025	15367	16994	18795
High Growth (assumes increased rate, based on completion of Corridor H and diversification, R=1.8%)	9308	8855	10030	10977	12669	14025	16608	19852	23729

The growth projections in this report are based on a combination of current economic and population (generational, natural growth, and migration) trends. We based the rates on four different trend scenarios:

- Population shrinkage / loss. The US Department of Agriculture and the US Census Bureau project that rural areas will lose population at a rate of .7% per annum, a trend that is reflected in Hardy County's loss of population since 2010 (county loss rate = -.71%). There are a number of explanations for population loss since 2010. The economic downturn has meant that fewer people between the ages 55 to 59 are taking early retirement or are relocating because of economic uncertainty. Local high unemployment rates, especially among the young and those over the age of 55, would effectively raise out-migration rates as people leave the county for jobs elsewhere. The bigger issue may, however, be tied to economic development trends. Hardy County does not have a particularly diverse economy, nor does it have the kind of economic opportunities (both in terms of jobs and pay scale) that would appeal to the population between 25 and 45. According to the Bureau of Labor Statistics' Annual Industry Distribution of Jobs and Average Wages, Hardy County's largest industry sector is Retail Trade, 558 jobs with an annual average income of \$21,359. The second largest sector, Education, offers far better average wages (\$31,584) but it is not an "expansion" industry. The third highest industry category is accommodations and food services, with 337 jobs and an average annual wage of \$11,682. While there are a few industrial sectors that pay more than \$30,000 per year in average wages, they account for fewer than 600 jobs in Hardy County. It should be noted that there are some industries where the job and wage numbers are not available because of a limited number of firms. Information service jobs, including software development and information analysis, the very jobs that appeal to younger adults, are almost non-existent in Hardy County. Until there is broader diversification, it is unlikely that Hardy County will retain their younger workforce and will continue to see the birthrate decline.
- Low Growth Rate (R=.8%) assumes the status quo on economic diversification in Hardy County, but improved economic opportunities outside of Hardy County which allow for an increase in both early retirements and an expanded telecommuting workforce. The State of Virginia, in the past session, adopted additional tax credits for businesses to encourage the expansion of telecommuting opportunities for their mid-range workforce (\$50,000 to \$75,000 annual wages in the Washington D.C. Metro Area). The move was done, in part, because of the high cost of rental office space. What it means for jurisdictions like Hardy County is an expansion of their telecommuting workforce, as workers move out of higher cost areas to lower cost areas within a 3 hour commute from the Washington D.C. Metro Area and Northern Virginia. The Low Growth Rate does not assume improved opportunities for younger workers. In addition, it assumes an increased retirement population, especially given the proximity to the George Washington National Forest and the Washington D.C. Metro Area, based on improved economic conditions that allow for increased mobility.
- Moderate Growth Rate (R= 1.012%) assumes a return to the expansion conditions between 2000 and 2010, based on the economic factors cited in the section under Low Growth, including an increased retirement population, increased telecommuters, and some local diversification.
- High Growth Rate (R=1.8%) assumes the conditions under the Moderate Growth Rate will continue, as well as the completion of Corridor H between Wardensville and I-8, expansion of the county's technology infrastructure, and diversification of the local economy, with an emphasis on jobs in higher paying sectors and increased economic opportunity.

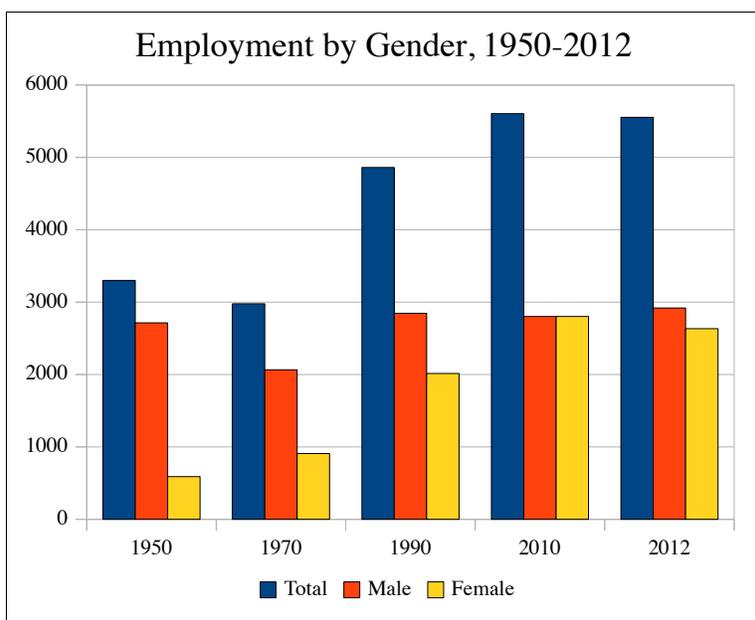
C. Economics

As a standard rule, economics and economic development and population movement are the primary drivers of both local expansion and local loss: populations increase and decrease based on local economic opportunities; residents migrate to and from places as local economies expand and contract; existing industries change or disappear, and new industries develop, often drawing new resident or responding to new needs and opportunities. Only the land remains constant, although the land uses do not. Land uses change from generation to generation, with each generation redeveloping the land to suit new needs. This is no less true in Hardy County, Virginia as it is in the immediate suburbs of Washington D.C. All places change.

VI. Historical Context.

Hardy County has had a rural, predominantly agricultural-based economy, centered largely on the poultry industry. In 1950, Agriculture and agricultural processing accounted for 54.1% of the jobs in Hardy County. Farming, alone, accounted for 48.7% (1,609 jobs), while manufacturing of food products (non-durable goods) made up the other 5.4% (178 jobs). The remaining 45.9% of jobs were scattered across the remaining sectors. Over the past sixty years, however, agriculture and agricultural products have slowly declined as a percentage of the workforce economy. By 2010, the total number of civilian workers, 16 years and older, working in agriculture, forestry, fishing, and hunting had dropped to 246 (4.8% of the jobs). While the number of workers in the manufacturing sector increased to 1685, the jobs were spread over a number of industries producing both durable and non-durable goods. That said, poultry processing plants, both Pilgrim's Pride and Perdue Farms, define a substantial portion of the current employment landscape in Hardy County. According to the Rural Development Authority, the two companies, combined, employ 2,715, not all of whom live in Hardy County.

As noted in the previous section on population, Hardy County experienced a significant contraction in the years after World War II. In 1940, the county's population peaked at 10,813 residents. Within a thirty year span, the county lost 18.1% of its total population. The percentage would have been much higher if not for the Baby Boom between 1945 and 1964. The largest population decrease occurred in the generation who would have made up the

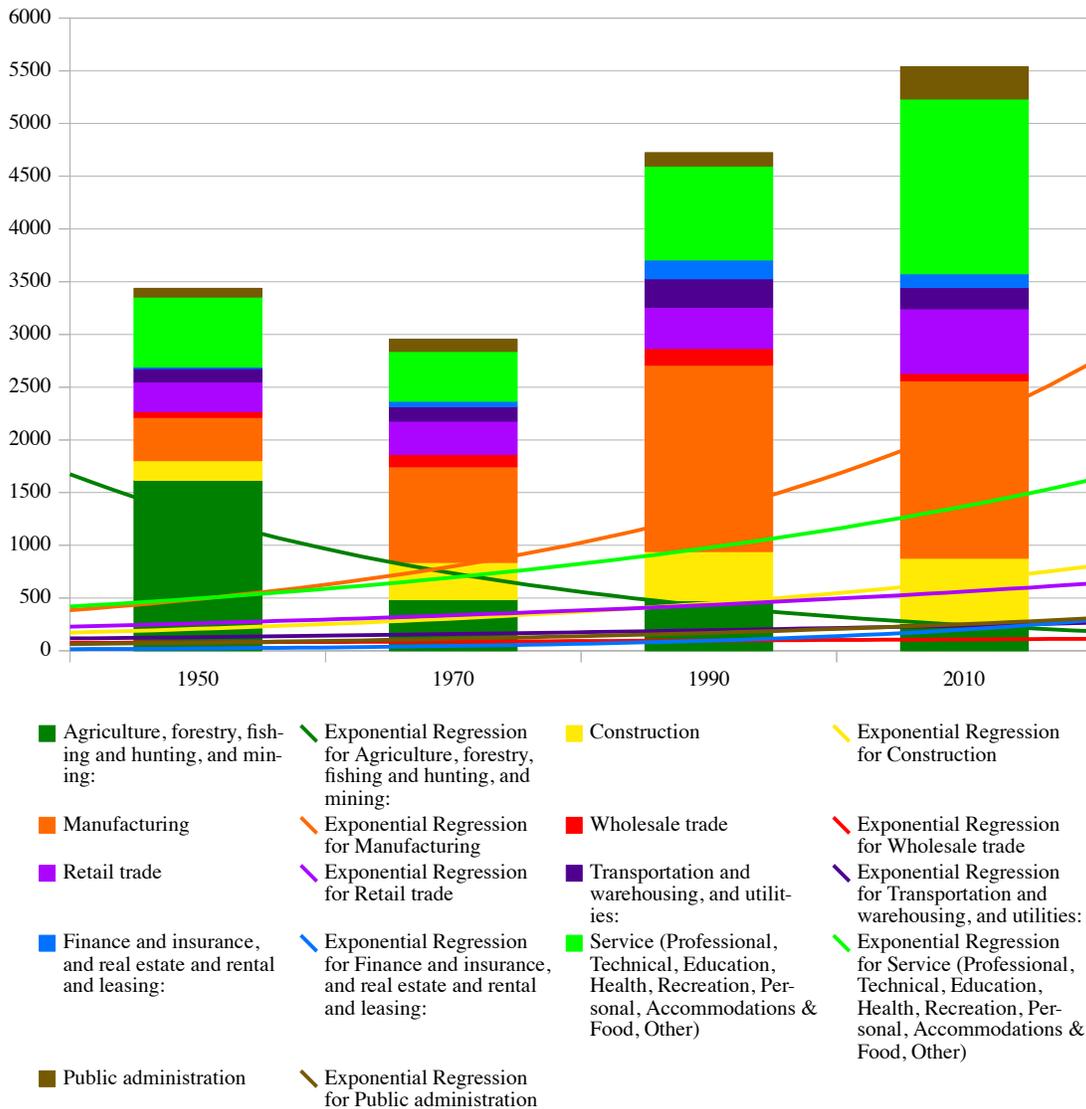


younger labor force during the 1950s and 1960s (those who were born between 1925 and 1944) and who were the parents of the Baby Boom. In 1940, the Silent Generation accounted for 33% (3,676 residents) of the county's total population. By 1970, the number had dropped to 1,914 (a loss of 46.7% at a minimum).

The population loss indicates that younger workers were going elsewhere in search of jobs and economic opportunity. Certainly,

(Continued on page 21)

