



DELAWARE STATE
CHAMBER OF COMMERCE

MARCH 2025

THE TRENDS SHAPING DELAWARE'S FUTURE



Executive Summary

Delaware is undergoing a transformative period, with demographic shifts, labor force changes, economic challenges, and new opportunities shaping its trajectory. This white paper provides a comprehensive analysis of key trends affecting the state, utilizing a PESTLE framework (Political, Economic, Societal, Technological, Legal, and Environmental) to guide strategic planning.

DEMOGRAPHICS & WORKFORCE SHIFTS

Delaware's population has grown by nearly 21% since 2006, largely driven by an aging demographic. The population of residents aged 65 and older has surged by 92%, while growth among prime working-age individuals has been modest. Fertility rates remain below replacement levels, reflecting a nationwide trend, and labor force participation has declined from 62.3% in 2019 to 59.2% in late 2024.

While the state benefits from positive domestic and international migration, workforce challenges persist. The number of older workers has doubled in the past two decades, yet early retirements and declining participation rates present long-term concerns. Delaware must address talent shortages and enhance workforce retention to sustain economic growth.

ECONOMIC COMPETITIVENESS & BUSINESS CLIMATE

Delaware's economy has expanded but at a slower rate than many states. Employment grew just 0.6% from 2023 to 2024—one of the lowest rates nationwide. Future projections indicate a 6.6% job increase by 2034, with healthcare, finance, and transportation sectors leading growth. However, key challenges include:

Labor Force & Skills Gap: The state's talent pipeline must align with industry needs, requiring investment in education and workforce development.

Cost of Doing Business: Delaware ranks 44th in business costs, with high corporate tax rates and rising operational expenses impacting competitiveness.

Regulatory Efficiency: Businesses cite permitting delays and regulatory burdens as barriers to growth, necessitating policy reforms to improve responsiveness.

HOUSING, MIGRATION & AFFORDABILITY

Housing affordability has become a critical concern, with home prices increasing by 56.2% in the past four years. Despite stable homeownership rates, rising costs may deter workforce attraction. Delaware must balance supply and demand through regulatory adjustments to ensure long-term affordability.

TECHNOLOGY & INNOVATION

The rise of Artificial Intelligence (AI) and automation will significantly impact Delaware's workforce. Key industries, including finance, healthcare, and retail, must adapt to evolving technologies while ensuring workforce preparedness. Additionally, the state's innovation ranking (35th) suggests a need for stronger research, development, and entrepreneurial support.

STRATEGIC PRIORITIES FOR GROWTH

To maintain economic strength and competitiveness, Delaware's leaders must prioritize:

Workforce Development: Expanding training programs, attracting skilled workers, and retaining graduates.

Business Climate Improvements: Streamlining regulations, enhancing tax policies, and improving infrastructure.

Housing & Affordability: Addressing housing shortages and cost-of-living concerns.

Technology & Innovation Investment: Supporting AI adoption and fostering a robust startup ecosystem.

Public-Private Collaboration: Strengthening partnerships to drive economic development.

By addressing these challenges and leveraging emerging opportunities, Delaware can position itself as a leader in economic growth and quality of life for residents and businesses alike.

INTRODUCTION

Delaware, like the rest of the nation, is undergoing a period of significant transformation—arguably the most profound since the 1960s. It is essential for states and State Chambers of Commerce to anticipate these changes and develop strategies to sustain and strengthen both the economy and the standard of living for their citizens. Strategic planning often includes conducting a PESTLE analysis, which examines political, economic, societal, technological, legal, and environmental factors expected to shape the future.

The PESTLE analysis was first introduced in *Scanning the Business Environment*, a 1964 book by Harvard professor Francis Aguilar. The book reflected the concerns of its time. That decade saw the passage of landmark legislation such as the Civil Rights Act and the Clean Air Act, as well as President Johnson’s Great Society initiatives. Geopolitics was at the forefront, shaped by the Cold War, the Cuban Missile Crisis, the rise of OPEC, and the Vietnam War. The emergence of basic computer programming and the space race fueled rapid technological advancements. Meanwhile, corporate mergers increased, family farms declined, and manufacturing shifted to the South. The baby boomer generation—families with young children—spread into newly developed suburban neighborhoods, driving demand for modern household conveniences.

Some individuals, communities, and businesses benefited from these changes, finding tailwinds that propelled lasting prosperity. Others ignored the shifting landscape and paid a heavy price.

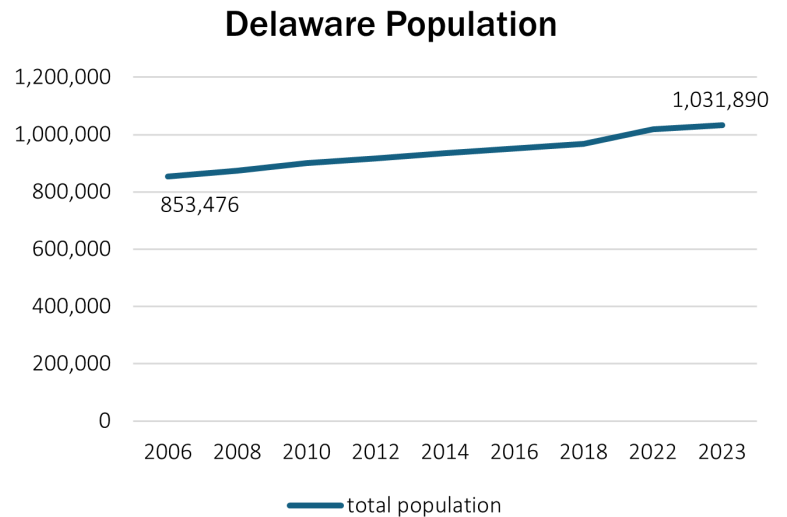
That decade of transformation also sparked countercultural movements, widespread protests, and political instability. Music, film, and art of the era reflected the evolving ideals and attitudes of American society.

In the current decade, we are witnessing a similarly profound wave of political, geopolitical, technological, and environmental transformations that dominate daily headlines. Each of these changes requires careful analysis to determine the best course of action for Delaware.

The following sections explore key societal and demographic shifts, along with an assessment of the state’s economic competitiveness and future prospects.

DEMOGRAPHICS AND SOCIETAL SHIFTS

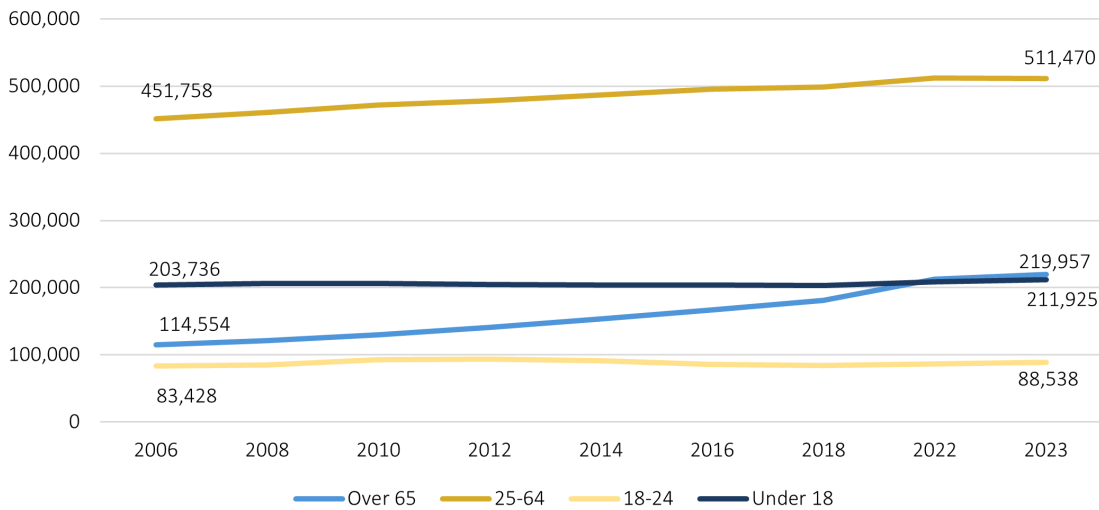
Unlike some of its neighboring states, Delaware continues to experience population growth. According to data from the Delaware Population Consortium (available at stateplanning.delaware.gov) and the U.S. Census Bureau’s American Community Survey (ACS) one-year estimates, Delaware’s total population grew by 178,414 people between 2006 and 2023—an increase of 20.9%.



