

NOVEMBER 12, 2019

NEW RIVER/MOUNT ROGERS JOB PLACEMENT AND CAREER TRAINING SERVICES

REGIONAL ECONOMIC AND FISCAL CONTRIUBUTION
IN PY 2018



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About Mangum Economics

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Identify the intended and, more importantly, unintended consequences of proposed legislation and other policy initiatives.

ECONOMIC IMPACT ASSESSMENTS AND RETURN ON INVESTMENT ANALYSES

Measure the economic contribution that business, education, or other enterprises make to their localities.

WORKFORCE INFORMATION

Project the demand for, and supply of, qualified workers.

CLUSTER ANALYSIS

Use occupation and industry clusters to illuminate regional workforce and industry strengths and identify connections between the two.

ENVIRONMENTAL SCANNING

Assess the economic, demographic, and other factors likely to affect your enterprise in the future.

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Executive Summary

The New River/Mount Rogers Workforce Development Board (WDB) provides workforce services to the counties of Bland, Carroll, Floyd, Giles, Grayson, Montgomery, Pulaski, Smyth, Washington, and Wythe, and the cities of Bristol, Galax, and Radford. This report assesses the economic and fiscal impact that the job placement and career training services the New River/Mount Rogers WDB provided in program year (PY) 2018 had on those communities.

The principle findings from that assessment are as follows:

1. Total employment growth in the New River/Mount Rogers Workforce Development Area (WDA) is under-performing the statewide trend:

- Over the five year period from the 2nd quarter of 2014 to the 2nd quarter of 2019 regional employment in the New River/Mount Rogers WDA increased by 2,791 jobs or 2.0 percent. By way of comparison, statewide in Virginia total employment increased by 7.5 percent over the same period.
- Between 2017 and 2018, the largest private sector employment gains in the New River/Mount Rogers WDA occurred in Transportation and Warehousing (up 269 jobs), Other Services (up 172 jobs), and Construction (up 100 jobs). At the other end of the spectrum, the largest private sector employment losses over the period occurred in Administrative and Support and Waste Management Services (down 376 jobs), Retail Trade (down 324 jobs), and Real Estate and Rental and Leasing (down 149 jobs).
- These economic trends underscore the New River/Mount Rogers WDB's need to maintain a flexible and responsive labor market in response to changing economic conditions, and further emphasize the importance of the workforce services that the New River/Mount Rogers WDB provides.

2. The job placement and career training services provided by the New River/Mount Rogers WDB have a large economic and fiscal impact on its service area:

- In PY 2018, the New River/Mount Rogers WDB was instrumental in transitioning 506 individuals into employment through its Workforce Innovation and Opportunity Act (WIOA) Enhanced Career Services, Other Grant Programs, and Basic Career Services. The average annual salaries associated with those 506 placements ranged from \$20,634 to \$49,317.
- The total additional household income generated through those placements is estimated to be \$15.1 million for Enhanced Services and Other Grant Programs, and \$17.3 million if we also include Basic Career Services.

- Focusing first the New River/Mount Rogers WDB's WIOA Enhanced Career Services and Other Grant Programs, our analysis indicates that the total regional impact associated with that \$15.1 million associated increase in household income was approximately 509 full time equivalent jobs, \$18.2 million in additional regional labor income, \$10.4 million in additional regional economic output, and \$1.4 million in state, local, and federal tax revenue.
- If the analysis is expanded to include Basic Career Services, the associated increase in household income rises to \$17.3 million, and total regional impact increases to approximately 613 full time equivalent jobs, \$21.0 million in additional regional labor income, \$12.3 million in additional regional economic output, and \$1.7 million in state, local, and federal tax revenue.

3. Comparing the costs attributable to these programs to their economic benefits shows that benefits far exceed costs.

- In PY 2018, The New River/Mount Rogers WDB's cost of providing the WIOA Enhanced Career Services and Other Grant Programs included in this economic and fiscal impact assessment was approximately \$2.6 million.
- Comparing that cost to the \$18.2 million in total additional regional labor income from the WIOA Enhanced Career Services and Other Grant Programs shows that the benefit/cost ratio is 6.9, indicating that the benefits derived from these programs were almost seven times the costs required to generate those benefits.
- If the analysis is expanded to include Basic Career Services, total additional regional labor income rises to \$21.0 million, and the benefit/cost ratio increases to 8.0, indicating that the benefits derived from these programs were eight times the costs required to generate those benefits.

4. In PY 2018 The New River/Mount Rogers WDB made a significant contribution to the economy of its service area.

Introduction

This report assesses the economic and fiscal contribution that the New River/Mount Rogers Workforce Development Board's (WDB's) program year (PY) 2018)¹ career training and job placement services made to its service area. This report was prepared by Mangum Economics through a contract with the New River/Mount Rogers WDB.

Background

New River/Mount Rogers WDB

The New River/Mount Rogers WDB administers federally funded workforce development programs.² These programs aid businesses in finding qualified workers, assist jobseekers by providing access to workforce training and job placement services, and generally boost economic growth and competitiveness by strategically enhancing the region's available pool of human capital. The New River/Mount Rogers WDB's service area includes the counties of Bland, Carroll, Floyd, Giles, Grayson, Montgomery, Pulaski, Smyth, Washington, and Wythe, and the cities of Bristol, Galax, and Radford. In 2018, these localities had a combined estimated population of 372,112, or about one out of every 23 people in Virginia.³

The mission of the New River/Mount Rogers WDB is to "support the region's economy through a collaborative approach to meeting needs of businesses and job seekers that is flexible and adaptable to the changing economic ecosystem." More specifically, the New River/Mount Rogers WDB accomplishes that mission through:

1. [Strategic Workforce Development](#)

- Coordinate workforce development partners to align their services with the needs of the economic development and business community.
- Convening sector partnerships to bring representatives from specific industries together with regional education, workforce development, economic development and community organizations to address workforce issues.
- Serve as the region's workforce analyst.
- Advocate for workforce programs and initiatives.
- Build capacity for system performance.

¹ July 1, 2018 through June 30, 2019.

² In program year 2016, funding was through the Workforce Investment and Opportunity Act.

³ Data Source: U.S. Census Bureau.

2. [Business Services](#)

- Job posting, job matching, and applicant screening.
- Job fairs and customized recruitment events
- Skills assessments, customized job profiling, and customized training.

3. [Jobseeker Services](#)

- Providing information on in-demand jobs, training, job search assistance, help with resume writing, computer skills training, and veterans' services.

