

DELAWARE ECONOMIC PROSPECTS, NOV. 2013



INDICATOR	12 MONTH TREND (moving average)	3 MONTH TREND (moving average)	COMMENT
OVERALL ECONOMY			
Leading indicator	Increasing	Steady	No recession through 2014 Q2
Gross state product	Increasing	Decreasing	Slowest growth rate among 50 states
Personal income	Increasing	Decreasing	3% y/y growth rate driven by transfer payments
Employment	Increasing	Increasing	Growth rate 24th among states, 18,000 jobs below 2008 peak
Inflation	Decreasing	Decreasing	Even medical care price hikes are moderate
SALES			
Retail	Increasing	Increasing	Inflation adjusted total sales up 2.8%,2.4% without autos
Motor vehicle	Increasing	Increasing	Deep discounts drive sales; 7% per anum
Furniture, electronics	Increasing	Increasing	Slower than retail sales but bouncing back
Pharmacies	Decreasing	Increasing	Coming out of 9 month dip; modest gains
Bldg. materials & garden supplies	Increasing	Decreasing	6% rise, but beginning to weaken with housing market
Clubs & superstores	Increasing	Increasing	Gaining ground and now growing at same pace as retail overall
Eating & drinking places	Increasing	Decreasing	Slowdown in full-service category
THE LABOR MARKET			
Unemployment rate	Steady	Steady	No improvement expected in the near term
Initial claims	Steady	Decreasing	Holding steady at pre-recovery level of 1,000 per week
Labor force	Decreasing	Decreasing	Discouraged workers continue to drop out of labor force
Wages adjusted for inflation	Decreasing	Decreasing	Remains a buyers' labor market
PRICES			
Food	Increasing	Decreasing	Slow and steady increases less than total inflation.

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INDICATOR	12 MONTH TREND (moving average)	3 MONTH TREND (moving average)	COMMENT
Housing	Steady	Steady	Single family home prices Steady, rents increasing
Transportation	Increasing	Increasing	Historically low at 2%
Medical care	Increasing	Decreasing	Low at 1.4%; uncertainty over new health insurance system
Clothing	Decreasing	Increasing	Back to school purchases; men's sales weak
FINANCIAL MARKETS			
Consumer distress	Increasing	Increasing	High unemployment rate, weak personal income, higher risk
10 year treasury	Increasing	Steady	2.75%, up 21 basis points since 10/29/31
30 year mortgage	Increasing	Increasing	4.49% in Del., 64 bps higher than national average
Aaa corporate bond	Increasing	Increasing	4.53%,73 bps higher year to date
Revolving debt	Increasing	Decreasing	Dropping 2.25% for four months in row
Non-revolving debt	Increasing	Steady	Auto sales continue to increase
CONSTRUCTION			
Residential permits	Increasing	Decreasing	Slowing for 4 months in a row
Residential starts	Increasing	Steady	Developers begin construction once house is sold
Commercial	Increasing	Steady	Few new projects
Industrial	Increasing	Increasing	Second month in a row
Infrastructure	Increasing	Increasing	Mostly government contracts
Housing			
Single family	Decreasing	Decreasing	Lower sales, due to higher mortgage rates
% selling for loss	Decreasing	Decreasing	Fewer short sales and foreclosures
Inventory for sale	Increasing	Increasing	Higher accumulated inventory
Rents	Increasing	Increasing	Lower affordability fueling rental market