

Waynesboro: A Quick Economic Analysis

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Waynesboro (pop. 21,491)¹ is located on the western face of the Blue Ridge Mountains in Virginia. It was established in 1801, and after being merged with neighboring Basic City (1923), Waynesboro began to grow rapidly around four rail lines that join there. That process accelerated after World War II, when DuPont Chemical established a major factory to take advantage of the remarkably pure waters of the South River. At its height, more than 10,000 people worked there.²

The plant significantly reduced its operations through the 70's and it is much smaller now. The EPA is currently investigating mercury contamination related to Rayon production³ at the DuPont Waynesboro site. The successor company (INVISTA) is still the largest private employer and an industrial cluster around plastics remains in place.



DuPont Site

Profile

Compared with the rest of Virginia, Waynesboro residents are whiter (83% v. 70%); slightly older (18% over 65 v. 14%); half as likely to have been to college (19% v. 38%); less likely to own their home (58% v. 67%) and more likely to be on disability (11% v 8%), lack health insurance (14% v. 11%) and be poor (15% v. 11%). Median Household income (\$45,499 v. \$64,792) and per-capita income (\$21,515 v. \$33,958) both lag far behind the rest of the Commonwealth.⁴

A visit to Waynesboro will confirm what the statistics and history would predict: Waynesboro is an industrial town that is attempting to make the transition from traditional- to advanced manufacturing. There are many silent factories (among some new ones). Downtown is almost entirely shuttered but there

¹ Census Bureau (2015 estimate)

² Waynesboro Heritage Foundation

³ Spandex/Lycra was invented at Wayneboro DuPont's Benger Laboratory.

⁴ U.S. Census Bureau, retrieved Dec. 2, 2016.

are very visible signs of revitalization, including new streetscaping, some new shops, a new brewery and a waterfront park and greenway. A Master Planning process is underway for the brown- and grey-field sites.

Advantageous Location

Waynesboro has many assets besides the still-active railroads and the river. Waynesboro sits adjacent to the Blue Ridge Mountains, near the Appalachian Trail, Skyline Drive and the many beautiful and historic sites around the Shenandoah Valley. The city is actively working on a green-and-ecotourism cluster strategy that includes a new natural history museum.



West 11th Street, facing the river and old factory sites.

Waynesboro's rail connectivity is actually exceeded by its even better highway access. Interstates 81 and 64 pass nearby, making car travel very convenient. A quick look at the numbers reveals a striking pattern: outbound *and* inbound commuters each nearly match the city's total workforce (8,369 / 10,284 / 10,300)⁵. Waynesboro residents and employers see themselves very much as part of a wider community that encompasses Staunton, Harrisonburg, Augusta County and even Charlottesville.

This orientation, combined with the road network and low cost of living, would imply that Waynesboro could be a bedroom community for other places, which would mean retail (and tax) leakage and a decreased quality of life as residents spend more time in their cars and less with their families. But Waynesboro residents actually report unusually low commute times compared to the rest of the Commonwealth (19 v. 28 minutes)⁶—perhaps because the roads are extraordinarily good.⁷ Note however

⁵ Source: Chmura Economics Job EQ (via City of Waynesboro)

⁶ U.S. Census Bureau, retrieved Dec. 2, 2016.

⁷ Waynesboro Director of Economic Development Greg Hitchin told me that the Valley is unusual in America in that one mile really equals one minute.

that a very high percentage of households lack access to a car (9% v. 6% for VA),⁸ which must make life difficult in such a car-dependent place and helps explain the poverty rate.

Waynesboro is also fortunate that the highway commercial developments that surround it (which is where downtown retail trade went) is still within the municipal boundary, which means that the city captures almost all of the economic activity of highway commuters. It also means that when Waynesboro lost its manufacturing jobs (at the same time as many of America’s cities were being hollowed) Waynesboro did not actually loose aggregate jobs. But the new retail jobs paid less and did not offer benefits.

Export Industries

In fact, due to the highways and its convenient shopping centers, Waynesboro is a retail exporter. Retail is the leading industry in terms of employment (24%) over hospitality (16%) and manufacturing (15%) but in terms of export value, manufacturing leads both (LQ = 1.97). Those replacement jobs in retail, though numerically significant are far inferior.

There is evidence that advanced manufacturing and Information Technology are beginning to make inroads, there are still too few quality jobs, but they’re growing. The low level of educational attainment, combined with the poor quality of public schools⁹ will make those jobs unattainable to locals and they will likely go to regional commuters.

