

2 Population and Economic Trends

This chapter summarizes the findings of recent studies of population and economic trends in Delaware (Delaware Population Consortium 1999, Ratledge 1998, Kids Count/Families Count 1999, Berry and Jarrell 1997). It begins with major population trends forecasted for 2000 to 2020 and then considers recent demographic shifts that may affect the amount and nature of social and economic needs of the Delaware population. It also reviews recent trends in employment and education of the state's population. Next, the chapter examines economic conditions among Delaware households with particular emphasis on the geographic distribution of twenty indicators of the most severe social and economic needs in the state. Each section of the chapter concludes by examining forecasted trends that will affect the social and economic needs of Delaware families in the next two decades.

Population Trends

The Delaware Population Consortium issued its Annual Population Projections on July 1, 1999.¹ For the state and for each of the three counties, the report provides projections, to the year 2020, of the changes in population, the number of households, the number of individuals in the total labor force, and the number of jobs by residence and by place of work. Projections of the changes in population are also provided for Dover, Newark, and Wilmington.

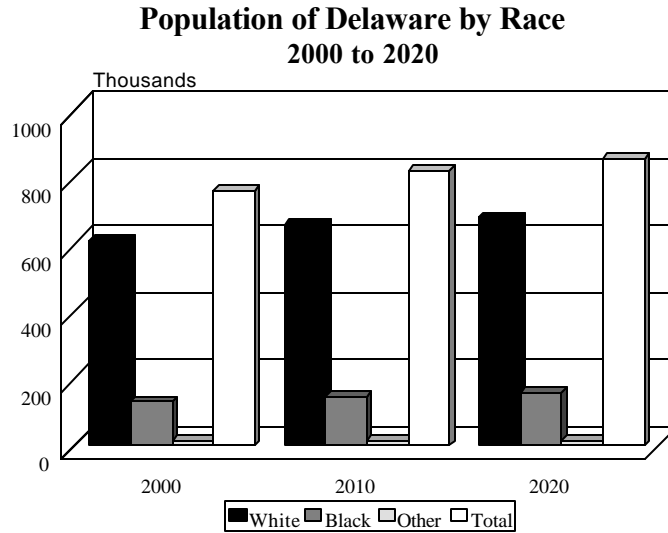
The figures below summarize some of the information contained in the Consortium report. Additional information on population changes in Delaware can be found in *Delaware: 1945-1998* authored by Edward C. Ratledge, Director of the University of Delaware's Center for Applied Demography and Survey Research.² Figure 2-1 shows that the projections indicate that Delaware will experience a moderate increase in population from 2000 to 2020 from 760,691 to 856,229, an increase of about 12.6 percent. The African-American population will increase by 19 percent from 133,046 to 158,781 as compared to an 11.1 percent increase in the White population from 613,227 to 681,242. The Other category, made up largely of Asians and Hispanics, is projected to increase by 12.4 percent from 14,418 to 16,206.

¹Delaware Population Consortium, *Annual Population Projections* Version 1999.0. Dover, Delaware: July 1, 1999.

²Edward C. Ratledge, *Delaware: 1945-1998*. Newark, DE: University of Delaware, Center for Applied Demography and Survey Research. Prepared for the Delaware Public Policy Institute Forum on Choices for Delaware: Life and the Economy in 2000 and Beyond, November 1998.

