

Part 1: Competitiveness

To: NRVPCD Directors
 RE: Additional Analysis of NRV Trends
 From: Michael Lee
 Date: April 17, 2014

Purpose

In the previous analysis of the NRV's population and economic trends, the main findings included:

- Montgomery County has experienced the greatest rate of growth in the NRVPCD
- The NRVPCD is growing at a slower rate than the state
- Pulaski County and Floyd County are the two lagging areas in the NRVPCD

This memo reports on additional analysis of demographic and economic trends, identifies key challenges that need to be addressed in the Regional Livability Plan, and suggests strategies for potentially improving the NRV as a place to live and as a place to work. The analysis includes population projections, employment trends, longer-distance commuting to jobs in the region, poverty, housing cost burden, and education levels.

Population Projections for the NRV

Table 1 and Figure 1: The NRVPCD is projected to grow by just under 20,000 people between 2010 and 2030. Floyd and Montgomery County will be the leading counties in growth for that time period. Even though there is growth overall, it is projected to slow down by about two percent between the 2000-2010 and 2010-2020 periods and by another one percent between the 2010-2020 and 2020-2030 periods. Pulaski is projected negative percentages, losing 2,000 residents between 2010 and 2030. The only other county to do so is Radford County, but only in the 2010-2020 period, growing -0.6%.

	2010	2020	2030	2000-10	2010-20	2020-30
NRVPCD	146,898	155,561	163,167	7.8%	5.9%	4.9%
Floyd	15,279	16,359	17,044	10.1%	7.1%	4.2%
Giles	17,286	17,375	17,595	3.8%	0.5%	1.3%
Pulaski	34,872	33,612	32,745	-0.7%	-3.6%	-2.6%
Montgomery	69,996	78,807	85,991	14.4%	12.6%	9.1%
Radford	9,465	9,409	9,791	0.2%	-0.6%	4.1%

Source: Center for Housing Research, Virginia Tech

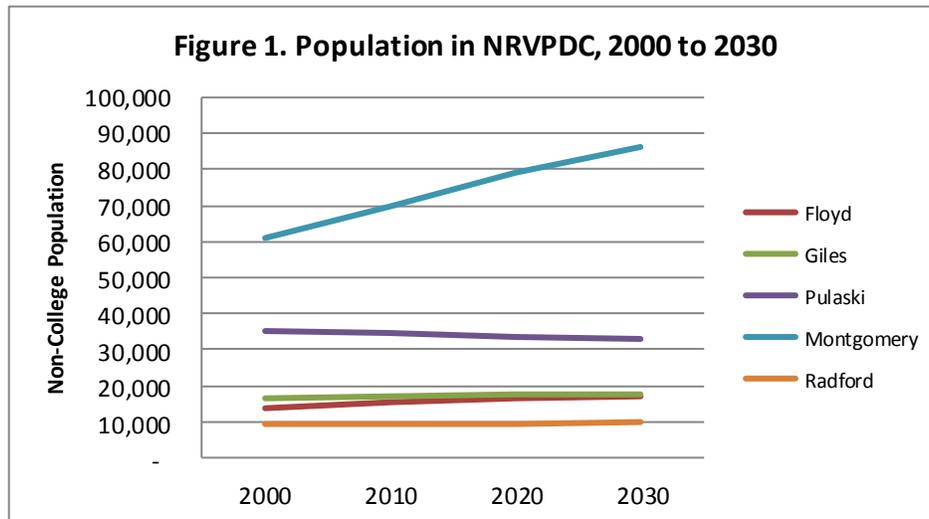


Table 2. There will be a major increase in residents sixty years and older projected to be in the NRVPC by 2030. Floyd and Montgomery show over 50% increases in the 60+ age groups. The other age groups experience decline, with the exception of Montgomery County, showing growth for the <20 age group to be 13% and for the 20-59 age group to be 12.4%. Pulaski, again, shows the most dramatic loss, losing 21.7% of the <20 age and 19.7% of the 20-59 age.

