



# Analytics

Published by the Caesar Rodney Institute

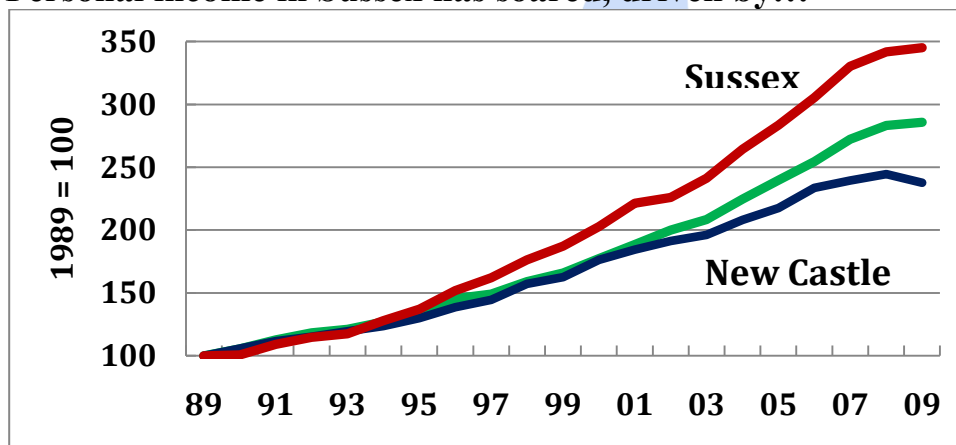
RELEASE: CRI - Center for Economic Policy and Analysis

RE: The South rises again?

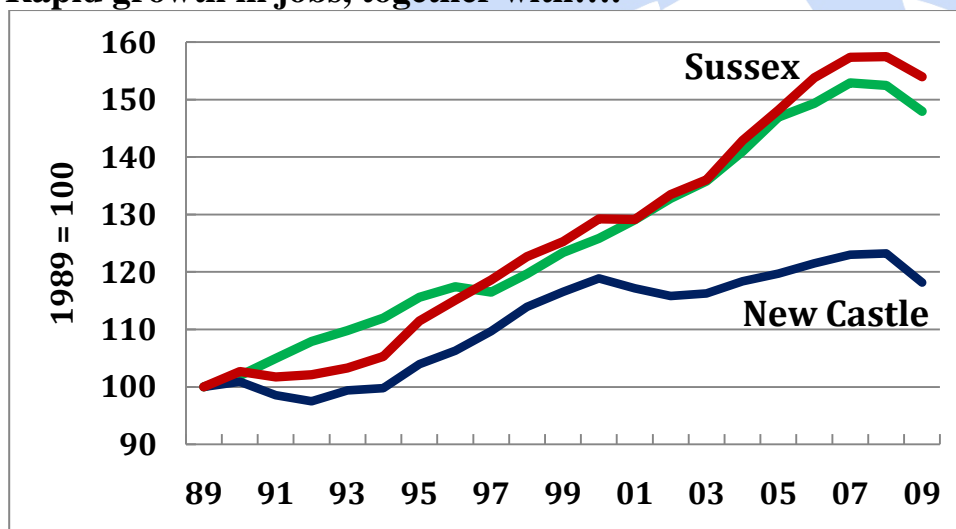
DATE: May 19, 2011

The latest data from the U.S. Bureau of Economic Analysis shows that the south is rising again in Delaware. Due to more restrictive land use regulations in New Castle County (NCC) and the migration of retirees into Sussex County, the past 20 years has seen NCC's share of the state's population fall from 67% to 60% as Sussex's share rose from 17% to 22%. These population changes have shifted the locus of economic action in the state.

Personal income in Sussex has soared, driven by...



Rapid growth in jobs, together with....

