



# Analytics

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The economic news for Delaware over the past few weeks has been ugly. Following is a list of the items announced.

- Astra Zeneca plans to cut 550 employees at its Wilmington headquarters...the majority of these employees will be from higher paid positions in research and development.
- Congress is moving forward on removing the middleman from the higher education student loan business and this threatens the customer base of Delaware's Sallie Mae.
- Delaware personal income and per capita personal income fell in 2009 according to the Bureau of Economic Analysis. All the major components of Delaware personal income (wages, proprietor's income, dividends, interest, rent) declined except for transfer payments (unemployment insurance, Social Security, Medicare, Medicaid). Wages and salaries dropped in all Delaware's industries except healthcare and government. For the first time in decades, Delaware residents' wage and salary earnings from jobs outside the state were greater than the wage and salary earnings of nonresidents from Delaware based jobs.
- Delaware's unemployment rate rose from 9.0% in January to 9.2% in February according to the Bureau of Labor Statistics. Delaware's unemployment rate continues to close the gap with the nation's rate. Initial claims for unemployment insurance during the last week in February and the first two weeks in March were down compared to the same period in 2009, but up compared to 2008 and up 45% compared to 2005.
- The January Philadelphia Fed leading indices rose for Pennsylvania and New Jersey, but continued to decline for Delaware. This means that outside of transfer payments, Delaware personal income will likely contract for at least another nine months.
- DEFAC raised its projected net General Fund receipts for the current fiscal year, but the forecast for FY-2011 remains flat.

The bad news is that 2010 will be another tough year for Delaware's economy. The good news is that things can only improve.

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