

Sussex Demographic and Labor Market Trends

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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

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Unemployment Trend

- Like the U.S. and Delaware, Sussex has had high unemployment rates during the past couple of years.

Year	Sussex	DE	US
2007	3.4%	3.5%	4.6%
2008	5.1%	4.9%	5.8%
2009	8.1%	8.1%	9.3%
2010	8.5%	8.6%	9.6%

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

Source: U.S. Dept. of Labor, Bureau of Labor Stat.; and U.S. Census Bureau

People

Demographic Trends

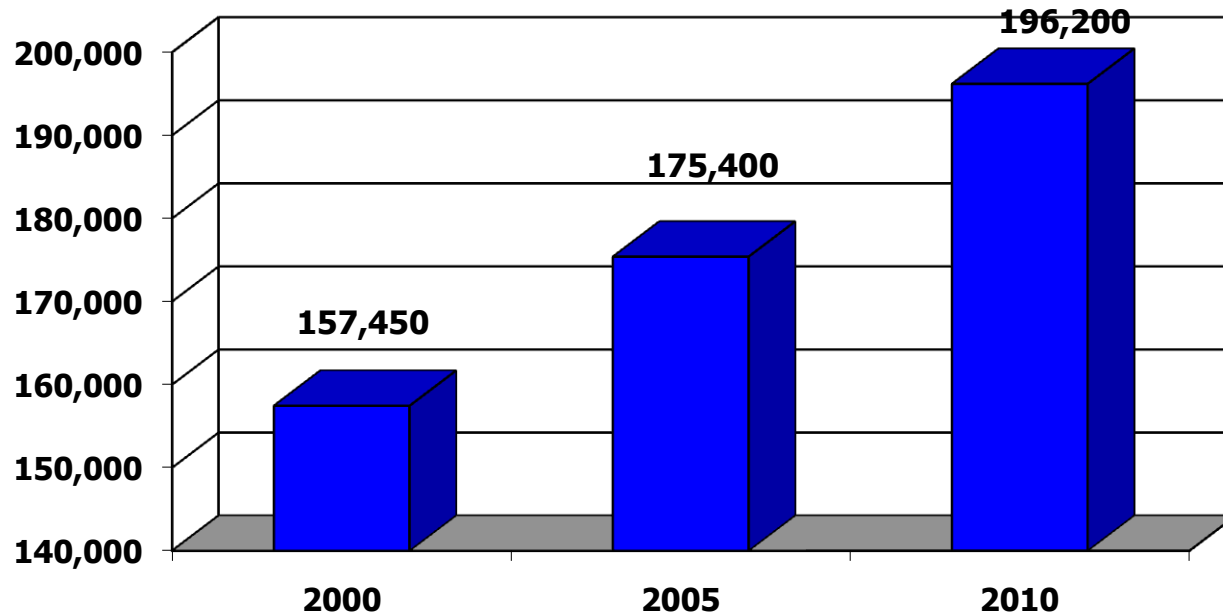


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Sussex Population is Increasing

