

Delaware Annual Economic Report 2010

Office of Occupational & Labor Market Information
Delaware Department of Labor
September 2011





Table of Contents

2010 State Economic Overview.....	3
Industry Employment Table.....	5
Personal Income.....	7
Unemployment Insurance Claims.....	9
Comparative Unemployment Rates	11
Seasonally Adjusted Employment Index	12
Gender Wage Gap	14
Major Occupational Groups 2007–2010.....	15

Introduction

The 2010 Delaware Annual Economic Report has written contributions from three people at the Office of Occupational and Labor Market Information (OOLMI), Delaware Department of Labor. Each section will be marked by the author’s initials: George Sharpley, Ph.D., Economist and Chief (**GS**); Thomas Dougherty, Labor Market Information Supervisor (**TD**); and Natalie Sabadish, Student Intern (**NS**). The report was edited by Lyn Anderson, Production Coordinator, OOLMI.

Contact Information

George Sharpley, Ph.D.
Economist and Chief
Office of Occupational and Labor Market Information
Fox Valley Annex
19 West Lea Blvd.
Wilmington, DE 19802

Phone: 302-761-8060
Fax: 302-761-6598
Email: george.sharpley@state.de.us



2010 State Economic Overview

It may not feel like it, but the Great Recession is over, and has been since the middle of 2009. The end of a recession and beginning of an expansion does not mean an immediate return to prosperity. What it means is a change in direction from economic contraction to economic expansion, from losing jobs in most months to gaining jobs in most months. After a typical recession, it takes several years of expansion for the total number of jobs in the economy to exceed its previous peak. In the current case, it will take longer.

The national recession began in December, 2007. From December 2007 through December 2008, Delaware lost 10,200 jobs. This was the biggest job loss on record, going back to 1939, until the following year, 2009, when 20,400 jobs were lost. Finally, the job losses were stanchied in 2010, and the state gained 6,000 jobs from December 2009 through December 2010.

Delaware lost jobs in each of the last eight months of 2008. The state lost jobs in 10 out of 12 months in 2009. Delaware gained jobs in 7 out of 12 months in 2010. The direction has changed, but prosperity has not yet returned.

Of the 6,000 net jobs gained in 2010, 5,200 were at private employers, and 800 were in government, mostly in **Local Government Education Services**. The private industry sector with the most new jobs in 2010 was **Retail Trade**, which gained back 1,380 of the 5,570 jobs lost in the recession. Within the retail sector, **general merchandise stores** (department stores and big-box discounters) had the most job gains, adding 680 net new jobs. **Clothing and accessory stores** were next, gaining 470 jobs. **Motor vehicle and parts dealers**

and **electronics and appliance stores** also expanded, adding 280 and 270 jobs, respectively. The only retail sector to lose more than 100 jobs in 2010 was **building material and garden supply stores**, where 130 jobs were lost.

The next three strongest industry sectors had similar levels of job growth. **Accommodation and Food Services** gained 1,200 jobs in 2010. **Traveler accommodation** gained 150 jobs, with **restaurants and other food and drinking service establishments** gaining 1,040 jobs. This sector managed to get through the recession mostly unscathed, losing 140 jobs between December 2007 and December 2009. With the jobs added in 2010, employment in Accommodation and Food Services is at an all-time high. **Arts, Entertainment, and Recreation** added 1,140 jobs in 2010, mostly at the state's three casino facilities. This sector lost 570 jobs from December 2007 through December 2009, so for this industry, the recession is a thing of the past. **Health Care and Social Assistance**, which added 970 jobs in 2010, was the only industry sector to gain jobs during the recession. It



added 4,730 jobs from December 2007 through December 2009, and is now up 5,700 jobs over the last three years. The biggest job gains here in 2010 were in social assistance, which added 390 jobs.

Construction and Manufacturing were the two hardest-hit industry sectors in the recession, accounting for nearly half of all jobs lost. Construction lost the most jobs, falling by 7,960 from December 2007 to December 2009, but even that understates the weakness there. Construction led the way into the Great Recession and lost nearly 3,000 jobs in Delaware before the recession began. The year 2010 did show a turnaround, with Construction adding 880 jobs. The gains were centered in the **specialty trade contractors** sub-sector, which grew by 930 jobs. The other two subsectors had small changes in employment, with **building construction** growing by 70 jobs and **heavy and civil engineering construction** falling by 120. It should be noted that these numbers do not include the self-employed, who tend to be common among specialty trade contractors.

Manufacturing did not manage a turnaround in 2010, losing an additional 900 jobs on top of the 6,520 lost from December 2007 through December 2009. The recent job losses were centered in **petroleum manufacturing**, which lost 420 jobs, **fabricated metal product manufacturing**, which lost 330 jobs, **chemical manufacturing**, where employment fell by 290, and **transportation equipment manufacturing**, which declined by 280 jobs. This last sub-sector had already accounted for nearly half of the jobs lost in manufacturing during the recession with the closure of the state's two automobile assembly plants.

There were some manufacturing sub-sectors which gained jobs in 2010. **Machinery manufacturing** added 390 jobs. **Computer and electronic product manufacturing** added 150 jobs. **Plastics and rubber products manufacturing, primary metals manufacturing, and electrical equipment and appliance manufacturing** each gained between 50 and 70 jobs.



Financial services had a tough 2010, but that was driven primarily by the **insurance** sub-sector, which lost 970 jobs. **Banking** was essentially flat, falling by 60 jobs. The **securities and investments** sub-sector grew by nearly nine percent, adding 360 new jobs. (This is the highest-paying industry sub-sector in Delaware, paying an average wage of \$111,044 in 2010.) **Real estate** employment declined by 230 jobs, and **rental and leasing services** fell by 90 jobs. Employment across financial activities fell by 2,320 from December 2007 to December 2009; it is now 2,280 jobs below pre-recession levels.

Administrative and Waste Services gained 450 jobs in 2010, after losing 2,590 from December 2007 through December 2009. **Waste management and remediation** added only 20 jobs in 2010; the rest of the new jobs

were in various administrative and support functions. **Contract office administration** firms added 540 jobs in 2010. **Security firms and temporary help services** each added 270, while janitorial services lost 370 jobs and landscaping services dropped by 170.

