

COUNTY OF SUSSEX
TARGET BUSINESS AND INDUSTRY ANALYSIS

APPENDIX M

Phase One Presentation

**SUSSEX COUNTY
TARGET BUSINESS & INDUSTRY ANALYSIS**

DRAFT REPORT # 1

**INDUSTRY TARGETS AND MARKET
OVERVIEW**



SEPTEMBER 21, 2006

**SUSSEX COUNTY
TARGET BUSINESS & INDUSTRY ANALYSIS**

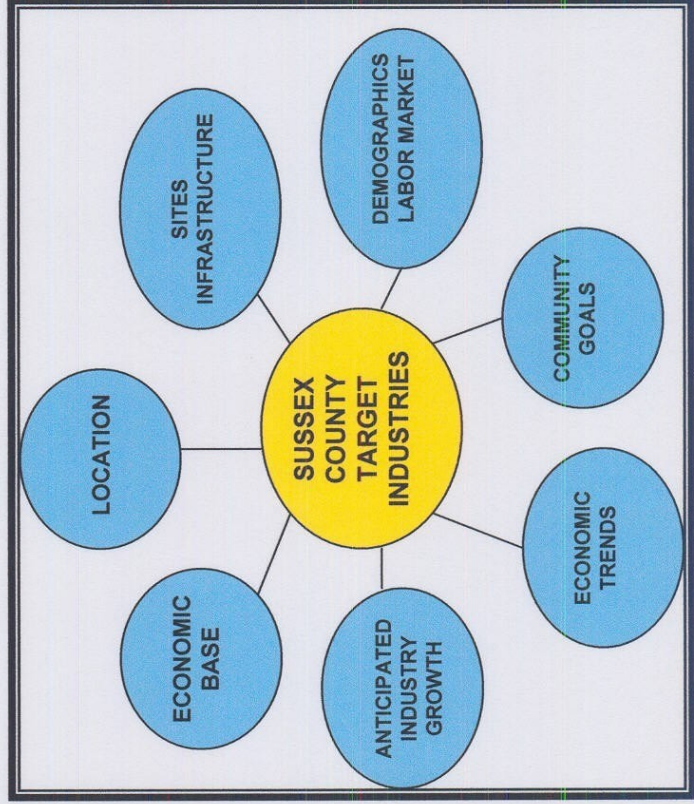
TODAY'S TOPICS

- I. METHODOLOGY**
- II. DEMOGRAPHIC OVERVIEW**
- III. COMMUNITY VISION**
- IV. ECONOMIC BASE**
- V. LABOR MARKET**
- VI. CEO LIST**

SUSSEX COUNTY TARGET BUSINESS & INDUSTRY ANALYSIS

METHODOLOGY

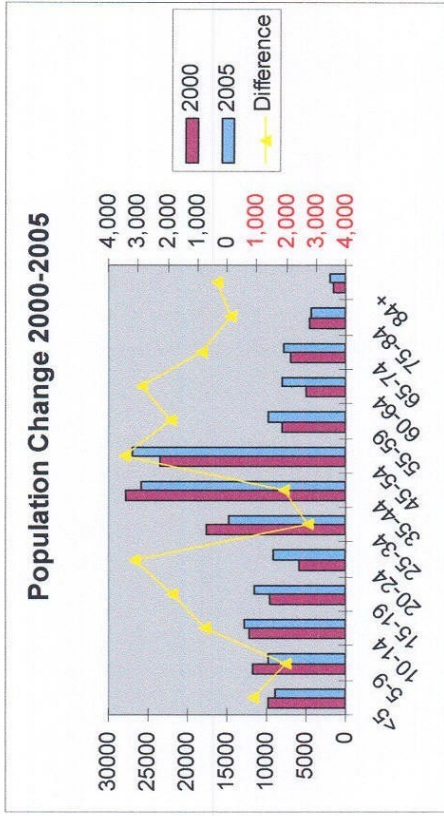
Factors in Identifying Target Industries



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DEMOGRAPHIC OVERVIEW

Overall population has increased by 7,657 (5%), but are losing young adults and their children – a decline of 4,700 adults and 1,700 children