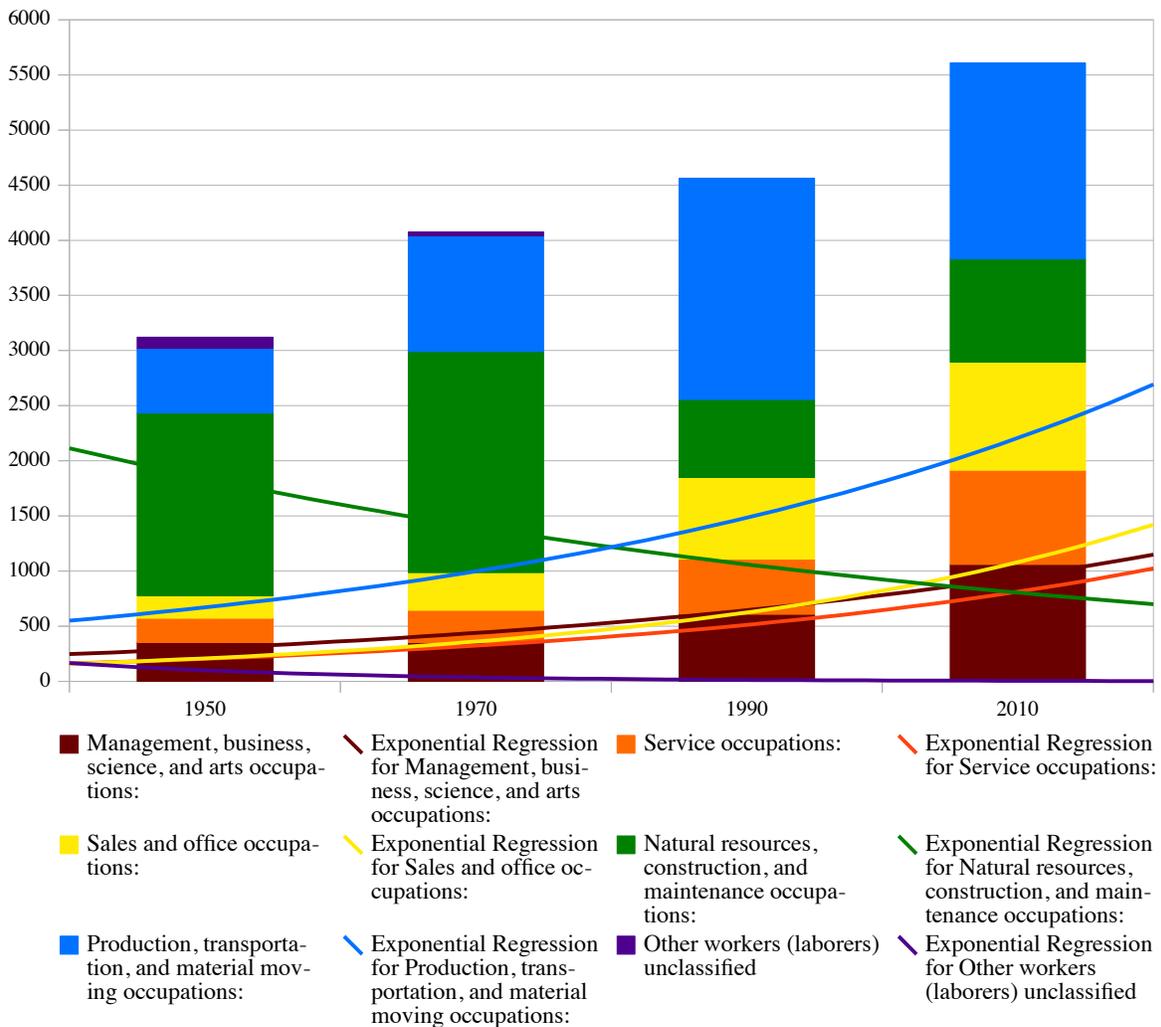
Distribution & Growth of Employment by Industry, 1950-2010



Industry	1950	1970	1990	2010
Agriculture, forestry, fishing and hunting, and mining:	1617	485	474	261
Construction	187	353	466	617
Manufacturing	409	907	1767	1681
Wholesale trade	55	117	160	70
Retail trade	282	315	392	615
Transportation and warehousing, and utilities:	125	142	268	201
Finance and insurance, and real estate and rental and leasing:	17	48	179	130
Service (Professional, Technical, Education, Health, Recreation, Personal, Accommodations & Food, Other)	663	472	892	1658
Public administration	83	116	128	303

Sources: Table S2403. INDUSTRY BY SEX AND MEDIAN EARNINGS IN THE PAST 12 MONTHS (IN 2012 INFLATION-ADJUSTED DOLLARS) FOR THE CIVILIAN EMPLOYED POPULATION 16 YEARS AND OVER 2008-2012 American Community Survey 5-Year Estimates; 2006-2010 American Community Survey 5-Year Estimate; US Census: (Table 43) 1950, DP-02 1970, 1990

Distribution of Jobs by Occupation Sector, 1950-2010



Occupations	1950	1970	1990	2010
Management, business, science, and arts occupations:	353	352	608	1061
Service occupations:	219	293	500	853
Sales and office occupations:	204	341	742	981
Natural resources, construction, and maintenance occupations:	1657	2006	706	935
Production, transportation, and material moving occupations:	587	1048	2006	1776
Other workers (laborers) unclassified	100	36		

Sources: Table S2403. INDUSTRY BY SEX AND MEDIAN EARNINGS IN THE PAST 12 MONTHS (IN 2012 INFLATION-ADJUSTED DOLLARS) FOR THE CIVILIAN EMPLOYED POPULATION 16 YEARS AND OVER 2008-2012 American Community Survey 5-Year Estimates; 2006-2010 American Community Survey 5-Year Estimate; US Census: (Table 43) 1950, DP-02 1970, 1990

there were limited job opportunities. In 1950, Agriculture, of the major sectors, reigned supreme, accounting for 48.8% of total employment in Hardy County. Manufacturing was a distant second, with a total of 409 production workers. In addition, manufacturing jobs were almost evenly split between durable and non-durable goods, with 178 producing food and kindred products and 179 producing furniture, lumber, and wood products.

VIII. Employment Trends, 1970 to 2010.

While 1970 represented the bottom in terms of population and number of residents in the civilian workforce (2,978), the county also witnessed the beginning of five significant trends:

- Diversification of the economy;
- Changing nature and role of agriculture;
- Job growth in relatively low-pay sectors;
- Growing presence of women in the labor force.

By 1970, agriculture was no longer the primary economic driver in Hardy County and, the number of direct agricultural jobs had dropped by 69.9%, from 1,610 jobs in 1950 to 485 jobs. At the same time, manufacturing in other non-durable goods (primarily poultry processing and textiles) and durable goods (wood products and machinery) increased. Indeed, poultry processing plants, like Pilgrim's Pride, have more than offset the loss of direct agricultural jobs (those jobs on farms) over the past sixty years; however, the shift to a manufacturing economy from an agricultural economy has changed the nature and culture of work in Hardy County.

In addition to the change in balance between agriculture and manufacturing, Hardy County saw an expansion in the financial services (182.35%), health care (308.7%), wholesale trade (112.7%), and utilities and communications (191.67%). as well as moderate increases in professional services, education, and public administration. The shift was especially significant in terms of the level of training required for many of the new jobs. While low skill jobs still existed, they were rapidly disappearing. The biggest change, however, was in the number and percentage of women in the workforce. In 1950, women were 17.8% of the civilian employed population. The percentage increased to 30.6% in 1970, 41.4% in 1990, and 50% in 2010.

Diversification of the Economy: Since 1970, Hardy County has broadened the range of available jobs and industries, although employment opportunities are still fairly limited in scope. The expansion of wood product and poultry product manufacturing in the 1970s and 1980s helped to stop and reverse the population decline, although much of the new economic development, including the construction of a Walmart, has done little to narrow the gap between median income in Hardy County, the State of West Virginia, or the United States as a whole.

The Service Sector: It is important to understand that the service sector is a fairly broad category and includes everything from professional, scientific, and technical services, including computer programming and software design, to education, health care, and social services, as well business management, accommodations and food services, recreation, entertainment, personal services, and a whole host of other fields. In short, the service sector covers lawyers, teachers, doctors, x-ray technicians, waitresses, wedding planners, and hair dressers to name a few.

The most significant shift in employment has been in the service sector. Based on industry and occupation data from the US Census Bureau, the number of residents working in a service related industry grew 251.3% between 1970 and 2010. In 1970, 472 (15.8%) residents worked for service related industries, including professional, scientific, and technical services; educational services; health and social services; and accommodation and food services.

By 1990, the number of residents working in service-related industries increased to 892, 18.4% of the total civilian workforce and representing an 88.9% increase over the 20 year span. Twenty years later, in 2010, the service sector employed 29.6% of the total civilian workforce, and in the past four years, the sector has passed manufacturing as the largest employment sector in Hardy County. According to the most recent data from the U.S. Bureau, service-related industries employ 34.1% of the county's workforce, compared to 30.3% for manufacturing.

Mirroring national trends, the largest increases have been in health care and social services, which currently employ 10.3% of the total civilian workforce in the county. In 1970, 94 residents were employed in health care and social services (3.2% of the workforce); by 2012, the number had increased to 571, passing education as the largest single service-related field. Combined, education, healthcare, and social services employed 18.1% of the county's civilian workforce.

With the exception of education, where growth is based on the development of private training facilities like Panthera, the service sector is largely population driven. Given the aging population, Hardy County's evident position as a retirement area, and the influx of Baby Boomers, it is assumed that there will be an increased need for additional healthcare and senior services over the next twenty-five years. In addition, economic disparity, created by a relatively low pay structure and rising housing costs, is likely to drive the need for additional social services for working poor.

Manufacturing Sector: In 1990, 36.4% of the employed civilian workforce worked in manufacturing. Of those, the vast majority worked in poultry processing, which employed approximately 18.9% of the total workforce. Durable goods manufacturing accounted for 13.2%, including 6.9% in wood products and 2.2% in transportation equipment. Between 1990 and 2010, the percentage of the population working in manufacturing decreased by 4.9%.

Of the two types of manufacturing, durable and non-durable, durable goods, especially those directly tied to the construction and home improvement industries, are likely to be more affected by national market forces and impacted by the recession than the poultry industry (non-durable goods). There is little evidence that the poultry industry has been affected by market contractions. There are, however, significant threats to the industry, primarily at the agricultural level as growers either decide to leave the industry or to sell off their properties to a more lucrative real estate market. As per acre prices for farm land and the cost of construction of poultry facilities increase, fewer farmers may choose to become growers. Thus far, Hardy County has done an excellent job of minimizing the impact of growth on agriculture by concentrating development in and near the two towns and along the ridge lines, outside of the valley-based agricultural belts.

Currently, the Rural Development Authority has developed four business/industrial parks along Corridor H:

1. Moorefield Business/Industrial Park, located one mile south of Moorefield, is fully developed and currently houses two of the largest employers in Hardy County: Pilgrim's Pride and Woodmark.
2. Robert C. Byrd-Hardy County Business/Industrial Park, located adjacent to Rt 55 (Corridor H), one mile outside of Moorefield, covers 160 acres, of which 70 acres (43%) are already developed.
3. Wardensville Business/Industrial Park, located one half mile north of Wardensville, on Rt. 55, currently houses cabinetry, welding, and construction firms and has remaining sites available.
4. Baker Business/Industrial Park, located adjacent to the south side of Rt. 55 (Corridor H) and has remaining sites available.

All four of the business/industrial parks have identical covenants, which suggests that they were based on a single master list generated, presumably, from the list of allowable business and industrial uses listed in the Hardy County Zoning Ordinance, which dated from 1973. Unfortunately, the list of allowable uses included in the covenants reflected the standards for business and industrial development in the early 1970s, but neither complies with the current zoning ordinance, adopted in 2005, nor reflects changes in business and industry, including the expansion of the computer and software design industries over the past decade. Ideally, the covenants and restrictions should be renegotiated between the Hardy County Rural Development Authority, the lender (presumably the West Virginia Economic Development Authority), and the existing tenants to allow for additional uses created by new industries and new technologies.

The lack of completion of the 20 miles of Corridor H from Wardensville to I-81 at Strasburg, Virginia, will continue to hamper economic and industrial development in Hardy County. According to the Rural Development Authority, the Moorefield sites are 45 miles from the junction with I-81; Baker is 30 miles; and Wardensville is 18 miles. Although much of Rt. 55 (Corridor H) is four-laned in Hardy County, the four-lane portion of the highway ends just west of Wardensville. The remaining 20 miles of highway between the four-lane and the junction with I-81 narrows and becomes increasingly windy as it passes through George Washington National Forest and the increasingly residential areas in southern Frederick County and northern Shenandoah County. Road conditions and increased strip development along the Rt 55 corridor are likely to slow down traffic and make heavy truck transport increasingly less popular in jurisdictions beyond they Hardy County/ West Virginia line. The issue of development on the Virginia side of the line is significant. Finally, it should be noted that neither Frederick County nor Shenandoah County have Corridor H included in the transportation sections of their current comprehensive plans. As these counties develop along the corridor, it makes the completion of the project both far more expensive and far less likely.

Agriculture. One would be hard pressed to argue that agriculture is not, still, a vital part of Hardy County's economy, heritage, and cultural identification. The evidence of the industry is scattered across every viewshed and can be seen at every bend in the road. However, agriculture is shifting, especially within the job market, as jobs move from agriculture to non-durable goods manufacturing, and in terms of long term sustainability, especially for smaller or younger farmers, because of rising land costs.

There are a number of trends that should cause concern, including :

1. Land values rising at rate well above the rate of inflation;
2. Consolidation of the majority of land and the concentration of sales under fewer owners
3. Competing land uses; and
4. Decreased farm-based employment and farming.

