Sussex Demographic and Labor Market Trends

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Introduction

- **Demographic Update**
  - Update on short-term and long-term trends
  - How Sussex is very different than other areas
  - How demographic change can be an asset
    - Challenges and Opportunities

- **New Information**
  - Focus on how the labor market is changing
  - What we can expect
  - Where our economic strengths are
  - Occupational trends
Topics

- **Demographic Trends**
  - Population/Age trends
  - Impact on job market
  - Impact on future trends

- **Local Business Trends**
  - Industry sectors for Sussex
  - Jobs, wages & growth by industry
  - Focus on Tourism
  - High pay vs. Low Industries
  - Occupational Information
Historically Sussex has had lower unemployment rates than the U.S. and Delaware:
- 2007: 3.3% (Sussex) vs. 4.6% (U.S.), 3.6% (DE)

But this year the unemployment rates have been rising:
- 2008: 4.3% (Sussex) vs. 5.3% (U.S.), 4.1% (DE)

Since 2000 Job growth here has been at a much faster pace than for U.S. and Delaware.

Recent industry trends – Since 2002 job growth has been strong but recently things have slowed considerably in some of our key industries.

Aging population – Median age in Sussex is much higher than in other areas.
People

Demographic Trends
Demographic Overview

- Sussex Population growth up 65% since 1990 (113,200 to 187,300).
  - Kent +38%
  - New Castle +21%
  - Delaware +31%
- Since 2000, Sussex population rose by nearly 30,000.
Employment Status (Residents) - 2008

- Employed = 90,000
- Unemployed/actively seeking = 4,000
- Not in the labor force, 16 years+ = 60,000 (retired, in school, or not looking for work)
- Only 59.3% of Sussex population (age 16+) is in the labor force, compared to 64.8% for both Delaware and the U.S.
- 55+ age group: 29.7% of those in Sussex are in the labor force; 36.4% for Delaware; and 33.0% for U.S.
- We need to utilize this resource of potential workers

In an Average Month in Sussex . . .

- 205 Persons are born
- 160 Persons die
- 309 Persons move here from another area

Source: U.S. Census Bureau (7/06 to 7/07)
Long Term Population Trends – Sussex

55+: 23% in 1980 - to 41% in 2030

Source: Delaware Population Consortium
Population by Age Group
Sussex 1980, 2008, and 2025

Source: Delaware Population Consortium
Population by Age Group
Sussex 1980, 2008, and 2025

Source: Delaware Population Consortium
Population by Age Group
Sussex 1980, 2008, and 2025

Source: Delaware Population Consortium
Population/Age Impact on County

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Pop. Change 2008 to 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14</td>
<td>9,456</td>
</tr>
<tr>
<td>15-24</td>
<td>3,109</td>
</tr>
<tr>
<td>25-34</td>
<td>6,730</td>
</tr>
<tr>
<td>35-44</td>
<td>4,722</td>
</tr>
<tr>
<td>45-54</td>
<td>-4,755</td>
</tr>
<tr>
<td>55-64</td>
<td>7,475</td>
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<tr>
<td>65+</td>
<td>27,125</td>
</tr>
</tbody>
</table>

- Increased School Population
- Expanded opportunities and need for education/training
- Working age population will not experience much growth
- Focus on retention of young persons
- Aging Population will impact:
  - Health Care
  - Eldercare
  - Transportation
  - Social Services
- More Affordable Homes for Young Adults and Retirees
- More Planned Communities (Adult Communities) – with services
Sussex Workers by Age Group – All Industries

Census Bureau – Local Employment Dynamics (LED)
Age Distribution by Industry

Census Bureau – Local Employment Dynamics (LED)
## Educational Attainment
Persons 25 Years and over

<table>
<thead>
<tr>
<th></th>
<th>Sussex</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Than High School</td>
<td>16.5%</td>
<td>15.5%</td>
</tr>
<tr>
<td>High school grad. Or higher</td>
<td>83.5%</td>
<td>84.5%</td>
</tr>
<tr>
<td>Bachelor’s Degree or higher</td>
<td>19.9%</td>
<td>27.5%</td>
</tr>
</tbody>
</table>

Source: 2007 American Community Survey
Sussex (population) has grown much faster than the State and other counties. We expect this trend to continue.

60,000 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.

We need to find ways to extend careers and introduce encore careers to our senior population.

Although education attainment has improved, we must continue to improve the quality of our workforce.
Industry

Local Business Trends
Jobs have grown faster in Sussex

<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>100</td>
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<tr>
<td>2006</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>100</td>
<td></td>
<td></td>
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</tbody>
</table>

Growth Index

Index: 1996 = 100

Housing Production – Number of Units*

*These numbers represent new housing units authorized by building permits.