Wholesale Trade failed to achieve a turnaround in 2010, losing an additional 370 jobs. This sector lost 2,060 jobs from December 2007 through December 2009. Of its three sub-sectors, only **merchant wholesalers of durable goods** did not lose jobs last year; employment there remained the same. **Nondurable goods wholesalers** and **electronic markets, agents, and brokers** lost 220 and 150, respectively.

The **Transportation and Warehousing** sector also failed to gain back any of the 1,730 jobs lost from December 2007 through December 2009, losing another 140 jobs in 2010. **Warehousing** was the weakest subsector, losing 70 jobs last year. **Truck transportation** employment also fell, dropping by 30 jobs, while transit gained 20 and support activities added 30 jobs.

The small industry sector **Information**, which includes **publishing, telecommunications, and data processing**, continues to get smaller. It lost 140 jobs in 2010, on top of the 870 jobs lost over the previous two years. **Telecommunications** was the weakest subsector, losing 150 jobs last year. **Publishing** was down by 40 jobs, while **data processing** added 60 new jobs.

Professional, Scientific, and Technical Services added 480 jobs in 2010, rebounding from the loss of 2,170 jobs over the previous two years. Most of the gains within the sector came from **computer systems design**, where 360 jobs were added. **Architectural and engineering services** also expanded employment, adding 180 jobs. **Accounting services** and **scientific research** each gained 80 jobs. The

industry sector **Management of Companies and Enterprises** continued to lose jobs. After falling by 1,360 jobs from December 2007 through December 2009, employment dropped by an additional 360 jobs in 2010. This sector consists of establishments whose role is to provide administration and management to their organizations, as well as holding companies.

The **Education** sector accelerated its expansion in 2010, gaining 1,090 jobs after adding 850 during the previous two years. We include all ownership types in this measure: local government, state government, and private. We also include all levels of education, from elementary through universities and trade schools. **Private schools** added 240 jobs in 2010, almost gaining back the 260 jobs lost over the previous two years. **State government education**, which includes several institutions of higher learning, as well as charter schools, added 380 jobs in 2010, on top of the 390 jobs gained over 2008 and 2009. **Local government public schools** added the most jobs over each period, gaining 700 from December 2007 through December 2009, then an additional 470 jobs in 2010.

Other Services, a catch-all industry sector for industries that don't fit elsewhere, was essentially flat in 2010, losing 30 jobs. During the two years marked by the recession, it lost 550 jobs. One major sub-sector, **religious activities**, is omitted here, because religious organizations are not required to submit payroll records, so we have no actual data for them.

Public Administration, which consists of **local, state, and federal government establishments** which are not classified in other industries (such as education or transportation), has been nearly flat over the last three years. There were 130 jobs lost during the two years of recession, with 100 of those gained back in 2010.

GS

Industry Employment

INDUSTRY	2010	2009	2,007	'09 – '10	'07 – '09
TOTAL COVERED EMPLOYMENT	404,950	398,950	429,500	6,000	-30,550
Construction	21,390	20,500	28,460	890	-7,960
Construction of buildings	5,060	4,990	7,710	70	-2,720
Heavy and civil engineering construction	3,940	4,060	4,690	-120	-630
Specialty trade contractors	12,380	11,450	16,060	930	-4,610
Manufacturing	26,150	27,050	33,570	-900	-6,520
Food manufacturing	8,990	9,120	9,560	-130	-440
Beverage and tobacco product manufacturing	210	190	140	20	50
Textile mills	580	640	880	-60	-240
Textile product mills	90	100	140	-10	-40
Apparel manufacturing	170	200	170	-30	30
Wood product manufacturing	310	310	390	0	-80
Paper manufacturing	830	940	910	-110	30
Printing and related support activities	670	690	730	-20	-40
Petroleum and coal products manufacturing	270	690	840	-420	-150
Chemical manufacturing	3,140	3,430	4,380	-290	-950
Plastics and rubber products manufacturing	1,420	1,350	1,580	70	-230
Nonmetallic mineral product manufacturing	580	530	930	50	-400
Primary metal manufacturing	590	540	740	50	-200
Fabricated metal product manufacturing	1,490	1,820	2,000	-330	-180
Machinery manufacturing	610	220	370	390	-150
Computer and electronic product manufacturing	3,070	2,920	2,950	150	-30
Electrical equipment and appliance mfg.	660	610	760	50	-150
Transportation equipment manufacturing	660	940	3,820	-280	-2,880
Furniture and related product manufacturing	710	780	940	-70	-160
Miscellaneous manufacturing	1,100	1,030	1,160	70	-130
Wholesale trade	12,400	12,770	14,830	-370	-2,060
Merchant wholesalers, durable goods	4,590	4,590	5,520	0	-930
Merchant wholesalers, nondurable goods	5,390	5,610	6,370	-220	-760
Electronic markets and agents and brokers	2,420	2,570	2,940	-150	-370
Retail Trade	53,010	51,630	57,200	1,380	-5,570
Motor vehicle and parts dealers	6,380	6,100	7,220	280	-1,120
Furniture and home furnishings stores	1,980	2,050	2,900	-70	-850
Electronics and appliance stores	2,130	1,860	2,340	270	-480
Building material and garden supply stores	4,280	4,410	4,840	-130	-430
Food and beverage stores	8,890	8,730	8,670	160	60
Health and personal care stores	3,590	3,620	4,050	-30	-430
Gasoline stations	2,140	2,140	2,510	0	-370