	<20	20-59	60+
Floyd	-4.4%	-2.5%	55.4%
Giles	-13.0%	-10.0%	39.2%
Montgomery	13.0%	12.4%	67.0%
Pulaski	-21.7%	-19.7%	34.8%
Radford	-2.2%	1.2%	17.0%

Source: Center for Housing Research, Virginia Tech

Employment and Labor Shed

Fig 2: Between 1988 and 2009, total employment has slowly increased to a net growth of 8,000, resting at just below 70,000 in 2009. Manufacturing has seen a decrease at the same rate during the same time period, decreasing from just over 20,000 to 10,000. Non-Farm Proprietor Employment has risen by about 4,000 between 1988 and 2009.

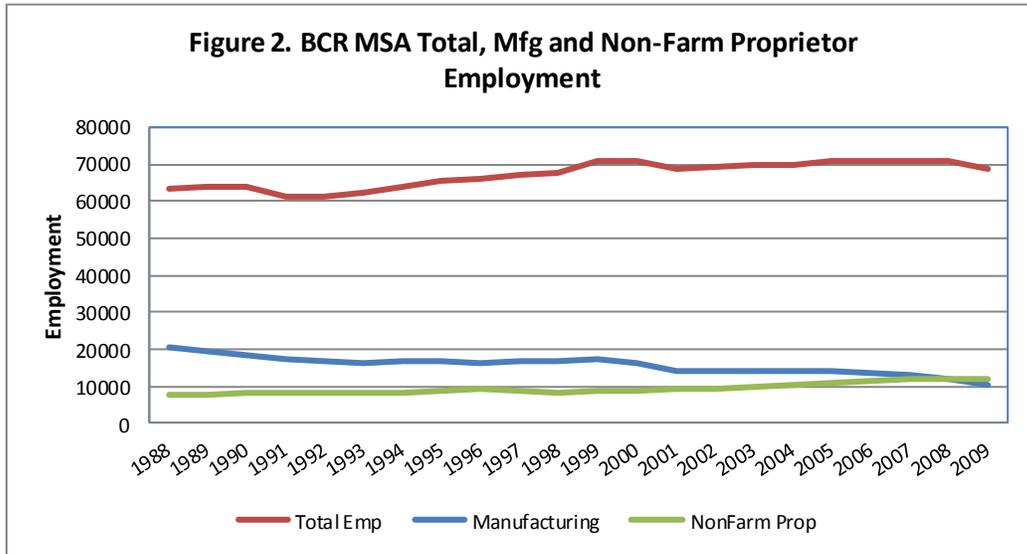


Figure 3: Manufacturing employment as a whole has decreased. Pulaski experienced a few years with increased rates, only to have them fall again the year or years after. Mont-Rad area decreased by about 4,500, experiencing the biggest drop between 1989 and 1993. Giles County decreased by 2,000 and Pulaski by 3,500.

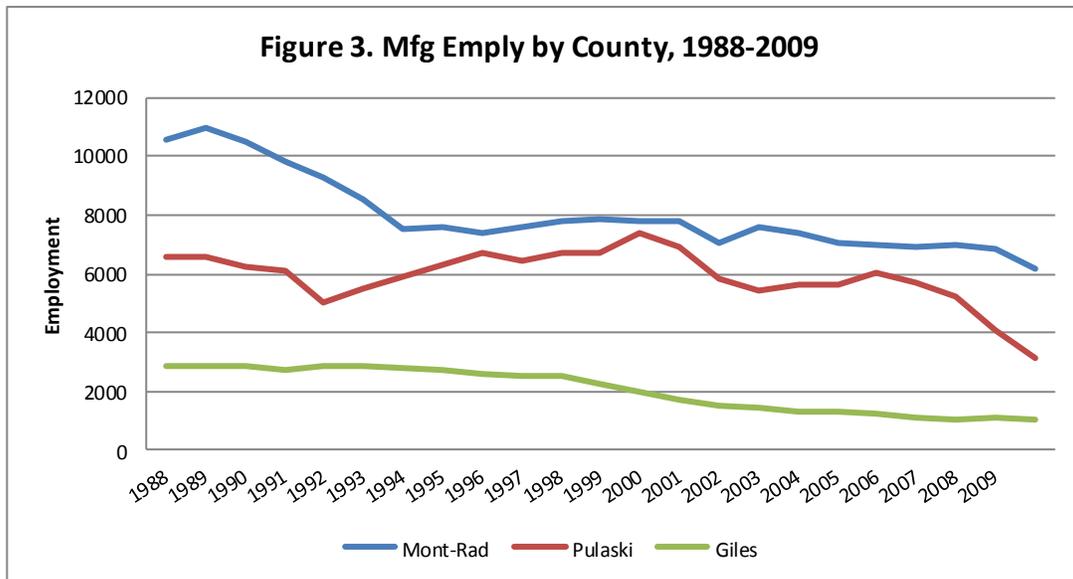
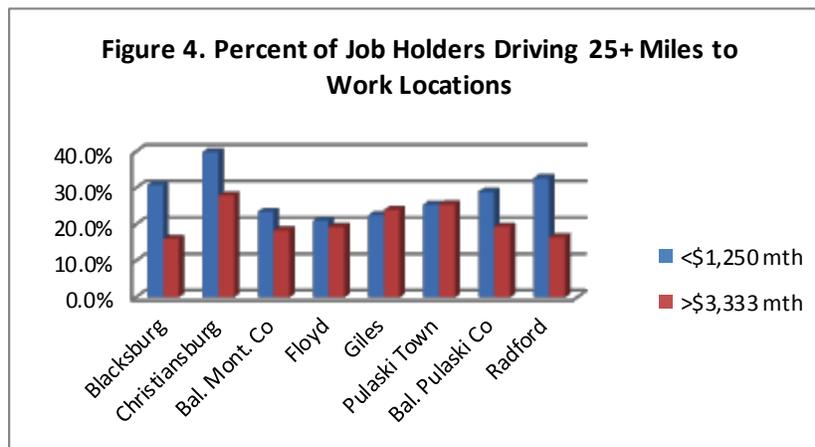