While Delaware’s population growth has been strong, much of it has been driven by an increasing number of older residents. A closer look at age demographics reveals significant disparities in growth rates. The population aged 65 and older grew by 92% (105,403 people), while the prime working-age population (25–64) increased by only 13.2% (59,712). Young adults (18–24) saw a modest increase of 6.1% (5,110), and the population of children under 18 grew the least, rising by just 4% (8,189).

The declining number of children is not unique to Delaware; it is a nationwide trend. For the past fifteen years, business leaders and policymakers have expressed growing concern over the falling U.S. birthrate. As the most recent report from the National Center for Health Statistics illustrates, the number of children born in the United States continues to decline. The nation’s fertility rate now stands at approximately 1.7 births per woman—well below the replacement rate of 2.1 births needed to maintain population levels without immigration.

Delaware Population by Age Groups

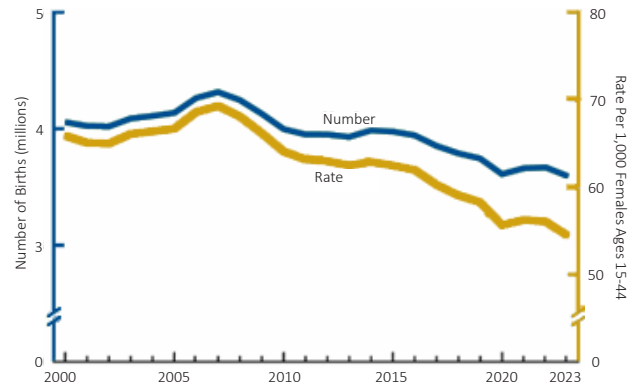


Delaware's population aged 65 and older grew by 92%, while the prime working-age population increased by only 13.2%

All 50 states now have fertility rates below the replacement level. Among the states surrounding Delaware, rates range from a low of 1.24 in the District of Columbia to a high of 1.75 in New Jersey. In every case, fertility rates have declined significantly over the past decade, with no indication of a rebound.

Women are also having their first child later in life, with the average age now approximately 27.5 years. Those with higher levels of education and those living in urban areas tend to have fewer children and delay childbirth even further. On average, women with a bachelor's degree have about half as many children as those who have not graduated from high school.

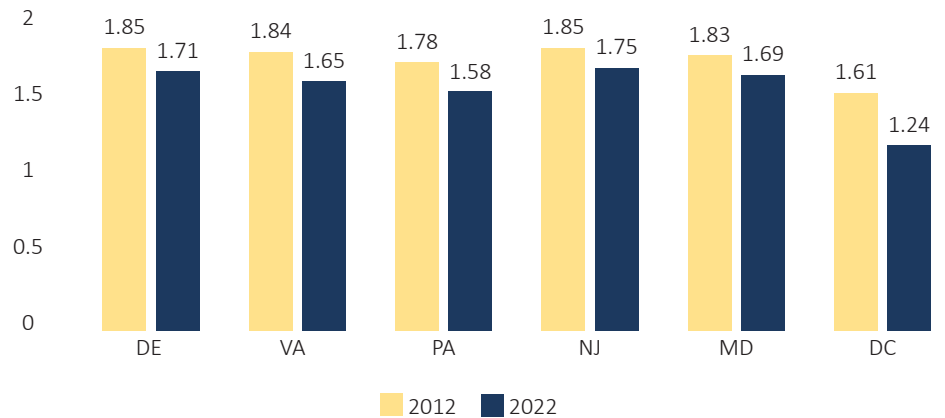
Number of Live Births & General Fertility Rates; United States, Final 2000-2022 & Provisional 2023



Source: National Center for Health Statistics, National Vital Statistics System, natality data file

The total number of Delaware households with at least one child under 18 decreased by 1.3% from 2006 to 2022. During the same period, the percentage of such households declined from 30.0% of all households in 2006 to 23.6% in 2022. This demographic shift will have profound implications—not only for the future workforce but also for the education and healthcare systems, as well as public investment decisions.

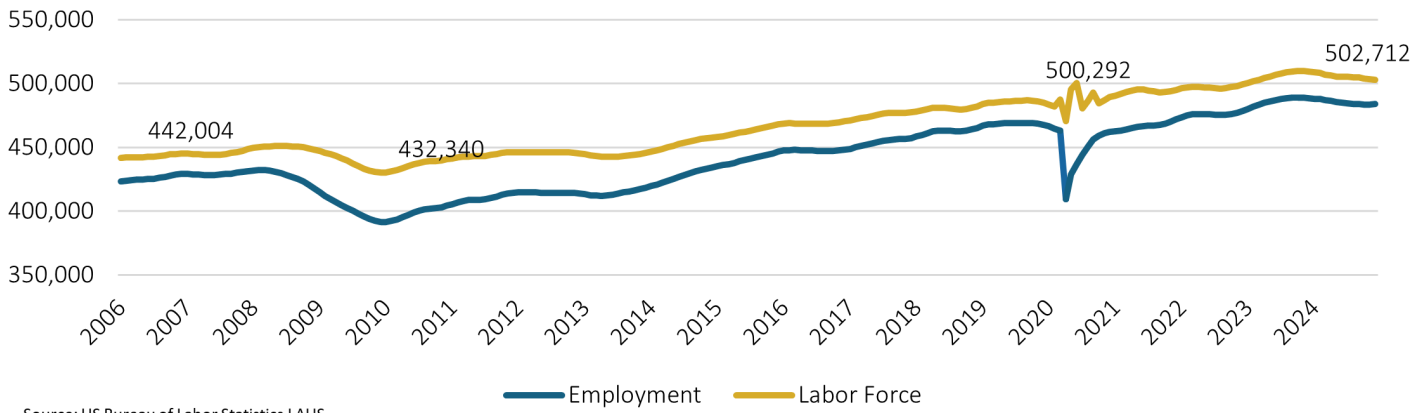
Fertility Rates by Neighboring States 2012, 2022



Source: National Vital Statistics Report

Less than a quarter of Delaware households have a child in it

Delaware Employment & Labor Force



Source: US Bureau of Labor Statistics LAUS

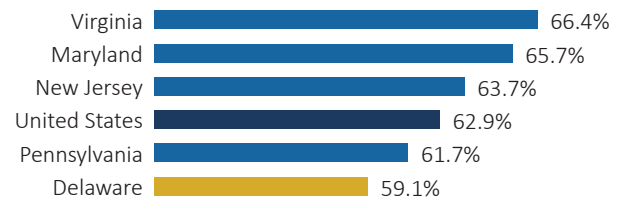
Delaware’s labor force has grown by approximately 60,000 over the past 18 years but has seen minimal growth in recent years. A significant portion of this growth has come from older workers. Between 2006 and 2024, the number of workers aged 65 and older in Delaware increased from 17,412 to 37,653—a 116% increase. Older workers have become more prevalent across every industry.