4. [Youth Services](#)

- Providing career exploration, high school completion and post-secondary education transition services for youth.

Services Provided in PY 2018

In PY 2018, The New River/Mount Rogers WDB provided career training and job placement services through five separate workforce programs:

- [Workforce Innovation and Opportunity Act \(WIOA\) Adult Program](#) – provides employment and training services to assist eligible adults (individuals 18 years of age and older) in finding meaningful employment.
- [WIOA Dislocated Worker Program](#) – provides employment and training services to dislocated workers (an individual who has been terminated or laid off, or has received notice that they will be terminated or laid off) in finding meaningful employment.
- [WIOA Youth Program](#) – provides summer and year-round development programs to at risk youth (e.g., dropouts, foster children, juvenile offenders, children of incarcerated parents, and migrant children).
- [WIOA Basic Career Services](#) – provides staff-assisted direct placement, job-search workshops, and self-service tools that assist a job seeker in making an effective job search.
- [Pathways to the American Dream](#) – is a regional collaboration that that uses data and technology to enhance communication as well as develop and expand partnerships between regional workforce service providers.

As shown in Table 1, in PY 2018 these programs were instrumental in transitioning 506 individuals into well-paying jobs (average annual salaries ranged from \$20,634 to \$49,317).

Table 1: New River/Mount Rogers WDB Job Placements in PY 2018

Program	Employment	Average Salary
WIOA – Adult	86	\$23,712
WIOA – Dislocated Worker	61	\$29,266
WIOA – Youth	75	\$20,634
Pathways to the American Dream	197	\$49,317
WIOA Enhanced Services and Other Grant Programs Total	419	\$36,008
WIOA – Basic Career Services	87	\$25,792
WIOA Enhanced Services and Other Grant Programs Total, plus Basic Career Services	506	\$34,252

Regional Economic Trends

Figure 1 depicts changes in total employment in the New River/Mount Rogers Workforce Development Area (WDA) for the five-year period from the 2nd quarter of 2014 through the 2nd quarter of 2019 (the most recent quarter for which data are available).⁴ What these data show is that regional employment growth increased sharply in 2015, but remained relatively flat in subsequent years. Over the period as a whole, total employment in the New River/Mount Rogers Workforce Development Area increased by 2,791 jobs or 2.0 percent. By way of comparison, statewide in Virginia total employment increased by 7.5 percent over the same period.

Figure 2 puts these numbers in perspective by comparing year-over-year changes in total employment in the New River/Mount Rogers WDA to that of the state as a whole. Any observation above the horizontal zero line in this graph reflects an increase in employment from the prior year, while any observation below the zero line reflects a decrease in employment from the prior year. As these data indicate, year-over-year changes in total employment in the New River/Mount Rogers WDA generally tracked the increasing statewide trend through 2015, but subsequently decelerated and dropped below the statewide norm.

⁴ In this graph and those that follow in this section, the New River/Mount Rogers Workforce Development Area is defined to include the counties of Bland, Carroll, Floyd, Giles, Grayson, Montgomery, Pulaski, Smyth, Washington, and Wythe, and the cities of Bristol, Galax, and Radford.

Figure 1: Total Employment in the New River/Mount Rogers WDA – 2nd Quarter 2014 to 2nd Quarter 2019⁵

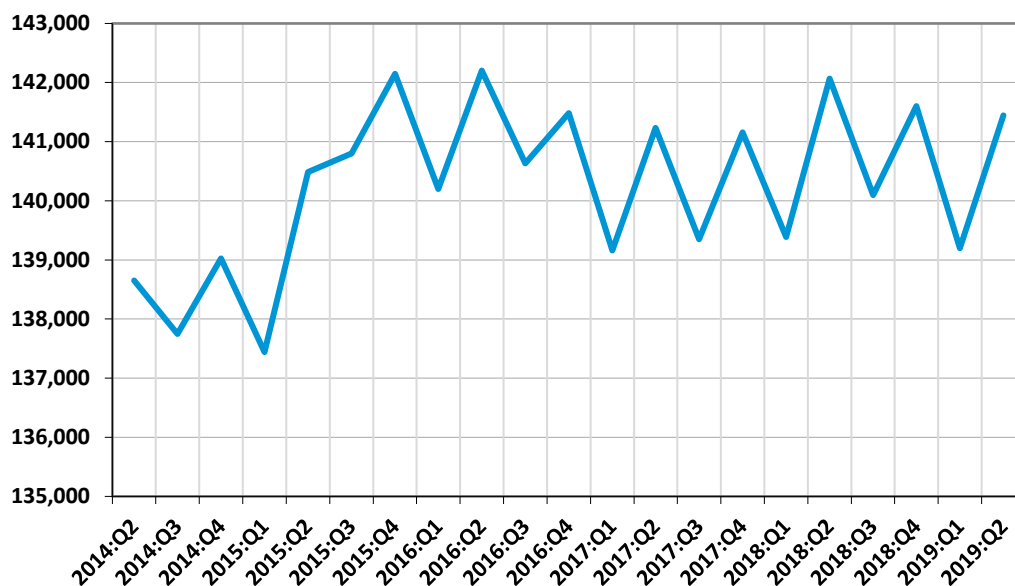
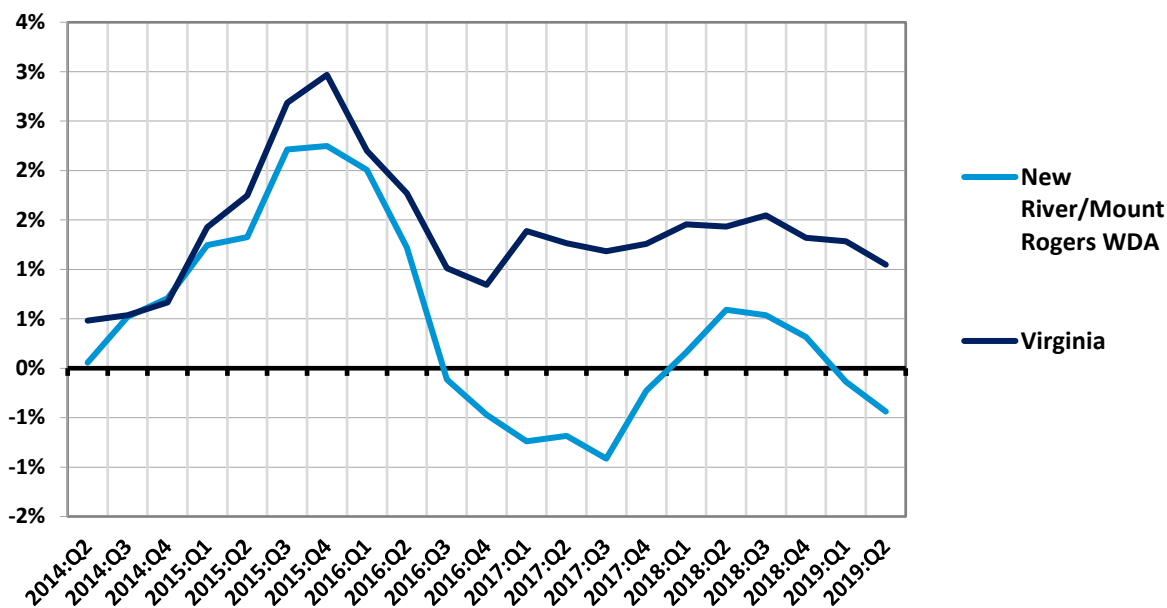


