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Analyzing of Competitiveness of Wilmington, Delaware

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Executive Summary

Using a conceptual model anchored in recent research on community competitiveness and information culled from a fifteen-year survey of several electronic databases, Wilmington's ability to compete in the new economy is evaluated by assessing the strengths, weaknesses, opportunities, and threats inherent in its existing stock of *polity, financial, physical, human, cultural, and social capital*.

The findings suggest strongly that, given its locational advantages and natural attributes, Wilmington has the opportunity to become a highly attractive place to live and do business. There are, however, major challenges which must be overcome if the community is to become highly competitive in the 21st century knowledge-based economy. Local officials need to resolve the (1) low levels of education attainment in the African American and Latino communities; (2) fiscal problems and low revenue base resulting from 42% of the land being exempt from taxation; and (3) potential race/ethnic tensions and conflicts resulting from growing population diversity.

To address these issues and to strategically reposition Wilmington to compete in the years ahead, we recommend the following:

Recommendation #1: *Improve educational opportunities for underrepresented minority and ethnic groups.* Highly competitive communities rely on an educated workforce. Partnerships between business, education and government institutions are the key to preparing citizens to compete in a knowledge-intensive and technology-driven society. Innovative education partnerships like the one that created the Charter School of Wilmington, must be forged more broadly in the region, especially in areas with high concentrations of African-American and Latino youth.

Recommendation #2: *Develop additional job training programs to support unemployed and underemployed workers, as well as retain key employers.* Job training programs that serve as a pipeline to industry will encourage business retention and growth. Specifically, more initiatives are needed that support training in mathematics, technology, biotechnology and other sciences. Such training will better position the County as a player in knowledge driven economy of the 21st century.

Recommendation #3: *Cultivate working and supportive relationships with the Latino immigrant population.* Census estimates indicate that Delaware's Latino population will continue to grow for years to come. Proactively addressing their needs and finding mechanisms for bringing them into the social and business mainstream of the community will prove advantageous to economic development efforts.

Recommendation #4: Build upon the community's reputation as a proactive business environment and its well-developed transportation infrastructure to increase international trade activity. Implementing policies that maintain favorable tax incentives and foster diversified business opportunities should increase foreign investment in the area and provide significant sources of employment for existing and newly trained workers.

Recommendation #5: Continue support of gaming industry. Enhancement of regulations to attract and retain gaming operations will provide employment opportunities and a significant revenue source through tourism. In supporting the gaming industry, local officials should adopt strategies advocated in other cities to ensure that the advantages outweigh the potential negative effects of gaming operations.

Introduction, Critical Background, and Purpose

Research indicates that communities that have proven to be attractive places to live and do business in the 21st century knowledge-based economy possess a distinct set of characteristics. Highly attractive and competitive communities:

- Actively and aggressively pursue strategic alliances with other communities, domestically and especially internationally, with an eye toward developing not only cultural ties but also profit-centered activities that generate revenue and create jobs for the local citizenry.
- Create a regulatory environment that promotes and supports the generation of new community wealth via civic entrepreneurial ventures and innovations that are designed specifically to sustain and enhance the health, viability, and vitality of the community.
- Recognize the need for, and are committed to continuous investment in, a world-class physical infrastructure that connects them to the regional, national, and international economy.
- Invest heavily in their educational system (K–12, community colleges, and four-year institutions) to ensure the availability of education and training programs for their citizens so that they can compete for new economy jobs, thereby enhancing the community’s attractiveness to businesses.
- Instill in their citizens, especially their youth, the attitudes, values, and beliefs about education and work that are key to upward mobility in the knowledge-based economy of the 21st century.
- Strive to reduce, to the maximum extent possible, geographical, racial and/or ethnic, and class disparities by investing substantial resources in an array of community-building institutions (e.g., the YMCA, the YWCA, and the Boys and Girls Club) that seek to mend the social fabric and provide bridges to education and economic mainstream for their members, especially those who are socially and economically disadvantaged.