INDUSTRY	2010	2009	2,007	'09 – '10	'07 – '09
Clothing and clothing accessories stores	6,400	5,930	6,220	470	-290
Sporting goods, hobby, book and music stores	2,100	2,240	2,680	-140	-440
General merchandise stores	11,000	10,320	10,930	680	-610
Miscellaneous store retailers	2,950	3,020	3,540	-70	-520
Nonstore retailers	1,170	1,200	1,310	-30	-110
Transportation and warehousing	12,440	12,580	14,310	-140	-1,730
Air transportation	120	130	120	-10	10
Truck transportation	2,210	2,240	3,010	-30	-770
Transit and ground passenger transportation	2,910	2,890	2,650	20	240
Support activities for transportation	1,900	1,870	2,390	30	-520
Couriers and Messengers	1,420	1,450	1,700	-30	-250
Warehousing and storage	1,900	1,970	2,170	-70	-200
Information	6,220	6,360	7,230	-140	-870
Publishing industries, except Internet	990	1,030	1,470	-40	-440
Motion picture and sound recording industries	300	300	320	0	-20
Broadcasting, except Internet	280	290	1980*	-10	-1,690
Telecommunications	2960*	3110*	1,460	-150	1,650
ISPs, search portals, and data processing	1,410	1,350	1,690	60	-340
Other information services	280	280	280	0	0
Finance and insurance	37,810	37,450	38,990	360	-1,540
Credit intermediation and related activities	25,850	25,910	27,170	-60	-1,260
Securities, commodity contracts, investments	4,410	4,050	3,900	360	150
Insurance carriers and related activities	6,190	7,160	7,580	-970	-420
Funds, trusts, and other financial vehicles	330	340	340	-10	0
Real estate and rental and leasing	5,410	5,730	6,510	-320	-780
Real estate	4,150	4,380	4,790	-230	-410
Rental and leasing services	1,250	1,340	1,710	-90	-370
Professional and technical services	24,460	23,980	26,150	480	-2,170
Management of companies and enterprises	9,500	9,860	11,220	-360	-1,360
Administrative and waste services	23,220	22,770	25,360	450	-2,590
Administrative and support services	21,910	21,500	24,370	410	-2,870
Waste management and remediation services	1,300	1,280	1,000	20	280
Educational services	34,430	33,340	32,490	1,090	850
Health care and social assistance	62,100	61,130	56,400	970	4,730
Ambulatory health care services	17,930	17,630	16,800	300	830
Hospitals	21,900	21,690	19,550	210	2,140
Nursing and residential care facilities	10,470	10,390	9,060	80	1,330
Social assistance	11,810	11,420	10,990	390	430
Arts, entertainment, and recreation	8,160	7,020	7,590	1,140	-570
Performing arts and spectator sports	590	640	660	-50	-20
Museums, historical sites, zoos, and parks	770	750	750	20	0
Amusements, gambling, and recreation	6,800	5,640	6,180	1,160	-540

INDUSTRY	2010	2009	2,007	'09 – '10	'07 – '09
Accommodation and food services	32,600	31,410	31,540	1,190	-130
Accommodation	2,580	2,430	2,920	150	-490
Food services and drinking places	30,020	28,980	28,640	1,040	340
Other services, except public administration	12,990	13,020	13,570	-30	-550
Repair and maintenance	3,350	3,360	3,590	-10	-230
Personal and laundry services	4,250	4,170	4,360	80	-190
Membership associations and organizations	4,570	4,680	4,710	-110	-30
Private Households	780	810	810	-30	0
Public Administration	20,060	19,960	20,090	100	-130

*Some firms were re-classified out of Broadcasting and into Telecommunications.

Personal Income

Gross Domestic Product, or GDP, is one of the most recognized economic indicators, and most other measures of the economy are discussed in reference to GDP. It is produced by the Bureau of Economic Analysis (BEA) and gauges the output of an economy as the sum of value added from all industries in the economy. GDP serves as a good indicator of the general health of an economy and is a popular way to track growth.

In Delaware, real GDP fell by 4.8 percent from 2007 to 2008, increased by 2.1 percent from 2008 to 2009, then increased by 1.3 percent from 2009 to 2010. The 2010 total remains below the 2007 total by \$880 million. Real GDP accounts for changes in the price level, providing a more accurate picture of actual economic growth. Real GDP per capita is calculated by dividing total real GDP by the population to find the purchasing power of individuals in the economy. This allows for comparisons between Delaware and other states and the nation as a whole. Of the 50 states and the District of Columbia, Delaware has the fourth highest GDP per capita, suggesting that Delawareans enjoy a high standard of living relative to the rest of the nation.

Because components of GDP often flow out of the state, however, GDP may not always be the most reliable measure of economic well-being. This is especially true in Delaware where many of those who work in Delaware reside in other states. Personal income accrues to state households and may therefore be a more precise indicator of household economic health in the state.

Personal income is also produced by the BEA and is calculated by adding earned and unearned income with adjustments for pensions, insurance, and social security contributions. As with GDP, per capita personal income is a more accurate measure of personal wealth. Personal income per capita is calculated by dividing total personal income in the state by the state's population. Another advantage of using personal income to gauge economic health is that there is not a time lag as with GDP.

All personal income data are controlled for inflation using the Consumer Price Index for all urban consumers (CPI-U). The figures are in 2010 dollars unless otherwise noted. This means that all growth rates are real growth rates, taking price changes into account. A real growth rate equals its nominal rate minus the inflation rate.

From 2009-2010, total real personal income in Delaware increased by a modest 0.7 percent, the ninth slowest pace in the nation. Personal income growth in the United States as a whole was 1.3 percent. Of Delaware's neighboring states, Delaware had the slowest personal income growth rate. Total personal income grew by 0.9 percent in New Jersey, 1.3 percent in Maryland, and 1.6 percent in Pennsylvania.

Delaware ranked 20th in the country in per capita personal income in 2010 with \$39,962. This is just below the national average of \$40,584 and also lower than all three of Delaware's bordering states. Personal income per capita fell by 1.3 percent in Delaware over the past year. The only two states that experienced a bigger decline were Hawaii and Nevada. Nationally, per capita personal income grew two percent from 2009-2010.

Over the past decade, Delaware's per capita personal income grew at a slower pace than four-fifths of the country. From 2000-2010, the state's per capita personal income increased by 1.8 percent, the 44th fastest pace in the nation. Delaware's growth rate also lagged behind all of its bordering states and the nation as a whole. Over this time period, Maryland's per capita personal income grew by 11.6 percent, Pennsylvania's by 7.9 percent, and New Jersey's by 3.7 percent.

Personal income also varies by industry across Delaware. Income from the **Health Care and Social Assistance** and **Finance and Insurance** industry sectors made up the biggest proportion of state personal income in 2010, each comprising about 10 percent of the total. **Professional, Scientific and Technical Services** made up another nine percent of total Delaware personal income.

The largest component of Delaware's total personal income in 2010 was wage and salary disbursements at 57 percent of personal income. Personal current transfer receipts made up 20 percent of personal income, while Dividends, Interest, and Rent accounted for another 18 percent. The final seven percent can be attributed to Proprietor's Income.

