Sussex Demographic and Labor Market Trends

Ed Simon
(302) 672-6845
edward.simon@state.de.us

October 31, 2007
Introduction

- How are things changing in Sussex?
  - Short-term and long-term trends
  - How is Sussex different than other areas

- New Statistics
  - Housing Affordability
  - Healthcare
Topics

- Demographic Trends
  - Population/Age trends
  - Impact on job market
  - Impact on housing

- Local Business Trends
  - Industry sectors for Sussex
  - Jobs, wages & growth by industry
  - High pay vs. Low
  - Healthcare
Lower unemployment rate than the U.S. and Delaware last year: 3.3% vs. 4.6%, 3.6%
This year the unemployment rates continue to be low
Job growth at a much faster pace than the U.S and Delaware since 2000
Aging population
Increased demand on healthcare
Housing costs are the highest in the state
People

Demographic Trends
Sussex Population growth up 62% since 1990 (113,200 to 183,800).
- Kent +36%
- New Castle +20%
- Delaware +30%

Since 2000, Sussex population rose by 26,300.
Employment Status (Residents)

- Employed = 89,000
- Unemployed/actively seeking = 3,000
- Not in the labor force, 16 years+ = 59,000 (retired, in school, or not looking for work)
In an Average Month in Sussex . . .

- 190 Persons are born
- 154 Persons die
- 309 Persons move here from another area

Source: U.S. Census Bureau
55+: 23% in 1980 - to 41% in 2030

Source: Delaware Population Consortium
Population by Age Group
Sussex 1980, 2005, and 2025

Source: Delaware Population Consortium
Population by Age Group
Sussex 1980, 2005, and 2025

Source: Delaware Population Consortium
Population by Age Group
Sussex 1980, 2005, and 2025

Source: Delaware Population Consortium
### Population/Age Impact on County

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Pop. Change 2005 to 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14</td>
<td>10,487</td>
</tr>
<tr>
<td>15-24</td>
<td>4,266</td>
</tr>
<tr>
<td>25-34</td>
<td>7,713</td>
</tr>
<tr>
<td>35-44</td>
<td>3,541</td>
</tr>
<tr>
<td>45-54</td>
<td>-2,582</td>
</tr>
<tr>
<td>55-64</td>
<td>10,205</td>
</tr>
<tr>
<td>65+</td>
<td>30,996</td>
</tr>
</tbody>
</table>

- Increased School Population
- Expanded opportunities and need for education/training
- Working age population will not experience much growth
- Aging Population will impact:
  - Health Care
  - Eldercare
  - Transportation
  - Social Services
- More Homes for Young Adults and Retirees
- More Planned Communities
Median Home Prices

Source: ENeighborhoods

Sussex
New Castle
Kent

Source: ENeighborhoods
Home Prices vs. Income - Sussex

Sources: Sussex County Association of Realtors, HUD Annual Median Incomes, and Del. State Housing Authority
Median Home Prices – Most Recent Quarters in 2006 and 2007

Source: Sussex County Association of Realtors
# Affordability Gap

<table>
<thead>
<tr>
<th></th>
<th>Income*</th>
<th>Qualifying Mortgage Amount</th>
<th>Median Home Price</th>
<th>Affordability Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Castle</td>
<td>$72,100</td>
<td>$221,580</td>
<td>$230,000</td>
<td>($8,420)</td>
</tr>
<tr>
<td>Kent</td>
<td>$58,700</td>
<td>$176,817</td>
<td>$195,000</td>
<td>($18,183)</td>
</tr>
<tr>
<td>Sussex</td>
<td>$55,100</td>
<td>$164,791</td>
<td>$260,000</td>
<td>($95,209)</td>
</tr>
</tbody>
</table>

*Based on HUD’S FY2007 Median Family Income Estimates
Sussex (population) has grown much faster than the State and other counties. We expect this trend to continue.

59,000 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+.

The need to attract and retain younger workers to replace “Baby-Boomers’ will be a major priority.

Sussex has highest median home prices in the state.

Housing affordability gap is highest in Sussex County.
Industry

Local Business Trends
Jobs have grown faster in Sussex

Index: 1996 = 100

<table>
<thead>
<tr>
<th>Year</th>
<th>Sussex</th>
<th>Del.</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>105</td>
<td>95</td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>110</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>115</td>
<td>105</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>120</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>125</td>
<td>115</td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>130</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>135</td>
<td>125</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>140</td>
<td>130</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>145</td>
<td>135</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>150</td>
<td>140</td>
<td></td>
</tr>
</tbody>
</table>

Increase

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sussex</td>
<td>30.3%</td>
</tr>
<tr>
<td>Del.</td>
<td>15.9%</td>
</tr>
<tr>
<td>U.S.</td>
<td>13.8%</td>
</tr>
</tbody>
</table>