Source: U.S. Bureau of the Census
Realty Transfer Tax – Sussex

Impact of a slowing Real Estate Market

Sussex County Council 2009 Budget
Where Sussex Works

- Manufacturing: 18.6%
- Wholesale & Retail Trade: 18.0%
- Leisure & Hospitality: 13.5%
- Health & Social Assistance: 11.5%
- Govt./Education: 10.9%
- Services, All: 9.4%
- Construction: 7.9%
- Finance, Ins., Real Est.: 5.3%
- Other Ind.: 5.0%
- Services, All: 11.5%

Job Change by Industry ‘02 to ‘07 - Sussex

- Manufacturing: 1,766
- Govt./Education: 1,651
- Finance, Insurance, Real Est.: 1,293
- Health & Social Assistance: 1,266
- Construction: 1,007
- Leisure & Hospitality: 819
- Transportation & Utilities: 619
- Professional & Bus. Services: 603
- Wholesale & Retail Trade: 478
- Other Services: 246
- Agriculture (Farms): 47
- Information: 9

Change in Number of Jobs
Food Production Dominates Mfg.-Sussex, 2007

- Total Manufacturing, 13,100 jobs; food production portion (mostly poultry processing) is 8,339; other manufacturing, 4,735 jobs
- Food Production 11.8% of all Sussex jobs 10.4% of total payroll
- Other Manufacturing 6.7% jobs in County; 11.4% of payroll
- Average annual wage; food production $29,100; other manufacturing, $56,000

% of Mfg. Jobs

- Food Mfg. 64%
- Other Mfg. 36%
Agriculture

- Sussex has far more acres of farm land than New Castle and Kent combined.
- “Sussex County is the number one broiler producing county in the U.S.” *Source: Delaware Agriculture Statistics, 2006-2007.*
- Poultry is our #1 farm commodity.
- Soybeans – Sussex is the leader in the Delmarva Penninsula with over 83,000 acres.
- Sussex also leads the region by a large margin in corn for grain production.
- The county is one of the leading producers of wheat in the 14 county Delmarva Region.
Market Value of Agr. Products Sold - $463 Million in Sussex

Source: 2002 Census of Agriculture
Hotel/Motel Revenue – Sussex

Impact on Tourism

2008: up $166,700, +3.9%

Source: Del. Dept. of Finance – Public Accommodation data base
<table>
<thead>
<tr>
<th>County</th>
<th>Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delaware</td>
<td>$47,300</td>
</tr>
<tr>
<td>New Castle</td>
<td>$53,300</td>
</tr>
<tr>
<td>Kent</td>
<td>$36,000</td>
</tr>
<tr>
<td>Sussex</td>
<td>$33,000</td>
</tr>
</tbody>
</table>

2007 Annual Avg.
Poverty Rates, 2007

- Sussex: 9.2%
- Kent: 12.6%
- New Castle: 10.3%
- Delaware: 10.5%
- U.S.: 13.0%

Source: U.S. Census Bureau
Average Annual Wage by Ind. Sussex (2007)

- Health & Social Assistance: $33,000
- Information
- Transport./Utilities
- Govt./Education
- Manufacturing
- Construction
- Finance, Insurance & Real Est.
- Agriculture (Farms)
- Prof.& Bus. Serv
- Wholesale & Retail Trade
- Other Serv.
- Leisure & Hospitality

$0 $5,000 $10,000 $15,000 $20,000 $25,000 $30,000 $35,000 $40,000 $45,000
## Jobs Vs. Pay – High to Low

### Job Base - 2007

<table>
<thead>
<tr>
<th>Job Base - 2007</th>
<th>Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Manufacturing</td>
<td>1. Health &amp; Social Assistance</td>
</tr>
<tr>
<td>2. Wholesale &amp; Retail Trade</td>
<td>2. Information</td>
</tr>
<tr>
<td>3. Leisure &amp; Hospitality</td>
<td>3. Transportation &amp; Utilities</td>
</tr>
<tr>
<td>4. Health &amp; Social Assistance</td>
<td>4. Govt./Education</td>
</tr>
<tr>
<td>5. Govt./Education</td>
<td>5. Manufacturing</td>
</tr>
<tr>
<td>7. Professional &amp; Bus. Serv.</td>
<td>7. Finance, Ins., &amp; Real Estate</td>
</tr>
<tr>
<td>8. Finance Insurance, &amp; Real Estate</td>
<td>8. Agriculture (Farms)</td>
</tr>
<tr>
<td>10. Transportation &amp; Utilities</td>
<td>10. Wholesale &amp; Retail Trade</td>
</tr>
<tr>
<td>11. Agriculture (Farms)</td>
<td>11. Other Services</td>
</tr>
<tr>
<td>12. Information</td>
<td>12. Leisure &amp; Hospitality</td>
</tr>
</tbody>
</table>
Industry - Summary