NS

Earnings by Industry as a Proportion of State Total Personal Income

Industry	Earnings	Percent of State PY
Health care and social assistance	\$3,587,216	10%
Finance and insurance	\$3,574,227	10%
Professional, scientific, and technical services	\$3,112,273	9%
Manufacturing	\$2,163,495	6%
Retail trade	\$1,706,075	5%
Construction	\$1,524,526	4%
Wholesale trade	\$1,231,670	3%
Management of companies and enterprises	\$1,143,915	3%
Other services, except public administration	\$974,414	3%
Administrative and waste services	\$918,033	3%
Accommodation and food services	\$782,216	2%
Transportation and warehousing	\$623,431	2%
Information	\$510,963	1%
Real estate and rental and leasing	\$399,767	1%
Arts, entertainment, and recreation	\$328,185	1%
Educational services	\$326,938	1%
Utilities	\$283,816	1%

Source: Bureau of Economic Analysis.

Components of Earnings

	Earnings	Percent of State PY
Wage and salary disbursements	\$20,447,310	57%
Proprietor's income	\$2,639,719	7%
Dividends, interest, and rent	\$6,304,784	18%
Personal current transfer receipts	\$7,097,408	20%

Source: Bureau of Economic Analysis.

Unemployment Insurance Claims

Claims by Industry

In 2010, unemployment insurance claims were seen in all of Delaware's 19 industries (mining was excluded due to the small employment numbers in the industry). The largest proportion of UI claims came from the **Retail Sales** industry, which accounted for 14.4 percent of the total statewide claims. Nationally, only 8.5 percent of UI claims can be attributed to the Retail Sales sector. Nearly 14 percent of total Delaware claims came from the **Administration and Support and Waste Management** industry sector; this proportion is about three percentage points above the national average.

The **Construction** and **Manufacturing** industries also contributed to at least 10 percent of total statewide UI claims in Delaware in 2010 at 10.2 percent and 10.1 percent, respectively. Both of these industries have fared better than the nation. Claimants from the following sectors made up at least five percent of statewide claims: **Accommodation and Food Services; Health Care and Social Assistance; Finance and Insurance; and Professional, Scientific, and Technical Services**. Claimants in these four industries made up a larger proportion of total UI claims in Delaware than they did in the nation as a whole.

Industries that contributed between two and five percent to total UI claims did not differ substantially from the national averages. These industries include: **Wholesale Trade; Other Services; Transportation and Warehousing; Educational Services; and Real Estate and Rental and Leasing**. The **Arts, Entertainment and Recreation; Information; Public Administration; Management of Companies and Enterprises; Agriculture, Forestry, Fishing, and Hunting; and Utilities** industry sectors each comprised less than two percent of total statewide UI claims. They also produced a smaller proportion of claimants than their national counterparts.

Percentage of Total UI Claims by Industry, 2010

	United States	Delaware
Retail Trade	8.5%	14.4%
Administrative and Support and Waste Management	10.4%	13.8%
Manufacturing	11.8%	10.2%
Construction	13.7%	10.1%
Health Care and Social Assistance	7.4%	8.9%
Accommodation and Food Services	6.3%	8.9%
Finance and Insurance	3.0%	8.0%
Professional, Scientific, and Technical Services	4.8%	5.7%
Wholesale Trade	3.9%	4.3%
Other Services	2.8%	3.2%
Transportation and Warehousing	3.7%	2.7%
Real Estate and Rental and Leasing	1.5%	2.1%
Educational Services	2.9%	2.1%
Information	2.5%	1.8%
Arts, Entertainment, and Recreation	1.8%	1.8%
Public Administration	2.1%	0.8%
Management of Companies and Enterprises	0.4%	0.4%
Agriculture, Forestry, Fishing, and Hunting	1.9%	0.2%
Utilities	0.2%	0.1%

Claims by Age

About 70 percent of UI claims came from workers between the ages of 25 and 54. This is a logical result, given that people in this age range are of prime working age. Nearly 24 percent of claims came from each of the 25-34 age group and the 45-54 age cohort. Another 22 percent can be attributed to workers between the ages of 35 and 44. A little over 15 percent of claimants were in the 55-64 age range, with 8.8 percent from the 55-59 age group and 6.4 percent from the 60-64 range. Very few claims were from the very young and very old. About four percent of claimants were over 65 years old, and 3.5 percent were under 22 years old. The Delaware trends are fairly consistent with those seen at the national level.

Percentage of Total UI Claims by Age Group, 2010

Age Group	United States	Delaware
<22	3.6%	3.5%
22-24	5.9%	6.9%
25-34	24.1%	23.5%
35-44	22.9%	22.0%
45-54	24.3%	23.8%
55-59	9.1%	8.8%
60-64	6.0%	6.4%
≥65	3.8%	4.2%

Claims by Race

Over half (56.3 percent) of UI claims in the state of Delaware in 2010 were filed by white workers. This proportion also reflects national trends. About a third of statewide claimants were black. This is twice as many black claimants than seen in the nation as a whole. Although over 15 percent of national claims came from workers of Hispanic origin, only 4.6 percent of claimants in Delaware were of Hispanic origin.

Percentage of Total UI Claims by Race, 2010

Race	United States	Delaware
White	57.80%	56.30%
Black	16.30%	32.90%
Hispanic	15.50%	4.60%
Hawaiian	0.40%	0.70%
American Indian	1.20%	0.30%
Asian	2.60%	0.00%

Claims by Gender

In 2010, total UI claims in Delaware split almost evenly by gender. Just over half (51.6 percent) of all claimants were male, while just under half (48.2 percent) were female. The gap widens slightly at the national level, where 58.1 percent of claims came from men, while 41.7 percent were filed by women.

Percentage of Total UI Claims by Gender, 2010

Gender	United States	Delaware
Male	58.10%	51.60%
Female	41.70%	48.20%

NS

Comparative Unemployment Rates

The Local Area Unemployment Statistics (LAUS) program is an important Federal and State government cooperative program that produces monthly and annual data on employment, unemployment, the unemployment rate and the labor force for States, counties, and cities. The data below are produced from the LAUS program.

