Current Situation - Glass Half Full

• Recent quarterly employment growth – modest during past year
  • Construction strongest sector
  • Leisure/hospitality the weakest for that period
  • Most others showed slight growth
  • Some pick up anticipated going into 2019
<table>
<thead>
<tr>
<th>Metropolitan Statistical Area</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delaware</td>
<td>4.3</td>
</tr>
<tr>
<td>Philadelphia, PA-NJ-DE-MD (MSA)</td>
<td>4.4</td>
</tr>
<tr>
<td>Wilmington, DE-MD-NJ (Div)</td>
<td>4.1</td>
</tr>
<tr>
<td>Dover, DE</td>
<td>4.3</td>
</tr>
</tbody>
</table>

Source: IHS Markit

Unemployment rate by MSA, March 2018

© 2018 IHS Markit
Current Situation - Glass Half Full

- **Housing starts strongest in a number of years**
  - Housing affordability more positive than for US overall too
- **Number of key things can help for 2019 and beyond**
  - Next phases of DowDuPont changes will be underway and making a difference
  - Angel Investor Credit - underway and already getting noticed
Relative Growth – Key Sectors

CAGR, 2017 to 2019

<table>
<thead>
<tr>
<th>Sector</th>
<th>Delaware</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>1.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Population</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Real income</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Avg. real wage</td>
<td>1.5</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Source: IHS Markit © 2018 IHS Markit
Freight and Logistics Increasingly Visible

- The way things get to us is clear and part of the process/product
- Amazon and other e-commerce players have raised profile of process to next level
- Caused logistics firms to change – USPS and others
- Now among the most sought after projects communities want and attempt to win
Traditional Components Key

• Port, rail and other traditional “pieces” have increased impact potential for DE
• Investment and key networks are critical ingredient
• DE’s workforce is essential to support these opportunities
• State business climate/regulatory environment must be aligned to support success
Changing Real Estate Dynamics

• Industrial/warehouse related real estate among the most sought after product in many markets

• Delaware has the opportunity to capitalize on this too

• Our competitive property taxes gives us chance to compete regionally

• One challenge is to see how all of DE can benefit from these trends
What IS Economic Development?

• Different than Economic Growth?
• Primary jobs or all jobs?
• Retail?
• Residential?
• ??????
Many “Doors” into Delaware

- Lots of ways to engage
- Need to ensure companies in Delaware can get what they need to choose our state
- DPP is going to be a key doorway and mechanism that allows companies to access what they need
Economic Development NOT just one thing

Marketing

Product Development
What Will DPP Work On?

• “Four Legged Stool”
  • Business Development (Recruitment) – hired Director
  • Existing Business Engagement
  • Innovation Agenda – hired Director
  • Talent Support (late 2018/early 2019 initiative)

• Key staff components
  • Research and Business Intelligence function – recruiting for this currently
  • Communications/Social Media/Web – consultant in place; staffing planned