

# Delaware Annual Economic Report 2006

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## Introduction

It is very rare when all major economic indicators point unambiguously in the same direction. The current period in Delaware, and in the nation as a whole, is not one of those times. Instead, we must sort through conflicting signals, deciding which ones deserve greater weight and which ones less - but maybe the mixed signals are the message. Delaware's economy is not in recession, it is growing. It is clearly not growing too fast for its own long-term good. Whether it appears to be growing at a good, healthy pace or an anemic pace depends largely on what measure we focus on.

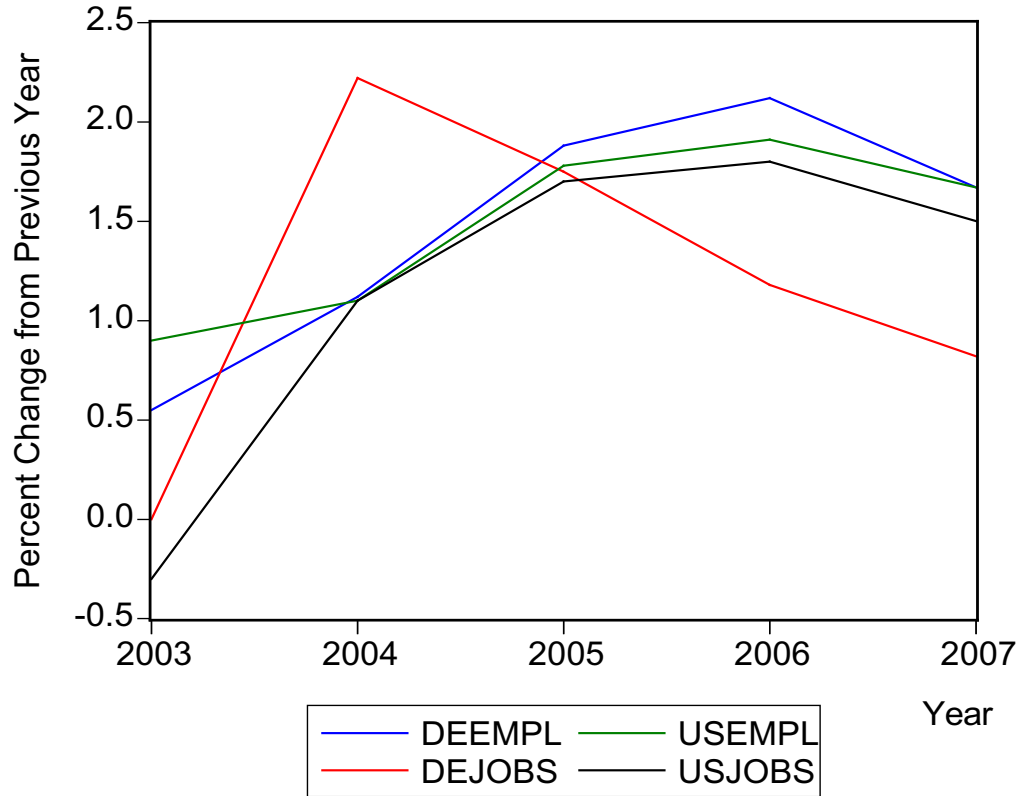
Looking at the Local Area Unemployment Statistics (LAUS), the resident employment data for the state, Delaware's economy looks rather healthy. The annual average unemployment rate dropped from 4.0 percent in 2005 to 3.6 percent in 2006, and it has been even lower in 4 out of the first 5 months of 2007. All of these rates are substantially below the national unemployment rate. As measured by this data series, employment growth has averaged 1.89 percent per year in Delaware over the last 30 years. It was 1.88 percent in 2005, and 2.12 percent in 2006, and has only just fallen below that, averaging 1.67 percent through May, 2007.

On the other hand, a look at job growth in the state yields a different picture. Delaware has added jobs at a 2.06 percent annual rate since 1976. It last surpassed that rate in 2004, and growth has steadily slowed since then, to a current 0.82 percent rate in 2007. Growth over the last 18 months has been positive, but only about half the long-term rate - not enough to be considered healthy.

Delaware's 1.18 percent job growth from 2005 to 2006 placed it just in front of the bottom one-third of states in this regard. There were 33 states with faster job growth, and 16 with slower job growth. With the exception of Louisiana and Mississippi, the two states hit hardest by Hurricane Katrina, all of the other states with slower job growth are contiguous and located in the northeastern part of the US. The states with job growth slower than Delaware's were all of New England, New York, New Jersey, and Pennsylvania, then Ohio, Kentucky, Indiana, Michigan, and Wisconsin.

The graph on the following page shows the annual growth rate of Delaware resident employment (DEEMPL), the number of jobs at Delaware employers (DEJOBS), and the same measure for the nation (USEMPL and USJOBS). Two things stand out in this graph: all measures are exhibiting slower growth rates in 2007, and job growth in Delaware began to slow after 2004. While it looks to be the "odd man out" in this graph, the next section explains why it is probably more reliable as a measure of the economy's overall vitality.

Job Growth and Employment Growth, DE and US



### Jobs and the Labor Force

There are two primary ways to evaluate and measure labor involvement in the economy. One is to use location of residency as the basis of measurement, the other is to use location of work as the basis. The residency-based data series is where the unemployment rate comes from. It places all civilian noninstitutionalized residents 16 years of age and older into one of three categories: they are considered either employed, unemployed, or out of the labor force. People who are self-employed are counted as employed, as are farm workers. People who hold more than one job are counted only once, and residents who commute to other states to work are counted as employed residents of their home states.

The other way to measure labor involvement is to base the measurement on place of work. This measures jobs, where the series outlined in the previous paragraph measures employment and unemployment. In measuring jobs, residents of other states who work in Delaware are counted, while Delaware residents who work elsewhere are not. People who work more than one job (in Delaware, about five percent of people with jobs have more than one job) are counted at each job they hold within the state. Self-employed persons are not counted, nor are most farm workers.

Each of these measures has its strengths and weaknesses, and they are obviously different conceptually. They are both useful, and when they tell different stories about the economy, as they often do, it is necessary to look beyond the headline numbers. Did the unemployment rate fall because more of those seeking work found jobs, or because they dropped out of the labor force? Is a change in the overall number of jobs driven by one industry, or is it broad-based?

It's tempting, when there is a simple measure available such as the number of jobs or the unemployment rate, to use that measure as a proxy for the state of the economy. No single measure is up to that task; the economy is much too complex to be captured or described by a single measure. That being said, these two measures do get pressed into this type of service, so when they point in opposing directions, which is the more reliable guide? We believe that the number of jobs measurement is more closely linked to the overall state of the economy than the resident unemployment rate measure, especially in a smaller state like Delaware.

The monthly count of total jobs and jobs by industry comes from reports filed by over 1,000 Delaware business establishments, and it can sometimes veer away from what is actually happening in the economy. It may understate or overstate job growth during the course of the year, but usually not by too much. But looking back at the previous year and earlier, we can be highly confident that the jobs data provide an accurate portrayal of job change in the state's industries, because then they are based on comprehensive administrative data, not survey results. At the beginning of each year, the previous year's data are reconciled to employment reports which virtually all employers are required to file. This benchmarking procedure sometimes increases the previous year's job total and sometimes decreases it, but it ensures that the reported number of jobs can never get too far away from what is actually happening in the economy.

The residency-based labor force statistics, which include the unemployment rate, do not have such an administrative data source to fall back on. They are based on a survey of about 1,000 households in the state. Because this sample is too small to meet acceptable standards of accuracy on its own, Delaware's household survey data are combined with similar data from Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, and Washington D.C. in a model which then estimates the unemployment rate for each state. The estimated monthly unemployment rate which results from this process still has an error range which is non-negligible. As an example, we can only be 90 percent confident that Delaware's actual unemployment rate in April, 2007 was between 3.0 and 4.4 percent, when the published rate was 3.7 percent. The annual rate has a somewhat smaller error range, but still has no comprehensive administrative data to be benchmarked to, and it can be quite different from estimates of the state's unemployment rate derived from other sources. For example, the unemployment rate derived as described above was 4.0 percent in Delaware in both 2004 and 2005. The unemployment rate in Delaware as estimated by the American Community Survey, which is administered by the US Bureau of the Census and has a much larger sample size, was 7.0 percent in 2004 and 5.6 percent in 2005.

