

Sussex Demographic and Labor Market Trends

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Introduction

- How are things changing in Sussex?
 - Short-term and long-term trends
 - How is Sussex different than other areas
- Opportunities
 - Need to look at demographic trends
 - Self Employment and Entrepreneurship – career alternatives
 - Small business potential

Topics

- **Demographic Trends**
 - Population/Age trends
 - Impact on job market
 - Impact on the Sussex economy
- **Local Business Trends**
 - Industry sectors for Sussex
 - Jobs & growth by industry
 - Wages by industry
 - High pay vs. Low pay
 - New business expansion
 - Self Employment (employers with no workers)

Sussex - Overview

- Lower unemployment rate than the U.S. and Delaware last year: 3.7% vs. 5.1%, 4.2%
- This year the unemployment rates are even lower
- Job growth at a much faster pace than the U.S and Delaware since 2000
- Beaches & climate – geographic advantage; impact on tourism
- Attractive for retirees and those who wish to own a second home; a major plus for the Sussex economy
- Low taxes & generally favorable cost of living

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People

Demographic Trends



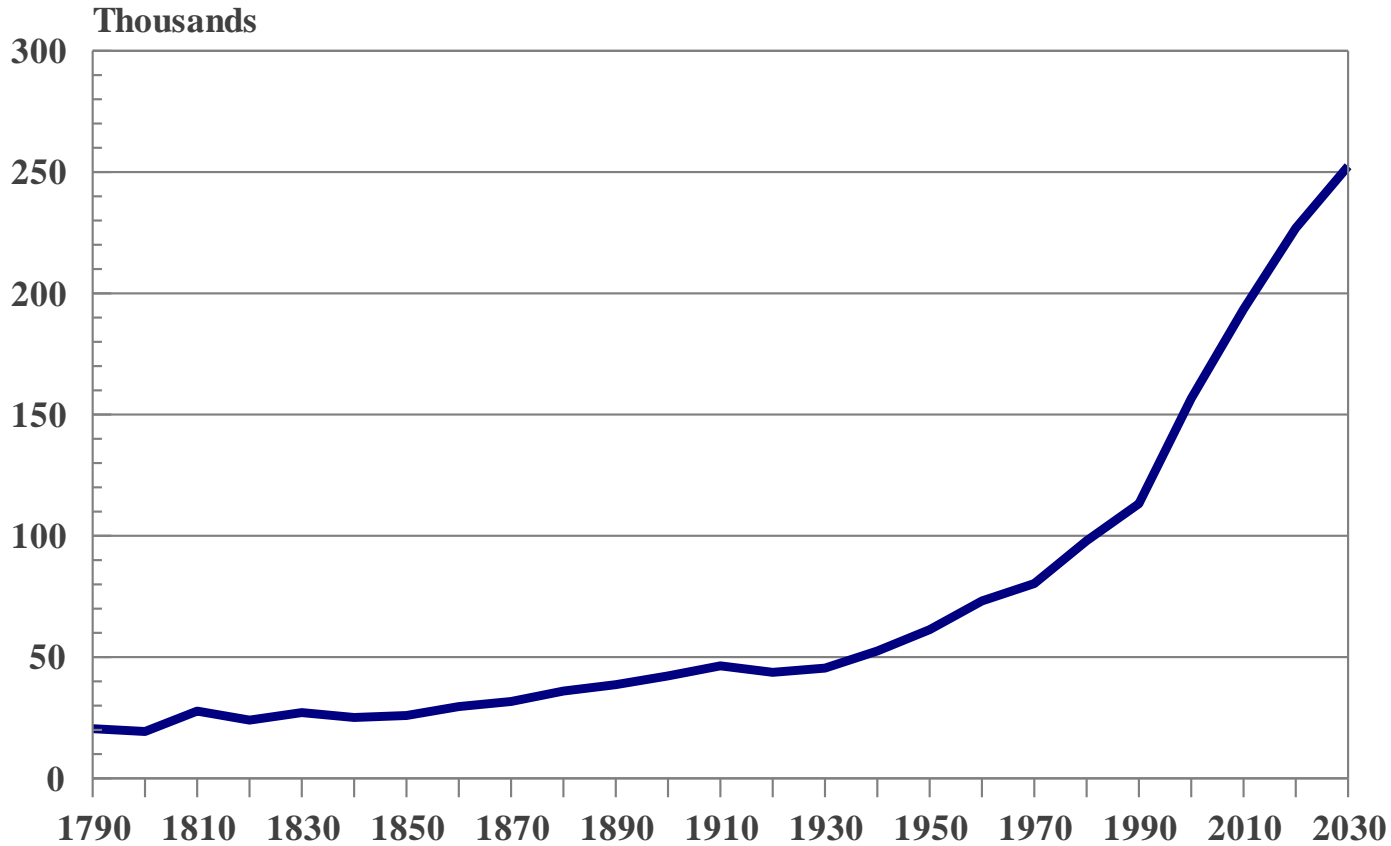
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Demographic Overview

- Sussex Population growth was 55% since 1990 (113,200 to 175,800).
 - Kent +27%
 - New Castle +19%
 - Delaware +26%
- Population density (persons/square mile) remains relatively low:
 - Sussex 188
 - Kent 239
 - New Castle 1,229
 - Delaware 430
- Employment Status (Residential)
 - Employed = 87,600
 - Unemployed/actively seeking = 3,300
 - Not in the labor force, 16 years+ = 55,000 (retired, in school, or not looking for work)

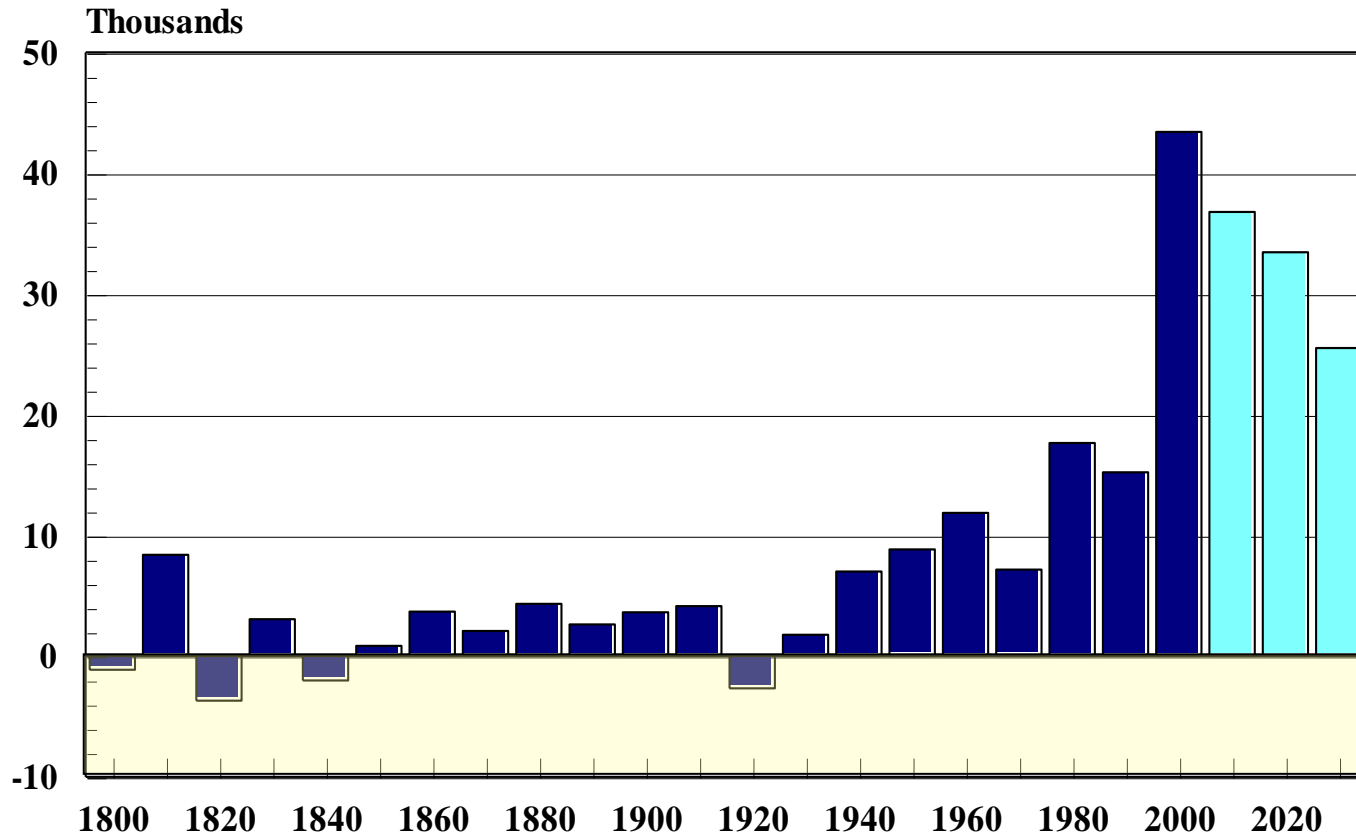
Sussex County Population 1790-2030



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Sussex County Population Growth 1790-2030



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In an Average Month in Sussex . . .