Another factor influencing Delaware's labor force growth is the decline in labor force participation rates. Between 2019 and October 2024, Delaware's participation rate dropped by three percentage points. According to data from Lightcast, the rate fell from 62.27% in 2019 to 59.17% in October 2024. This decline is likely driven, in part, by the aging workforce, as older workers tend to have significantly lower participation rates compared to those in their thirties and forties.

Labor Force Participation Rate Trends for Delaware

Time Period	Labor Force Participation Rate
2019	62.27%
2020	61.62%
2021	61.44%
2022	60.73%
2023	60.96%
January- July 2024	59.89%
August 2024	59.90%
September 2024	59.07%
October 2024	59.17%

Labor Force Participation Rate by State, September 2024



Source: Lightcast 2024.4

Despite recent increases in workforce participation among older residents, a national trend of early retirements among those over 55 has emerged, with little indication that these retirees will return to the labor market. Delaware's total labor force is projected to grow to 516,954 by 2035, representing a 3.3% increase.

Delaware’s racial composition has shifted since 2006, with significant growth among individuals who identify as Hispanic or as a race other than White or Black. Meanwhile, the total White population has declined slightly over the past 17 years. Overall, Delaware's current racial diversity is now close to the U.S. average.

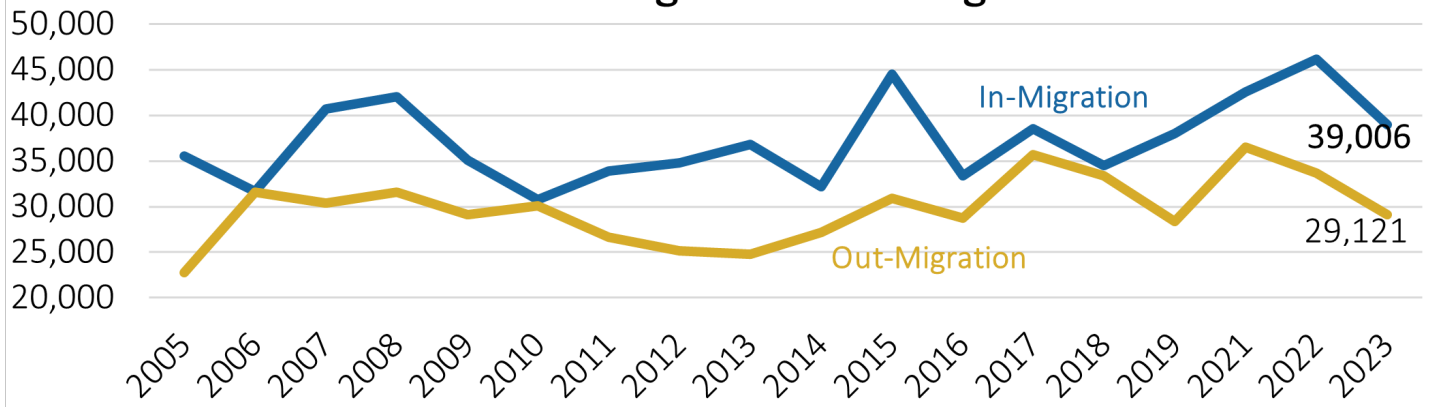
Delaware Population by Race

	2006 Population	2006 % of Total	2023 Population	2023 % of Total
White	615,638	72.1%	612,368	59.3%
Black	176,845	20.7%	232,161	22.5%
Other Race	60,993	7.1%	187,361	18.2%
Hispanic	53,836	6.3%	114,623	11.1%

Source: US Census Bureau & Delaware Population Consortium

Delaware has the lowest labor force participation rate among the neighboring states

Delaware In-Migration & Out-Migration



Source: US Census Bureau "State-to-State Migration"

TOP STATES FOR MIGRATION IN & OUT OF DELAWARE

Moving to Delaware 2023		Moving from Delaware 2023	
Pennsylvania	13,350	Pennsylvania	6,612
Maryland	7,829	Maryland	5,245
New Jersey	4,041	Virginia	2,450
New York	2,552	New York	1,867
Florida	1,763	North Carolina	1,745
North Carolina	1,563	Florida	1,739
Virginia	882	New Jersey	1,291
Tennessee	629	South Carolina	1,103
California	516	Texas	876
Arizona	476	California	772

Source: US Census Bureau "State-to-State Migration"

In addition to falling birthrates, an aging population, and low labor force participation rates, two other factors are influencing state populations and the labor force: migration from other states and immigration from outside the United States.

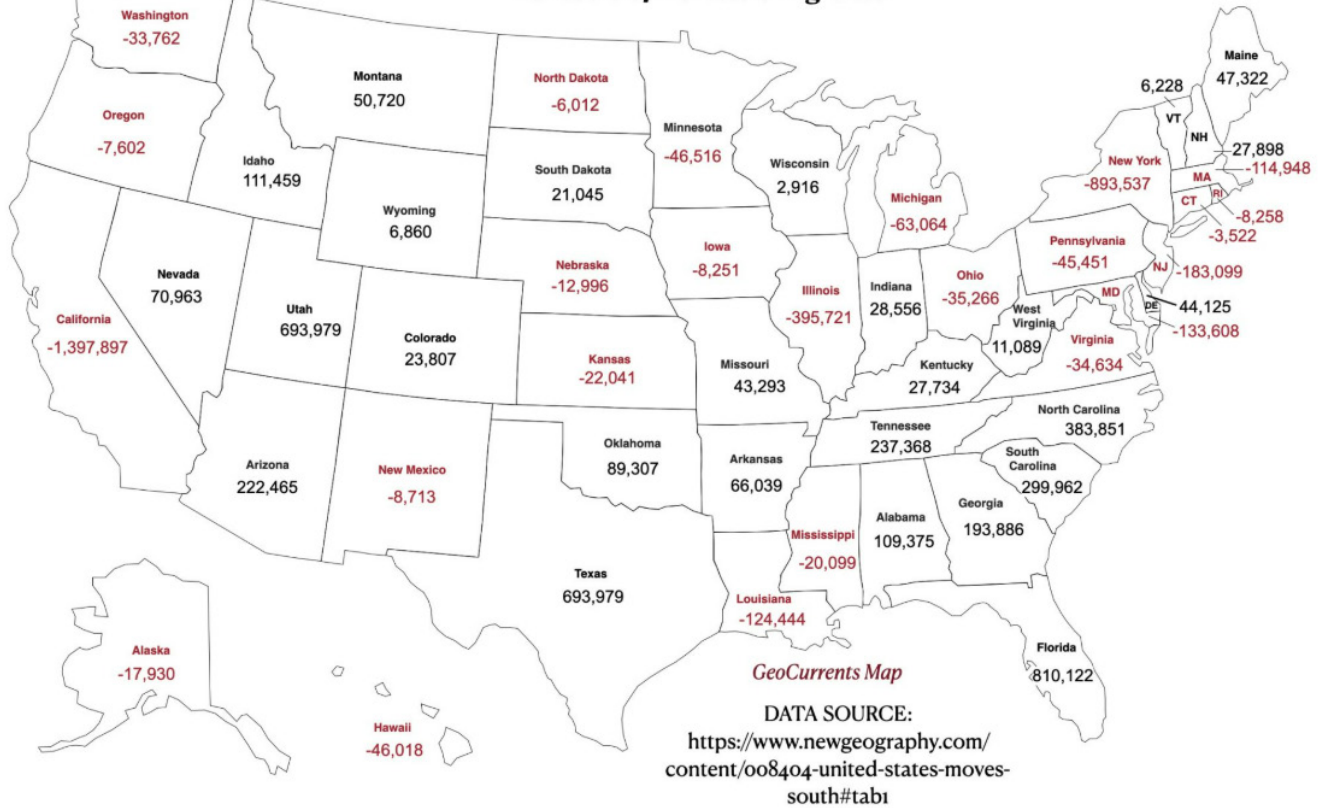
Interstate migration was once more common than it is today. Before the COVID-19 pandemic, the annual percentage of people moving to a new state had declined to its lowest level since data collection began just after World War II. The early years of the pandemic (2020–2021) triggered a surge in mobility, as many—particularly younger individuals—left urban areas for less densely populated regions or moved back home with their parents. However, that trend has since ended, and final data for 2023 indicates that the long-term decline in migration has resumed. High interest rates are also influencing mobility decisions, as many homeowners opt to stay