## **Labor Force Participation Rates and Unemployment Rates by Demographic Group**

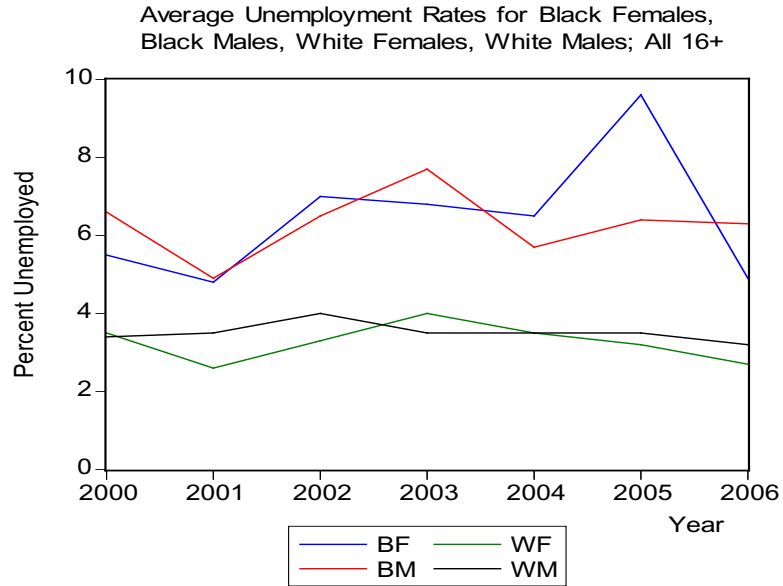
In this section, we examine annual unemployment rates and labor force participation rates (LFPR) for different gender, race, age, and ethnic groups. The LFPR is the employed plus the unemployed, divided by the number of people 16 years old and older in the general population. These are of interest because economies increase their productive output and income by increasing capital and labor inputs, or by improving on how those inputs are used. When labor input is increased through greater migration or immigration, then the increase in income which results must be spread across more people, so income per capita may very well fall. If current residents provide more labor input, either through reducing the unemployment rate while maintaining the LFPR, or by increasing the LFPR while maintaining the unemployment rate, income per capita will definitely increase. In a nutshell, putting more of the existing population to work will increase incomes without all of the costs associated with greater in-migration.

The unemployment rate and the labor force participation rate are somewhat related. To be considered unemployed, one must be willing, able, and actively seeking work. When the unemployment rate is high, some of the unemployed become discouraged and give up looking for work. They then are no longer considered unemployed or in the labor force, and both rates drop. This can particularly be a problem with certain demographic groups. For example, the average unemployment rate since 2000 among black or African-American teenagers is over 23 percent, while the rate for white teenagers is below 10 percent. Labor force participation rates for white teens are more than 15 percentage points higher than those for black teens. If the unemployment rate for African-American teens could be substantially reduced, it is likely that their participation in the labor force would increase.

All of the data in this section come from the household Current Population Survey (CPS), which is administered in all states by the US Bureau of the Census for the US Bureau of Labor Statistics (BLS). Annual rates in Delaware for large population groups meet BLS publication standards, but those for smaller groups, such as Hispanics or teens broken out by gender and race do not, and should be used with appropriate caution. Rates for these smaller groups over longer periods of time, such as the seven years presented here, will be more reliable.

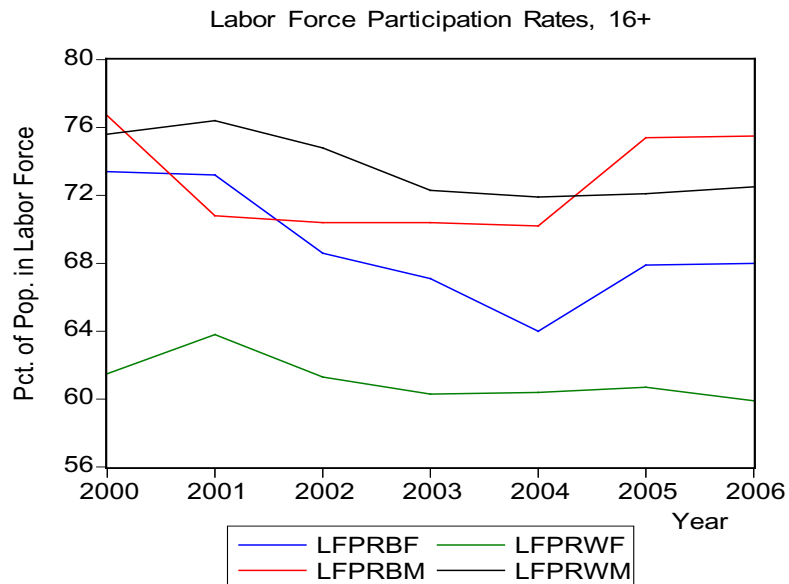
From 2000 through 2006, the average unemployment rate for white males in Delaware was 3.5 percent, while for black males, it was 6.3 percent. Among women, for whites the average rate was 3.3 percent, while for blacks it was 6.4 percent.

As illustrated in the graph on the following page, not only are unemployment rates for whites consistently well below those of blacks, they are also less variable. While some of the variability in unemployment rates for blacks may be due to the smaller sample size (most likely, this is the cause of the spike in the rate for black females in 2005), it is well known that minority populations tend to be hit hardest in economic downturns.



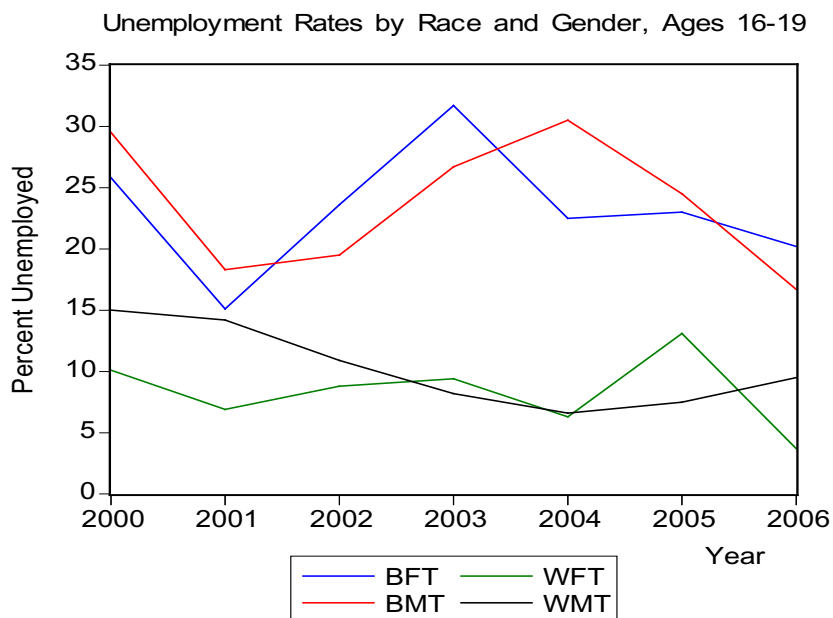
In the next graph, where we examine the labor force participation rates (LFPR) for these same groups, the effect of the general state of the economy on labor supply is clear. Delaware's economy lost jobs between 2000 and 2003, with 2002 the year of greatest job losses. LFPR fell across the board over this period, then generally increased as the economy strengthened, although again the rates for African Americans show greater variability. The fact that only the LFPR for black males has returned close to pre-recession levels is probably due to the aging population in the state. Labor force participation rates fall off quickly when people are in their 50's and 60's.

The average labor force participation rates over the entire seven year period were considerably higher for African-American women, at 68.9 percent, than for white women, at 61.1 percent. Among males it was much closer, with black males LFPR at 72.8 percent, and white males at 73.7 percent.



Teenagers typically have a more tenuous connection to the labor market; they tend to alternate frequently between being employed, unemployed, and out of the labor force. Their average labor force participation rate tends to be lower than that of adults, while their unemployment rate tends to be higher. Many researchers believe that by taking a variety of jobs, teens learn important basic work skills and acquire crucial experience, which can help them later on when they are in the labor force full time. When teen unemployment rates are excessively high, not only are many of those actively seeking work unable to find it, but many others may be deterred from even looking for work. Those teens who are unable to acquire the work skills and experience are likely to later be at a disadvantage when compared to their peers.