Delaware and Its Neighboring States' Annual Average Unemployment Rates

Delaware's annual average unemployment rate of 8.5% in 2010 was ranked as the 23rd lowest rate in the nation. Of Delaware's neighboring states of Maryland, New Jersey, and Pennsylvania, only Maryland had a more favorable ranking. Maryland's annual average unemployment rate ranked 14th lowest in the nation, followed by Delaware at 23rd, Pennsylvania at 26th, and New Jersey at 31st.

While the Delaware and its neighboring states' unemployment rates all rose in 2010 from 2009, their national rankings were little changed. Delaware's annual average unemployment rate rose by 0.5% percentage point from 2009 to 2010; its ranking only rose from 22nd to 23rd. Maryland's and New Jersey's annual average unemployment rates rose from 2009 to 2010, however, their national rankings remained unchanged. Of Delaware's neighbors, Pennsylvania had the greatest percentage point increase in both its annual average unemployment rate and national ranking.

Comparative Annual Unemployment Rates

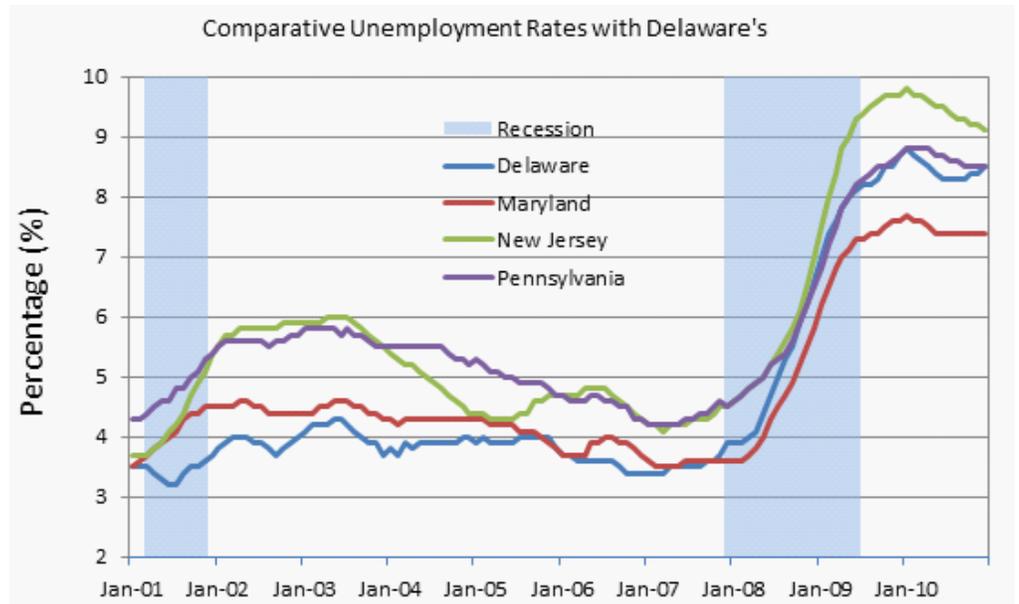
	Unemployment Rate		National Ranking*	
	2009	2010	2009	2010
Delaware	8.0	8.5	22	23
Maryland	7.1	7.5	14	14
New Jersey	9.1	9.5	31	31
Pennsylvania	8.0	8.7	22	26
United States	9.3	9.6	--	--

* Lower ranking indicates more favorable rate.

Delaware and Its' Neighboring States' Seasonally Adjusted Unemployment Rates

Between January 2001 and the beginning of the last recession starting in December 2007, Delaware's seasonally adjusted unemployment rate was either below or equal to Delaware neighboring states unemployment rates for 81 out of the 84 months during that time period. During the recession, Delaware's unemployment rate rose sharply, peaking at 8.8% in January of 2010. Maryland has had the lowest unemployment rate of Delaware's neighbors since the beginning of the last recession in December 2007 through December 2010.

TD



Seasonally Adjusted Employment Index

The Current Employment Statistics (CES) program is a Federal/State cooperative program that produces payroll employment, hours and earnings data for states and areas. This section will focus on Delaware employment. From January 2001 to December of 2010, Delaware Total Nonfarm payroll employment declined by -8,200 jobs.

Growing Delaware Industries, Jan 2001 to Dec 2010

Industry	Jobs	% Inc
Education & Health Services	18,200	38.4%
Leisure & Hospitality	6,000	16.5%
Other Services	2,400	13.7%
Government	7,400	13.0%

Education & Health Services

The CES supersector Education and Health Services includes only private education. Government education is found in the government sector. Over the last decade, from January 2001 to December 2010, Education and Health has had the largest increase in employment of all Delaware sectors of the economy, increasing by 38.4%. Employment in this sector grew even throughout the last recession beginning in December of 2007 through June of 2009, adding an additional 2,400 jobs during the recession. In Education and Health Services 18,200 jobs were created over the past decade; however, Health Services made up 16,800 of the total.

Leisure & Hospitality

Leisure & Hospitality had the second largest percentage increase in employment over the decade, increasing by 16.5%. Employment grew by 6,000 jobs in the Leisure & Hospitality sector. During the last recession, Leisure & Hospitality lost only 100 jobs when comparing the beginning of the recession in December 2007 to the end of the

recession in June 2009. In 2010, Leisure & Hospitality made some impressive gains, increasing 1,800 jobs (seasonally adjusted) from January to December.