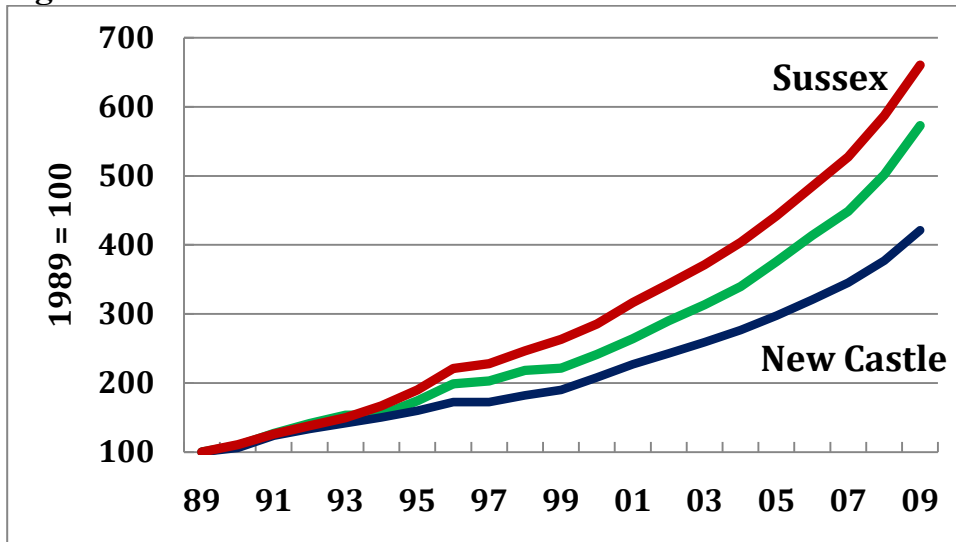




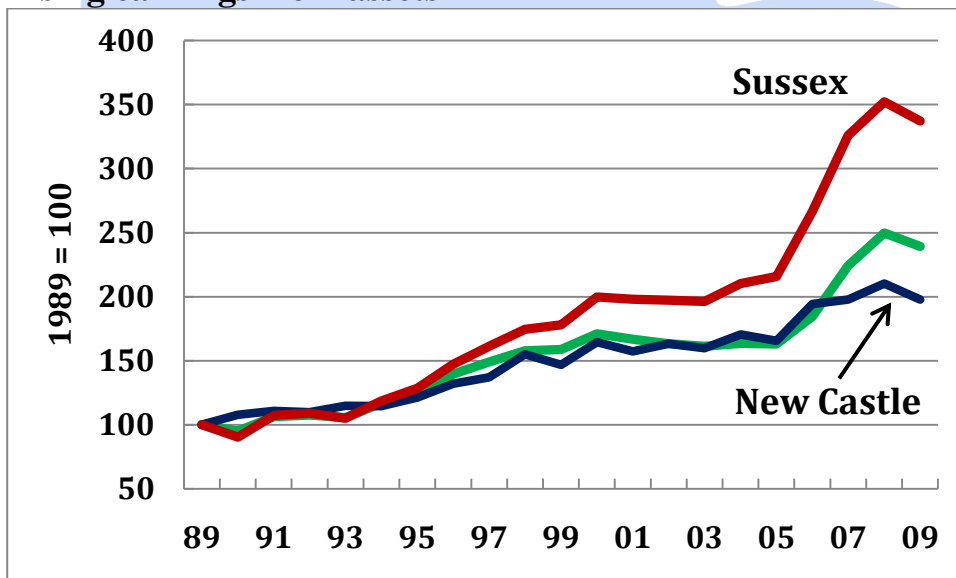
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**Exploding income from Social Security, Medicare and other transfer payments, together with...**



**Rising earnings from assets**



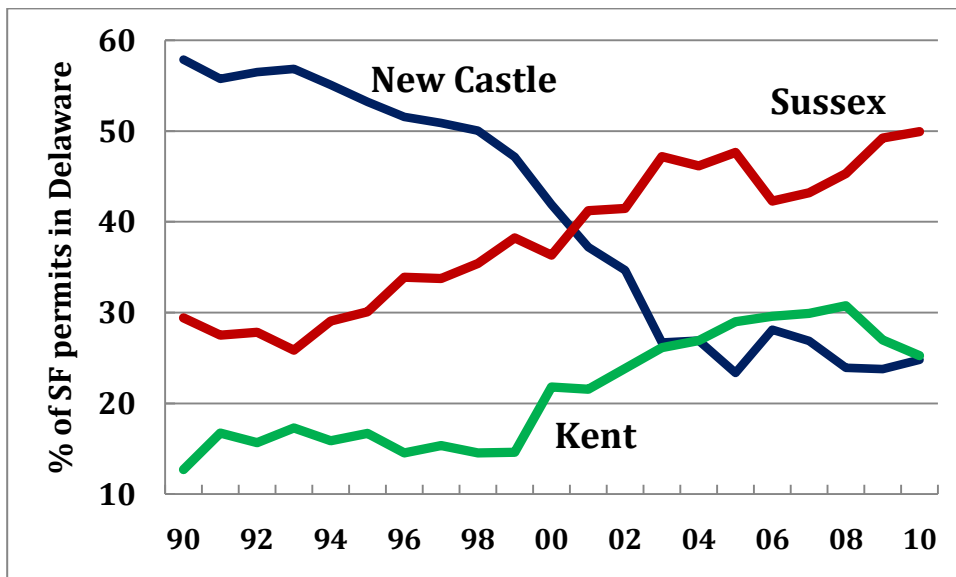
**There are important qualifications to the economic revival in Sussex. Most of the Sussex job gains are in lower paying industries such as retail and personal services, so the average wage in NCC (\$59,218 in 2009) is still well above that in Sussex (\$35,208). Sussex is on a peninsula with one limited access highway and Sussex does not have the agglomeration economies, including economies of scale, available in urban NCC.**



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Nevertheless, important shifts are occurring. For example, while overall construction activity in Delaware is down more than two-thirds from the recession, more than half the residential construction by number of permits and value of permits is now in Sussex County. Due to the stable poultry industry, Sussex now accounts for 45% of all of Delaware's manufacturing jobs. Also, because of its beaches, Sussex has a disproportionate share of the state's total retail trade and leisure and hospitality activity.



Source: U.S. BOC

Northern Delaware still dominates Delaware's economy, but southern Delaware is becoming a player.

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