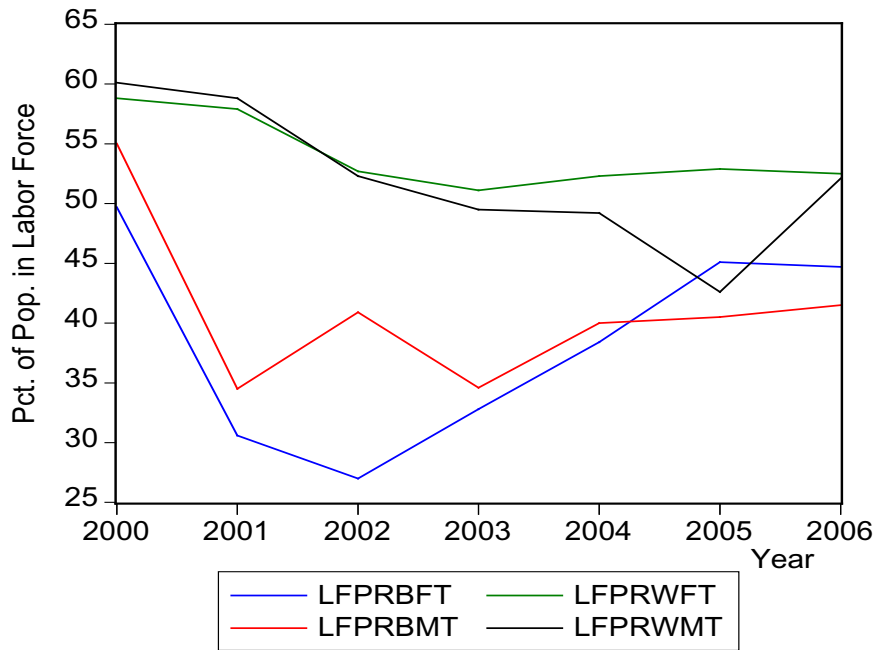
While Delaware unemployment rates for African-Americans overall are nearly twice those for whites, among teenagers, they are two and one-half times greater. White female teens fared the best, with an average 8.3 percent unemployment rate from 2000 to 2006. White males averaged 10.3 percent unemployment over this period. Among black teenagers, both genders had similar, and high, unemployment rates: 23.1 percent for females and 23.7 percent for males. These data are charted below.



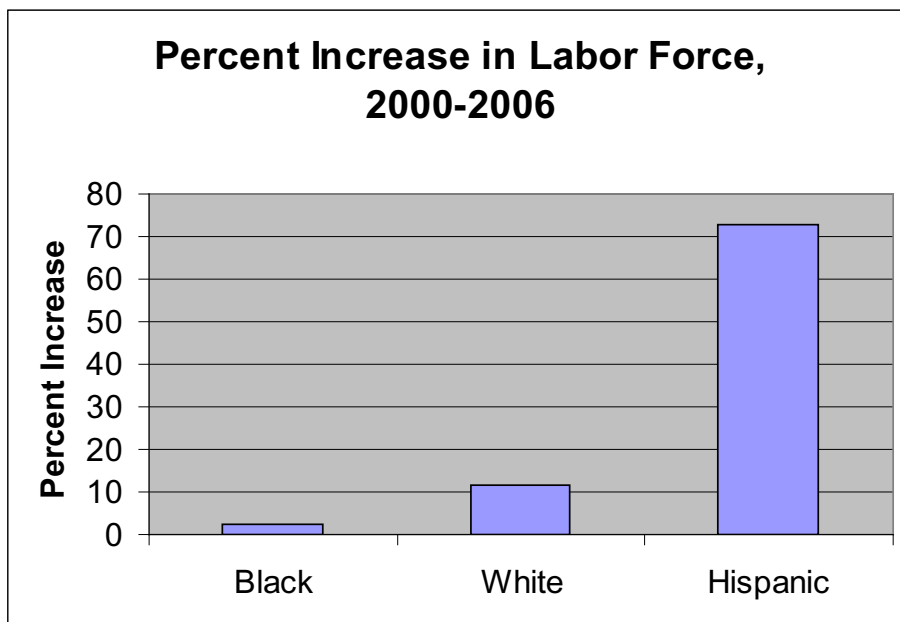
The labor force participation rates of teens clearly show the effects of the weak economy several years back. Again the effects are exaggerated among African-Americans. The LFPR for black teens was over 50 percent at the peak of the last business cycle, falling by nearly half during the recession. Participation rates also fell for white teens during this period. While rates for all teens have recovered somewhat since then, they are still below the peaks reached in 2000.



Labor Force Participation Rates by Race and Gender, Ages 16-19



Looking at Hispanics or Latinos, the most noteworthy feature is their absolute growth in numbers in Delaware’s labor force. While the total number of African-Americans in the labor force has increased by only 2.6 percent since 2000, and whites by 11.6 percent, Hispanics in the labor force have increased by 72.8 percent, going from 16,900 in 2000 to 29,200 in 2006. The labor force participation rate for Hispanics is also quite high, averaging 75.5 percent from 2000 to 2006, while their unemployment rate is fairly low, standing at an average 4.5 percent over the last two years.



## Gender

Overall in Delaware, women hold more jobs than men, about 6,500 more. However, the average monthly earnings for women are only about two-thirds of men's average earnings. This varies somewhat by county, from a low of 66.5 percent of male earnings in New Castle County to a high of 72.3 percent in Sussex County, with Kent County in the middle at 69.6 percent. Nationally, women's earnings are 81 percent of men's. It may seem that in the absence of discrimination, average earnings for men and women would be equal, but that is really not the case. There are a variety of valid reasons that women's earnings *on average* are lower than men's. This does not mean that any particular woman should earn less than a man at the same job, nor does it mean that discrimination, both overt and subtle, doesn't exist.

One explanation for women's earnings lagging behind men's are the occupations that employ more females than males tend to be lower-paying, while males tend to be over represented in higher-paying occupations. The reasons behind this are many and subject to much debate, but the fact itself is beyond dispute. And, at least in Delaware, it shows no sign of changing.

The national Standard Occupation Classification (SOC) system places each occupation into one of 22 major occupational groups. Using data from the 2000 Census and 2005 American Community Survey, along with data from our Occupational Employment Statistics program, we can analyze average wages by gender and how they change through time for each of these groups.

The five occupational groups with the highest average wages had an average of 35 percent women in Delaware in 2000, rising to 35.4 percent in 2005. Even within these groups there is evidence that women are under represented in the higher-paying occupations. For example, the group Legal Occupations, which is the second highest-paying group in Delaware with an average wage of \$43.64 per hour in 2006, is about half male and half female. But lawyers, the highest-paying occupation within that group, were 74 percent male and 26 percent female in the state in 2005. This is the case in many of the groups, such as Healthcare Practitioners, which is three-quarters female, but the majority of physicians and surgeons are male.

The lowest-paying four occupational groups had an average 65 percent female staffing in 2000, which rose to 68.3 percent in 2005. These groups tend to have few, if any, high-paying occupations within them. It also appears that the gap between high- and low-paying groups widened in 2006. The highest-paid 11 occupational groups had an average wage increase of 6.6 percent, while the lowest-paid 10 groups saw an average increase of only 3.1 percent (Farming, Fishing, and Forestry occupations were excluded from this calculation because the large average wage gain reported there is most likely a statistical anomaly, due to the small numbers involved). Data on employment in Delaware are provided in the table on the following page.

### Major Occupational Group Employment in Delaware

SOC Code	Occupational Group	2006 Ave. Hourly Wage	2005 Empl.	2000 Pct. Female	2005 Pct. Female
11-0000	Management Occupations	\$47.50	18,470	40.4%	38.1%
23-0000	Legal Occupations	43.64	4,250	51.3	49.5
15-0000	Computer and Mathematical Occupations	35.19	10,360	35.4	33.5
19-0000	Life, Physical, and Social Science Occupations	33.09	6,330	33.1	34.9
17-0000	Architecture and Engineering Occupations	32.70	6,520	14.9	21.2
29-0000	Healthcare Practitioners and Technical Occupations	30.95	21,210	75.9	79.0
13-0000	Business and Financial Operations Occupations	29.63	21,650	55.4	55.3
25-0000	Education, Training, and Library Occupations	23.11	20,870	73.9	71.3
27-0000	Arts, Design, Entertainment, Sports, and Media Occupations	19.95	4,580	47.5	42.3
21-0000	Community and Social Service Occupations	19.94	5,930	62.0	58.3
47-0000	Construction and Extraction Occupations	19.41	21,980	2.7	3.0
49-0000	Installation, Maintenance, and Repair Occupations	19.15	15,800	4.8	7.0
33-0000	Protective Service Occupations	17.14	8,060	19.7	29.6
41-0000	Sales and Related Occupations	16.24	47,820	52.3	49.3
51-0000	Production Occupations	15.46	28,270	28.8	30.2
43-0000	Office and Administrative Support Occupations	15.40	83,700	76.3	76.3
53-0000	Transportation and Material Moving Occupations	14.27	24,510	16.9	16.3
45-0000	Farming, Fishing, and Forestry Occupations	13.52	760	26.0	9.0
31-0000	Healthcare Support Occupations	13.24	9,290	86.6	92.6
39-0000	Personal Care and Service Occupations	11.31	8,300	79.4	78.1
37-0000	Building and Grounds Cleaning and Maintenance Occupations	11.18	14,750	36.5	41.5
35-0000	Food Preparation and Serving-Related Occupations	9.42	34,070	57.3	60.9

Another valuable source of information about the role gender plays in Delaware's economy is the Local Employment Dynamics (LED) program, which is a voluntary partnership between states and the US Census Bureau. Delaware is a participating state, which enables us to access detailed information about the state's industries and workers. The data come from administrative records of all employers subject to Unemployment Insurance regulation, not from surveys. Since the administrative records contain the social security numbers of all covered workers, wage records and employer data can be combined with individual data to provide previously unavailable information in a way that still protects the confidentiality of both employers and workers. All data from the LED presented below are for the 12 months up through March, 2006.