- Since 1996 job growth in Sussex has been twice as fast as the Statewide rate.
- Most growth has been in low wage industries and occupations.
- Since 2002, 71% of total Sussex job growth has occurred in four sectors: Manufacturing; Government/Education; Finance, Insurance & Real Estate; Health & Social Assistance; and Construction.
- Wages and salaries are lower in Sussex ($33,000 vs $47,300 – Del.).
- Leisure & Hospitality and Wholesale & Retail Trade are very large but relatively low paying industries. These two major groups represent 31.3% of jobs and 21.5% of total payroll.
- However job growth is slowing in those sectors.
- Industries that have above average annual wages include: Health & Social Assistance, $41,412; Information, $40,113; Transportation/Utilities, $39,378; Govt./Education, $39,331; Manufacturing, $38,847; Construction, $36,916; and Finance, Insurance & Real Estate, $36,508.
Occupations

Sussex Trends
## Largest Occupational Groups

**Sussex 2007**

<table>
<thead>
<tr>
<th>Occupational Group</th>
<th>Employment</th>
<th>Annual Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office and administrative support</td>
<td>10,540</td>
<td>$29,380</td>
</tr>
<tr>
<td>Production</td>
<td>9,740</td>
<td>$23,550</td>
</tr>
<tr>
<td>Sales and related</td>
<td>8,300</td>
<td>$31,220</td>
</tr>
<tr>
<td>Food preparation and serving related</td>
<td>8,000</td>
<td>$20,720</td>
</tr>
<tr>
<td>Transportation and material moving</td>
<td>4,620</td>
<td>$26,340</td>
</tr>
<tr>
<td>Construction and extraction</td>
<td>4,470</td>
<td>$34,810</td>
</tr>
<tr>
<td>Healthcare practitioners and technical</td>
<td>4,140</td>
<td>$61,750</td>
</tr>
<tr>
<td>Education, training, and library</td>
<td>3,900</td>
<td>$44,850</td>
</tr>
<tr>
<td>Installation, maintenance, and repair</td>
<td>3,310</td>
<td>$34,370</td>
</tr>
<tr>
<td>Building &amp; grounds cleaning &amp; maintenance</td>
<td>2,950</td>
<td>$24,060</td>
</tr>
<tr>
<td>Healthcare support</td>
<td>2,070</td>
<td>$26,940</td>
</tr>
</tbody>
</table>

Largest Specific Occupations – Sussex 2007

Source: DE Dept. of Labor, “Delaware Wages, 2007”
## Selected High Growth Occupations

**Sussex – ‘06 to ‘16**

<table>
<thead>
<tr>
<th>Occupational Title</th>
<th>2016 Projected Employment</th>
<th>Percent Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Sales Agents</td>
<td>195</td>
<td>52.3</td>
</tr>
<tr>
<td>Pharmacy Technicians</td>
<td>328</td>
<td>47.1</td>
</tr>
<tr>
<td>Veterinary Technologists and Technicians</td>
<td>70</td>
<td>45.8</td>
</tr>
<tr>
<td>Medical Assistants</td>
<td>342</td>
<td>45.5</td>
</tr>
<tr>
<td>Physical Therapist Assistants</td>
<td>109</td>
<td>41.6</td>
</tr>
<tr>
<td>Mental Health and Substance Abuse Social Workers</td>
<td>112</td>
<td>40.0</td>
</tr>
<tr>
<td>Dental Assistants</td>
<td>101</td>
<td>38.4</td>
</tr>
<tr>
<td>Physical Therapist Aides</td>
<td>62</td>
<td>34.8</td>
</tr>
<tr>
<td>Network and Computer Systems Administrators</td>
<td>71</td>
<td>34.0</td>
</tr>
<tr>
<td>Veterinarians</td>
<td>71</td>
<td>34.0</td>
</tr>
</tbody>
</table>

Source: Del. Dept of Labor, OOLMI
% of Jobs by Education/Training - 2006

Bachelor's & Above: 12.1%
Associates & Postsecondary: 9.4%
Moderate, Long-term, Work Experience: 33.4%
Short-term: 45.0%

Sussex, 2006-2016 Projections – Dept. of Labor, OOLMI
% Growth by Education/Training 2006 to 2016

- Bachelor's & Above: 19.2%
- Associates & Postsecondary: 22.4%
- Moderate, Long-term, Work Experience: 13.3%
- Short-term: 14.6%

Sussex, 2006 – 2016 Projections – Dept. of Labor, OOLMI
Conclusions

- Our labor market is facing enormous challenges. The need to attract high-wage and high-skilled jobs is our primary goal. But we’ll need to continue to improve and expand the knowledge and skills of our residents.
- Income levels are rising but the economy is under stress. The current economic downturn has led to much slower job creation and a higher unemployment rate.
- 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. However, the economy and national real estate crisis is slowing our efforts to attract retirees.
- We need more economic diversification. What about targeting “Green Industries”?
- Sussex is facing the challenges of an aging population. We have mentioned this in detail today.
- This will have a continuing impact on healthcare services and job growth (need for younger workers).
- More emphasis is needed for attracting and retaining younger workers and families. The future of our economic development is dependant on this.
- But we will still need to utilize the experience and abilities of our senior population.