Table 3: The percent employed in manufacturing has decreased across all counties in the NRV area. The 2001-2005 average in the NRV was 17%, dropping to 12.3% in 2009. This trend holds when analyzing individual counties. Pulaski having the highest percentage of employees in manufacturing experienced the largest decrease by 11.4% between the 2001-05 average and 2009. This implies that manufacturing jobs in the area are either being replaced by other types of employment or leaving the area completely.

	2001-05 av	2009
NRV	17.0%	12.3%
NRV excl		
Pulaski	13.1%	10.5%
Floyd	7.5%	7.0%
Giles	20.4%	16.4%
Pulaski	32.2%	20.8%
Montgomery-Radford	12.7%	10.3%

Source: Bureau of Economic Analysis

Figure 4: The amount of workers who drive over 25 miles to work and make less than \$1,250 a month, while generally greater than those who make more than \$3,333 a month, is greatest in the Christiansburg area at close to 40%, followed closely by Radford and Blacksburg, both around 30%. It seems that the lower the wage, the general trend is that there is a greater chance of traveling more than 25 miles. This is burdensome to the lower waged workers. The cost of transportation to and from work only adds to the cost of living for these workers. If affordable housing was made available at locations closer to their employment site, the cost of transportation could be greatly reduced for these employees.



Poverty in the NRV

Poverty in the NRV area ranges from 11.9% in Christiansburg to 44.5% in Blacksburg. However, the college population in Blacksburg and Radford city skews these numbers. The impact can be seen by the high percentage levels of poverty in Blacksburg, Radford, and Montgomery County in the 18-24 age range. These numbers are greatly impacted by the presence of college students who make minimal income, if any. Between the other towns and counties, Pulaski town holds the highest poverty percentage at 20.1%, while other counties hover around 12-15%.

	Total	<18	18-24	25-34	35-64	65+
Floyd Co	15.1%	18.6%	6.8%	15.8%	13.3%	18.2%
Giles Co	15.8%	19.0%	21.6%	25.8%	11.9%	11.7%
Montgomery Co	23.4%	13.9%	63.4%	10.6%	7.4%	6.1%
Pulaski Co	15.4%	20.7%	18.1%	15.7%	13.5%	12.7%
Radford city	33.0%	15.9%	70.8%	16.7%	11.2%	6.9%
Blacksburg town	44.5%	13.7%	76.6%	16.6%	8.8%	6.6%
Christiansburg town	11.9%	16.4%	26.4%	9.1%	7.5%	7.1%
Pearisburg town	12.4%	20.5%	12.1%	20.1%	7.5%	12.1%
Pulaski town	20.1%	19.5%	27.3%	14.3%	20.9%	19.7%

Source: Census Bureau, ACS 2005-09

Housing Cost Burden

Table 5: Across the board, owners are less burdened by housing costs. Pearisburg holds the highest percentages in both renters and owners categories with 100% of people aged 25-34 years renting in Pearisburg are classified as burdened, as well as 54% of Pearisburg's owners between the ages 25-34 are considered burdened by the cost of housing. Seniors 65 and over are the most burdened renters, while ages 25-34 are generally more burdened as owners.