In the table below, employment, earnings, and turnover rates are compared for men and women across 18 of Delaware's industry sectors (the sectors Mining and Agriculture, Forestry, Fishing, and Hunting are omitted due to small numbers of workers in them). Men out earn women in every industry sector. The industry closest to parity is Wholesale Trade, where women earn 89 percent as much as men, on average. The furthest is Health Care and Social Assistance, where women earn only 54 percent of what men earn. Somewhat ironically, this is also the industry with the greatest proportion and number of women workers. Eighty percent of the workers in Health Care and Social Assistance are women, for a total of 42,117 female workers as of March, 2006. The industry with the lowest percentage of female workers is Construction, at 15 percent.

Even new hires, which presumably consist of mostly entry-level workers, show a disparity between male and female earnings in all industries, with Public Administration closest to parity. Female new hires in Public Administration make 99 percent of newly hired men's earnings, but even here, that falls to 77 percent for established workers. This would seem to indicate that men hold more of the upper-level jobs.

While it doesn't appear to vary much by gender, turnover does vary greatly between industries. This matters because a high level of employee turnover can increase the cost of doing business. Turnover among Delaware's industries is lowest in Utilities, at an average 2.7 percent of the workforce there, and highest in Accommodation and Food Services, at 19.3 percent. It is probably no coincidence that average wages are highest in Utilities and lowest in Accommodation and Food Services.

<i><b>Industry</b></i>	<i><b>Male</b></i>	<i><b>Female</b></i>	<i><b>Pct. Female</b></i>
<b>Utilities</b>			
Total Employment	1,727	474	22%
Avg. Monthly Earnings	\$6,820	\$5,044	74%
Avg. New Hire Earnings	\$4,787	\$3,680	77%
Turnover Pct.	2.6	3.4	

<b>Industry</b>	<b>Male</b>	<b>Female</b>	<b>Pct. Female</b>
<b>Construction</b>			
Total Employment	21,537	3,723	15%
Avg. Monthly Earnings	\$3,950	\$2,971	75%
Avg. New Hire Earnings	\$3,376	\$2,445	72%
Turnover Pct.	13.2	12	
<b>Manufacturing</b>			
Total Employment	22,131	9,985	31%
Avg. Monthly Earnings	\$4,584	\$3,311	72%
Avg. New Hire Earnings	\$3,034	\$2,303	76%
Turnover Pct.	9	7.9	
<b>Wholesale Trade</b>			
Total Employment	10,141	5,298	34%
Avg. Monthly Earnings	\$5,730	\$5,092	89%
Avg. New Hire Earnings	\$4,458	\$3,652	82%
Turnover Pct.	8.1	7	
<b>Retail Trade</b>			
Total Employment	26,274	26,621	50%
Avg. Monthly Earnings	\$2,753	\$1,650	60%
Avg. New Hire Earnings	\$1,822	\$1,136	62%
Turnover Pct.	12.8	15.5	
<b>Transportation and Warehousing</b>			
Total Employment	7,536	2,845	27%
Avg. Monthly Earnings	\$3,419	\$2,164	63%
Avg. New Hire Earnings	\$2,467	\$1,530	62%
Turnover Pct.	11.2	11.3	
<b>Information</b>			
Total Employment	3,831	2,895	43%
Avg. Monthly Earnings	\$4,701	\$3,680	78%
Avg. New Hire Earnings	\$3,372	2638	78%
Turnover Pct.	9.1	7.4	
<b>Finance and Insurance</b>			
Total Employment	15,322	23,964	61%
Avg. Monthly Earnings	\$6,797	\$4,057	60%
Avg. New Hire Earnings	\$4,829	\$3,092	64%
Turnover Pct.	8.7	8.7	

<b>Industry</b>	<b>Male</b>	<b>Female</b>	<b>Pct. Female</b>
<b>Real Estate and Rental and Leasing</b>			
Total Employment	3,692	2,828	43%
Avg. Monthly Earnings	\$3,708	\$2,791	75%
Avg. New Hire Earnings	\$2,591	\$2,116	82%
Turnover Pct.	12	11.1	
<b>Professional, Scientific, and Technical Services</b>			
Total Employment	15,319	13,729	47%
Avg. Monthly Earnings	\$7,037	\$4,331	62%
Avg. New Hire Earnings	\$4,894	\$3,032	62%
Turnover Pct.	9.1	8.5	
<b>Management of Companies and Enterprises</b>			
Total Employment	6,526	5,640	46%
Avg. Monthly Earnings	\$6,167	\$4,297	70%
Avg. New Hire Earnings	\$3,708	\$2,700	73%
Turnover Pct.	5.5	5.8	
<b>Administrative and Support and Waste Management</b>			
Total Employment	12,669	10,734	46%
Avg. Monthly Earnings	\$2,832	\$2,137	75%
Avg. New Hire Earnings	\$2,059	\$1,761	86%
Turnover Pct.	19.1	20.3	
<b>Educational Services</b>			
Total Employment	10,475	21,064	67%
Avg. Monthly Earnings	\$3,756	\$3,056	81%
Avg. New Hire Earnings	\$1,788	\$1,453	81%
Turnover Pct.	7.3	6.7	
<b>Health Care and Social Assistance</b>			
Total Employment	10,364	42,117	80%
Avg. Monthly Earnings	\$5,543	\$2,996	54%
Avg. New Hire Earnings	\$3,045	\$2,140	70%
Turnover Pct.	9	9	
<b>Arts, Entertainment, and Recreation</b>			
Total Employment	4,559	4,682	51%
Avg. Monthly Earnings	\$3,009	\$2,050	68%
Avg. New Hire Earnings	\$1,649	\$1,326	80%
Turnover Pct.	11.2	10.4	

<b>Industry</b>	<b>Male</b>	<b>Female</b>	<b>Pct. Female</b>
<b>Accommodation and Food Services</b>			
Total Employment	13,923	17,141	55%
Avg. Monthly Earnings	\$1,716	\$1,232	72%
Avg. New Hire Earnings	\$1,268	\$942	74%
Turnover Pct.	19	19.5	
<b>Other Services</b>			
Total Employment	5,985	7,293	55%
Avg. Monthly Earnings	\$2,937	\$1,840	63%
Avg. New Hire Earnings	\$2,050	\$1,267	62%
Turnover Pct.	11.1	11.2	
<b>Public Administration</b>			
Total Employment	9,422	7,547	44%
Avg. Monthly Earnings	\$4,099	\$3,162	77%
Avg. New Hire Earnings	\$2,485	\$2,467	99%
Turnover Pct.	5.5	5.9	

There has been a small narrowing of the earnings differential between men and women in recent years. At the same time, the number of women working in Delaware has quickly surpassed the number of men working. In 2000, there were 16,300 more men employed in the state than women. Since then, the number of men working has increased by about 3,200, while the number of women working has increased by over 19,300.



## Personal Income

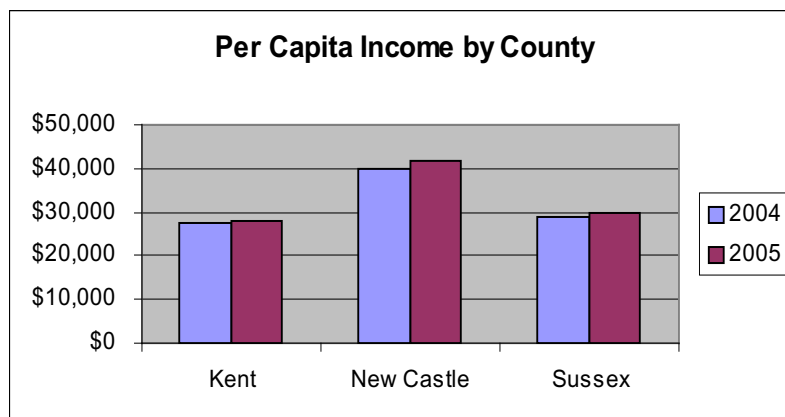
Per capita personal income is one of the best single measures of economic well-being available, but it is still far from perfect. It does not take income distribution into account, and there is evidence that incomes are being distributed more unevenly, even as the average income goes up. It also does not take into account differences in the cost of living between areas. This creates problems in comparing per capita income between states, or even between counties, as differences may be aggravated or, more usually, ameliorated, when differences in cost of living are factored in. Areas with higher incomes also tend to have a higher cost of living.

