

Employment - Statewide

Employment – *Statewide* - Delaware CEDS Committee Notebook - 2006

- Poverty and income are heavily influenced by employment. Success in the current job market is becoming more and more dependent on the level of education attained by an individual. In 1970, only 13% of adults over the age of 25 had a college education. By 2000, that percentage had nearly doubled to 25%. At the same time, the percentage without a high school diploma fell from 45% to 17% during the same period. The percentage of all jobs that require a college education increased from 25% in 1970 to 35% in 2000. This trend continues.
- Employment volatility for Delaware is highly related to employment volatility at the national level. This implies that the state's employment is relatively sensitive to national economic fluctuations.
- In 1977, the state's largest industry was manufacturing, which accounted for 34% of total state product. The single largest manufacturing output industry in the state was chemicals production, which accounted for 16% of total GSP. By 2002, the relative share of GSP by industry was radically different. Manufacturing's share had receded from 34% to 9%. Simultaneously, financial, insurance, and real estate's (FIRE) share of GSP grew rapidly. In 2002, FIRE's share of GSP is the single largest in the state, comprising 44%.
- Delaware's identified economic clusters include financial services and insurance, life science and biotechnology (including agriculture), automobile manufacturing, chemical manufacturing, and tourism. These clusters vary in size and wages. The chemical industry, finance and insurance, and life sciences clusters have been shedding jobs. The average annual pay for these positions is high (approximately \$70,000 average annual salary).
- The following clusters are posting positive employment growth: transportation-equipment manufacturing (autos) and leisure and hospitality, though auto-manufacturing employment remains below its previous high. The average wages of each of these industries is \$65,296 and \$16,209, respectively.
- Outside of these economic clusters, trade, transportation, utilities, and educational and health services are among the primary drivers of job growth. However, the average annual pay falls below the salaries of Delaware's strategic clusters. The average annual pay for trade, transportation, and utilities is \$32,174, and \$38,697 for educational and health services. Therefore, there is evidence that aggregate positive job growth in the economy is masking a substitution of lower paying jobs for higher paying jobs.
- Delaware has a relatively low cost of doing business. While there are less expensive states across the nation in which to operate, within the northeast, Delaware's cost of doing business is among the lowest.
- 2006 Average Annual Wage – Total All Industries

Statewide.....	\$46,300
New Castle County	\$52,500
Kent County	\$34,600
Sussex County.....	\$30,900

“The Delaware 50” – The state’s largest employers, ranked by number of employees

- | | |
|---|---|
| 1. State of Delaware | 27. Amtrak |
| 2. Christiana Care Health System | 28. Brandywine School District |
| 3. Dupont | 29. Colonial School District |
| 4. Bank of America, N.A. | 30. Delaware YMCA |
| 5. Dover Air Force Base | 31. AIG Marketing, Inc. |
| 6. J.P. Morgan Chase & Co. | 32. Allen’s Family Foods |
| 7. Astrazeneca | 33. Home Depot |
| 8. University of Delaware | 34. Dade Behring |
| 9. Wal-Mart Stores, Inc. | 35. GM Corp. Wilmington Assembly |
| 10. Mountaire Farms, Inc. | 36. ABM – Delaware |
| 11. Bayhealth Medical Center | 37. City of Wilmington |
| 12. Perdue Farms, Inc. | 38. Discover Bank |
| 13. A.I. Dupont Hospital for Children | 39. Grotto Pizza |
| 14. Christian School District | 40. St. Francis Healthcare Services |
| 15. The Chrysler Group/Daimler
Chrysler AG | 41. Computer Sciences Corp. |
| 16. Wilmington Trust | 42. Delaware Technical & Community
College |
| 17. Citibank Delaware | 43. Nanticoke Memorial Hospital |
| 18. Happy Harry’s Inc. | 44. Indian River School District |
| 19. Sears Holding Corp. | 45. Delaware Park |
| 20. Acme Markets | 46. Peninsula United Methodist Homes,
Inc. |
| 21. Red Clay School District | 47. Star Building Services |
| 22. PNC Bank | 48. Capital School District |
| 23. New Castle County Government | 49. Agilent Technologies, Inc. |
| 24. Comcast of Delmarva | 50. Verizon Delaware Inc. |
| 25. Beebe Medical Center | |
| 26. Conectiv/Pepco | |

Source: *The Business Ledger, Book of Lists, July 2007*

Employment – Sussex County

Employment – *Sussex County* - Delaware CEDS Committee Notebook - 2006

- Growth in the number of employed persons in Sussex County has outpaced the nation since 1990. Resident employment is 37% higher now than in 1990, compared to 17% for the nation.¹⁶
- The largest industry in the county economy is tourism. The tourism industry encompasses retail trade and leisure and hospitality industries. Leisure and hospitality alone comprises over 16% of the county's private employment. Retail trade comprises 18% of private employment.
- The number of wage and salary jobs in Sussex County in 2003 was 69,280.¹⁷ This equates to 85% more jobs than in 1980. By contrast, national job creation rose 39% over the same period.