Figure 2: Year-Over-Year Change in Total Employment – 2nd Quarter 2014 to 2nd Quarter 2019⁶



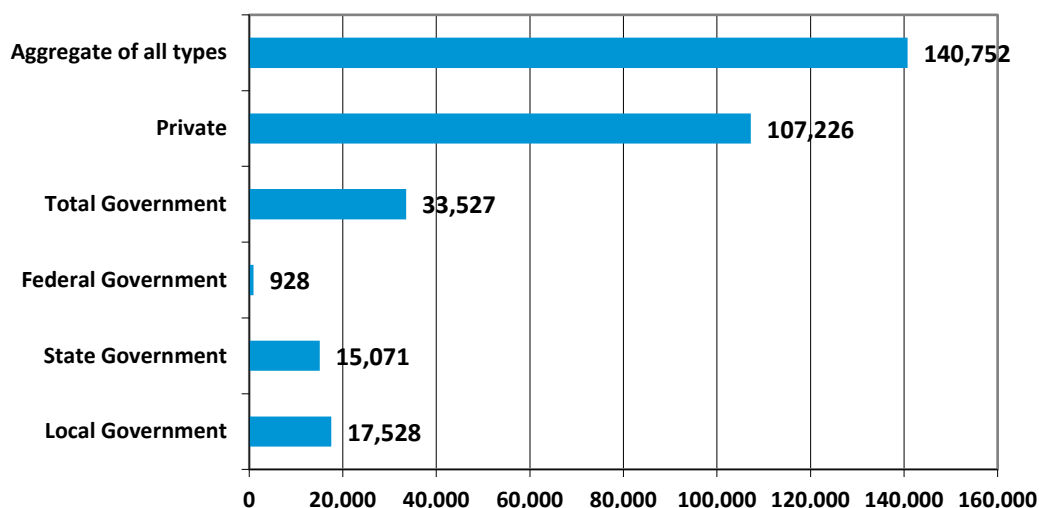
⁵ Data Source: Virginia Employment Commission and U.S. Bureau of Labor Statistics.

⁶ Data Source: Virginia Employment Commission and U.S. Bureau of Labor Statistics.

Figures 3 through 5 provide a break-down of total employment in the New River/Mount Rogers WDA in 2018 by ownership category. As the data depicted in Figure 3 show, the private sector accounted for 107,226 jobs (or 76 percent) of the region's 140,752 total employment that year, while the government sector accounted for 33,527 jobs (or 24 percent). As depicted in Figure 4, average wages in 2018 were \$750 per week overall in the region, \$711 per week in the private sector, and \$877 per week in the government sector.

Figure 5 depicts the change in employment in the New River/Mount Rogers WDA between 2017 and 2018 by ownership category. As these data indicate, total employment in the New River/Mount Rogers WDA increased by 536 jobs over the period, with the private sector experiencing a net gain of 442 jobs, and the government sector experiencing a net gain of 94 jobs.

Figure 3: New River/Mount Rogers WDA Employment by Ownership Category in 2018⁷



⁷ Data Source: Virginia Employment Commission and U.S. Bureau of Labor Statistics.

Figure 4: New River/Mount Rogers WDA Average Weekly Wages by Ownership Category in 2018⁸

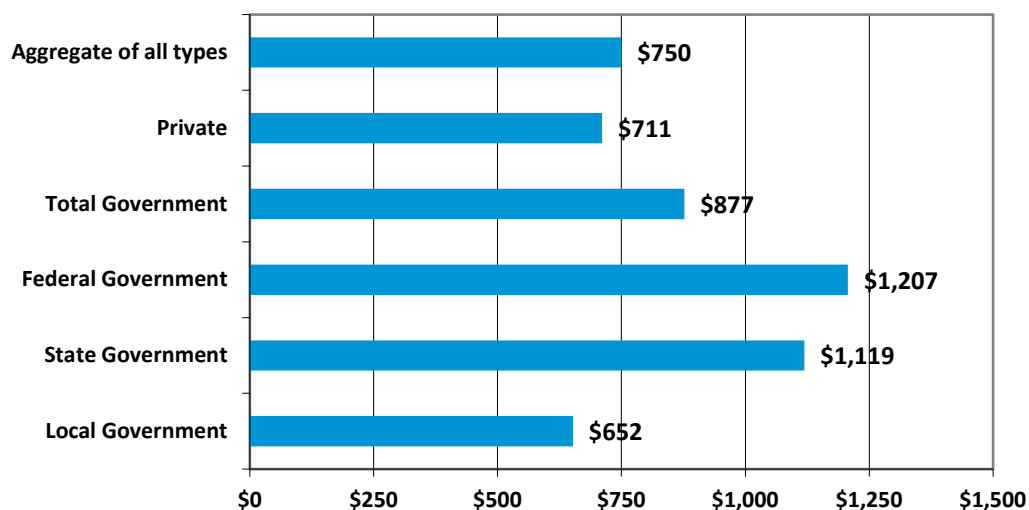
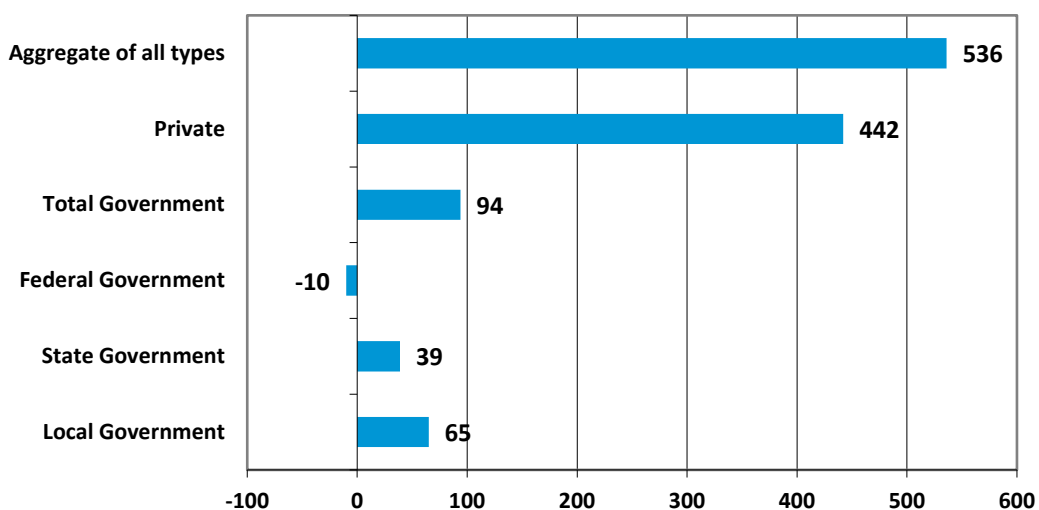