Between 2005 and 2006, per capita personal income rose by 5.2 percent in Delaware, the same rate as for the nation as a whole. Delaware ranked 21st highest among states in this regard. Adjusting for inflation, the real rate of growth in the state was 1.9 percent.

Delaware's 2006 per capita personal income was \$39,022. This was \$2,746, or 7.6 percent, above the corresponding amount for the US. Among its nearest neighbors, Delaware trailed New Jersey by \$7,322 and Maryland by \$5,055. It led Pennsylvania by \$2,342.

Within Delaware, New Castle County had the highest per capita income by far, followed by Sussex County. These disparities grew in the most recent period, as per capita income grew fastest in New Castle County and slowest in Kent County. County-level data lags behind state-level data; the most recent year for county-level data is 2005, so these changes refer to the 2004-2005 period.

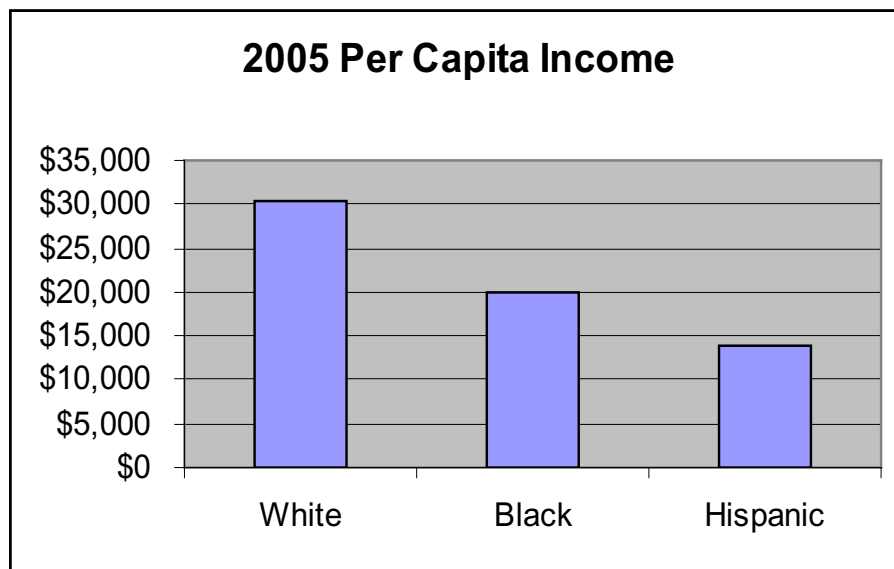
Per capita income in New Castle County was \$41,937 in 2005. This was \$11,978, or 40 percent, above Sussex County, and \$13,741, or 49 percent, above Kent County. It grew by 5.6 percent in New Castle County (2.0 percent after inflation), while growing by 4.4 percent in Sussex County, and by 3.0 percent in Kent County. If we use the same local consumer inflation rate of 3.6 percent (which technically does not apply, since the CPI is only estimated for urban areas - the 3.6 percent cited is for the Philadelphia-Wilmington-Atlantic City region), then Sussex County had a real increase of 0.8 percent, while Kent County's per capita personal income declined by 0.6 percent.





There are also differences between the counties when it comes to the source of income. Farm income made up 4.0 percent of Sussex County's total personal income, while it made up only 0.07 percent of the personal income in New Castle County. Kent County fell in between at 1.4 percent. Dividends, interest, and rent was most important as a component in Sussex County, making up 17.4 percent of personal income there. It accounted for 16.7 percent of personal income in New Castle County, and for 12.4 percent in Kent County.

In addition to varying considerably by geographic region, per capita income also varies by demographic group. In 2005, per capita income for whites in Delaware was \$30,364, while for blacks, it was \$20,050. Among Hispanics, per capita income was \$13,983. The demographic group data come from the US Bureau of the Census, American Community Survey, while all the preceding income data are from the US Bureau of Economic Analysis.



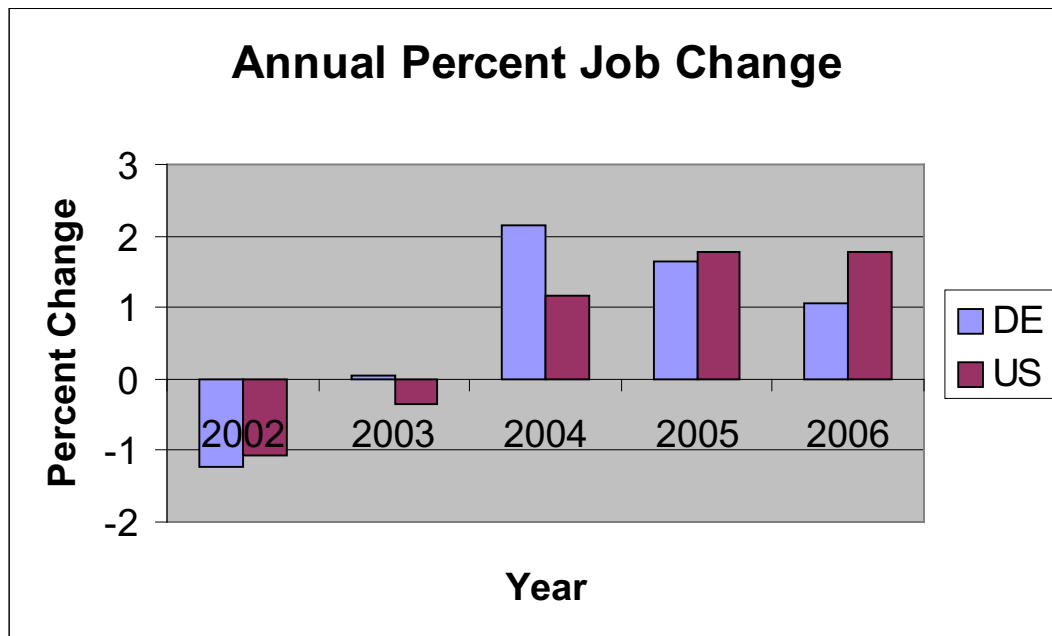
## Employment by Industry

The data in this section come from the Quarterly Census of Employment and Wages (QCEW). This is a cooperative program between state employment security agencies and the US Department of Labor's Bureau of Labor Statistics. The QCEW is not a survey program. The data come from individual employee wage records that employers are required to file under state unemployment insurance laws.

While the employment data are nearly comprehensive, they exclude members of the armed forces, the self-employed, some domestic workers, and railroad workers who are covered by the railroad unemployment insurance system. The wages reported include regular and overtime pay, bonuses, stock options, tips, and the cash value of meals and lodging provided.

Many of the industries include employees of both private and public entities. In Educational Services, for example, the majority of jobs are at local or state government establishments. Health Care and Social Services also has a mix of private and public employers.

The overall numbers show that the pace of job growth in Delaware has fallen off in the last few years. After growing by 2.14 percent in 2004, the rate of net job creation was 1.65 percent in 2005, and 1.07 percent in 2006. Through May of 2007, jobs have been growing at a 0.7 percent annual rate. Job growth for the US was slower in 2004, at 1.16 percent, slightly faster in 2005 at 1.77 percent. The gap widened in 2006, with US growth again at 1.77 percent (based on the first three quarters of the year). So far in 2007, the US growth rate is about twice that of Delaware, at 1.4 percent.



It is important to note that these are net job creation numbers - the number of jobs created is actually much higher, but then so is the number of jobs lost. The economy is much more dynamic than these relatively small percent changes would seem to indicate.

For example, in just the second quarter of 2006, there were 77,405 new hires in Delaware, while 91,040 people left their jobs. There were 33,056 new jobs created at new or expanding establishments, while 30,497 jobs were lost at contracting or closing establishments. This means there were 2,559 net new jobs added in that quarter. So when annual job growth is, say, 2 percent, actually the *monthly* rate of job growth is about that high, but nearly balanced by job losses.

The industries listed here follow the current standard North American Industry Classification System, which is used by the federal government and all 50 state employment security agencies. Under this system, the most basic industry unit is the industry sector; there are 20 of them. Each sector is then broken down into more detailed sub-sectors, then into industry groups, and then into industries. Valid comparisons are only possible between similar levels of industry detail.

We report here on 18 industry sectors (Mining and Public Administration are omitted), and a variety of sub-sectors. The industry sectors are listed in descending order of their total wages paid in the state in 2006.

