



CENTER FOR ECONOMIC AND
COMMUNITY ENGAGEMENT
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2025

ECONOMIC OPPORTUNITY SCAN

*Report prepared for the Allegheny Highlands Community
and Partners. Funded by The Allegheny Foundation.*

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Executive Summary

The Alleghany Highlands region includes the city of Covington, the town of Clifton Forge, and the county of Alleghany. Following some positive developments showcased at a local Economic Development Forum in October 2012, in March and May of 2013, regional leaders came together to explore what additive strategies could support the region's continued economic growth. The outcome was the Vision 2025 Initiative which is about working together to provide jobs and opportunities for residents of Virginia's Alleghany Highlands.

VISION 2025 was based on action teams to offer additional support to positive developments at the time (and since) in tourism, downtown revitalization, small business support, industrial real estate and marketing, and community engagement for key corridor improvements, destination gardens and gateway entrances. The region has experienced success and progress on many of the initiative's core goals, while also struggling to sustain momentum over its twelve-year timeframe and particularly during the pandemic period.

In addition, related efforts have included a community planning academy and completion of Comprehensive Plans for Alleghany County and the City of Covington in 2019. The Alleghany Highlands Chamber of Commerce facilitated development of a community team focused on downtowns, the arts and public lands while also leading further development of the "Uniquely Alleghany" branding a tourism strategy that supports ongoing work with the community team as well as outdoor recreation.

As the region continues to recover economically from the pandemic and enters 2025, regional leaders expressed a desire to review progress on the previous plans while laying the groundwork for future planning efforts.

This Economic Opportunities Scan is a collaborative, data-driven approach to assessing the region's current economic conditions and prioritizing high-value, asset-aligned, economic opportunities.

The Virginia Tech Center for Economic and Community Engagement worked with a regional Advisory Group to conduct a situation analysis and develop a strategic road map for pursuing economic opportunities.

The aim is to identify and encourage opportunities that relate to the region's existing strengths and assets, that diversify and strengthen the regional economy, and that represent opportunities for reducing disparity and for growing wealth across the population.

As part of the University's Vibrant Virginia initiative, the team looked for opportunities for sustained collaboration and connection points between the needs and opportunities in the Alleghany Highlands and the expertise and resources of Virginia Tech.

The project included three phases: data collection; situation analysis; strategic road map. Data collection included individual and small group discussions, a survey instrument, secondary data on industry and economy, and a review of existing and previous plans and reports.

Key Findings included:

The Allegheny Highlands region faces several connected demographic, economic, and infrastructure challenges, along with promising opportunities for future economic growth. One of the most pressing issues is a declining and aging population. The region has experienced consistent outmigration of young adults and a declining birth rate, resulting in a shrinking labor pool and increased pressure on the healthcare providers and service sectors. Educational attainment levels are lower than both state and national averages, and labor force participation has declined since the COVID-19 pandemic. This demographic shift is compounded by limited childcare options and a lack of public transportation, which further hinder workforce participation and talent retention.

Economically, the region remains heavily dependent on a few large employers, particularly in the manufacturing sector, with the Smurfit WestRock paper mill in Covington being one of the most significant. Job losses in traditional industries like manufacturing and retail have significantly contributed to population decline over the past two decades as workers have left the region to pursue new opportunities. However, there are signs of growth in healthcare, logistics, IT, and education-related sectors, although many of these new jobs offer lower-than-average wages. The local economy is further constrained by aging infrastructure and a housing stock that is both outdated and limited in availability. High vacancy rates and a shortage of modern, affordable rental housing make it difficult to attract and retain younger professionals and families.

Despite these challenges, the region has substantial strengths and untapped potential. Tourism is a significant economic driver, with over \$69 million in visitor spending in 2023 and more than 10% of county jobs tied to the tourism sector. The region's scenic beauty, historic downtowns, and cultural amenities offer a strong foundation for further tourism development. However, the lack of mid-range lodging options remains a barrier to fully capitalizing on this opportunity. There is also growing momentum around small business development and entrepreneurship, supported by programs like The Gauntlet and improvements to downtown Covington and Clifton Forge. The expansion of high-speed broadband—now available to over 95% of the region—positions Allegheny Highlands to support remote work and attract digital professionals and nomads.

Looking ahead, opportunities exist to diversify the economy by leveraging the region's skilled workforce in trades and production, expanding sectors such as healthcare and advanced manufacturing, and attracting new industries like IT, alternative energy, and data centers. Enhancing infrastructure, increasing housing options, and investing in childcare and public transit will be essential to building a more inclusive and resilient economy. Addressing environmental risks and reducing reliance on a small number of large employers will also be critical to the region's long-term sustainability. With strategic investments and continued collaboration among community leaders, the Allegheny Highlands has a strong foundation to build a more vibrant and equitable future.

Acknowledgements

The successful completion of this report would not have been possible without the contributions and support of numerous individuals and organizations.

We are deeply appreciative of individuals and organizations that participated in our project Advisory Group. These included Alleghany County, the City of Covington, the Town of Clifton Forge, the Alleghany Highlands Chamber of Commerce and Tourism, Mountain Gateway Community College, Virginia Cooperative Extension, The Advancement Foundation, and the Alleghany Economic Development Corporation. Their local expertise and dedication have been invaluable in shaping the findings and recommendations presented here.

We would like to extend our sincere gratitude to The Alleghany Foundation for their leadership and guidance throughout the development of this report. [Introduction and Report Overview](#)
[Virginia Tech Center for Economic and Community Engagement and Vibrant Virginia](#)
Virginia Tech's Center for Economic and Community Engagement (CECE) advances economic prosperity, across Virginia and beyond through applied research, engaged partnerships, and meaningful programs. Vibrant Virginia is one such initiative, designed to bridge differences, reduce disparity, and broaden prosperity across the Commonwealth. Vibrant Virginia encourages place-based, sustained partnerships, around pressing challenges and opportunities.

Structure and Methods

This report is in three main sections: Regional Data Overview; Situation Analysis; Strategic Road Map.

The Regional Data Overview consists of the information gathered, with a minimum of interpretation or analysis. The data comes from secondary and primary sources. Secondary data included industry, labor market, socio-economic, and demographic information obtained from proprietary and public sources. Primary data was gathered through interviews, small group input sessions, and surveys. The overview included a review of existing economic and regional plans.

The second section is a Situation Analysis, our interpretation of the data's significance using a straightforward SWOT-style analytical tool. SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. While the categories may have some overlap, strengths and weaknesses generally refer to characteristics within the region; while opportunities and threats often reference conditions outside the region, including state, national, and global factors and trends.

The third section represents possible strategic directions, as well as action steps flowing from those strategies.

Section 1: Regional Data Overview

Population Demographics

Population Changes

As of the 2020 Decennial Census, there were 20,960 people in total living in the Alleghany Highlands region. Alleghany County accounted for 15,223 people, and the City of Covington

accounted for 5,737. Since the 2010 Decennial Census, the region’s population has decreased by 1,251 individuals. Factors such as a lack of job opportunities and housing opportunities limited the ability of younger individuals to remain or move to the region. There has been an increase in individuals ages 30-34 returning to the area but not at a significant enough rate to offset the population losses among other age groups. One of the key reasons for the population decline since the turn of the century is the loss of traditional industry jobs. Over the past 20 years manufacturing jobs in the region have decreased by 51%. Additionally, retail trade jobs have decreased by 36% in that same timeframe. Between these two industries alone 2,174 jobs have left the region since 2001, accounting for 76% of the total jobs lost.¹ Due to this people have moved to other places to find work.

According to the Weldon Cooper Center Population Projections, this trend will continue with populations for both the county and city projected to continue decreasing over the next two and a half decades. So, as long as there is an inadequate supply of job opportunities in the region, the population will continue to decline until it reaches an equilibrium point. While things like inadequate job opportunities and limited housing stock are significant factors in these populations decreases, there are also natural phenomenon that are contributing to the population decline. Since the 1970s the United States’ birth rate has steadily decreased with slight rebounds in the mid-90s and early 2000s. However, the last year where birthrates were at replacement rate was 2007 right before the Great Recession. Many Millennials delayed or forewent having children due to economic uncertainty, student loan debt, and housing costs. It is reasonable to believe that these trends will continue into the foreseeable future. As birthrates plateau and the Baby Boomers continue to age, this will lead to an overall shrinking population. This means that many rural communities will continue to shrink as there will be fewer people, meaning communities will be even more pressed to attract and retain individuals if they lack the necessary resources.

Year	Alleghany Population	Covington Population
2020	15,223	5,737
2030	13,993	5,434
2040	12,805	5,075
2050	11,809	4,792

Table 1: Weldon Cooper Center Population Projections
<https://www.coopercenter.org/virginia-population-projections>

Population by Age

The population data reveals an overall decline over the past five years, with the total number of residents decreasing by about 2%. While this continues the overall trend since the turn of the century of population decline, the rate of population loss has slowed over the past 5 years compared to prior years. One of the most notable trends is the significant drop in the population of children under five, suggesting lower birth rates or the outmigration of young families.

¹ Lightcast. (2022). Industry report: Alleghany County and Covington City, Virginia. Lightcast. <https://lightcast.io/>

Meanwhile, the school-age population (ages 5–19) remains relatively stable, indicating short-term consistency for educational services. The working-age population, particularly those aged 45 to 59, has experienced notable declines, which could pose challenges for the local labor force and economic sustainability. In contrast, there has been modest growth among adults in their 30s, possibly reflecting a small influx of younger professionals or families. Additionally, the data shows considerable increases in older adult populations, especially those aged 65 to 84, pointing to an aging community either due to residents aging in place or retirees moving in. These trends suggest the need for proactive planning to address future workforce needs, adapt community services, and support an aging population. These trends align with broader patterns seen across more rural regions of the rural United States. On average, smaller rural communities see a decline in population of approximately 1% a year. These trends are particularly pronounced in the Appalachia, Great Plains, Rust Belt, and Midwest regions. While there was a boost to rural population during the Covid era, it did not alter the overall trends, and recent data from 2024 and 2025 show a shift of migration back to cities due to a return to in-office work.² Additionally, many smaller towns that are seeing growth and revitalization over the past decade are those near outdoor recreation assets, universities, bedroom communities or a part of a larger successful regional revitalization effort. Using these assets, smaller communities can attract new residents that prefer larger lot sizes and living in a smaller community while still having access to a plethora of jobs and recreation opportunities.

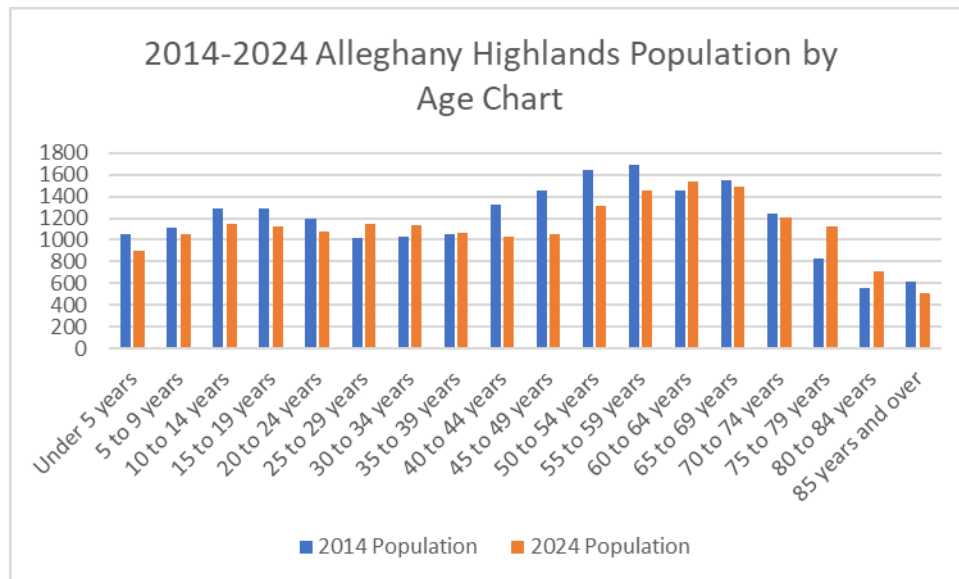


Figure 1: Lightcast Datarun Population Demographics Table for Allegheny Highlands. 2024.

² Johnson, K. M. (2024, November 13). Migration continues to sustain population gains in rural America. Carsey School of Public Policy, University of New Hampshire. <https://carsey.unh.edu/publication/migration-continues-sustain-population-gains-rural-america>

Population by Race

Allegheny County and the city of Covington are predominantly White, non-Hispanic (87.57%) with non-Hispanic Black or African Americans making up 6.98% of the population. Those with two or more non-Hispanic racial/ethnic identities make up 2.11% and White, Hispanic represent 1.87% of the 2022 population cohort respectively. The region is diversifying slowly, as shown below.

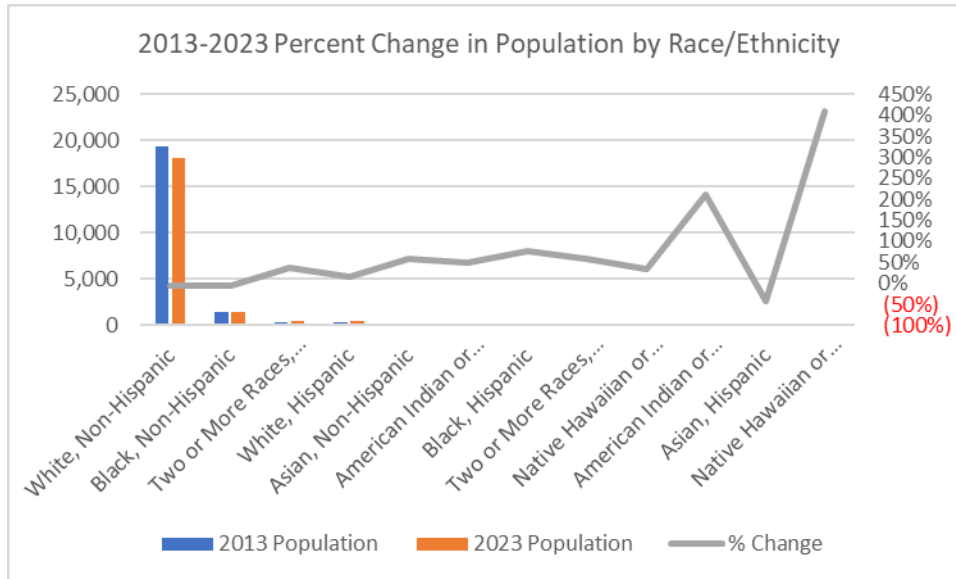


Figure 2: Lightcast Datarun 2023.2,

Education and Workforce

Education Attainment

Concerning educational attainment, Allegheny County and the city of Covington have lower levels of attainment than national and state averages. A significant portion of the population (89%) obtained a high school diploma with 23.8% of the population receiving advanced degrees (associate’s, bachelor’s, and graduate or higher). For comparison, the national average for educational attainment as of 2022 is 37.7% of the population holding at least a bachelor’s degree (US Census Bureau, 2023). The Virginia average educational attainment of the population receiving advanced degrees is 49.8% (US Census Bureau, 2023).