- Agriculture remains a vital part of the economy, although its role is diminishing. Sussex still boasts the largest number of farms in the state (1,312) though this number has decreased sharply (24% since 1987). The average farm size in Sussex County is growing (216 acres), and the total farming acreage is still high at 284,000 (down just 10% since 1987). The implication is that smaller farms are being sold, leaving the larger farms in operation. Farm employment is also trending downward; this is a reflection of both a reduction on the number of farms and increased automation of farming activities (which raises productivity).
- The market value of Sussex County agricultural products sold is \$462 million, of which \$389 million are poultry and their products. The number of broiler and other meat-type chickens sold is 224 million.¹⁸ The County's manufacturing centers around food processing (which is tied to the poultry industry) and textiles (Invista/Koch Industries).
- The rapid growth in house prices threatens to impede the growth in the county. The rising population creates demand for service-sector jobs but may be insufficiently compensated to afford the area housing prices.
- Sussex County's employment base has shifted away from manufacturing towards finance and services—echoing the national trend. In 1970, 27% of the county's employment was in manufacturing. By 2000, this figure had fallen to 14%. Simultaneously, the share of Sussex County's employment in finance and service industries rose from 6% and 14%, respectively, in 1970 to 11% and 24% in 2000.
- Some industries in Sussex County have been relatively resistant to the national recession. Industries contributing to private employment growth include construction, trade, transportation and utilities, educational and health services, leisure and hospitality, and other services.
- The recent performance of Sussex County's economic clusters is mixed. Tourism is expanding. Average pay for these positions is \$14,662. However, high paying jobs in chemical manufacturing and finance and insurance are being eliminated, whose average salaries are \$55,374, and \$37,551, respectively.
- Lower unemployment rate than the U.S. and Delaware last year: 3.3% vs. 4.6%, 3.6%
- Employment volatility²⁰ for Sussex County is not highly related to employment volatility at the national level. This implies that the county's employment is relatively insensitive to national economic fluctuations. This contrasts with New Castle County and the state, whose employment fluctuations correlate in large degree with fluctuations in the national economy.
- Sussex County's wages are generally lower than the statewide average. The mean (average) hourly wage for all occupations is \$14.20 in Sussex County compared to \$18.38 statewide. The wage differential between county and statewide entry-level wages is much narrower than at the mean (\$7.54 for all occupations in Sussex versus \$8.45 for all occupations statewide). The differential between county and statewide is greatest for hourly wages of experienced workers (\$17.54 for all occupations in Sussex versus \$23.34 for all occupations statewide).

- The aging of the population also affects the size of the labor force. In 1970, 61% of the 16+ population was in the labor force, in contrast with 62% in 1990 and 61% in 2000. The reason for the stability in this rate is a rapidly falling participation rate for males (77.7% in 1970 and 65% in 2000), while the female rate increased from 45% to 53%.
- Employment Status of 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)
- Tourism is responsible for employing more than 10,540 people in Sussex County with an estimated economic impact of more than \$709 million, according to the 2005 report released by the Delaware Economic Development Office
- The Sussex County Industrial Airpark provides employment with an annual payroll of more than \$25 million to the Georgetown area. Just one tenant, PATS, Inc., employs approx. 500 people. Boeing 727's and 737's from the Mideast, Europe, Africa, Russia and Mexico are serviced at the airport on a regular basis.
- Despite tourism and a booming construction economy, Sussex County remains first among all United States counties in the production of broiler chickens, with more than 240 million grown annually, according to the U.S. Dept. of Agriculture. In 2004, the most recent year for which there are statistics, the value of agriculture in Sussex County was estimated at \$798.4 million.
- Total Jobs by Industry:
 - Wholesale/Retail Trade 12,000+
 - Manufacturing 12,000+
 - Leisure & Hospitality9,800
 - Health & Social Assistance 8,000+
 - Gov't./Education7,800
 - Construction6,100
 - Finance, Insurance, Real Estate4,300
 - Professional & Bus. Services4,200
 - Other Services2,100
 - Transp. & Utilities2,000
 - Agriculture (Farms)1,400
 - Information800