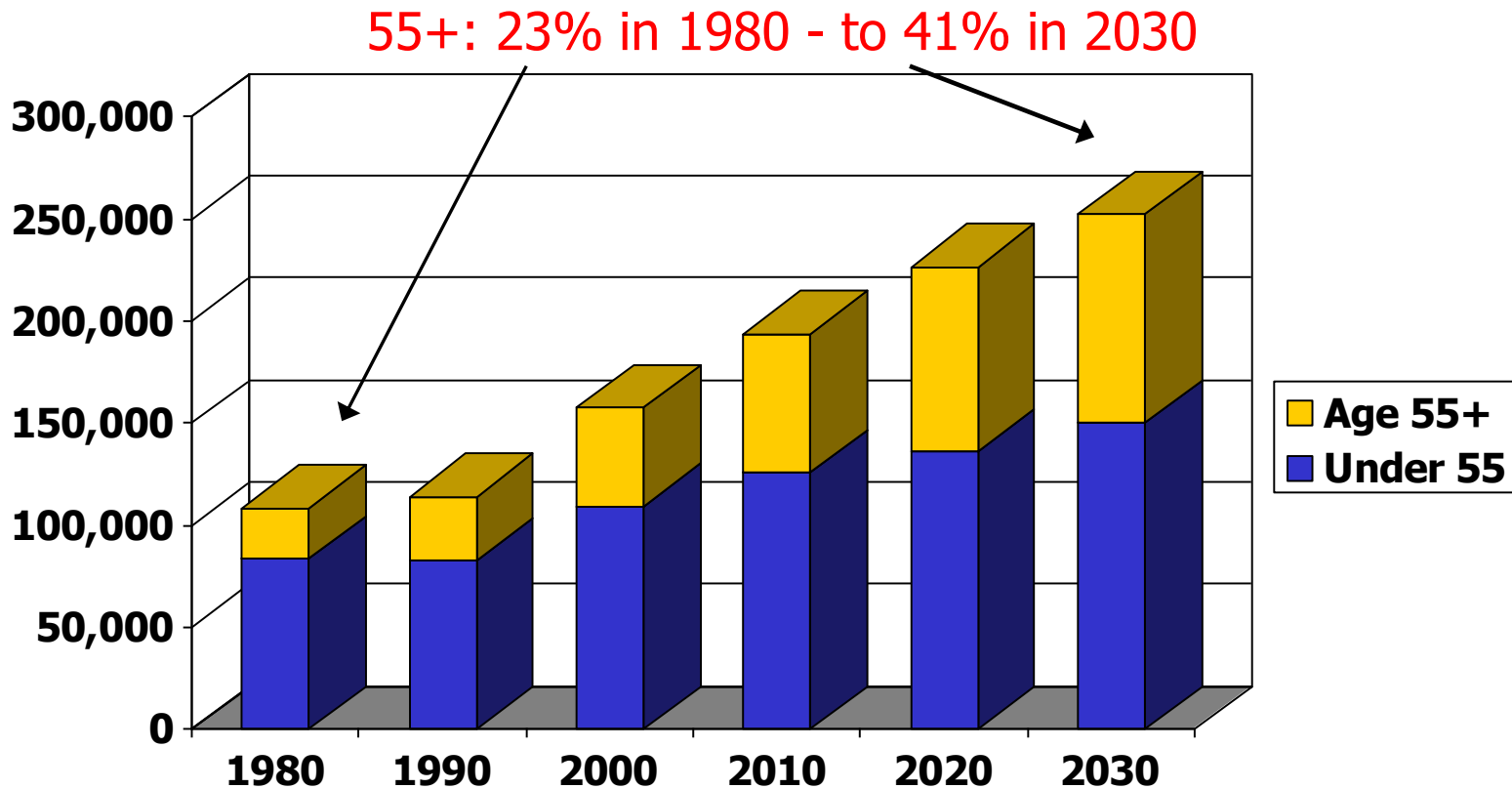
- 183 Persons are born
- 158 Persons die
- 313 Persons move here from another area

Source: U.S. Census Bureau

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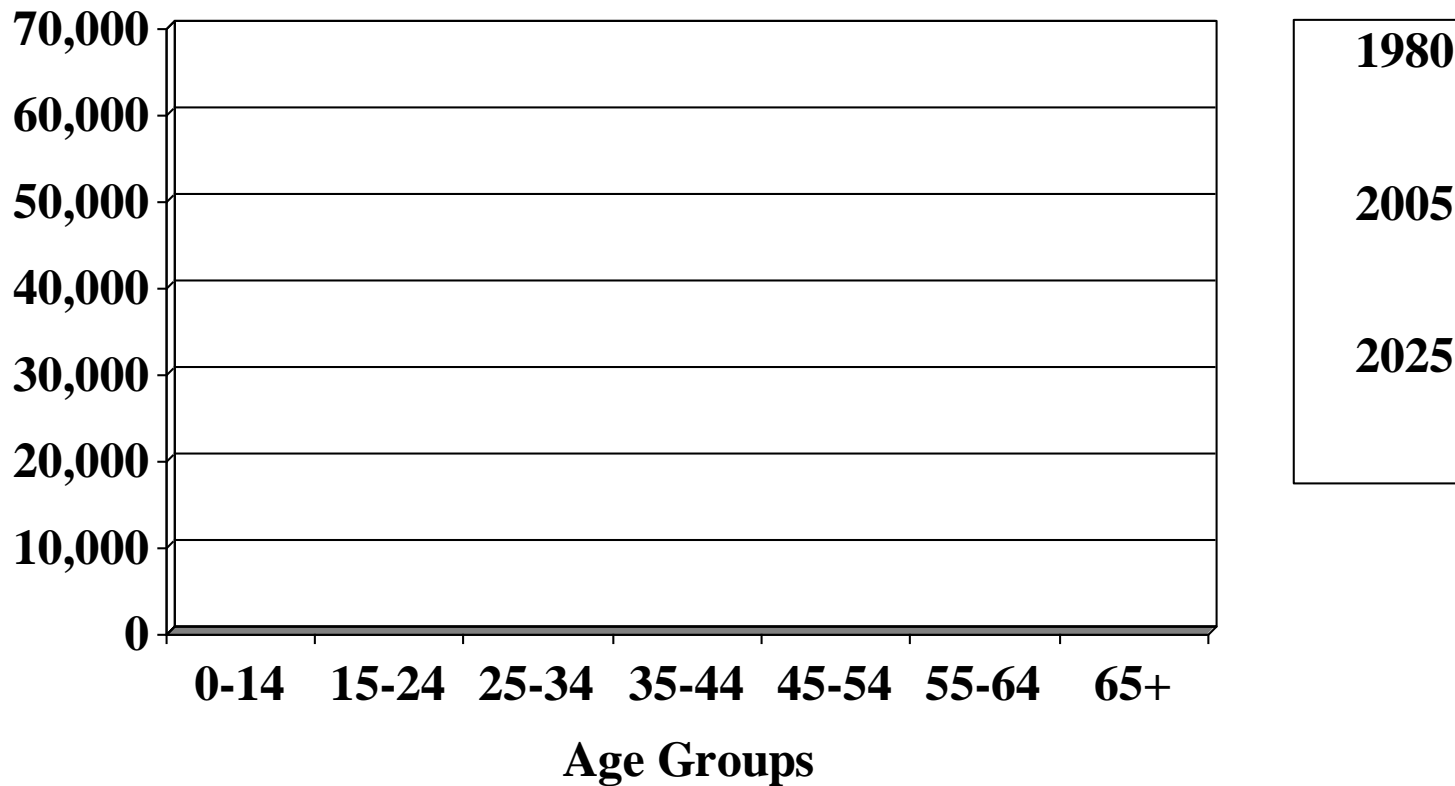


