It took New Castle County (NCC) until 2015 for employment to return to the high water mark hit in 2007. Since 2015 the NCC employment has only inched forward at 0.6% per annum. And the Delaware Department of Labor projects this modest growth rate to continue through 2026.

To his credit NCC executive, Matt Meyer, is committed to NCC job creation during 2020. Meyer’s “Our Jobs Now” program is streamlining the County planning and permitting process. NCCInnovates provides tools to support start-up companies. And County support of the Pathways to Apprenticeship will continue.

The fly in the soup for the County is the continued net out-migration of wages earned from jobs in the County. It all goes back to the court ordered school busing decision of 1978.

While the court decision was well intentioned, it started an avalanche of out-migration of young professionals with school age children working in the County to move their place of residence to surrounding states, particularly Pennsylvania.

The data from the U.S. Bureau of Economic Analysis (BEA) is startling. The BEA estimates personal income by county. An important component of that estimate is an adjustment for residence where BEA adjusts the earnings by “place of work” for the net out- or in- migration of earnings due to the flow of working commuters. The result is an estimate of “net earnings by place of residence.”

In the 10 years before the court busing decision, NCC had a modest annual average net out-migration of $85 million. From 1978 through 2018 the annual net out-migration of wages has soared to $1.7 billion. For 2018 the net out-migration of wages was $3.2 billion.

Obviously, the net out-migration reduces consumer spending and housing demand in NCC. Econometric analysis estimates that for every $10 increase in the residence adjustment, NCC personal income falls $6. Thankfully, the tax-free shopping in Delaware encourages some spending of wages by out-of-state commuters to occur in NCC.

Improved job growth in NCC is welcomed, but its impact on NCC personal income is mute by families fleeing the Delaware public school system. Unfortunately, County government has no leverage when it comes to substantive improvements in the Delaware public schools.

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