in their current homes to retain lower mortgage rates.

With fewer people moving between states and natural growth rates declining, competition among states for new residents—especially workers—has intensified. Many states and metropolitan areas are actively promoting their advantages, and in some cases, even offering financial incentives and other perks to attract migrants.

Over the past twenty years, Delaware has experienced a net gain in population due to more people moving into the state than leaving. Currently, Delaware benefits from positive in-migration, attracting more residents than it loses, particularly from neighboring states such as Pennsylvania, Maryland, New Jersey, and New York.

Net Domestic Migration, July 2020-July 2024 Numbers of Domestic Migrants



U.S. Net Domestic Migration 2020-2024 Map

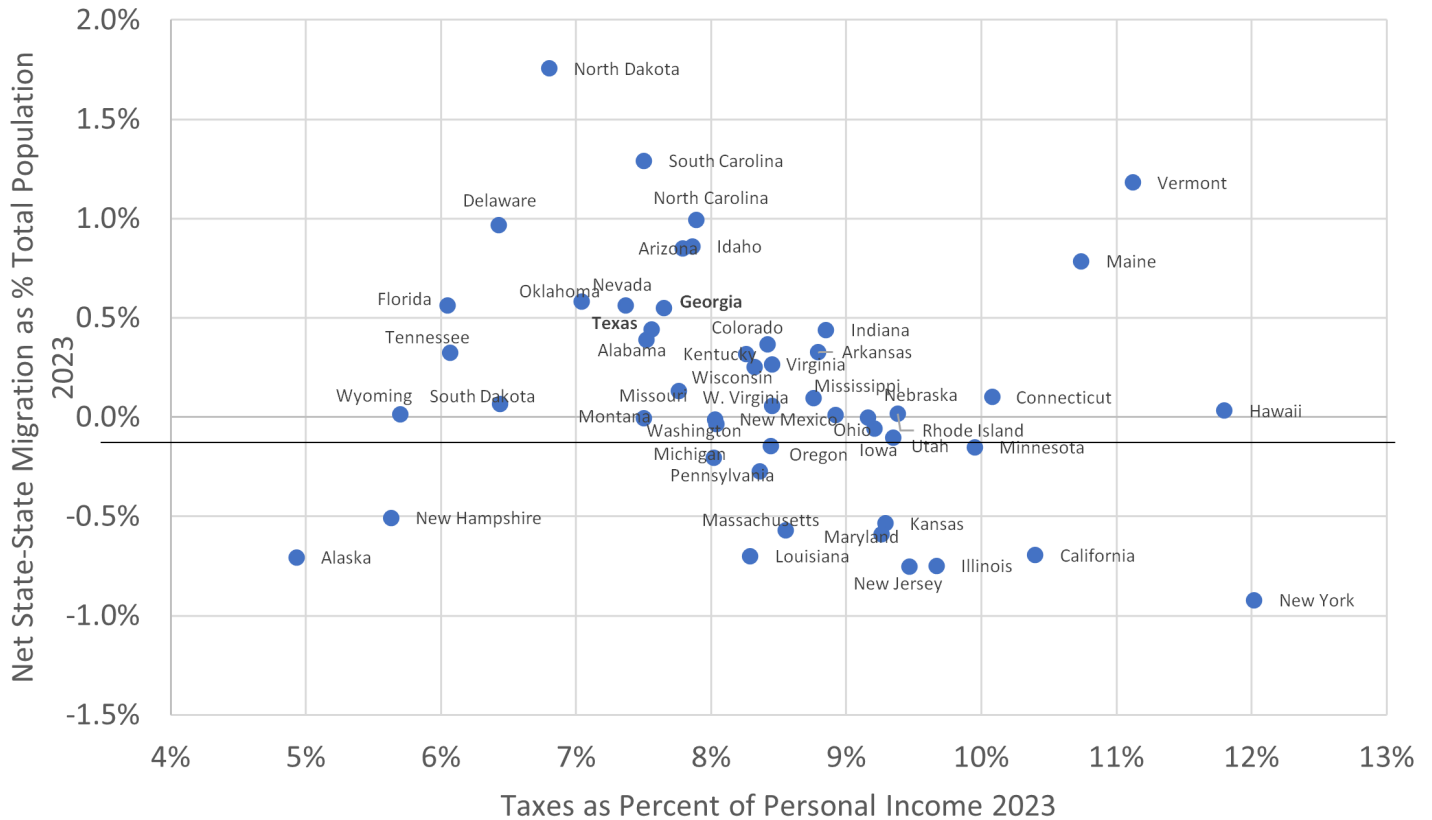
The map above illustrates that most of the states surrounding Delaware have experienced net outmigration over the past four years.

Nationally, most states experiencing net population gains are in the South and the Intermountain West. Affordability appears to be playing an increasingly significant role in relocation decisions. Over the past four years, four high-cost states—New York, New Jersey, California, and Massachusetts—collectively lost nearly three million residents. All four rank among the top five states with the highest cost of living. In contrast, lower-cost states such as Tennessee, Texas, North Carolina, and Florida have seen their populations surge.

A lower tax burden also appears to be loosely correlated with population growth. The scatter chart below compares net state-to-state migration with total tax burden, and while there are exceptions, states with lower tax burdens tend to attract more new residents.