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

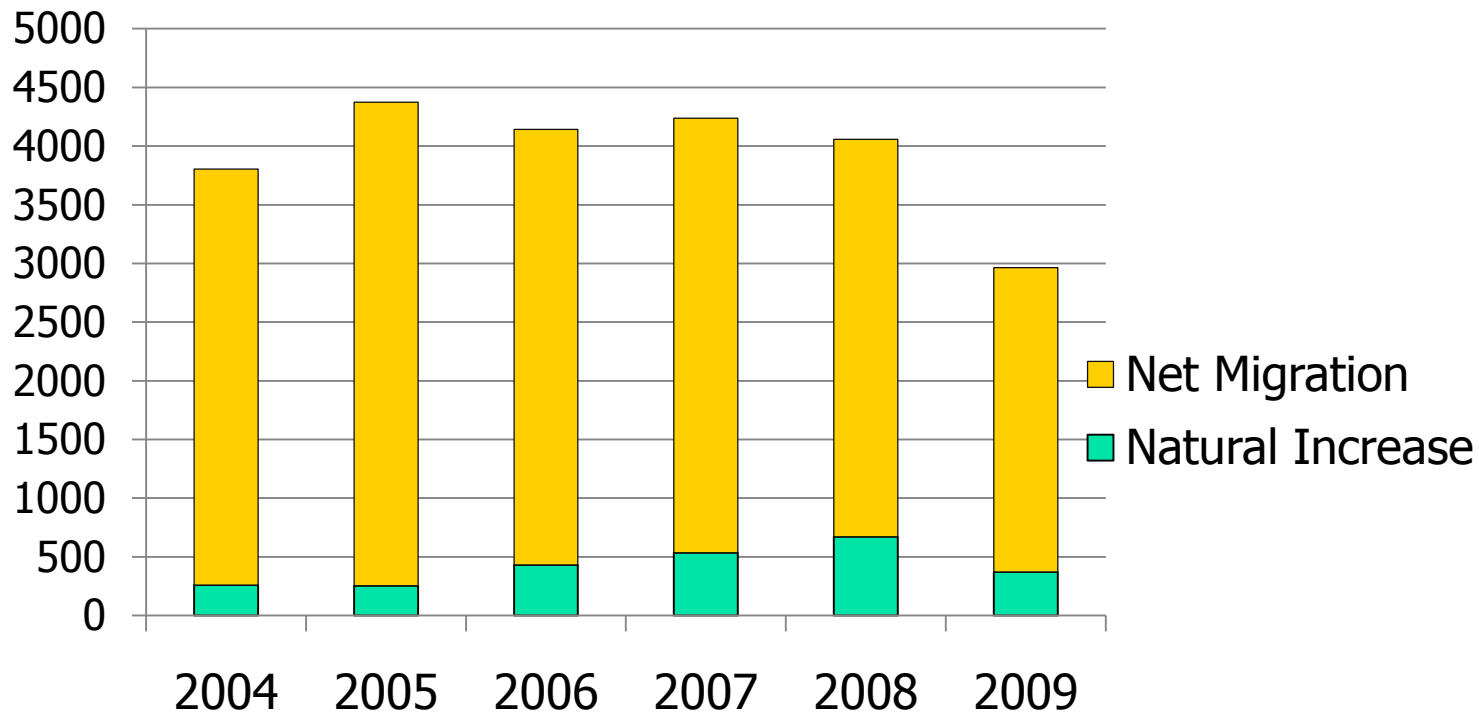


Source: Delaware Population Consortium

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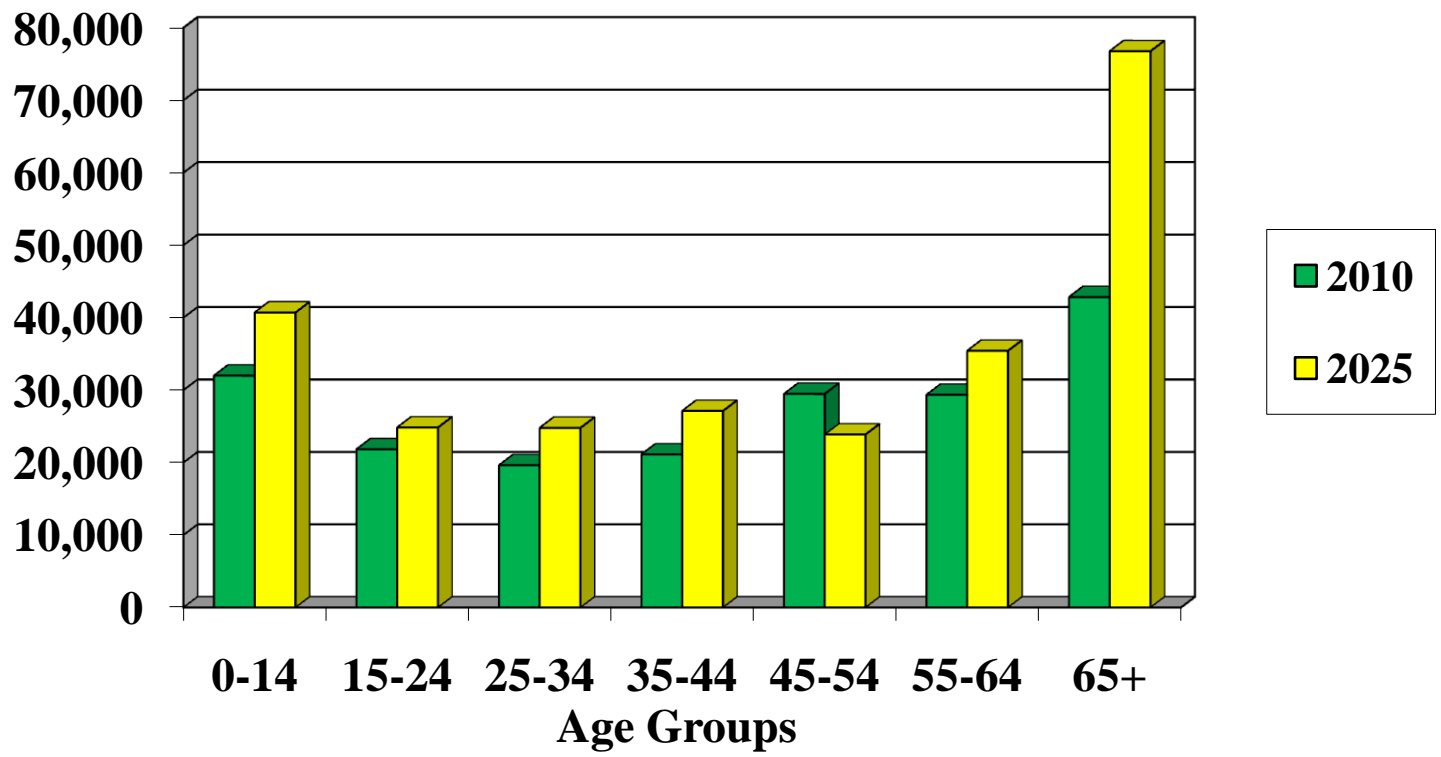
Sussex Population Growth is Slowing (Annual Change)



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Highest Growth in Youngest & Oldest Sussex 2010 and 2025