Industry Cluster Diagram

<i>Not Competitive</i> (Declining Shift)	<i>Competitive</i> (Growing Shift)	
<u>Transforming Industry</u> Management Manufacturing Hospitality (small sample)	<u>Growing Base Industries</u> Information Technology (!!) Retail (strongly concentrated, slight competitive advantage)	<i>High Local Concentration</i> (LQ>1.2)
<u>Declining Industries</u> Wholesale Trade Transportation & Warehousing Arts, Entertainment & Rec (small sample)	<u>Emerging Industries</u> Professional Services Admin & Waste Services	<i>Low Local Concentration</i> (LQ<.8)

Data Source: Bureau of Labor Statistics

⁸ Source: Chmura Economics Job EQ

⁹ Great Schools rates them at 3/10. Note: Charlottesville does not have any schools below 5. Also note that the schools might be improving rapidly. The 2005-9 ACS reported 21% lacking High School Diplomas whereas by 2010-2014 that number had dropped to 15%.

Narcotics

As I was looking through the data, I saw several red flags that in combination pointed toward a possible methamphetamine problem: easy highway access, disused chemical production, many out of work white people, poverty, poor educational attainment, high property crime rate (37 per thousand v. 19 for VA) alongside a normal violent crime rate¹⁰.

Indeed, several residents I spoke to indicated that narcotics are the city's greatest challenge right now. Just last week the *News Virginian*¹¹ ran major story about it:

"This is a huge problem," said Sgt. Mike Roane of the Augusta County Sheriff's Office, who leads drug investigations with that agency and is the department representative on the Skyline Drug Task Force.

Roane said the level of opioid addiction has led to people creating false prescriptions and breaking into homes to steal prescription drugs.

He said it "is a tossup" as to what is the number one drug problem in Augusta County -- methamphetamine or pills, such as opioid-based Percocet, Vicodin and Oxycontin, all powerful narcotic painkillers.

Capt. Mike Martin, the special operations commander for the Waynesboro Police Department, said he is open to the latest effort to fight drug addiction.

"We have tried enforcement and that hasn't worked and we have tried drug take backs," he said. "At the end of the day, we need a drug treatment center [in addition to other solutions]."

Conclusions

Waynesboro presents many aspects of a classic post-industrial city. They are currently involved in many text-book responses: cultivate advanced manufacture, information technologies, and ecotourism sectors; revitalize downtown with place-specific interventions and pedestrian infrastructure; remediate brownfields; actively market grey field sites for mixed-use infill. I endorse all of those strategies.

The key will be to connect the youngsters in school with the future high-tech jobs they're trying to create. They need a future that doesn't look so desperate and to get there, the local schools will need to be better. They also should find a way to help residents avail themselves of the ten colleges and universities within 40 miles. Waynesboro is different from many legacy cities in that it cooperates well with its neighbors.

They obviously need to get their narcotics problem under control. Narcotics are a symptom of a larger problem but addiction then makes problems of its own and must be treated as a public health issue. Waynesboro seems to be aware of this.

I am actually optimistic about Waynesboro. I think they are on the right track but it will take time. In the meanwhile, it looks like a good ground-floor investment opportunity either for someone looking to start a manufacturing or technology production business or someone looking to invest in land for mid-term future development.

¹⁰ 2013 data from <http://city-crime-statistics.findthedata.com/>

¹¹ Stuart, Bob. 2016. "Opioid addiction declared public health emergency." *The News Virginian*. Nov 21.

DEMOGRAPHIC BASICS

	Waynesboro	Virginia
Population		
Population estimates, July 1, 2015, (V2015)	21,491	8,382,993
Population, percent change - 2010 – 2015	2.2%	4.8%
Age and Sex		
Persons under 5 years, percent, July 1, 2015	7%	6%
Persons under 5 years, percent, April 1, 2010	7	6
Persons under 18 years, percent, July 1, 2015	24	22
Persons under 18 years, percent, April 1, 2010	23	23
Persons 65 years and over, percent, July 1, 2015	18	14
Persons 65 years and over, percent, April 1, 2010	17	12
Race and Hispanic Origin		
White alone, percent, July 1, 2015	83	70
Black or African American alone, July 1, 2015	12	20
American Indian and Alaska Native, July 1, 2015	1	1
Asian alone, percent, July 1, 2015	1	7
Native Hawaiian and Other Pacific, July 1, 2015	2	0
Two or More Races, percent, July 1, 2015	3	3
Hispanic or Latino, percent, July 1, 2015	7	9
White alone, not Hispanic or Latino, July 1, 2015	77	63
Population Characteristics		
Veterans, 2010-2014	1,743	71,8034
Foreign born persons, 2010-2014	4.1%	11.6%
Housing		
Housing units, July 1, 2015	10,059	3,468,829
Housing units, April 1, 2010	9717	3,364,939
Owner-occupied housing unit rate, 2010-2014	57.5%	66.7%
Median value of owner-occupied housing units	\$161,300	\$243,500
Median selected monthly owner costs –w. mortgage	\$1,212	\$1,742
Median selected monthly owner costs –w/o mortgage	\$407	\$429
Median gross rent, 2010-2014	\$785	\$1,108
Building permits, 2015	43	28,469
Occupied Housing Units with No Vehicle Available	9.50%	6.00%
Families and Living Arrangements		
Households, 2010-2014	8878	3,041,710
Persons per household, 2010-2014	2.37	2.61
Living in same house 1 year ago, age 1+, 2010-2014	83.8%	84.7%
Language other than English spoken at home, age 5+	6.5%	15.2%
Education		
High school graduate or higher, age 25 +, 2010-2014	84.6%	87.9%
Bachelor's degree or higher, age 25 +, 2010-2014	19.0	35.8
Health		
With a disability, under age 65 years, 2010-2014	11.3%	7.6%
Persons without health insurance, under age 65 years	13.6	10.5