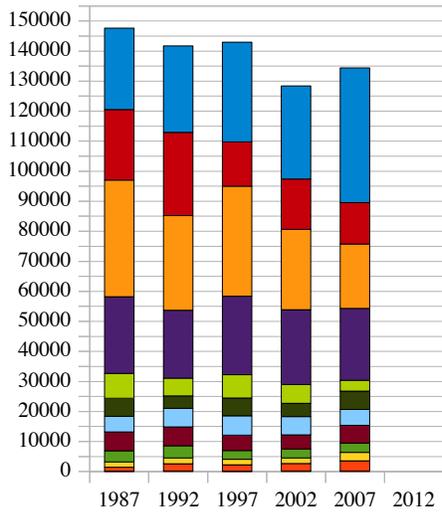
Of these, the increasing per acre cost of land may present the biggest challenge. In 1970, farmland, on average cost \$136.40 per acre, which is equivalent to \$830.68 in 2014, or approximately 16.75% of the projected \$4,960.40 per acre cost of farmland in 2014. On average, the price per acre of farmland has increased at a rate of .10.2% per year since 1969, faster than the market value of all agricultural products (5.81%), faster than agricultural production costs (8.08%), faster than the median household income in Hardy County (4.94%), and faster than median housing values (7.51%). In the long run, the increase in land values may discourage new farmers to take on the financial risk required to get into farming unless their entry point involves either inheriting or subdividing an existing family farm. It is assumed that the rise in the number of farms between 10 and 49 acres (188.6% between 1987 and 2007) and the number of farms between 50 and 69 acres (51.6% increase) is largely attributable to family subdivisions and the development of large lot residential subdivisions.

(Continued on page 27)

	Average Value Per Farm	Per Acre (with projected growth rate of 0.072)	Average Value Per Acre (with projected growth rate of 0.091)	Average Value Per Acre (with projected growth rate of 0.12)	Annual Rate of Growth per Acre
1950	\$7,227.00	\$35.00	\$35.00	\$35.00	
1959	\$11,202.00	\$47.37	\$47.37	\$47.37	0.034
1964	\$13,840.00	\$54.29	\$54.29	\$54.29	0.051
1969	\$33,668.00	\$117.00	\$117.00	\$117.00	0.166
1974	\$94,223.00	\$280.00	\$280.00	\$280.00	0.191
1978	\$174,303.00	\$503.00	\$503.00	\$503.00	0.158
1982	\$255,976.00	\$795.00	\$795.00	\$795.00	0.121
1987	\$239,688.00	\$764.00	\$764.00	\$764.00	-0.008
1992	\$363,121.00	\$1,234.00	\$1,234.00	\$1,234.00	0.100
1997	\$423,385.00	\$1,195.00	\$1,195.00	\$1,195.00	-0.007
2002	\$431,143.00	\$1,724.00	\$1,724.00	\$1,724.00	0.076
2007	\$797,092.00	\$3,049.00	\$3,049.00	\$3,049.00	0.120
2012		\$4,316.50	\$4,712.82	\$5,373.38	
2017		\$6,110.90	\$7,284.59	\$9,469.73	
2022		\$8,651.25	\$11,259.75	\$16,688.90	
2027		\$12,247.66	\$17,404.14	\$29,411.54	

Projected Growth based on three rates: .072 (average rate, 1987-2007), .091 (average rate, 1950 to 2007), and .12 (current rate).

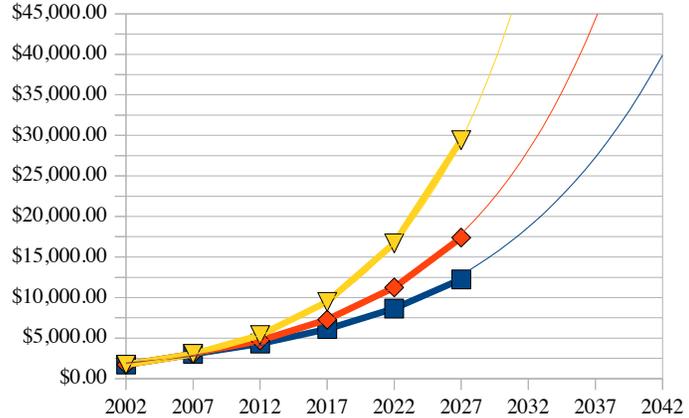
Distribution of Acreage by Size of Farm, 1987 to 2007



- 1 to 9 acres (acres)
- 10 to 49 acres (acres)
- 50 to 69 acres (acres)
- 70 to 99 acres (acres)
- 100 to 139 acres (acres)
- 140 to 179 acres (acres)
- 180 to 219 acres (acres)
- 220 to 259 acres (acres)
- 260 to 499 acres (acres)
- 500 to 999 acres (acres)
- 1000 to 1999 acres (acres)
- 2000 acres or more (acres)

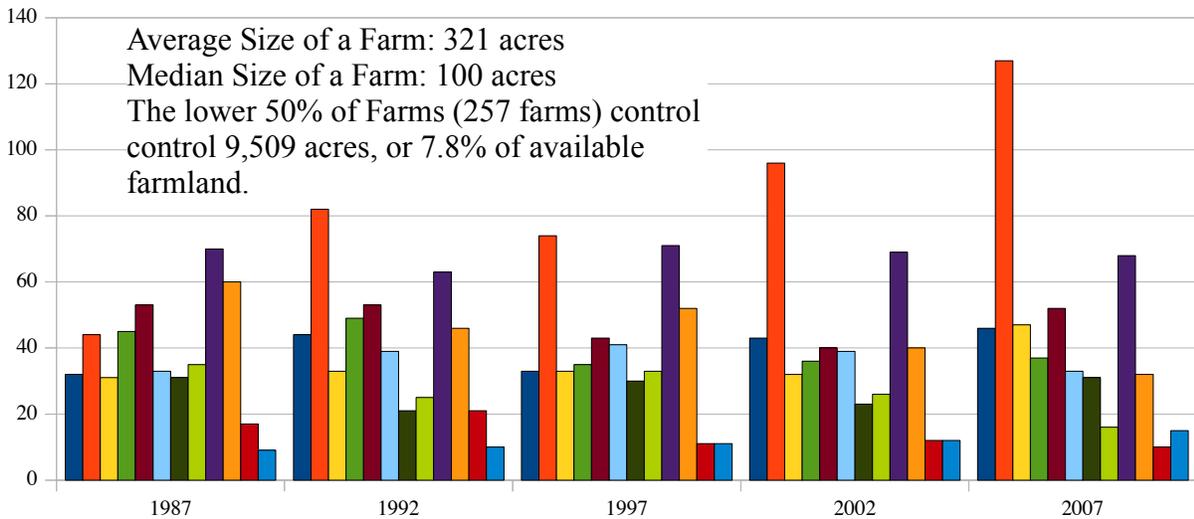
Size, Number, and Value of Farms, 1987-2007

Average Value Per Acre of Agricultural Land
Projected Growth 2007-2027 (.072, .091, and .12)



- Average Value Per Acre (with projected growth rate of 0.072)
- ◆ Average Value Per Acre (with projected growth rate of 0.091)
- ▲ Average Value Per Acre (with projected growth rate of 0.12)
- Exponential Regression for Average Value Per Acre (with projected growth rate of 0.072)
- Exponential Regression for Average Value Per Acre (with projected growth rate of 0.091)
- Exponential Regression for Average Value Per Acre (with projected growth rate of 0.12)

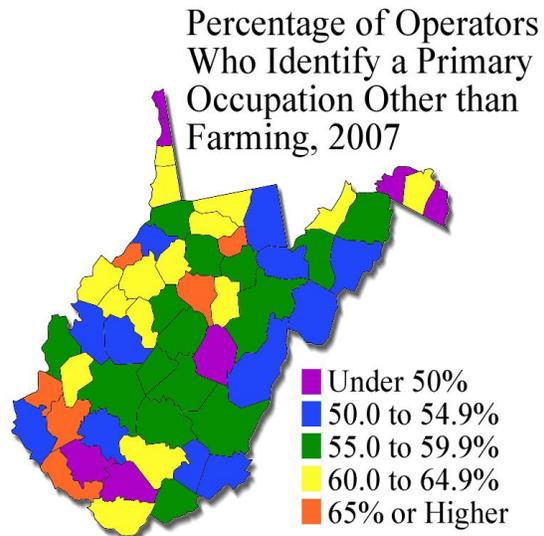
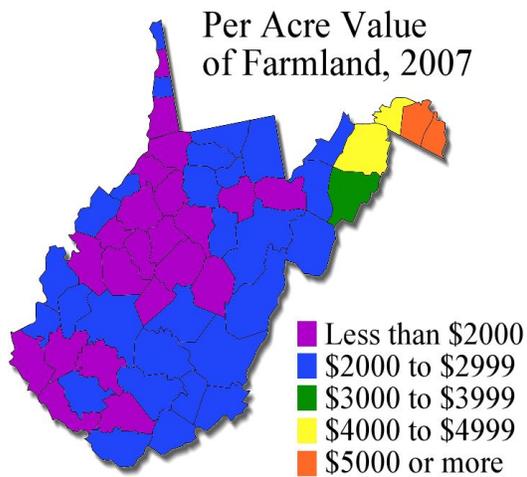
Number of Farms by Size, 1987-2007
Hardy County, West Virginia



- 1 to 9 acres (farms)
- 10 to 49 acres (farms)
- 50 to 69 acres (farms)
- 70 to 99 acres (farms)
- 100 to 139 acres (farms)
- 140 to 179 acres (farms)
- 180 to 219 acres (farms)
- 220 to 259 acres (farms)
- 260 to 499 acres (farms)
- 500 to 999 acres (farms)
- 1000 to 1999 acres (farms)
- 2000 acres or more (farms)

Average Size of a Farm: 321 acres
 Median Size of a Farm: 100 acres
 The lower 50% of Farms (257 farms) control 9,509 acres, or 7.8% of available farmland.

Source: US Department of Agriculture, Agricultural Census, 1950, 1964, 1974, 1982, 1987, 1992, 1997, 2002, 2007.



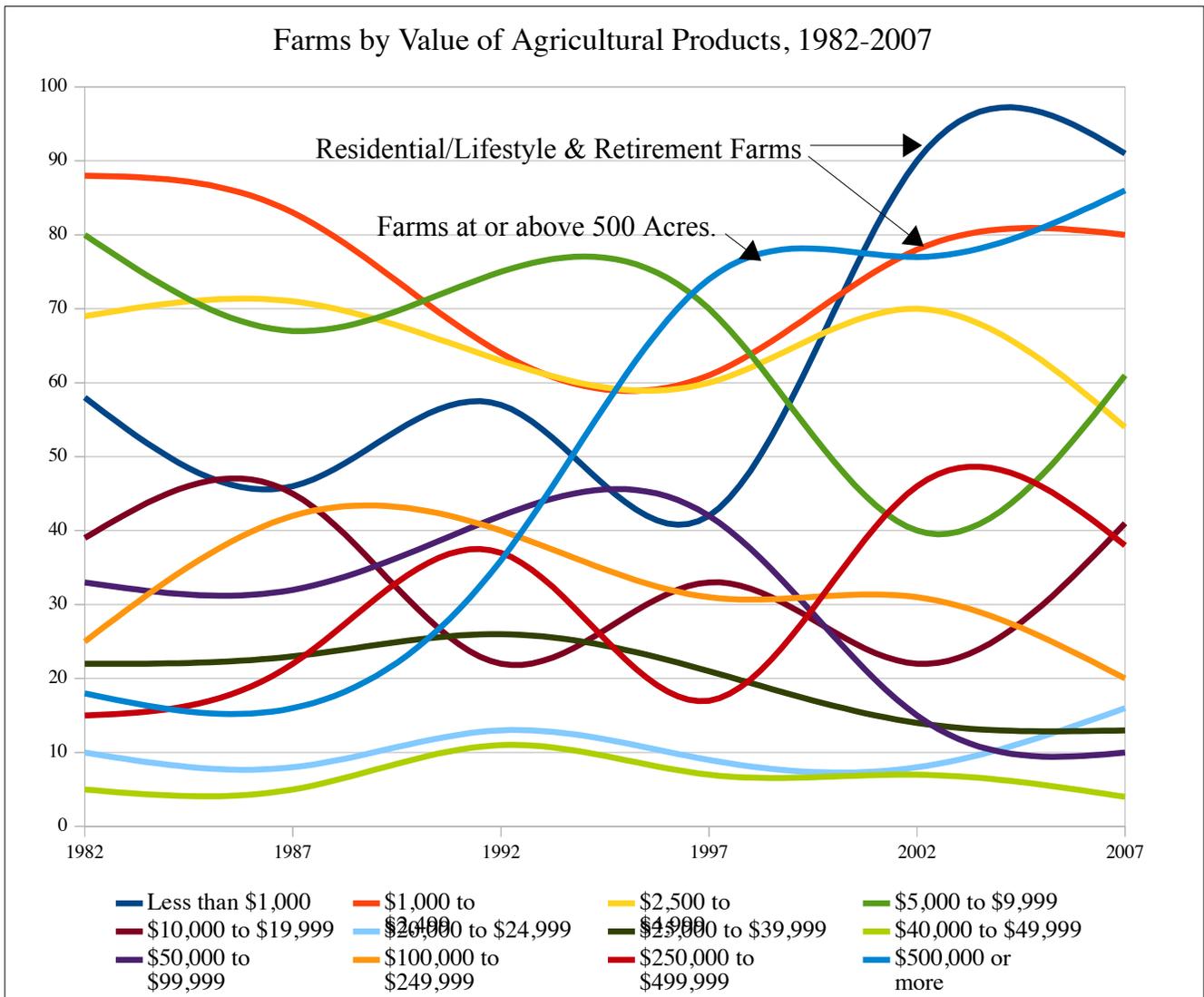
Farm Operators (Farmers) Characteristics, 1987-2007