Figure 5: New River/Mount Rogers WDA Change in Employment by Ownership Category –2017 to 2018⁹



⁸ Data Source: Virginia Employment Commission and U.S. Bureau of Labor Statistics.

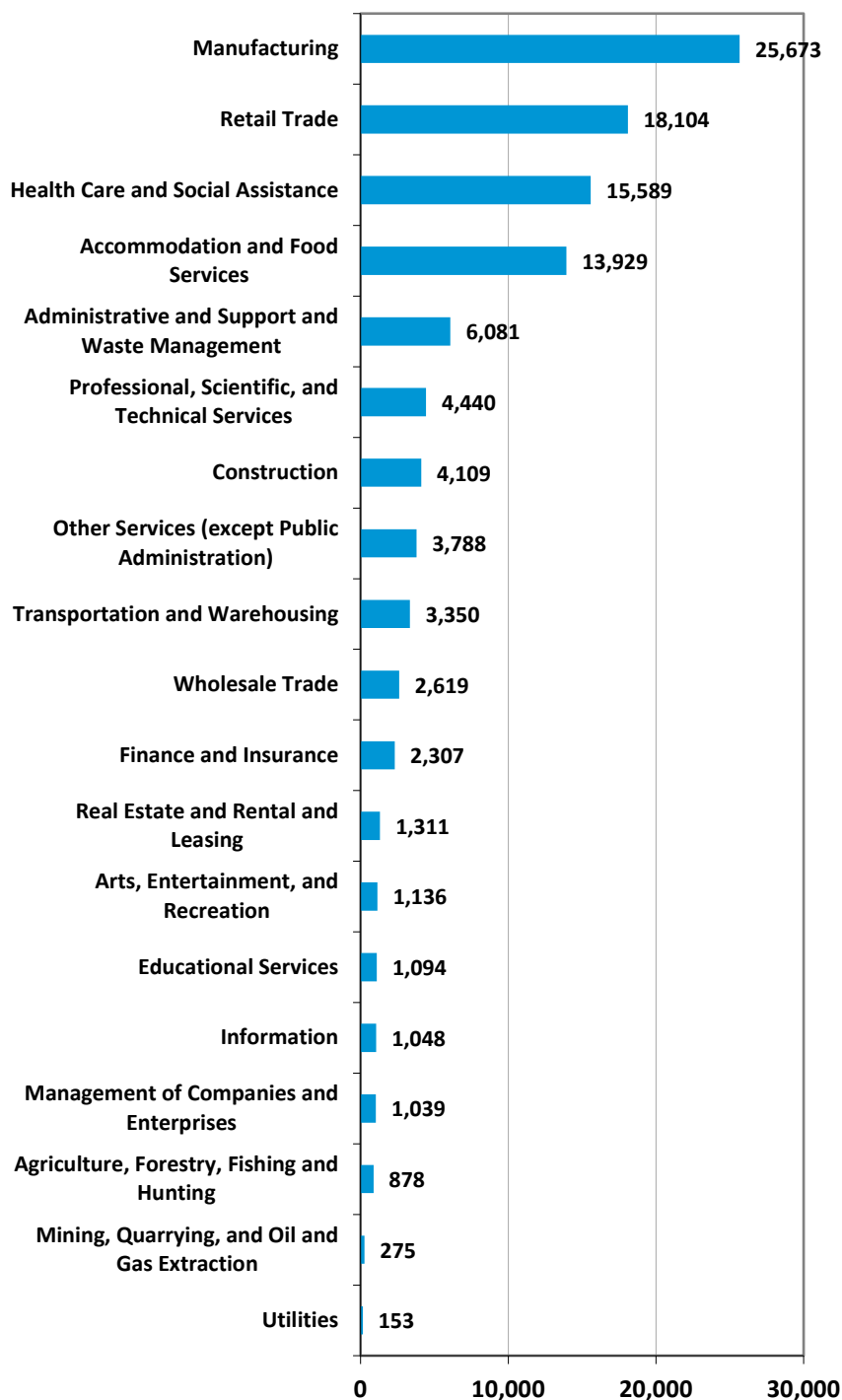
⁹ Data Source: Virginia Employment Commission and U.S. Bureau of Labor Statistics.

Figures 6 through 8 provide a more detailed picture of private sector employment in the New River/Mount Rogers WDA. Figure 6 depicts employment by major industry category in 2018. As these data indicate, Manufacturing was the largest private sector employer in the New River/Mount Rogers WDA that year, accounting for 25,673 jobs or 24 percent of total private sector employment. Retail Trade ranked 2nd with 18,104 jobs (17 percent), and Health Care and Social Assistance 3rd with 15,589 jobs (15 percent).

Figure 7 provides similar information for average weekly wages by major industry category. As these data show, Utilities was the highest paying private sector employer in the New River/Mount Rogers WDA in 2018, with average weekly wages of \$1,487. Management of Companies and Enterprises ranked 2nd with average weekly wages of \$1,321, and Professional, Scientific, and Technical Services ranked 3rd with average weekly wages of \$1,163. To put these numbers in perspective, the average weekly wage across all private sector industries in the New River/Mount Rogers Workforce Development Area was \$711 in 2018.