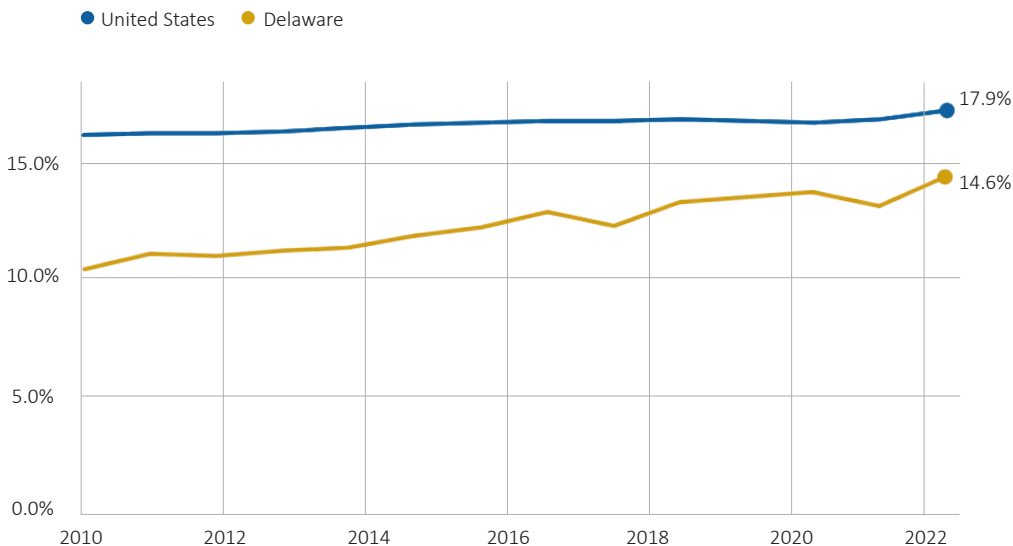
International immigration also plays a significant role in shaping a state's labor force. As of June 2024, 30.9 million foreign-born individuals were employed in the U.S., with a total foreign-born labor force—including both employed and unemployed workers—of 32.2 million. In 2024, foreign-born workers made up a record 19% of the national labor force. While the percentage of foreign-born workers in Delaware remains below the national average, it has increased in recent years.

According to the American Community Survey, Delaware's foreign-born population has grown from 72,531 in 2010 to an estimated 104,694 in 2023—an increase of 44%. These additional foreign-born workers account for nearly half of the state's total labor force growth during that period. While the number of foreign-born residents from Europe has remained largely unchanged since 2010, the state has seen significant growth in immigration from Africa, Asia, and Latin America.



Source: US Census Bureau & US Bureau of Economic Analysis

Immigrant Percentage of Employed Workers in Delaware

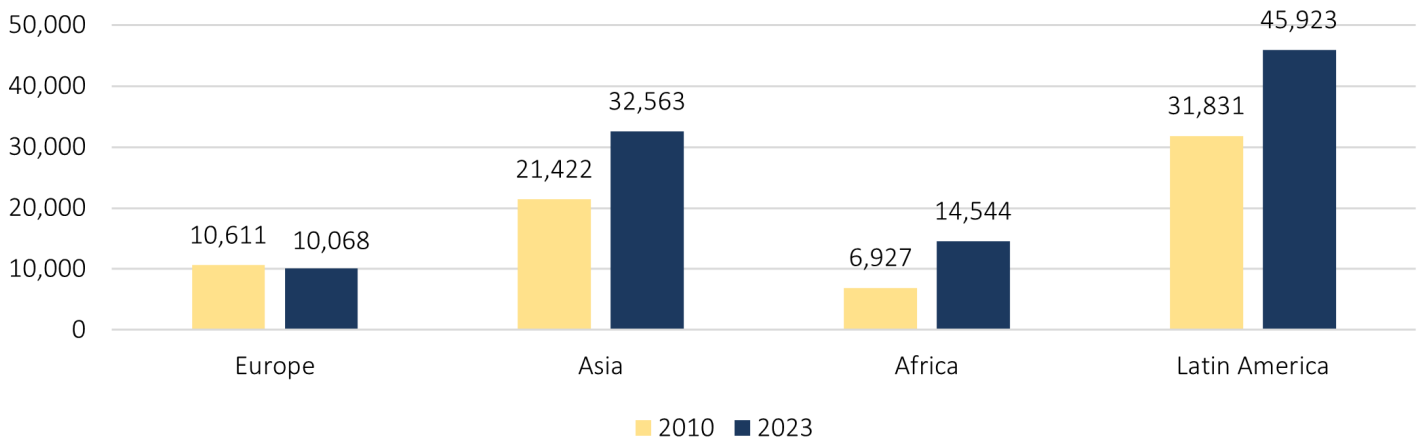


Source: US Census Bureau

Delaware's foreign-born population has grown 44% from 2010 to 2023—one in seven workers were immigrants

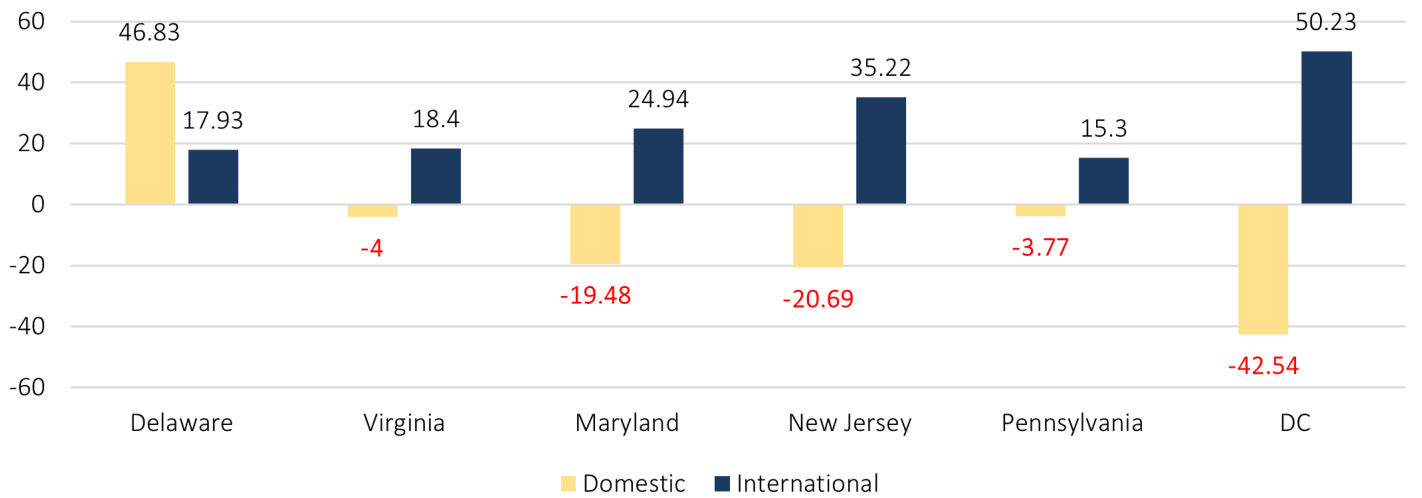
Delaware is the only state in its region to have maintained a positive domestic migration rate over the past four years

Delaware Foreign-Born Residents



Source: US Census Bureau

Net Domestic and International Migration Rate per 1,000 Inhabitants 2020-2024



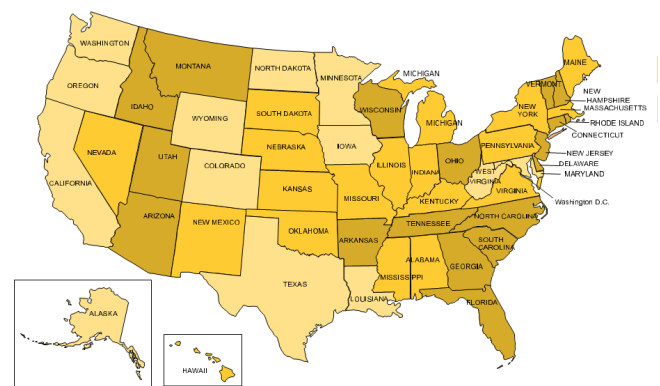
Source: US Census Bureau

Delaware currently holds a competitive advantage over its neighboring states in terms of migration. While all neighboring states have experienced positive international migration, Delaware is the only one to have maintained a positive domestic migration rate over the past four years.