	Renters			Owners		
	25-34	35-64	65+	25-34	35-64	65+
Floyd Co	35.8%	31.9%	44.4%	21.1%	20.9%	18.8%
Giles Co	36.4%	47.8%	13.3%	33.5%	16.1%	23.5%
Montgomery Co	35.2%	42.2%	64.5%	22.1%	19.7%	22.2%
Pulaski Co	31.1%	43.0%	60.0%	23.8%	20.3%	16.8%
Radford city	55.5%	51.3%	38.9%	32.6%	20.5%	31.0%
Blacksburg	40.1%	45.5%	42.0%	27.2%	13.9%	21.3%
Christiansburg	32.9%	39.4%	91.8%	24.8%	23.7%	20.7%
Pearisburg	100.0%	86.4%	18.8%	54.0%	6.5%	22.3%
Pulaski town	49.1%	48.1%	71.3%	40.2%	22.9%	26.5%

Source: Census Bureau, ACS 2005-09

Education Level of Work Force

There are both major and minor variances between education levels between the counties. Floyd County experiences a high level of residents who have only achieved HS diplomas where as Montgomery County and Radford are shifted towards having the higher percentage of the population with a Bachelors or at least some college. Pulaski and Giles county share a similar trend as Floyd in having higher percentages with a HS diploma. These changes between education levels could be explained by the presence of colleges in Radford and Montgomery County. Jobs with the universities often require some college or a Bachelors and those who went to school there may have stayed in the area.

	Floyd Co	Giles Co	Mont. Co	Pulaski Co	Radford
25-34					
<HS diploma	6.9%	10.0%	4.2%	12.0%	2.4%
HS diploma	39.2%	48.0%	22.2%	36.7%	16.0%
Some college	30.9%	28.2%	24.5%	35.5%	33.9%
Bach+	23.1%	13.7%	49.1%	15.9%	47.7%
35-44					
<HS dip	14.0%	8.7%	8.2%	12.2%	12.8%
<HS diploma	43.2%	32.9%	25.3%	42.1%	22.5%
Some college	16.5%	39.6%	27.5%	30.5%	29.7%
Bach+	26.3%	18.8%	39.1%	15.1%	35.0%
45-64					
<HS diploma	16.0%	16.2%	10.9%	18.5%	6.4%
HS diploma	35.8%	40.7%	24.8%	34.5%	23.6%
Some college	28.3%	27.5%	24.0%	32.4%	41.2%
Bach+	19.8%	15.7%	40.3%	14.6%	28.7%
Source: ACS 2008-10					

Summary of Findings from Memos 1 & 2

We found that the NRVPCD was growing at a slower rate than the rest of the state of Virginia. Montgomery County is the area's leader in growth in several aspects, while Pulaski and Floyd County are struggling to find growth in population and employment. Stimulating growth in these areas are as important, if not more so, than continuing to ensure Montgomery County's growth. We find that the counties in the NRV are projected to grow between 2010-2030, with the exception of Pulaski County. This agrees with our previous findings that the county is struggling to find growth. Employment overall will rise, but manufacturing jobs in the area will decrease. Poverty rates rest between 12 and 15 percent in most counties with the exception of areas with universities, where college students skew the data and cause an increased poverty rating. Renters in the area are generally more burdened by owners. Renters are especially at a disadvantage in Pearisburg if you of ages 25-64 and Christiansburg if you are 65+ years of age. The education in the area is rather low overall with the exception of Montgomery and Radford who have the presence of the colleges.

Place Productivity Strategy

The NRV as a locality holds two sides to it. One side is the growing, developed, and what we'd refer to as "successful" side. Then there is the struggling, rather undeveloped, "unsuccessful" side. It is easy to make the distinction and categorize the different towns and counties within the NRV into these two groups. The NRV's strongest areas are those of Montgomery County, more specifically Blacksburg town, and Radford City. These areas are experiencing growth and rather good economic status compared to the weaker counties in the NRV. These would include Pulaski, Floyd, and Giles County on most accounts. These are the areas that are in most need of development and economic stimulation. Pulaski County in particular, the only county to have projected negative growth.