Under-girding these characteristics, as Table 1 shows, are six types of community capital assets — polity, physical, financial, human, cultural,

and social—which interact, as specified in Figure 1, to create a healthy, highly competitive community.¹ It is important to note that the absence of any one of these six types of capital can seriously limit the ability of a community to compete in the 21st century marketplace. But, as Figure 1 shows, it is the polity capital (i.e., the local government), which creates the conditions or climate enabling the other five types of capital to drive competitiveness. In highly competitive communities, government decision-making is agile and flexible, not static or bureaucratic. Assuming the business-equivalent role of managing partner, the local government is prepared — almost on an ad hoc basis — to foster or facilitate networks and linkages among key community stakeholders to build or develop the requisite physical, financial, human, cultural, and social capital to facilitate community economic health and competitiveness.²

¹ For a detailed discussion of the theoretical underpinnings of our model of community competitiveness, see James H. Johnson, Jr., 2002a, “Enhancing the Competitiveness of North Carolina Communities,” *Popular Government*, Winter, pp. 6-18; James H. Johnson, Jr., 2002b, U.S. Immigration Reform, Homeland Security, and Global Economic Competitiveness in the Aftermath of the September 11, 2001 Terrorist Attacks,” *North Carolina Journal of International Law and Commercial Regulation*, Vol. 27, pp. 419-464.

² To play this role effectively, the local government in a highly competitive community typically establishes a knowledge management system and data warehouse, which enables it to monitor trends and developments internal and external to the community in real time. For a detailed discussion of the importance of having such a system in place, see Don A. Holbrook, 1995, “Economic Development Facing up to the 21st Century,” IEDN’s Economic Development Intelligence Reports, available at http://iedn.com/information/intelligence/articles/edirfacing21st_cent10595.html, accessed March 28, 2003; and IEDN, 1996, “Site Selection Trends in the Electronic Era & Global Economy.” IEDN’s Economic Intelligence Reports, January, available at <http://iedn.com/information/intelligence/articles/janedire.html>, accessed March 27, 2003; IEDN, 2000, “Rural Economic Development Issues for the 21st Century,” IEDN’s Economic Development Reports, January, available at <http://www.iedn.com/information/intelligence/articles/FEBEDIRE>, accessed March 28, 2003. .

Table 1: Types of Community Capital Assets

- **Polity Capital:** commitments from local government organizations to continuously strive to enhance the health and socioeconomic well being of local residents and advance the competitiveness of the local community in the global marketplace.
- **Physical Capital:** the network of highways, railways, airports, telecommunications (telephone, Internet, etc.) and water and sewer systems that form the infrastructure of the community.
- **Financial Capital:** traditional and non-traditional sources of revenue that support the provision of services and promote future economic growth and community development.
- **Human Capital:** individuals with the requisite education, training, and “soft” skills to compete for jobs in the highly integrated world economy.
- **Cultural Capital:** residents with the appropriate values, attitudes, and beliefs about their current life chances and their future opportunities in the local community.
- **Social Capital:** resources – personal and institutional – through which individuals maintain their social identity and receive emotional support, material aid and services, information, and new social contacts.

Source: Johnson (2002a).