Figure 2-

1

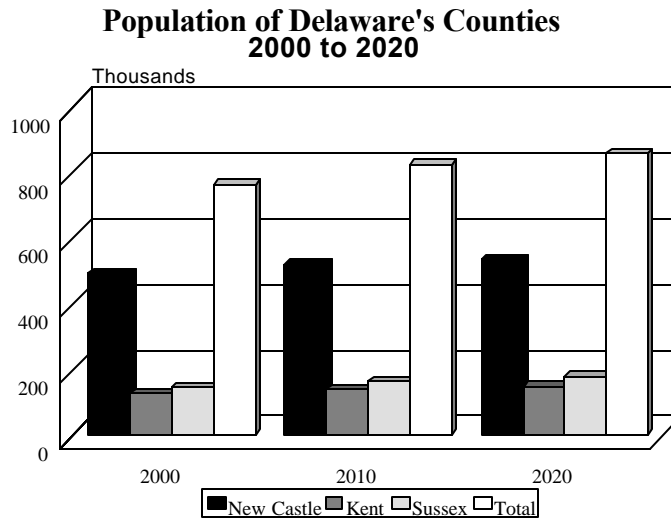


Source: Delaware Population Consortium

As Figure 2-2 shows, Sussex will be the fastest growing county between 2000 and 2020, from 143,007 to 176,744, a 23.6 percent increase in population, followed by a 15.7 percent increase in Kent County, from 126,227 to 146,017. New Castle County will experience the slowest population growth. Its population is projected to grow by 8.6 percent, from 491,407 to 533,468.

Figure

2-2

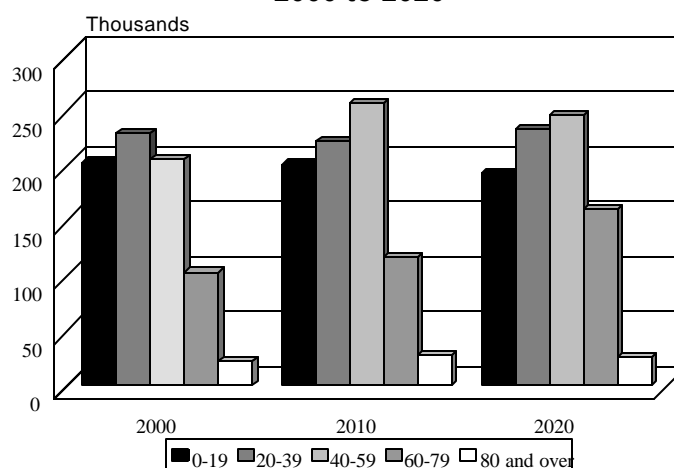


Source: Delaware Population Consortium

Changes in the size of age cohorts will have a significant impact on the types of services and assistance needed in the community. The services needed by older individuals differ considerably from the services needed by children and youth. Figure 2-3 shows that Delaware's population will age over the next 20 years with an increase of 56.5 percent in the 60 to 79 cohort (from 102,349 to 160,149). The 80 and over cohort will increase by 28 percent between 2000 and 2010 (21,384 to 27,434) but then decline slightly so that its 2020 size will be 17.8 percent greater than in 2000 (25,189). The 40 to 59 cohort will increase by 19.6 percent (205,086 to 245,185) while the 20 to 39 age cohort will increase by only 1.7 percent (229,017 to 232,830) and the 0 to 19 cohort will actually decrease by 4.9 percent (202,855 to 192,876).

Figure 2-3

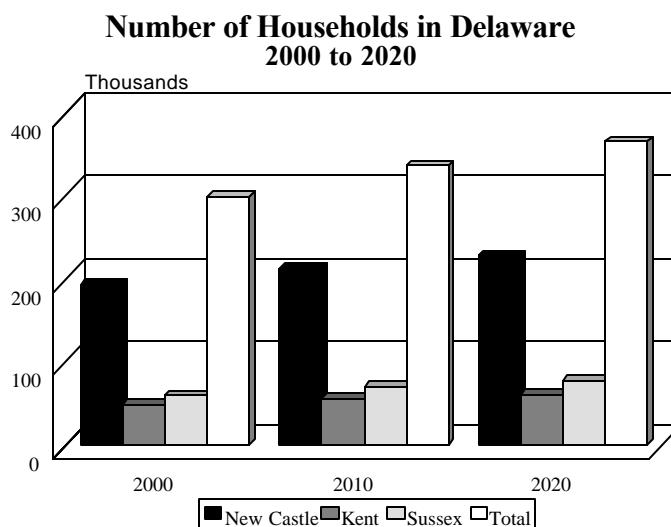
**Change in Age Cohorts
2000 to 2020**



Source: Delaware Population Consortium

While Delaware's population will increase by 12.6 percent between 2000 and 2020, the number of households will increase by 22.2 percent. Figure 2-4 shows that the number of households in Delaware will rise from 298,039 to 364,109. The increase in the number of households will be greatest in Sussex County (30.8 percent) as compared to Kent County (22.0 percent) and New Castle County (18.5 percent). The relationship between the growth of population and the growth in the number of households is depicted in Figure 2-5 which illustrates that both of these rates decline from 1950 to 2020 but that the population growth rate has declined faster than the household growth rate. The result is shown in Figure 2-5 in terms of the number of persons per household which declines from 3.52 in 1950 to 2.33 in 2020.