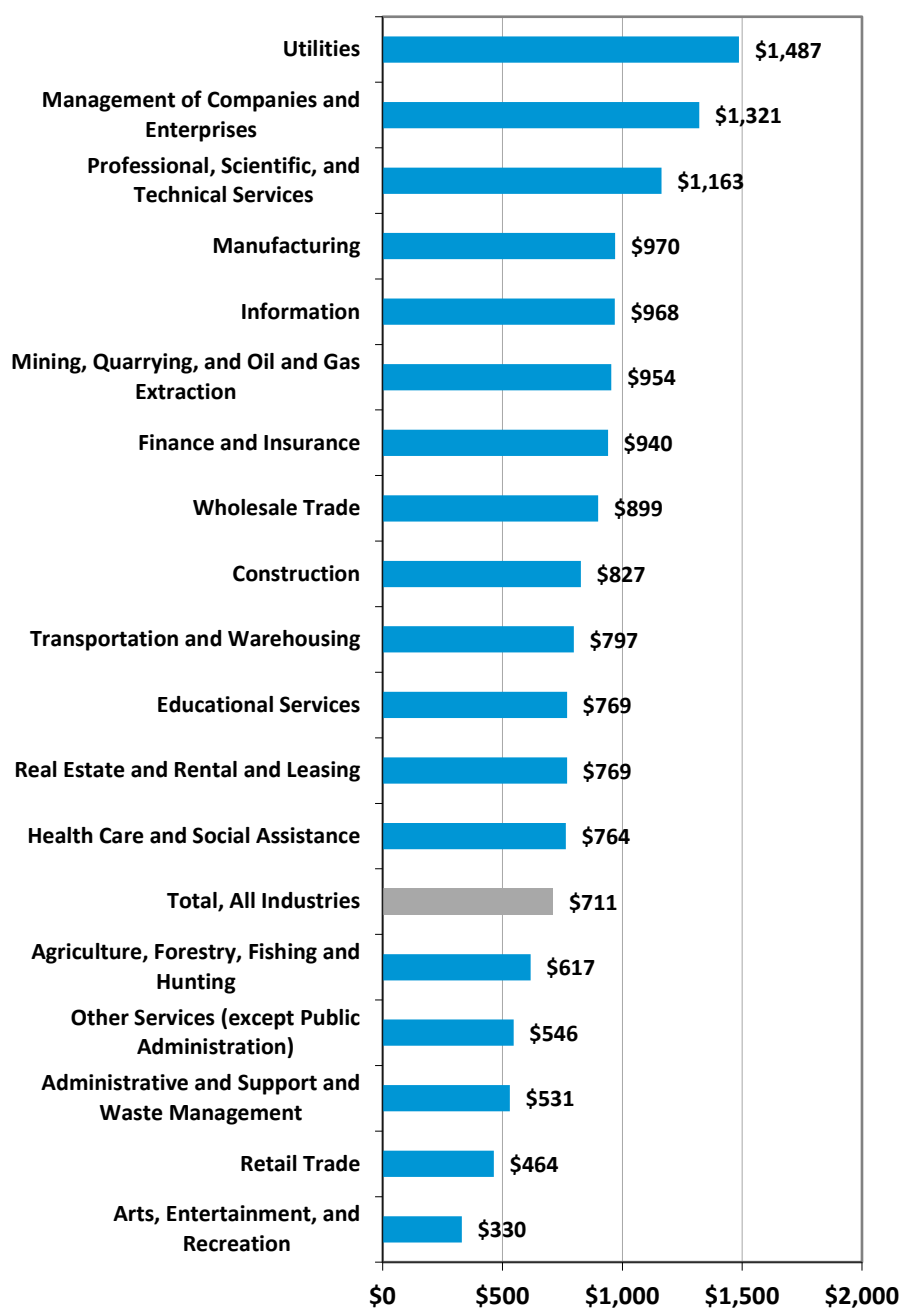
Figure 8 depicts the change in private sector employment in the New River/Mount Rogers WDA between 2017 and 2018. As these data indicate, the largest private sector employment gains over the period occurred in Transportation and Warehousing (up 269 jobs), Other Services (up 172 jobs), and Construction (up 100 jobs). At the other end of the spectrum, the largest private sector employment losses over the period occurred in Administrative and Support and Waste Management Services (down 376 jobs), Retail Trade (down 324 jobs), and Real Estate and Rental and Leasing (down 149 jobs).

Figure 6: Private Sector Employment by Major Industry in the New River/Mount Rogers WDA in 2018¹⁰