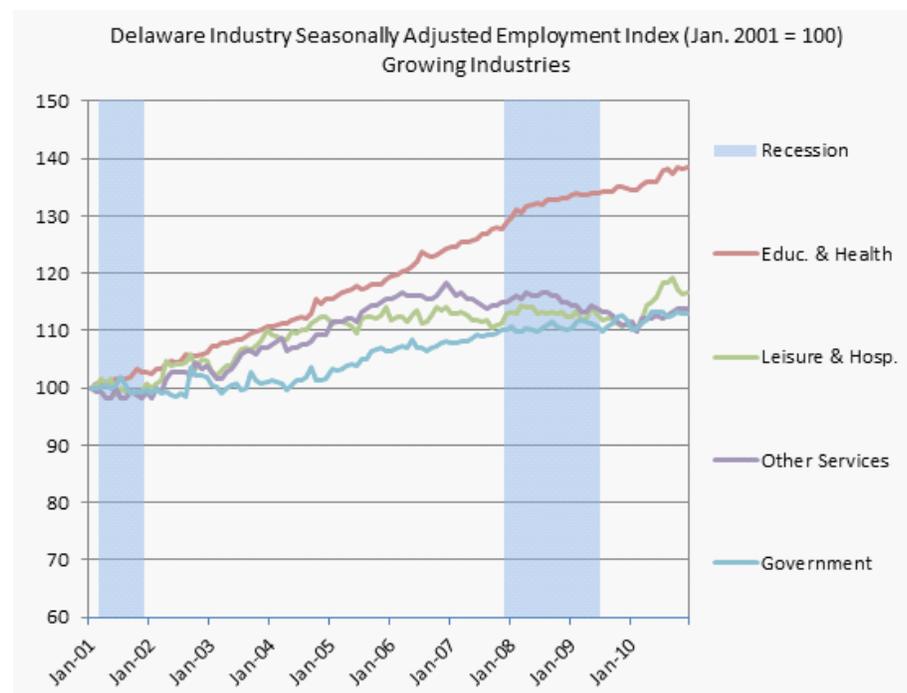
Other Services

Over the last 10 years, Other Services had the third largest percentage increase in employment, increasing by 13.7%. Seasonally adjusted employment peaked by December 2006 for Other Services, gaining 3,200 jobs from January 2001. By December 2010, Other Service had come down from its high point of December 2006 to gain 2,400 jobs over the decade. Other Services was little affected by the last recession, losing only -200 jobs.

Government

Government was the fourth and final industry that had a positive percentage increase in employment, growing by 13.0% over the decade. Federal, State, and Local government make up the government category. Federal government had a spike in employment

in 2010 due to the temporary hiring of Census workers, but this temporary increase was only from March to August of 2010. By September 2010, employment had returned to its normal pre-census levels. Between January 2001 and December 2010, Federal government employment increased by 100 in Delaware. Federal government employment is not seasonally adjusted, but it displays no seasonality, allowing valid comparison between different months. State Government employment increased 3,800 over the decade, of which all but 500 came in State Government Education. Local Government employment increased 3,500, of which all but 600 came in Local Government Education. State and Local Government Education are not seasonally adjusted, so to determine how much of the government employment increase was due to education over the decade, a comparison of annual average employment gains was made between the total and the education portion of government employment.



Source: Delaware Department of Labor in cooperation with the US Department of Labor, Bureau of Labor Statistics.

Declining DE Industries, Jan 2001 to Dec 2010

Industry	Jobs	% Decrease
Manufacturing	-13,500	-34.6%
Information	-2,000	-25.0%
Construction	-4,700	-19.4%
Professional & Business Services	-12,800	-19.0%
Financial Activities	-4,600	-9.8%
Trade, Transportation, & Utilities	-4,500	-5.8%

Manufacturing

Manufacturing had the largest percentage decline in employment over the decade, declining by -34.6%. Employment fell by -13,500 jobs during this period for Manufacturing. The decline in employment was exacerbated by the recession and the loss of auto jobs in *Transportation Equipment Manufacturing*. During the recession, -5,500 Manufacturing jobs were lost. 2010 saw further declines in employment with a decline of -1,000 jobs (seasonally adjusted) from January to December.

Information

Information had the second largest percentage decline in employment from January 2001 to December 2010, declining by -25.0%. Employment fell by -2,000 jobs in the Information industry over the decade, -600 of which were lost during the most recent recession. From January to December of 2010, Information saw an increase of 100 jobs (not seasonally adjusted).

Construction

Construction is number three on the list of industries with the largest percentage decline in employment from January 2001 to December 2010, declining -19.4%. While Construction lost -4,700 jobs over the decade, it did have some significant gains prior to the last recession. Construction employment peaked in November 2005, gaining 5,700 jobs and up 23.6% from January 2001; employment then plateaued for about a year after its peak before declining prior to the beginning of the recession. Construction employment was hit especially hard during the

recession from December 2007 to June 2009, losing -6,800 jobs. In percentage terms, this translates into a -25.4% decline in Construction employment during the recession. After the recession, Construction employment plateaued once again at a lower level, with employment the same in December 2010 as it was two months after the end of the recession in August of 2009.

Professional & Business Services

Over the decade, Professional & Business Services lost -12,800 jobs, the fourth largest percentage decline in employment, declining -19.0%. During the last recession, Professional & Business Services lost -5,000 jobs,

which was an -8.2% decline. For 2010, it was up 300 jobs (seasonally adjusted) from January to December.

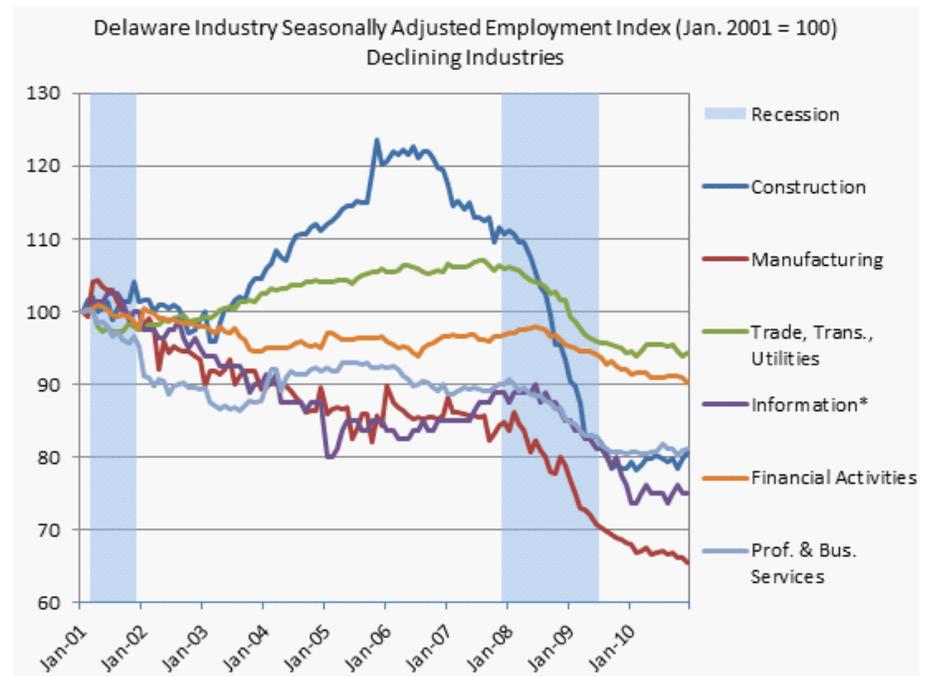
Financial Activities

Fifth on the list of industries with the largest decline in Delaware over the past decade is Financial Activities. Financial Activities declined -9.8 percent, losing -4,600 jobs. During the recession, Financial Activities lost -1,300 jobs. From January to December of 2010, -500 jobs were lost (seasonally adjusted).