Housing and affordability are key factors influencing where people choose to live. Over the past four years, average home prices have surged nationwide, increasing by more than 50%. In Delaware, the rise has been even steeper, with prices climbing 56.2%.

According to data from the Delaware Population Consortium, the percentage of the population living in owner-occupied housing has remained relatively stable—74.4% of occupied housing units were owner-occupied in 2006, compared to 74.1% in 2022.

Housing Price Increase 2020 Q1 to 2024 Q3



- 24% to 45.9%
- 46% to 54.9%
- Over 55%

US	51.8%
DE	56.2%

Source: Federal Housing Finance Agency

However, the total number of people living in owned homes has grown by 18.8% over that period. Despite this overall stability, some notable shifts are occurring.

The number of householders living alone increased by 32.5% from 2006 to 2022, with the share of single-person households rising from 27.2% to 28.6% of all households during that period. Among those aged 65 and older, the growth was even more pronounced—householders in this age group living alone increased by 69.2%, with their share rising from 9.6% of all households in 2006 to 12.9% in 2022.

The chart to the right illustrates Delaware’s adult educational attainment levels, showing that college degree attainment in the state is slightly below the national average.

In 2023, Delaware’s educational pipeline produced 13,390 graduates.

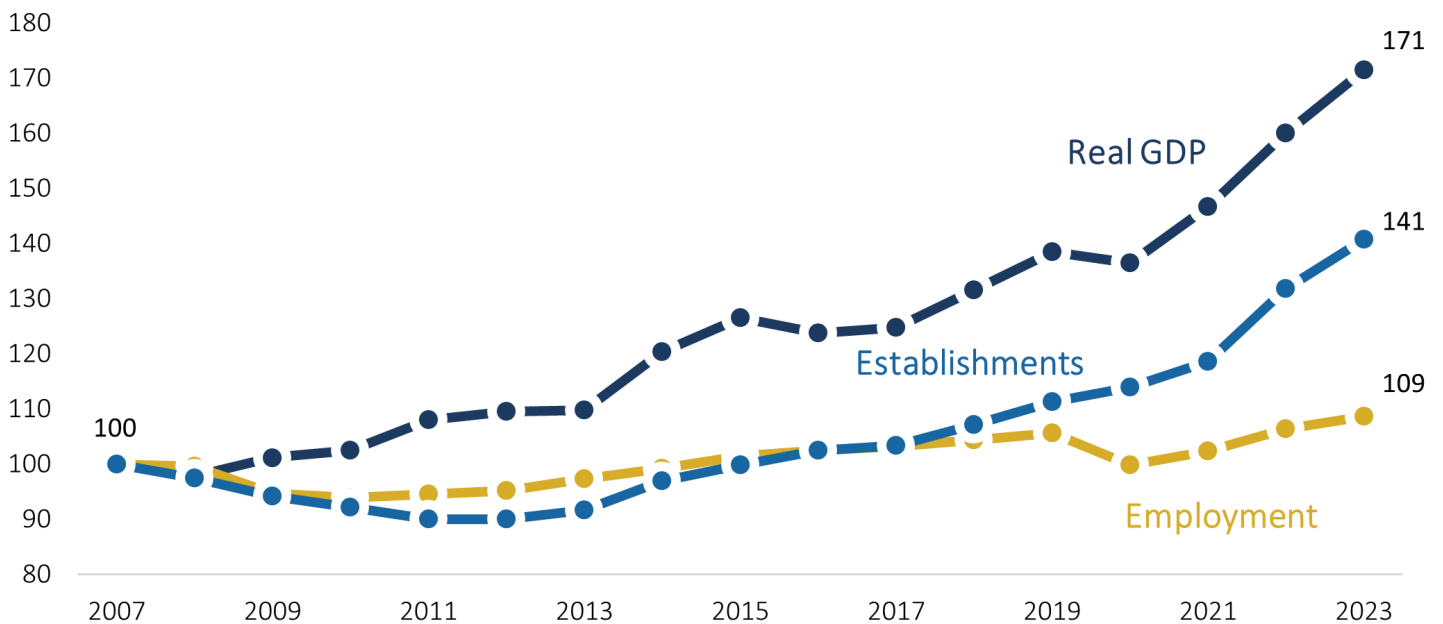
Meanwhile, although the percentage of married households nationwide has steadily declined from 78.2% in 1950 to 46.8% in the most recent figures, Delaware has shown stability in this area. From 2006 to 2022, the number of married-couple families in Delaware grew by 25.5%, while their share of total households remained unchanged at 49.1%.

DELAWARE EDUCATIONAL ATTAINMENT		
	% of Population	Population
Less Than 9th Grade	3.2%	23,101
9th Grade to 12th Grade	5.6%	40,802
High School Diploma	29.4%	215,622
Some College	18.5%	135,546
Associate’s Degree	8.5%	62,159
Bachelor’s Degree	20.0%	146,933
Graduate Degree or Higher	14.8%	108,674

EDUCATIONAL PIPELINE	
School	Total Graduates (2023)
University of Delaware	6,485
Wilmington University	3,451
Delaware Technical Community College	1,718
Delaware State University	897
Dawn Career Institute LLC	359
Goldey-Beacom College	341
Polytech Adult Education	139

Source: Lightcast 2024.4

Delaware Economic Growth Metrics 100 = 2007 Levels



Source: EL calculations based on Lightcast 2024.4

ECONOMIC COMPETITIVENESS AND PREPARING FOR THE FUTURE

Delaware's economic performance has shown positive growth across key metrics, including gross domestic product (GDP), business establishment growth, and employment expansion since 2007.

When adjusted for the statewide cost of living, average earnings per worker in Delaware are below the national average and those of several neighboring states. Earnings are typically influenced by the state's industry and occupational mix.

Recently released data on employment change indicates that Delaware's job growth between December 2023 and December 2024 was among the slowest in the country. Only South Dakota and West Virginia experienced no employment growth during this period. Delaware's employment grew by just 0.6%, making it one of only ten states with growth below 1%. From 2019 to 2024, the number of jobs in Delaware increased by 3.8%, rising from 502,328 to 521,268—just below the national growth rate of 3.9%.

Unemployment rates remain very low, with most joblessness concentrated among younger workers.