Source: Delaware Population Consortium

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Jobs

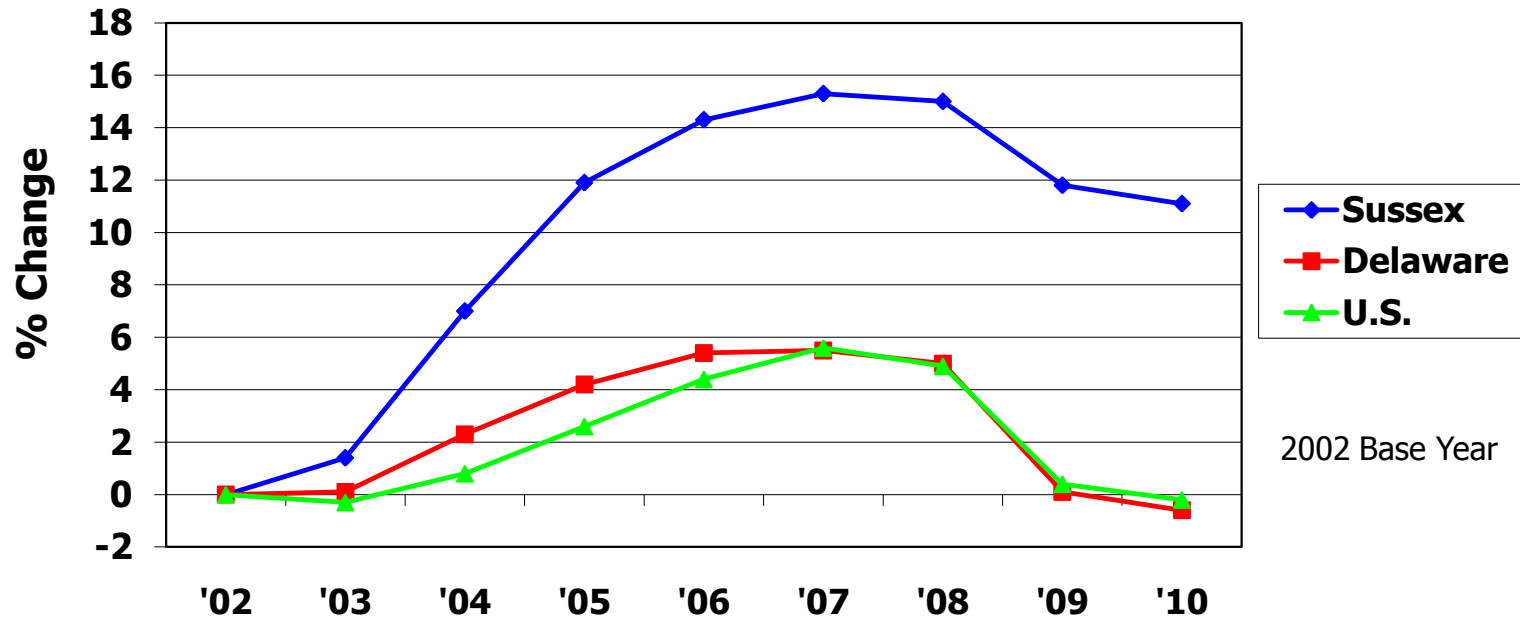
Sussex Employment Trends



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Sussex Has Slower Job Decline



Sussex Trends: Jobs grew faster at first and then declined more slowly.

Source: U.S. Dept. of Labor, Bureau of Labor Statistics

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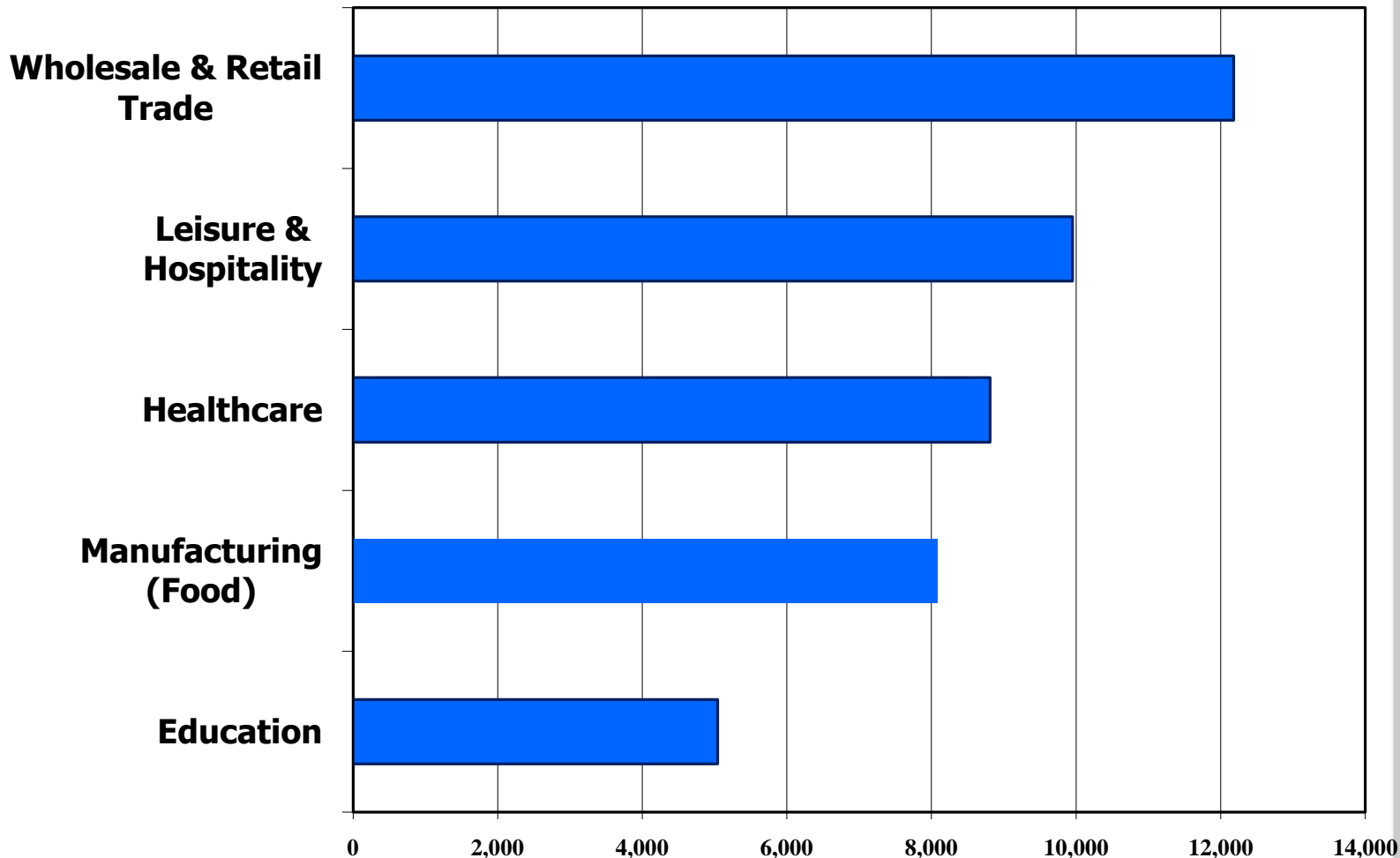
Why is Sussex doing better?