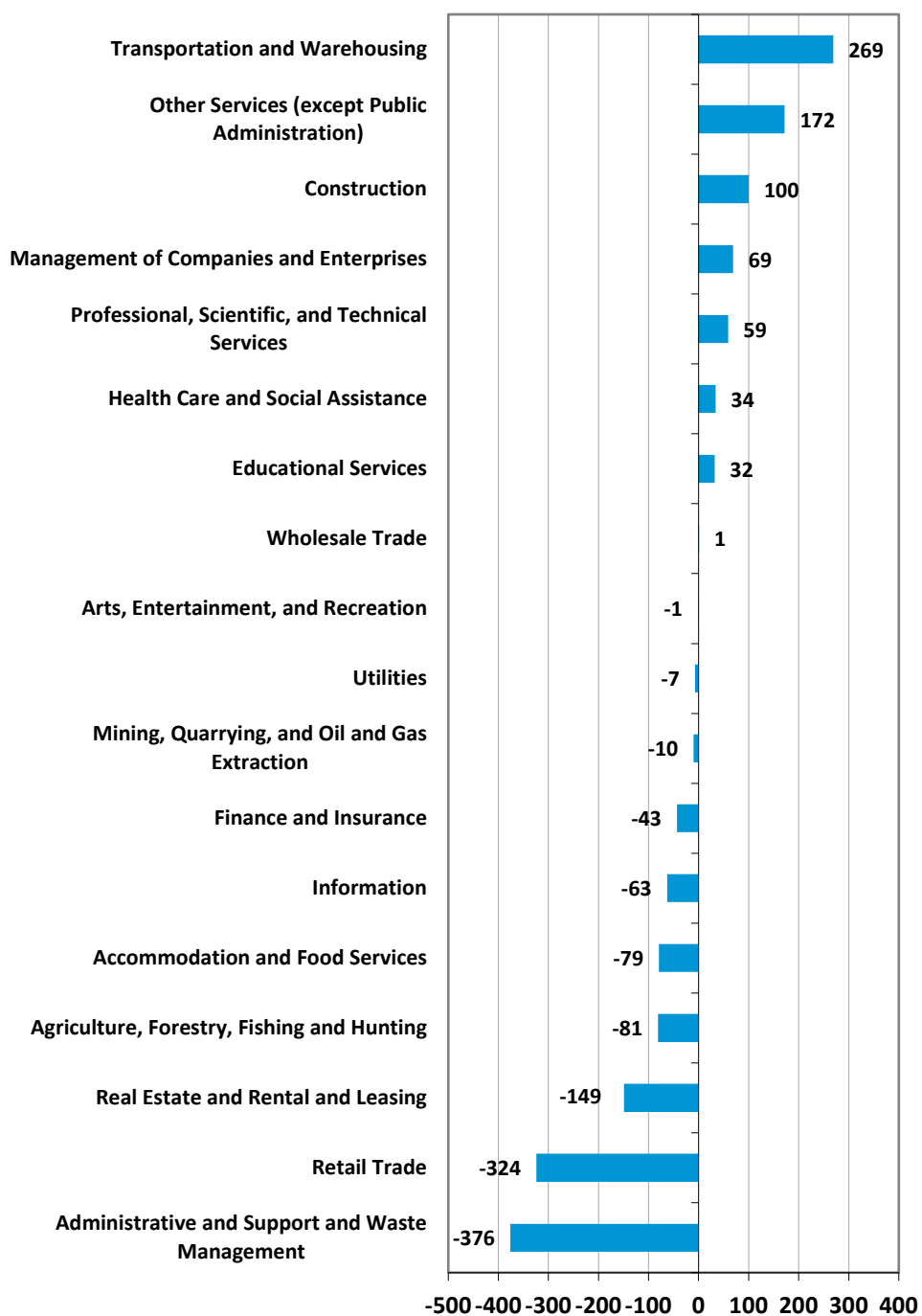
¹⁰ Data Source: Virginia Employment Commission and U.S. Bureau of Labor Statistics.

Figure 7: Private Sector Average Weekly Wages by Major Industry in the New River/Mount Rogers WDA in 2018¹¹



¹¹ Data Source: Virginia Employment Commission and U.S. Bureau of Labor Statistics.

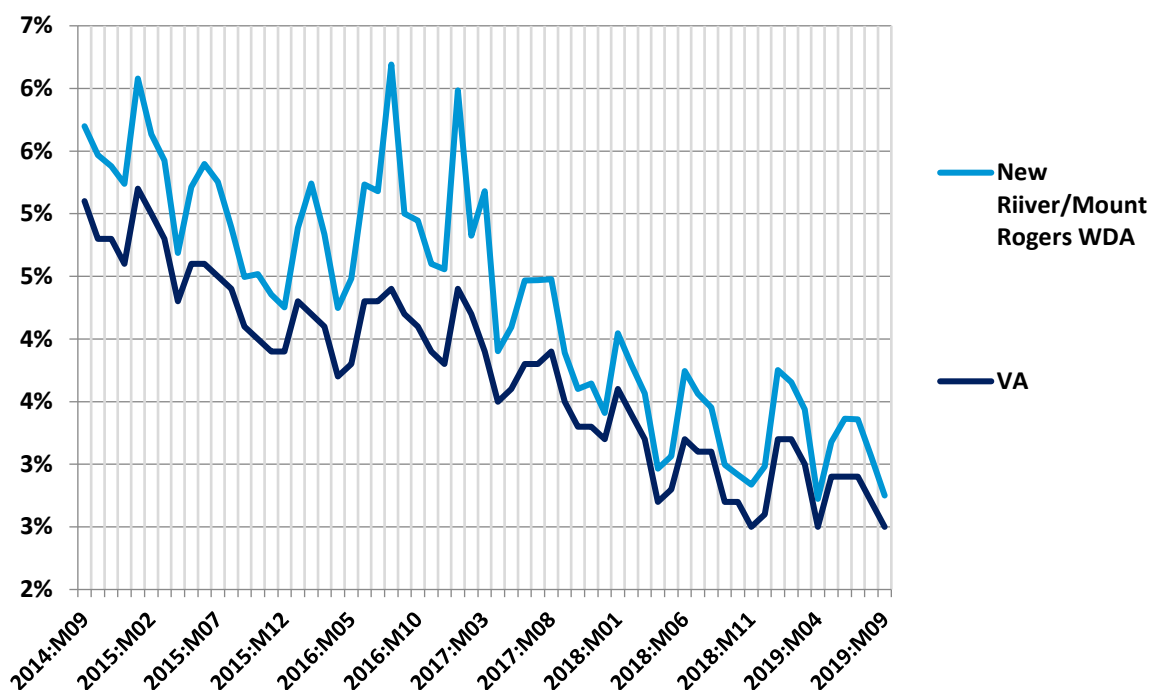
Figure 8: Change in Private Sector Employment by Major Industry in the New River/Mount Rogers WDA – 2017 to 2018¹²



¹² Data Source: Virginia Employment Commission and U.S. Bureau of Labor Statistics.

Finally, Figure 9 compares recent unemployment trends in the New River/Mount Rogers WDA to those at the state level. These data are monthly and cover the five-year period from September of 2014 through September of 2019 (the most recent month for which data are available). As these data show, unemployment steadily declined in both jurisdictions throughout the period. As of September 2019, unemployment stood at 2.8 percent in the New River/Mount Rogers WDA, and 2.5 percent statewide.

Figure 9: Unemployment Rate – October 2013 to October 2018¹³



Economic and Fiscal Impact – PY 2018

In this section, we assess the economic and fiscal impact that the career training, job placement, and other workforce services provided by the New River/Mount Rogers WDB in PY 2018 had on the economy of the New River/Mount Rogers WDA. The primary nature of that impact had to do with the new income earned by the previously unemployed individuals that the New River/Mount Rogers WDB was instrumental in transitioning into meaningful employment and for whom data on salary at placement were available.¹⁴ As shown in Table 2, the total additional household income generated

¹³ Data Source: Virginia Employment Commission and U.S. Bureau of Labor Statistics.