COLI Adjusted Average Annual Earnings Per Worker by Area, 2023



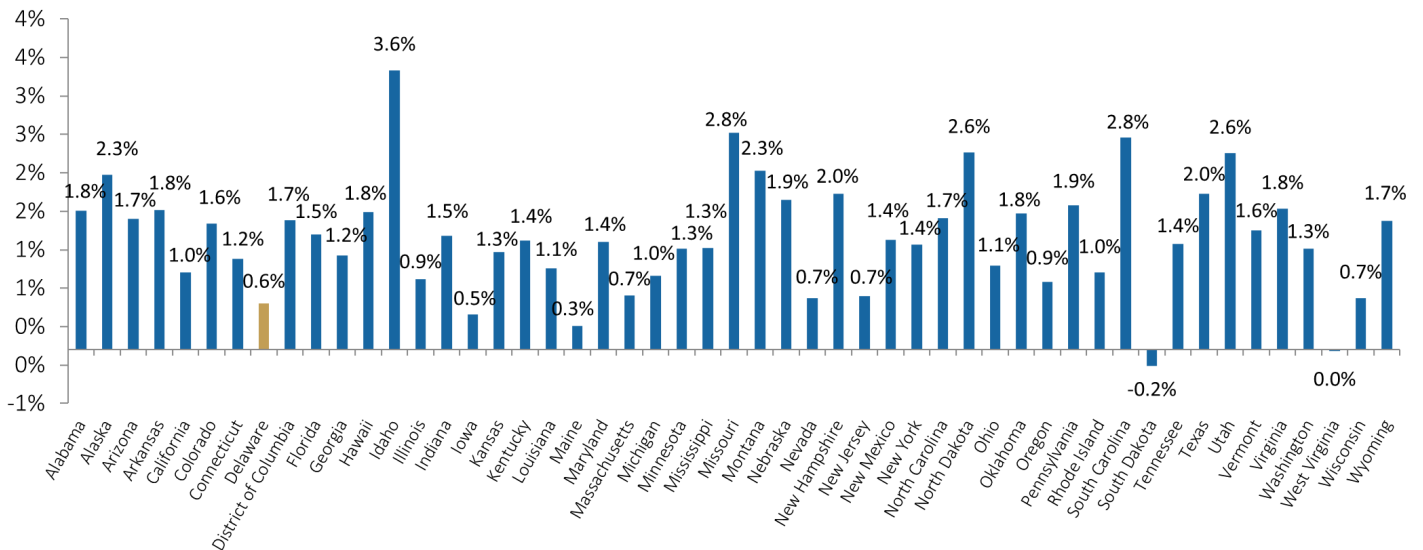
Source: EL calculations based on Lightcast 2024.4

UNEMPLOYMENT BY AGE

Age	Unemployment (Oct. 2024)	% of Unemployed
< 22	227	1.34%
22- 24	791	4.68%
25- 34	3,482	20.59%
35- 44	4,173	24.67%
45- 54	3,342	19.76%
55- 59	1,828	10.81%
60- 64	1,777	10.51%
65+	1,294	7.65%
Total	16,913	100.00%

Source: Lightcast 2024.4

All States 1-Year Total Non-Farm Employment Percentage Change Dec. 2023 to Dec. 2024



Source: US Bureau of Labor Statistics

Delaware saw one of the slowest job growths in the country

DELAWARE PROJECTED JOB GROWTH

	2024 Jobs	2034 Jobs	2024 - 2034 Change	2024 - 2034 % Change
Health Care & Social Assistance	76,956	86,703	9,746	12.7%
Government	75,802	78,634	2,832	3.7%
Retail Trade	51,619	51,237	(382)	(0.7%)
Finance & Insurance	45,612	49,894	4,283	9.4%
Accommodation & Food Services	43,802	47,167	3,366	7.7%
Administrative & Support & Waste Management	28,921	30,077	1,156	4.0%
Professional, Scientific, & Technical Services	28,548	30,318	1,770	6.2%
Manufacturing	27,001	29,389	2,387	8.8%
Transportation & Warehousing	24,572	31,312	6,740	27.4%
Construction	24,514	24,430	(84)	(.0.3%)
Wholesale Trade	12,574	13,168	594	4.7%
Arts, Entertainment, & Recreation	9,725	10,714	989	10.2%
Management of Companies & Enterprises	7,736	6,467	(1,269)	(16.4%)
Educational Services	6,728	6,958	230	3.4%
Real Estate & Rental & Leasing	6,225	6,566	340	5.5%
Information	3,706	3,113	(593)	(16.0%)
Utilities	2,120	2,143	24	1.1%
Agriculture, Forestry, Fishing & Hunting	1,933	1,965	32	1.7%
Mining, Quarrying, & Oil & Gas Extraction	94	115	21	22.25%
TOTAL	496,187	529,093	32,906	6.6%

Source: Lightcast 2024.4

Delaware is projected to add approximately 32,906 jobs over the next decade, representing a 6.6% increase.

Achieving this projected growth will depend on Delaware’s ability to remain economically competitive and how ongoing changes impact businesses across the state.

How competitive is Delaware, and what can state, and private-sector leaders do to better prepare for the future? Various publications rank state competitiveness using different criteria, leading to mixed assessments. CNBC ranks Delaware 34th overall, while Chief Executive places it higher at 15th. The Tax Foundation ranks Delaware 18th for overall tax competitiveness but last (50th) for its corporate tax rate. In innovation and technology, Delaware ranks 35th. Meanwhile, the Rich States-Poor States Economic Outlook ranks the state 33rd. Overall, Delaware tends to rank in the middle of the pack and rarely appears among the most competitive states.

No single ranking or factor determines a state’s overall competitiveness, but many of the key factors considered by site selectors are well known. While individual companies prioritize different metrics, five broad categories of competitiveness factors help simplify the complexity. Ultimately, the success or failure of businesses is often shaped by three critical elements: cost, time, and certainty.



Business Climate encompasses a state's tax structure, regulatory procedures, and legal environment. Key factors influencing business location decisions include the overall cost of doing business, regulatory complexity, predictability, and tort law. Stability and certainty in these areas are crucial for long-term business success.

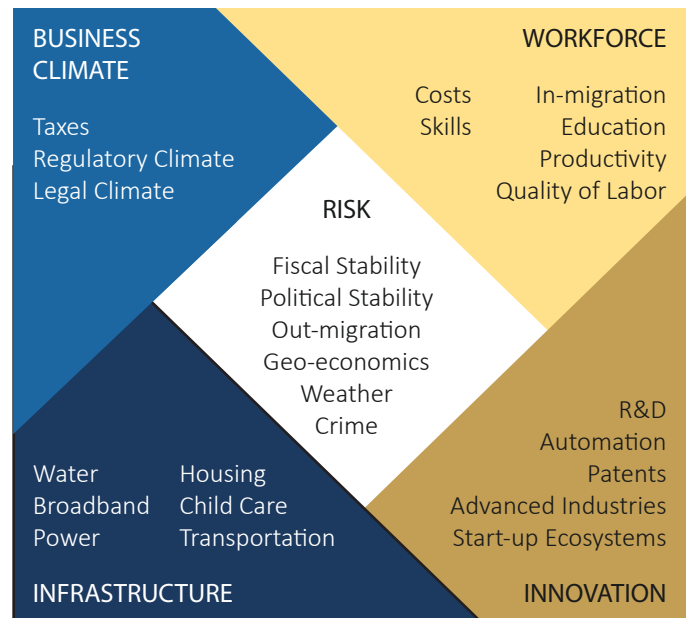
Workforce availability and skills have been a top priority for the past two decades as labor shortages persist and businesses increasingly struggle to find workers with the right skills. Critical factors include the quality of K-12 and higher education, access to skill training programs, domestic and international migration trends, and the quality of life necessary to attract and retain talent. Additionally, worker productivity and the comparative cost of labor play a significant role in competitiveness.

Infrastructure traditionally refers to essential utilities such as water, sewer, and waste disposal, as well as transportation assets like interstate highways, commercial airports, deepwater ports, and railroads. In recent years, the availability and cost of power, broadband service reliability, and cellular connectivity have become increasingly important. Since the pandemic, additional factors—such as housing affordability and childcare availability—are now often considered part of a location's infrastructure.

