

D R A F T
Meeting Minutes
Delaware Population Consortium
October 11, 2005
10:00 a.m.
Second Floor Conference Room
Thomas Collins Building
Dover, DE

In Attendance:

Kelly Crumpley – Kent Co.	Don Berry – Dept. of Education
Derrick Lightfoot, AICP – City of Wilmington	Dan Blevins – WILMAPCO
Jennifer Leister – New Castle Co.	Kevin Hickman – Dover/Kent MPO
Mike Mahaffie – State Planning Coordination	Barbara Gladders – DHSS
Ric Kautz – Sussex Co.	Stephanie Hansen – YCST
Ed Ratledge – University of Delaware	Dawn Melson – City of Dover

The meeting was called to order at approximately 10:06 a.m. There was a round of introductions. Stephanie Hansen, of Young Conaway Stargatt & Taylor, attended based on her interest in growth trends throughout the state.

Review and approval of minutes of previous meeting

Kevin Hickman moved approval of the minutes of the September 13, 2005 meeting. Don Berry seconded the motion. The motion carried, unanimously.

Review and discussion of the proposed 2005 DPC projections

Don Berry handed out copies of the proposed final draft of the 2005 Population Projections Series. The draft was in its final form, with front matter including an updated methodology section and with a map of the state, counties, and the three major municipalities for which the Projections Series includes data.

Ed Ratledge explained that he had not received any major comments from the group since the last meeting. He explained that the final draft includes a slight increase in projected population, statewide. The larger changes, he noted, were at the county and community level.

Ed explained that there has been a slight reduction in project population for New Castle County. Part of this reflects a shift of population from New Castle County to Kent County. Sussex County, he said, continues to grow according to plan, though the actual growth rate has started to slow. Kent County is now growing at a slightly faster rate than Sussex, at least on a percentage basis. Ed wonders whether that is likely to continue.

The City projections remained essentially the same, as they were within a one percent margin of error when compared to the latest Census Bureau “place” estimates. We will need to recheck, however, when the next round of place estimates comes out. That, he said, is expected in the next several months.

Ed listed several other areas that the Consortium should keep an eye on. These include whether or not the racial mix is right. Ed has been working with the “bridge tables” created by the National Center for Health Statistics to translate the new multiple-race categories of the Census Bureau, into the older five-race categories on which much of the projections data work is based.

Another issue that will bear watching, he said, is that the population is aging, casting some shadows over the future of the labor force. This is due to the tendency of persons to ease out of the labor force as they age. This may result in an imbalance between the demand for workers and the ability of the Delaware labor force to fully meet that demand. This is complicated by the tendency of Delaware's in-migration to be more heavily weighted towards migrants in their later years.

There was a general, spirited discussion of the ramifications of this issue. This discussion included a review of some of the issues around the outsourcing of part of the MBNA work to Maine, several years ago, and the rate and demographic make-up of migration in and out of Delaware.

Ed repeated that Delaware is likely to have a stronger need for employees than we will have people to fill jobs. He added that there are similar problems in Maryland and Pennsylvania as well.

Ed pointed out that the situation now is very fluid for several of the major factors affecting population growth in Delaware. He said there is still a potential problem in the interest rate market; should rates go up, as is a possibility, that may have a strong negative effect on the homebuilding industry.

Derrick Lightfoot asked what some of the major issues for the economy are. Ed Ratledge responded that energy is a problem, that the call-center industry is becoming passé and that Delaware is over-invested in that industry, that we don't really know if the biotechnology cluster idea will work for Delaware, and that the service sector has changed and grown to include large parts of the professional fields that used to be part of manufacturing. He referred to this as "outsourcing the front office."

Ed added that health care is a large problem. As health insurance costs rise for businesses, employees get more expensive. That may lead employers to look for ways to get by with fewer of the (expensive) employees. He added that the rise in pension costs is also a problem.

He concluded by noting that these are all national problems, but that they are factors that the Consortium should be aware of as they may impact population growth in Delaware.

Derrick Lightfoot announced that he will question the projections for Wilmington, as he has in the past. The Projections as proposed show a flattening of growth in the near term and a slight reduction in total population in the out years. Derrick explained that he does not feel that the Consortium's projection methodology works for a City as small as Wilmington.