	1987	1992	1997	2002	2007
Operators by Age Group					
Under 25 Years	3	7	3	1	0
25 to 34 Years	30	34	36	28	16
35 to 44 Years	84	91	65	77	83
45 to 54 years	88	98	128	131	139
55 to 59 Years	53	59	38	63	72
60 to 64 Years	54	44	62	51	72
65 to 69 Years	48	54	43	44	48
70 Years and Over	100	99	92	73	84
Average Age	56.2	55.4	55.6	54.9	56.2
Operators by Place of Residence:					
On Farm Operated	346	371	358	410	443
Not on Farm Operated	84	79	88	58	103
Not Reported	30	36	21		
Operators by Principal Occupation					
Farming	268	270	270	300	256
Other	192	216	197	168	258
Operators by Days Worked Off Farm					
None	185	216	208	237	186
Any	237	238	231	231	328
1 to 49 Days	17	27	25	35	49
50 to 99 Days	14	14	13	12	27
100 to 199 Days	53	38	42	25	35
200 Days or More	153	159	151	159	217
Not reported	38	32	28		
Operators by Years On Present Farm					
2 years or less	19	16	15	12	18
3 to 4 years	27	34	30	34	29
5 to 9 years	39	77	59	63	81
10 years or more	268	266	284	359	386
Average Years on Present Farm	23	21.4	21.3	20.8	22.1

Source: US Department of Agriculture, Agricultural Census, 1987-2007

By 2007, individual or family (sole proprietorship) farms accounted for 465 of the 514 farms in Hardy County, or 90.4% of all farms. Of those, 160 (34.41% of small farms and 31.3% of total farms) were considered "residential/lifestyle" farms; 86 (18.49% of small farms) were listed as "retirement" farms; 73 (15.7% of small farms) were listed as "limited resource" farms (farms where the primary operator identified something other than farming as his/her primary profession); 52 (11.8% of small farms) were listed as "farming occupation, lower sales"; and finally 24 (5.16%) were listed as "farming occupation, higher sales). The remaining farms were organized either as a partnership (29 or 5.64%), a family corporation (19 or 5.64%), one (1) non-family corporation, and one (1) cooperative, estate, or institutional owned farm.

On paper at least, the average net cash farm income in 2007 was \$57,122, up from \$12,333 in 1987 (the first year the data was collected), an 8.4% increase. On the face of it, the rise in net farm income is significantly higher than median income for the County. Unfortunately, the net value per farm can not be compared to other income data for Hardy County, in large part because of the method of measuring central tendency. The U.S. Census Bureau uses "median" as the measure, which means that they base their number on the mid point in data, so that half of the values are higher than the median, or



middle point, and half the values are lower. The USDA Agricultural Census uses averages, which takes the total net income and divides it by the total number of farms. A few higher net income farms can significantly skew the data. For example, if you have 10 farms, 9 of which are making \$100 per year, and 1 of which is making \$1000 per year, the average would be a \$190 per farm, even though 9 out of 10 of the farms are making nearly half the average. Such is the case in Hardy County. In 2007, the total market value of agricultural products was \$148,029,000, a 35.23% increase over over 10 years earlier, and was driven primarily by the sale of poultry. Indeed, poultry accounts for the lion's share of sales in Hardy County. The average market value per farm was \$287,994, a 22.87% increase. However, The median value of farm sales was somewhere between \$5,000 and \$9,999.

The rising cost of land, as noted above, is attributable to two causes. Land values tend to increase when there are corresponding increases in both the market value of agricultural products agricultural productive and the introduction of non-farm related uses. Between 1987 and 2007, broiler and fryers increased by 243.9% overall and an average of 67.3% per farm. As chickens became increasingly lucrative, the number of farms raising chickens increased from 36 in 1987 to 74 in 2007. With the primary processing plant located in the same county, it was a safe assumption that chickens would provide a predictable income stream. Hardy County saw other increases as well, including a 104.2% increase in the number of bushels of corn and a 29% increase in hay.

According the U.S. Department of Agriculture's report, "Trends in Farmland Value and Ownership" (2012), proximity to urban areas and proximity to natural amenities tends to drive up farm land values. As the map on page 26 indicates, while the majority of West Virginia counties have per acre land values range between \$1000 and \$2,999, the five counties in close proximity to the Washington DC, Winchester, and Hagerstown MSAs have per acre land values that the low \$3000s to \$6,000 or higher. In addition, the proximity to the George Washington National Forest and the Upper Potomac is likely to drive additional residential development on the eastern edge of the county. As the area increases in popularity, the price of land is also likely to increase, making farmland for new and/or younger farmers (excluding folks who buy hobby farms) beyond their financial reach. Given the growth trends, this is unlikely to change in the foreseeable future.

As noted above, farm productivity has increased over the past 25 years in large part because of changing technology. In most cases, large staffs are no longer needed, and that diminishing need is reflected in the farm-based employment data. The data does not indicate whether any of the jobs, with farms that hired workers for 150 days or more (minimum of 15 week), were full-time and year-round. It is assumed that a percentage of the positions would qualify as full time, but the data does not provide that level of information. It is noteworthy that only 66 farms, approximately 12.8% of the total number of farms in the county, report hiring workers for 15 weeks or more. Those workers account for 41.4% of the total number of farm workers in the county. While agriculture itself may well provide significant employment to farm families, both as a full-time occupation or as a part-time supplemental occupation, the farm labor data suggests that agriculture is unlikely to provide significant employment opportunities to the broader citizenry.

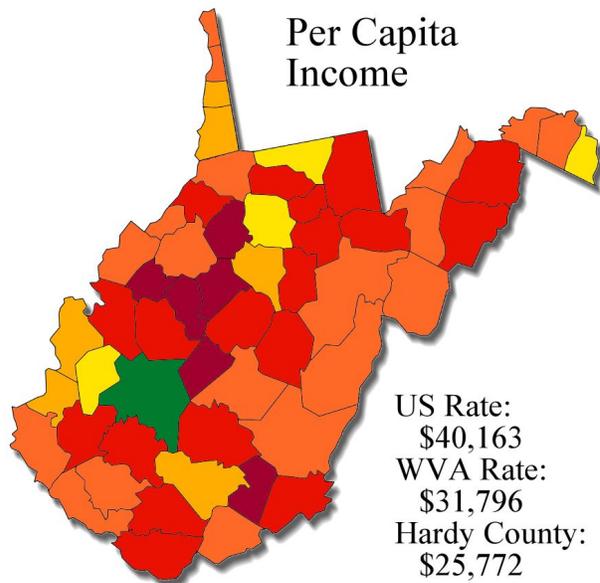
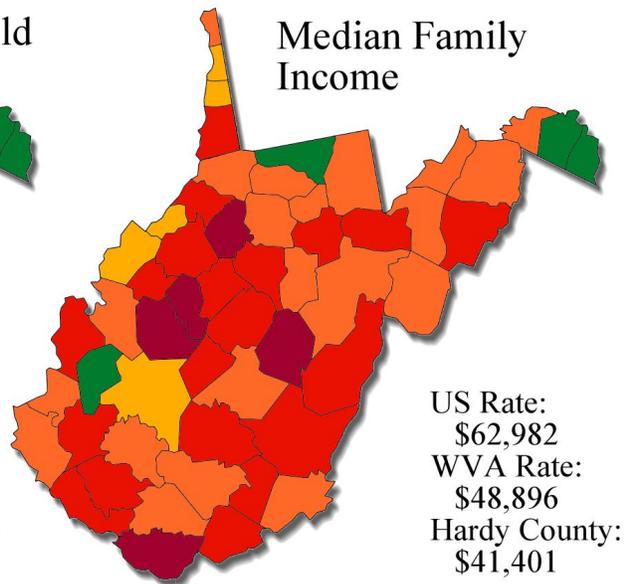
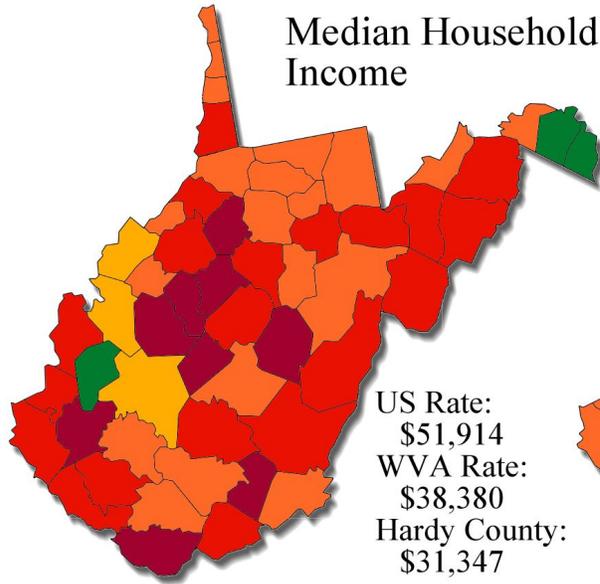
Hired Farm Labor--Workers and Payroll, 1992-2007

	1992	1997	2002	2007
Hired Farm Labor (Farms)	189	190	129	125
(workers)	618	658	378	401
(\$1000 payroll-calculated)	\$2,287,000.00	\$3,369,000.00	\$1,833,000.00	\$2,304,000
Reported only workers working 150 days or more (15 weeks)				
Farms	28	21	42	34
Workers	116	75	98	93
Payroll	\$1,417,000	\$1,576,000	\$1,144,000	\$970,000
Per Capita Payroll	\$12,216	\$21,013	\$11,673	\$10,430
Reported only workers working less than 150 days				
Farms	103	108	56	59
Workers	235	270	140	139
\$1000 payroll	\$121,000	\$320,000	\$166,000	\$178,000
Per Capita Payroll	\$515	\$1,185	\$1,186	\$1,281
Reported both workers working 150 days or more and workers working less than 150 days				
Farms	58	61	31	32
150 days or more	112	156	52	73
Less than 150 days	155	157	88	96
\$1000 payroll	\$750,000	\$1,473,000	\$194,000	\$1,153,000
Note: In addition, two farms with hired labor also used migrant farm labor, and two farms reporting only contract labor used migrant farm labor as well. Source: USDA Agricultural Census, 1992-2007. Table 5.				

Retail. While Walmart is one of the largest employers in Hardy County, according to Workforce West Virginia, the total retail sector in 2010 employed 11% of the civilian workforce, approximately the same percentage as construction. The majority of the retail development has been located in and around the Town of Moorefield, a fact not surprising given that Moorefield is the county seat. That said, the lack of overall retail development on the eastern side of Hardy County means that many of those who are either out-commuters or who are weekenders probably make their purchases on the Virginia side of the line, which has a direct impact on sales and on tax revenue in the county. Given the population density in both the Capon and Lost River districts, large scale retailers are unlikely to find advantage in the area around Wardensville. That said, current planning and zoning frameworks may be acting as an impediment to small-scale commercial development.