¹⁴ It is important to note that whereas the wages earned by these previously unemployed individuals constitute the primary economic impact of the career training, job placement, and other workforce services provided by the New River/Mount Rogers WDB in PY 2018, they are by no means the only economic impact. Although it is beyond the scope of the analysis presented here, a more inclusive definition of economic impact would also include,

through those placements is estimated to be \$15.1 million for Enhanced Services and Other Grant Programs, and \$17.3 million if we also include Basic Career Services.

Table 2: Total Additional Household Income Attributable to PY 2018 Job Placements

Program	Employment	Average Salary	Total Household Income
WIOA – Adult	86	\$23,712	\$2,039,323
WIOA – Dislocated Worker	61	\$29,266	\$1,785,202
WIOA – Youth	75	\$20,634	\$1,547,520
Pathways to the American Dream	197	\$49,317	\$9,715,410
WIOA Enhanced Services and Other Grant Programs Total	419	\$36,008	\$15,087,363
WIOA – Basic Career Services	87	\$25,792	\$2,243,904
WIOA Enhanced Services and Other Grant Programs Total, plus Basic Career Services	506	\$34,252	\$17,331,267

To quantify the regional economic and fiscal impact attributable to this increase in household income, we employ a commonly used impact simulation model called IMPLAN.¹⁵ The IMPLAN model uses regional and national data on production and trade flows to construct region-specific economic multipliers and uses these multipliers to quantify economic impact. Economic multipliers measure the second round, or ripple, effects that an expenditure has as it makes its way through the economy. For example, as when individuals that the New River/Mount Rogers WDB transitioned into employment spend their newly acquired salaries and wages on housing, groceries, and transportation, thereby generating income for someone else, which is in turn spent, thereby becoming income for yet someone else, and so on, and so on.

Through this process, one dollar in expenditures generates multiple dollars of income. The mathematical relationship between the initial expenditure and the total income generated is the economic multiplier. The cumulative result of these second round effects is called indirect impact when it refers to business to business transactions, and induced impact when, as in the current case, it refers to household (employee) to business transactions.

In the analysis that follows, we also provide estimates for four categories of impact. The first is employment, or the total number of full time equivalent jobs that are created in the regional economy through first round direct effects (*i.e.*, the jobs that are filled by individuals transitioned into

among other things, the cost of any social assistance that these individuals were receiving while unemployed (e.g., unemployment assistance, food stamps, etc.) and that they no longer required after they became employed.

¹⁵ IMPLAN v.3 is produced by Minnesota IMPLAN Group, Inc.

employment through services provided by the New River/Mount Rogers WDB) and as a result of second round transactions. The second is labor income, or the salaries and wages that are associated with that total employment. The third is economic output, or the total amount of regional economic activity that is generated through second round effects. The fourth is fiscal impact, or the state and local tax revenues generated as a result of this economic activity.

WIOA Enhanced Career Services and Other Grant Programs

We first look at the economic and fiscal impact associated with the New River/Mount Rogers WDB's WIOA Enhanced Career Services and Other Grant Programs – those programs where the New River/Mount Rogers WDB directly provided career training and job placement services that enabled an individual to transition from unemployment into a well-paying job. In assessing the likely economic and fiscal impact attributable to these programs, we employ the following assumptions:

- A total of 419 individuals exited from these programs and were placed into jobs in PY 2018.
- The average salary and total pre-tax income associated with these programs are as detailed in Table 2.
- All consumption expenditures were made within the New River/Mount Rogers WDA.
- Economic and fiscal impact are based on a “representative year” and no attempt is made to phase placements in based on actual job start data from PY 2018.

By feeding this assumption into the IMPLAN model, we obtain the estimates of annual regional economic impact shown in Table 3:

- **Regional Employment:** In addition to the 419 full time equivalent jobs filled by individuals transitioned into employment through the New River/Mount Rogers WDB programs included in this analysis, the household expenditures made by these individuals were responsible for supporting approximately 90 full time equivalent jobs through second round effects, for a total regional employment impact of approximately 509 full time equivalent jobs.
- **Regional Labor Income:** In addition to the \$15.1 million in labor income paid to individuals transitioned into employment through the New River/Mount Rogers WDB programs included in this analysis, the household expenditures made by these individuals were also responsible for creating approximately \$3.1 million in additional regional labor income through second round effects, for a total regional labor income impact of approximately \$18.2 million.
- **Regional Economic Output:** Second round effects from the \$15.1 million in labor income paid to individuals transitioned into employment through the New River/Mount Rogers WDB programs included in this analysis were also responsible for generating approximately \$10.4 million in additional economic output in the region.

- **Fiscal Impact:** The \$15.1 million in labor income paid to individuals transitioned into employment through the New River/Mount Rogers WDB programs included in this analysis were responsible for generating approximately \$634,540 in additional state and local tax revenue, and approximately \$801,689 in additional federal tax revenue, for a total fiscal impact of approximately \$1.4 million.

Table 3: Estimated Economic and Fiscal Impact of the New River/Mount Rogers WDB's WIOA Enhanced Career Services and Other Grant Programs in PY 2018

Economic Impact	Employment	Labor Income	Output
1st Round Direct Economic Activity	419	\$15,087,363	\$0
2nd Round Indirect and Induced Economic Activity	90	\$3,078,215	\$10,433,442
Total Economic Activity	509	\$18,165,578	\$10,433,442
Fiscal Impact	State and Local	Federal	Total
Tax Revenue	\$634,540	\$801,689	\$1,436,229

WIOA Enhanced Career Services and Other Grant Programs, plus Basic Career Services

In this section, PY 2018 placements from Basic Career Services are added to the placements attributable to the WIOA Enhanced Career Services and Other Grant Programs. Basic Career Services have an arguably less direct impact on job placement since these services primarily involve staff-assisted direct placement, job-search workshops, and self-service tools that assist a job seeker in making an effective job search. In assessing the likely economic and fiscal impact attributable to these programs, we employ the following assumptions:

- A total of 506 individuals exited from these programs and were placed into jobs in PY 2018.
- The average salary and total pre-tax income associated with these programs are as detailed in Table 2.
- All consumption expenditures were made within the New River/Mount Rogers WDA.
- Economic and fiscal impact are based on a “representative year” and no attempt is made to phase placements in based on actual job start data from PY 2018.