Long Term Population Trends – Sussex



Population by Age Group

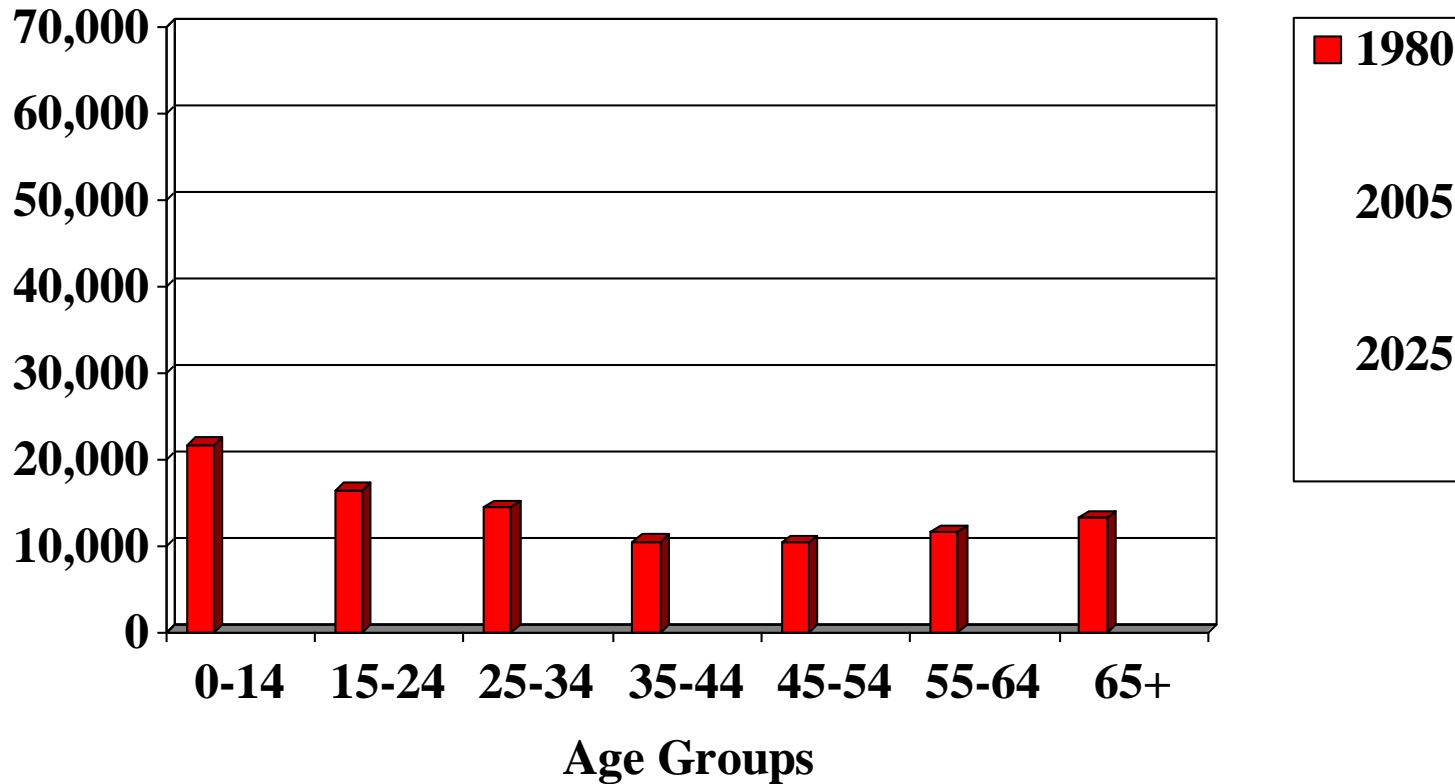
Sussex 1980, 2005, and 2025



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Population by Age Group

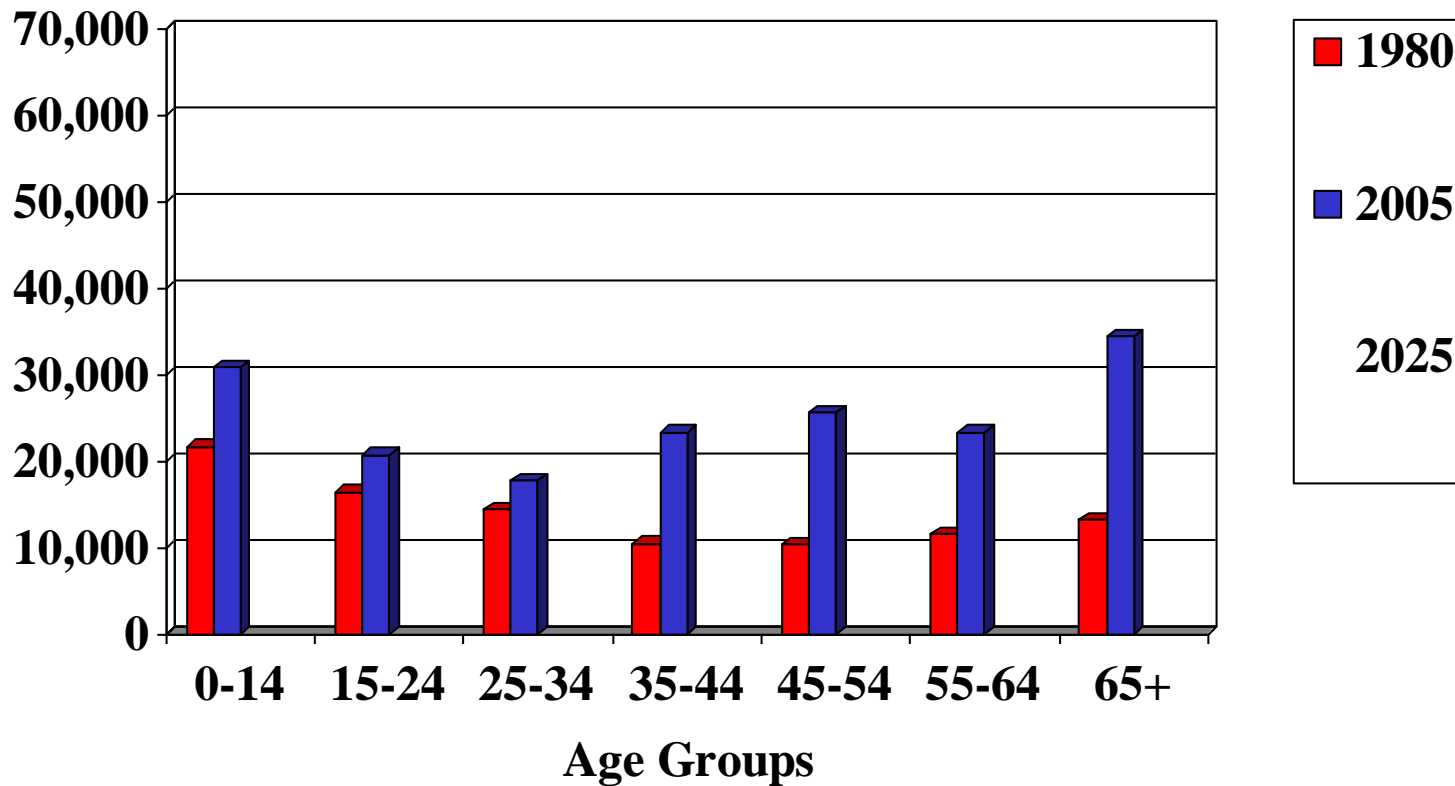
Sussex 1980, 2005, and 2025



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Population by Age Group

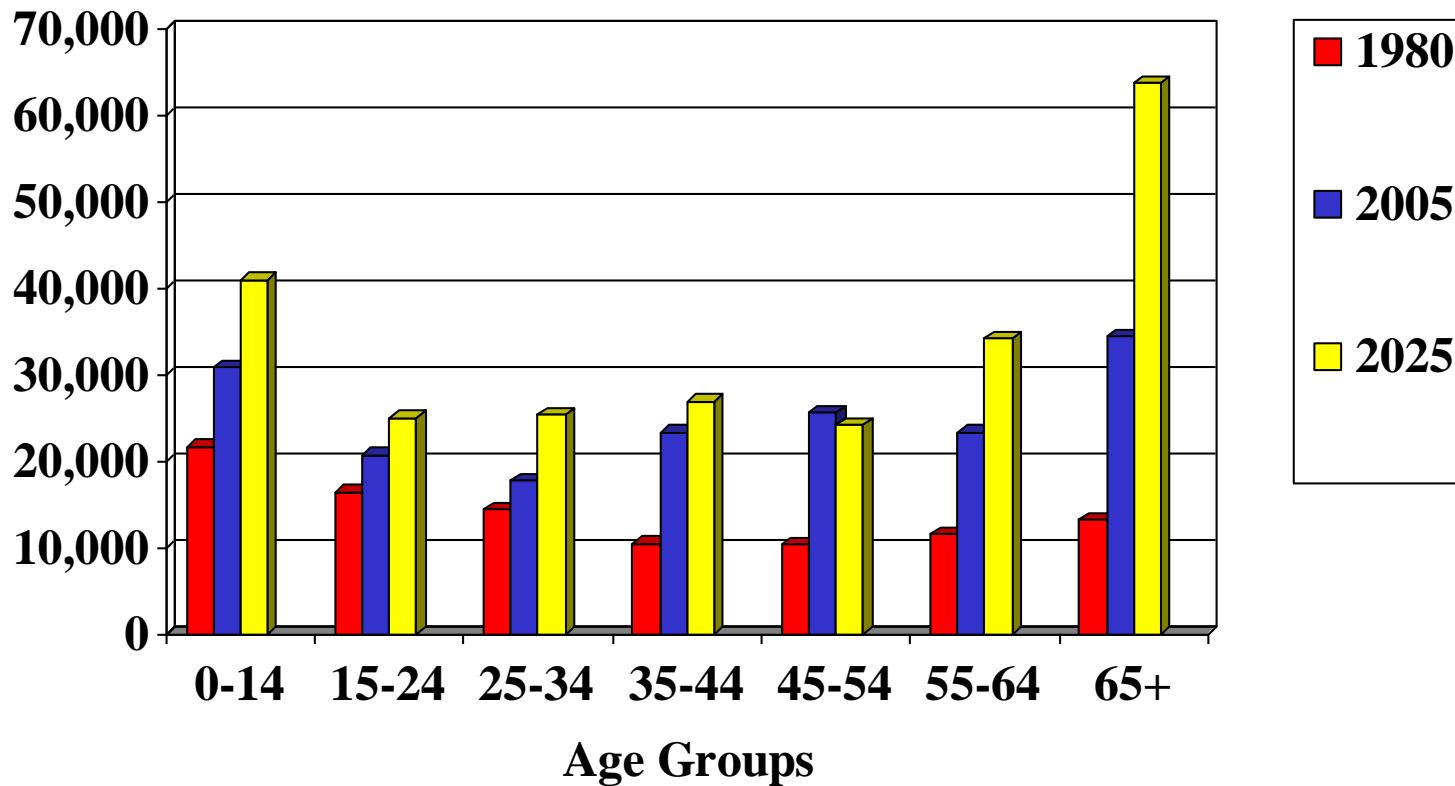
Sussex 1980, 2005, and 2025



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Population by Age Group

Sussex 1980, 2005, and 2025



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Density/Age Impact on County