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METHODOLOGY

LOCATION DECISION FACTORS

- ▶ Location
- ▶ Labor Market
- ▶ Quality of Life
- ▶ Image
- ▶ Economic Base
- ▶ Infrastructure/Sites
- ▶ Business Climate
- ▶ Incentives/Assistance
- ▶ Economic Development Effort

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DEMOGRAPHIC OVERVIEW

The size of the labor force increased by 8.9%
between 2000 and 2005

Labor force participation is high countywide -
70.45%

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DEMOGRAPHIC OVERVIEW

Median Household Income growth has exceeded the inflation rate.

The number of persons in poverty is low, but has increased; the number of 65+ persons in poverty declined, but the number of 18+ has increased

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DEMOGRAPHIC OVERVIEW

Educational Attainment levels in Sussex County are relatively high (32% with HS diploma, 20.8% with Bachelors degree, 10.8% with graduate degree (US = 28.6, 15.5, and 8.9 respectively)

Levels have increased since 2000

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DEMOGRAPHIC OVERVIEW

A high percentage (64.8%) of households have a housing cost burden – this is 21st in the nation

Slightly over one-half of these households are severely cost burdened

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COMMUNITY VISION

Economic Development

(My interpretation)

To create more and better paying local jobs across a range of diverse and sustainable industries in order to strengthen the County's economic base, increase tax rates, and provide better career opportunities and a higher standard of living for residents, while preserving the County's natural resources and environment

Which means

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COMMUNITY VISION

Economic Development

... WE WILL NEED TO

- ⇒ Focus on Clean Industries
- ⇒ Focus on Resident Labor Force
- ⇒ Direct Growth to Appropriate Areas
- ⇒ Capitalize upon Quality of Life
- ⇒ Emphasize/Develop Education and Skills
- ⇒ Maintain a Business-Friendly Climate
- ⇒ Raise Visibility and Market Awareness

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ECONOMIC BASE

Strategic Growth Plan describes the situation well.

Wages, commuting, growth industries

Relative Strength – Location Quotient

Positives	Construction – Specialty Trades (1.45)
	Plastics Mfg (1.54)
	Non-metallic Mineral Product Mfg (2.12)
	Retail (overall) (1.34)
	Ground Passenger Transport (6.93)
	Insurance (1.74)
	Prof Svcs – Scientific Research (2.68)
	- Other Tech Svcs (1.39)

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ECONOMIC BASE

Relative Strength – Location Quotient

- Positives
 - Waste Mgmt & Remediation (3.60)
 - Health Care/Soc. Svcs (overall) (1.2)
 - Recreation (5.07)
 - Special Food Svcs (8.84)

Leads us to focus on:

Professional Services (87)
Manufacturing (35)

And to discuss: Construction and Waste Management

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ECONOMIC BASE

The Brandow Opportunity Brief

- Identifies FIRE, Business Services & Professional Services Growth/Potential
 - (already a relative strength)
- Mentions potential for mid-sized manufacturing (analysis shows machine tools/special dies firms)
- Notes relative lack of relocation activity may be due to
 - absence of marketing
 - lack of appropriate space/sites

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ECONOMIC BASE

Leads us to focus on:

Business Services (73)
Professional Services (87)
Manufacturing (35)

And to discuss: Waste Management and Construction

SUSSEX COUNTY TARGET BUSINESS & INDUSTRY ANALYSIS

ECONOMIC BASE

NEW JERSEY LABOR MARKET DATA

- Overall slow employment growth projected statewide (1%)
- Manufacturing declining, but at a slower rate
- Professional and Business Services to grow, esp. scientific and technical services
- Admin. Support and waste mgmt. to grow rapidly (2.2%), but emphasis on employment services
- Occupations with the highest educational requirements will grow the fastest, but still
- Over one-half of 2014 jobs will still be low skill/low training

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ECONOMIC BASE

NEW JERSEY LABOR MARKET DATA

- Scientific and Technical Services represents a familiar theme
- The growth in jobs requiring higher education and training levels fits well
- Precision and high-tech manufacturing also seem to fit well with the existing base