In the region, the percentage of those who received an advanced degree is roughly equivalent to the percentage of those who attended some college but did not receive a degree (22.3%). Educational attainment trends in this region are in keeping with larger national trends. Over the last decade, there has also been an increase in those attaining a high school diploma. Similarly, the rate of post-secondary degrees has also increased slightly.

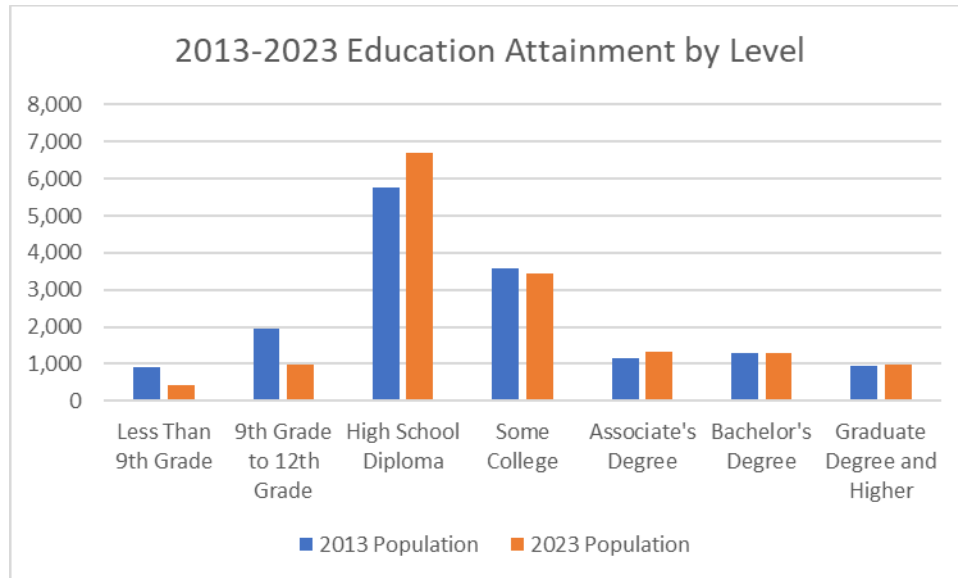


Figure 3: Educational Attainment (25 years old and over)
 Source: Lightcast Datarun 2023.2, American Community Survey 2022

Continuing Education and Workforce Pipeline

Mountain Gateway Community College is one of the primary post-secondary institutions for regional high school graduates continuing their professional education. The community college has approximately 16 higher education programs from general liberal art studies to welding. In 2021, there were over 250 program completions across all programs in Allegheny County and the city of Covington. This number does not account for those completing remote certifications or program completions. It also does not include alternate work-based learning methods like apprenticeships.

Program	Type	2022 Percentage of Graduates
Liberal arts and sciences, general studies and humanities	Certificate	27.5%
Liberal arts and sciences/liberal studies	Associate	20.5%
Registered nursing/registered nurse	Associate	15.1%
Electrician	Certificate	7.3%
Allied health diagnostic, intervention, and treatment professions	Certificate	5.1%

Table 2: Top 5 Higher Education Programs by Completion at Mountain Gateway Community College
 US Dept of Education (IPEDS)

Labor Force Participation

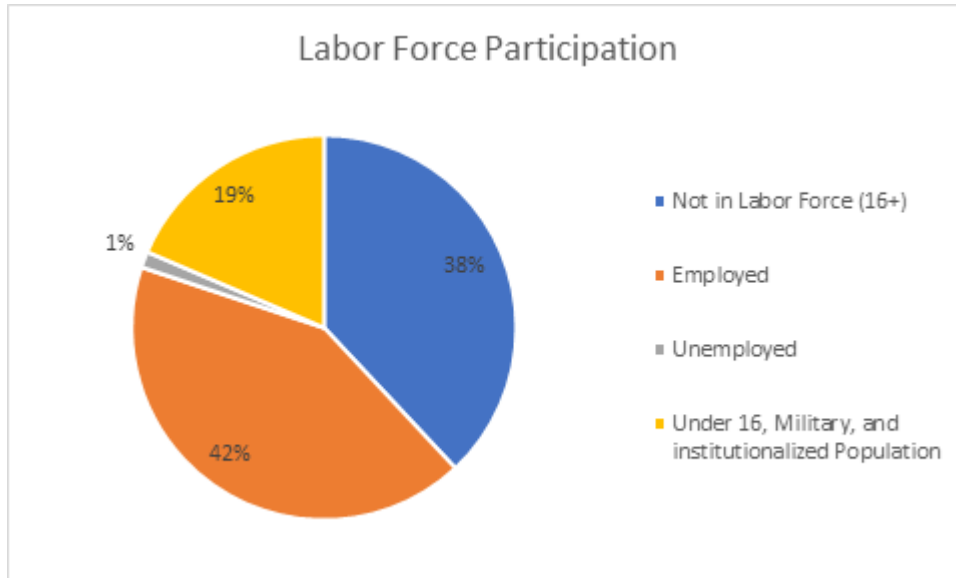


Figure 4: Labor Force Participation of Population
 Source: Lightcast Datarun 2023.2, American Community Survey 2022

The unemployment rate within the community is low at approximately 284 unemployed individuals, or around 1% of the total population. This rate has decreased significantly post-COVID, showing economic recovery consistent with state trends. Almost half of those who are unemployed are in the 35-44 and 45-54 years of age population cohort.

A labor force participation rate around 63% is in line with neighboring localities. As shown in the graph above, there is a large portion of the population (38%) not engaged in the labor force, aside from those under 16, military, and institutionalized populations. There are several possible reasons for this – some of these may be longer-term unemployed or less actively looking for work due to lack of opportunities so no longer counted in unemployment data or may be working outside of formal employment as caretakers or in other ways.

Employment

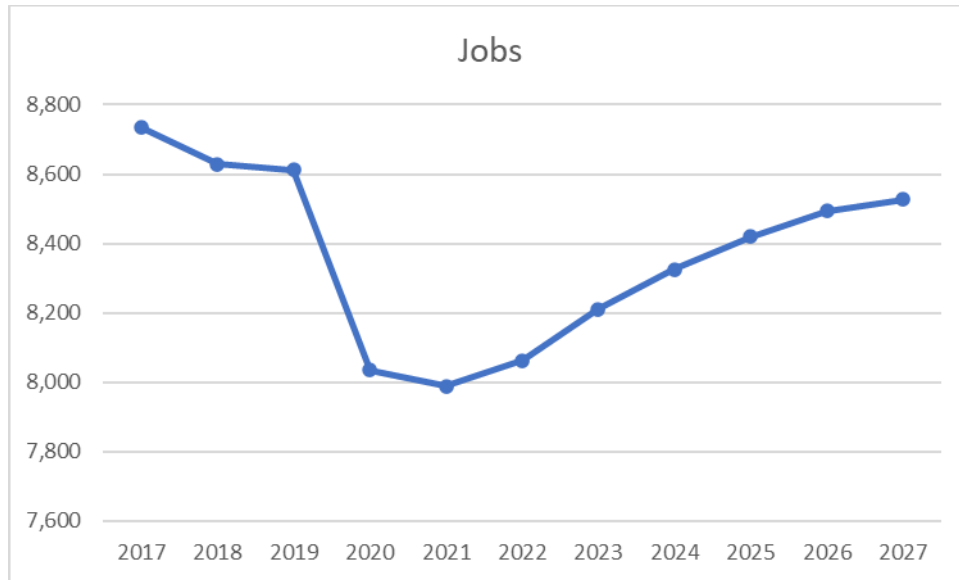


Figure 5: Job Trends, 2017-2027 (Projected into 2027)
 Source: Lightcast Datarun 2023.2, American Community Survey 2022

From 2017 to 2024, jobs declined by 7.1% in the Allegheny Highlands area from 8,733 to 8,115. This change fell short of the national growth rate (+3.8%). This change can most likely be attributed to the effects of the COVID-19 pandemic. There is steady job recovery shown in 2023 with projections for job prospects to increase over the next four years.

Commuter Patterns

Net commuter patterns reveal the movement of workers into and out of a specific area, showing whether it is a net importer or exporter of labor. A net inflow means more workers commute into the area than leave, often indicating a strong employment center. A net outflow suggests that local job opportunities are limited, forcing residents to seek work elsewhere. A balanced flow means the number of inbound and outbound commuters is roughly equal. Understanding these patterns is crucial for economic development, workforce planning, and infrastructure investments. Regions with high net outflows may need job creation efforts, while areas with heavy inflows may require expanded transportation and housing.

In 2024, Allegheny County and the City of Covington had 2,636 inbound commuters from surrounding regions to the county. However, the area also had 3,973 outbound commuters, or local residents traveling outside of the city and county for work, signifying that there may not be sufficient local job opportunities for residents. The localities with the greatest number of net positive commuters (greater number of inbound commuters than outbound commuters) and net negative commuters (greater number of outbound commuters than inbound commuters) are shown below.

County	Net Commuters
Greenbriar County, WV	82
Raleigh County, WV	61
Fayette County, WV	26

Monroe County, WV	25
Danville City, VA	23

Table 3: Net Positive Commuters in 2024³

County	Net Commuters
Roanoke City, VA	(388)
Botetourt County, VA	(248)
Roanoke County, VA	(116)
Salem City, VA	(106)
Rockingham County, VA	(102)

Table 4: Net Negative Commuters in 2024⁴

The map below depicts the overall net commuter patterns for Allegheny County and the City of Covington (represented by the green square). Red areas depict a city or county with net negative commuters and blue counties represent areas with net positive commuters. Areas to the west of Allegheny County tend to have net positive commuters, signaling that residents in these localities seek work opportunities in Allegheny and Covington. However, counties and cities to the north and east tend to have net negative commuters, meaning that talent in Allegheny and Covington are pursuing job prospects in these areas at a high rate.

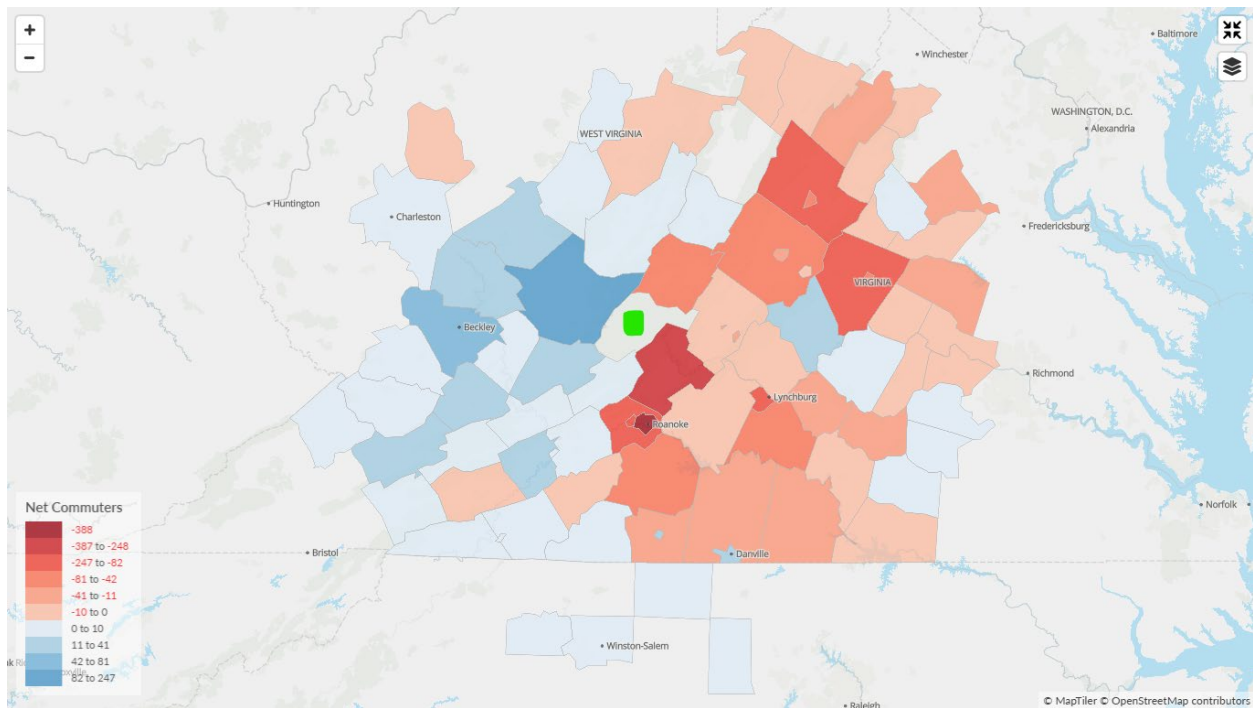


Figure 6: Map of Net Commuters, 2024⁵

³ Lightcast™.(2024). [2024 Allegheny County and City of Covington Commuter Report]. Retrieved from <https://analyst.lightcast.io/>

⁴ Lightcast™.(2024). [2024 Allegheny County and City of Covington Commuter Report]. Retrieved from <https://analyst.lightcast.io/>

⁵ Lightcast™.(2024). [2024 Allegheny County and City of Covington Commuter Report]. Retrieved from <https://analyst.lightcast.io/>

Income, Poverty, and Social Mobility

Income and Poverty

Table 5: Income and Poverty Levels by County

Counties	Median Household Income	Per Capita Income	% Poverty Level
Alleghany	\$49,705	\$28,423	14.0%
Covington City	\$41,242	\$23,589	15.8%

Source: Lightcast Datarun 2023.2, American Community Survey 2022

Alleghany County has a median household income of \$49,705—over \$8,000 higher than that of the independent city of Covington, which stands at \$41,242. This income gap is also reflected in per capita earnings, where Alleghany residents earn approximately \$5,000 more on average than their Covington counterparts. While the rate of poverty in Alleghany County is marginally lower at 14%, compared to Covington’s 15.8%, both remain significantly above the national average and suggest persistent economic challenges across the region.

To provide further context, the national poverty rate stood at 11.5% in 2022, according to the U.S. Census Bureau. While this figure uses the official poverty measure—based largely on pre-tax income and basic thresholds for household size—it often fails to account for regional cost-of-living differences, out-of-pocket expenses, and access to public assistance. The Supplemental Poverty Measure, by contrast, offers a more nuanced picture of economic hardship by factoring in housing costs, tax burdens, and other variables that influence household financial security. Applying this broader lens may reveal deeper economic vulnerabilities in Alleghany County and Covington, especially in terms of residents’ ability to afford essential needs like housing, healthcare, and transportation.

Housing and Social Mobility

As of 2023, there are 10,954 housing units in Alleghany County and the City of Covington. Of these housing units, 80.2% are currently occupied. This 19.8% vacancy rate is much higher than that of Virginia and the United States as a whole, at 10.4% and 9% respectively. Using the Roanoke-Alleghany Planning District Commission (RVAPDC) as a basis for regional comparison, Alleghany County and the City of Covington also have a much higher vacancy than their surrounding counties. The RVAPDC, which includes Alleghany, Botetourt, Craig, Franklin, and Roanoke County and the Cities of Covington, Roanoke, and Salem, has a vacancy rate of 12.7%⁶. This higher vacancy rate does provide an opportunity for new residents to move into the region.