Age Group	Pop. Change 2005 to 2025
0-14	10,202
15-24	4,240
25-34	7,647
35-44	3,530
45-54	-1,382
55-64	10,818
65+	29,302

- Increased School Population
- Expanded opportunities and need for education/training
- Entrepreneurial support will be essential
- More Homes for Young Adults and Retirees
- More Planned Communities
- Aging Population will impact:
 - Health Care
 - Eldercare
 - Transportation
 - Leisure Time/ Recreation
 - Need for new services/career opportunities
 - Social Services
 - Lifelong Learning/ Retraining

Demographic Summary

- Sussex (population) has grown much faster than the State and other counties. We expect this trend to continue.
- 55,000 of our residents are not in the labor force. (possible asset – source of workers).
- The largest increase in our population will come from persons age 65+.
- Income sources other than wages (i.e. Social Security, dividends interest and rent) have large impact on Sussex economy – opportunity for job creation in serving retiree population.
- The need to attract and retain younger workers to replace “Baby-Boomers’ will be a major priority

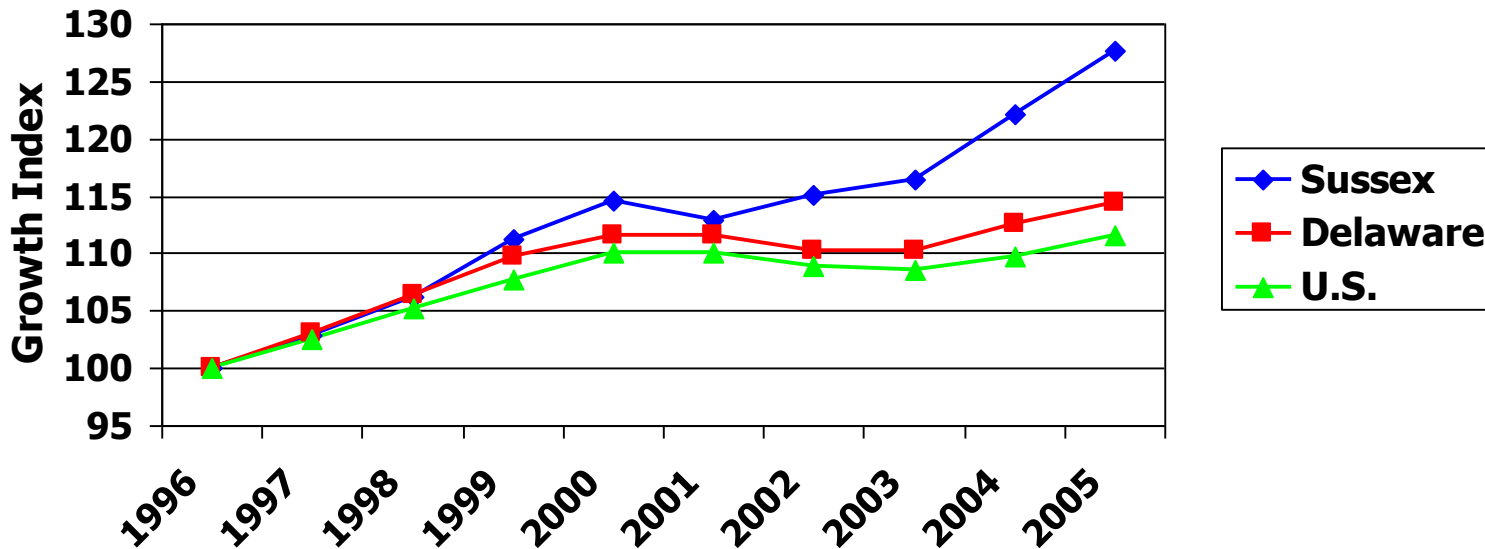
Industry

Local Business Trends

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Jobs have grown faster in Sussex