By feeding this assumption into the IMPLAN model, we obtain the estimates of annual regional economic impact shown in Table 4:

- **Regional Employment:** In addition to the 506 full time equivalent jobs filled by individuals transitioned into employment through the New River/Mount Rogers WDB programs included in this analysis, the household expenditures made by these individuals were responsible for supporting approximately 107 full time equivalent jobs through second round effects, for a total regional employment impact of approximately 613 full time equivalent jobs.
- **Regional Labor Income:** In addition to the \$17.3 million in labor income paid to individuals transitioned into employment through the New River/Mount Rogers WDB programs included in this analysis, the household expenditures made by these individuals were also responsible for creating approximately \$3.6 million in additional regional labor income through second round effects, for a total regional labor income impact of approximately \$21.0 million (does not sum due to rounding).
- **Regional Economic Output:** Second round effects from the \$17.3 million in labor income paid to individuals transitioned into employment through the New River/Mount Rogers WDB programs included in this analysis were also responsible for generating approximately \$12.3 million in additional economic output in the region.
- **Fiscal Impact:** The \$17.3 million in labor income paid to individuals transitioned into employment through the New River/Mount Rogers WDB programs included in this analysis were responsible for generating approximately \$743,546 in additional state and local tax revenue, and approximately \$947,021 in additional federal tax revenue, for a total fiscal impact of approximately \$1.7 million.

Table 4: Estimated Economic and Fiscal Impact of the New River/Mount Rogers WDB's WIOA Enhanced Career Services and Other Grant Programs, plus Basic Career Services in PY 2018

Economic Impact	Employment	Labor Income	Output
1st Round Direct Economic Activity	506	\$17,331,267	\$0
2nd Round Indirect and Induced Economic Activity	107	\$3,649,066	\$12,296,250
Total Economic Activity	613	\$20,980,333	\$12,296,250
Fiscal Impact	State and Local	Federal	Total
Tax Revenue	\$743,546	\$947,021	\$1,690,567

Benefit/Cost Ratio

In PY 2018, the cost associated with the WIOA Enhanced Career Services and Other Grant Programs provided by The New River/Mount Rogers WDB that are included in the economic impact analysis above was approximately \$2.6 million.¹⁶ Comparing that cost to the \$18.2 million in total additional regional labor income attributable to job placements from the WIOA Enhanced Career Services and Other Grant Programs shows that the benefit/cost ratio is 6.9, indicating that the benefits derived from these programs were almost seven times the costs required to generate those benefits. If the analysis is expanded to encompass Basic Career Services as well, the total additional regional labor income rises to \$21.0 million and the benefit/cost ratio increases to approximately 8.0, indicating that the benefits were eight times the costs required to generate those benefits.

Conclusion

The New River/Mount Rogers WDB provides workforce services to the counties of Bland, Carroll, Floyd, Giles, Grayson, Montgomery, Pulaski, Smyth, Washington, and Wythe, and the cities of Bristol, Galax, and Radford. In program year (PY) 2018, these localities had a combined population of almost 372,122, accounting for about one out of every twenty-three people in the state of Virginia.

Our analysis has shown that, over the five year period from the 2nd quarter of 2014 to the 2nd quarter of 2019 regional employment in the New River/Mount Rogers WDA increased by 2,791 jobs or 2.0 percent. By way of comparison, statewide in Virginia total employment increased by 7.5 percent over the same period. Year-over-year changes in total employment in the New River/Mount Rogers WDA generally tracked the increasing statewide trend through 2015, but subsequently decelerated and dropped below the statewide norm.

Between 2017 and 2018, the largest private sector employment gains in the New River/Mount Rogers WDA occurred in Transportation and Warehousing (up 269 jobs), Other Services (up 172 jobs), and Construction (up 100 jobs). At the other end of the spectrum, the largest private sector employment losses over the period occurred in Administrative and Support and Waste Management Services (down 376 jobs), Retail Trade (down 324 jobs), and Real Estate and Rental and Leasing (down 149 jobs). These economic trends underscore the New River/Mount Rogers WDB's need to maintain a flexible and responsive labor market in response to changing economic conditions, and further emphasize the importance of the workforce services that the New River/Mount Rogers WDB provides.

This report has shown that the most significant economic and fiscal contribution that the New River/Mount Rogers WDB made to its service area in PY 2018 has to do with the 506 individuals that it was instrumental in transitioning into well-paying jobs through its WIOA Enhanced Career Services programs (adult, dislocated worker, and youth), Other Grant Programs (Pathways to the American Dream), and Basic Career Services. The average annual salaries associated with those 506 placements

¹⁶ Data Source: New River/Mount Rogers WDB.

ranged from \$20,634 to \$49,317. The total additional household income generated through those placements is estimated to be \$15.1 million for Enhanced Services and Other Grant Programs, and \$17.3 million if we also include Basic Career Services.

Focusing first on the economic and fiscal impact associated with the New River/Mount Rogers WDB's WIOA Enhanced Career Services and Other Grant Programs – those programs where the New River/Mount Rogers WDB directly provided career training and job placement services that enabled an individual to transition from unemployment into a well-paying job, we estimate the total impact from those placements to be approximately 509 full time equivalent jobs, \$18.2 million in additional regional labor income, \$10.4 million in additional regional economic output, and \$1.4 million in state, local, and federal tax revenue.

If the analysis is expanded to include Basic Career Services –services that primarily involve staff-assisted direct placement, job-search workshops, and self-service tools that assist a job seeker in making an effective job search – those figures increase to approximately 613 full time equivalent jobs, \$21.0 million in additional regional labor income, \$12.3 million in additional regional economic output, and \$1.7 million in state, local, and federal tax revenue.

Comparing those estimated benefits – specifically in terms of total additional labor income – to the \$2.6 million in costs associated with providing these programs allows us to calculate a benefit/cost ratio. For New River/Mount Rogers WDB's WIOA Enhanced Career Services and Other Grant Programs, that benefit/cost ratio is 6.9, indicating that the benefits derived from the programs were almost seven times the costs required to generate those benefits. If the analysis is expanded to include Basic Career Services, the benefit/cost ratio rises to 8.0, indicating that the benefits derived from these programs were eight times the costs required to generate those benefits.

In conclusion, in PY 2018 The New River/Mount Rogers WDB made a significant contribution to the economy of its service area.

New River/Mount Rogers Workforce Development Board

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VP of Finance
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Perry Hughes
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Executive Director
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Larry Lindsey
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Jordan Loupe
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Timothy McVey
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John T. Overton
Director, Physician Relations & Econ. Development
Pulaski Community Hospital

Austin Phipps
Commercial Loan Officer
Skyline National Bank

Robert Pierce
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Jimmy Smith

Terry Smusz
Executive Director
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