Figure 2-4

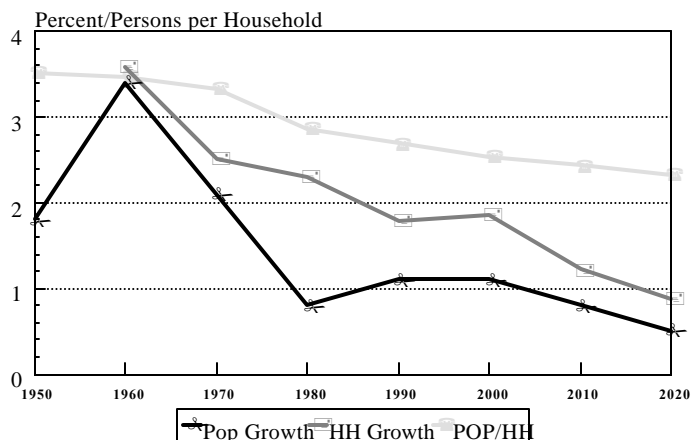


Source: Delaware Population Consortium

Figure 2-

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Growth Rates of Population and Households Delaware 1950-2020



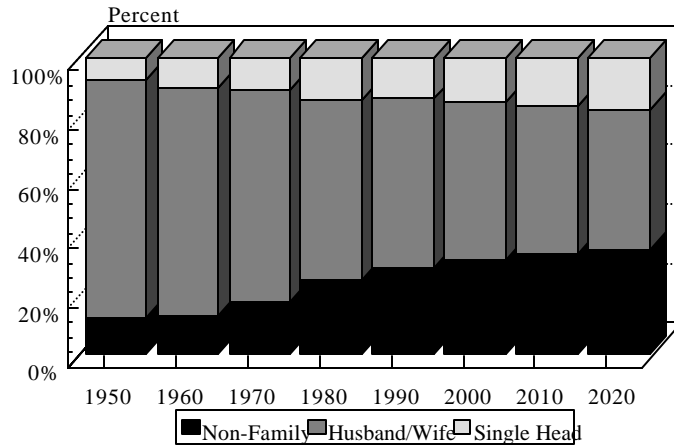
Source: Center for Applied Demography and Survey Research, University of Delaware

The decline in the number of persons per household is related to the long-term change in the composition of households. Figure 2-6 shows that non-family households, that is households composed of single individuals or unrelated individuals rose from 12.1 percent of all households in 1950 to 32.0 percent in 2000 and are expected to reach 35.0 percent in 2020. Single-head of households, that is households containing children but having only one-parent in the household, will rise from 7.4 percent in 1950, to 15.0 percent in 2000, to 17.5 percent in

2020. This means that households containing both a husband and wife will drop from 80.5 percent in 1950, to 53.0 percent in 2000, to only 47.5 percent in 2020.

Figure 2-6

**Distribution of Households Types
Delaware 1950-2020**

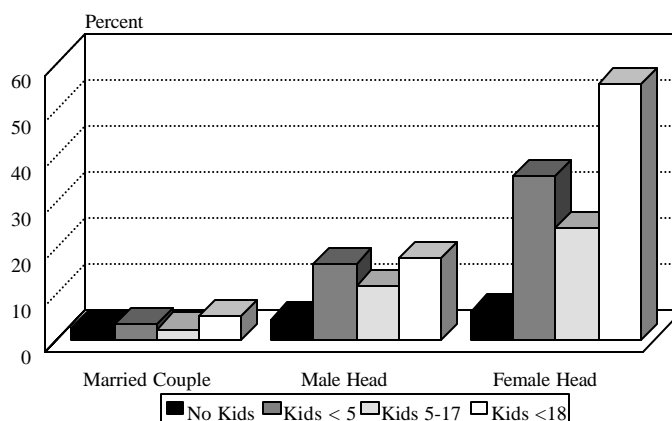


Source: Center for Applied Demography and Survey Research, University of Delaware