Source: JobsEQ

Basic Demographics, continued

Economy

In civilian labor force, total, age 16+	60.4%	64.8%
In civilian labor force, female, % age 16+, 2010-2014	55.0	60.9
Total accommodation and food services sales, 2012	\$67,898,000	\$17,795,901,000
Total health care and social assistance receipts/revenue, 2012	\$66,900,000	\$47,705,003,000
Total manufacturers shipments, 2012 (\$1,000) (c)	\$465,496	\$96,389,872
Total merchant wholesaler sales, 2012 (\$1,000) (c)	\$113,311	\$86,613,641
Total retail sales per capita, 2012 (c)	\$22,470	\$13,438

Transportation

Mean travel time to work, workers age 16 years+, 2010-2014	19.3 minutes	27.8 minutes
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Income and Poverty

Median household income (in 2014 dollars), 2010-14	\$45,499	\$64,792
Per capita income in past 12 months (in 2014 dollars),	\$21,515	\$33,958
Persons in poverty	14.6%	11.2%

Sources: U.S. Census Bureau (retrieved 12/02/16)

WORKFORCE	City	Micropolitan	Commute Area
Available Labor Force	10,300	60,968	250,000

Source: Chmura Economics Job EQ (via City of Waynesboro)

COMMUTING PATTERNS	In	Out
Albemarle	288	535
Amherst	31	5
Augusta	4,626	2,650
Buena Vista	57	10
Charlottesville	37	250
Harrisonburg	96	152
Nelson	216	91
Rockbridge	99	38
Rockingham	218	107
Staunton	760	642
Waynesboro	3,856	3,856
Norfolk		33
Total:	10284	8369

Source: Chmura Economics Job EQ (via City of Waynesboro)

UNEMPLOYMENT RATE	2008	2009	2010	2011	2012	2013	2014
US	5.8	9.3	9.6	8.9	8.1	7.4	6.2
Virginia	4	6.9	6.9	6.2	5.9	5.5	5.2
Waynesboro	4.9	8.7	8.7	7.9	6.9	6.1	5.3
Difference (city-state)	0.9	1.8	1.8	1.7	1	0.6	0.1

Source: Chmura Economics Job EQ (via City of Waynesboro)

PERCENTAGE OF EMPLOYMENT (2015)		
Industry	Virginia	Waynesboro
23 Construction	6%	5%
31-33 Manufacturing	8%	15%
42 Wholesale trade	4%	2%
44-45 Retail trade	14%	24%
54 Professional and technical services	13%	4%
55 Management of companies and enterprises	2%	5%
56 Administrative and waste services	7%	5%
61 Educational services	2%	ND%
62 Health care and social assistance	14%	ND%
48-49 Transportation and warehousing	4%	2%
51 Information	2%	3%
52 Finance and insurance	4%	3%
53 Real estate and rental and leasing	2%	1%
71 Arts, entertainment, and recreation	2%	1%
72 Accommodation and food services	11%	16%
81 Other services, except public administration	4%	5%
99 Unclassified	0%	0%

Source: Bureau of Labor Statistics

LOCATION QUOTIENT (2015, Rel. Commonwealth of VA)	
Industry	Waynesboro
23 Construction	0.83
31-33 Manufacturing	1.97
42 Wholesale trade	0.55
44-45 Retail trade	1.76
54 Professional and technical services	0.28
55 Management of companies and enterprises	2.17
56 Administrative and waste services	0.67
61 Educational services	ND
62 Health care and social assistance	ND
48-49 Transportation and warehousing	0.5
51 Information	1.34
52 Finance and insurance	0.58
53 Real estate and rental and leasing	0.75
71 Arts, entertainment, and recreation	0.39
72 Accommodation and food services	1.43
81 Other services, except public administration	1.19
99 Unclassified	0.44