Trade, Transportation, & Utilities

Trade, Transportation, & Utilities is last on our list of industries with the largest percentage decline over the decade, with a -5.8% decline. This industry lost -4,500 jobs from January 2001 to December 2010. Employment peaked in August 2007, just prior to the recession, gaining 5,500 jobs or 7.0% from January 2001. However, -7,800 jobs were lost during the recession. For 2010, -200 jobs were lost (seasonally adjusted) from January to December.

TD



Note: * Not Seasonally Adjusted Industry

Source: Delaware Department of Labor in cooperation with the US Department of Labor, Bureau of Labor Statistics.

Gender Wage Gap

In Delaware, women account for over half (53 percent) of the state's workforce, but earn substantially less than men. In fact, female workers in Delaware made only 71 cents for every dollar earned by men in the 12 months ending in March 2010. Nationally, women made 79 percent of men's earnings. This percentage is known as the earnings gap and is calculated by dividing women's earnings by men's earnings in the same industry over the same time period. This section contains analysis of wage disparities by industry and offers potential explanations as to why these pay differences exist.

Data used in this section come from the Local Employment Dynamics Program (LED). This program is a joint effort from of the U.S. Census Bureau and various states to produce a unique set of labor force statistics. Social security numbers from administrative records collected from employers by the states are matched with other data on the individuals from the Census Bureau. The result is a unique data set on the dynamics of local labor markets obtained while protecting the confidentiality of both workers and employers.

All 2010 data used in this analysis are for the 12 months ending in March 2010, the most current data available. All 2007 data are for the 12 months ending in March 2007, before the recession began. All earnings data, unless specified otherwise, are average monthly earnings. Additionally, all historical data have been adjusted for inflation using the Consumer Price Index for urban wage earners and clerical workers (CPI-W). The CPI-W used to control for price changes in this section is for the Philadelphia-Wilmington-Atlantic City Metropolitan Statistical Area and puts all data in 2010 dollars.

In 2010, Delaware women made only 71 percent of what men in the state

earned in average monthly earnings. Men earn more than women in 18 of Delaware's 19 industry sectors. (The **Mining, Quarrying, and Oil and Gas Extraction** sector was excluded from the analysis due to confidentiality issues associated with its low employment numbers.) In the **Wholesale Trade** industry in Delaware, women are roughly equal to men in terms of earnings. Female workers make 99.7 percent of what men earn in the industry. This is the first time in recent history that there has been parity in any industry in the state.

After Wholesale Trade, the pay gap widens substantially. The **Public Administration** industry sector was the next-closest to earnings equality at 80 percent, followed by the **Educational Services** industry and the **Administration and Support and Waste Management** industry at 79 percent.

In Delaware, the greatest gender wage gap in 2010 was in the **Health Care and Social Assistance** industry sector, where women earned only 59 cents for every dollar earned by men. Over eight out of ten (81 percent) of workers in this industry are women. Males tend to be concentrated in the higher-wage occupations in the industry, such as surgeons and physicians. Women, on the other hand, tend to be employed in the lowest-paid jobs in this sector, like nursing aides and child care workers. This trend results in the vast earnings gap experienced in the Health Care and Social Assistance industry. After Health Care and Social Assistance, the second-largest pay gap can be seen in the **Professional, Scientific and Technical Services** and **Other Services** industries, where women make only 60 percent of what men earn.

Much of the earnings gap can be explained by horizontal occupational segregation. Horizontal occupational

segregation describes the concentration of a gender in a certain job, while vertical occupational segregation is when opportunities for career advancement are mostly limited to one gender. This trend is evident even at the industry level in the state. Average monthly earnings in the five industries that employ the highest concentration of women were \$3,470 per month in 2010. Average monthly earnings for the five sectors that employ the highest concentration of male workers were \$3,826 per month. This results in a substantial earnings difference of \$356 per month. This is a significant decline from last year's figure, but the fall was a result of declining men's earnings rather than increasing women's earnings.

One measure of occupational segregation is the Duncan Socioeconomic Index. A high Duncan Index represents a large amount of occupational segregation. A low index, on the other hand, signals a more equal distribution of male and female workers. The value of the Duncan Index can be interpreted as the percent of men or women who would need to change occupations in order to achieve completely equal distributions of workers by gender, keeping total employment the same. The Duncan Index for Delaware in 2010 was about 27. Therefore, 27 percent of Delaware workers would have to change occupations to make the distributions equal.

New hires also experience a substantial pay differential by gender in most industries. In the **Public Administration** industry sector, female new hires actually earn more than new male employees. Recently-hired men in the sector make 97 percent of what new female hires earn. In all other industries, men earn more than women. The sector closest to parity is **Educational Services** where the earnings gap is 85 percent for new hires. The largest wage differentials among new hires are in the **Other Services and Professional, Scientific, and Technical Services** industries, where the pay gaps are 58 percent and 60 percent, respectively.

NS

Major Occupational Groups 2007 – 2010

Much of the analysis of the Great Recession has focused on the industries that were most affected. Here, we focus on occupations, using the 22 civilian major occupational groups. In some cases, there is a high degree of overlap between occupation and industry. Healthcare Practitioner occupations are found almost exclusively in the Healthcare industry, but there are school nurses employed by schools. Construction occupations are employed primarily in the Construction industry, but some can be found in Manufacturing and other industries. At the other end of the spectrum are occupational

categories such as Management occupations, Business and Financial Operations occupations, and Computer and Mathematical occupations, which are in nearly all industries.