This change in household composition has significant social and economic consequences. Figure 2-7 illustrates the enormous difference in the poverty rates of households with children under the age of 17 that are female-headed as compared to male-headed and married couples. Thus, just over 55 percent of female-headed households with children are in poverty. The poverty rate drops to 17.6 percent for male-headed households and 5 percent for married couple households. The increase in the proportion of single-headed households means that a greater proportion of children are at risk of growing up in poverty. Some evidence of this trend can be seen in the data presented in Figure 2-8. The percent of children aged 0 to 17 in poverty rose from 11 percent in 1992 to 16 percent in 1997.

Figure 2-7

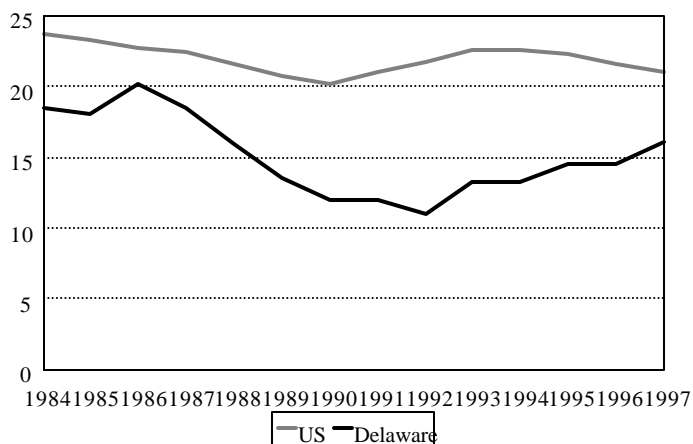
Poverty Rates by Family Structure for Delaware in 1990



Source: Center for Applied Demography and Survey Research, University of Delaware

Figure 2-8

Percent of Children Aged 0-17 in Poverty for Delaware and the United States



Source: Center for Applied Demography and Survey Research, University of Delaware

Summary

The population data and projections from the Delaware Population Consortium and the University of Delaware’s Center for Applied Demography and Survey Research indicate moderate growth in the state’s population over the next 20 years with the fastest growth occurring in Sussex County. During this period, the population will age particularly in the 60 to 79 cohort, and also those over 80 years of age. As a result, demand for health care and disability-related services will

increase not only due to the increase in the elderly population, but also due to the shift in the elderly population toward the age groups at higher risk for physical health problems, mental health problems, and disability.

The number of households will increase in relation to the population reflecting a decline in the number of persons per household and a change in the composition of households, with households containing both a husband and wife declining in relation to non-family households and households with a single parent. This trend has important implications for children since children growing up in single parent households are much more likely to live in poverty than children in two-parent households. This is particularly true for those children residing in female-headed households.

Employment Trends

Information on employment trends in the state is excerpted from Delaware 1945-1998, by Edward C. Ratledge, Director of the University of Delaware's Center for Applied Demography and Survey Research. The figures below summarize information on employment rates by gender, employment rates by selected industrial sectors, and trends in educational achievement.