Alleghany County and the City of Covington also have older housing stocks. 92.4% of all homes in the county and city were constructed prior to 2000. Comparatively, 84.0% of homes in the RVA PDC were constructed prior to 2000, with 74.7% constructed prior to this date for the entire state of Virginia. National trends suggest that older homes, which may require significant renovations, are more affordable than new homes and present an opportunity for first-time home

⁶ US Census Bureau (2023). *American Community Survey 5-Year Estimates*. Table DP04. Retrieved from data.census.gov.

buyers to enter the market⁷. Housing and mortgage costs within the area seem to follow this trend, with median home prices in Alleghany County and the City of Covington being relatively lower than median prices for both other counties and cities in the region and the state and nation as a whole. The median value for owner-occupied units was \$133,300 in Alleghany County and \$80,200 in the city of Covington. This higher median value in Alleghany County also mirrors higher median annual income compared to the City of Covington⁸.

48% of renter households in both Alleghany County and the City of Covington are considered cost burdened, spending over 30% of their household income on rent and utility expenses. Out of other localities in the RVA PDC region, Salem City is the only locality to have a higher percentage of renters qualifying as cost burdened. Housing costs are a significant burden for renters in the area and may limit the ability of renters to spend income on other expenses including healthcare and education, thereby limiting overall quality of life and long-term financial stability⁹.

Industry

Top Industry Groups

Alleghany County and the City of Covington have a diverse economy, with the top industry by employment focusing on Pulp, Paper, and Paperboard Mills. There were just 2 pay-rolled business locations in this industry in 2024, signaling that these two employers are cornerstones of the local economy. However, this industry also saw significant job loss from 2019 to 2024. The majority of this job loss occurred from 2019-2022, meaning that this net job loss may be due to lingering effects associated with the Covid-19 pandemic.

Other key industries in the area include Local Government, Excluding Education and Hospitals, and Education and Hospitals. Both industries also saw high fluctuation in overall jobs from 2019 to 2024, with Local Government, Excluding Education and Hospitals having a 15% net gain of jobs in that period, and Education and Hospitals seeing a net loss of 18% of jobs. One important thing to note about the education section is that some of this fluctuation will be due to the merger of the two school systems. However, according to local reporting there were no involuntary layoffs.¹⁰ Most of the changes decreased redundancies across the two systems. The large fluctuations among the top three industries of 2024 employment can signal changing industries within the area and potential instability of the job market for these industries. A full table showing the top industries by employment is depicted below.

NAICS	Description	2019 Jobs	2024 Jobs	2019 - 2024 Change	2019 - 2024 % Change	2024 Employment Concentration	Avg. Earnings Per Job	Competitive Effect	2024 GRP
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⁷ Homeownership Team (2022). *Aging housing stock and what it means for homebuyers*. Fairway Independent Mortgage Corporation. Retrieved from <https://www.fairway.com/articles/aging-housing-stock>.

⁸ US Census Bureau (2023). *American Community Survey 5-Year Estimates*. Table DP04. Retrieved from data.census.gov.

⁹ US Census Bureau (2023). *American Community Survey 5-Year Estimates*. Table DP04. Retrieved from data.census.gov.

¹⁰ <https://cms.ahps.k12.va.us/cms/One.aspx?pageId=3943305&portalId=422055&utm>

3221	Pulp, Paper and Paperboard Mills	1,088	681	(407)	(37%)	171.70	\$111,482	(303)	\$79,320,195
9039	Local Government, Excluding Education and Hospitals	529	610	81	15%	2.26	\$55,683	72	\$34,142,139
9036	Education and Hospitals (Local Government)	682	559	(123)	(18%)	1.41	\$60,091	(131)	\$33,622,263
7225	Restaurants and Other Eating Places	502	489	(13)	(3%)	.97	\$21,694	(20)	\$11,474,821
4552	Warehouse Clubs, Supercenters, and Other General Merchandise Retailers	236	274	38	16%	2.64	\$34,470	15	\$10,610,571
6221	General Medical and Surgical Hospitals	203	252	49	24%	1.10	\$67,217	40	\$17,665,847
6231	Nursing Care Facilities (Skilled Nursing Facilities)	247	229	(18)	(7%)	3.41	\$56,726	3	\$14,164,038
2382	Building Equipment Contractors	363	229	(134)	(37%)	1.99	\$70,508	(174)	\$18,056,475
4841	General Freight Trucking	114	191	77	68%	3.85	\$61,739	74	\$16,695,145
3231	Printing and Related Support Activities	142	159	17	12%	9.50	\$74,650	37	\$12,835,270
4451	Grocery Stores	148	157	9	6%	1.21	\$29,830	4	\$5,127,563
6241	Individual and Family Services	145	152	7	5%	1.08	\$31,174	2	\$5,372,824

Table 6: Top Industry Employment in 2024 by Cluster and NAICS code¹¹

Industry by Employment Change

Despite fluctuations and job loss in the overall top industries by employment, some industries in the area saw significant growth from 2019 to 2024. Notably, Other Schools and Instruction services saw 323% net job gain. This gain is in large part due to a 285% job growth in Fine Arts Schools jobs (NAICS code 611610) from 2019 to 2024 in the area. Growth in the Other Personal Services industry was in large part due to 93% job growth in Pet Care (except Veterinary Services) (NAICS code 812910). Even though the actual numbers are relatively small, job growth in these selected industries signifies fast-growing and in-demand industry services within the area which could signify growing needs for residents. However, the average earnings in Other Schools and Instruction and Other Personal Services are significantly lower than the average earnings per job for all industries in the area (\$62,551). While certain jobs in fast-growing industries may be in demand, this does not necessarily signify correspondingly high wages. A full table of the top five industries by job growth from 2019-2024 is depicted below.

NAICS	Description	2019 Jobs	2024 Jobs	2019 - 2024 Change	2019 - 2024 % Change	2024 Employment Concentration	Avg. Earnings Per Job	Competitive Effect	2024 GRP
6116	Other Schools and Instruction	13	55	42	323%	2.30	\$30,244	40	\$1,826,608
8129	Other Personal Services	14	28	14	100%	1.45	\$27,896	12	\$1,630,682
5415	Computer Systems Design and Related Services	11	20	9	82%	0.18	\$82,820	7	\$2,914,646
4491	Furniture and Home Furnishings Retailers	19	33	14	74%	1.71	\$37,569	16	\$1,320,772
5413	Architectural, Engineering, and Related Services	16	27	11	69%	0.35	\$87,902	9	\$3,343,179

Table 7: Top Industry Employment in 2024 by Cluster and NAICS code¹²

¹¹ Lightcast™. (2024). [2024 Allegheny County and City of Covington Industry Cluster Report]. Retrieved from <https://analyst.lightcast.io/>

¹² Lightcast™. (2024). [2024 Allegheny County and City of Covington Industry Cluster Report]. Retrieved from <https://analyst.lightcast.io/>

Industry Clusters

Industry clusters are strong concentrations of related industries in one location. A cluster includes companies, service providers, educational, research and specialized training institutions that support one another. Strong industry clusters in a particular region fuel the regional economy, and suppliers can help position specific regions uniquely competitive for specific types of jobs and private investment. Strong industry clusters are those with high employment specialization in a region, a particularly important factor for companies looking to locate or expand their operations in a region.

Often, we consider these at the regional scale, but it can be instructive to compare local strengths (in Alleghany and Covington) to regional strengths (using Roanoke-Alleghany PDC region and GOVA Region 2 for comparison).

The strongest, most competitive industry clusters in Alleghany and Covington are Paper and Packaging, Metalworking Technology, Printing Services, Business Services, Local Government Services and Local Logistical Services. However, if we focus solely on traded sector industries (non-local, focused more on exports), then the top industries might include Paper and Packaging (96), Metalworking Technology (86), Downstream Metal Products (67), Textile Manufacturing (48), and Transportation and Logistics (53).

GO Virginia Region 2 includes the cities of Covington, Lynchburg, Radford, Roanoke, and Salem; and the counties of Alleghany, Amherst, Appomattox, Bedford, Botetourt, Campbell, Craig, Floyd, Franklin, Giles, Montgomery, Pulaski, and Roanoke. The four (4) target industry clusters identified in GO Virginia Region 2 are:

- **Transportation Manufacturing & Automation:** The region’s legacy as a railroad and truck-components hub remains active. Facilities include WestRock, CSX freight connections, and proximity to Interstate 64/81, Amtrak, and airports like Ingalls Field
- **Life Sciences & Biotechnology:** While local biotech firms aren’t yet established here, the region benefits from proximity to the Roanoke Life Sciences hub (e.g., Fralin Biomedical, Carilion, Luna Innovations)—allowing room for spillover and cluster development
- **IT & Emerging Technology:** The region has 100% gigabit fiber coverage— which could potentially make it particularly attractive for data centers, remote work, and digital industries.
- **Materials & Machinery Manufacturing:** Local economic development efforts should continue to focus on preparing industrial-ready sites with utilities, flat land, and incentives to attract advanced manufacturers.

Sector	Current Strengths & Assets	Workforce/Industry Development
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Transportation/Automation	Logistics, legacy manufacturing, fiber & rail access	Mechatronics training; automation integration
Life Sciences/Biotech	Proximity to Roanoke bio cluster, regional ambition	Talent pathways, startup acceleration
IT & Emerging Tech	100% gigabit broadband, remote work infrastructure	Certifications & entrepreneurship support
Materials & Machinery	Existing mills, paperboard, metal manufacturing	Welding/CTE training, site prep incentives

Table 8: GOVA Target Sectors Summary

The Roanoke Regional Partnership cites six target industry sectors: Food and Beverage, Automotive Parts, Life Sciences, Transportation/Logistics, Electrical Component/Equipment, and Professional Services/Data Center.

Occupation

The top occupations by employment for the area largely mirrored the top employment by industry, with top occupations concentrated in manufacturing and retail occupations. Notably, eight of the top ten occupation clusters by employment in 2024 saw a decrease in jobs from 2019 to 2024, ranging from a 34% (Other Production Occupations) to 5% (Other Installation, Maintenance, and Repair Occupations) decline during the time period. Just two occupations saw growth during this time, with Motor Vehicle Operators showing a 27% increase and Healthcare Diagnosing or Training Practitioners showing an 11% increase. The overall region saw an 8% decrease in jobs from 2019 to 2024 and had net outbound commuters of 1,922 during 2024. Together, this may signal that residents are seeking employment outside of the county and city due to the overall decrease in available jobs in the area. A full description of the top occupations by employment is shown below.

SOC	Description	2019 Jobs	2024 Jobs	2019 - 2024 Change	2019 - 2024 % Change	Median Annual Earnings	2024 Employment Concentration	2024 Resident Workers	2024 Net Commuters
51-9000	Other Production Occupations	714	469	(245)	-34%	\$45,953	4.01	365	104
41-2000	Retail Sales Workers	411	386	(25)	-6%	\$27,316	1.10	538	(152)
53-7000	Material Moving Workers	443	385	(58)	-13%	\$38,650	1.05	480	-95
31-1100	Home Health and Personal Care Aides; and Nursing Assistants, Orderlies, and Psychiatric Aides	379	353	(26)	-7%	\$27,937	1.42	397	(44)
35-3000	Food and Beverage Serving Workers	483	350	(133)	-28%	\$25,236	1.09	506	(156)
49-9000	Other Installation, Maintenance, and Repair Occupations	321	306	(15)	-5%	\$50,740	2.04	292	14
25-2000	Preschool, Elementary, Middle, Secondary, and Special Education Teachers	365	304	(61)	-17%	\$57,784	1.58	337	(33)
53-3000	Motor Vehicle Operators	239	303	64	27%	\$44,424	1.50	338	(35)
47-2000	Construction Trades Workers	374	255	(119)	-32%	\$48,958	1.19	223	32

29-100	Healthcare Diagnosing or Treating Practitioners	219	242	23	11%	\$82,004	.83	339	(97)
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Table 9: Employment in 2024 by Cluster and SOC code¹³

Other Production Occupations

The top occupation in the region in 2024 by employment was Other Production Occupations. Top subsets of this occupation included Paper Goods Machine Setters, Operators, and Tenders; Helpers- Production Workers; and Inspectors, Testers, Sorters, Samplers, and Weighers. From 2019 to 2024, this occupation saw the loss of nearly 250 jobs. Certain subsections of the occupation saw significant job loss, with Paper Goods Machine Setters, Operators, and Tenders seeing the loss of 209 jobs during the time. However, Inspectors, Testers, Sorters, Samplers, and Weighers; and Mixing and Blending Machine Setters, Operators, and Tenders both saw significant increases in net employment. The changing dynamics of this subset emphasize the importance of employee adaptability to changing job duties and requirements. Furthermore, the overall net positive commuter value indicates that these employment opportunities draw residents from localities outside the Alleghany Region to the area for employment.

SOC	Description	2019 Jobs	2024 Jobs	2019 - 2024 Change	2019 - 2024 % Change	Median Annual Earnings	2024 Employment Concentration	2024 Resident Workers	2024 Net Commuters
51-9196	Paper Goods Machine Setters, Operators, and Tenders	413	204	(209)	(51%)	\$49,360.95	46.87	126	78
51-9198	Helpers--Production Workers	76	49	(27)	(36%)	\$35,788.65	5.91	35	14
51-9061	Inspectors, Testers, Sorters, Samplers, and Weighers	25	34	9	36%	\$49,421.63	1.28	41	(7)
51-9023	Mixing and Blending Machine Setters, Operators, and Tenders	24	31	7	29%	\$45,351.52	6.28	24	7

Table 10: Employment in 2024 by Occupation and SOC code¹⁴

Healthcare Occupations

Home Health and Personal Care Aides; and Nursing Assistants, Orderlies, and Psychiatric Aides

Home Health and Personal Care Aides; and Nursing Assistants, Orderlies, and Psychiatric Aides was the fourth highest occupation by employment in the region in 2024. The workers support critical healthcare infrastructure within the area, which is especially important given that the region faces an aging population. The majority of jobs in this sector are Home Health and Personal Care Aides, again reflective of the region’s aging population. These occupations had higher overall jobs than Healthcare Diagnosing or Treating Practitioners occupations, signaling that the region’s healthcare industry is dominated by home health practitioners more so than traditional in-office providers.

SOC	Description	2019 Jobs	2024 Jobs	2019 - 2024 Change	2019 - 2024 % Change	Median Annual Earnings	2024 Employment Concentration	2024 Resident Workers	2024 Net Commuters
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¹³ Lightcast™.(2024). [2024 Alleghany County and City of Covington Occupation Cluster Report]. Retrieved from <https://analyst.lightcast.io/>

¹⁴ Lightcast™.(2024). [2024 Alleghany County and City of Covington Occupation Cluster Report]. Retrieved from <https://analyst.lightcast.io/>

31-1128	Home Health and Personal Care Aides	215	186	(29)	(13%)	\$27,880.18	1.04	210	(24)
31-1131	Nursing Assistants	160	164	4	3%	\$36,400.74	2.52	183	(19)
31-1132	Orderlies	<10	<10	Insf. Data	Insf. Data	Insf. Data	0.78	<10	Insf. Data
31-1133	Psychiatric Aides	<10	<10	Insf. Data	Insf. Data	Insf. Data	0.70	<10	Insf. Data

Table 11: Employment in 2024 by Occupation and SOC code¹⁵

Healthcare Diagnosing or Treating Practitioners

Healthcare Diagnosing or Treating Practitioners represented one of the two occupation sectors with positive growth in employment from 2019 to 2024 among the top ten occupations by employment rate in 2024. Given the aging population in the area, adequate healthcare support is crucial to maintaining community health and protecting the health of the overall workforce. The top four subsets of this occupation by 2024 employment all have negative net commuters, meaning that resident workers are traveling outside of the Allegheny region for employment in these fields. However, the fields continue to grow in the region, and 18 new jobs were added from 2019 to 2024 within the Registered Nurses, All Other Physicians, Physical Therapists, and Nurse Practitioner fields.

