Sussex a Leader in Employment Growth

Employment, 1998=100

Sussex

Kent

New Castle
High Personal Income Growth in NCC Despite Slow Job Growth

Total personal income, 1998=100

Sussex
Kent
New Castle
New Jobs Mostly Low Paying

- Finance
- Mining
- Information
- Transp, utilities
- Wholesale
- Construction
- Manufacturing
- Other
- Prof. & tech.
- Govern.
- Leis. & hosp
- Education & health
- Retail

Net change in Employment, 1998-2008

-1000 -500 0 500 1000 1500 2000 2500 3000 3500
Sustained High Net In-Migration

Net migration, ths

Sussex

Kent

New Castle
Rapid Growth in Senior Population in Southern Delaware

Kent, 65+

Sussex, 65+

Sussex, <65

New Castle, 65+
Wages Less Significant, Transfers & Dividends More Significant in Sussex

Share of total county personal income, 2007
OUTLOOK - POULTRY

PLUS
• Growing export demand
• Price insensitive demand

MINUS
• Higher fuel & feed costs
• Domestic demand increasing at slower rate
• Labor shortage
• Loss of farm land

Stronger dollar will weaken exports, boost supply of labor. Reaching processing capacity limits? Critical to economy (high multiplier), but not a growth driver.
OUTLOOK - TOURISM

PLUS
- Lower gas prices
- New IR inlet bridge
- Weaker economy keeps tourists close to home

MINUS
- Slot machines in Maryland
- Congestion
- Environmental issues

13% of Sussex jobs, 7% of wages. Average wage 59% of county average. 3-4% job growth. Modest growth driver.
OUTLOOK - CONSTRUCTION

PLUS
• Falling house prices, increasing affordability
• Above avg quality of life
• Modest growth in office using jobs

MINUS
• Less land near coast
• Easy mortgage money gone
• Environmental issues
• Encroachment

10% of Sussex jobs, 9% of wages. Average wage 122% of county average. Decline in jobs through 2011. Modest growth driver.
Housing Stock Increasing at a Decreasing Rate

- Single family
- Total units
- Multi-family
- Manufactured

Housing stock, 1998=100
Building Permits Respond to Stalled House Prices

- Residential building permits (L)
- Median price of existing SF house, ths $ (R)

Data over the years:
- 1998: 1200
- 1999: 1500
- 2000: 1000
- 2001: 1400
- 2002: 1600
- 2003: 2000
- 2004: 2300
- 2005: 4100
- 2006: 3000
- 2007: 3000
- 2008: 2500
- 2009: 1500
- 2010: 1200
OUTLOOK - RETAIL

**PLUS**
- No sales tax
- Outlets
- Modest growth in tourism
- Increasing senior population

**MINUS**
- Congestion near coast
- Rising cost of living
- Expansion of retail throughout the peninsula

16% of Sussex jobs, 12% of wages. Average wage 79% of county average.
4% growth in jobs down to 1% in 2012. Hold its own, not a growth driver.
OUTLOOK – EDUC & HEALTH

PLUS
• Increasing senior population

MINUS
• U of D expansion delayed by fiscal problems
• Uncertain future for Medicare
• Competition from Phila & Baltimore

12% of Sussex jobs, 12% of wages. Average wage 99% of county average. Jobs continue to grow at 6%, not export base.
Long term Employment Growth Converges with DE and U.S.
Long Term Personal Income Growth Converges As Well

% change in total personal income

Sussex

U.S.

Delaware

04 05 06 07 08F 09F 10F 11F 12F 13F 14F
OUTLOOK – MACRO

**PLUS**
- Increasing senior population
- Solid poultry & tourism industries
- Good quality of life
- Lower cost of living and doing business

**MINUS**
- On a peninsula – one road N,S,W; no port, no major airport, one rail line
- Less formal educ in LF
- Lack jobs & amenities to retain & attract young professionals

*Near term projected employment growth 3%, personal income growth 5-6%. Construction job decline through 2011.*
SUGGESTIONS

• Identify & encourage the gazelles
  – Facilitate churning

• Keep the tax burden low
  – Reduce dependence on real estate transfer tax
  – Cut growth in county administration
  – Negotiate a better health care package
  – Big time pension problem
  – Get more money/services from the state & Feds

• Be radical about public education

• Get a U of D campus
  – Focus on community college grads and life-long learning…take on Salisbury State

Eat tofu and granola
Where Are the Low Mortality Rates

*Cancer mortality index, metro area rank, 1 = Lowest Rate*