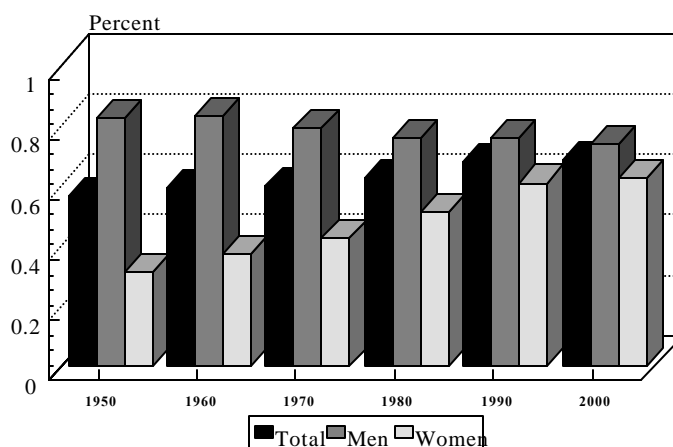
As shown in Figure 2-9, overall, the proportion of the population that is employed (either part-time or full-time) has been rising. It has been rising largely because of the increase in the employment rate among females. That major source of new labor market entrants is gradually diminishing. Employment rates for males have remained fairly constant. The increases that occurred between 1990 and 2000 were almost entirely due to greater participation by minorities. Between 2000 and 2020, as the baby boomer cohort retires, the employment rate is likely to fall further. The caveat is that preferences for work may also change with longevity and the baby boomer cohort may work longer at least on a part-time basis.

While labor force participation rates are changing along with the age structure of the population in Delaware, there are other long-term shifts occurring in the structure of the labor market. Figure 2-10 shows that Delaware has experienced the same shifts as the rest of the country. Manufacturing employment has been declining slowly since its peak in the late 1980s. In contrast, service sector employment has been growing rapidly and surpassed manufacturing in 1987. This trend has been driven by corporate restructuring, and in particular by outsourcing. In addition, with the increase in the number of two-worker households, many services that were once done at home are now the focus of service sector companies. A major shift occurred in the FIRE (finance, insurance, and real estate) sector when the state enacted the

Financial Center Development Act in the early 1980s. The impact on that sector is obvious in Figure 2-10. FIRE sector employment increased threefold over that period. This initiative fundamentally changed the level of diversification within the state's labor market and economy.

Figure 2-9

**Employment Rates by Gender for 16 years and Older
1950-2000**



Source: Center for Applied Demography and Survey Research, University of Delaware

As the size of each sector changes, job opportunities also change for those sectors. The time when an individual could simply graduate from high school and get a well-paying job at the local factory is largely gone. Many of the good jobs being created require significantly more education, either formal or employer provided. Many of these jobs are performed by “information workers” now found in the service sector. The jobs require the ability to use and process information in a variety of ways. For those without such skills, the future is not bright. Fortunately, as shown in Figure 2-11, many Delawareans are improving their educational level.

Figure 2-10

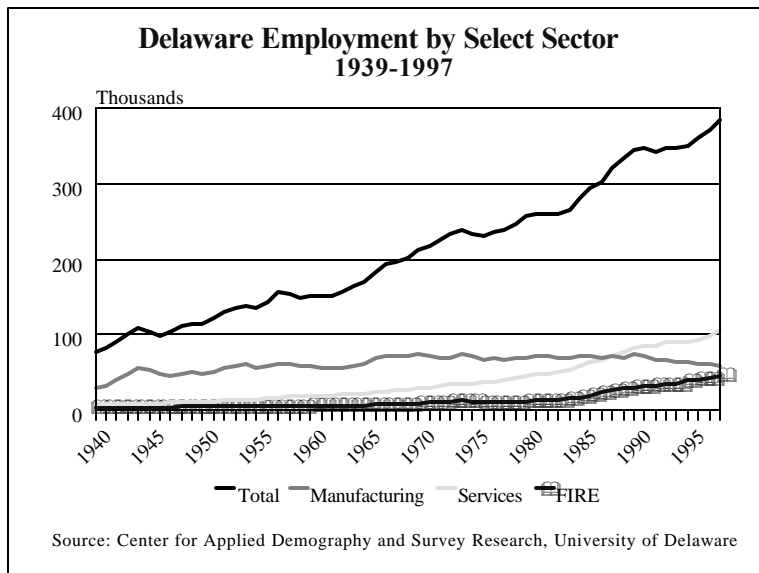
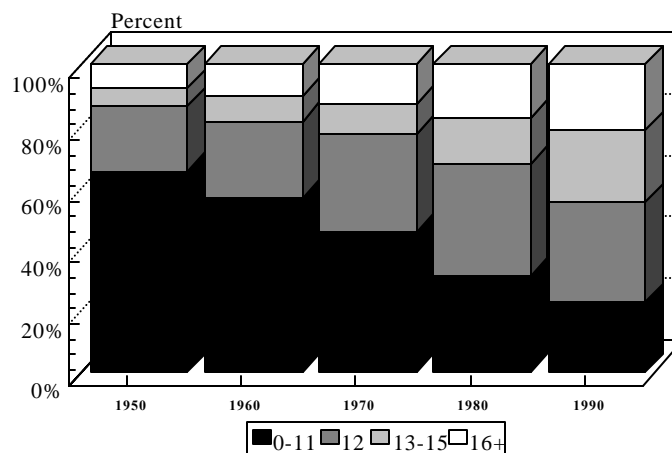