- 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)

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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

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Sussex Trade/Industry Wages

(Average Annual Wages - 2009)

■ Auto Service Technicians	\$32,670
■ Carpenters	\$38,320
■ Cement Masons	\$34,090
■ Construction & Building Inspectors	\$37,550
■ Electricians	\$36,060
■ HVAC Mechanics & Repairers	\$36,710
■ Maintenance & Repair, General	\$33,180
■ Plumbers	\$38,260

Source: Bureau of Labor Statistics; 2009 Estimates

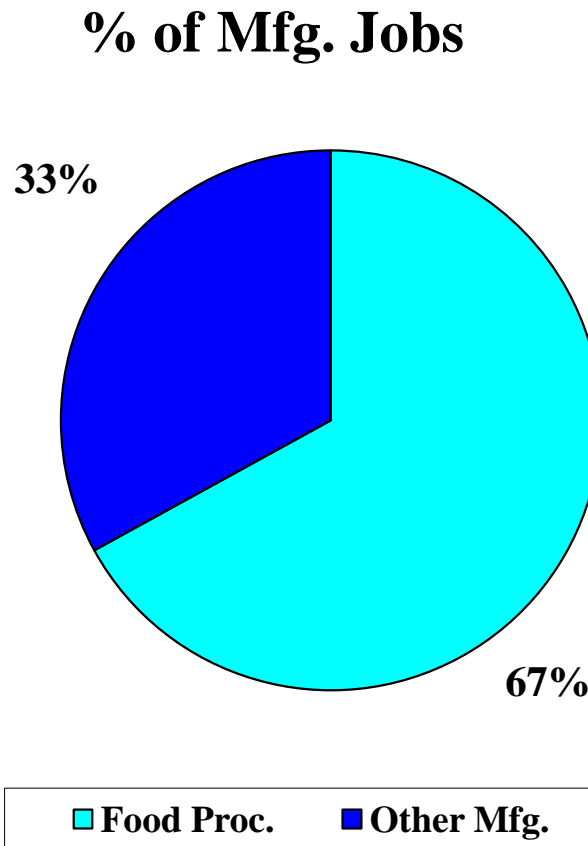
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Poultry Processing Dominates Manufacturing Sussex, 2009

12,100
Total Manufacturing Jobs

8,080
Food Processing Jobs



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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:

\$236.1Million

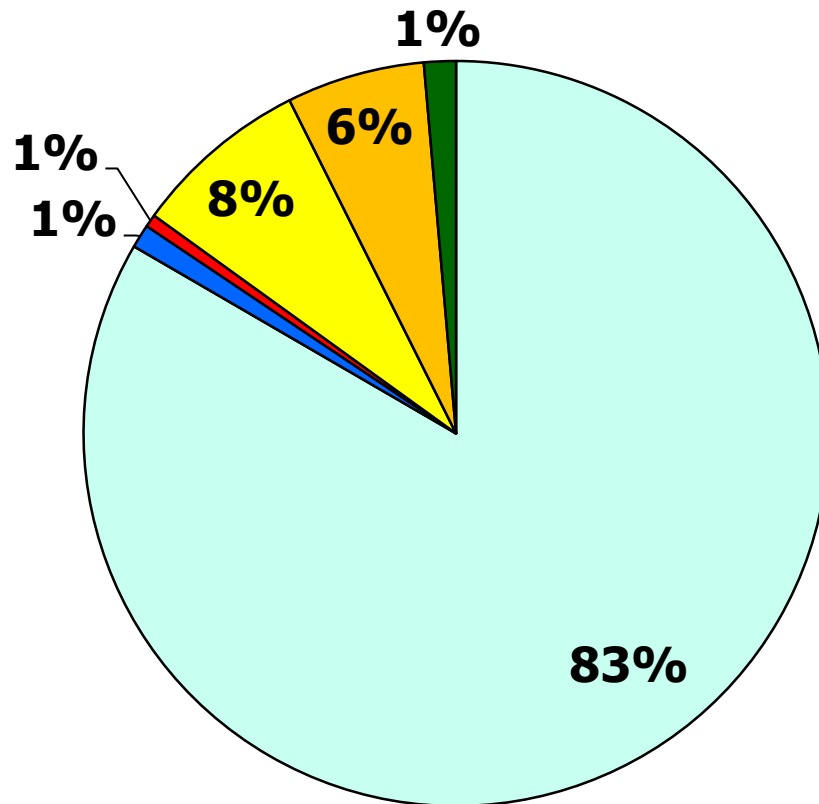
Sussex – a Leader in Agriculture

- 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**

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What Did Sussex Sell for \$849M?



- Poultry & Eggs - 83%
- Milk & Dairy - 1%
- Other Livestock - 1%
- Grains, Beans, Peas - 8%
- Veg., Melons, Potatoes - 6%
- Nursery, Greenhouse, Floriculture - 1%

Source: 2007 Census of Agriculture

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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.