Income. Historically, Hardy County's income scale, regardless of method of measurement (median household, median family, per capita), has been substantially below national, state, and regional scales. In 2010, median household income (\$31,347) was 81.6% of state household median and 60.3% of national household median. Although families fared better, at least in terms of the bottom line, family median income (\$41,401) was 84.6% of state family median and 65.7% of national family median. Per Capita Income (\$25,772) was 81.0% of state per capita and 64.2% of national per capita. While per capita income in Shenandoah County, Virginia is similar to the rates in Hardy County, the per capita income in Winchester

(Continued on page 32)



Comparison to National Rate

- 1.00 or above
- .90 to .99
- .80 to .89
- .70 to .79
- .60 to .69
- .59 and below

**Income, 2010
 Hardy County, West Virginia**

Per Capita Income, 1970 to 2012							
Counties	1970	1980	1990	2000	2010	2012	%± 2000-2012
United States	\$3,836	\$10,091	\$19,354	\$30,319	\$40,163	\$43,735	44.2%
West Virginia	\$3,109	\$8,066	\$14,436	\$22,173	\$31,796	\$35,082	58.2%
Hardy, WV	\$2,363	\$6,406	\$12,987	\$19,949	\$25,772	\$28,678	43.8%
Grant, WV	\$2,516	\$6,889	\$14,536	\$21,004	\$28,307	\$31,926	52.0%
Hampshire, WV	\$2,312	\$6,335	\$11,760	\$19,142	\$23,949	\$26,087	36.3%
Mineral, WV	\$2,824	\$7,380	\$12,947	\$20,379	\$31,150	\$34,122	67.4%
Shenandoah, VA	\$3,127	\$8,402	\$15,758	\$23,945	\$31,982	\$35,016	46.2%
Frederick + Winchester, VA	\$3,446	\$7,912	\$17,736	\$27,720	\$36,208	\$39,359	42.0%

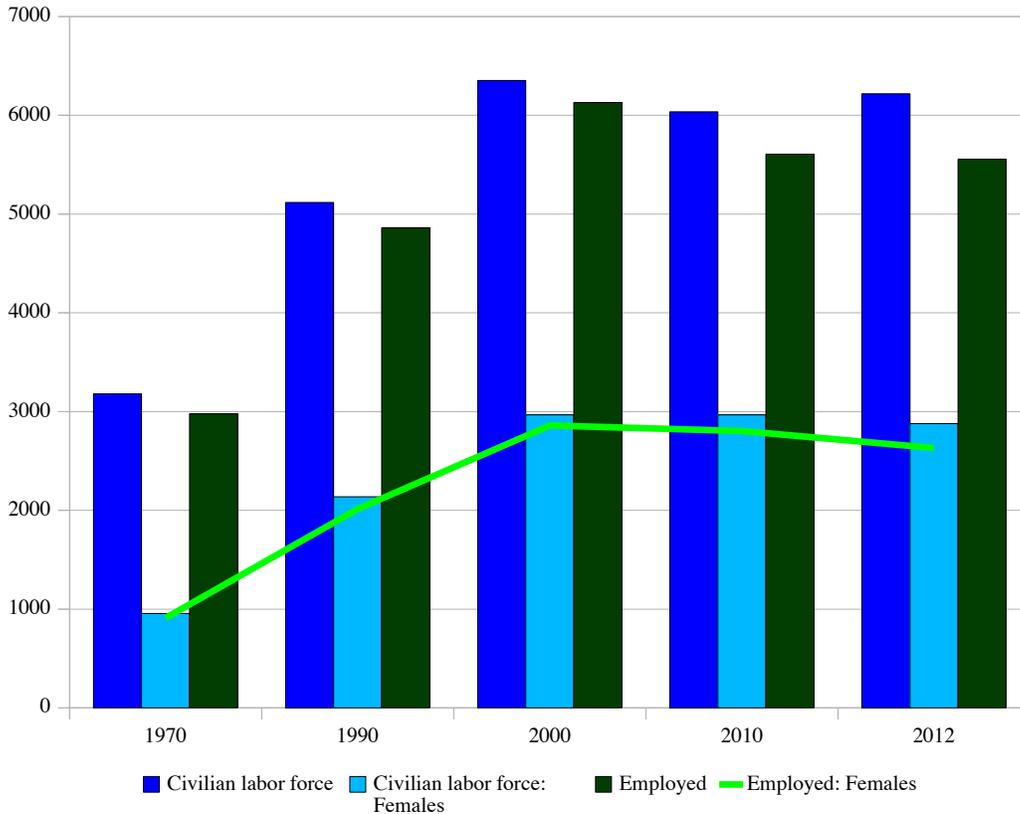
Source: Bureau of Economic Analysis, 2014

Industry by Gender and Median Earnings, 2012

Industry	Median earnings (dollars)	Median earnings (dollars) for male	Median earnings (dollars) for female	Number of workers Total	Number of workers Male	Number of workers Female	Percentage of Workforce: Female	Income Disparity
Civilian employed population 16 years and over	\$25,695	\$31,178	\$22,716	5554	2921	2633	47.41%	0.73
fishing and hunting, and mining:	\$23,611	\$22,407	\$23,889	268	236	32	11.94%	1.07
Agriculture, forestry, fishing and hunting	\$22,778	\$22,130	\$23,889	246	214	32	13.01%	1.08
Mining, quarrying, and oil and gas extraction	\$35,938	\$35,938	-	22	22	0		0.00
Construction	\$40,336	\$40,354	\$34,861	492	459	33	6.71%	0.86
Manufacturing	\$25,973	\$29,886	\$24,481	1685	875	810	48.07%	0.82
Wholesale trade	\$20,882	\$21,176	\$7,000	48	32	16	33.33%	0.33
Retail trade	\$19,950	\$28,313	\$14,904	623	353	270	43.34%	0.53
Transportation and warehousing, and utilities:	\$39,900	\$43,333	\$38,400	158	118	40	25.32%	0.89
Transportation and warehousing	\$39,350	\$42,375	\$38,400	139	99	40	28.78%	0.91
Utilities	\$72,292	\$72,292	-	19	19	0	0.00%	0.00
Information	\$6,912	\$7,024	\$6,731	62	34	28	45.16%	0.96
Finance and insurance, and real estate and rental and leasing:	\$28,750	\$78,750	\$23,611	106	46	60	56.60%	0.30
Finance and insurance	\$43,250	\$79,844	\$23,611	99	39	60	60.61%	0.30
Real Estate Rental & Leasing				7	7	0		
Professional, scientific, and management, and administrative and waste management services:	\$36,442	\$35,000	\$36,442	180	88	92	51.11%	1.04
Professional, scientific, and technical services	\$50,463	-	\$50,787	44	7	37	84.09%	
Administrative and support and waste management services	\$35,962	\$38,229	\$35,625	136	81	55	40.44%	0.93
Educational services, and health care and social assistance:	\$21,897	\$32,083	\$21,429	1004	144	860	85.66%	0.67
Educational services	\$23,313	\$32,292	\$22,078	433	106	327	75.52%	0.68
Health care and social assistance	\$20,296	\$22,143	\$19,464	571	38	533	93.35%	0.88
Arts, entertainment, and recreation, and accommodation and food services:	\$12,128	\$15,938	\$6,490	439	263	176	40.09%	0.41
Arts, entertainment, and recreation	\$45,625	\$45,865	-	117	102	15	12.82%	
Accommodation and food services	\$10,338	\$13,042	\$6,588	322	161	161	50.00%	0.51
Other services, except public administration	\$16,544	\$14,732	\$16,985	225	128	97	43.11%	1.15
Public administration	\$30,000	\$31,944	\$28,833	264	148	116	43.94%	0.90

Sources: Table S2403. INDUSTRY BY SEX AND MEDIAN EARNINGS IN THE PAST 12 MONTHS (IN 2012 INFLATION-ADJUSTED DOLLARS) FOR THE CIVILIAN EMPLOYED POPULATION 16 YEARS AND OVER
 2008-2012 American Community Survey 5-Year Estimates

Women in the Labor Force, 1970-2012



Women in the Labor Force, 1970-2012					
	1970	1990	2000	2010	2012
Population 16 years and over	6339	8667	10001	10518	11133
In labor force	3178	5129	6353	6036	6218
Civilian labor force	3178	5118	6353	6036	6218
Employed	2978	4861	6129	5606	5554
Females 16 years and over	3225	4388	5098	5594	5535
Percentage of Total 16 and over	50.9%	50.6%	51.0%	53.2%	49.7%
In labor force	956	2143	2966	2968	2879
Percentage of Total of LF	30.1%	41.8%	46.7%	49.2%	46.3%
Civilian labor force	956	2136	2966	2968	2879
Percentage of Total CLF	30.1%	41.7%	46.7%	49.2%	46.3%
Employed	910	2014	2860	2803	2631
Percentage of Total Employed	30.6%	41.4%	46.7%	50.0%	47.4%

US Census, DP-2, 1970, 1990, 2000; ACS 2010, 2012

and Frederick County is substantially higher. In 2010, Winchester's per capita income rate (\$39,559) was 90% of the national rate and 112.9% of the state rate of West Virginia.

Comparisons to the state of West Virginia are not entirely useful primarily because Hardy County's economic framework (as with the other counties in the northeastern panhandle) is impacted far more by what happens both in Western Maryland and in Northern Virginia than by what happens in the greater part of West Virginia. The lower income scale will continue to be a guarantee that Hardy County will continue to lose higher skilled workers and younger workers

to nearby jurisdictions with higher pay scales and greater job and economic opportunity.

Women in the Workforce. One of the most noticeable changes in Hardy County centers on the rise of women in the workforce. In 1950, 19.4% of women over the age of 16 were employed, although their options were fairly limited: 63% worked in the service industry, including 17.3% in education; 13.6% worked in manufacturing, primarily in producing non-durable goods; and 11.2% worked in retail. In 1970, the percentage of women in the workforce climbed to 30.6%. Of those, 39% were working in manufacturing; 33.8% worked in the service industry, including 20.9% in education, health care, and social services; and 9.9% in the retail trade. By 2010, Women represented half of all those employed in Hardy County, although the percentage distribution of their jobs had not, in fact changed, substantially: 30.9% of women were employed in manufacturing; 42.3% in service related industries, including 28.9% in education, healthcare, and social services; and 12.8% in retail trade.

Unfortunately, for women, the economic picture in Hardy County was significantly bleaker. With the exception of education and some of the healthcare profession, most of the jobs women took paid substantial below their male co-workers. It is a pattern that has continued to persist. On average, women working in Hardy County make .73 cents on the dollar in terms of median earnings by industry and by occupation. The rule does not hold across all occupations, including computers, mathematics, education, and health technologies, but it does tend to hold true for the more prevalent jobs, including sales and service related occupations, office and administrative support, healthcare support, and the majority of the traditional service industry jobs. For community and social service occupations, where they comprise 91.5% workforce, women earn approximately 58.7 cents on the dollar compared to overall median earnings for the profession.

VI. Growth & Development

Hardy County is 583.4 square miles, encompassing 373,376 acres. The majority of the county is relatively undeveloped, and is characterized by two primary land uses: forestal lands on the slopes, including a significant swathe of the George Washington National Forest and the entire Lost River State Park, and agricultural lands in the valley bottoms. Other than the portion of the George Washington National Forest, which stretches north to south along the eastern edge of the county (including approximately 25% of the land in the Lost River district and between 8 and 10% of the land in the Capon district) and the Lost River State Park, also located in the Lost River district, the majority of the land in Hardy County is privately owned. At present, the overall development in Hardy County centers, primarily, on population nodes along Corridor H and at rural crossroads. This development pattern is changing, however, with the introduction of planned suburbanization throughout Hardy County. The new patterns of development are most prevalent along the western edge of the George Washington National Forest in the Capon and Lost River districts and near the golf course in the South Fork district.

There are two ways to view housing density: average housing units per square mile and average buildings per acre (building density). Hardy County averages 12.2 housing units per square mile, which averages out to 46.8 acres per unit. At the individual district level, the number of housing units per square mile varies from a low of 9.5 units in the South Fork district to a high of 49 units in the Moorefield district and is significantly higher in the two towns: Moorefield (506.7) and Wardensville (481.3). While it is fortunate that there is a nodal development pattern, the low overall density translates to higher cost and lower access to services. The introduction of rural subdivisions may well complicate the delivery of services and increase the overall costs.

Building density, on the other hand, is, in many respects, a development/zoning distinction and varies based on the small area being developed. The overall building density is included in this report; however, density values will vary from district to district and within districts based on development types (small or large lot subdivisions, manufactured housing parks, and so forth). At present, while there are pockets of higher density development, most notably on the outskirts of the two towns and in a few scattered subdivisions, the overall building density in Hardy County is extremely low, ranging from a low of .015 units per acre in the South Fork district to a high of .077 in the Moorefield district. While the two towns, Moorefield and Wardensville, both have higher densities than the rural districts, neither have an overall density higher than .8 units per acre (less than one unit per acre), although the density level would increase if the calculation was based on residential acreage rather than total acreage.