Total Jobs by Industry 2006 - Sussex

Source: Del. Dept of Labor, OOLMI
Health Care Impact on Jobs

- Jobs
  - 8,100 + Spin off jobs = 12,000
  - Represents 1 out of every 6 jobs
    - 71,400 all industry jobs ÷ 12,000
### Employment in Health & Social Assistance Sector

**Sussex 2006**

<table>
<thead>
<tr>
<th>Category</th>
<th>Jobs</th>
<th>Avg. Annual Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambulatory Health Care (Offices of Physicians, Clinics, Dentists, Home Health Care, Medical Labs)</td>
<td>2,324</td>
<td>$47,636</td>
</tr>
<tr>
<td>Hospitals</td>
<td>3,562</td>
<td>$40,462</td>
</tr>
<tr>
<td>Nursing and Residential Care Facilities</td>
<td>1,239</td>
<td>$26,857</td>
</tr>
<tr>
<td>Social Assistance</td>
<td>1,012</td>
<td>$17,723</td>
</tr>
</tbody>
</table>

Average annual Wage in Health Care excluding Social Assistance is $39,543
<table>
<thead>
<tr>
<th>County</th>
<th>Avg. Annual Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delaware</td>
<td>$ 46,300</td>
</tr>
<tr>
<td>New Castle</td>
<td>$ 52,500</td>
</tr>
<tr>
<td>Kent</td>
<td>$ 34,600</td>
</tr>
<tr>
<td>Sussex</td>
<td>$ 30,900</td>
</tr>
</tbody>
</table>

2006 Annual Avg.
Average Annual Wage by Ind. Sussex (2006)

- Information: $30,900
- Transport./Utilities
- Govt./Education
- Health & Social Assistance
- Finance, Insurance & Real Est.
- Construction
- Manufacturing
- Prof.& Bus. Serv
- Wholesale & Retail Trade
- Other Serv.
- Leisure & Hospitality

Community Collaboration
Getting it done!
## Jobs Vs. Pay – High to Low

### Job Growth (’96-’06)

<table>
<thead>
<tr>
<th>Job Growth (’96-’06)</th>
<th>Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Leisure &amp; Hospitality</td>
<td>1. Information</td>
</tr>
<tr>
<td>3. Wholesale &amp; Retail Trade</td>
<td>3. Govt. / Education</td>
</tr>
<tr>
<td>5. Govt./Education</td>
<td>5. Finance Insurance, &amp; Real Estate</td>
</tr>
<tr>
<td>6. Prof. &amp; Business Services</td>
<td>6. Construction</td>
</tr>
<tr>
<td>7. Transportation &amp; Util.</td>
<td>7. Manufacturing</td>
</tr>
<tr>
<td>8. Finance Insurance, &amp; Real Estate</td>
<td>8. Prof. &amp; Business Services</td>
</tr>
<tr>
<td>9. Other Services</td>
<td>9. Wholesale &amp; Retail Trade</td>
</tr>
<tr>
<td>10. Manufacturing</td>
<td>10. Other Services</td>
</tr>
<tr>
<td>11. Information</td>
<td>11. Leisure &amp; Hospitality</td>
</tr>
</tbody>
</table>
FTE Primary Care Physicians by Area & Year

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>2001</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kent</td>
<td>72</td>
<td>75</td>
<td>93</td>
</tr>
<tr>
<td>New Castle</td>
<td>429</td>
<td>442</td>
<td>463</td>
</tr>
<tr>
<td>Sussex</td>
<td>109</td>
<td>119</td>
<td>115</td>
</tr>
<tr>
<td>Delaware</td>
<td>610</td>
<td>636</td>
<td>671</td>
</tr>
</tbody>
</table>

Source: Center for Applied Demography & Survey Research, University of Delaware; Prepared for the Dept. of Health and Social Services, Division of Public Health
Average Wait Time for Current and New Patients

Source: Center for Applied Demography & Survey Research, University of Delaware; Prepared for the Dept. of Health and Social Services, Div. of Public Health
Distribution of Primary Care Physicians

Source: Center for Applied Demography & Survey Research, University of Delaware
Prepared for the Dept. of Health and Social Services, Div. of Public Health
Job growth continues to be 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: Information, $40,004; Transportation/Utilities, $39,968; Govt./Education, $37,664; Health & Social Assistance, $37,613; Finance, Insurance & Real Estate, $37,045; Construction, $35,926; Manufacturing, $33,465; and Professional and Business Services, $31,264.
Conclusions

- Income levels have risen much slower than housing prices.
- Housing affordability will continue to be a key issue in attracting and retaining an experienced workforce.
- Sussex continues to be an attractive tourist and retirement destination. This has been a huge plus but we need more economic diversification.
- Like other areas, Sussex is facing the challenges of an aging population.
- This will have a huge impact on healthcare and job growth.
- Emphasis needs to be placed on attracting and retaining younger workers and families.
- The retention and attraction of younger workers can provide the pipeline to improve the quality of jobs in our county.