- Employment in Health/Social Assistance Sector (2006):

	Jobs	Avg. Annual Pay
Ambulatory Health Care (offices of physicians, clinics, dentists, home health care, medical labs)	2,324	\$47,636
Hospitals	3,562	\$40,462
Nursing and Residential Care Facilities	1,239	\$26,857
Social Assistance	1,012	\$17,723
TOTAL	8,137	

- Health Care Impact on Jobs – 8,100 + spin off jobs = 12,000;
Represents 1 out of every 6 jobs (71,400 all industry jobs ÷ 12,000)

Economy – Statewide

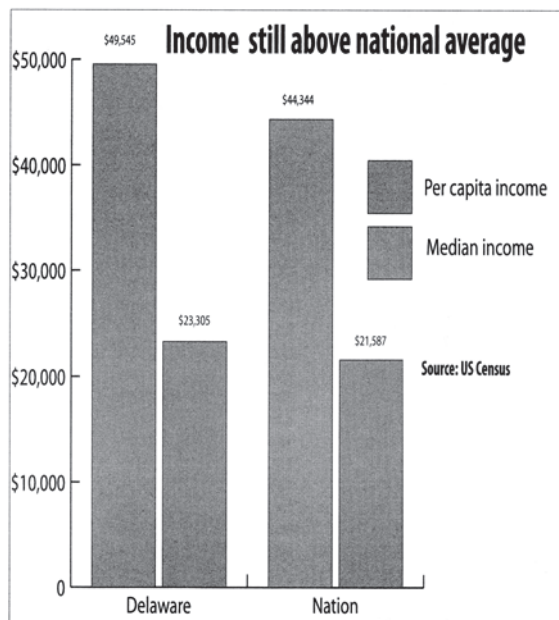
Economy – *Statewide* - Delaware CEDS Committee Notebook - 2006

- Delaware's job growth is again positive after a period of negative growth. This weakness took the form of declining payrolls in 2001 and 2002 and zero growth in 2003. Positive growth returned in 2004 with 10,000 jobs added. The number of jobs in the state has now surpassed its pre-recession level.
- The current establishment survey from the BLS indicates that non-farm jobs are 22% higher now than in 1990. Trends in Delaware's non-farm jobs track the nation relatively closely. Nationally, the number of non-farm jobs is 19% higher than in 1990.
- Between 1990 and 2004, Delaware added 77,000 jobs (BLS CES). All major industries experienced positive employment growth between 1990 and 2004, save manufacturing.
- The period 1990-2004 was not one of unbroken job growth, however. During the 1990-1991 and 2001 recessions, job growth stalled and turned negative in a number of Delaware industries. For example, the trade, transportation, and utilities industries lost jobs in 1991, 1992, and 2001. The same is true for professional and business services, which shed almost 5,000 jobs during the period 2000-2004 that encompasses the 2001 recession. Further, manufacturing and information each recorded double-digit negative growth between 2000 and 2004.
- The state's unemployment rate has been consistently lower than the national rate since 1990. The margin between the national unemployment rate and the state's rate over this period has been as great as 2.2% (1992) and as small as 0.1% (2000).
- Delaware's employment is more heavily concentrated than the nation in three industries: construction (7% of total employment versus 6% nationally), financial activities (13% of total employment versus 7% nationally), and professional and business services (17% versus 15% nationally).
- Three of every four establishments in the state employ fewer than ten workers. This equates to 18,176 establishments of the 24,000 in the state having fewer than ten employees. The distribution of firms by establishment size varies by industry.
- Delaware's nominal Gross State Product (the total value of goods and services produced in the state-GSP) has risen consistently between 1977 and 2002. In 1977, the total value of goods and services produced in the state was \$6 billion. In 2002, Delaware GSP exceeds \$47 billion.

Business Climate

State	Ranking 2007	Ranking 2006
Wyoming	1	1
South Dakota	2	2
Alaska	3	3
Nevada	4	4
Florida	5	5
Texas	6	6
New Hampshire	7	7
Montana	8	8
Delaware	9	9
Oregon	10	10
Minnesota	41	39
Maine	42	43
Iowa	43	44
Nebraska	44	45
California	45	42
Vermont	46	46
New York	47	49
New Jersey	48	48
Ohio	49	47
Rhode Island	50	50
<i>Source: Tax Foundation</i>		Ranking includes 10 states with best and worst Business climate based on tax structure.