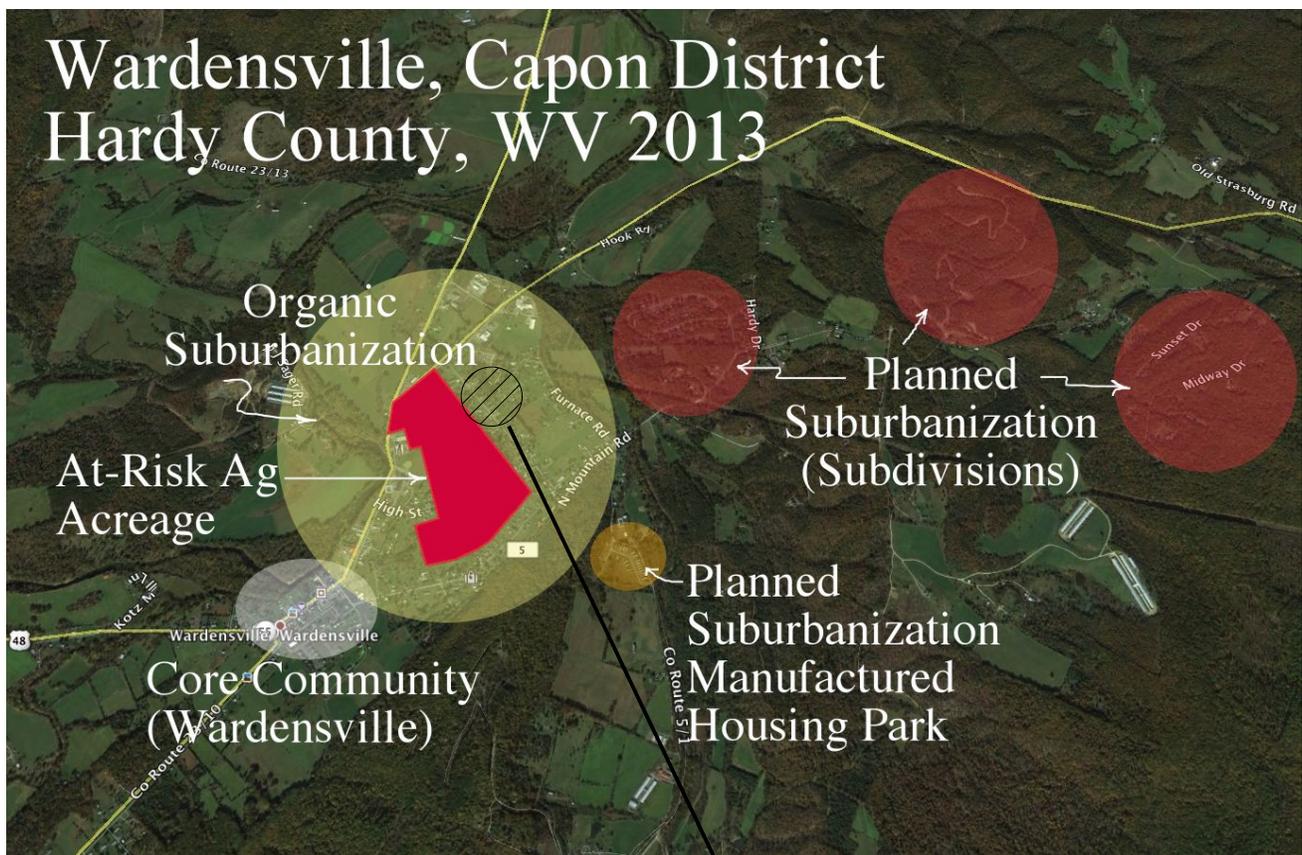
One final observation concerning low density development. Typically low density counties have a higher per capita cost rate due to increased travel distance, and a lower per capita level of service because the costs are, by necessity, higher per individual. Rural fire and rescue departments must travel farther than their urban counterparts; social service agencies must travel farther to reach clients and because the clients are scattered rather than concentrated, the workers serve fewer clients per day. Schools face increased transportation costs and longer bus rides. Rural subdivisions, while increasing the tax base, do very little to alleviate time requirements or distance traveled.

(Continued on page 37)

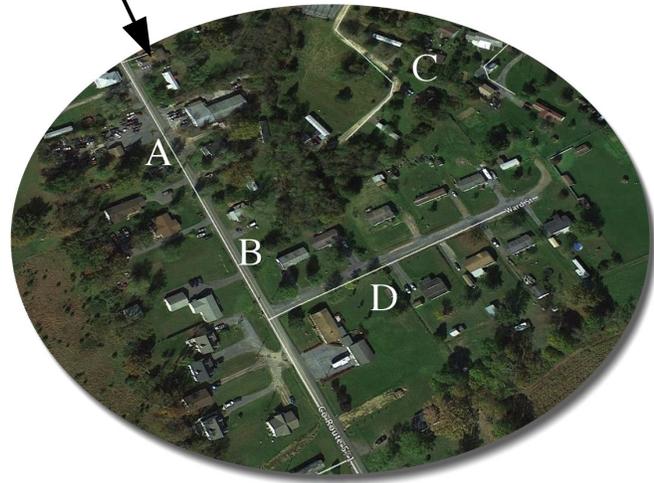
Population and Housing Density, Hardy County WV:

	2010	2000	1990	1980	1970	1960
Hardy County						
Total Square Miles	583.40	583.40	583.40	583.40	583.4	583.4
Total Acreage	373376	373376	373376	373376	373376	373376
Hardy County: Population	14025	12669	10977	10030.0	8855	9308
Housing Units	7981	7115.0	5573.0	4473.0	3311	2918
Vacant Units	2260	1911.0				
Average Population Per Sq Mi	24.0	21.7	18.8	17.2	15.2	16.0
Average Housing Units Per Sq Mi	12.2	12.2	9.6	7.7	5.7	5.0
Building Density (Acres per Unit)	46.8	52.5	67.0	83.5	112.8	128.0
Median Household Size	2.40		2.30		3.2	3.2
Capon district (Part of Moorefield district transferred to the Capon district in 1990)						
Total Square Miles (Land)	158.71	158.71	158.71	District increased in 1990		
Total Acreage	101574	101574	101574			
Population	3036	2715	2288	1748	1520	1532
Housing Units	1865	1627	1254	818	634	433
Vacant Units	570	527				
Average Population Per Sq Mi	33.5	37.4	44.4			
Average Housing Units Per Sq Mi	11.8	10.3	7.9			
Building Density (Acres per Unit)	54.5	62.4	81.0			
Median Household Size	2.34					
Lost River district						
Total Square Miles (Land)	175.1	175.1	175.1	175.1	175.1	175.1
Total Acreage	112058	112058	112058	112058	112058	112058
Population	2638	2557	2224	2022	1939	2208
Housing Units	2105	1889	1340	970	749	605
Vacant Units	945	805				
Average Population Per Sq Mi	15.1	14.6	12.7	11.5	11.1	12.6
Average Housing Units Per Sq Mi	12.0	10.8	7.7	5.5	4.3	3.5
Building Density (Acres per Unit)	53.2	59.3	83.6	115.5	149.6	185.2
Median Household Size	2.22					
Moorefield district (Note Decrease in 1990 attributed to the development of the Old Fields district)						
Total Square Miles	24.98	23.05	23.05	District decreased in 1990		
Total Acreage	15987.20	14752.0	14752.0			
Population	2644	2354	1594	3804	3307	3474
Housing Units	1224	1118	699	1664	1229	1012
Vacant Units	151	114				
Average Population Per Sq Mi	105.84	102.13	69.15	District decreased in 1990		
Average Housing Units Per Sq Mi	49.0	48.5	30.3			
Building Density (Acres per Unit)	13.1	13.2	21.1			
Median Household Size	2.46					
Old Fields district (Note: The Old Fields District was formed in 1990 from lands from the Moorefield District.)						
Total Square Miles	85.39	85.35	85.35	District formed in 1990		
Total Acreage	54649.6	54624.0	54624.0			
Population	2943	2442	2331			
Housing Units	1569	1245	1114			
Vacant Units	361	224				
Average Population Per Sq Mi	34.5	28.6	27.3			
Average Housing Units Per Sq Mi	18.4	14.6	13.1			
Building Density (Acres per Unit)	34.8	43.9	49.0			
Median Household Size	2.44					
South Fork district						
Total Square Miles	138.72	141.2	141.2	141.2	141.2	141.2
Total Acreage	88780.8	90368.0	90368.0	90368.0	90368.0	90368.0
Population	2764	2601	2540	2456	2089.0	2094.0
Housing Units	1315	1236	1166	1021	699.0	514.0
Vacant Units	233	241				
Average Population Per Sq Mi	19.9	18.4	18.0	17.4	14.8	14.8
Average Housing Units Per Sq Mi	9.5	8.8	8.3	7.2	5.0	3.6
Building Density (Acres per Unit)	67.5	73.1	77.5	88.5	129.3	175.8
Median Household Size	2.55					

Wardensville, Capon District Hardy County, WV 2013



Capon District & Wardensville. Of the five districts, the Capon district and the town of Wardensville saw the highest increase in both population (99.7%) and in housing units (194.16%). Between 1960 and 2010, the Capon district nearly doubled in population, rising from 1,532 residents in 1960 to more than 3,000 full-time residents in 2010. The number of housing units, in the same period of time, more than quadrupled, from 433 units in 1960 to 1,865 units in 2010. In 2012, 48% (1,964) of the units in the Capon district were vacant. Of those, 488 or nearly a quarter of the total residential units were used as second homes, either for seasonal, recreational, or occasional use.



The area around Wardensville (see image above) experienced three primary types of development:

1) Planned Suburbanization (major subdivisions);

Planned suburbanization is developed as a block. All of the lots are platted, streets (public or private) are preplanned, and there is typically a single use, unless it is being treated as a mixed use plan development.

2) Planned Suburbanization (manufactured/mobile housing parks);

3) Organic Suburbanization.

Organic suburbanization (see inset) is typically created piecemeal over time, follows strip development patterns, and involves a mixture of uses: A) commercial or industrial (typically a fairly early use); B) a hodgepodge of housing types (stickbuilt, single- and double-wides, modulares); C) family subdivisions with an unplanned driveway network; and D) single street minor subdivisions;. *Because organic development tends to occur along existing secondary roads (Rt. 5, Rt 5/1), it may leave some agricultural properties at risk for future development.* Finally, suburbanized development (development that occurs just over an existing town line) places additional pressure, especially for services, on the neighboring town while not contributing to the town's real estate tax base.

VII. Changes in Affordability, Housing Stock, Households, and Vacancy Rates.

Hardy County has experienced three notable changes in housing in the past fifty years.: 1) median household incomes have not kept up with rising housing costs, which has led to residents spending a greater percentage of their income for housing and left a higher percentage of households under water; 2) a rapid rise in the cost of traditional and rental housing led, at least to some degree, in the rise of the number of mobile or manufactured homes; and 3) an increase in the number of vacant structures, especially for occasional, seasonal, or recreation home or second homes.

Affordability. First, compared to other areas, most notably in Northern Virginia, Virginia Piedmont, and immediately across the Virginia/West Virginia line, housing prices are substantially below national and regional medians. In 2000, the median price for a house in Hardy County was \$74,000; in 2014, the median price stands at \$149,200. The cost of a median priced, single-family house has doubled in 14 years, which means that housing costs, at least on paper, are rising at an annual rate of 5%. If the rate continues at 5% per year (an annual growth rate that has been fairly consistent since 1960), the median cost of a house will again double by 2028 and will pass \$500,000 by 2040.

For rentals, the rate of growth in gross rent increased 7.5% between 1990 and 2000; however, the rate of increase dropped significantly between 2000 and 2010 to an annual rate of 1.7%. If that rate holds, gross rent will reach \$497 per month in 2020. If, however, as the Department of Housing and Urban Development (HUD) is accurate in its predictions that the annual rate of growth is likely to be 3%, median gross rent in 2020 will be closer to \$570 per month. While the rate of growth in rental costs is predicted to be lower than the rate of growth in wages, the increased costs are still going to leave those at the lower end of the income scale in a greater bind.