Industries such as Tourism, Technology, or Biotechnology will not be found here, as such. That is because they are not really industries - they are composites put together from parts of various industry sectors. Different analysts or organizations include or exclude different industry segments, making comparisons between them misleading. When there are no standard definitions, almost anything goes (as an example, one published analysis included all gas stations in the state in what they called the Tourism Industry, arguing that tourists tend to buy gas). The same holds for what are known as industry clusters. Industry clusters do not have a standard taxonomy. The definition for what constitutes any given cluster can and does differ from time to time and from place to place.

## **Industries**

### **Finance and Insurance**

The Finance and Insurance industry sector paid more in wages than any other sector, paying 16.3 percent of all wages in the state in 2006. Even though this represented a decline from 17.2 percent of all Delaware wages in 2005, it far outpaced the second largest contributor to wages in the state, Health Care and Social Assistance, which paid 11.8 percent of all wages. This outsized impact on the state's economy comes about through the combination of the highest average annual wage of any industry sector, \$86,540 in 2006, and the third-highest number of employees, at 37,616.

Employment in this industry sector has been generally declining since 1999, when employment peaked at 40,500 workers. Employment totals for any given year are the product of countervailing forces in the industry's subsectors - employment at Insurance Carriers and Securities, and Financial Investments firms has been growing in recent years, while the number of jobs in Credit Intermediation (commonly known as banking), has fallen.

Job losses in Credit Intermediation accelerated from 500 in 2005 to 1,500 in 2006, while the average wage in the industry rose by 21 percent. At the same time, jobs in the Insurance Carriers sub-sector increased by 630 (260 jobs added in 2005 and 370 in 2006), while jobs in the Securities and Financial Investments sub-sector rose from 3,084 in 2004 to 3,771 in 2005, before falling back slightly to 3,751 in 2006. Securities and Financial Investments is notable for having the highest average wage of any industry sub-sector in Delaware, \$111,152 in 2006. It has increased by 7 percent in each of the last two years.

The structure of this industry is quite different between the counties. Employment is concentrated in New Castle County, which has 86 percent of the total industry employment. Credit card banks are the major industry component here, and average wages are high - \$90,972 in 2006. The county has lost about 600 net Finance and Insurance jobs in the last two years.

In Kent and Sussex counties, depository banks are the major employers in this industry. Kent County had a total of 2,264 jobs in Finance and Insurance in 2006, at an average wage of \$48,608. The sector is down about 100 jobs there in the last two years. Sussex County employment of 2,775 in 2006 has held steady for the past two years; the average wage in the industry there is \$39,716.

### **Health Care and Social Assistance**

Health Care and Social Assistance is Delaware's second-largest industry in terms of employment (after Retail Trade), and second-highest in total wages paid (after Finance and Insurance), and Kent County's largest industry, in terms of wages paid. It has been a growth industry in the state, adding 3,250 jobs since 2004, a rate of better than 3 percent per year. It

employs a wide range of occupations, and had an average wage of \$43,384 in 2006, a little below the overall state average.

There are four sub-sectors within the industry: Hospitals, Ambulatory Health Care Services (doctors and dentists' offices, imaging centers, etc.), Nursing and Residential Care Facilities, and Social Assistance, listed here in descending order of employment.

There were 18,540 jobs at hospitals in the state in 2006, paying an average of \$51,032 per year. Two-thirds of hospital jobs are located in New Castle County. This has been the slowest-growing sub-sector recently, adding 670 jobs over the last two years, which represents an average of 1.8 percent per year.

Ambulatory Health Care Services has added the most jobs since 2004, gaining 1,177. This gain has been at either end of the state, with New Castle County adding almost 750 jobs, and Sussex County 440, while the number of jobs in Kent County has gone up by 30. This is the highest-paying sub-sector in health care, with average wages of \$54,944 per year in 2006.

Social Assistance is at the other end of the pay scale. This sub-sector, which includes housing shelters, vocational rehabilitation services, and child day care, paid an average \$24,280 per year in 2006. It has grown by 3 percent per year since 2004, adding almost 600 jobs.

Nursing and Residential Care Facilities has experienced the fastest job growth in the industry over the last two years, growing by 10.8 percent in that time. Almost all of the 810 jobs gained were in Kent County. Even so, three-quarters of this sub-sector's employment is in New Castle County.

### **Professional, Scientific, and Technical Services**

This is a wide-ranging industry sector, encompassing legal, accounting, engineering, and interior design services, as well as scientific research, advertising, and management consulting. Average wages are high, at \$77,452 in 2006, but employment fell by 2.1 percent in 2006. Employment peaked at nearly 1,000 jobs more than currently in 2000, and has fluctuated since then.

Eighty-five percent of the sector's jobs are located in New Castle County. With average wages of \$77,200 in 2006 being well above the sector's averages of \$46,676 in Kent County and \$45,496 in Sussex County, an even greater percentage of its total wages are paid there.

There are significant differences among the counties in the type of work being done in the sector as well. Legal Services is the top employer in the sector in New Castle and Sussex counties, but is number two in Kent County; Architectural and Engineering Services is first there, with one-third of the sector's total employment. Computer Systems Design is relatively small in Kent and Sussex counties, but accounts for nearly 20 percent of the

sector's employment in New Castle County. Scientific Research and Development Services has a very small presence in Kent and Sussex counties, but is the second-largest employer in the sector in New Castle County. Employment levels in Scientific Research have been declining for a number of years now, falling from over 7,700 in 2001 to 4,333 in 2006.

### **Manufacturing**

Manufacturing, which contributes just over nine percent of the state's total wage bill, has seen an almost steady decline in employment over many years. Modern industry sector data go back to 1990 (data exist back to the 1930's, but under a different structure which is not comparable with the current data), and manufacturing jobs peaked in Delaware at 45,900 in 1991. Since then, there has been a net loss of about 12,400 jobs. Average wages in manufacturing are an above-average \$54,108 per year.

As with so many other industries, manufacturing differs between the counties. In Sussex County, its 18.5 percent of total county wages makes it that county's most important industry in that regard. Two-thirds of Sussex County's manufacturing employment is in food manufacturing, primarily poultry processing. The county has also bucked the trend by gaining 650 manufacturing jobs in the past two years. The average manufacturing worker in Sussex County earned \$33,464 in 2006, which was a few thousand dollars above the overall county average.

Manufacturing employment has declined in Kent County in each of the past two years, falling by 730 jobs since 2004. The decreases have occurred across the industry's sub-sectors, but the largest have been in Paper Manufacturing. The average manufacturing job in Kent County paid \$45,236 in 2006, more than \$10,000 above the overall county average. Manufacturing accounts for 7.5 percent of the county's total wage payments, down from 8.1 percent in 2005, and the smallest percentage of the three counties.

In New Castle County, manufacturing jobs fell by 1,300 in 2005 and held about steady in 2006. The two largest sub-sectors, Transportation Equipment Manufacturing and Chemical Manufacturing, each lost about 600 jobs over this period. One sub-sector which has been growing is Computer and Electronic Parts Manufacturing; it has added almost 250 jobs in the past two years. Manufacturing jobs pay an average of \$70,404 in New Castle County, almost \$18,000 above the overall average wage.

### **Educational Services**

This industry sector, which encompasses elementary schools through universities and trade schools, has a variety of ownerships. Statewide, 31 percent of the jobs are at state government-owned establishments (mostly public colleges and universities and charter schools), 55 percent in local government-owned establishments (public schools), and 14 percent in private establishments. This varies somewhat by county, with the biggest differences being 18 percent private-owned employment in New Castle County, compared with 7 percent in Kent County and 3 percent in Sussex County, and Sussex County having

only 14 percent state government-owned employment, compared with over 30 percent in each of the other two counties. Educational Services jobs paid an average of \$45,556 in 2006, very close to the overall state average. The average wage has risen by only 3.6 percent total over the last two years, which is less than in most other industries.

Educational Services is a growth industry in the state, growing by over four percent in each of the last two years as it added 2,600 jobs statewide. New Castle County added 1,700 jobs, Kent County about 400, and Sussex County about 500. The average wage of \$48,984 in New Castle County is about \$10,000 above each of the other two counties' average wage. Somewhat surprisingly, the average wage has decreased in Sussex County in each of the last two years.

### **Construction**

Construction added more jobs in Delaware from 2004 through 2006 than any other industry sector, gaining a net 3,361 jobs over those two years. Jobs were added at a rate of 7.1 percent in 2005 and 4.8 percent in 2006. So far in 2007, that trend has been reversed - from May 2006 to May 2007, jobs in Construction have declined by 700, or 2.4 percent. This is consistent with the slowdown in residential construction occurring across the nation.