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ADDENDUM

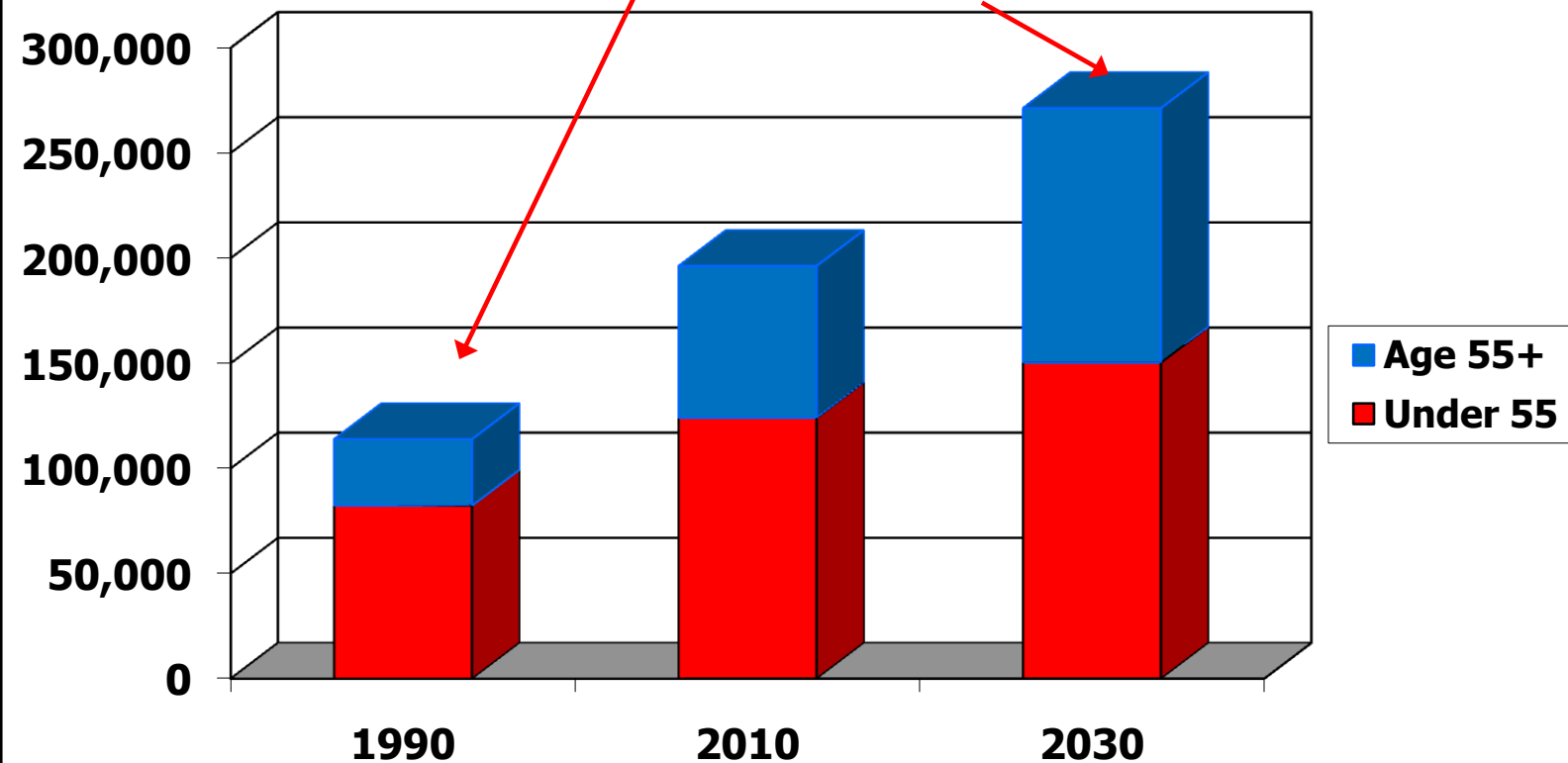
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Long Term Population Trends – Sussex

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



Source: Delaware Population Consortium

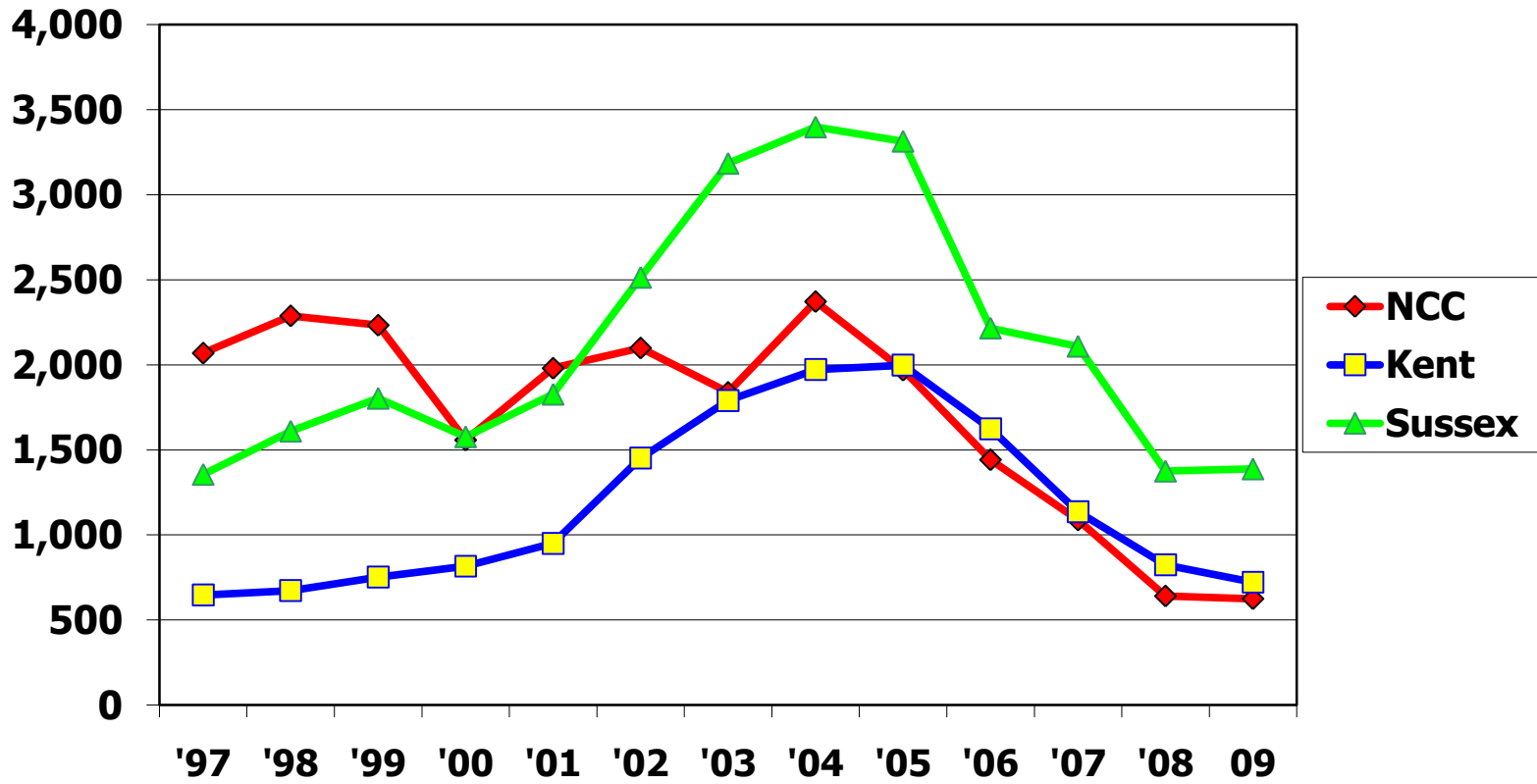
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Population/Age Impact on County