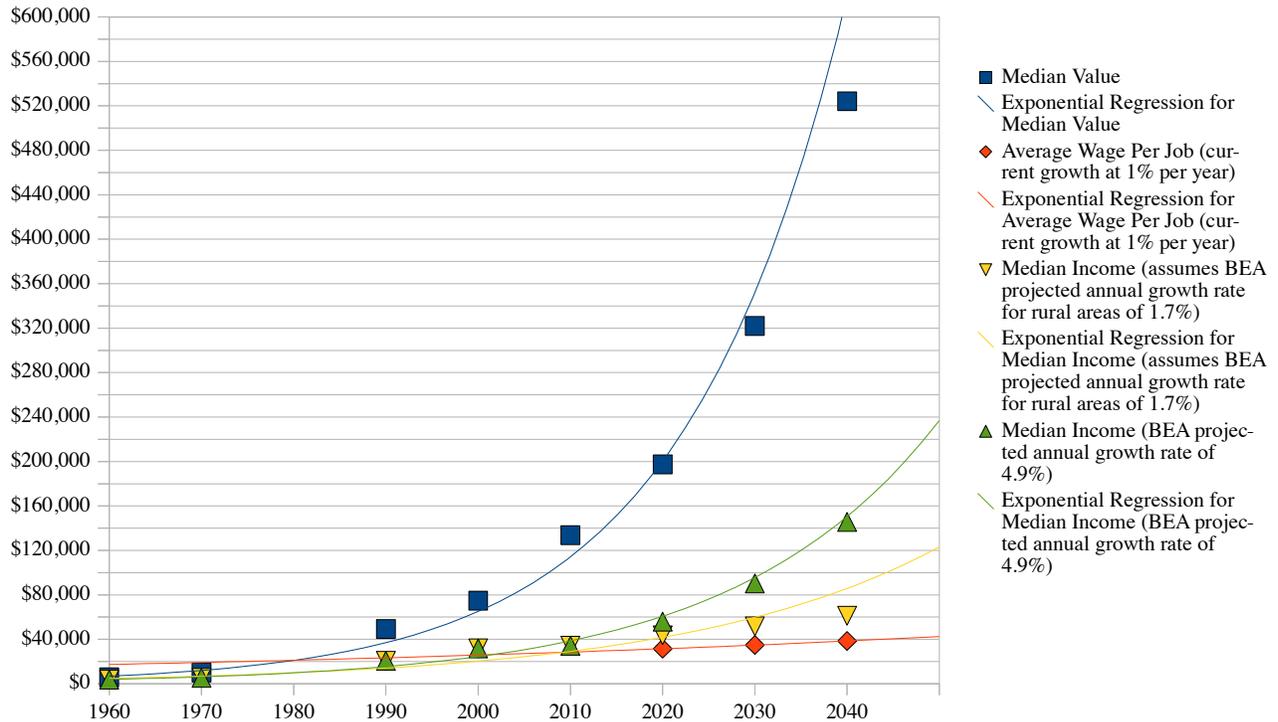
While the rapid rise in housing prices is contributing to decreased affordability, the large and more systemic problem is the relatively flat to moderate rise in wages and income.

The disparity between income and housing costs is likely to continue to widen over the next 25 years. Between 1990 and 2000, median income rose at an annual rate of 4.38%. Between 2000 and 2010, the annual rate of increase dropped to under 1% (.7%). Wages and salaries, according to the Bureau of Economic Analysis (BEA), took an even greater hit. After growing at 6% between 1990 and 2000, the growth rate dropped to 3.2% between 2000 and 2010. During the recession, 2008-2012, the rate of growth decreased to less than 1% (.6%) and has rebounded only marginally to 1%. While the BEA projects that personal incomes will increase by 4.8%, their analysis indicates that the increase is likely to be far lower in rural areas, averaging about 1.7%. If Hardy County matches the projected rate of growth for median income (1.7%) and wages (1%) for rural areas, the county will reach the doubling point in 2037 and 2082 respectively.

What this translates to is a growing disparity between the costs of housing and wages. In 1960, the ratio between the median home value and the median income was 1.62, which means that the price of the median priced home was equivalent to a bit more than a year and a half's wages. Spread over thirty years or the life of the mortgage, the monthly costs were unlikely to come anywhere close to the 30% mark, the point where housing becomes unaffordable. By 1970, the

(Continued on Page 39)

Comparison of Median Income to Median House Value Rate of Growth and Projected Trends Through 2040



The US Department of Housing and Urban Development defines the affordability rate as less than 30% of monthly gross income. In 1990, 15.5% of owner occupied households were paying at or above the affordability rate for housing.. By 2012, the percentage climbed to 31.6%. For renters, the percentage climbed from 26.7% in 1990 to 39.1%. Given future trends, a growing percentage of households are likely to see their monthly costs take a larger percentage of their income in the future.

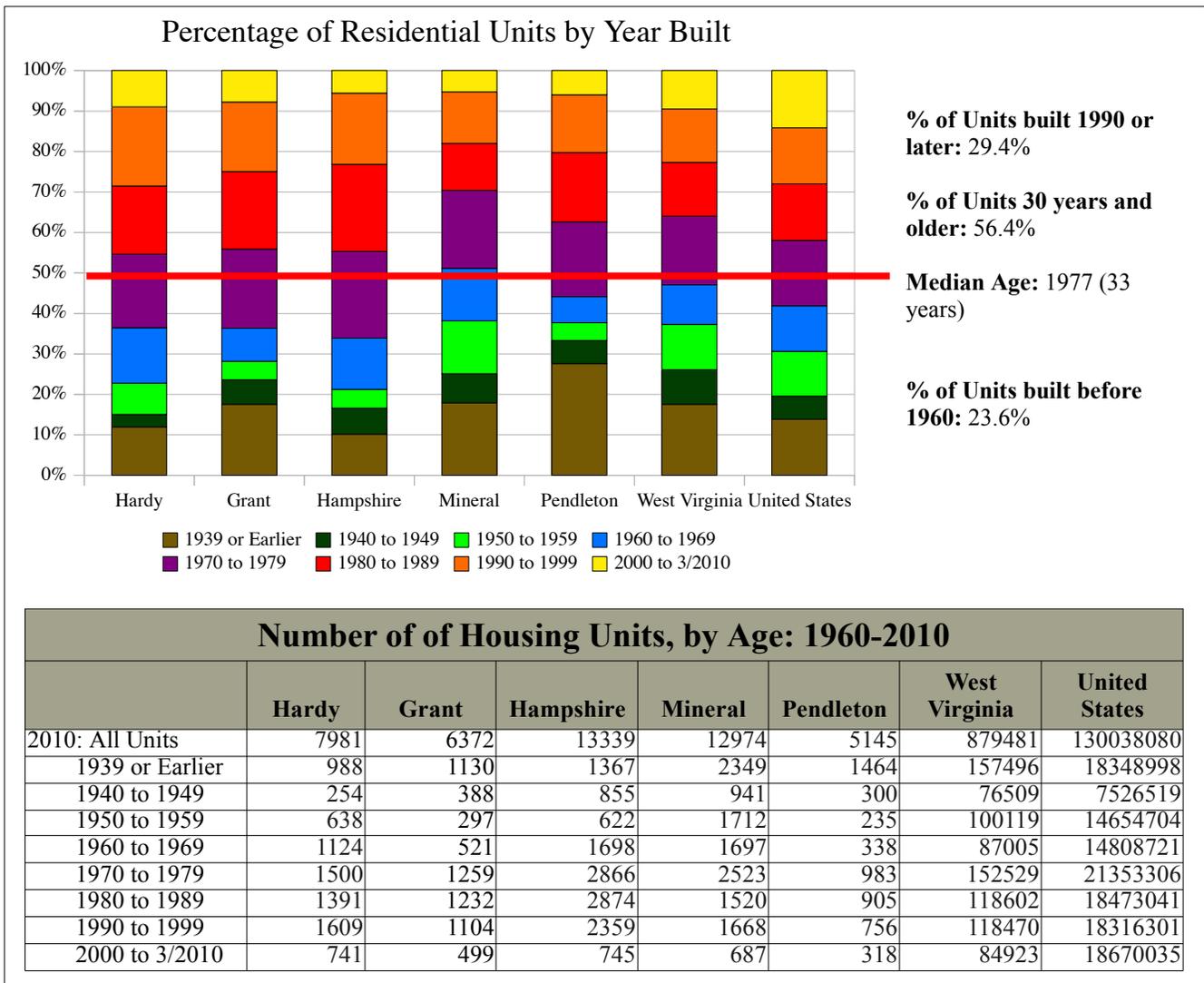
	Actual						Projected		
	1960	1970	1980	1990	2000	2010	2020	2030	2040
Hardy: Housing Units	2918	3311	4473.0	5573	7115	8078			
Hardy: Occupied Units	2564	2788		4286	5202	4764			
Household Size	3.2	3.2	2.8	2.6	2.4	2.4			
Median Value	\$5,900	\$10,200		\$49,300	\$74,700	\$133,700	\$197,535	\$321,853	\$524,121
Median Value: Mobile Homes					\$24,000	\$40,500			
Median Month Costs (with mortgage) (4.2% annual growth)	n/a	n/a		\$420	\$639	\$967	\$1,455	\$2,195	\$3,312
Median Rent (3% annual rate)	\$41	\$65		\$182	\$375	\$419	\$563	\$757	\$1,017
Average Wage Per Job (current growth at 1% per year)							\$31,539	\$34,839	\$38,483
Median Income (assumes BEA projected annual growth rate for rural areas of 1.7%)	\$3,635	\$5,300		\$20,745	\$31,846	\$34,184	\$43,681	\$51,702	\$61,195
Median Income (BEA projected annual growth rate of 4.9%)	\$3,635	\$5,300		\$20,745	\$31,846	\$34,184	\$55,967	\$90,301	\$145,695
Gross Median Income Per Month	\$303	\$442		\$1,729	\$2,654	\$2,849	\$3,640	\$4,309	\$5,100
30% of Median Income	\$91	\$133		\$519	\$796	\$855	1092.0	1292.6	1529.9
% of Population pay 30% or more of montly income for housing	n/a	n/a		16.1%	n/a	16.9%			

Note: Due to the shift from the US Census to the American Community Survey system, there is no Census housing data for 2010, beyond the basic count. The 1980 Census of Housing is not available at the county level. Finally, the estimated median housing cost varies. While the Census estimate is \$133,700; market data suggests that the median is already closer to \$147,000.

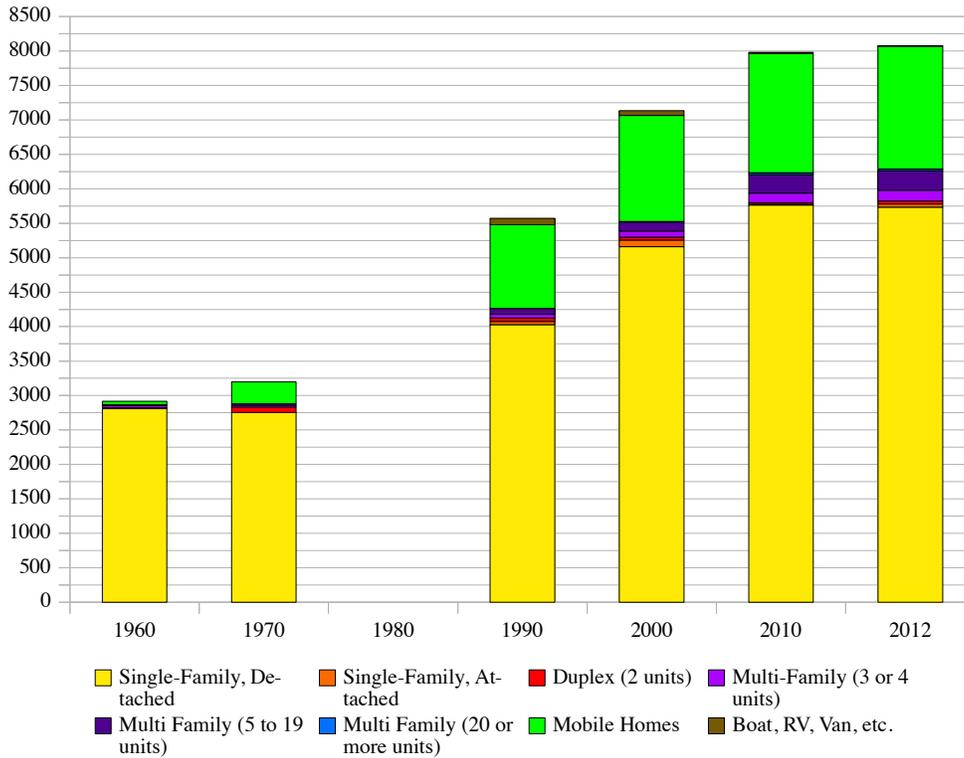
ratio had risen to 1.92, still well within the affordability range. By 1990, when the government started paying closer attention to the affordability issue, the ratio between housing costs and income had risen above 2.0. (2.38 on 1990 and 2.35 in 2000). Between 2000 and 2010, the ratio shot up to 3.91 and for the first time, the median monthly costs for a house with a mortgage was higher than 30% of median income. Assuming the projected growth rates hold, the ratio between home value and income will continue to rise, from 4.5 in 2020 to 6.2 in 2030 to 8.6 in 2040.

Age of Units: The rule of thumb in housing is that units enter the "affordability range" at age 30, although the rule has not proven to be true in areas where there is a high level of second and/or vacation homes. It is also worth noting that the rule does not hold for manufactured housing (single-wides and double-wides), but it does for modular housing that is built onsite from prefabricated elements.

