Various signs point to the beginning of the recovery in Delaware’s economy. The road back, however, is steep.

Among the indicators of revival, the monthly change in Delaware’s leading economic indicator has finally turned positive, joining Pennsylvania and New Jersey (Chart 1). While still below its historical average, after 24 months of negative values, a positive value is welcome. And it follows nine months of smaller and smaller negative monthly percentage changes.

Total nonfarm Delaware employment continues to drop on a year to year basis, but the size of the decline in seasonally adjusted jobs has also been diminishing since the middle of 2009 (Chart 2).
Delaware’s unemployment rate seems to have leveled off slightly above 9%, and seasonally adjusted initial claims for unemployment insurance, while well above the historic average, have been dropping since late 2009 (Chart 3).

And, after more than two years, the total of unemployed Delaware residents fell in April while the total residents employed rose (Chart 4).
Consumer confidence across the nation has risen three months straight and retail sales are up on a year over year basis. In Delaware both the number and the value of residential permits is up on a year over year basis as well. These various signs of life are heartening.

There is a long road ahead, however. Just to return from today to the peak levels achieved before the recession: over 28,000 net new jobs must generated, nearly 22,000 persons removed from the unemployment rolls, over 14,000 persons must rejoin the labor force, over $1 billion of wage earnings must be regained, and there must be a net gain of almost 4,900 building permits. Regaining lost ground may well take three years or more. Nevertheless, it is nice to be underway!

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