From just prior to the start of the recession in 2007 through the latest data in 2010, there was a decline of 28,230 net jobs in Delaware. Of the 22 civilian occupational groups, 16 had job losses, with Construction and Extraction occupations suffering the greatest job loss, 7,420 jobs, and Office and Administrative Support occupations next, losing 6,360 jobs. In percentage terms, Construction

and Extraction occupations and Life, Physical, and Social Science occupations were the hardest hit, each dropping by one-third. The biggest job gains, by far, were among Healthcare Practitioners and Technical occupations, which added 2,370 jobs. Healthcare Support occupations, which includes various Aides and Assistants, did not share in the job gains; they fell by 160 jobs. The other two groups with substantial job gains were primarily low-wage occupations: Personal Care and Service occupations, which added 680 jobs, and Food Preparation and Serving occupations, which added 630.

Employment Change by Major Occupational Group, 2007 – 2010

MAJOR OCCUPATIONAL GROUP	2007 empl	2010 empl	Job Change	% change
Total all occupations	425,960	397,730	-28,230	-6.6%
Management Occupations	17,740	17,930	190	1.1%
Business and Financial Operations Occupations	25,020	23,120	-1,900	-7.6%
Computer and Mathematical Occupations	12,630	12,080	-550	-4.4%
Architecture and Engineering Occupations	7,520	7,230	-290	-3.9%
Life, Physical, and Social Science Occupations	7,920	5,310	-2,610	-33.0%
Community and Social Services Occupations	6,450	5,860	-590	-9.1%
Legal Occupations	4,570	4,480	-90	-2.0%
Education, Training, and Library Occupations	22,680	22,810	130	0.6%
Arts, Design, Entertainment, Sports, and Media Occupations	4,580	3,700	-880	-19.2%
Healthcare Practitioners and Technical Occupations	23,000	25,370	2,370	10.3%
Healthcare Support Occupations	10,840	10,680	-160	-1.5%
Protective Service Occupations	9,050	9,130	80	0.9%
Food Preparation and Serving-Related Occupations	34,610	35,240	630	1.8%
Building and Grounds Cleaning and Maintenance Occupations	14,550	13,610	-940	-6.5%
Personal Care and Service Occupations	8,370	9,050	680	8.1%
Sales and Related Occupations	47,250	46,400	-850	-1.8%
Office and Administrative Support Occupations	77,220	70,860	-6,360	-8.2%
Farming, Fishing, and Forestry Occupations	750	720	-30	-4.0%
Construction and Extraction Occupations	22,420	15,000	-7,420	-33.1%
Installation, Maintenance, and Repair Occupations	16,770	15,270	-1,500	-8.9%
Production Occupations	26,450	20,790	-5,660	-21.4%
Transportation and Material Moving Occupations	25,600	23,100	-2,500	-9.8%

Major Occupational Groups

Average wages have gone up during the recession, although occupational groups vary widely in the degree to which they have shared in this increase. The average wage across all occupations in Delaware increased by 8.9 percent from 2007 to 2010. From 2004 to 2007, when the economy was growing, the increase in the average wage was only slightly higher, at 9.9 percent. In the current period, Production occupations, which are found primarily in manufacturing, was the only major occupational group to see a decline in its average wage; it fell by 0.8 percent.

The fastest wage growth was in Legal occupations, where the average wage rose by 17.6 percent. Next highest was Management occupations, where average wages rose by 15.5 percent. Within Management occupations, Public Relations Managers fared best, with average wages increasing by 33.8 percent. Chief Executives had the next-highest pay increase, gaining 26.4 percent, with Medical and Health Service Managers and Sales Managers close behind at 25.9 percent and 25.4 percent.

The occupational group with the third-fastest wage growth was Installation,

Maintenance, and Repair occupations, where average wages rose by 11.5 percent. Among occupations with a substantial presence in the state, Chemical Engineers saw the fastest wage growth, increasing by 17.7 percent, while Industrial Engineers were close behind at 14.1 percent.

Overall, the trend has been for income disparity to widen. The five lowest-paying groups, which all had average wages below \$15 an hour in 2007, saw average wage rates rise by 5.8 percent from 2007 to 2010. The six highest-paying groups, which all averaged above \$30 an hour in 2007, saw their wages rise by 9.6 percent.

GS

Percentage Wage Change by Major Occupational Group, 2007 – 2010

MAJOR OCCUPATIONAL GROUP	2007 wage \$	2010 wage \$	\$ Change	% change
Total all occupations	\$20.68	\$22.52	\$1.84	8.9%
Management Occupations	50.45	58.26	7.81	15.5%
Business and Financial Operations Occupations	29.56	32.37	2.81	9.5%
Computer and Mathematical Occupations	36.21	37.06	0.85	2.3%
Architecture and Engineering Occupations	33.64	36.44	2.80	8.3%
Life, Physical, and Social Science Occupations	33.20	34.36	1.16	3.5%
Community and Social Services Occupations	20.17	20.46	0.29	1.4%
Legal Occupations	45.69	53.72	8.03	17.6%
Education, Training, and Library Occupations	23.18	24.91	1.73	7.5%
Arts, Design, Entertainment, Sports, and Media Occupations	21.52	23.55	2.03	9.4%
Healthcare Practitioners and Technical Occupations	33.46	36.94	3.48	10.4%
Healthcare Support Occupations	13.55	14.06	0.51	3.8%
Protective Service Occupations	18.59	18.61	0.02	0.1%
Food Preparation and Serving-Related Occupations	9.95	10.55	0.60	6.0%
Building and Grounds Cleaning and Maintenance Occupations	11.55	12.19	0.64	5.5%
Personal Care and Service Occupations	11.93	12.63	0.70	5.9%
Sales and Related Occupations	16.45	17.59	1.14	6.9%
Office and Administrative Support Occupations	15.53	16.71	1.18	7.6%
Farming, Fishing, and Forestry Occupations	15.04	15.11	0.07	0.5%
Construction and Extraction Occupations	19.99	21.32	1.33	6.7%
Installation, Maintenance, and Repair Occupations	19.37	21.60	2.23	11.5%
Production Occupations	15.89	15.77	-0.12	-0.8%
Transportation and Material Moving Occupations	14.53	15.67	1.14	7.8%