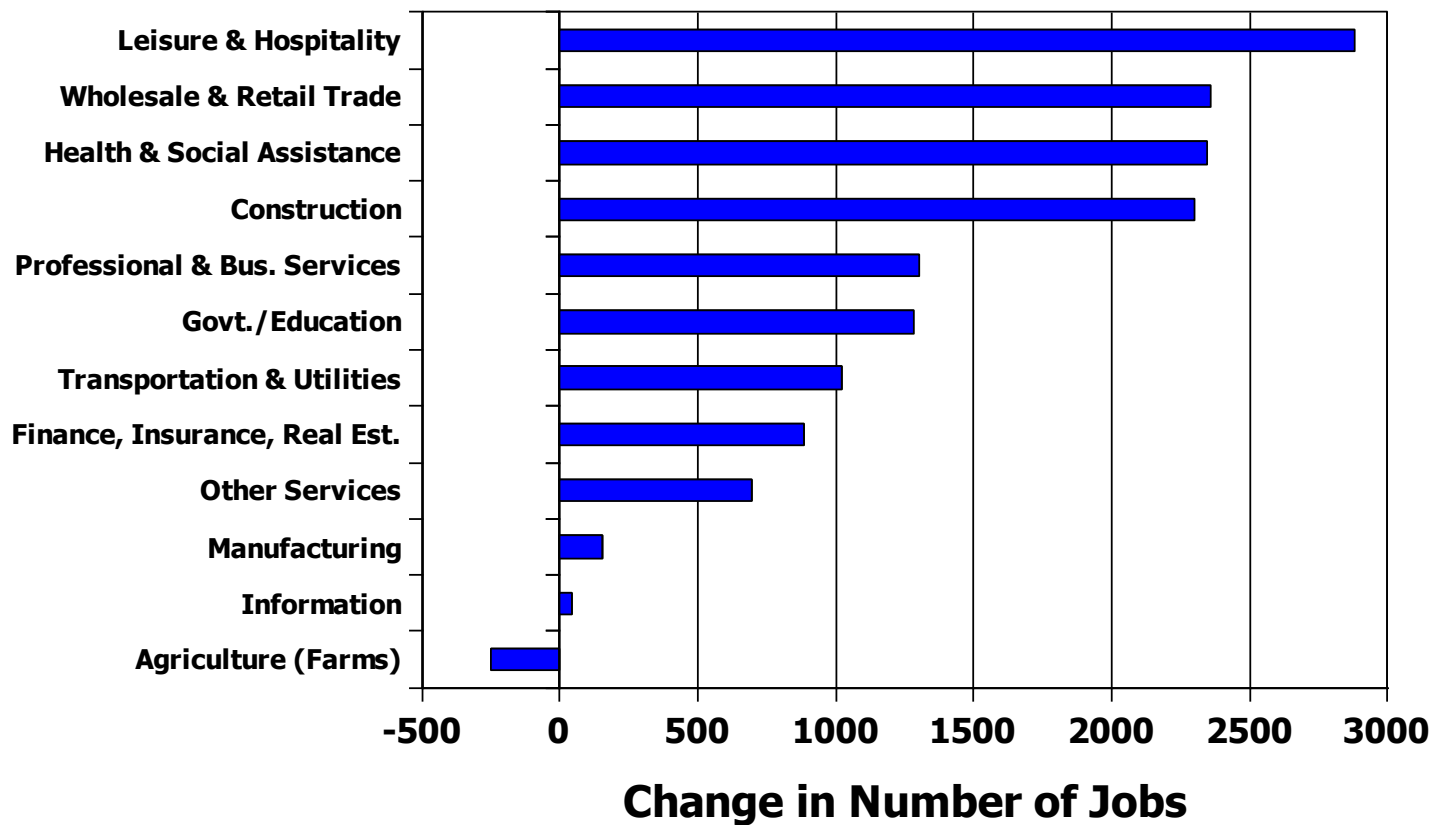
Index: 1996 = 100

	Increase
Sussex	27.6%
Del.	14.4%
U.S.	11.5%

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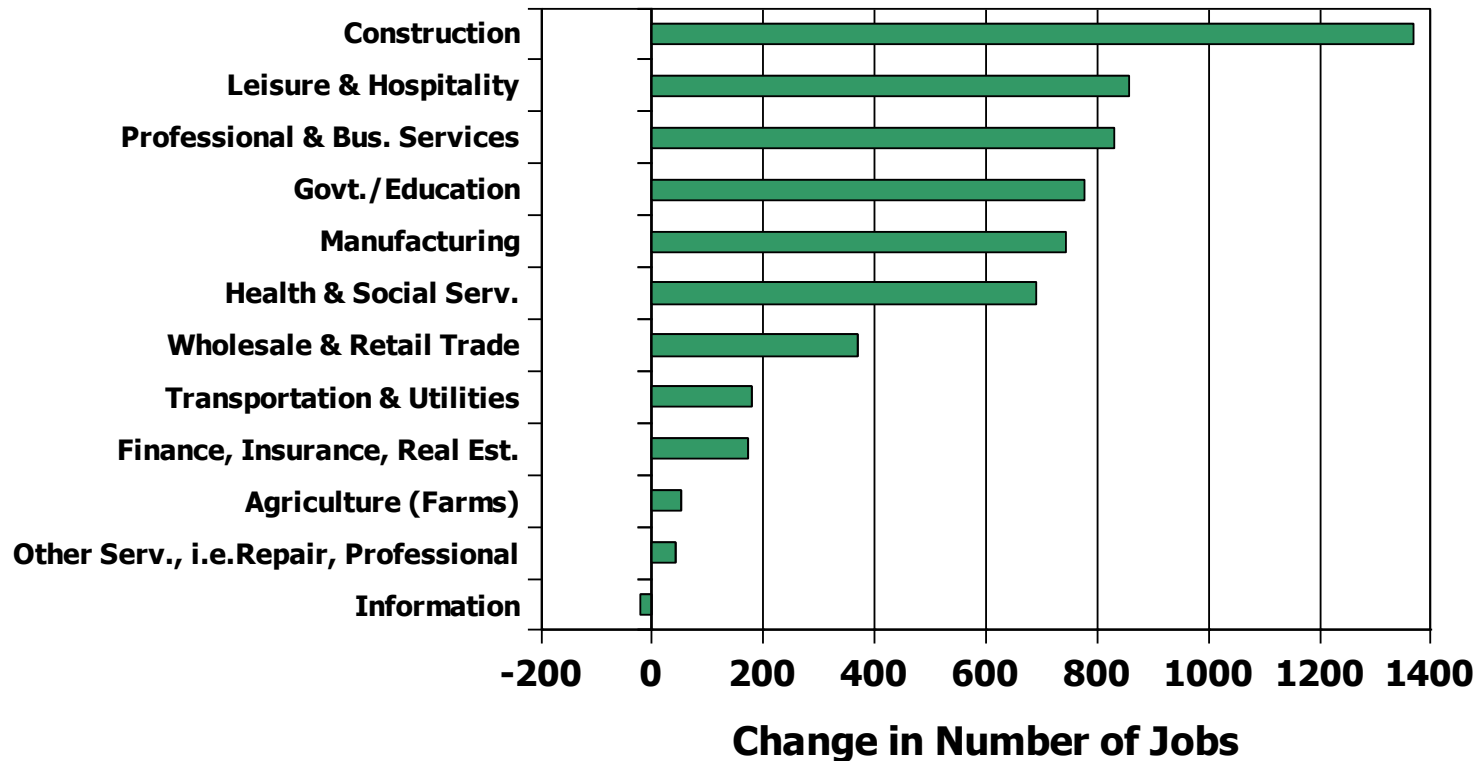
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Job Change by Industry '96 to '05 - Sussex



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Job Change by Industry '03 to '05 - Sussex



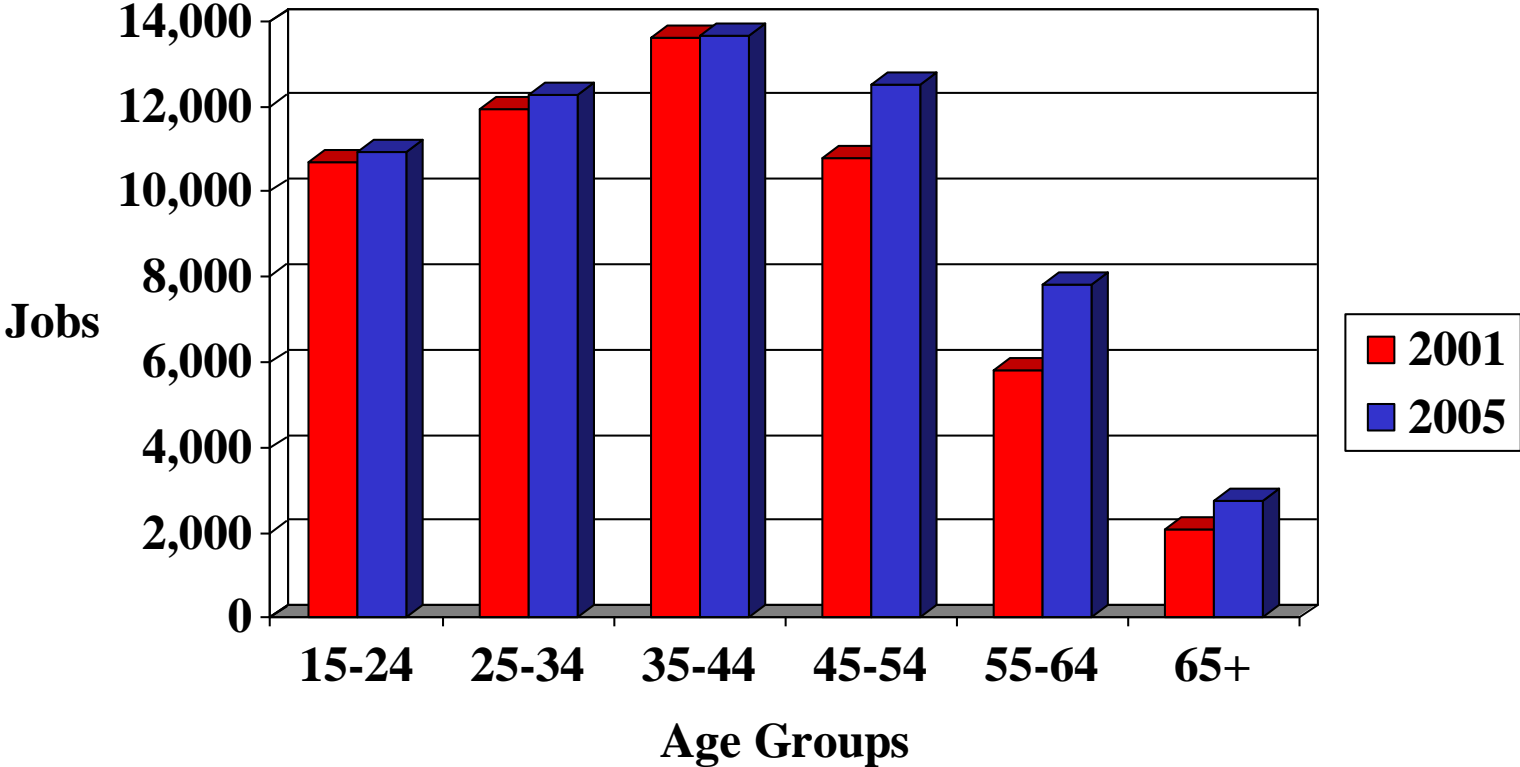
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% Job Growth

Industry	% Change '03 to '05 10% Avg.	% Change '96 to '05 27% Avg.
Construction	28%	58%
Prof. & Bus. Serv.	23%	41%
Govt./Education	13%	22%
Leisure & Hospitality	10%	44%
Health & Social Serv.	10%	43%
Manufacturing	7%	1%
Wholesale & Retail Trade	3%	23%

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Number of Total Jobs by Age Group Sussex 2001, 2005



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Avg. Annual Wage – Total All Industries