Source: Bureau of Labor Statistics

SHIFT SHARE ANALYSIS

Industry	Waynesboro			U.S.			Overall Growth	Proportional Shift	Differential Shift (Local Share)
	2010	2015	% Change	2010	2015	% Change			
Base Industry: Total, all industries	8,005	8,692	7.9%	106,201,232	118,307,717	10.2%	9%	2%	-2%
23 Construction	429	436	1.6%	5,489,499	6,423,866	14.5%	2%	13%	-13%
31-33 Manufacturing	1,418	1,306	-8.6%	11,487,496	12,291,676	6.5%	-8%	14%	-15%
42 Wholesale trade	ND	175	-	5,466,463	5,874,282	6.9%	-	-	-
44-45 Retail trade	1,981	2,104	5.8%	14,481,324	15,642,116	7.4%	6%	1%	-2%
54 Professional and technical services	225	321	29.9%	7,457,913	8,621,491	13.5%	43%	-29%	16%
55 Management of companies and enterprises	509	457	-11.4%	1,854,778	2,197,652	15.6%	-10%	26%	-27%
56 Administrative and waste services	266	428	37.9%	7,399,320	8,788,229	15.8%	61%	-45%	22%
61 Educational services	73	ND	-	2,460,150	2,710,235	9.2%	-	-	-
62 Health care and social assistance	687	ND	-	16,196,009	18,370,557	11.8%	-	-	-
48-49 Transportation and warehousing	146	155	5.8%	3,943,659	4,600,012	14.3%	6%	8%	-8%
51 Information	103	265	257.3%	2,703,886	2,754,109	1.8%	157%	-155%	255%
52 Finance and insurance	244	219	-11.4%	5,486,241	5,736,105	4.4%	-10%	15%	-16%
53 Real estate and rental and leasing	87	113	23.0%	1,915,571	2,092,574	8.5%	30%	-21%	15%
71 Arts, entertainment, and recreation	64	59	-8.5%	1,903,739	2,160,970	11.9%	-8%	20%	-20%
72 Accommodation and food services	1,312	1,352	3.0%	11,103,075	12,939,965	14.2%	3%	11%	-11%
81 Other services, except public administration	370	457	19.0%	4,349,563	4,308,880	-0.9%	24%	-24%	20%
99 Unclassified	ND	12	-	152,66	240,211	-	-	-	-

Industry	Waynesboro			Virginia			Overall Growth	Proportional Shift	Differential Shift (Local Share)
	2010	2015	% Change	2010	2015	% Change			
Base Industry: Total, all industries	8,005	8,692	7.9%	2,849,874	3,043,782	6.4%	9%	-2%	2%
23 Construction	429	436	1.6%	183,147	184,358	0.7%	2%	-1%	1%
31-33 Manufacturing	1,418	1,306	-8.6%	229,867	232,652	1.2%	-8%	9%	-10%
42 Wholesale trade	ND	175	-	110,071	110,570	0.5%	-	-	-
44-45 Retail trade	1,981	2,104	5.8%	398,135	417,545	4.6%	6%	-2%	1%
54 Professional and technical services	225	321	29.9%	382,096	399,125	4.3%	43%	-38%	26%
55 Management of companies and enterprises	509	457	-11.4%	73,891	73,891	0.0%	-10%	10%	-11%
56 Administrative and waste services	266	428	37.9%	194,783	224,779	13.3%	61%	-48%	25%
61 Educational services	73	ND	-	59,575	61,962	3.9%	-	-	-
62 Health care and social assistance	687	ND	-	373,540	416,656	10.3%	-	-	-
48-49 Transportation and warehousing	146	155	5.8%	95,844	108,383	11.6%	6%	5%	-6%
51 Information	103	265	257.3%	76,158	69,505	-9.6%	157%	-167%	267%
52 Finance and insurance	244	219	-11.4%	120,115	132,323	9.2%	-10%	19%	-21%
53 Real estate and rental and leasing	87	113	23.0%	51,520	52,664	2.2%	30%	-28%	21%
71 Arts, entertainment, and recreation	64	59	-8.5%	46,546	52,742	11.7%	-8%	20%	-20%
72 Accommodation and food services	1,312	1,352	3.0%	294,333	332,008	11.3%	3%	8%	-8%
81 Other services, except public administration	370	457	19.0%	125,923	134,593	6.4%	24%	-17%	13%
99 Unclassified	ND	12	-	3,095	9,595	67.7%	-	-	-

Data Source: Bureau of Labor Statistics