The Construction sector provided 7.3 percent of the state's total jobs and paid 7.2 percent of the state's total wages. The closeness of these two numbers suggests that the average wage in Construction is similar to the overall average wage in the state, and it is. The overall average wage in Delaware was \$46,267 in 2006, while in Construction, it was \$45,400. The average wage in Construction increased by 6.6 percent in 2005, and by 5.3 percent in 2006, about 3 percent more than the overall average wage grew over this period.

There are three sub-sectors which make up the Construction industry: Construction of Buildings, Heavy and Civil Engineering Construction, and Specialty Trade Contractors. This last sub-sector contains 58 percent of the sector's overall employment, with the other two containing 26 percent and 16 percent, respectively. Construction of Buildings has shown the fastest employment growth (16.4 percent) and largest average wage growth (17.7 percent) of the three since 2004, but that has most likely changed in 2007.

Construction employment has displayed very different dynamics upstate and downstate in the last two years. In Kent and Sussex counties, there were large employment gains in 2005, very small gains in 2006, and declining employment so far in 2007. In New Castle County, there was moderate growth in 2005, strong growth in 2006, with 2007 apparently showing strong growth as well. (Current data are available for Kent and Sussex counties, but not for New Castle County. NCC data are combined with Cecil County, MD and Salem County NJ, but NCC drives most of the employment changes in this area.) Much of the employment gain in Kent and Sussex counties was driven by residential construction, which has slowed greatly, while it has recently been driven by nonresidential construction in New Castle County, which has so far remained healthy.

Construction has the largest presence in Sussex County, where it provides 9.3 percent of the jobs and 10.6 percent of the county's wages. Employment grew by 12.6 percent in 2005 and by 0.2 percent in 2006, while as of May 2007 it is 12.9 percent below where it was in May 2006, putting employment levels about back to where they were in 2004.

In Kent County, Construction employment grew at a blistering 15.3 percent pace in 2005, slowing to 2.1 percent in 2006. As of May 2007, there was a decline of 9.2 percent from May 2006. Construction accounts for 7.2 percent of all jobs in the county, and 8.1 percent of the wages. Construction jobs pay better than average wages in both Kent and Sussex counties.

In New Castle County, jobs in Construction make up 6.7 percent of all jobs and pay slightly below average wages, accounting for 6.3 percent of the total county wage bill. Employment grew by 2.9 percent in 2005 and by 6.0 percent in 2006. It appears to be growing at around 5 percent so far this year.

### **Retail Trade**

Retail Trade remains Delaware's top employer even after adding only a net 116 jobs in 2006 (a 0.2 percent growth rate), with its 53,681 jobs in the state in 2006 totalling 600 more than Health Care and Social Assistance. However, if the trends from 2006 continue in 2007, their positions will be reversed. Even though it is the state's top employer, Retail Trade is only seventh largest in terms of wages paid. The statewide average wage of \$25,012 in 2006 was more than \$20,000 below the overall state average. This is the result of a high number of relatively low-paying occupations within the industry, and a high proportion of part-time workers. Our last employer benefits survey in 2005 found that 38 percent of the jobs in retail Trade were part-time, compared with 23 percent of all private sector jobs.

The largest sub-sector in terms of employment is General Merchandise Stores, with 9,523 jobs in 2006, down from 10,074 in 2005. This sub-sector consists of department stores, warehouse clubs and discount department stores.

The highest-paying sub-sector is Motor Vehicles and Parts Dealers, with an average \$41,636 earned in 2006. There was a drop of 120 jobs in this sub-sector last year.

Among the growing sub-sectors, the largest job gains were at Food and Beverage Stores, which added a net 410 jobs in 2006. Clothing and Clothing Accessories Stores also grew, adding 170 jobs. This is the lowest paying retail sub-sector in the state, paying an average \$16,132 per worker in 2006.

In New Castle County, Food and Beverage Stores employs more people than any other retail sub-sector. It added 500 jobs there in 2006, while General Merchandise Stores lost 370 jobs.



The growth area in Kent County was in Building Material and Garden Equipment stores. This sub-sector has added 170 jobs in Kent County since 2004.

In Sussex County, Furniture and Home Furnishings Stores has recently led the way in job creation, adding 200 jobs in the last two years. Overall, Retail Trade jobs pay about the same throughout the state, varying much more by sub-sector than by county.

### **Wholesale Trade**

This largely under-the radar industry sector is the state's eighth-largest in terms of total wages paid. It employed 15,128 people in the state in 2006 earning an average of \$71,956.

Employment growth has been modest in the last two years, with 340 jobs added, an annual rate of a little over one percent. The exception has been the sub-sector Wholesale Electronic Markets, which has grown by 18 percent in each of the last two years, adding 800 jobs. The rest of Wholesale Trade lost jobs over this period.

In New Castle County, where 70 percent of the state's Wholesale Trade jobs are located, the average wage was \$80,292 in 2006, an increase of almost 18 percent from 2005. Sussex County has seen its average wage fall by \$10,000 over the last two years, but the average of \$48,620 there still exceeds Kent County's \$42,636.

### **Management of Companies and Enterprises**

This industry sector was newly created in the national industrial classification reorganization a few years back. Under the old system, all units of a company were put into a single industry, based upon the firm's main line of business. In the current system, separate sites of the same company can be put into different industries, if they perform dissimilar functions. Administrative offices or headquarters are generally put into this sector, commonly known as Management of Companies.

There were 12,016 jobs in this sector in 2006, down by 427 since 2005, and by 470 since 2004. Average pay was \$77,452 in 2006, up by over \$11,000 since 2004. Virtually all of the sector's employees, over 97 percent, are located in New Castle County.

### **Administrative and Support and Waste Management and Remediation Services**

This awkwardly-named sector, which is tenth-largest in terms of total wage bill, has nearly twice the number of employees as Management of Companies, but pays wages that are on average \$48,000 per year less. It is made up of a variety of sub-sectors, including temporary help agencies, telemarketing bureaus, call centers, travel agencies, security services, janitorial services, and waste management.

There were 23,835 jobs in this sector in 2006, an increase of 1,150 jobs since 2004. This job growth has been concentrated in the southern two counties, as employment in New Castle County has been flat over the last two years, although it still has 75 percent of the sector's total jobs. The statewide average wage of \$29,344 has increased by almost 17 percent in just the past two years.

The average wage in this sector falls as one moves further south in the state. In New Castle County, it was \$31,224 in 2006, in Kent County, which added 366 jobs since 2004, it was \$25,056, and in Sussex County, which added 434 jobs, it was \$20,880.

### **Transportation and Warehousing**

This industry sector, which employed 13,828 people in Delaware in 2006, has zigzagged in the last two years, losing 493 jobs in 2005, then gaining 484 in 2006. Net losses of 450 jobs in New Castle County over the two years were almost exactly offset by Kent and Sussex Counties, which gained 225 and 224 jobs, respectively. The job gains in Kent County were in the Warehousing and Storage sub-sector, while the gains in Sussex County were in Truck Transportation.

The average wage was highest in New Castle County, at \$42,448. Sussex County exceeded Kent County, \$35,644 versus \$32,004.

### **Accommodation and Food Services**

There were 32,198 workers in this sector across the state in 2006, making it Delaware's fifth-largest industry in that regard. The \$16,168 average wage in 2006 was the lowest of any industry sector.

Most of the workers in this industry, 55 percent, work part-time. The only sector with a higher percentage of part-time workers is Other Services, at 70%. The majority of the state's workers being paid the minimum wage are in this industry. Overall, less than 2 percent of Delaware's workers are paid the minimum wage. In Accommodation and Food Services, over 12 percent are at the minimum.

Employment in Food Services is up by almost 1,000 jobs in the last two years, with two-thirds of that growth in New Castle County. Overall, 60 percent of the industry's jobs are in New Castle County, 14 percent in Kent County, and 26 percent in Sussex County.

### **Information**

This industry sector ranges from newspaper publishing to radio and television broadcasting to data processing and internet service. There were 6,913 workers in this industry in Delaware in 2006, about 350 fewer than there were two years ago. The sub-sector

Internet Service Providers has shed almost 600 jobs in the last two years. It is a high-paying part of the industry, with average wages of \$74,004 in 2006, compared with \$54,240 in the Information sector as a whole.

Most of the employment in this sector is located in New Castle County; 5,492 of the jobs are there. Sussex County has seen modest growth in this industry in the last few years; it had a total of 483 jobs in 2006. Kent County had 878 jobs in 2006, about the same number it had in 2004.

### **Other Services**

This oddly-named industry sector includes car and appliance repair, hair salons, dry cleaners, religious organizations and civic organizations. There were 13,299 workers in this sector in 2006, an increase of 750 over the last two years. The average wage in the sector was \$26,544 in 2006. With an average of 70 percent of the jobs being part-time, the highest by far of any industry sector in the state, the average hourly wage is higher than the average annual wage would normally imply.