Age Group	Pop. Change 2010 to 2025
0-14	8,710
15-24	3,009
25-34	5,160
35-44	5,996
45-54	-5,605
55-64	6,073
65+	33,931

- 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

Demographic Summary

- 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

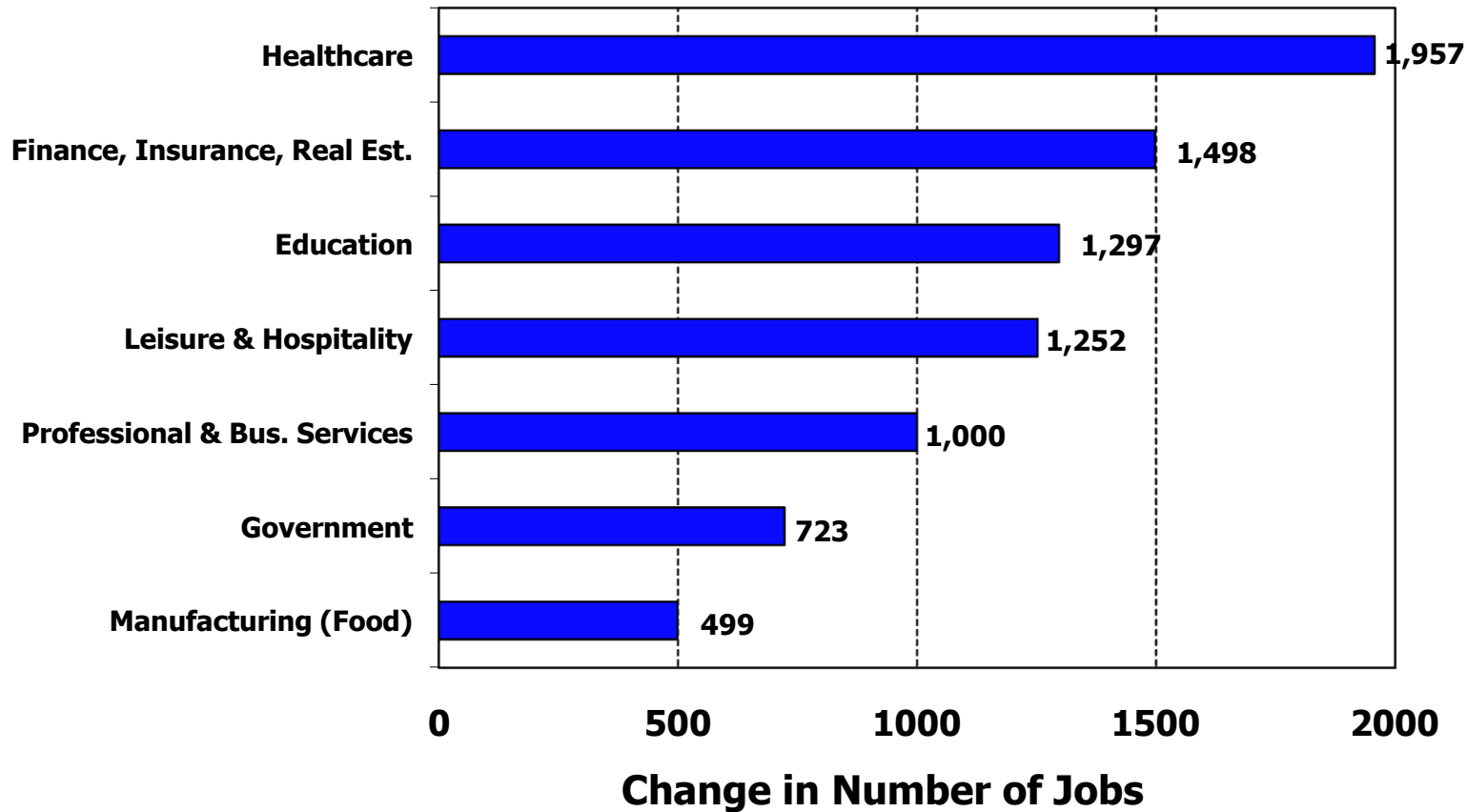
Delaware	\$ 47,800
New Castle	\$ 53,700
Kent	\$ 37,000
Sussex	\$ 33,300

