Sussex Demographic and Labor Market Trends

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

October 27, 2010
Introduction

- **Statistical Update**
  - Changing economic and labor market conditions
  - Impact on population and job trends
  - How Sussex is performing relative to other areas

- **New Information**
  - The role of Food Processing & Agriculture
  - The sustaining power of Basic Industries
Like the U.S. and Delaware, Sussex has had high unemployment rates during the past couple of years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Sussex</th>
<th>DE</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>3.4%</td>
<td>3.5%</td>
<td>4.6%</td>
</tr>
<tr>
<td>2008</td>
<td>5.1%</td>
<td>4.9%</td>
<td>5.8%</td>
</tr>
<tr>
<td>2009</td>
<td>8.1%</td>
<td>8.1%</td>
<td>9.3%</td>
</tr>
<tr>
<td>2010</td>
<td>8.5%</td>
<td>8.6%</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

2010 Data are preliminary
Sussex Labor Force Data

- Employed = 82,000
- Not in the labor force, 16 years+ = 70,000 (retired, in school, or not looking for work)
- Persons under age 16 years = 36,500
- Unemployed/actively seeking = 8,000

People

Demographic Trends
Since 2000, Sussex population rose by nearly 39,000.

Source: Delaware Population Consortium
Sussex Population Growth is Slowing
(Annual Change)

- Net Migration
- Natural Increase


Population changes range from 3500 to 4500.
Highest Growth in Youngest & Oldest Sussex 2010 and 2025

Source: Delaware Population Consortium
Jobs

Sussex Employment Trends
Sussex Has Slower Job Decline


Sussex Trends: Jobs grew faster at first and then declined more slowly.
Why is Sussex doing better?

- What we have works
- Not as good in good times; not as bad in bad times; less cyclical
- Basic industries sustain us
- Top 5 industry sectors are strong
Top 5 Sussex Industry Groups (2009 Employment)

- Wholesale & Retail Trade
- Leisure & Hospitality
- Healthcare
- Manufacturing (Food)
- Education

Source: Del. Dept of Labor, OOLMI; Census of Agriculture
What are the Basics in Sussex?

- Local jobs that can’t be outsourced
- Agriculture and Food Processing
## Sussex Trade/Industry Wages

(Average Annual Wages - 2009)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Average Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto Service Technicians</td>
<td>$32,670</td>
</tr>
<tr>
<td>Carpenters</td>
<td>$38,320</td>
</tr>
<tr>
<td>Cement Masons</td>
<td>$34,090</td>
</tr>
<tr>
<td>Construction &amp; Building Inspectors</td>
<td>$37,550</td>
</tr>
<tr>
<td>Electricians</td>
<td>$36,060</td>
</tr>
<tr>
<td>HVAC Mechanics &amp; Repairers</td>
<td>$36,710</td>
</tr>
<tr>
<td>Maintenance &amp; Repair, General</td>
<td>$33,180</td>
</tr>
<tr>
<td>Plumbers</td>
<td>$38,260</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics; 2009 Estimates
Poultry Processing Dominates Manufacturing
Sussex, 2009

12,100
Total Manufacturing Jobs

8,080
Food Processing Jobs

33%
Food Proc.

67%
Other Mfg.
How Does the Food Processing Industry Impact Sussex?

Food Processing (Mfg) Production:
11.8% of all Sussex jobs
10.3% of total payroll

Other Manufacturing:
5.9% jobs in County;
10.0% of payroll

Average annual wage:
food production $29,221;
other manufacturing, $56,598

Food Processing Annual wage payroll:
$236.1 Million
Sussex – a Leader in Agriculture

- Market value of production grew by **83%** (2002 to 2007)
- Market value of Agriculture Products sold was $849 million, **33% of the entire Delmarva Peninsula**
- The **number one** broiler producing county in the U.S.
- Poultry represents over **80%** of Agriculture Products sold.
- Sussex remains a key leader on the Delmarva Peninsula in the production of **soybeans, corn and wheat**
What Did Sussex Sell for $849M?

Source: 2007 Census of Agriculture
What does this mean for Getting Back to Basics?

- Continue to recognize the importance of our basic industries.
- Improve and expand our knowledge and skills.
- Attract younger workers and families.
- Prepare for our demographic changes.
- Prepare for new industry trends in sustainable energy, advancements in healthcare, etc.
Long Term Population Trends – Sussex

55+: 28% in 1990 - to 45% in 2030

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

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Pop. Change 2010 to 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14</td>
<td>8,710</td>
</tr>
<tr>
<td>15-24</td>
<td>3,009</td>
</tr>
<tr>
<td>25-34</td>
<td>5,160</td>
</tr>
<tr>
<td>35-44</td>
<td>5,996</td>
</tr>
<tr>
<td>45-54</td>
<td>-5,605</td>
</tr>
<tr>
<td>55-64</td>
<td>6,073</td>
</tr>
<tr>
<td>65+</td>
<td>33,931</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
Housing Production – Number of Units*

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

Source: U.S. Bureau of the Census
Sussex (population) has grown much faster than the State and other counties. The growth trend is expected to continue although at a slower rate.