SOC	Description	2019 Jobs	2024 Jobs	2019 - 2024 Change	2019 - 2024 % Change	Median Annual Earnings	2024 Employment Concentration	2024 Resident Workers	2024 Net Commuters
29-1141	Registered Nurses	94	114	20	21%	\$70,490.87	0.75	167	(53)
29-1229	Physicians, All Other	16	18	2	13%	\$196,874.16	1.23	22	(4)
29-1123	Physical Therapists	18	14	(4)	(22%)	\$110,588.38	1.22	20	(6)
29-1171	Nurse Practitioners	11	11	0	0%	\$113,673.81	0.78	16	(5)

Table 12: Employment in 2024 by Occupation and SOC code¹⁶

Tourism/Visitor Data

Tourism supports a significant portion of the Allegheny and Covington economy. Visitors to the area spent approximately \$45.7 million in 2023 and generated \$3.2 million in local tax revenue. Visitor spending in both Allegheny and Covington have seen positive year-over-year increases following 2020. Food & Beverage accounted for the most visitor spending in Allegheny County, while Retail accounted for the highest percentage of spending in Covington City. Full tables showing visitor spending by category are shown below in figures 7 and 8.

¹⁵ Lightcast™.(2024). [2024 Allegheny County and City of Covington Occupation Cluster Report]. Retrieved from <https://analyst.lightcast.io/>

¹⁶ Lightcast™.(2024). [2024 Allegheny County and City of Covington Occupation Cluster Report]. Retrieved from <https://analyst.lightcast.io/>

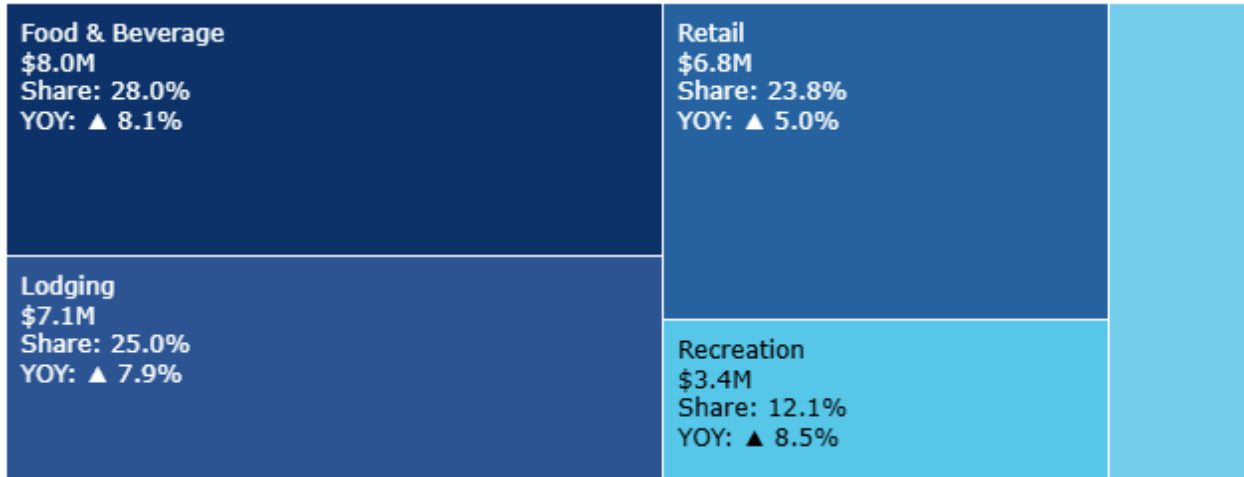


Figure 7: Visitor Spending by Category in Alleghany County¹⁷

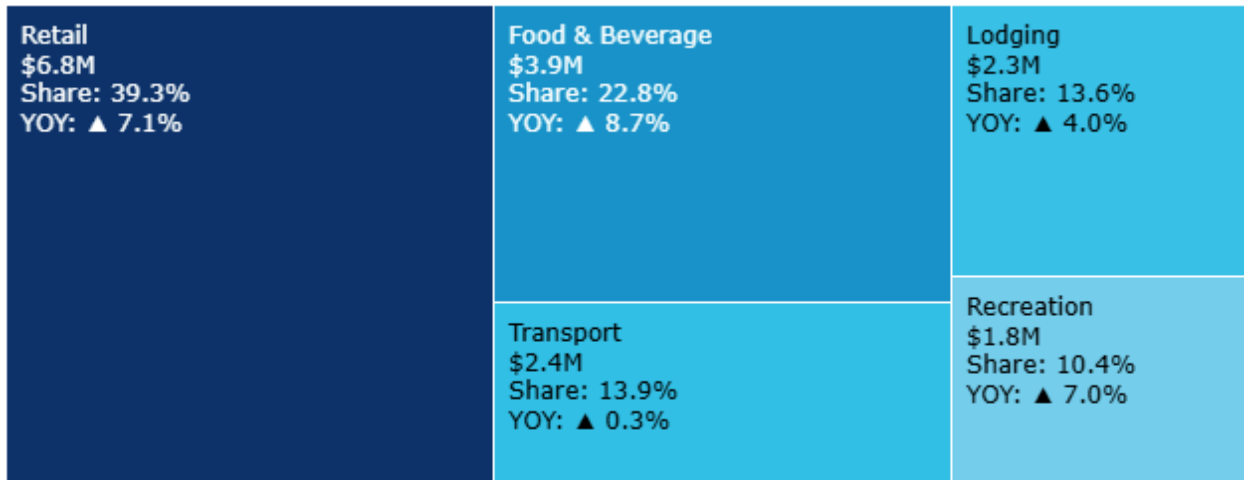


Figure 8: Visitor Spending by Category in Covington City¹⁸

Tourism sustains 10.1% of all jobs in Alleghany County and 6.1% in Covington City. These jobs include those in the hospitality and service industry, outdoor recreation, and the arts (among others). Notable tourist attractions in the outdoor recreation space include Douthat State Park and the Jackson River Scenic Trail. The area also includes a thriving arts scene and historic lands, churches, and markers from the Civil War Era. The larger Alleghany Highlands Region saw total direct visitor spending of \$1.1 billion in 2023, with the majority of direct visitor spending in Roanoke City, Roanoke County, Salem City, and Bath County.

Review of Relevant Strategies and Plans

The Vision 2025 initiative is a community-driven effort to revitalizing the Alleghany Highlands. The initiative followed a positive economic development summit in October 2012 and community members rallied around next steps needed to grow the community. The action teams

¹⁷ Virginia Tourism Corporation (2023). Interactive Data & Dashboards: Alleghany County. <https://www.vatc.org/research/interactive-data-dashboards/>

¹⁸ Virginia Tourism Corporation (2023). Interactive Data & Dashboards: Alleghany County. <https://www.vatc.org/research/interactive-data-dashboards/>

focused on preparing industrial and commercial sites for business investment – conversations that led to establishing the ground-breaking joint revenue-sharing agreements between local governments. Another action team focused on supporting small businesses through initiatives like the Allegheny Highlands Web Store. Additionally, Vision 2025 prioritizes tourism and beautification projects, including corridor curb appeal efforts, destination and community gardens, and trail expansions to showcase the region’s historic and natural assets. Workforce and education investments, such as enhancements to welding labs and instructional coaching, align with regional economic needs, while healthcare and leadership development initiatives aim to strengthen community capacity and long-term sustainability.

Complementing Vision 2025, the **Allegheny County and City of Covington 2019**

Comprehensive Plans outline a long-term strategic vision for economic development, land use, and infrastructure improvements. The plans were made concurrently with each other so that similar elements were addressed consistently across the region, while elements differentiating requirements for a city or a county were handles separately. Both plans emphasize attracting new industries, supporting small businesses, and leveraging natural assets for eco-tourism. Housing development is another priority, with efforts to expand affordable housing options to attract and retain skilled workers. Transportation and connectivity improvements, including road maintenance and broadband expansion, are essential components to support both economic activity and quality of life. Environmental and cultural preservation efforts are also central, ensuring that development respects the region’s heritage and landscapes.

Similarly, the Clifton Forge 2019 Comprehensive Plan focuses on economic development through downtown revitalization, mixed-use development, and small business support. It emphasizes infrastructure and transportation improvements, such as pedestrian-friendly streets and regional transit expansion. Environmental sustainability and public health initiatives are also included, ensuring parks, green spaces, and community amenities contribute to a high quality of life for residents. There is also an update to this plan that was released in 2024 with many of the same key themes.

The Roanoke Valley-Allegheny Regional Commission Comprehensive Economic

Development Strategy (CEDS) takes a broader regional approach, focusing on workforce development, infrastructure investments, and environmental resilience. Workforce programs, in collaboration with Virginia Career Works, provide training and job placement support, particularly in high-demand sectors. Infrastructure priorities include major highway enhancements, expanded transit options, and broadband development to improve connectivity for businesses and residents. Environmental initiatives, such as conservation efforts and stormwater management, promote sustainable economic growth while maintaining the region’s natural beauty.

The CEDS identified nine overarching strategies to advance economic development. The priority issues include: 1) diversifying the economy, 2) maintaining a skilled workforce, 3) improvements to infrastructure, 4) projecting a positive identity, 5) marketing the regions assets, 6) redevelopment of unused properties, 7) affordable housing opportunities, 8) resilience, and 9) multimodal transportation.

The 2024 CEDS update found the largest industry sector in the region as Health Care and Social Assistance, employing 27,399 workers. The next-largest sectors in the region are Retail Trade (15,415 workers) and Manufacturing (14,788). High location quotients (LQs) indicate sectors in which a region has high concentrations of employment compared to the national average. The sectors with the largest LQs in the region are Management of Companies and Enterprises (LQ = 1.87), Health Care and Social Assistance (1.25), and Manufacturing (1.22). Sectors in the region with the highest average wages per worker are Finance and Insurance (\$89,543), Management of Companies and Enterprises (\$86,182), and Wholesale Trade (\$83,872). Regional sectors with the best job growth (or most moderate job losses) over the last 5 years are Manufacturing (+739 jobs), Construction (+658), and Arts, Entertainment, and Recreation (+578).

In terms of occupations, *the CEDS update* identified the largest major occupation group as Office and Administrative Support Occupations, employing 16,988 workers. The next-largest occupation groups in the region are Transportation and Material Moving Occupations (14,016 workers) and Sales and Related Occupations (13,583). High location quotients (LQs) indicate occupation groups in which a region has high concentrations of employment compared to the national average. The major groups with the largest LQs in the region are Healthcare Practitioners and Technical Occupations (LQ = 1.40), Community and Social Service Occupations (1.22), and Installation, Maintenance, and Repair Occupations (1.18). Occupation groups in the region with the highest average wages per worker are Management Occupations (\$119,600), Legal Occupations (\$115,200), and Computer and Mathematical Occupations (\$93,600). The unemployment rate in the region varied among the major groups from 1.1% among Legal Occupations to 4.7% among Food Preparation and Serving Related Occupations.

GO Virginia GO Virginia, an economic development initiative launched by Virginia's senior business leaders, was conceived to create higher wage jobs and grow the state's economy through transformational projects. The initiative addresses the critical need for private sector growth and relies on effective collaboration among local businesses, higher education institutions, and local governments. Dividing the state into nine regions that are aligned geographically and share similar economic development and workforce needs, GO Virginia uses individual regional councils to oversee the efforts and project submissions for each region.

Region 2 of GO Virginia spans across three metropolitan statistical areas (MSAs) and regional commissions on the western half of the state. The region is comprised of the Lynchburg, New River Valley, and Roanoke-Alleghany MSAs. In total, Region 2 contains thirteen counties and five independent cities: the counties of Alleghany, Amherst, Appomattox, Bedford, Botetourt, Campbell, Craig, Floyd, Franklin, Giles, Montgomery, Pulaski, and Roanoke; and the cities of Covington, Lynchburg, Radford, Roanoke, and Salem. The region's population of 781,531 made up 9.1% of Virginia's 2020 total population. Each of these areas has a strong history of local cooperation, and some experience with interregional collaboration, primarily between the New River and Roanoke Valleys. Together, they all share many economic similarities: traditional industry strengths in manufacturing, transportation, and agriculture; emerging technology sectors; mixed urban and rural characteristics; and higher education and healthcare as economic and employment drivers.

The four (4) target industry clusters identified in GO Virginia Region 2 are:

- Transportation Manufacturing & Automation
- Life Sciences & Biotechnology
- IT & Emerging Technology
- Materials & Machinery Manufacturing

The Western Virginia Workforce Development Board is one of 15 organizations in the Commonwealth of Virginia created by U.S. Department of Labor legislation. Serving the entirety of the Roanoke-Alleghany Planning District, the Board administers the Workforce Innovation and Opportunity Act (WIOA) funding provided to the region for job training and workforce development activities. The Board's mission is to prepare job seekers for in-demand occupations to help the region's businesses succeed. In early 2019, the Board completed a review and modification of the Local Workforce Plan for the region. The Plan's five target sectors for employment in the region included: Healthcare; Manufacturing; Construction; Transportation & Warehousing; and Financial Services. There were three emerging sectors also identified: Food and Beverage Manufacturing; Life Sciences; and Information Technology.

The Alleghany Highlands Economic Development Corporation (AHEDC) supports economic revitalization through site development, small business support, and workforce training programs. Funded jointly by Alleghany County and the city of Covington, the AHEDC plays a key role in preparing industrial sites, , for future business investment. Most recently, a ribbon-cutting for a new, 100-acre pad-ready site at the Alleghany Regional Commerce Center marked the ongoing success in identifying and preparing sites for industrial recruitment or expansion.

The Alleghany Highlands Chamber of Commerce and Tourism plays a significant role in regional economic and tourism development. With funding from The Alleghany Foundation and Virginia Tourism Corporation, the Chamber promotes the region through branding and marketing initiatives, helping to position the Highlands as a premier outdoor and heritage tourism destination. The Chamber also supports business development efforts by collaborating with economic organizations to attract new industries, particularly in advanced manufacturing and healthcare. Additionally, it leads community engagement efforts by organizing local events and beautification projects that enhance the region's appeal.

Virginia's Western Highlands Tourism Council (VWHTC) complements these efforts by focusing on regional tourism growth. The council works closely with the Virginia Tourism Corporation's DRIVE 2.0 plan, investing in outdoor recreation and cultural tourism. One of its key initiatives includes a detailed trail guide that maps out hiking, biking, and horseback riding routes across the Highlands, promoting the region as a destination for adventure tourism.

Across all these plans, several common themes emerge. Economic diversification is a major focus, with efforts to grow industries such as advanced manufacturing, healthcare, and information technology. Tourism and heritage development leverage the region's natural beauty and historic sites to attract visitors and sustain local businesses. Infrastructure investments,

particularly in transportation and broadband expansion, enhance connectivity and economic opportunities. Sustainability initiatives ensure that economic growth aligns with environmental preservation efforts. Finally, strong public-private partnerships are a driving force behind these initiatives, fostering collaboration among local governments, businesses, and community organizations to achieve long-term economic resilience.