Figure 2-11

**Years of Education (Age 25 years and Older)
Delaware 1950-1990**



Source: Center for Applied Demography and Survey Research, University of Delaware

Summary

The predicted decline in employment rate places further pressure on firms to attract in-migrants or net in-commuters to fill jobs if they are to be located in Delaware. In 1960, 2,000 more people left the state on their way to work than entered. Over

the past 30 years, that situation has reversed to the point that more than 12,000 net in-commuters were filling jobs in Delaware. Today net commuters are estimated to number almost 31,000 with 51,000 expected by the year 2020. A large net in-commuter population may affect the nonprofit sector's ability to raise funds to support local social and economic services.

The increase in service sector employment has consequences for the economic well being of state residents. According to the Delaware Department of Labor, just over 21 percent of all employment in Delaware (or 78,000 jobs) is part-time, with over half of all jobs in the retail trade and personal services sectors being part-time. Most part-time employment in the state is in firms with under 250 employees. Almost none of these employees receive extensive or even "adequate" benefits.³ Part-time workers in jobs without benefits are likely to increase demand for social and economic services from public and private sector providers.

According to a 1999 CCDFP study, the concentration of FIRE firms in the City of Wilmington is combined with the relatively low level of educational achievement among city residents. This leads to a mismatch between residents' skills and available jobs.⁴

Kids Count/Families Count Indicators

One of the best sources of information about the well-being of children and families in Delaware is the annual KIDS COUNT/FAMILIES COUNT Fact Book. The tables below summarize the information presented in the 1999 Fact Book. The Fact Book divides the available indicators into five categories: Healthy Children, Successful Learners, Resourceful Families, Nurturing Families, and Strong and Supportive Communities. The purpose here is to summarize the data in the report and to highlight the areas in which Delaware is doing more poorly than the nation as a whole or for which the recent trends are negative. The full report should be consulted for a more complete discussion of these issues.

³ Edward Simon, *Delaware Jobs: What Do They Offer?*, Delaware Department of Labor, Office of Occupational and Labor Market Information, 1997.

⁴ Brian Bailey, A "Competitive Advantages" Analysis of the Wilmington, DE Economy: 1990-1995, Newark, DE, Center for Community Development and family Policy, University of Delaware, 1999.

Table 2-1: Healthy Children Indicators

Indicator	Delaware Compared to US	Recent Trend
Prenatal care Percent of mothers receiving prenatal care in first trimester	Better (82.6% vs. 79.0%)	Getting Better
Low birth weight babies Percent of low birth weight babies	Worse (8.2% vs. 7.3%)	Getting Worse
Infant Mortality Per 1,000 live births	Similar (7.8% vs. 7.7%)	About the same
Lead poisoning Percent of children age 6 and under with blood levels at or over 15 mcg/dl	0.6% -- comparison data unavailable	Getting better
Child immunizations Percent of children fully immunized by age 2	Better (81% vs. 78%)	About the same
Child deaths Per 100,000 children ages 1-14	Better (23.5% vs. 28.3%)	About the same
Children with health care coverage Percent of children to age 18 with coverage	Better (86.3% vs. 85.5%)	Getting worse
Substance abuse, 8th graders Percent using cigarettes, alcohol, marijuana in last 30 days	cigarettes 22%, alcohol 28% marijuana 15%	Getting worse
Substance abuse, 11th graders Percent using cigarettes, alcohol, marijuana in last 30 days	cigarettes 33%, alcohol 47% marijuana 27%	About the same
Sexually transmitted diseases Percent of teens ages 15-19 with gonorrhea or primary/secondary syphilis	1% -- comparison data unavailable	About the same
Teen deaths By injury, homicide, and suicide (per 100,000 teens, 15-19)	Better (51.1% vs. 66.1%)	Getting worse

