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)
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
People

Demographic Trends
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

Thousands


SUSSEX COUNTY JOBS
GROWING OUR OPPORTUNITIES

Sussex County
TODAY
&
TOMORROW
Conference
Sussex County Population Growth 1790-2030
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
55+: 23% in 1980 - to 41% in 2030

Long Term Population Trends – Sussex
Population by Age Group
Sussex 1980, 2005, and 2025

SUSSEX COUNTY JOBS
GROWING OUR OPPORTUNITIES
Sussex County TODAY & TOMORROW Conference
Population by Age Group
Sussex 1980, 2005, and 2025
Population by Age Group
Sussex 1980, 2005, and 2025

Age Groups
0-14 15-24 25-34 35-44 45-54 55-64 65+

Population

1980
2005
2025
Population by Age Group
Sussex 1980, 2005, and 2025

Age Groups
0-14 15-24 25-34 35-44 45-54 55-64 65+

1980
2005
2025

Sussex County
TODAY
&
TOMORROW
Conference
### Density/Age Impact on County

#### Age Group Pop. Change 2005 to 2025

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14</td>
<td>10,202</td>
</tr>
<tr>
<td>15-24</td>
<td>4,240</td>
</tr>
<tr>
<td>25-34</td>
<td>7,647</td>
</tr>
<tr>
<td>35-44</td>
<td>3,530</td>
</tr>
<tr>
<td>45-54</td>
<td>-1,382</td>
</tr>
<tr>
<td>55-64</td>
<td>10,818</td>
</tr>
<tr>
<td>65+</td>
<td>29,302</td>
</tr>
</tbody>
</table>

- 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
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
Jobs have grown faster in Sussex

Index: 1996 = 100

<table>
<thead>
<tr>
<th></th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sussex</td>
<td>27.6%</td>
</tr>
<tr>
<td>Del.</td>
<td>14.4%</td>
</tr>
<tr>
<td>U.S.</td>
<td>11.5%</td>
</tr>
</tbody>
</table>
Job Change by Industry ‘96 to ‘05 - Sussex

Change in Number of Jobs

Leisure & Hospitality
Wholesale & Retail Trade
Health & Social Assistance
Construction
Professional & Bus. Services
Govt./Education
Transportation & Utilities
Finance, Insurance, Real Est.
Other Services
Manufacturing
Information
Agriculture (Farms)

Change in Number of Jobs

-500 0 500 1000 1500 2000 2500 3000
Job Change by Industry ‘03 to ‘05 - Sussex

- Construction
- Leisure & Hospitality
- Professional & Bus. Services
- Govt./Education
- Manufacturing
- Health & Social Serv.
- Wholesale & Retail Trade
- Transportation & Utilities
- Finance, Insurance, Real Est.
- Agriculture (Farms)
- Other Serv., i.e.Repair, Professional
- Information

Change in Number of Jobs
## % Job Growth

<table>
<thead>
<tr>
<th>Industry</th>
<th>% Change ‘03 to ‘05</th>
<th>% Change ‘96 to ‘05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>28%</td>
<td>58%</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Serv.</td>
<td>23%</td>
<td>41%</td>
</tr>
<tr>
<td>Govt./Education</td>
<td>13%</td>
<td>22%</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>10%</td>
<td>44%</td>
</tr>
<tr>
<td>Health &amp; Social Serv.</td>
<td>10%</td>
<td>43%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>7%</td>
<td>1%</td>
</tr>
<tr>
<td>Wholesale &amp; Retail Trade</td>
<td>3%</td>
<td>23%</td>
</tr>
</tbody>
</table>
Number of Total Jobs by Age Group
Sussex 2001, 2005

Jobs

Age Groups
15-24 25-34 35-44 45-54 55-64 65+

2001 2005
## Avg. Annual Wage – Total All Industries

<table>
<thead>
<tr>
<th>County</th>
<th>Average Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delaware</td>
<td>$ 44,600</td>
</tr>
<tr>
<td>New Castle</td>
<td>$ 50,500</td>
</tr>
<tr>
<td>Kent</td>
<td>$ 33,100</td>
</tr>
<tr>
<td>Sussex</td>
<td>$ 30,100</td>
</tr>
</tbody>
</table>

2005 Annual Avg.
Average Annual Wage by Ind. Sussex (2005)

- Transport./Utilities
- Govt./Education
- Finance, Insurance & Real Est.
- Health & Social Assistance
- Construction
- Manufacturing
- Prof.& Bus. Serv
- Wholesale & Retail Trade
- Leisure & Hospitality

Average annual wage: $30,100
<table>
<thead>
<tr>
<th>Job Growth</th>
<th>Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Wholesale &amp; Retail Trade</td>
<td>2. Govt./Education</td>
</tr>
<tr>
<td>3. Health &amp; Social Assistance</td>
<td>3. Finance Insurance, &amp; Real Estate</td>
</tr>
<tr>
<td>5. Prof. &amp; Business Services</td>
<td>5. Construction</td>
</tr>
<tr>
<td>6. Govt./Education</td>
<td>6. Manufacturing</td>
</tr>
<tr>
<td>7. Transportation &amp; Util.</td>
<td>7. Prof. &amp; Business Services</td>
</tr>
<tr>
<td>8. Finance Insurance, &amp; Real Estate</td>
<td>8. Wholesale &amp; Retail Trade</td>
</tr>
</tbody>
</table>
Number of New Businesses
With one Employee or More (Excludes Self-Employed)
Sussex – 1995 to 2005

Source: DE Dept. of Labor – OOLMI
New Businesses With One or More Employees (Self-Employed not included) – Sussex 2005

- Construction, 132; 22%
- Whls. & Retail Trade, 118; 20%
- Fin., Ins., & Real Est., 57; 10%
- Transp., & Util., 21; 4%
- Prof. & Bus. Serv., 113; 19%
- Health & Social, 30; 5%
- Leisure & Hosp., 58; 10%
- Other Serv., i.e. Repair, Personal, 39; 7%
- All Others, 15; 3%

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

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

Source: U.S. Census Bureau – Non-employer Statistics
Percent of Statewide Total
- Est. With no Employees

- New Castle: 58%
- Kent: 16%
- Sussex: 26%
Establishments With No Employees, 2004 - Sussex

Source: U.S. Census Bureau – Non-employer Statistics
Total Receipts, Establishments with No Employees, Sussex, 2004

Source: U.S. Census Bureau – Non-employer Statistics
Average Annual Gross Receipts, Establishments With No Employees, Sussex, 2004

- Construction: $72,000
- Finance. Ins. Real Est.: $68,737
- Transportation: $64,633
- Wholesale & Retail Trade: $43,088
- Professional & Bus. Serv.: $32,269
- Leisure & Hospitality: $30,155
- Health & Social Assistance: $25,507
- Other Serv. i.e. Repair, Personal: $24,808
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.