Plan	Key Focus Areas
Vision 2025	<ul style="list-style-type: none"> - Site readiness for industrial/commercial use - Small business support (Web Store) - Corridor Curb Appeal, Gateway, and Main Street Enhancements - Destinations and Trails to Showcase Historic Heritage and Heritage and Natural Beauty
Alleghany County and City of Covington 2019 Comprehensive Plans+	<ul style="list-style-type: none"> - Economic development and industry attraction - Small business growth - Affordable housing - Transportation and broadband improvements - Eco-tourism and land conservation - Critical infrastructure Improvements
Clifton Forge 2019 Comprehensive Plan	<ul style="list-style-type: none"> - Downtown revitalization and mixed-use development - Pedestrian infrastructure and transit expansion - Green space and park access - Public health and sustainability
Roanoke Valley-Alleghany Regional CEDS	<ul style="list-style-type: none"> - Workforce development (Virginia Career Works) - Infrastructure: highways, transit, broadband - Environmental resilience (stormwater, conservation) - Regional marketing and identity - Diversification of economy - Housing and redevelopment - Multimodal transportation
GO Virginia – Region 2	<ul style="list-style-type: none"> - Economic diversification - High-wage job creation - Collaboration across education, business, and government - Target sectors: Transportation Manufacturing, Life Sciences, IT, Materials & Machinery

Western Virginia Workforce Development Board	<ul style="list-style-type: none"> - Job training and WIOA implementation - Target sectors: Healthcare, Manufacturing, Construction, Transportation, Financial Services - Emerging sectors: Food & Beverage, Life Sciences, IT
Alleghany Highlands Economic Development Corporation (AHEDC)	<ul style="list-style-type: none"> - Industrial and Commercial Real Estate and Site development (Commerce Center) - Marketing - Broadband infrastructure - Target industries: <ul style="list-style-type: none"> Advanced Manufacturing Data Centers Recreation Tourism Hospitality Health Science
Alleghany Highlands Chamber of Commerce & Tourism	<ul style="list-style-type: none"> - Regional branding and marketing - Tourism promotion (outdoor and heritage) - Advanced manufacturing and healthcare industry attraction - Community events and beautification
Virginia’s Western Highlands Tourism Council (VWHTC)	<ul style="list-style-type: none"> - Outdoor and adventure tourism - Cultural tourism - DRIVE 2.0 alignment - Trail maps and recreation infrastructure

Table 13: Strategic Plan and Key Components

Primary Data Collection Interviews and Surveys

The Alleghany Highlands Economic Survey was developed to gather community perspectives of the region’s economy and understand opinions surrounding growth, development, and future opportunities. The Alleghany Highlands Economic Survey received 428 total responses, 266 of which were fully completed, for a completion rate of 62.15%.

47.71% of survey respondents reported their zip code of residence was that of Covington, and 33.59% of respondents reported their zip code of residence was that of Clifton Forge. Other survey respondents represented 22 other zip codes.

When asked to “share one word or short phrase that best describes how you see the Alleghany region”, respondents had a variety of responses and opinions. 39% of all responses described the area’s beauty or natural features, with many respondents describing the area as “beautiful” or “scenic”; 30% of all responses noted the area’s character, including phrases such as “rural”, “quaint”, “peaceful”, and “home”. 32% of all responses described the area as struggling, specifically in regard to the economy, while 13% of responses described the area’s potential for growth.

Respondents hold varying beliefs about the region’s relative strengths. In selecting the top 3 to 5 most significant strengths of the region out of 16 categories total, the top three most popular response areas included natural assets, tourism and recreation, and small business and entrepreneurs. The figure below illustrates the total responses for each category included in the survey.

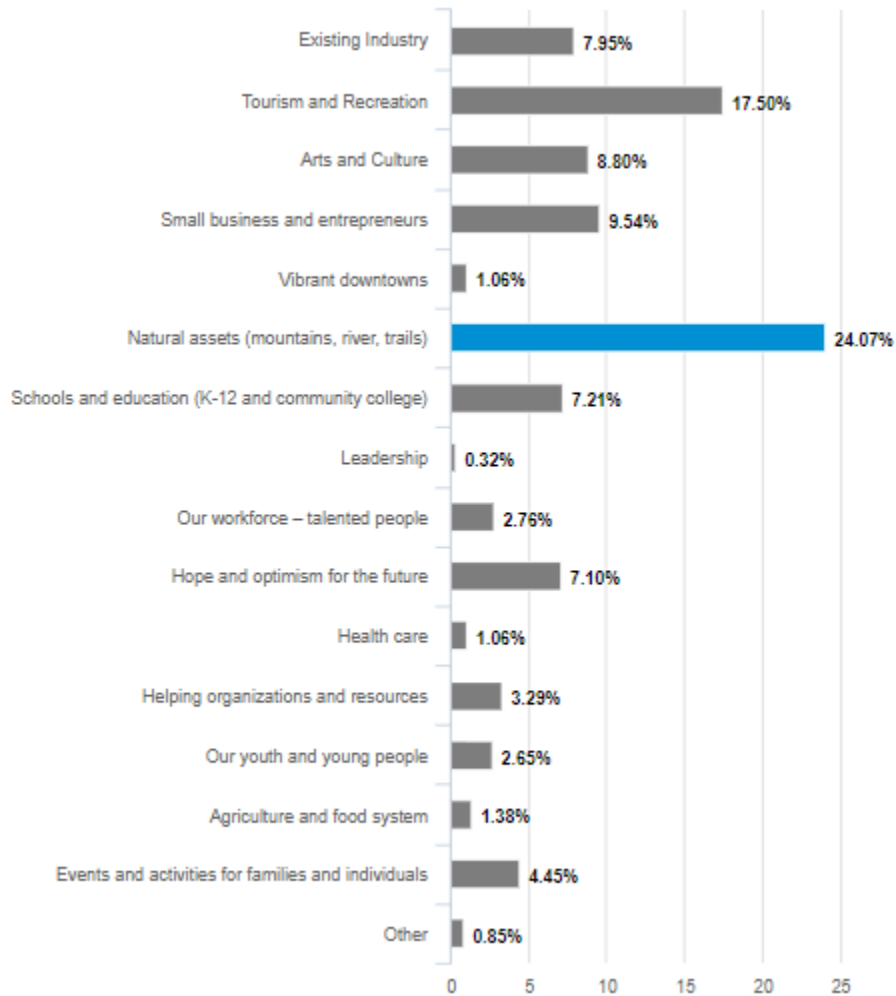


Figure 9: Survey Results on Strengths of the Region

When looking at the top barriers to be overcome to promote economic growth responses included:

- Address abandoned buildings and houses
- Growth of small business community
- Affordable Housing
- Be forward thinking
- Become more modern

When looking at areas for future economic opportunity, some top responses included:

- Modern Manufacturing
- Tourism and the Arts
- Medical marijuana expansion and development
- Vibrant small businesses in downtowns
- Tech jobs like what we see with Bastille
- Growth of healthcare industry

Respondents held a variety of ideas for efforts and projects that could improve the economy and quality of life in the region. Several respondents argued for “improving the infrastructure of housing, transportation, and childcare” and also noted that “improved infrastructure [will] attract business”.

Beyond overall town infrastructure, some respondents focused on housing infrastructure specifically, stating that “clean, affordable, modern housing” will allow more residents to thrive in the area. Many also described opportunities to improve the youth experience within the area: “[the area needs] Places to go that isn't work or home, that provide space for community and connection. This can be an adult sport league, green spaces (the JR Trail is a great example! Need more like this), markets, events, etc. Specially to attract young people and families, we can't keep driving to other locations for this need.” Respondents held many beliefs on the changes that would further support the Allegheny region in becoming the best possible place to live, work and play.

Other Primary Data Collection:

Our other primary data collection included:

- Individual interviews (14)
- Advisory group input (4 sessions)
- Small Group Input Sessions (2)

Much of our findings from those discussions are reflected in our analysis in the next section, which synthesizes our data from secondary and primary sources into a combined analysis.

Section 2: SWOT Analysis

In this section, we synthesize the key findings across all sources of data in section 1 to identify the most significant strengths, weaknesses, opportunities, and threats relevant for the region’s economic growth and quality of life.

Strengths:

The most significant areas of strength are evident across five categories: general; tourism and outdoors, small business and downtowns, industry, and workforce and education.

1. General

- Rail connectivity (Amtrak) and highway connectivity (Proximity to other markets like Roanoke and Lexington) – two airports within 45 minutes.
- The sense that this is a good place to live, with friendly and caring people: “Great place to raise families”; “Great place to live. The outdoors are incredible. Great sense of community.”
- Increasing and improved collaboration among localities and organizations; leaders actively working together
- Broadband access is a strength (81% of the county currently has it). Working on universal coverage over the next few years.
- Relatively stable or slight increases in population and jobs projected for next 5 years
- The Alleghany Foundation as a catalyst and funder

2. Tourism, Arts, Natural Resources and Outdoor Recreation:

- Outdoor recreation opportunities & assets (land 49% forested)
- Natural beauty, the river, Douthat State Park, trails
- Outdoor events attract visitors (such as annual triathlon in Clifton Forge and an annual “Agony in the Alleghanies” Gran Fondo, a long-distance cycling race).
- Visitor spending for Alleghany Highlands total economic impact of \$69.2 million in 2023, a 6.4 percent increase over 2022. Tourism-supported jobs in the Alleghany Highlands totaled 569 while local tourism-related taxes were \$2.6 million. (VTC data)
- Masonic Theatre refurbished and reopened.
- Arts and culture organizations (Clifton Forge School of the Arts, Alleghany Highlands Arts & Crafts Center, Cora Dance, etc.)
- Cultural entities focused on history (Industrial Heritage & Tech. Discovery Center; C&O Railway Heritage Center; etc.)
- Cultural events, ranging from weekly arts and crafts classes to an annual Fall Festival Art Show. These events are designed to engage the broader Alleghany community and many are free to attend.
- Newer signage and wayfinding – tourism brand marketing; cohesive tourist marketing through Alleghany Chamber – Chamber itself is an asset
- Proximity to other tourism draws (The Omni Homestead, etc.)

3. Small Business and Downtowns:

- “We have two AWESOME downtowns in Covington and Clifton Forge!”
- Downtown-improvements and investments in Covington and Clifton Forge – façade and streetscape improvements; etc.
- Covington Farmers Market
- More downtown businesses (75% of DT spaces full which is a big improvement);
 - Gauntlet program has helped; The Advancement Foundation
 - “Entrepreneurial spirit” & post-pandemic start-up activity
- Visual appeal and “gateway” focus of downtowns – murals and etc.

- YMCA and the new River Retreat apartment complex: live/work/play housing
- Recreational sports bring people into region and enhances quality of life - Jackson River Sports Complex

4. Industry

- Westrock continued presence and employment as economic anchor
- Industry such as Balchem, Ingevity, American Roller (mfg & production)
- Green Thumb Industries investment in production facility, adding workers, future growth potential (40+ initially)
- Alleghany Regional Commerce Center site development (GTI has been catalytic)
- Locally grown companies experiencing growth, new markets (such as Union Church Millworks; wood flooring and etc.)
- Health care employers – Hospital is still in region and growing - HCA LewisGale, etc. – 3rd largest sector by employment with 1,044 employees as of 2024.
- The area is a “hotspot” for manufacturing talent. The national average for an area this size is 632 employees, while there are 1,675 here.
- In the manufacturing sector, earnings per job is \$97,721, about the same as the national average.

5. Workforce and Education

- Mountain Gateway Comm college (among top 150 in USA)
- Community College seeing success with shift towards more short-term workforce credential training
- K-12 schools (combining has seen positive results – example of region being proactive)
- Heavy concentration of production workers
- Greatest job growth over past five years has been in occupations related to:
 - management (+43%)
 - financial and business operations (+22%);
 - Arts, Design, Entertainment, Sports, & Media (+48%)
 - Healthcare Practitioners and Technical (+9%)
 - Computer and Mathematical (+46%)
 - Architecture and Engineering (+18%)

Weaknesses:

1. People – Demographics, Education, Income

- Aging population (Retirement risk is higher. The national average for an area this size is 6,148 people 55 or older, while there are 8,178 here.)
- Long term population decline forecasts (Weldon Cooper)
- High-levels of poverty which is taxing on all the services. According to American Community Survey data the poverty rates for Alleghany County is 13.1%, City of Covington is 23.6%, and the weighted average for the region is 16%.

- Covington =16.9% persons in poverty; Alleghany = 13.5%
- Less diverse population racially or ethnically - which may be a challenge for both talent attraction and retention and company attraction. The national average for an area this size is 8,436 racially diverse people, while there are 2,463 here.
- Earnings in region are lower overall: \$59.3K avg. earnings per job in 2023 – (\$24.0K below the national average)
- Lower educational attainment (overall) - 8.5% of residents possess a bachelor's degree (12.6% below the national average), and 7.0% hold an associate's degree (1.8% below the national average).

2. **Aging Infrastructure, Housing, and Lodging:**

- Many properties are old and in need of renovation. There are concerns about dilapidated properties
- There is a demand for new housing, including affordable and modern options like apartments, patio homes, and townhomes.
- Young working professionals who are not yet ready to be homeowners face a lack of available rental housing.
- The region's economy has a large tourism component with nearby access to outdoor recreation and hiking, as well as recreational sports. However, the region lacks sufficient hotel lodging to support tourism, especially during events such as the annual triathlon and Gran Fondo race.
- In particular, there is a lack of 3 star or higher lodging chain facilities.

3. **Entertainment Options:**

- Entertainment access is not coordinated among businesses within the Alleghany Highlands. When the Masonic theater hosts events or special events and festivals run into later hours of the evening, downtown businesses are not open to support those looking to eat or drink afterwards. These hours limit the overall entertainment experience in the region and limit the overall economic impact that tourism can have on the region.

4. **Transportation, Childcare and Supportive services for workers**

- The region lacks public transportation, which hinders overall mobility for workers and for the elderly and disabled who may not have access to a private vehicle. For those without a private vehicle, access to the natural and cultural amenities of the area is limited.
- The region needs more resources and ways to connect people to services they need to enter and remain in workforce (child care; affordable housing; supportive services)

- “Childcare is a big need. TAP and YMCA provide some childcare but it’s not always convenient.”
- Addiction and mental health issues are prevalent. Need to strengthen the region’s recovery ecosystem.

5. Industry, Small Business, and Entrepreneurship

- The region is vulnerable due to a high number of higher wage jobs in a small number of companies (Westrock, in particular).
- Non-local ownership of companies creates volatility and uncertainty in many of those larger companies.
- Fewer prepared sites for attraction of industry prospects.
- The Hospital is an asset, but trends in rural hospital closures brings uncertainty in that sector as well.
- Gauntlet is great but even more focus and support needed for small business and start-ups – “expand and strengthen ecosystem to support small businesses”

6. Workforce and Talent Retention:

- There is a gap between the jobs available and the career aspirations of younger people. The area struggles to retain young talent, particularly in science and technology fields.
- Many younger members of the workforce leave the area for jobs elsewhere in Virginia.
- Talent attraction and retention overall is a concern (while quality of life, schools, setting, etc. may be a draw, it can be difficult to attract and retain young and mid-career professionals and families due to housing stock, fewer employment options, etc).
- Labor force participation rate in region has not rebounded to pre-pandemic levels (2019 = 56%; 2024 = 52%)
- Region needs to “Focus on training folks for whatever is coming next.”