Table 2-2: Successful Learners Indicators

Indicator	Delaware Compared to US	Recent Trend
Early childhood disability intervention Percent of children ages birth to 3 receiving early intervention services	3.4% -- comparison data unavailable	Unavailable
Head Start, Early Childhood Assistance Program Rate of participation for eligible 4 year olds	91% -- comparison data unavailable	Getting better
Student achievement, 3rd grade reading Percent meeting or exceeding the reading standard	65% -- comparison data unavailable	Unavailable
Student achievement, 5th grade reading Percent meeting or exceeding the reading standard	63% -- comparison data unavailable	Unavailable
Student achievement, 8th grade reading Percent meeting or exceeding the reading standard	58% -- comparison data unavailable	Unavailable
Student achievement, 10th grade reading Percent meeting or exceeding the reading standard	54% -- comparison data unavailable	Unavailable
Student achievement, 3rd grade math Percent meeting or exceeding the math standard	64% -- comparison data unavailable	Unavailable
Student achievement, 5th grade math Percent meeting or exceeding the math standard	48% -- comparison data unavailable	Unavailable
Student achievement, 8th grade math Percent meeting or exceeding the math standard	40% -- comparison data unavailable	Unavailable
Student achievement, 10th grade math Percent meeting or exceeding the math standard	40% -- comparison data unavailable	Unavailable
Teens not in school, not working Percent of teens 16-19 not attending school and not working	Better (7.1% vs. 8.6%)	About the same
High school dropouts Percent	4.7% -- comparison data unavailable	About the same

Table 2-3: Resourceful Families Indicators

Indicator	Delaware Compared to US	Recent Trend
Children in poverty Percent of children living in poverty	Better (16.0% vs. 21.0%)	Getting worse
One-parent households Percent of children ages 0-17 living in one-parent households	Worse (38.3% vs. 30.8%)	Getting worse
Teen births Teen birth rate for 1,000 females age 15-17	Worse (43.8% vs. 35.5%)	Getting better
Female headed households in poverty Percent of families in poverty with female single head of household and children	Better (28% vs. 39.3%)	About the same
Child support collected Percent of amount owed child support that is paid	Better (61.0% vs. 54.0%)	About the same
Risk of homelessness/Families in substandard housing Percent of families living in substandard housing or at risk of becoming homeless	Similar (5.8% vs. 5.9%)	About the same
Lack of health care coverage Percent of persons under age 65 who do not have health care coverage	Better (15.7% vs. 17.7%)	About the same

Table 2-4: Nurturing Families Indicators

Indicator	Delaware Compared to US	Recent Trend
Abused/neglected children Substantiated reports of abuse or neglect per 100,000 children	25 – comparison data unavailable	Getting Better
Children in out-of-home care Per 1,000 children	8.6 -- comparison data unavailable	Getting Worse
Juvenile delinquents in out-of-home care Per 1,000 youths ages 10-17	8.3 -- comparison data unavailable	Unavailable
Domestic violence Number of reports	26,884-- comparison data unavailable	Unavailable