2009 Annual Avg.

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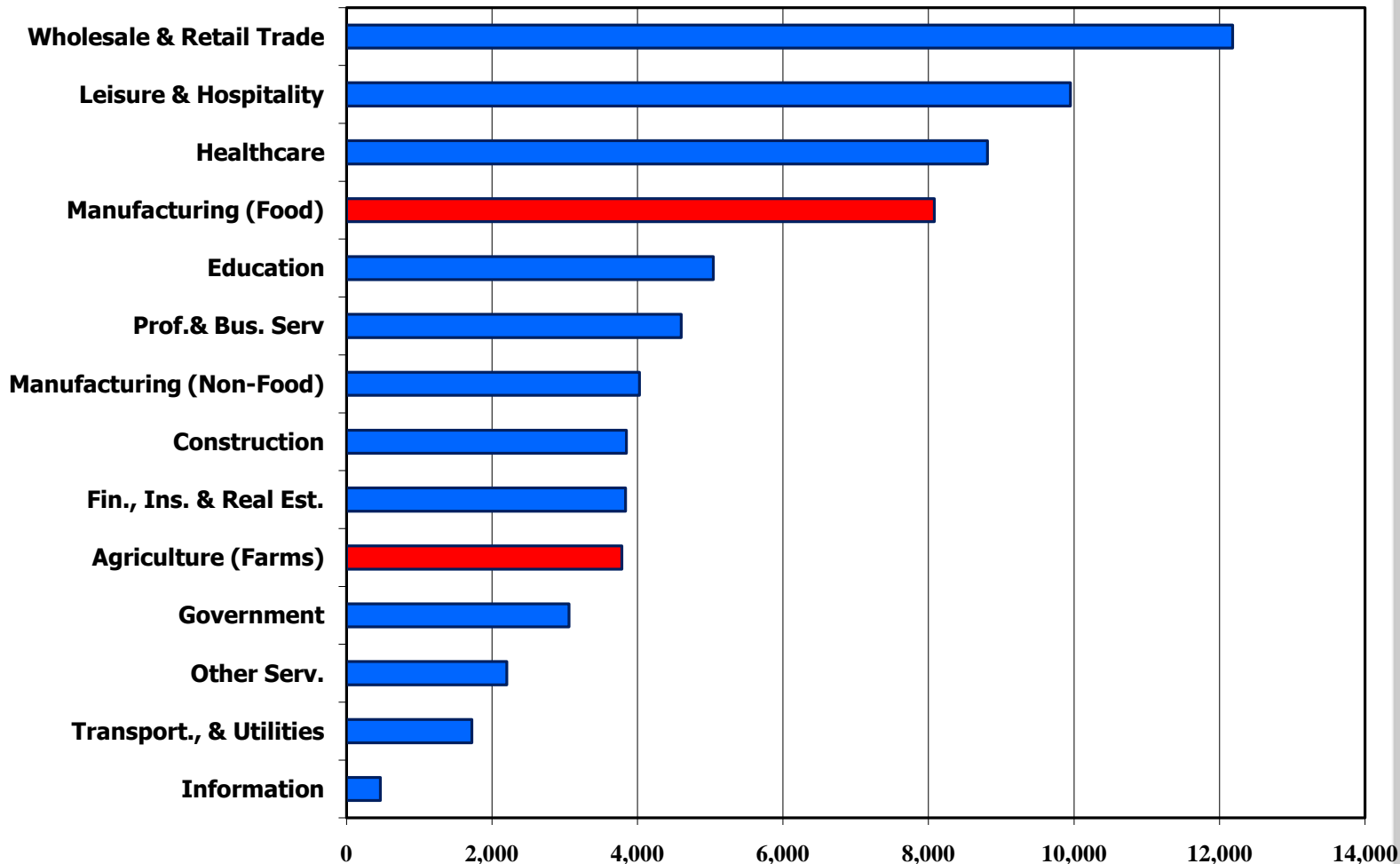
Major Industries With the Most Growth '02 to '09 - Sussex



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Where Sussex Works (2009)