Opportunities:

1. Employment opportunities and a large pool of skilled workers in production, trades, construction, welding, etc. Target production industries to diversify employer base.
2. Health care and life sciences presence in region and health needs represent areas of opportunity for growth.
3. Iron Gate as another potential downtown Gateway to focus on.
4. Better market and enhance hidden assets: “Lake Moomaw is under underutilized”; “River could be better utilized as asset”
5. Continued collaboration to address housing needs (demo or renovate older properties and turn into better housing options).
6. Vacant downtown buildings as an asset, economic development opportunity.
7. Focus more on IT sector, remote workers, and knowledge workers – (Bastille as example here)
8. CEA/Ag Tech/Hydroponics (indoor agriculture)

9. Focus more on the youth population – being a place where young people want to stay, locate in, and return to. Make sure bright, smart youth stay and feel they can be successful. “
10. Co-working spaces and meeting places to encourage hybrid companies and new industries including coworking space for small businesses and entrepreneurs, and remote workers.
11. Develop more businesses to complement quality of life and enhance tourism assets and visitor experiences. This includes lodging, visitor services, dining, outdoor and also help existing businesses to expand or grow. Ex. “More date night spot restaurants”, etc.
12. Data centers as possible targets.
13. Alternative energy as an opportunity area.
14. Tourism and Heritage Promotion is a strength that can be enhanced:
 - Enhancing promotion of the region’s history, such as heritage tourism and the unique aspects of the Humpback Bridge and local rivers, could attract more visitors and boost local economies. The area once had a thriving railroad industry and further efforts to promote this sector can bolster overall tourism efforts.
15. Economic Diversification is a need that can be addressed:
 - Developing diverse industries beyond traditional manufacturing, such as biotechnology and small industries, can mitigate economic reliance on a single sector. The site-ready pad in Alleghany County and potential cross-state collaboration with West Virginia for ARC grants are key opportunities for further economic development and diversification of the economy.
16. New Businesses and Infrastructure Development:
 - The region holds several entrepreneurial programs designed to support entrepreneurial activity and engage small business owners. The Gauntlet Program, coordinated by The Advancement Foundation, is a 10-week program to foster the growth of innovation efforts in Virginia. Several businesses in Alleghany were founded through the program, including Caffe Museo, the only national museum of coffee grinders. Further promotion of the program and partnerships with economic development efforts in the county can fill vacant storefronts in the downtown area of Clifton Forge and bolster the local economy.
 - The region’s low cost of living has attracted many remote workers, allowing for new business endeavors to support these workers such as co-working spaces in town.
17. Leveraging Proximity to Larger Markets:
 - The region’s proximity to Roanoke and Lexington provides access to larger markets and resources, which can be leveraged for economic growth and development. Promoting the region as a home for commuters seeking lower housing costs may assist population growth and boost the local housing market.
18. Healthcare & Community Services
 - The Lewis Gale hospital serves the Alleghany Highlands region and provides emergency care services, senior care, and mental health services. The hospital provides valuable healthcare services and is a large employer in the area. However, the hospital may have the opportunity to better serve the region through increased efforts to address substance abuse within the community.

- Total Action for Progress is an anti-poverty organization serving the Roanoke and Alleghany region with community services. The organization has a large existing network of community development specialists, which could present a potential partnership opportunity with the local hospital network to develop substance abuse treatment support.

Threats:

1. Heavy reliance on small number of companies – non-local industry – pressing need to diversify high-wage jobs across more employers
2. Tourists and visitor preference trends for higher-end amenities (lodging and dining in particular) may limit the region’s ability to draw higher income visitors and retain dollars in region (tourists may prefer to stay at Homestead, in Lexington, Roanoke, Lewiburg, etc) – competitive environment for visitors
3. Poverty and economic disparity create a drain on public resources and may limit growth
4. Brain-drain – more young people leaving; harder to attract and retain young professionals.
5. Rivers – vulnerable to natural disaster, climate-related impacts
6. Environmental and Health Threats:
 - The impact of the Smurfit Westrock paper mill on air quality and environmental health poses a threat to public well-being and limits the attractiveness of outdoor tourism in affected areas. While research on the current environmental impacts of the paper mill is limited, historical records note that Covington was the most toxic area within Virginia according to EPA reports in 2014, largely due to outputs from the mill. The region as a whole may suffer long-term negative health effects which can strain the workforce population and healthcare industries.
7. Economic Disruption and Employment Shifts:
 - Smurfit Westrock mill in Covington is one of the largest employers in the area and one of the largest paper mills in North America. While the presence of such a large employer bolsters the region’s economy, this also leaves the region highly vulnerable to any changes with the employer. Nationally, the manufacturing sector has declined due to outsourcing jobs to other countries. Further, national trends towards more stringent environmental standards have limited the expansion of polluting industries, including paper mills. If economic trends or environmental regulations threaten this employer, the region’s economy may struggle significantly.
 - Green Thumb Industries, a cannabis growing facility, recently established operations in the region. While the company has the opportunity to be a large employer in the region, the growth potential is severely limited by state and federal regulations surrounding cannabis. Currently, Virginia does not allow recreational sale of marijuana, limiting the expansion opportunities of Green Thumb Industries. The ever-changing landscape of cannabis laws could threaten the industry’s growth potential in the Alleghany Highlands.

8. Limited Investment and Talent Attraction:
 - The region experiences challenges in attracting venture capital and retaining talent in specialized fields due to limited job opportunities and inadequate transportation options, hindering long-term economic growth in the region.
9. Aging Population and Workforce Gaps:
 - The aging population and gaps in skilled labor, particularly in trades and childcare, may impede economic development and affect the region's ability to meet future workforce demands. Without attracting young skilled workers to the region, the aging population will strain the region through retirement and leaving the workforce.

Key Themes

A review and analysis of the survey information and data collected suggest the following key themes. These themes could be useful as a starting point to focus community energy for vetting the current activities that exist, identifying who leads or supports them, and what further ideas or topics for learning are needed to craft a path forward.

Workforce Development & Talent Retention

Workforce challenges in the Allegheny Highlands are driven by an aging population, low labor participation, skill gaps, and infrastructural barriers, all of which hinder the region's ability to attract and retain workers. The region's median age of ~48 is significantly higher than the state's (~39), with over 40% of residents above age 55, reflecting many retirees and a shortage of young adults. Youth out-migration is a persistent issue – many young people leave for education and careers and fewer return – resulting in a shrinking pool of working-age residents. Consequently, the labor force participation rate decreased from 57.0% to 51.8% between 2019 and 2024 (Lightcast Regional Overview 2025). A substantial portion of the working-age population is unable to work due to retirement, disability (nearly 13% under 65 on disability), or caregiving responsibilities, rather than active job-seeking. Educational attainment levels in the Highlands lag national and state averages. In the Allegheny Highlands about 15% of adults hold a bachelor's or higher, roughly about 25% lower than national averages. While 90% finish high school, relatively few pursue college or advanced degrees, leaving a skill gap in fields requiring higher qualifications or job specific training. This makes it challenging to grow or attract industries like technology or advanced services, and even local manufacturers and healthcare providers often can't find all the skilled employees they need. High-demand sectors – healthcare, manufacturing, and skilled trades – are facing worker shortages. The community college and technical school produce nurses and tradespeople, but demand still outpaces supply in certain specialties, and many experienced workers are retiring. However, the Allegheny Highlands region does see success in some of these key industries such as metal working technologies (100) and business services (77) *note that scores above 46 signify a strong regional cluster*.

Additionally, there are practical barriers preventing individuals from being fully engaged with the workforce. For example, childcare options are limited with only a handful licensed provider in the county according to Department of Education records, forcing some parents to stay out of the job market. Transportation is another hurdle – without public transit, those without a car or

who live far from jobs have difficulty working. Access to retraining and upskilling needs improvement to help residents adapt to changing job requirements. However, there have been some collaborative efforts to expanded access to transit which would provide much need alternatives.

Collectively, these trends and challenges mean the Alleghany Highlands has a smaller, older, and less-skilled workforce than many other regions. This reality makes it harder to attract new employers and to retain local talent. It can become a feedback loop: a limited workforce discourages business investment, which in turn gives young workers little reason to stay.

By investing in workforce development, education, and community infrastructure – for example, expanding childcare capacity, improving transportation, and enhancing training programs – the Alleghany Highlands can begin to reverse the decline and better compete with state and national benchmarks. Additionally, the region's natural assets and leaderships' commitment to improving physical and intellectual capital act as a strong starting point.

Economic Diversification & Business Growth

The economy of the Alleghany Highlands remains highly dependent on traditional manufacturing, with the Smurfit WestRock paper mill in Covington serving as one of the region's largest employers. However, the long-term decline of legacy industries poses a significant economic risk, underscoring the need for industry diversification as a top priority for sustainable growth. A key opportunity lies in the region's strong supply of skilled production sector workers. This workforce asset positions the Alleghany Highlands to attract and grow small to midsize companies in advanced manufacturing, machining, and related sectors—diversifying the employment base and strengthening economic resilience in the process.

Small businesses and entrepreneurship offer potential solutions, yet they require greater support in terms of funding, local support, and time to establish themselves. Programs like the Gauntlet program can help support the creation of new businesses but there is no guarantee of their long-term sustainability.

One industry cluster that fits within the region's strengths that has a low cluster score is hospitality and tourism with a score of just 18 (out of 100). Additionally, local hospitality establishments is low with a score of only 10. (Lightcast. (2025). *Cluster report*. Lightcast.) Both of these clusters represent opportunities for growth as they would capitalize on existing strengths and assets in the region making the natural fits for focus. This would align with existing regional efforts to bolster the economy. Outdoor tourism is a significant opportunity in the region. At the state level, outdoor tourism contributed \$13.4 billion in added value, accounting for 1.9% of the state's GDP. This sector also supports 122,405 jobs.¹⁹ Additionally, the market is projected to

¹⁹ Our Virginia Outdoors. (n.d.). Virginia's growing outdoor economy: New report from the U.S. Bureau of Economic Analysis highlights outdoor recreation movement. Our Virginia Outdoors. <https://ourvirginiaoutdoors.com/virginias-growing-outdoor-economy-new-report-from-the-u-s-bureau-of-economic-analysis-highlights-outdoor-recreation-movement/>

grow by \$66 billion dollars from 2025 to 2030.²⁰ Another report showed that there is a significant lodging gap needed to support the region. A Lodging Needs Assessment identified a shortage of quality accommodations, suggesting the demand for a new mid-range hotel with 75 to 300 rooms to support large events and business travelers.²¹

Infrastructure & Housing Development

Public utilities require upgrades to support both residential and industrial growth, and local governments are in the process of making improvements. For example, Covington’s wastewater treatment plant is undergoing an \$8.3 million upgrade to replace aging equipment.²² In Alleghany County, a new regional wastewater plant is planned to provide much needed expansion to sewage capacity.

Unlike many other rural areas, broadband internet access in the Alleghany Highlands has seen major improvements in the past decade and is a strength for the area. The region now boasts a state-of-the-art fiber-optic network reaching the vast majority of homes and businesses. Regional provider Lumos, aided by public-private initiatives, built out a 100% fiber-to-the-premises network covering about 95% of the area.²³ While many other areas continue to struggle with affordable access to high-speed internet, the Alleghany Highlands has strength in this category. This asset has quickly become an essential service to retain and attract our residents and industries.

The Alleghany Highlands’ housing stock is older, mostly single-family, and largely owner-occupied. About 80–92% of homes were built before 1980. As a result, many houses are in poor condition or in need of rehabilitation. New construction has been limited in recent decades, so, the inventory of modern homes is small. Housing in the region is predominantly single-family; there is relatively little multi-unit or rental housing available. According to the 2020 US Census the housing stock was 7,934 units for Alleghany County and 3,052 units for the City of Covington. Both numbers are similar to a 2008 report showing there has not been significant

²⁰ Mordor Intelligence. (n.d.). Hospitality industry in the United States - Analysis, trends, and forecasts. Mordor Intelligence. <https://www.mordorintelligence.com/industry-reports/hospitality-industry-in-the-united-states>

²¹ Virginia Tech Center for Economic and Community Engagement. (n.d.). Alleghany Highlands lodging market analysis. Virginia Tech. https://cece.vt.edu/content/dam/cece_vt_edu/projects/Alleghany_Lodging_Report_Final.pdf

²² The Virginian Review. (2022, July 18). Public Works Waste Water Treatment Plant sets upgrade. The Virginian Review. <https://virginianreview.com/216421/>

²³ Alleghany Highlands Economic Development Corporation. (n.d.). Data center. Alleghany Highlands Economic Development Corporation. <https://ahedc.com/data-center/>

changes in available housing in the region over the previous decade.²⁴²⁵ While this does pose significant limitations on availability, the region is strong in affordability. Compared to the state and national averages, the median value of owner-occupied units in the region is \$119,700 while Zillow data indicates the Virginia average is nearly \$400,000.²⁶ However, this affordability is offset by the lower average purchasing power of individuals living in this region meaning that investment in the housing stock might be most likely to come from outside the region and lead to some gentrification and the pricing out of residents similar to what has occurred in Floyd. Lastly, there is low variety in the housing stock which limits the ability to attract and retain younger individuals as there are not enough multifamily housing options.

Small Business & Downtown Revitalization

While small businesses play a vital role in the region's economy, many struggle due to market limitations and a lack of coordinated support. Downtown areas in the Alleghany Highlands face challenges such as vacant storefronts and limited economic activity during evening hours. The absence of entertainment venues, restaurants, and retail establishments open late reduces foot traffic and discourages tourism spending. Additionally, businesses are not well-coordinated with cultural and entertainment events, which presents missed economic opportunities. Establishing coworking spaces and business incubators could encourage innovation and attract remote workers who seek flexible work environments. Several business leaders and organizations involved with the Small Business Stakeholder Group are working to provide better connectivity to existing services for local businesses and strengthen small business support networks. Investing in downtown revitalization initiatives will be crucial to creating a more dynamic and resilient local economy. For a more comprehensive summary please see the survey summary in the appendix.

Tourism & Outdoor Recreation

The Alleghany Highlands boasts an abundance of natural assets, including mountains, rivers, and trails, which provide significant economic opportunities in tourism and outdoor recreation. However, the region has not fully capitalized on these assets, as visitors often do not stay overnight due to limited lodging options and a lack of complementary entertainment venues. Enhancing the tourism infrastructure by developing multi-use trails, expanding biking paths to connect downtown areas with parks, and investing in high-quality lodging options could significantly boost the local economy. Additionally, heritage tourism—leveraging the area's railroad history, historic sites, and cultural attractions—remains an untapped opportunity that

²⁴ U.S. Census Bureau. (2020). Housing data for Alleghany County and Covington, VA. U.S. Census Bureau. <https://data.census.gov/table?q=housing&g=050XX00US51005,51580>

²⁵ K. W. Poore & Associates, Inc., (2008) Challenges for Economic Growth in the Alleghany Highlands <https://alleghanyfoundation.org/wp-content/uploads/2015/09/AlleghanyFoundation-KWPoore-Phase1-DataReport.pdf#:~:text=%E2%80%A2%20Housing%20units%20in%20the,family%2C%20with%20relatively%20little%20multi%02unit>

²⁶ Alleghany Highlands Economic Development Corporation. (n.d.). Data center. Alleghany Highlands Economic Development Corporation. <https://ahedc.com/data-center/>

could attract more visitors. The Alleghany Highlands Chamber of Commerce & Tourism currently facilitates an Outdoors Stakeholders group working on this strategy. Continuing to strengthen partnerships between tourism stakeholders and local businesses could enhance visitor experiences and drive economic benefits across multiple sectors.