Table 2-5: Strong and Supportive Communities Indicators

Indicator	Delaware Compared to US	Recent Trend
Unemployment rate	Better (3.8% vs. 4.5%)	About the same
Dependancy on neighbors Percent of households at 200% of poverty level or below that indicate they would seek help from a neighbor, family and friends	Comparison data unavailable (40% neighbor, 72%family, 59% friend)	Unavailable
Juvenile violent crime Arrest rate per 1,000 youth ages 10-17	Worse (8.2 vs. 4.7)	Getting better
Adult violent crime arrests Rate per 1,000 adults	Comparison data unavailable (4.1 in Delaware)	About the same
Adults on probation or parole Per 1,000 adults	Comparison data unavailable (35.5 in Delaware)	About the same
Substandard housing units Percent of substandard housing units	Comparison data unavailable (4.3% in Delaware)	Unavailable
Home ownership Percent of home ownership	Better (71% vs. 66.3%)	Getting better

Summary

In terms of a comparison of Delaware with the U.S. as a whole as well as recent trends, the data from the KIDS COUNT/FAMILIES COUNT Fact Book for 1999 indicate that the following issues need the most attention:

- low birth weight babies
- children without health care coverage
- substance abuse by children of middle school age
- teen deaths
- student achievement in school
- children in poverty
- children living in one-parent households
- births to teenagers
- children in out of home care.

Distribution of Social and Economic Needs Across the State of Delaware

An important issue for decision-makers in both the public and nonprofit sectors is the location of the most severe social and economic needs in the state. In order to deliver assistance effectively and efficiently, decision-makers need to know where families and individuals in need of assistance are likely to be found. In 1997, the Delaware Department of Health and Social Services (DHSS), conducted an analysis for the Family Services Cabinet Council to determine where services should be targeted.⁵ In the unpublished report, priority areas are identified by selecting relevant social and economic indicators for which census tract level data is available either from the 1990 census, the 1991-1995 Delaware vital statistics data assembled by DHSS, or estimates from the Delaware Population Consortium. All of Delaware's 168 census tracts are then ranked for each indicator and an aggregate ranking for each tract is calculated by adding the tract's rankings on each indicator and dividing by the total number of indicators. Tracts are then sorted into five groups based upon their aggregate ranking.

Twenty indicators are identified and linked to ten factors which include teen mothers, prenatal care, poverty, employment, public assistance, transportation, home ownership, education, language, and children in single parent households. Each factor is associated with two indicators; for example, the teen mothers factor is made up of the number of births to mothers aged 20 years or under and the estimated teen birth rate (for teenagers from 15 to 19 years of age). The ten factors and 20 indicators upon which they are based are shown in Appendix D.

Table 2-6 shows the distribution of the census tracts among five groups ranging from Group 1 (made up of the tracts with the lowest aggregate rankings on the 20 indicators) to Group 5 (made up of the tracts with the highest aggregate rankings).⁶ Tracts in Group 5 are likely to have greater per capita numbers of teen mothers, children living in female-headed households, a greater need for prenatal care, a higher proportion of persons with incomes below 200 percent of poverty, without employment, receiving public assistance, lacking a vehicle in their household, renting their housing unit, having less than a high school diploma, and/or unable to speak English well or at all.

⁵*Community Prioritization in Delaware* prepared for the Family Services Cabinet Council Working Group on Service Integration by Don Berry and Ted Jarrell of the Delaware Department of Health and Social Services. Unpublished: July 28, 1997.

⁶*Ibid.*

Table 2-6: Census Tract Rankings

Group Ranking	Number of Tracts	Level	Population	Percent of Delaware Population
1	33	Lowest	88,410	13.3%
2	33	-	127,171	19.1%
3	34	-	116,407	17.5%
4	34	-	163,455	24.5%
5	34	Highest	170,725	25.6%

Source: Delaware Health and Social Services

DHSS has produced some excellent maps showing the distribution of the census tracts by the five levels of aggregate ranking on the indicators. **Map 1** shows that the tracts with the highest aggregate rankings (levels 4 and 5) in New Castle County are located in and around Wilmington, in Claymont, in Newark (largely because of the number of students living in around the University), in the Route 40 corridor, in Middletown.

Maps 2 and 3 indicate that large proportions of both Kent and Sussex Counties fall into levels 4 and 5 with the areas of greatest need in the greater Dover area, Smyrna, Harrington, around Milford, Rehoboth, and Georgetown and much of the western part of Sussex County.

Map 1

Map 2

Map 3