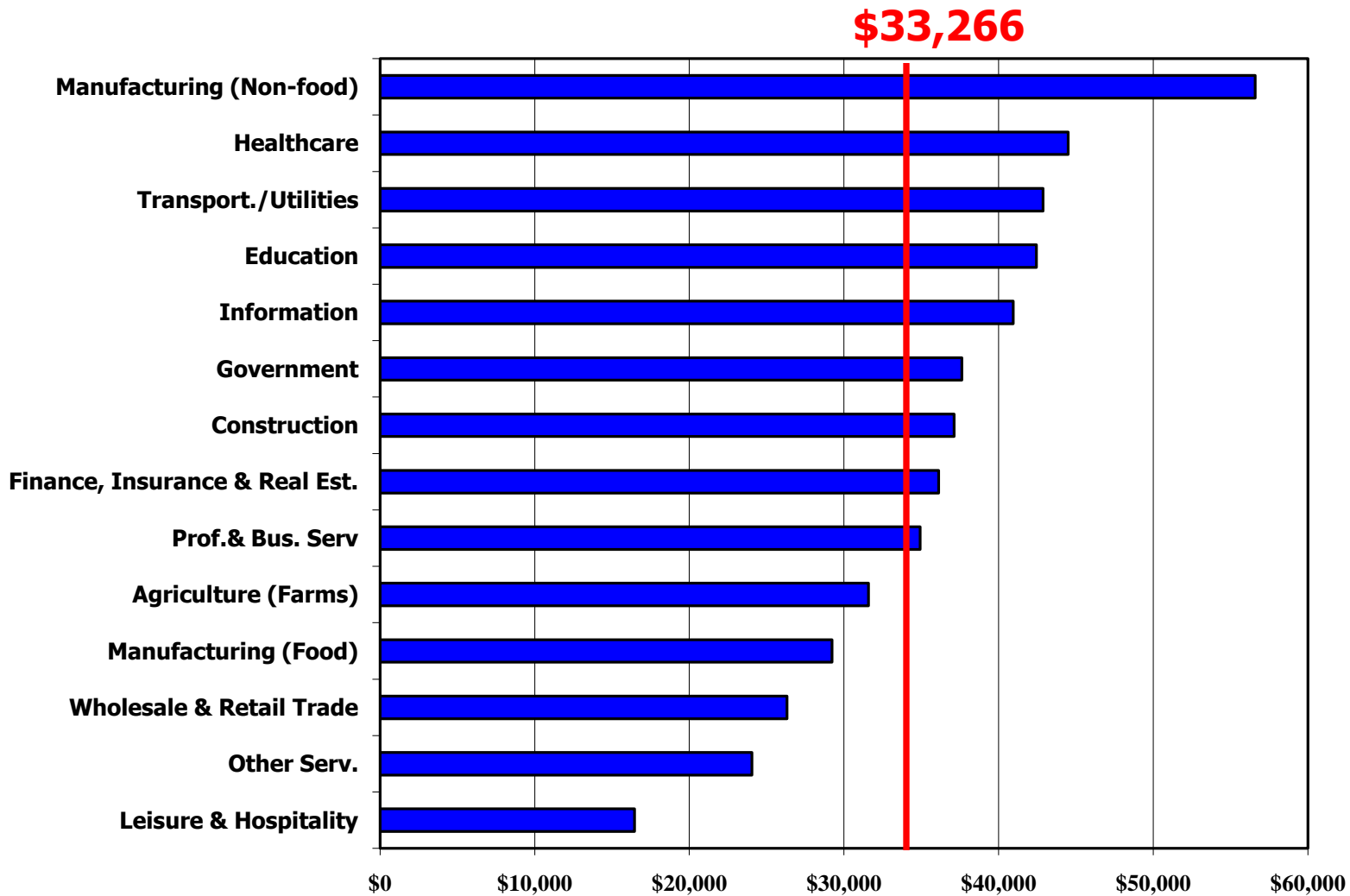


Source: Del. Dept of Labor, OOLMI; Census of Agriculture

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Average Annual Wage by Ind. Sussex (2009)



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Educational Attainment

Persons 25 Years and over

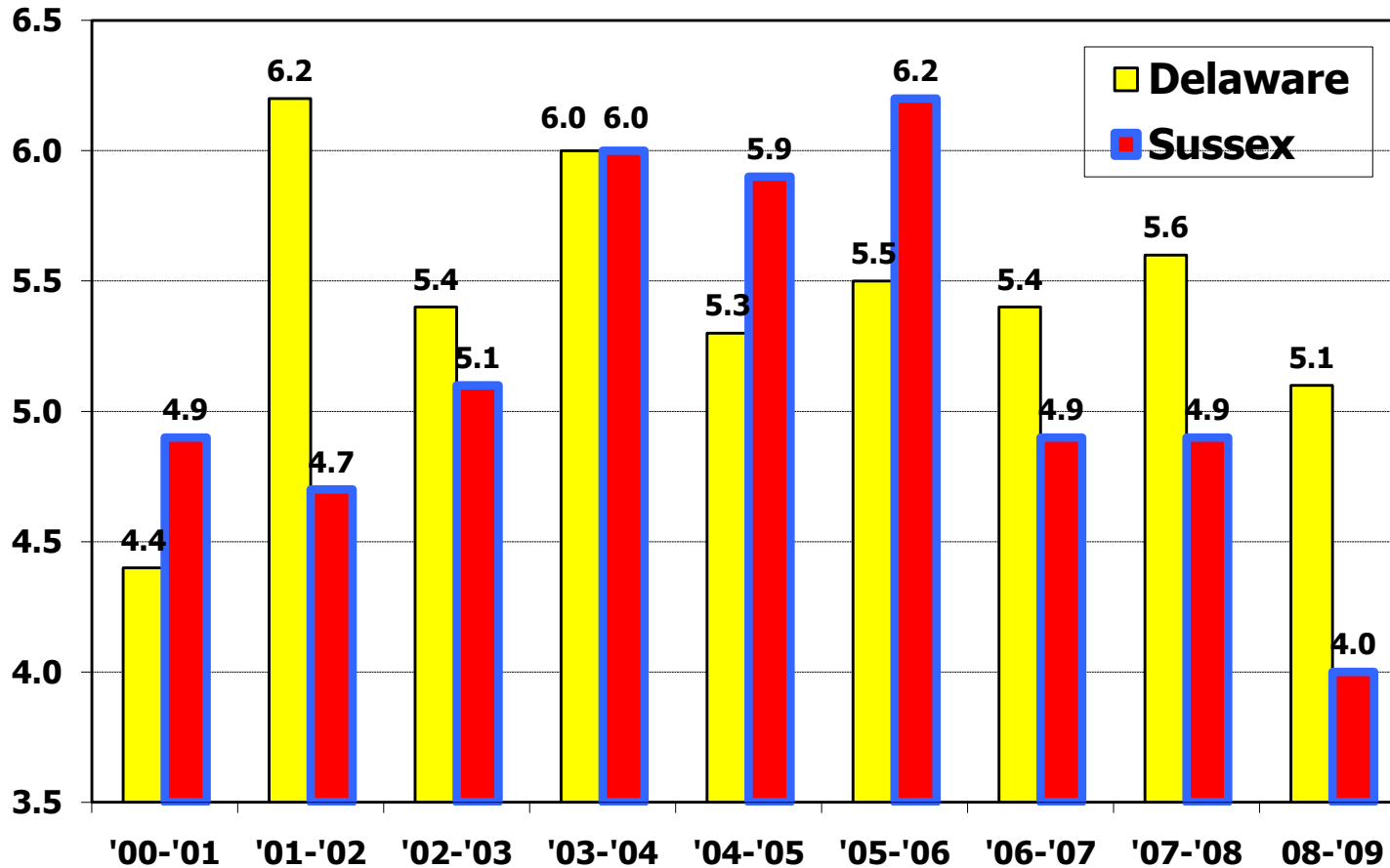
	Sussex	DE	U.S.
Less Than High School	14.0%	12.8%	15.0%
High school grad., or Some College no Degree	57.7%	52.6%	49.8%
Associates, Bachelor's Degree or higher	28.3%	34.6%	35.2%

Source: 2008 American Community Survey

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School Dropout Rates



Source: State of Delaware, Dept. of Education

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Jobs - Summary

- 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.

Jobs Summary (Continued)

- 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.

Conclusion

- 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?