In order to stimulate growth in these areas, a large stimulating force would be needed to transform the entire community into a place that is desirable for residents to live and thrive there. A possible solution would be a Community Development Block Grant (CDBG). This would allow the Pulaski local authorities to focus on their lowest income level households and develop the area bottom-up. The CDBG would give the community affordable housing and better opportunities for the working class. A big problem in the area is affordable housing for renters of all ages so the aim of part of the block grant can focus on renter's units and creating resident friendly units, both economically friendly and geographically friendly by placing them at advantageous locations. The grants may also help with employment and better working conditions as Pulaski has the highest poverty percentage in the NRV area. This will also help with retaining population by improving current public facilities and constructing new ones, creating a desirable place for residents.

There will need to be a consolidated plan by Pulaski outlining the use of the funds they will be receiving. This plan will show that involvement of Pulaski's lower income level households in the development process and how they will be affected by it directly and indirectly. The exact plan of action will come about after local meetings, which the community is to be involved, data collection and survey taking to examine what these households are truly in need of and how to allocate funds effectively.

Pulaski, being an incredibly rural area, has residents that are spread far from one another, making educating these residents about what changes are to be made or asking what they are in need of particularly harder. This could cause a gap between what is absolutely needed in order for Pulaski to grow and what Pulaski is actually planning on doing. In order to close this gap, or lessen it as much as possible, the data collection for lower and moderate-income level households needs to be precise and thorough. Even if the data collection is thorough, Pulaski residents may not take to the changes being made to develop an urban style community. Providing affordable housing and opportunities for residents is imperative for community involvement and the overall effectiveness of the developmental changes in Pulaski.

People Productivity Strategy

The residents of the NRV generally experiences around a 15% poverty rate. These percentages are skewed in areas like Montgomery County and Radford City due to the high college student population who cause an increase in this number. A bigger issue, and one that possibly affects the former one, is that the NRV area is heavily burdened by the cost of housing as well as proper and practical housing location. As shown by data in Memo Two, a majority of lower income level workers are more than twenty-five miles from their place of work. This is due to the lack of affordable housing in areas close to their work place, having an adverse effect on their financial livelihoods. Increased commutes also increases transportation cost for the worker, furthering the financial struggle they already find themselves in. This brings us to the conclusion that increased economic activity in the form of employment and affordable housing in the NRV area is ideal for residents.

In order to increase economic activity in an area, there needs to be an increase, or expansion in economic base. The movement of manufacturing jobs out of the area opens up the need and opportunity for new and better employment options for the people of the NRV area. While employment levels have actually increased in the NRV, particular counties still experience rather high levels of unemployment. Diversifying the economic base will assist in decreasing this unemployment percentage. To properly do this, data will be needed to gain a better understanding of the labor force and skills available in the area, as well as surveying several potential locations for incoming factories and businesses. The NRV would be a prime location for such business. Pulaski in particular has ample unused land available, as well as an economy that would benefit from the increased amount of employment opportunities. Using the targeted industry study tool, the NRV can discover what kind of facilities will not only work in the area, but thrive and aid in the development of the region. However, this new economic development in the area will need to be parallel of the comprehensive plans objective.

For the NRV, expanding the economic base would preferably include bringing employment opportunities into the area, mostly in ones that are currently and projected to be struggling with unemployment rates and poverty. While these jobs need to have the same or similar benefits to those that current residents hold, the location will be beneficial to the locale by eliminating a majority of their transportation costs. Having an idea of what skills and type of education NRV residents hold will assist in deciding what type of jobs will be best in the area. Increasing the amount of affordable housing in the area is imperative as well. Taking the burden of housing cost away from renters will ensure their financial success. Decreasing the burden on owners will do the same and possibly promote ownership among current renters looking to create a more permanent residence. The employment opportunities will increase desirability for permanent residence, increasing housing ownership.

The obvious issue is finding the right company to introduce jobs in the NRV area. The data collected will show the skills of the work force, but that does not ensure the arrival of new plants or factories. There will need to be a significant driver to advocate for opening a plant in the NRV, whether it be land availability, work force accessibility, raw materials, or general geographic location.