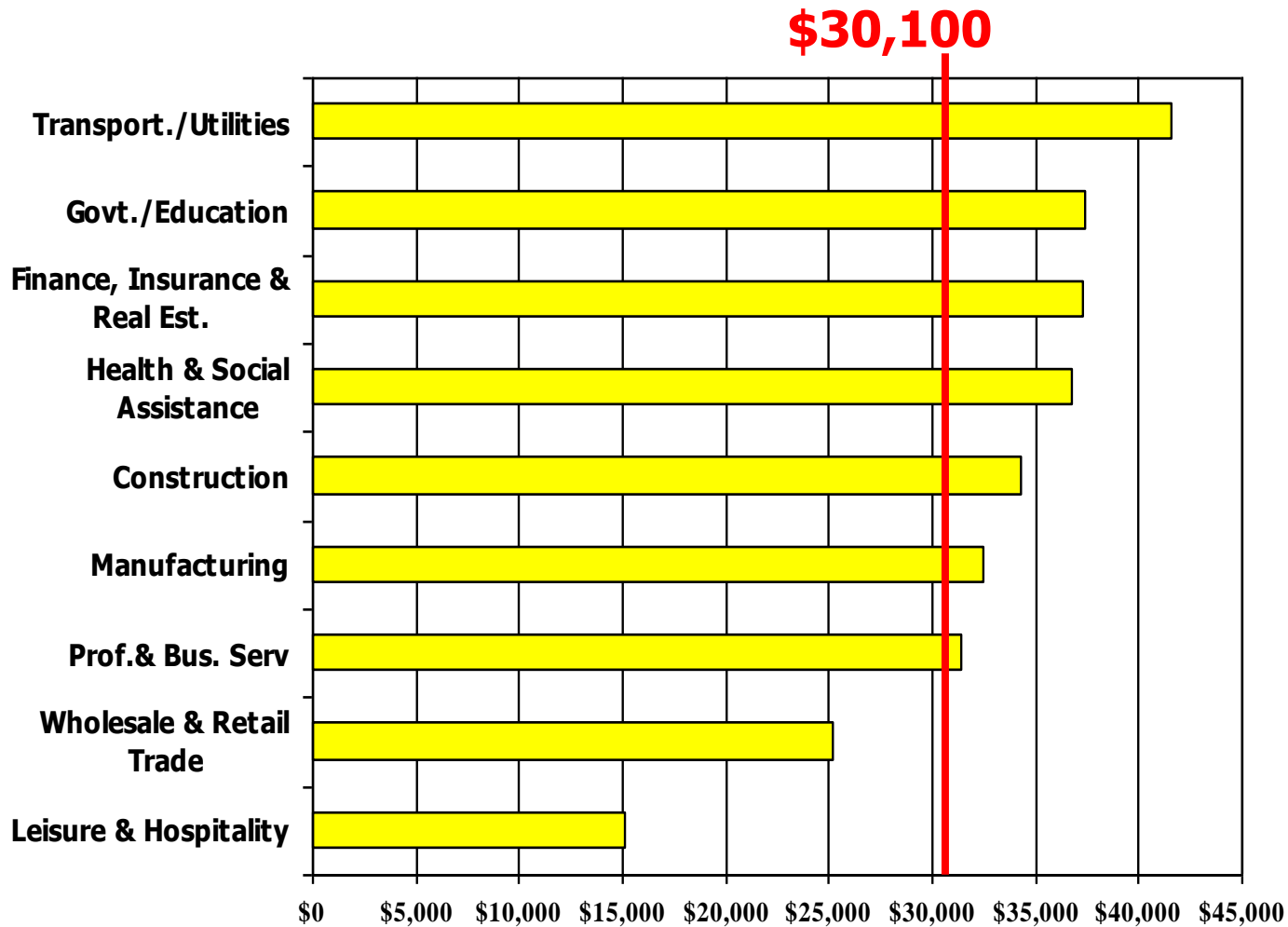
Delaware	\$ 44,600
New Castle	\$ 50,500
Kent	\$ 33,100
Sussex	\$ 30,100

2005 Annual Avg.

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Average Annual Wage by Ind. Sussex (2005)



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Jobs Vs. Pay – High to Low

Job Growth

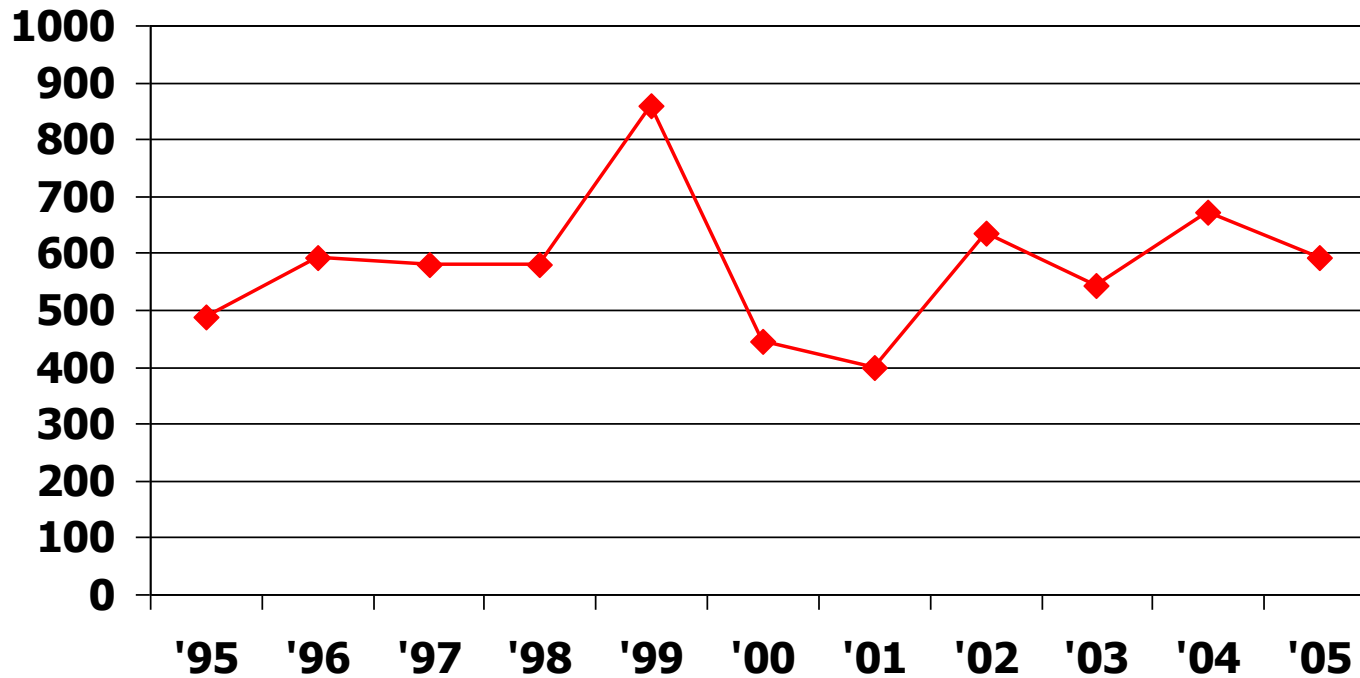
Pay

1. Leisure & Hospitality	1. Transportation & Util.
2. Wholesale & Retail Trade	2. Govt./Education
3. Health & Social Assistance	3. Finance Insurance, & Real Estate
4. Construction	4. Health & Social Assistance
5. Prof. & Business Services	5. Construction
6. Govt./Education	6. Manufacturing
7. Transportation & Util.	7. Prof. & Business Services
8. Finance Insurance, & Real Estate	8. Wholesale & Retail Trade
9. Manufacturing	9. Leisure & Hospitality

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Number of New Businesses

With one Employee or More (Excludes Self-Employed)
Sussex – 1995 to 2005

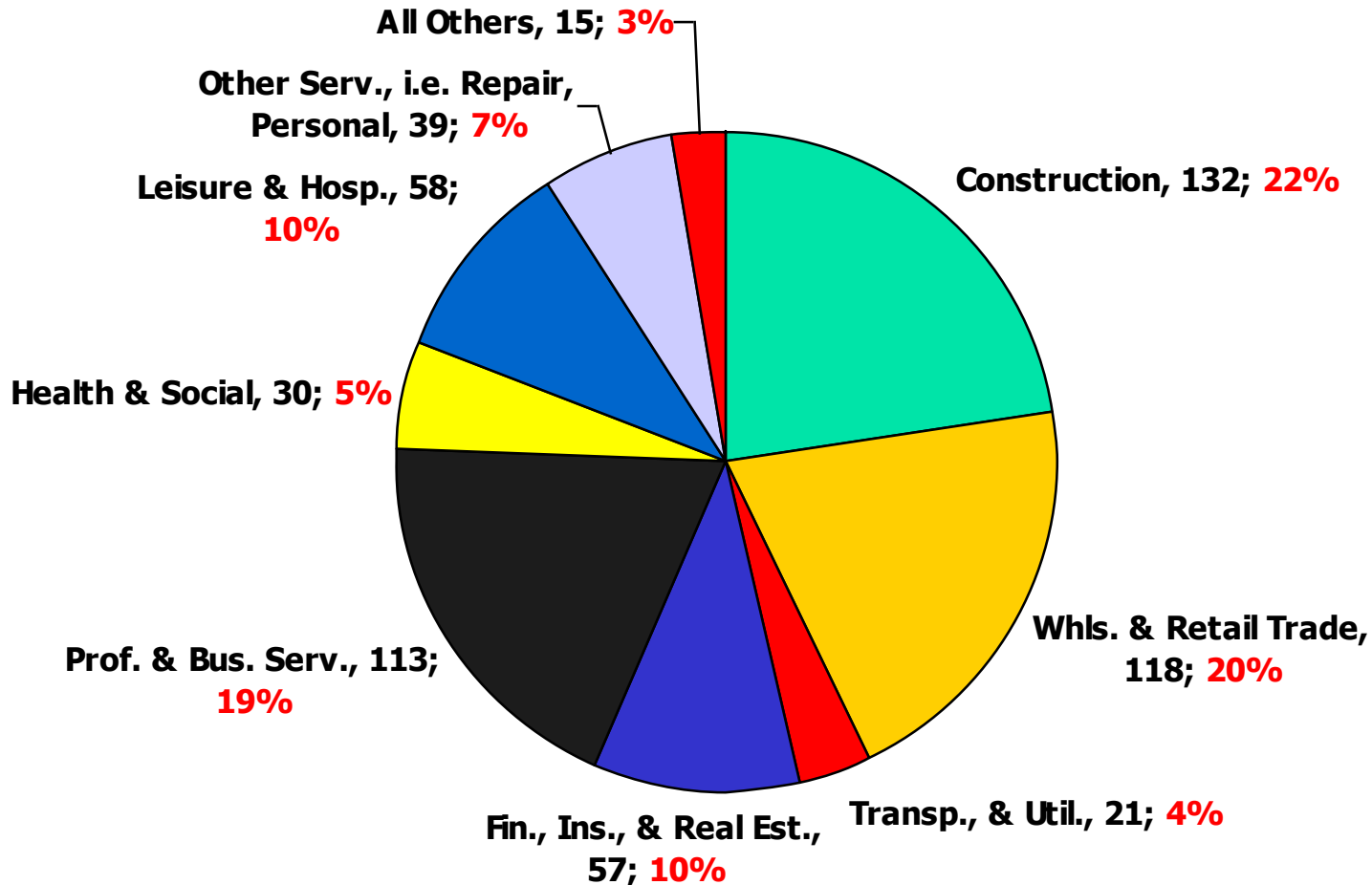


Source: DE Dept. of Labor – OOLMI

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New Businesses With One or More Employees (Self-Employed not included) – Sussex 2005



Source: DE Dept. of Labor – OOLMI

Types of Jobs in Sussex

- **Businesses with employees**
 - Source DE Dept. of Labor
 - Part of the Unemployment Insurance system
- **Establishments with no employees (Self-Employed)**
 - Source: U.S. Census Bureau – “Nonemployer Statistics”
 - How are they obtained?
 - How are they different from other data?
 - Why is this source important
 - We’ll refer to this information as “Establishments with no employees”.