66,000 of our residents are not in the labor force. This will likely increase until the economy improves.

The largest increase in our population will come from persons age 65+. The pace of this is accelerating.

This will continue to increase the demand for healthcare services and the need for jobs in the field.

We will continue to focus on the need to attract and retain younger workers to replace “Baby-Boomers” during the next few years.

But at the same time we will need to find ways to extend careers and introduce encore careers to our senior population.

We must continue to improve the quality of our workforce. This is a must for ensuring retention of existing businesses and attraction of new ones.
### Avg. Annual Wage – Total All Industries

<table>
<thead>
<tr>
<th>County</th>
<th>Average Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delaware</td>
<td>$ 47,800</td>
</tr>
<tr>
<td>New Castle</td>
<td>$ 53,700</td>
</tr>
<tr>
<td>Kent</td>
<td>$ 37,000</td>
</tr>
<tr>
<td>Sussex</td>
<td>$ 33,300</td>
</tr>
</tbody>
</table>

2009 Annual Avg.
Major Industries With the Most Growth ‘02 to ‘09 - Sussex

- Healthcare: 1,957
- Finance, Insurance, Real Est.: 1,498
- Education: 1,297
- Leisure & Hospitality: 1,252
- Professional & Bus. Services: 1,000
- Government: 723
- Manufacturing (Food): 499

Change in Number of Jobs
Where Sussex Works (2009)

Wholesale & Retail Trade
Leisure & Hospitality
Healthcare
Manufacturing (Food)
Education
Prof.& Bus. Serv
Manufacturing (Non-Food)
Construction
Fin., Ins. & Real Est.
Agriculture (Farms)
Government
Other Serv.
Transport., & Utilities
Information

Source: Del. Dept of Labor, OOLMI; Census of Agriculture
Average Annual Wage by Ind. Sussex (2009)

Manufacturing (Non-food) $33,266
Healthcare
Transport./Utilities
Education
Information
Government
Construction
Finance, Insurance & Real Est.
Prof.& Bus. Serv
Agriculture (Farms)
Manufacturing (Food)
Wholesale & Retail Trade
Other Serv.
Leisure & Hospitality
### Educational Attainment
**Persons 25 Years and over**

<table>
<thead>
<tr>
<th></th>
<th>Sussex</th>
<th>DE</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Than High School</td>
<td>14.0%</td>
<td>12.8%</td>
<td>15.0%</td>
</tr>
<tr>
<td>High school grad., or</td>
<td>57.7%</td>
<td>52.6%</td>
<td>49.8%</td>
</tr>
<tr>
<td>Some College no Degree</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associates, Bachelor’s</td>
<td>28.3%</td>
<td>34.6%</td>
<td>35.2%</td>
</tr>
<tr>
<td>Degree or higher</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: 2008 American Community Survey*
School Dropout Rates

Source: State of Delaware, Dept. of Education
Since 2002, about 80% of total Sussex job growth has occurred in four sectors: Healthcare; Education; Finance, Insurance & Real Estate; and Leisure & Hospitality.

Leisure & Hospitality and Wholesale & Retail Trade are very large but relatively low paying industries. These two major groups represent 32.2% of jobs and 21.2% of total payroll.

From 2008 to 2009, Sussex had a net loss of nearly 2,000 jobs, a decline of 2.8%. But this was worse in other areas.

Sectors with the largest losses were: Construction; Manufacturing; Wholesale and Retail Trade; and Transportation & Utilities.
Since 2002 job growth in Sussex has been faster both Delaware’s rate and the U.S. growth rate.

But in recent years the number of jobs has recently declined in most areas including Sussex.

Education and training are the keys to our long term success and ability to support entrepreneurial efforts.

Wages and salaries are lower in Sussex ($33,300 vs. $47,800 – Del.)

Industries that have above average annual wages include: Healthcare, $44,498; Transportation/Utilities, $42,881; Education, $42,454; Information, $40,946; Manufacturing, $38,325; Government, $37,620; Construction, $37,117; Finance, Insurance & Real Estate, $36,119; and Professional & Bus. Services, $34,929.
Top priorities: Create diverse job opportunities; Improve and expand the knowledge and skills of our residents.

Economy – expect slow job creation; higher unemployment rate.

Sluggish real estate market locally and regionally limiting our population growth.

Economic diversification – Always a major goal

Aging population - impact on healthcare services and job growth.

Attract and retain younger workers and families.

Continue to recognize the strength of our basic industries. Where would we be without them?