Social & Community Infrastructure (Childcare, Healthcare, Public Services)

The availability of essential community services plays a crucial role in economic stability and workforce participation. As in many communities, affordable and widely available childcare is a challenge to workforce availability. The Alleghany Highlands is similar in this regard but actually has slightly more options than would be expected in a similarly situated community. The region has seven centers; however, the exact number of seats is unclear. Additionally, while healthcare services are available, there are notable gaps in mental health resources and substance abuse treatment programs. Substance abuse remains a significant concern in the region, and there is a growing need for a coordinated approach to address this issue. Expanding access to public transit and micro-transit services could improve mobility for elderly residents, low-income individuals, and those seeking employment opportunities. Strengthening social infrastructure by improving access to childcare, healthcare, and transportation will enhance overall quality of life and economic security for residents.

Environmental & Economic Sustainability

The Smurfit WestRock paper mill continues to play a pivotal role in the region's economy and history, offering stable, well-paying jobs that anchor many households in the Alleghany Highlands. While the mill's environmental footprint—particularly related to air emissions, water use, and long-term ecological sustainability—remains a point of discussion, it also occupies a unique landscape. The surrounding area includes valuable natural assets such as Lake Moomaw, Douthat State Park, and the Jackson River Scenic Trail, as well as U.S. Forest Service lands. The mill itself holds patents for innovative water management, reflecting a history of scientific and industrial expertise in the region and efforts to reduce environmental impacts.

Local perspectives on environmental impact are varied. Residents and visitors often weigh the benefits of a longstanding, high-quality facility against potential ecological concerns. Mill operators report compliance with all applicable environmental regulations, and many note improvements over time as industry knowledge and practices have evolved. These dynamics highlight the ongoing learning process at the intersection of environmental stewardship and industrial activity.

As environmental regulations evolve and market forces shift—such as rising operational costs, global demand fluctuations, or decarbonization mandates—the long-term capacity of the mill may become more uncertain. This underscores the importance of proactive economic planning, including both environmental mitigation strategies and workforce transition pathways in the event of future disruptions.

In parallel, emerging industries such as cannabis cultivation offer promising avenues for economic diversification. Green Thumb Industries' presence signals potential growth in

agricultural manufacturing and life sciences. Yet, the expansion of this sector is constrained by the complex and evolving landscape of state and federal regulations, limiting both capital investment and market stability in the short-term.

To build a more resilient and sustainable economic future, the region must strike a balance between maintaining core industrial assets and investing in sectors that align with environmental stewardship and next-generation employment trends. Strategic planning that integrates workforce development, regulatory foresight, and natural resource conservation will be critical to ensure the region remains competitive, livable, and economically inclusive in the decades ahead.

Deeper Drive into Certain Industries

Advanced Manufacturing

The global advanced manufacturing market has experienced significant growth, driven by advancements in automation, robotics, and materials science. The adoption of Industry 4.0 principles, emphasizing smart factories and digitalization, has further accelerated this expansion.²⁷ In the United States, initiatives to revitalize manufacturing through technology integration have led to increased investments in advanced manufacturing sectors. The focus on reshoring production and strengthening supply chains has also contributed to market growth. According to a report by McKinsey & Company, the implementation of advanced manufacturing technologies could boost productivity and add significant value to the economy. The report highlights the potential for these technologies to transform various industries, including aerospace, automotive, and electronics. As companies continue to invest in research and development, the advanced manufacturing sector is poised for sustained growth in the coming years.

The global smart manufacturing market was valued at approximately \$310.92 billion in 2023 and is projected to grow to \$998.99 billion by 2032, reflecting a compound annual growth rate (CAGR) of 14.0%.²⁸ In the United States, the smart manufacturing market was estimated at \$62.26 billion in 2023, with an anticipated CAGR of 13.2% from 2024 to 2030.²⁹

As this market continues to grow in the US, regions will have an opportunity to grab shares of this market if they are able to meet workforce demands. Given the efforts in the New River Valley and Southside with the AM2 Tech Hub focused on advanced materials and additive manufacturing the Alleghany Highlands could be positioned to leverage its proximity to these efforts.

²⁷ McKinsey & Company. (August 17, 2022). What are Industry 4.0, the Fourth Industrial Revolution, and 4IR? McKinsey & Company. <https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-are-industry-4-0-the-fourth-industrial-revolution-and-4ir>

²⁸ Fortune Business Insights. (January 27, 2025). Smart manufacturing market size, share & industry analysis, by component (solution and services), by deployment (cloud and on-premises), by enterprise size (large enterprises and small & medium enterprises), by industry (discrete industry and process industry), and regional forecast, 2024-2032. Fortune Business Insights.

²⁹ Grand View Research. (2024). U.S. smart manufacturing market size, share & trends analysis report by component, by technology (product lifecycle management, 3D printing, enterprise resource planning), by end-use, and segment forecasts, 2024-2030. Grand View Research.

Healthcare & Medical Services

The healthcare industry is experiencing robust growth globally, driven by an aging population, increasing prevalence of chronic diseases, and advancements in medical technology. In the United States, healthcare spending accounts for a significant portion of the GDP, reflecting the sector's expansion. The rise of telemedicine, personalized medicine, and wearable health devices has transformed patient care, making it more accessible and efficient. According to the Centers for Medicare & Medicaid Services (CMS), U.S. healthcare spending reached \$4.1 trillion in 2020 and is projected to grow at an average annual rate of 5.4% from 2019 to 2028. This growth is attributed to factors such as increased utilization of services, higher prices for medical goods and services, and demographic shifts. The COVID-19 pandemic has also accelerated the adoption of digital health solutions, a trend that is expected to continue. As the demand for healthcare services rises, the industry is focusing on improving outcomes through innovation and efficiency.

Key Drivers:

- **Aging Population:** Increased demand for healthcare services due to longer life expectancies.
- **Chronic Disease Prevalence:** Rising incidence of chronic conditions necessitates ongoing medical care.
- **Technological Innovations:** Advancements in telemedicine, personalized treatments, and medical devices enhance care delivery.
- **Pandemic Impact:** COVID-19 has accelerated the adoption of digital health solutions and highlighted the need for healthcare system resilience.

Information Technology & Remote Work-Based Economy

The information technology (IT) sector has been a cornerstone of economic growth, with the COVID-19 pandemic further accelerating digital transformation across industries. The shift to remote work has increased demand for cloud computing, cybersecurity, and collaboration tools. According to a report by McKinsey & Company, the adoption of digital technologies has advanced by several years due to the pandemic, with many organizations planning to increase investments in technology to enhance resilience and agility. The global IT market is projected to continue its upward trajectory, driven by trends such as artificial intelligence, machine learning, and the Internet of Things (IoT). As businesses adapt to the evolving digital landscape, the IT sector is poised for sustained growth, with a focus on innovation and the development of new solutions to meet emerging needs.

Given the scenic nature of the Allegheny Highlands, it could be positioned to attract remote works that desire a more tranquil living environment. To capitalize on these opportunities, it will be critical to develop broadband infrastructure and coworking spaces.

Key Drivers:

- **Remote Work Adoption:** Increased reliance on digital tools and platforms to support distributed workforces.

- **Cloud Computing Expansion:** Growing need for scalable and flexible IT infrastructure solutions.
- **Cybersecurity Importance:** Heightened focus on protecting data and systems from evolving threats.
- **AI and IoT Integration:** Advancements in artificial intelligence and the Internet of Things drive innovation across sectors.

Outdoor Recreation & Adventure Tourism

Outdoor recreation and adventure tourism have gained popularity as consumers seek experiential travel and wellness activities. The global adventure tourism market was valued at \$586.3 billion in 2018 and is projected to reach \$1,626.7 billion by 2026, growing at a CAGR of 13.3% during the forecast period. This growth is driven by increased interest in nature-based activities, cultural experiences, and physical wellness. The COVID-19 pandemic has also influenced travel preferences, with many individuals opting for outdoor and socially distanced activities. Regions with rich natural resources, such as the Allegheny Highlands, are well-positioned to capitalize on this trend by developing infrastructure and services that cater to adventure tourists. Investments in trails, lodging, and guided experiences can enhance the appeal of such destinations, contributing to economic development and job creation.

Alternative Agriculture including CEA & Ag Tech

The cannabis industry has experienced significant growth, particularly in regions where legalization has expanded for medical and recreational use. In North America, the cannabis technology market was valued at \$12.7 billion in 2023 and is expected to grow at a CAGR of 28.3% from 2024 to 2030, reaching \$71.07 billion by 2030. This growth encompasses various segments, including cultivation, processing, and retail technologies. Alternative agriculture practices, such as vertical farming and hydroponics, are also gaining traction as sustainable solutions to food production. These methods offer advantages like reduced land use, water conservation, and year-round crop production. As consumer demand for organic and locally sourced products increases, alternative agriculture is poised to play a crucial role in the future of food systems.

Specialty Retail & E-Commerce

Specialty retail and e-commerce have transformed the retail landscape, offering consumers personalized products and convenient shopping experiences. The global e-commerce market was valued at \$9.09 trillion in 2019 and is projected to reach \$18.89 trillion by 2027, growing at a CAGR of 9.6% during the forecast period. This growth is driven by increased internet penetration, smartphone usage, and consumer preference for online shopping. Specialty retailers focusing on niche markets have found success by leveraging e-commerce platforms to reach broader

Section III: Strategic Work Plan

A strategic work plan is a structured document that outlines specific goals, objectives, and tasks required to achieve an organization's broader strategic priorities. It serves as a roadmap to guide

an organization, department, or project team in implementing strategies effectively over a defined period. In this case it will help identify priority projects to aid the Alleghany Highlands region in diversifying and revitalizing its regional economy. This section is an early draft of possible elements of a strategic roadmap for future economic opportunities. This section will be refined with local stakeholders and resident feedback. For an update version please see the executive summary document.

Regional Exploration

To support economic growth and resilience in the Alleghany Highlands, regional efforts should focus on a data-informed, sector-based approach to industry attraction, retention, and expansion. This includes enhancing the capacity of AHEDC, maintaining and evaluating site readiness, and identifying three to five target sectors—such as production, technology, and emerging industries—based on regional assets and national trends. Strengthening collaboration, expanding resources, and exploring opportunities in areas like CEA, ag tech, and life sciences can help position the region to attract and support a broader base of small to midsize firms.

1. Industry Attraction and Economic Diversification

- Industry attraction, retention, and expansion is critical to the region, and the focus on diversifying the base of traded sector employers, especially those with production and technology
- Continue efforts to enhance the robust economic development department/organization (AHEDC) with sustained and leadership that has authentic high-quality economic strategy and work plan that localized high-value regional priorities.
- Build capacity of AHEDC to better support and enhance region-wide industry attraction, retention and expansion activities, which may include customized R&E tools, new resources, training, or personnel additions.
- Continue the ongoing assessment of current inventory and quality of location sites, and their associated infrastructure and keep project pipeline going.
- Determine feasibility of new location sites in region and, if feasible, develop detailed proposal/plan for product development.
- Develop a more targeted, comprehensive cluster/sector-based strategy that focuses time and resources on the attraction and growth of three to five targeted industries
- Utilize a data-driven approach to validate the relevance of those targets, and to assess the region's competitive position based on national industry trends, site selector feedback or materials, case studies of recent location/expansion decisions in possible target sectors, and a review of targeting approaches of selected benchmark peer regions.
- Develop a set of strategies to enhance the region's competitive position, based on the findings above.
- Explore CEA/AG Tech/Life Sciences opportunities and engage with regional groups and resources to better market region, develop unique assets, and attract and support small firms.

2. ADVANCE DOWNTOWNS, TOURISM, and SMALL BUSINESS/ENTREPRENEURSHIP

These three are inter-related to some extent, and strategies to strengthen the quality of places should help strengthen downtowns, enhance tourism, and help entrepreneurs.

Possible strategies/actions include:

- Continue momentum on “quality of place” improvements, such as design, appearance, preservation of historic character, walkability, improved public spaces, activating existing spaces through activities and events, and similar examples.
- Continue the strong, coordinated tourism marketing effort for the entire region, to better promote and strengthen the many wonderful tourism “products” that exist.
- Identify gaps/needs to better market and position and prepare region for destination tourists, higher-end amenities, weekend packages, etc.,
- Consider if an incubator/accelerator can be developed in coordination with another entity to leverage resources and reduce risk such as RAMP/VERGE; Advancement Foundation (facility in Beuna Vista and Vinton as models?)
- Explore policy and planning options to help downtowns address significant challenges such as limited capital, absentee or disinterested landlords, vacant properties, streetscapes, parking access, and distance from major highways.

3. STRENGTHEN EDUCATION AND WORKFORCE: ATTRACT and RETAIN TALENT

Recognize and enhance regional “bright spots” in education and training while intensifying the focus on supporting high-quality education across all levels, and better aligning career awareness, development, and training activities with occupations in key existing or targeted industry sectors.

Possible strategies/actions include:

- Develop intern, summer programs, or young professional events to bring people from Lexington, Roanoke, Staunton, Blacksburg and other places into the region for work-based learning, career experiences, short-term stays.
- Provide greater opportunities for vocational training and certifications and high school career pathways.
- Enhance STEM-H learning and career awareness in k-12, particularly at elementary and middle school levels.
- Identify a regional workforce convener/catalyst, in developing strategies and activities to strengthen and align workforce activities with key industry sectors.
- Employ sector-strategy best practices and substantively engage regional industry leaders/employers in continued processes of sector-focused workforce development.
- Identify ways to better support workers, and families, through addressing or alleviating barriers and challenges such as transportation, behavioral health, child care, and soft-skill/career search competencies.

- Identify measures to partner with regional anchor institutions such as public-school systems, universities, and community colleges to support existing businesses and entrepreneurs (beyond entrepreneur training, how can these entities support existing businesses through purchasing, educational internship experiences, etc.).
- Develop a talent retention or attraction program with incentives for young professionals.

4. TOURISM/OUTDOOR ECONOMY

- Work on implementing the revised Tourism Strategic Plan under development in 2025
- Better activate outdoor assets to leverage out-of-region visitors
- Develop Outdoor Economy Strategic Plan.
- Partner to develop opportunities for outdoor business mentorship, small-scale capital investment for existing businesses, business transition and succession, and other supportive programs
- Explore and promote market opportunities for small-scale entrepreneurship associated with outdoor assets, such as shuttle services, visitor-focused dining, added amenities, etc.
- Help small businesses and outdoor economy partners utilize and be aware of available support services, grants, and business development incentives, including support for funding applications and business start-up, counseling, funding.
- Incentivize lodging and accommodations development in region.

5. HOUSING AND QUALITY OF LIFE

- Improve transportation networks to connect workforce and businesses.
- Develop affordable and modern housing to attract skilled workers. To start this process, assess town, and region, housing stock, including quality, type, and affordability, and work with public and private sector partners to address critical housing needs.
- Increase childcare access and affordability.
- Expand mental health and substance abuse treatment services.
- Continue to enhance public spaces and recreation areas.