Establishments with No Employees 2004

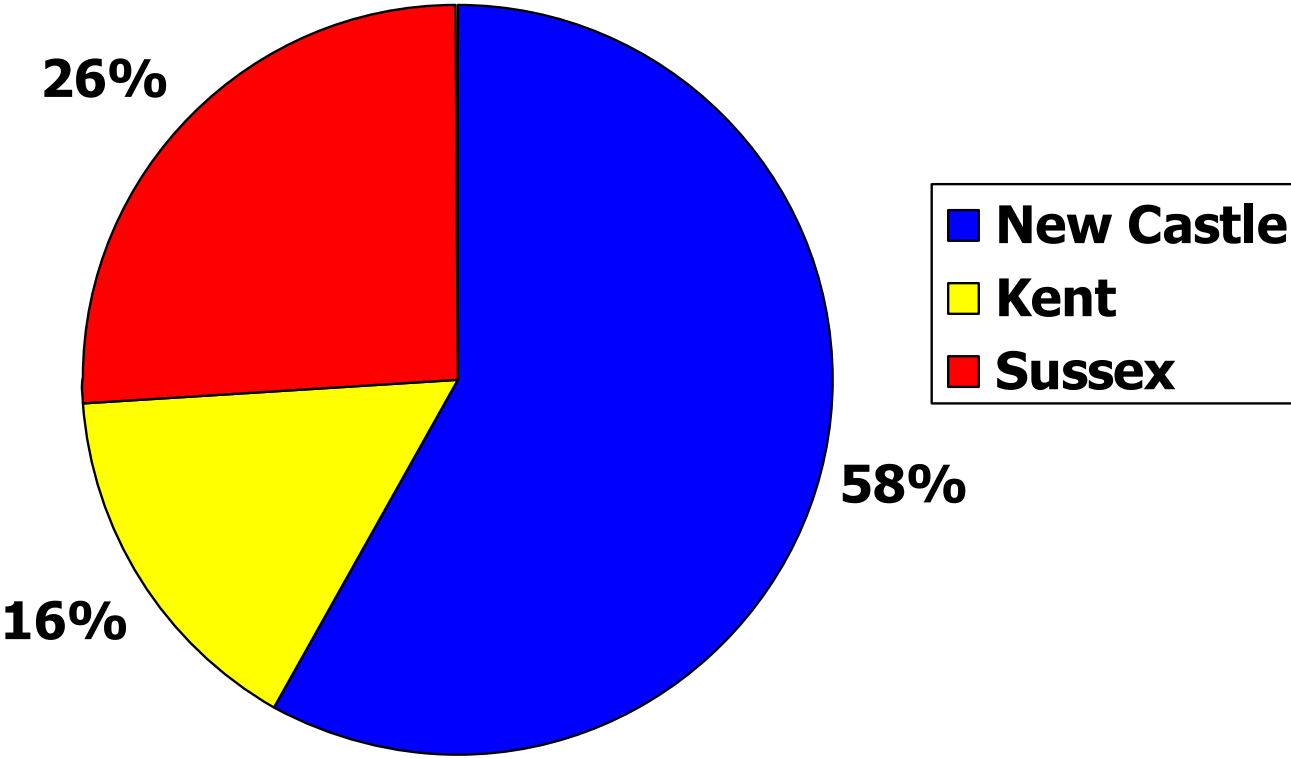
	Establishments	Receipts	Avg. Ann. Receipts Per Firm
Delaware	49,487	\$2,576,714,000	\$52,069
New Castle	28,792 (58%)	\$1,577,008,000	\$54,772
Kent	7,889 (16%)	\$ 384,319,000	\$48,716
Sussex	12,806 (26%)	\$ 615,387,000	\$48,055

Source: U.S. Census Bureau –
Non-employer Statistics

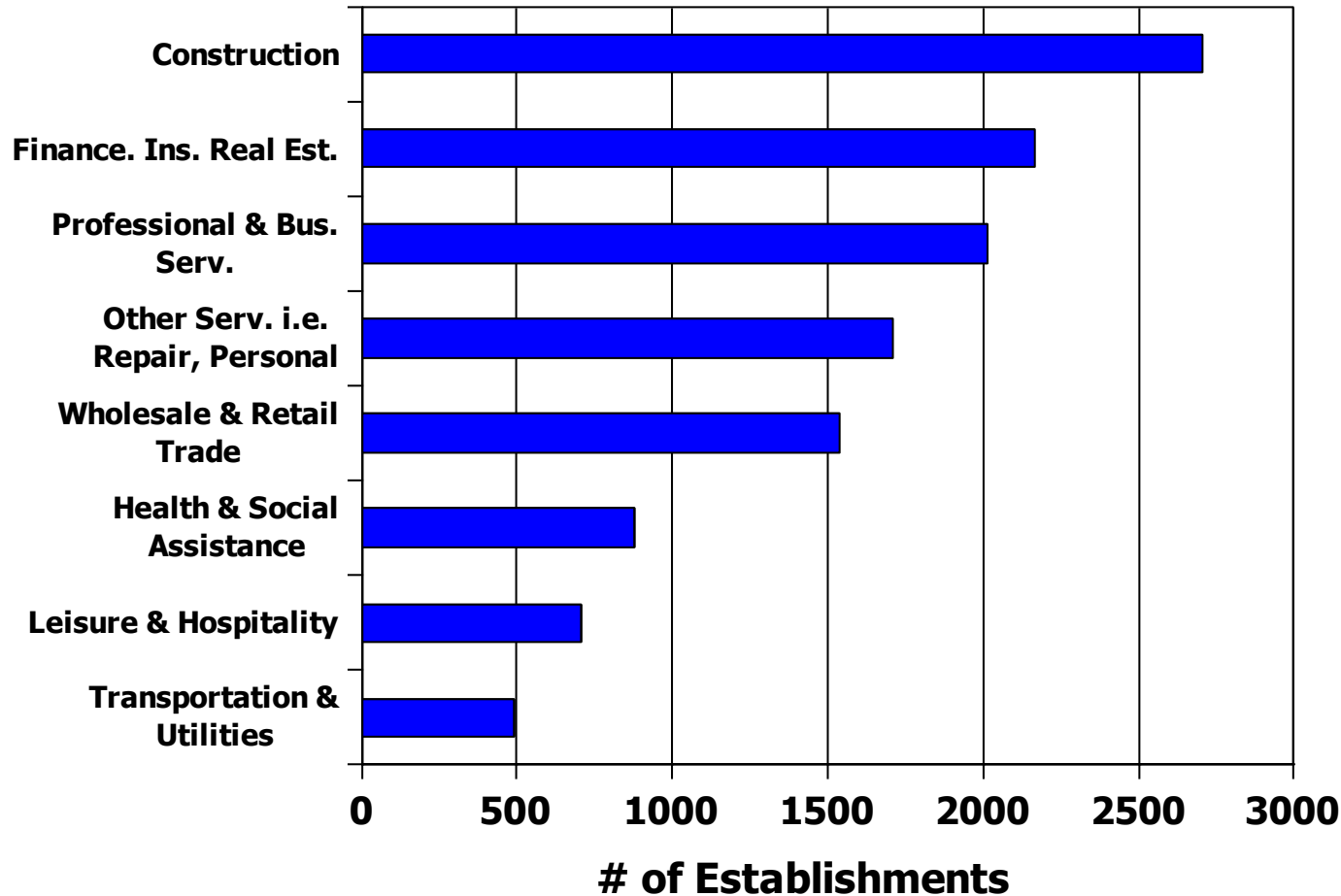
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Percent of Statewide Total - Est. With no Employees



