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# Deskins: Labor force participation remains West Virginia's 'biggest economic challenge'

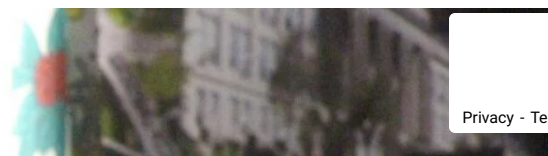
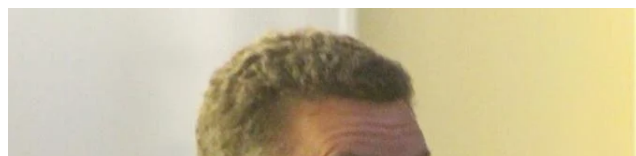
by Charles Young SENIOR STAFF WRITER

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Attendees of the North Central West Virginia Business Summit listen to remarks from Dr. John Deskins, director of the West Virginia University Bureau of Business and Economic Research.

Staff photo by Charles Young



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Dr. John Deskins, director of the West Virginia University Bureau of Business and Economic Research, speaks Tuesday during the North Central West Virginia Business Summit in Fairmont.

Staff photo by Charles Young

FAIRMONT, W.Va. (WV News) — Low labor force participation, the percentage of the population working or currently looking for work, is one of West Virginia's long-standing economic impediments.

Mississippi is the only state in the nation with lower labor force participation than West Virginia, Dr. John Deskins, director of the West Virginia University Bureau of Business and Economic Research said Tuesday.

"It's better than last," he said to attendees of the North Central West Virginia Business Summit. "This is our problem in West Virginia. Our problem isn't unemployment."

The unemployment rate only shows, among those who want to work, how

many people have a job versus how many people are looking for work.

The labor force participation rate, on the other hand, is a more accurate gauge of whether an economy is actually healthy, Deskins said.

"This figure captures what is the share of the adult population that wants to work in the first place, never mind if they have a job or are just looking for a job — it's what share of the adult population wants to work," he said.

Deskins

West Virginia's labor force participation rate was 55.1% as of Sept. 20, according to data from the Federal Reserve Bank of St. Louis. The U.S. labor force participation rate was 62.70%.

"West Virginia has been dead last among the 50 states in this measure ever since the 1970s," Deskins said. "But I went to look at the data a couple months ago, and lo and behold, the newest data indicates that we had indeed surpassed Mississippi."

The figure represents the state's "biggest economic challenge," Deskins said.

"We still have a big, wide gap between where we are in West Virginia versus the national figure," he said. "So it's important to find ways to get more of our people into the workforce. We are never going to achieve prosperity that we hope for in West Virginia unless we can get more of our people in the workforce."

At the heart of the issue is the state's ongoing struggle to provide sufficient "human capital," Deskins said.

"We have a lot of problems around education, health and drug abuse," he said. "One reason that we have a rate of labor force participation that's 49th in the country is due to poor education outcomes."

West Virginia ranks 48th in the nation in education, according to analysis from the Annie E.

Casey Foundation.

Additionally, the state ranks among the lowest in the nation for health outcomes, Deskins said.

"There are lot of people in West Virginia who would like to work — would like to be making money and contributing to their community — but they're not able to do it because of some health problem," he said. "If you look at diabetes, cancer, obesity, lack of exercise, smoking ... we're always between 45th and 50th in those measures."

The state also leads the nation in drug overdose deaths, Deskins said.

"It's the same idea," he said. "You have people in West Virginia who want to work, who want to contribute, but they've become addicted and they're suffering. It's not only hurting them personally, but it's keeping them out of the workforce and dragging the whole state down."

The state's low labor force participation rate is caused by numerous deep-seated issues that can't be easily or quickly legislated away, Deskins said.

"I wish that our problem in West Virginia were bad tax policy," he said. "That would be a good problem to have, because it's something that we could fix really quickly. These real problems — problems around education, health and drug abuse — are hard to fix."

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