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- Dace Blaskovitz: Welcome back to Money and Politics in Delaware. We're having painful fun this morning. We're talking about the piece that appeared in the News Journal of the Opinion pages last Sunday. It was the featured piece that came from governor John Carney. You're playing along at home... "We're Making Progress on issues Delaware Cares About." Charlie went right for the jugular, the Delaware public schools, at least their stats, in the first segment. In the second segment, Charlie, I got to corner you. I'm going to ask you to start at the beginning. If I remember right, the piece that John wrote last year, John Carney wrote last year said his number one priority was the economy. This year he writes, or his writers write for him, "Strengthening our Economy." Charlie Copeland, your thoughts.
- C. Copeland: Yeah. So let's move to unemployment, because that's the thing that he pulls out later in his piece when he actually puts subjects and verbs and objects of sentences and prepositional phrases together and creates English. So unemployment, it is correct that in Delaware, unemployment is very low. But then again, so are wages and wage growth in Delaware. So if you look at the November 2018 Delaware's Department of Labor, so these are the people that worked for John and the government, and what do they say? And I quote, "Since the state of Delaware waves surveys do not ask for exact wages, only how many workers are in various wage ranges and the lowest range is "under \$9.25", we cannot say exactly how many workers are currently making only \$8.25 cents an hour. What we can say is that 10% of the state's workers, about 46,000 people, make \$9.41 an hour or less."
- Dace Blaskovitz: Wait a minute, give that sentence again. Do that one a little bit slower.
- C. Copeland: That last one? Yeah.
- Dace Blaskovitz: That's the one that grabs you.
- C. Copeland: Right. What we can say is that 10% of the state's workers, about 46,000 people make \$9.41 an hour or less. And then let me go on to the next piece, which is even more condemning, and that one quarter or 115,000 or so one quarter make \$12.20 an hour or less. And for those of you who don't do the math, as regularly as I do. So \$12.20 is about \$24,000 a year. So 25% of the workers in the state of Delaware make \$24,000 a year or less.

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C. Copeland: That's one quarter of the workforce...

Dace Blaskovitz: Oh!

C. Copeland: Makes \$24,000 or less...

Dace Blaskovitz: Oh! Oh!

C. Copeland: So sure, unemployment's low. But to quote Ocasio-Cortez, "Well, the unemployment's low is because everyone's got to work two jobs." First of all, her math is wrong, but in Delaware, if you're making \$24,000 a year, you probably do have to work a second job. And that is the real metric not unemployment for crying out loud. Anyway, that's what irritates me. And by the way, while Delaware's population growth between 2010 and 2018 has been almost 8%, the state's planning office announced that in New Castle County total jobs will decline slightly over the next 10 years, basically staying flat. So the population's going to grow but jobs are going to remain flat. And this is the state's planning office. These are the people that work for John Carney. So the Department of Labor says that 25% of Delaware employees make less than \$24,000 a year, and the state's planning office says the jobs will be flat in New Castle County for the next 10 years. So how does that equate to we're doing a good job with the economy? It equates to we're not doing a good job with the economy. And again, you are just picking a stat because it's good for twitter. It is scandalous in my opinion. So let's..

Dace Blaskovitz: Go ahead. Go ahead..

C. Copeland: We don't have to...

Dace Blaskovitz: Go ahead. Go, go, go, go.

C. Copeland: Yeah, so finally he also mentioned fiscal stewardship, that we're taking care of our fiscal Fiat, if you will. And as last week you pointed out that according to the American Legislative Exchange Council, Delaware ranks 48 in the nation in unfunded liabilities per capita for state employee retiree health benefits.

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- Dace Blaskovitz: Now, let's stop there. I want you to continue, but allow me to plug next week's program. ALEC, the Chief Economist, returns because we have a lot of smart people that listen to those programs, and the guest, the Chief Economist of the American Legislative Exchange Council was challenged, and low and behold, the 5,000 per person in Delaware is in fact low. And we're coming back for a correction next week. So rank 48 and 5,000 per person is going to get a correction, and it's going lower. Go ahead.
- C. Copeland: Yeah. And so again, taking care of the fiscal responsibilities. So over the last four years, as I pointed out on a previous show, Delaware's economy grew at 0.2%. So in other words, if you invested \$100 four years ago in Delaware, you'd have \$100.20 today. So no growth in Delaware over the last four years. Yet our state revenues, our tax receipts, have grown 11% and state debt has grown almost 7%. So you add all that money up. And by the way, the reason the tax receipts have grown is because of the Trump tax cut that allowed the state to collect more money. But so we're growing state spending at significant levels, 11% in tax receipts, 7% on debt, and yet our economy is flat, and the state planning officer is forecasting New Castle County's economy to be flat for the next 10 years, and 25% of our workforce makes less than \$24,000 a year. That is a catastrophe. It is simply a catastrophe, and that it defies logic. And so then the governor goes on to brag about that he's gone out and had all these town hall meetings, 50 town hall meetings with small business people and everything else and citizens to get their ideas. What should we do? Well, Henry Ford once said about getting customer input, he said that if he'd asked his customers what they wanted, they would've said, "We want a faster horse."
- C. Copeland: If you want to make change, if you want to grow, if you've got to change what's going on, because what's going on, the trends, are a catastrophe. You need to be innovative, you need to be creative, and that you don't get by going and sitting around a table listening to people complain about the potholes, which by the way they have a legitimate beef to complain about, which is why they have 62 members of the General Assembly who are supposed to be doing constituent service on just those kinds of things.

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- Dace Blaskovitz: And we're spending a lot of money on construction projects, and it seems to correlate to the year, or the year of an election. So you've got to pay the unions, the sarcastic would say, to get out the vote. But we're going to run out of time, and I teased our segment when we started that there is a rumor out there about a possible credit rating downgrade. Again, going back to we're making progress on issues, Delaware cares about item four, responsibly managing taxpayer dollars. I've teed it up. What's the rumor? Just a rumor? What's the rumor mill say?
- C. Copeland: Yeah, so I was involved in a couple of email exchanges that included somebody that is a pretty reliable source and well connected within the Dover bureaucratic cognoscente, and this person wrote that it's rumored that the Secretary of Finance is talking to legislators that there is a high potential or a likelihood that in the December January time frame, the rating agencies will be downgrading Delaware's debt. I mean, in my opinion, it's a been a long time coming, but I don't work for the rating agencies who tanked the country back in 2008, but that would be a game changer because that 7% growth in debt will all of a sudden absorb more cash out of the budget because you've got to pay the interest. And so you're going to be paying off wealthy bankers for the failures of the Markell and then Carney administrations.
- Dace Blaskovitz: All right, you've got 20 seconds. All this construction stuff, is it as simple as it looks? 20 seconds.
- C. Copeland: Yeah, I think it probably is. If you're talking about the road construction or...
- Dace Blaskovitz: Yeah. Yeah. Yeah. Yeah. It's an election year.
- C. Copeland: Yeah. Yeah. There must have been a deal cut that that they got a good price on exit ramps this year, because almost every road in Delaware that has an exit ramp has been closed. It's sort of like, "If you give me a contract for a dozen exit ramps, I'll give you a 13th free" or something. It's just, you can't get off of any roads.
- Dace Blaskovitz: I've got to jump in. A fascinating guy, and it's a delight to have him. His name is Charlie Copeland. Looking to next week as mentioned, ALEC makes a correction. The 5,000 is wrong per person. We owe a lot more. Robert Fry, the most rated economist in the world. I'll see you back next week for more Money and Politics in Delaware.