Establishments With No Employees, 2004 - Sussex

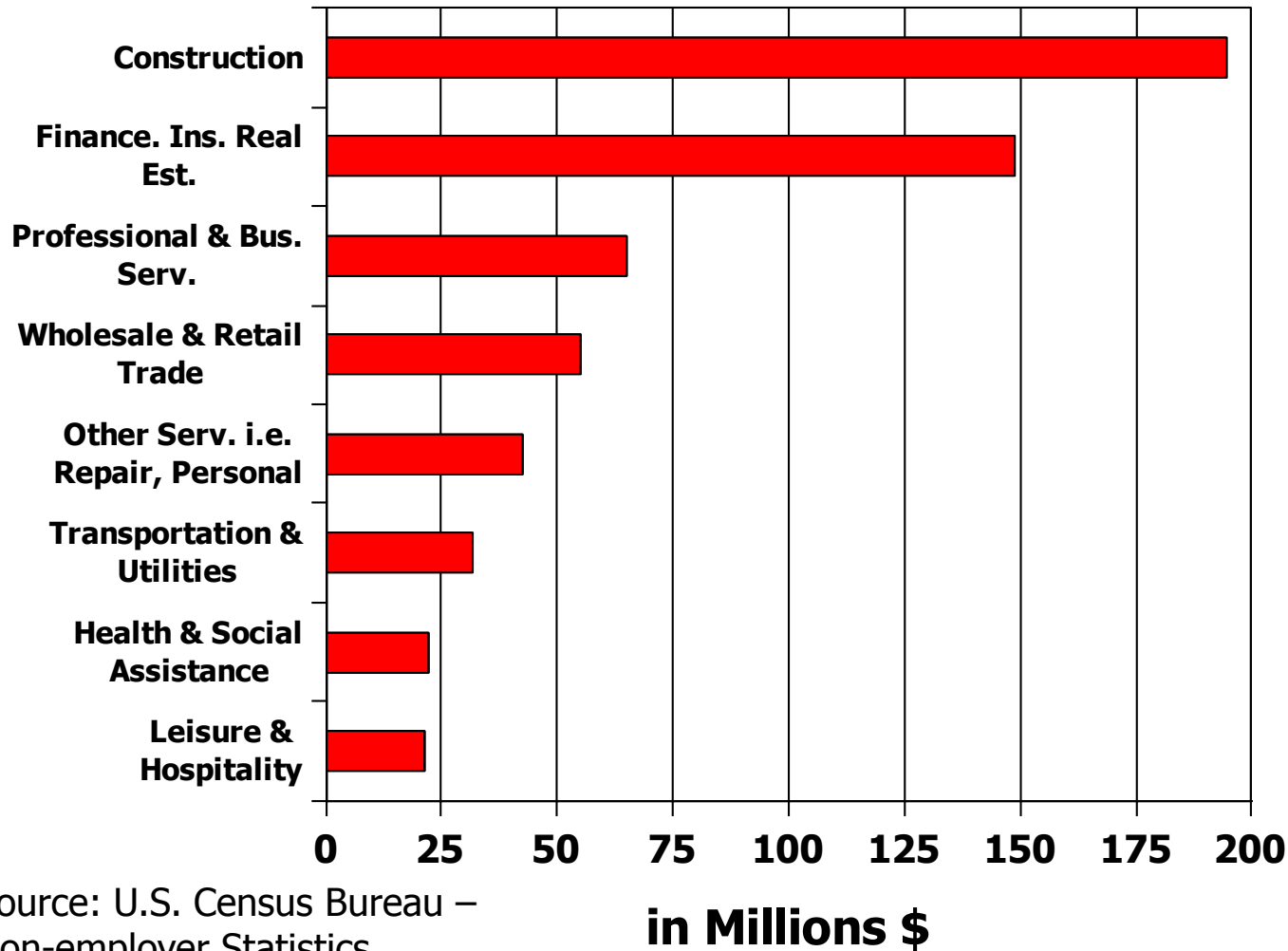


Source: U.S. Census Bureau –
Non-employer Statistics

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Total Receipts, Establishments with No Employees, Sussex, 2004

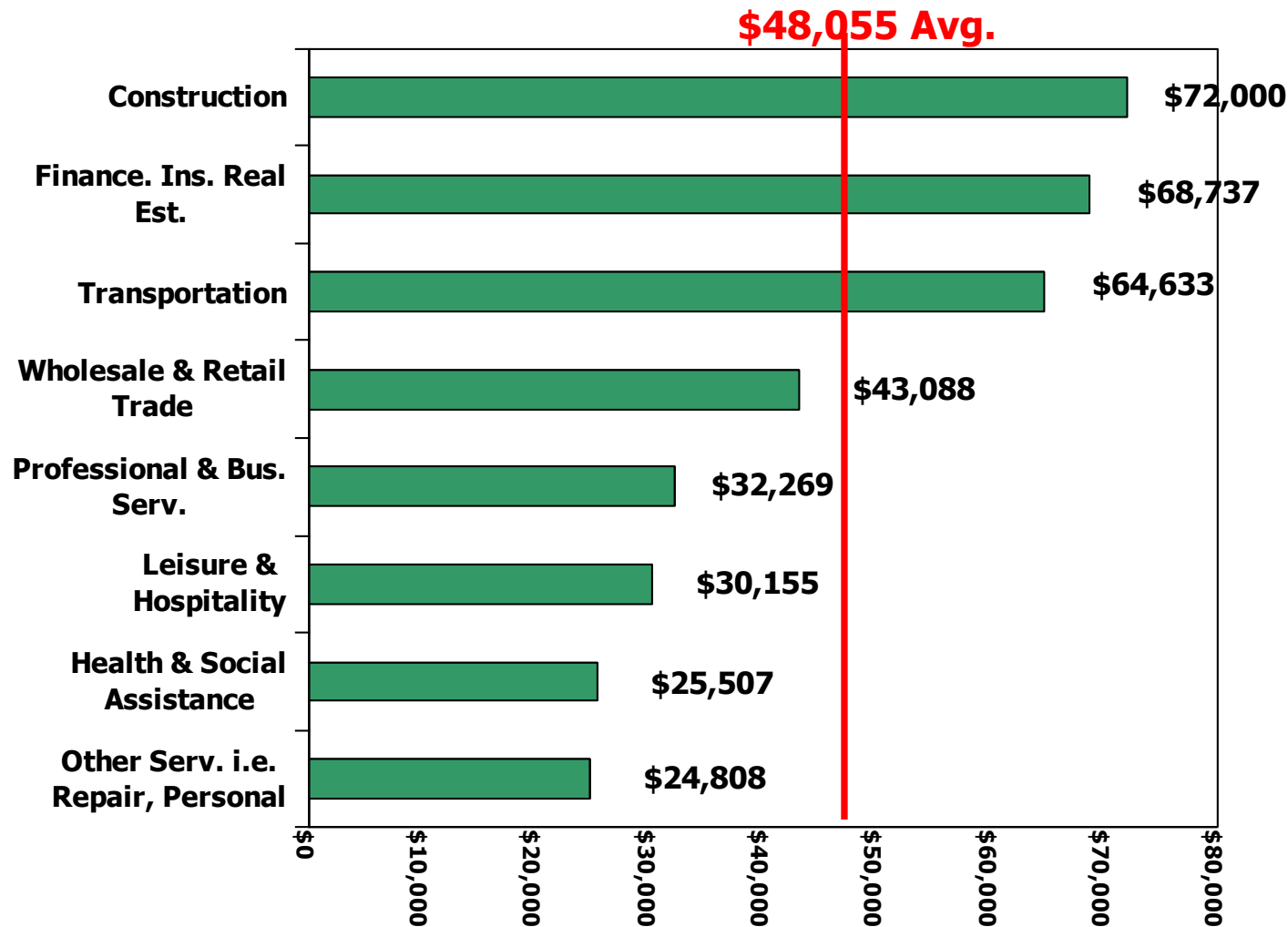


Source: U.S. Census Bureau –
Non-employer Statistics

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Average Annual Gross Receipts, Establishments With No Employees, Sussex, 2004



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Types of Jobs - Summary

- Job growth has been rapid in Sussex
- Much of the growth has been in low wage industries and occupations
- Since 1996, 66% of total Sussex job growth has occurred in four sectors: Leisure & Hospitality; Wholesale & Retail Trade; Health & Social Assistance; and Construction
- Wages and salaries are lower in Sussex (\$30,100 vs \$44,600)
- Leisure & Hospitality and Wholesale & Retail Trade are very large but relatively low paying industries. These two major groups represent 31.5% of jobs and 21.8% of total payroll.
- Industries that have above average annual wages include Transportation/ Utilities, \$41,582; Govt./Education, \$37,358; Finance, Insurance & Real Estate, \$37,283; Health & Social Assistance, \$36,729; Construction, \$34,317; and Manufacturing, \$32,458.
- This year we've included information from a new source. There are over 12,000 establishments with no employees (Source: Census Bureau). These represent an alternative to what we consider our usual source of jobs.

Conclusions

- Sussex has many benefits – Tax rates, favorable climate, strong tourism base and popularity as a retirement area.
- While we seek to attract higher paying industries and jobs, there are alternatives – Entrepreneurship and self-employment.
- More emphasis needs to be placed on job training and education as higher paying jobs will continue to become more technical.
- The challenge will be to continue to appeal to the growing retirement population in the region while attracting and retaining younger workers.
- The type of residences that are built and services that are provided will change as our population ages. This is happening now.
- Sussex is unique in many ways. Opportunities are there and we will find them.