This led to another spirited discussion.

Don Berry noted that Wilmington representatives have been involved with the Consortium for 30 years, and have often had similar questions. He added that there had been similar disagreements in the 1990s but that the Census Bureau's 2000 population data for Wilmington had borne out the Consortium's projections. In fact, he said, the 2000 Census data indicated that the Consortium had slightly over-estimated Wilmington population.

Dan Blevins challenged Derrick to continue working with the Consortium to find new and more accurate data sources on which to base the projections.

Ed Ratledge noted that there are a variety of factors that influence people's preference for not living in cities. He said that he had done a study of similar-sized cities in surrounding states and only found three with any positive population growth. He added that all of those were around the Washington DC beltway.

Stephanie Hansen asked about the effect of redevelopment projects such as that on the Wilmington Riverfront. Ed Ratledge answered that those tend to be small units and that there may be off-setting losses, such as new tenants coming to the new units from elsewhere in the city.

Derrick Lightfoot asked for a list of the data sources used in the projections. Don Berry noted that they are mostly found within the methodology Section of the population projections document. Ed agreed, but noted that other data sources sometime become available. He asked Derrick about several data sets he has been trying to get access to for some time that might shed further light on the situation.

Ed added that in any case there has been no increase in either births or deaths among Wilmington's total population; some increase in such vital statistics would be expected if there was an increase in population.

After a lengthy discussion, it was agreed that we will politely disagree and will continue to work together to increase the available data from which to make projections.

Returning to the larger discussion of the draft Projections, Ed told the group that it will have to keep an eye on trends in northern Kent and southern New Castle Counties. These are a volatile area. He also suggested that the state is now actively attracting people to move to the state who can take advantage of tax breaks for senior citizens and so not contribute to the funding needed to provide them with services.

Dan Blevins noted that there are major fiscal problems relative to transportation that may tend to slow the growth in housing, especially in New Castle County. Stephanie Hansen added that the lack of wastewater infrastructure may also be a major "stop sign" for Southern New Castle County.

After a general discussion, Don Berry made a motion to approve the Delaware Population Consortium Annual Population Projections, version 2005.0. Mike Mahaffie seconded the motion. The motion passed on a voice vote, with the City of Wilmington voting against the motion.

Don Berry will provide the final versions of the methodology, the Projection document, and spreadsheet versions of the projections. Mike Mahaffie will post those, when available, on the Consortium web site.

Don Berry asked about projections at the level of Census County Divisions (CCDs). Ed noted that he has completed work on CCDs for New Castle County, in conjunction with WILMAPCO, and has a final draft of projections for CCDs in Kent and Sussex Counties that can be reviewed by officials in those counties prior to final release.

Ed asked whether the Consortium should consider another round of the experimental estimates of Hispanic population. Barbara Gladders explained that the Consortium had worked out an appropriate methodology over the course of a year of meetings but has not released the results. She added that in the next several months she should be able to process birth and death data for

2004, which could allow the expansion of the estimates by one year. It was generally agreed to wait for that work and address the question in a future meeting.

Ed noted that he has requested new data on tax returned from theirs. That will let him track migration patterns. He is also waiting on new data from the American Community Survey and the Current Population Survey, both of which may shed further light on issues such as migration.

Election of Officers

Kelley Crumpley has been serving as Acting Chair, having stepped in from his position as Vice Chair during the year. He will remain as chair for the next year.

Ed Ratledge nominated Jennifer Leister as Vice Chair. Ric Kautz seconded that nomination. Derrick Lightfoot made a motion to close nominations. Don Berry seconded that motion and the motion passed, unanimously. A subsequent vote unanimously confirmed Ms. Leister as the new Vice Chair of the Consortium.

Mike Mahaffie has agreed to continue as Secretary to the Consortium. That proposal met with unanimous consent.

Other Business

Mike Mahaffie reported that he will meet with the Delaware Federal Credit union to secure the Consortium's small bank account. Mike also updated the group on ideas under consideration to fulfill the vacant "Census State Data Center" role, which had been filled by the Delaware Economic Development Office.

The meeting adjourned at approximately 11:55 a.m.