In the state as a whole and in New Castle and Sussex counties, the sub-sector that includes religious, civic, and professional organizations provides more jobs than any of the other sub-sectors. In Kent County, Personal and Laundry Services employs the most of any sub-sector. The sub-sector Repair and Maintenance pays the highest average wages. The average of \$35,852 across the state in 2006 is probably pushed up by a greater percentage of full-time workers than in the other sub-sectors.

### **Real Estate and Rental and Leasing**

This industry sector employed 6,616 people in Delaware in 2006, making it one of the state's smallest sectors. Its employment level is about unchanged in the last two years, rising by 100 in 2005, and then falling by 110 in 2006. The average annual wage in 2006 was \$38,584.

The Real Estate sub-sector, which comprises three-quarters of the sector's total employment, is concentrated at either end of the state. New Castle County has 2,662 jobs in Real Estate, down by 200 in the last two years. The average wage in the sub-sector was \$45,348 in 2006. The number of jobs in Sussex County Real Estate rose by 250 in 2005, and then fell by 130 in 2006 to settle at 1,820, with an average wage of \$33,144. Kent County saw the number of jobs in Real Estate fall by one-third in 2006, to 399. The average wage there was \$32,876.

### **Arts, Entertainment, and Recreation**

This sector employs 8,900 people in Delaware, a jobs total that has been unchanged in the last two years. The average wage in the industry was \$21,456 in 2006. Employment

changes in the counties largely cancelled each other out. New Castle County added 126 jobs since 2004, while Kent County lost 136 jobs and Sussex County added 10. With nearly 7,000 jobs, the Amusement, Gambling, and Recreation sub-sector was easily the largest component in the industry. Employment changes and wage levels there have largely mirrored those of the industry sector as a whole.

### **Utilities**

With only 2,183 workers in the state, Utilities is the second-smallest industry sector. Employment in the industry has basically held steady the past two years. These relatively few workers are well paid, earning an average \$83,584 in 2006. This average wage has increased by seven percent since 2004; only Finance and Insurance jobs pay a higher average wage.

About three-quarters of the sector's jobs are located in New Castle County, where the average wage is even higher, at \$89,184. There were 374 jobs in the Utilities industry in Sussex County in 2006, with another 183 jobs located in Kent County.

### **Agriculture, Forestry, Fishing and Hunting**

The industry employment data collected by the Department of Labor are grounded in unemployment compensation law. Since much of the labor employed in agriculture is excluded under the law, the jobs data presented here are only a partial tally of the actual industry total. There were 1,432 workers with wage records in 2005. In comparison, the US Census Bureau estimates there were 5,825 workers in this industry in Delaware in 2005.

The number of workers reported in this industry sector fell to 1,341 in 2006. Their average wage of \$31,160 has increased by less than two percent since 2004. The majority of workers, 749 of them, are located in Sussex County, with 366 in Kent County, and 225 in New Castle County, where most of 2006's decline occurred.

### Delaware's Top Industry Sectors by Total Wages Paid

Industry Sector	Percentage of State's Total Wages in 2006
Finance and Insurance	16.3
Health Care and Social Assistance	11.8
Professional, Scientific, and Technical Services	10.6
Manufacturing	9.2
Educational Services	7.3
Construction	7.2
Retail Trade	6.9
Wholesale Trade	5.6
Management of Companies and Enterprises	4.8
Administrative and Support and Waste Management Services	3.6

### Delaware's Top Industry Sectors by Employment

Industry Sector	Number of Jobs, 2006
Retail Trade	53,681
Health Care and Social Assistance	53,084
Finance and Insurance	37,616
Manufacturing	33,246
Accommodation and Food Services	32,198
Educational Services	31,218
Construction	30,803
Professional, Scientific, and Technical Services	26,653
Administrative and Support and Waste Management Services	23,835
Wholesale Trade	14,920

### Delaware's Top Industry Sectors for Job Growth

Industry Sector	Job Gain, 2004 - 2006	Annual Rate
Construction	3,361	6.1%
Health Care and Social Assistance	3,248	3.3%
Educational Services	2,594	4.5%
Administrative and Support and Waste Management Services	1,151	2.5%
Retail Trade	1,150	1.1%
Accommodation and Food Services	939	1.5%
Other Services	748	3.0%
Wholesale Trade	343	1.2%
Utilities	26	0.6%
Arts, Entertainment, and Recreation	-3	-0.0%

### New Castle County's Top Industry Sectors by Total Wages Paid

Industry Sector	Percentage of County's Total Wages in 2006
Finance and Insurance	19.8
Professional, Scientific, and Technical Services	11.7
Health Care and Social Assistance	11.7
Manufacturing	8.2
Educational Services	6.8
Construction	6.3
Management of Companies and Enterprises	6.1
Wholesale Trade	5.7
Retail Trade	5.6
Administrative and Support and Waste Management Services	3.8

### New Castle County's Top Industry Sectors by Employment

Industry Sector	Number of Jobs, 2006
Health Care and Social Assistance	36,732
Retail Trade	32,519
Finance and Insurance	32,404
Professional, Scientific, and Technical Services	22,586
Educational Services	20,662
Construction	18,893
Administrative and Support and Waste Management Services	17,868
Manufacturing	17,401
Management of Companies and Enterprises	11,706
Wholesale Trade	10,603

### New Castle County's Top Industry Sectors for Job Growth

Industry Sector	Job Gain, 2004 - 2006	Annual Rate
Educational Services	1,731	4.6%
Health Care and Social Assistance	1,605	2.3%
Construction	1,562	4.5%
Other Services	555	3.3%
Retail Trade	512	0.8%
Arts, Entertainment, and Recreation	126	1.2%
Administrative and Support and Waste Management Services	13	0.0%
Utilities	-14	-0.4%
Agriculture, Forestry, Fishing and Hunting	-85	-13.7%
Wholesale Trade	-112	-0.5%

### Kent County's Top Industry Sectors by Total Wages Paid

Industry Sector	Percentage of County's Total Wages in 2006
Health Care and Social Assistance	11.0
Educational Services	10.9
Retail Trade	10.3
Construction	8.1
Manufacturing	7.5
Finance and Insurance	5.1
Transportation and Warehousing	4.0
Professional, Scientific, and Technical Services	3.8
Wholesale Trade	3.3
Administrative and Support and Waste Management Services	2.6

### Kent County's Top Industry Sectors by Employment

Industry Sector	Number of Jobs, 2006
Retail Trade	9,084
Health Care and Social Assistance	7,420
Educational Services	6,014
Construction	4,449
Manufacturing	3,577
Arts, Entertainment, and Recreation	2,812
Transportation and Warehousing	2,700
Finance and Insurance	2,264
Administrative and Support and Waste Management Services	2,263
Professional, Scientific, and Technical Services	1,748

### Kent County's Top Industry Sectors for Job Growth

Industry Sector	Job Gain, 2004 - 2006	Annual Rate
Health Care and Social Assistance	1,077	8.5%
Construction	671	8.9%
Retail Trade	468	2.7%
Educational Services	383	3.4%
Administrative and Support and Waste Management Services	366	9.6%
Transportation and Warehousing	225	4.5%
Professional, Scientific, and Technical Services	195	6.3%
Wholesale Trade	135	4.4%
Other Services	24	0.7%
Utilities	14	4.1%

### Sussex County's Top Industry Sectors by Total Wages Paid

Industry Sector	Percentage of County's Total Wages in 2006
Manufacturing	18.5
Health Care and Social Assistance	14.9
Retail Trade	12.4
Construction	10.6
Educational Services	7.9
Finance and Insurance	5.0
Professional, Scientific, and Technical Services	3.4
Transportation and Warehousing	3.4
Real Estate and Rental and Leasing	2.8
Administrative and Support and Waste Management Services	2.6

### Sussex County's Top Industry Sectors by Employment

Industry Sector	Number of Jobs, 2006
Manufacturing	12,223
Retail Trade	11,213
Health Care and Social Assistance	8,776
Construction	6,666
Educational Services	4,531
Finance and Insurance	2,775
Administrative and Support and Waste Management Services	2,741
Other Services	2,377
Real Estate and Rental and Leasing	2,097
Transportation and Warehousing	2,079

### Sussex County's Top Industry Sectors for Job Growth

Industry Sector	Job Gain, 2004 - 2006	Annual Rate
Construction	758	6.4%
Manufacturing	649	2.8%
Health Care and Social Assistance	602	3.7%
Educational Services	493	6.1%
Administrative and Support and Waste Management Services	434	9.4%
Retail Trade	297	1.4%
Transportation and Warehousing	224	6.0%
Wholesale Trade	126	5.2%
Other Services	104	2.3%
Professional, Scientific, and Technical Services	104	3.4%