Innovation assets are critical for companies navigating rapid change. Businesses value the presence of strong higher education institutions, local research and development, government support for automation, and a dynamic entrepreneurial ecosystem. Additionally, the presence of other advanced industries and well-developed supply chains can enhance a state's appeal to innovative businesses.

Risk has become a key competitive factor in the post-pandemic landscape. Companies assess factors such as crime rates, fiscal stability, and the likelihood of weather-related disruptions to evaluate potential external threats that could impact their operations.

Focusing on issues like regulatory climate, power availability, and automation will be key to growth



Maintaining or improving a state's competitiveness requires continuous monitoring and swift responses to both opportunities and challenges. States that can anticipate changes or implement smart scenario planning to enable rapid responses gain a distinct competitive advantage.

Looking back, predictions of technological transformation, increased remote work, evolving factors influencing worker mobility, and intensified competition among states have all proven accurate. Now, as the American economy stabilizes, new trends are emerging.

Affordability has become a top priority for both residents and businesses, with affordability and desirability now shaping overall livability. People and companies are increasingly relocating to lower-cost areas that still offer in-demand amenities. Key competitive factors—such as housing costs, tax rates, insurance premiums, healthcare expenses, and the overall cost of doing business—are playing a larger role in location decisions.

Currently, Delaware's **cost of living** is well above the national average, and housing prices continue to rise. For businesses, affordability extends beyond tax rates to include various operational costs. CNBC's latest ranking places Delaware 44th for the overall **cost of doing business**. The economic balance between supply, demand, and price remains critical. If Delaware wants to maintain its appeal as a desirable place to live and work while

avoiding out-migration due to affordability concerns, it must ensure that housing supply meets demand. Reviewing regulations that slow the building process could help improve affordability.

Business timeframes have also shortened, with investment decision cycles accelerating. Companies now prioritize factors such as ready-to-occupy buildings, shovel-ready sites, reliable utility infrastructure (including power supply), streamlined review and permitting processes, and prompt responses from economic development professionals. CNBC's latest ranking for Delaware's business friendliness places the state at 46th, highlighting the need for improvements in regulatory efficiency and responsiveness.

Measuring and minimizing risk has become an increasingly important factor in location decisions. The COVID-19 pandemic, a surge in major weather disruptions, heightened concerns about crime, worker health, and shifting national economic policies have all reinforced the importance of risk assessment in long-term business planning. Crime rates spiked in 2020, and while they have declined in many areas, they remain above pre-pandemic levels in others. Currently, Delaware's crime rankings do not provide a competitive advantage.

These last three trends highlight long-standing business considerations that have always been essential in balancing cost, time, and risk. The next four trends present new opportunities and challenges.

The era of **free-trade globalization**, which began after World War II and has shaped bipartisan public policy for the past 35 years, is rapidly unraveling and will not be a priority in the near future. Most experts agree that rising global tensions will force multinational companies to reassess their labor sources, production capacity, supply chains, and logistics strategies. Reshoring, nearshoring, and new trading alliances will disrupt existing plans but also create new opportunities.

The United States' **new industrial policy**, which includes substantial investments in targeted manufacturing sectors, is already generating jobs and expanding domestic capacity. For Delaware, these shifts present opportunities for job creation

Delaware's current population growth is mostly attributed to people leaving a state versus coming to Delaware

and investment. A comprehensive review of the state's economic development strategies, incentive policies, and supply chain infrastructure could help position Delaware to benefit from these changes.

Artificial Intelligence (AI) will have a significant impact on Delaware businesses, though the exact timing and extent remain uncertain. However, most experts agree that AI adoption will accelerate in the coming years. Industries expected to be most affected include Finance and Insurance, Retail Trade, and Health Services—all of which are vital to Delaware's economy. Any job reductions in these sectors could have widespread economic effects across the state. At the same time, businesses that embrace AI will anticipate productivity gains and operational efficiencies, reshaping workforce needs and industry dynamics.

Labor force quality and quantity will remain critical to Delaware's economic success. To ensure a sufficient workforce for growth, the state will need to implement a combination of strategies, including retaining more local high school and college graduates, attracting domestic migrants, increasing labor force participation among current residents, and welcoming more legal foreign-born workers.

The size and skill level of Delaware's labor force will continue to be one of the most important factors in shaping the state's future. When choosing where to live and work, people prioritize housing options, strong education systems, affordable and well-regarded healthcare, and safety. Additionally, quality of life factors—such as recreational and cultural opportunities—play a significant role in attracting and retaining residents.

Building a growing, skilled workforce will remain a challenge, but addressing these factors can help Delaware stay competitive and prepare for future economic demands.

Finally, **leadership foresight and action** have become even more critical to economic success. As complexity increases, collaboration among leaders is essential. The rising risk trend highlights that the factors crucial to business growth and profitability have expanded beyond traditional concerns. Today, housing, childcare, and power supply have joined business climate and workforce development as critical challenges requiring proactive leadership. To remain competitive, stronger collaboration among economic, community, and workforce development groups—as well as between public and private sector leaders—is essential.

If Delaware aims to become a national leader in economic growth and quality of life, there is work to be done. Nearly every other state is taking action to enhance its competitiveness. Developing a strong competitiveness strategy requires identifying the aspirations and needs of stakeholders and aligning those goals with realistic, achievable outcomes.

When asked about their top priorities, Delaware business leaders identified six key areas.

- 1) Government mandates and regulations
- 2) Education
- 3) Workforce quality
- 4) Cost of doing business
- 5) Leadership
- 6) Healthcare

Looking ahead, Delaware’s future growth outlook remains positive. Between 2025 and 2035, the state's total population is projected to increase by over 67,000 people (6.4%), while the number of households is expected to rise by 23,579 (5.7%). During this period, the total labor force is estimated to grow from 500,394 in 2025 to 516,954 in 2035, representing a 3.3% increase.

The most crucial step in maintaining and improving Delaware’s competitiveness is to identify and implement targeted actions that will move the state from its current competitive position to its desired future. Successful strategic initiatives are typically specific, realistic, actionable, well-resourced, and measurable, ensuring meaningful progress toward long-term economic growth and prosperity.

ABOUT THE DELAWARE STATE CHAMBER OF COMMERCE

The Delaware State Chamber of Commerce is dedicated to promoting an economic climate that strengthens the competitiveness of Delaware businesses and benefits citizens of the state. Founded in 1837 as the Wilmington Board of Trade, the Delaware State Chamber of Commerce has a long history as the largest, most influential business organization in the state.

The State Chamber is uniquely positioned to bring parties together to solve problems, create jobs, promote business, and improve the quality of life for all Delawareans. Learn more at www.DSCC.com.

ABOUT ECONOMIC LEADERSHIP

Researched and written by Ted Abernathy of Economic Leadership.

As economic and business strategists, Economic Leadership helps their clients anticipate and prepare for the future. Change is accelerating, and competition is fierce. Effective strategy, stakeholder engagement, and communication are critical to success.

Their clients include state and local governments, public and private companies, academia, economic development organizations, nonprofits, and more.

Over the last ten years, Economic Leadership’s consultancy has provided strategic planning, analysis and counsel to hundreds of clients, bolstered by decades of experience in state and local economic development, real estate, planning, organizational management, public affairs and analytics.