Statewide Income vs. National Average



Source: Delaware Business Ledger, July 2007

Economy – Sussex County

- The average home and property price in Sussex County increased 250% in the ten years between 1995 and 2005. Local increases within Sussex County for this period include a 381% increase for Millsboro and a 609% increase for Millville. *Source: Wikipedia.org*
- Meal travel time to work (minutes), workers age 16+, 2000
Sussex County – 24.0; Delaware – 24.0
- Retail is a powerful draw for tourists and residents in Sussex County, with major outlet shopping located on the Del. 1 corridor between Lewes and Rehoboth. According to a 2005 ranking in an industry trade magazine, the Tanger Outlets complex, with more than 577,000 square feet of retail space, ranked 11th largest of retail shopping facilities in the United States.

Business QuickFacts

	Sussex County	Delaware
Private nonfarm establishments, 2005	5,359	25,319
Private nonfarm employment, 2005	61,461	392,840
Private nonfarm employment, percent change 2000-2005	21.1%	4.1%
Nonemployer establishments, 2005	13,450	52,314
Total number of firms, 2002	15,248	63,570
Black-owned firms, percent, 2002	5.4%	6.7%
American Indian and Alaska Native owned firms, percent, 2002	F	S
Asian-owned firms, percent, 2002	1.9%	3.0%
Native Hawaiian and Other Pacific Islander owned firms, percent, 2002	F	0.0%
Hispanic-owned firms, percent, 2002	0.9%	1.4%
Women-owned firms, percent, 2002	26.5%	24.1%
Manufacturers shipments, 2002 (\$1000)	1,910,327	16,417,927
Wholesale trade sales, 2002 (\$1000)	D	17,292,794
Retail sales, 2002 (\$1000)	2,257,414	10,912,971
Retail sales per capita, 2002	\$13,745	\$13,538
Accommodation and foodservices sales, 2002 (\$1000)	322,778	1,231,595
Building permits, 2006	3,073	6,504
Federal spending, 2004 (\$1000)	1,039,258	5,253,147

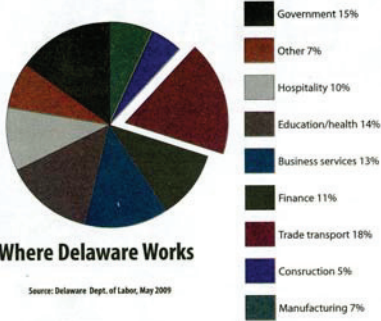
D: Suppressed to avoid disclosure of confidential information

S: Suppressed; does not meet publication standards

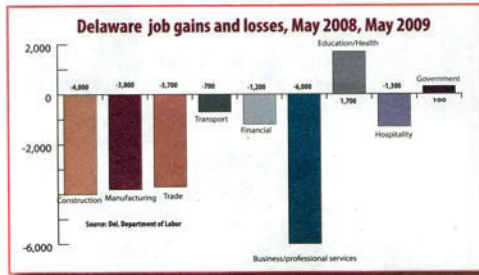
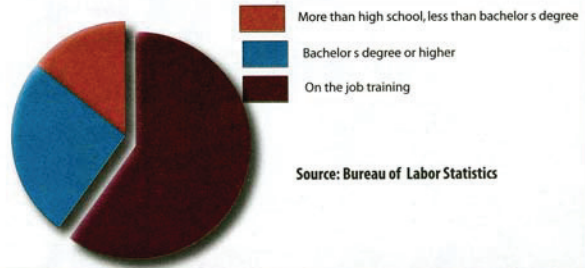
F: Fewer than 100 firms

Source: US Census Bureau State & County QuickFacts

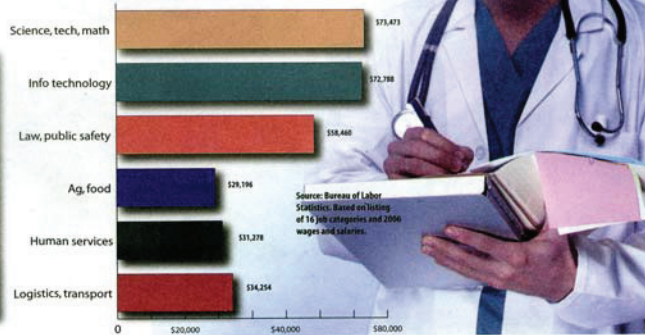
employment



New jobs created by level of education, 2006-2016



Highest, lowest paid job categories



Source: Delaware Business Ledger, July 2009