Validation of Findings

All these findings help put together a clear image of what is being experience in the region. The next step is to use these findings to develop actionable projects to move the regions economic goals forward. This section provides ideas for goal areas to align projects and tools to determine what projects might be most likely to provide benefits to the region.

Prioritization Framework

This framework was developed to help identify and prioritize projects based on their significance and feasibility. Projects with lower impact or requiring substantial investment are deprioritized.

The goal of prioritization is to ensure stronger strategic alignment, more efficient use of resources, clearer and more accountable decision-making, and well-defined next steps. The framework draws inspiration from several established models, including the following:

Texas A&M Transportation Institute. (2020). *Assessing the impact of transportation investment on rural economic development*. Texas A&M Transportation Institute.

ITONICS. (n.d.). *The perfect project prioritization: Methods and best practices*. ITONICS.

World Bank. (2016). *Infrastructure prioritization framework*. World Bank.

The prioritization model provides a standardized way to evaluate projects that will provide transparency and consistency when determining what ideas to pursue.

1. Economic Impact (30%)

Job Creation Potential – Projected number and quality of jobs created or retained.

Business Growth & Entrepreneurship – Supports expansion of existing businesses or attracts new enterprises.

Industry Diversification – Expands into sectors beyond legacy industries (pulp & paper, manufacturing).

Regional Economic Contribution – Increases local tax revenue or enhances business investment.

2. Feasibility & Readiness (25%)

Project Readiness – Can be implemented within 1-5 years with existing capacity.

Funding Availability – Has secured funding sources or aligns with potential grants (e.g., ARC, USDA).

Regulatory & Policy Fit – Aligns with local land use, zoning, and regional planning priorities.

Stakeholder & Partner Support – Backed by local government, businesses, and community organizations.

3. Community Impact & Equity (20%)

Addresses Economic Disparities – Targets underserved populations, low-income households, or at-risk workers.

Quality of Life Improvements – Enhances housing, transportation, childcare, or healthcare access.

Community Support – Identified as a high-priority need in surveys and stakeholder meetings.

4. Sustainability & Long-Term Viability (15%)

Ongoing Operational Feasibility – Can be maintained with stable revenue or public/private partnerships.

Environmental & Social Considerations – Supports sustainability, minimizes environmental risks.

Alignment with Long-Term Plans – Fits within Vision 2025, Comprehensive Plans, and Vibrant Virginia objectives.

5. Innovation & Scalability (10%)

Potential for Replication – Can be expanded across the region or adapted in similar communities.

Unique Competitive Advantage – Creates a niche economic opportunity (e.g., remote work hub, specialized tourism).

Scoring & Decision-Making Process

The scoring process can be done by the advisory committee, individuals, or organizations to gauge the interest in a particular proposal. The best time to implement this tool would be in the early stages once an idea has a clear path to determine whether proceeding would be the best use of time and assets or if the project should be tweak to better align with the regional desires.

1. Assign Scores (1-5) for Each Criterion – Multiply by category weight for weighted scores.
2. Rank Projects by Total Score – Higher scores indicate higher prioritization.
3. Validate with Stakeholders – Review with local officials, businesses, and residents.
4. Adjust for Urgency & Funding Windows – Consider immediate opportunities for grants and investments.
5. Develop an Implementation Plan – Organize into short-term (1-3 years), mid-term (3-5 years), and long-term (5+ years) action items.

Example Project Prioritization Table:

Project Name	Economic Impact (30%)	Feasibility (25%)	Community Impact (20%)	Sustainability (15%)	Innovation (10%)	Total Score
Expand Workforce Training in Advanced Manufacturing.	5	4	5	4	3	88
Downtown Business Incubator & Co-Working Space.	4	5	4	5	5	90
Housing Development for Young Professionals.	5	3	5	3	2	81

Outdoor Tourism & Recreation Enhancement	3	5	4	5	5	84
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Conclusion

This summary Allegheny Highlands Opportunity Scan technical report is available to share data with the purpose of starting a discussion about what next and using the Prioritization Framework to focus on efforts the community believes can make a difference in the near-term and the long-term for economic vitality and economic opportunities for residents. The section, “Strategic Work Plan,” offers action steps based on the author’s review of data and best practices. Several community engagement activities are planned to accompany this report’s creation. Attached are several items summarized below.

The Allegheny Highlands region faces challenges from long-term population decline, job loss in traditional manufacturing sectors, and aging infrastructure. The region’s population dropped by 1,251 since 2010, with projections showing continued decline. Major employers like WestRock and Green Thumb Industries anchor the economy but also represent risk due to industry volatility. The average earnings per job (\$59.3K) remain \$24K below the national average, and educational attainment is lower than state and national levels.

This Economic Opportunity Scan aimed to identify asset-aligned strategies to diversify the economy, reduce disparities, and grow regional wealth.

Key strategies for moving forward include:

- Expanding healthcare and advanced manufacturing industries;
- Supporting entrepreneurship and downtown revitalization through programs like The Gauntlet;
- Enhancing workforce development via short-term credentials and childcare/transportation infrastructure;
- Investing in tourism by addressing lodging gaps and promoting outdoor recreation;
- Revitalizing aging housing stock and upgrading infrastructure to attract new residents.

The region’s strengths—natural beauty, improving collaboration, and growing broadband access—offer a foundation for sustainable growth if paired with targeted investments and inclusive planning. The goal is to build a more resilient and diversified economy aligned with regional assets.

Appendices

Item 1: Survey Summaries

The Alleghany Highlands Economic Survey was developed to gather community perspectives of the region's economy and understand opinions surrounding growth, development, and future. The results of this survey informed recommendations for future economic exploration. The Alleghany Highlands region encompasses Alleghany County, the Town of Clifton Forge, and the independent city of Covington.

The Alleghany Highlands Economic Survey received 428 total responses, 266 of which were fully completed, for a completion rate of 62.15%. 47.71% of survey respondents reported their zip code of residence was that of Covington, and 33.59% of respondents reported their zip code of residence was that of Clifton Forge. Other survey respondents represented 22 other zip codes, with 2 respondents from zip codes in West Virginia, 1 survey respondent from a zip code in Maryland, and all other survey responses from Virginia zip codes.

Respondents were asked to share how they interacted with the Alleghany Highlands Region, with the option to select multiple responses. The majority of responses were "I live here" and "I work here", with a smaller portion of responses for "I visit the region to shop, eat or meet family and friends", "I visit the region to relax" or "other". The "other" responses included the following: "Church, Lions Club, Boy Scout Leader", "I serve in an entrepreneurial ecosystem support role to the region", "my husband and I own land in Alleghany and have 2 farms", "the arts", "community volunteer", and "family lives here".

When asked to "share one word or short phrase that best describes how you see the Alleghany region", respondents had a variety of responses and opinions. 39% of all responses described the area's beauty or natural features, with many respondents describing the area as "beautiful" or "scenic"; 30% of all responses noted the area's character, including phrases such as "rural", "quaint", "peaceful", and "home". 32% of all responses described the area as struggling, specifically in regard to the economy, while 13% of responses described the area's potential for growth. 4% of responses described other characteristics of the region. Most responses spoke to one specific category area, though 21 responses encompassed multiple categories.

In characterizing the economy in three words, respondents chose a wide variety of phrases to characterize the area. Out of 749 total submitted words and phrases, there were 349 words or phrases chosen, with 268 being entirely unique with only 1 response. Out of the submitted words, the most common responses were poor, lacking, stagnant, struggling, slow, and sad, which comprised 25% of the total words submitted. 6% of responses described the region's economy as having potential and opportunity, hopeful, growing, and diverse. Given that 35% of

the responses were unique, it is difficult to discuss larger trends surrounding the submitted views of respondents on the economy.

Respondents hold varying beliefs about the region’s relative strengths. In selecting the top 3 to 5 most significant strengths of the region out of 16 categories total, the top three most popular response areas included natural assets, tourism and recreation, and small business and entrepreneurs. The categories with the lowest response rate included leadership, other strengths, health care, and vibrant downtowns. Figure 1 illustrates the total responses for each category included in the survey.

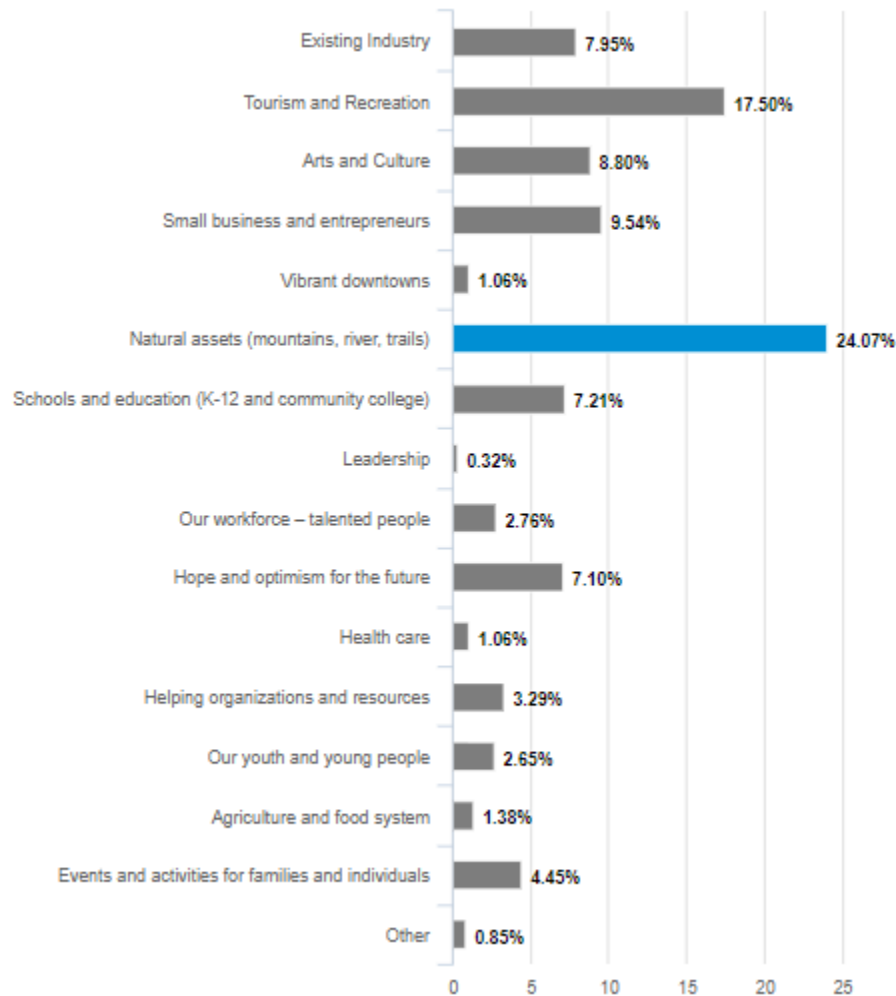


Figure 10: Top 3-5 Strengths of the Allegheny Highlands Region

While tourism is touted as a top strength of the region, just 30% of respondents ranked growing the tourism and outdoor recreation industry as an initiative of high importance. In ranking eight other initiatives, over 45% of respondents ranked growing each initiative as highly important. These programs included diversifying the type of jobs in the economy, investing more in education and workforce training, attracting families, and support for small businesses, manufacturing and trade sector jobs,

technology, downtowns, and arts and culture. Survey respondents were, overall, more concerned with growing other areas of the region rather than growing an area already viewed as a strength of the region.

Despite ranking growing outdoor recreation and tourism as a lower priority compared to the growth of other industries, respondents largely touted the growth of outdoor tourism and recreation as having great potential to grow the region's economy. Respondents had a variety of ideas for how this growth could occur, including establishing biking and walking trails to connect downtown areas to Douthat trails, and improving green spaces. The technology and manufacturing sectors were also acknowledged as having great potential to grow the economy. However, the vast majority of respondents were simply unsure as to what type of industry would grow the economy. While not a majority of responses, growing arts and culture, growth of downtown businesses, and growing entertainment options, especially for families, were also frequently discussed.

Respondents held a variety of ideas for efforts and projects that could improve the economy and quality of life in the region. Several respondents argued for "improving the infrastructure of housing, transportation, and childcare" and also noted that "improved infrastructure [will] attract business". Beyond overall town infrastructure, some respondents focused on housing infrastructure specifically, stating that "clean, affordable, modern housing" will allow more residents to thrive in the area. Many also described opportunities to improve the youth experience within the area: "[the area needs] Places to go that isn't work or home, that provide space for community and connection. This can be adult sport league, green spaces (the JR Trail is a great example! Need more like this), markets, events, etc. Especially to attract young people and families, we can't keep driving to other locations for this need." Respondents held many beliefs on the changes that would further support the Alleghany region on becoming the best possible place to live, work and play.

Item 2: Interviews Summary

This appendix item presents a synthesized and anonymized summary of interviews conducted with community leaders, public sector representatives, educators, and business stakeholders throughout the Alleghany Highlands region. The summary captures key themes related to quality of life, economic development, infrastructure, and future opportunities, with attention to shared strengths and common concerns.

1. Quality of Life & Community Character

- The region is widely valued for its scenic beauty, access to outdoor recreation (e.g., trails, river activities), and overall affordability.
- Interviewees consistently cited the area's safety, friendly community atmosphere, and small-town charm as lifestyle advantages.
- Cultural assets such as seasonal festivals, local arts programming, and historic institutions (e.g., the C&O Historical Society, Masonic Lodge) contribute to community identity.
- Access to natural resources, including what some consider Virginia's last unpolluted river, adds to the area's appeal for both residents and visitors.

2. Economic Development & Infrastructure

- Recent investment activity includes adaptive reuse of vacant school buildings for housing, storefront revitalization, and site preparation for business attraction.
- Projects like the Main Street Program and Corridor Curb Appeal were noted for enhancing the appearance and usability of commercial areas.
- Infrastructure improvements to parks and community spaces, including accessibility upgrades, were positively received.
- A growing spirit of collaboration among local governments, business leaders, and cultural organizations was highlighted as a positive trend.

3. Key Challenges

- The declining and aging population was a recurring concern, particularly with regard to workforce shortages in healthcare, skilled trades, and education.
- Main Street vacancies and underused commercial buildings remain persistent challenges, often complicated by absentee property ownership or unclear legal status.
- School consolidation efforts have addressed some financial and logistical constraints, but stakeholders noted ongoing challenges in teacher recruitment, facility upgrades, and program alignment.

4. Underutilized Assets

- Natural and cultural amenities are seen as underpromoted and not fully leveraged for tourism or regional branding.
- Several stakeholders suggested that a coordinated marketing approach could better connect the region's assets to outside audiences.
- Broadband and fiber access, which is relatively strong in some parts of the region, could support the expansion of remote work or digital business attraction.

5. Future Opportunities

- Outdoor tourism was widely cited as a promising growth area, especially as interest in trails, water recreation, and eco-tourism increases.
- Emerging industries such as cannabis cultivation and value-added agriculture may offer diversification opportunities, although regulatory uncertainty is a limiting factor.
- Interest in entrepreneurship is growing, with maker spaces and small business support seen as valuable tools for local economic resilience.
- Sustainability and environmental stewardship are seen as natural areas of alignment with both the region's identity and future workforce development priorities.