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LABOR MARKET

Population 16+ (per 2005 ACS) is 117,848

83,026 in civilian labor force – 70.45% (US 65.5%)
40,000+ commuters to other areas

Mean Travel Time to Work – 36.9 minutes (US 25.1)

81.4% of workers commute alone (US 76.9%)

5.2% work at home (US 3.6%)

Unemployment Rate 4.9% (4,100) in July 06 per NJLMI

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LABOR MARKET

Residents -
Employment
by Industry

	2000	2006	Diff.
Employed Civilian Population 16+ by Industry Base	73913	78258	4345
Agric/Forestry/Fishing/Hunting	389	410	21
Mining	242	191	51
Construction	6118	7450	1332
Manufacturing	9840	7585	2255
Wholesale Trade	3094	3153	59
Retail Trade	9682	10735	1053
Transportation/Warehousing	3501	3704	203
Utilities	576	458	118
Information	2865	2214	651
Finance/Insurance	4312	4755	443
Real Estate/Rental/Leasing	1231	1563	332
Prof/Scientific/Tech Services	5066	5322	256
Mgmt of Companies/Enterprises	128	199	71
Admin/Support/Waste Mgmt Svcs	2406	2642	236
Educational Services	6784	7867	1083
Health Care/Social Assistance	7035	8064	1029
Arts/Entertainment/Recreation	1115	1304	189
Accommodation/Food Services	3183	3421	238
Other Services (excl Publ Adm)	2984	3544	560
Public Administration	3362	3677	315

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LABOR MARKET

Residents - Employment by Occupation

	2000	2006	Diff.
Employed Civilian Population 16+ by Occupation Base	73913	78258	4,345
Management incl Farmers/Farm Mgrs	8611	9440	829
Business/Financial	3450	3258	(192)
Computer and Mathematical	2237	2136	(101)
Architecture/Engineering	1541	1673	132
Life/Physical/Social Science	596	596	0
Community/Social Services	924	1144	220
Legal	710	931	221
Education/Training/Library	4790	5689	899
Arts/Design/Entert/Sports/Media	1283	1283	0
Healthcare Practitioner/Technician	3233	3871	638
Healthcare Support	1038	1008	(30)
Protective Service	1764	2173	409
Food Preparation/Serving Related	2672	3158	486
Building/Grounds Cleaning/Maint	1703	2105	402
Personal Care/Service	1729	2050	321
Sales/Related	9201	9886	685
Office/Administrative Support	11919	11086	(833)
Farming/Fishing/Forestry	163	189	26
Construction/Extraction	4565	5898	1,333
Installation/Maintenance/Repair	3345	3121	(224)
Production	4165	3028	(1,137)
Transportation/Material Moving	4274	4535	261

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LABOR MARKET

Thus 4,000 unemployed and a workforce

including

9,000 managers

3,000 business/finance

2,000 computer/math

11,000 office/admin. support

But 40,000 commuters

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CEO LIST

Defined this as Businesses (excluding education, soc. svcs, public administration and unclassified) with five or more employees and sales >\$500,000 with HQ in Sussex - *Broaden this?*

Result – 87 firms

- 10 Health Services
- 21 Retail (various)
- 5 Wholesale
- 6 Construction
- 11 Manufacturing (4 machinery and computer equip)

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CEO LIST

Results – Employment

- Insurance – 2,100 employees in two firms**
- Printing/publishing – 1,000 employees**
- Professional Services – 1,300 employees**
- Health Services – 900 employees**

Leads us to focus on:

- Manufacturing (35)**
- Insurance (63)**
- Prof/Tech Svcs (87)**

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Opportunities for “good” economic growth exist

... that will capitalize on the County’s

existing economic base

... and achieve its overall goals

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NEXT STEPS

Decide upon targeting focus

- "What do you want to be?" Other targets?

Assess sites and buildings in light of proposed targets

Evaluate infrastructure in light of proposed targets

Tentatively match industries to possible locations

**SUSSEX COUNTY
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QUESTIONS, COMMENTS, CHANGES?

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Please put "Sussex Targeting"
in the subject line