Hardy, Grant, and Hampshire Counties have followed similar development patterns since the late 1970s, although unlike the surrounding counties or the State of West Virginia, Hardy County has experience nearly 30% of its housing growth since 1990. Compared to the United



Total Housing Units, by Type, 1960-2012



	1960	1970	1980	1990	2000	2010	2012
Total housing units	2918	3199		5573	7115	7981	8078
1-unit, detached	2809	2753		4029	5159	5765	5735
1-unit, attached				47	99	11	46
2 units	15	79		48	42	22	40
3 or 4 units	33	27		54	86	139	160
5 to 9 units	10	22		67	85	181	229
10 to 19 units				18	47	90	53
20 or more units		0			8	25	26
Mobile home	51	318		1218	1537	1733	1778
Boat, RV, van, etc.				92	72	15	11

Source: US Census Bureau, 1960-2000 US Census, 2010-2012, American Community Survey

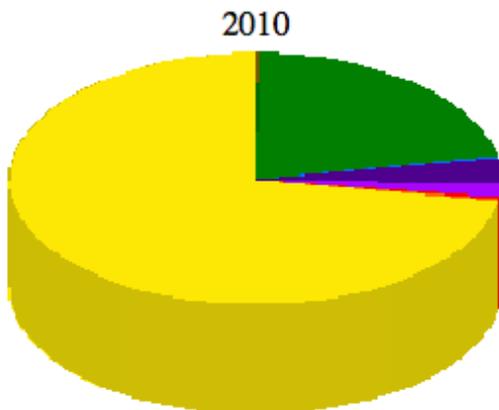
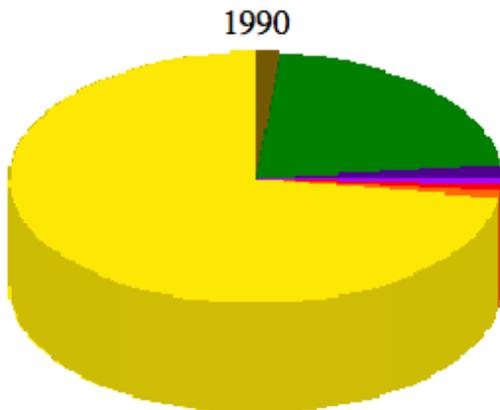
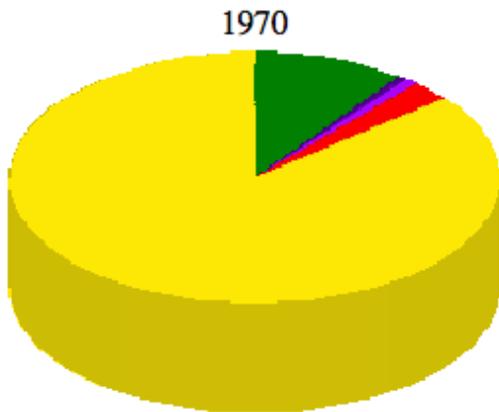
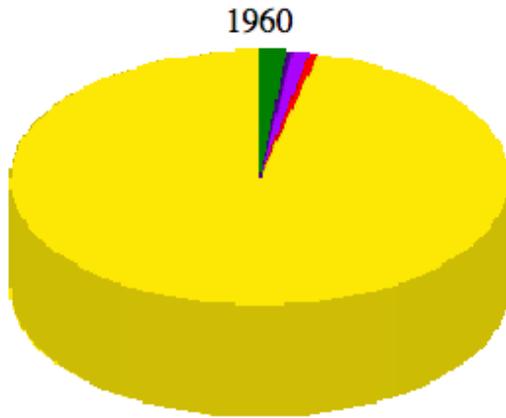
States as a whole, the state of West Virginia, and surrounding counties, a larger percentage of Hardy County's housing stock was built in the past 23 years and half the housing stock was in 1977 or later.

The relative newness of the housing stock, while a benefit, also represents a problem for the county in terms of affordable housing. Relative housing values decrease as housing unit age and increase in affordability; however, housing units do not reach the "affordable range" until they reach 30 years of age. Currently, 43.6% of the housing built in Hardy County fall outside of the affordability range (30 years and older). For larger or more expensive homes, the length of time required to reach the affordability range may be much longer, unless the homes are subdivided into apartments.

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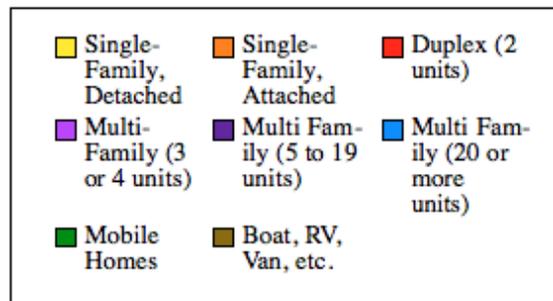
The Growth of Mobile Homes

Units in Structures, 1960-2010



In 1960, there were 51 mobile homes, 20 with permanent foundations, and 31 without. One aspect of the Lyndon Johnson's War on Poverty was the replacement of substandard housing with mobile homes in the 1960s and 1970s. By the 1990s, mobile homes had firmly taken root in the most of Appalachia as the rural equivalent of affordable housing. Within thirty years, mobile homes grew from 1.75% to 21.9% of housing units in Hardy County. By 2012, mobile homes account for 22% of housing units. Given the rising costs of more traditional forms of single-family housing, the number and percentage of mobile homes in Hardy County is expected to continue to increase. While the median value of a single family home has climbed to \$133,700 in 2012, the median value of a mobile home is \$40,500, up from \$24,000 in 2000.

While a few of the mobile homes in Hardy County are located in mobile home parks, far more are scattered in the rural areas or mixed in with other types of housing in the growth areas surrounding existing communities (see inset on page 15). Although mobile homes continue to carry a stigma, it is important to recognize that they are a form of single-family housing, offer an affordable housing alternative, and were a substantial improvement to the earlier homes they replaced.



It is important to note that not all of the older housing necessarily qualifies as affordable. This is especially true for the structures built prior to 1940, many of which may qualify for historic tax credits. In addition, gentrification of older districts or communities may remove many of the older structures from the affordable housing market.

Manufactured Housing (Mobile Homes) and Diversified Housing Stock: Perhaps one of the most significant changes in Hardy County's housing stock in the past 50 years has been the introduction of mobile homes.. In 1960, mobile homes represented less than 2% of the total housing stock in Hardy County. In 2012, mobile homes make up approximately 22% of the county's housing stock, and the upward trend is likely to continue as traditional housing becomes increasingly unaffordable. Between 1990 and 2000, the number of mobile homes increased at an annual rate of 2.3%. The rate of growth slowed to 1.2% between 2000 and 2010, as affordable alternatives were developed.

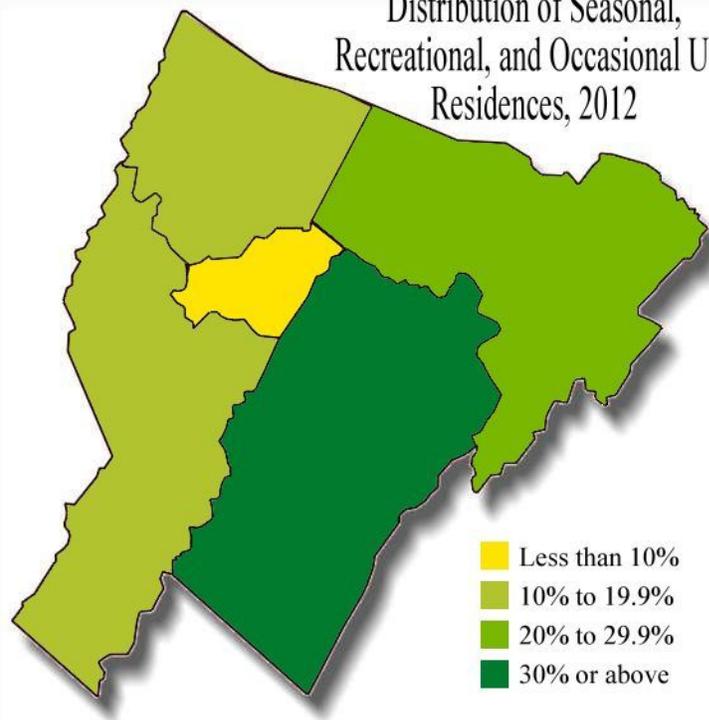
The rate of growth decreased not because of a lessening need, but because alternatives became available. In 1990, Hardy County had a total of 187 multi-family housing units (apartments and duplexes). By 2012, the number of multi-family units had increased to 508. Although the number of duplex units dropped to 40, as subdivided homes were reclaimed as single-family structures, Hardy County saw a net gain of 321 units , with the largest gains being made in apartment structures with 3 to 9 units.

Multi-family housing continues to represent only a small fraction (6.3%) of the total housing units available in Hardy County, but remains the one of the few viable alternative to mobile homes. That said, monthly rental costs are rising almost as fast as the monthly costs for owner-occupied single-family houses, or at least those with a mortgage. In 1990, median gross rent, per month, was \$263 and 76.9% of units cost under \$500 dollars per month. In 2000, the median gross rent increased to \$375 per month but the number of units under \$500 per month increased from 478 units to 644. Between 2000 and 2012, gross rent increased by 40.8%, from \$375 per month to \$528,00 and the number of available units under \$500 per month decreased to 344. In 2012, 48.2% of apartments carried gross rental costs of \$500 to \$749 and 12.8% had rental costs of \$750 or more.

The rise in gross rents has meant that more households are facing issues of affordability. In 1990, 26.7% of households in rental units were paying 30% or more of the household income for gross rent. By 2000, the percentage of "under water" households had risen to 34.4% and by 2012, the percentage stood at 39%. Of those in 2012, 26.6% were paying 35% or more of their monthly income in rent.

Seasonal or Second Homes. In 1960, there were 354 vacant housing units. Of those, 209 homes designated as seasonal, recreational or occasional use units, representing 7.16% of the total housing units and 59.9% of total vacant units. By 1990, the number of seasonal or second homes had risen to 768, 13.8% of total unis and 59.7% of vacant units. In 2012, the number of second homes had climbed to 1,578, just shy of 20% of the total housing units available in Hardy County. In addition, 852 housing units were listed as rented or sold, but not occupied, which suggests that the total number of seasonal or second homes may well be much higher. While seasonal or second homes are scattered throughout Hardy County, the highest concentrations can be found in the Capon and Lost River districts, along the western edge of the George Washington National Forest.

Distribution of Seasonal, Recreational, and Occasional Use Residences, 2012



Hardy County's vacancy rate (41%) is significantly above both state (15.8%) and national rates (12.5%), primarily because of the prevalence of seasonal, recreational, and occasional use homes (second homes). In West Virginia, as a whole, seasonal, recreational and occasional use residences account for less than 5% of total residential units, while at the national level, they account for 3.8%. In Hardy County, 19.5% of all residential units are for seasonal, recreational, or occasional use. Of the 3,314 vacant housing units in Hardy County in 2012, 47.6% were second homes, the majority of which are located in the more rural portions of the County. In addition, the homes are not evenly distributed throughout Hardy County. Of the five districts, Lost River accounted for 41.1% of all second or seasonal homes in Hardy County (33% of all residential units in the district). In Moorefield District (which includes the Town of Moorefield), second homes accounted for 5.7% of residential units in the district. In the Town of Moorefield, the percentage drops to 2.1%. Combined, the two towns accounted for less than 5% (4.8%) of the 1,578 seasonal, recreational, and occasional use residences.

Residential Vacancies: Hardy County, West Virginia, 2012

Residential Vacancies	Hardy County	Capon district	Lost River district	Moorefield district	Old Fields district	South Fork district	Moorefield	Wardensville	West Virginia	United States
For rent	432	72	25	140	108	87	141	5	16952	3294653
Rented, not occupied	47	5	15	16	11	0	27	5	3795	601367
For sale only	359	168	70	44	77	0	72	0	11803	1815473
Sold, not occupied	805	174	236	58	153	184	29	38	8631	601171
For seasonal, recreational, or occasional use	1578	488	648	63	181	198	28	48	43435	5014560
For migrant workers	0	0	0	0	0	0	0	0	236	34579
Other vacant	93	35	17	20	10	11	0	8	54714	5053852
Total Vacant Housing Units	3314	942	1011	341	540	480	297	104	139566	16415655
Total Housing Units	8078	1964	1964	1101	1615	1423	1322	265	882240	131642457
Vacant Housing Units: % of Total Housing Units	41.0%	48.0%	51.5%	31.0%	33.4%	33.7%	22.5%	39.2%	15.8%	12.5%
Seasonal or Second Homes: % of Total Housing Units	19.5%	24.8%	33.0%	5.7%	11.2%	13.9%	2.1%	18.1%	4.9%	3.8%

Data Source: U.S. Census Bureau, 2008-2012 American Community Survey. Table B25004: Vacancy Status.