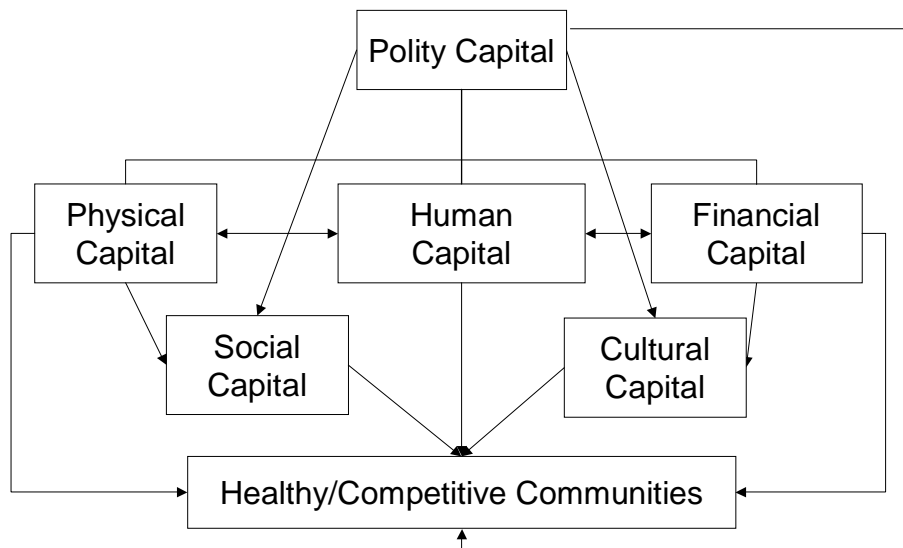
Depending on the nature of the issue, these networks may be industry- or sector-specific, ethnic-based, or regional in composition.³ In some instances, they may involve business leaders who are staunch competitors in the local marketplace. In highly competitive communities, leaders of competing businesses often work together to solve local problems because they recognize that their “cooperation” or “competitive collaboration” will ultimately benefit

³ Joel Kotkin, 1998, “Cities Need Leaders ... and Businessmen are Indispensable,” *The American Enterprise*, September/October, Vol. 9, pp. 24-26+.

their respective companies.⁴ In other words, it is a form of enlightened self-interest.

Figure 1

**A BUSINESS-ORIENTED CONCEPTUAL MODEL FOR ENHANCING
COMMUNITY COMPETITIVENESS**



Sources: Compiled by authors based on Johnson (2002a).

In the remainder of this report, we apply this model in a case study assessment of the current competitive position of Wilmington, DE. We begin by describing the methodology employed to operationalize the model. Next, we

⁴ John K. Conlon and Mellisa, Givagnoli, 1998, **The Power of Two**. San Francisco: Jossey-Bass, Inc.

provide a demographic and socioeconomic profile of Wilmington, DE and then present the results of the competitive assessment.

METHODOLOGY

To operationalize the model, we conducted a community-level SWOT analysis, which identifies the internal (Strengths and Weaknesses) and external (Opportunities and Threats) forces that shape an area's overall health, economic well-being, and attractiveness as a place to live and do business.⁵ As Table 2 shows, such an analysis strives to answer specific questions about the community's strengths, weaknesses, opportunities, and threats.

Table 2: Questions Posed in a Community-Level SWOT Analysis

Strengths
• What does the community do well?
• Does the community have a clear strategic vision?
• Does the community have an entrepreneurial orientation?
• Does the community culture produce a healthy environment in which to live and do business?
Weaknesses
• What could be improved in the community?
• What does the community do poorly?
• Is the community able to finance needed infrastructure?
• Does the community have poor debt or cash flow?
Opportunities
• What favorable circumstances is the community facing?
• What are the interesting trends?
• Is the community positioned to take on those trends?

⁵ Don A. Holbrook, 1995, "Economic Development Facing up to the 21st Century," IEDN's Economic Development Intelligence Reports, available at http://iedn.com/information/intelligence/articles/edirfacing21st_cent10595.html, accessed March 28, 2003; and IEDN, 1996, "Site Selection Trends in the Electronic Era & Global Economy," IEDN's Economic Intelligence Reports, January, available at <http://iedn.com/information/intelligence/articles/janedire.html>, accessed March 27, 2003; IEDN, 2000, "Rural Economic Development Issues for the 21st Century," IEDN's Economic Development Reports, January, available at <http://www.iedn.com/information/intelligence/articles/FEBEDIRE>, accessed March 28, 2003. .

<ul style="list-style-type: none"> • Is the community advanced in technology?
Threats
<ul style="list-style-type: none"> • What obstacles does the community face?
<ul style="list-style-type: none"> • What are the community's competitors doing?
<ul style="list-style-type: none"> • Are the demographic and economic conditions changing?
<ul style="list-style-type: none"> • Is technology threatening the community's competitiveness?
<ul style="list-style-type: none"> • What policies are state and federal lawmakers backing?
<ul style="list-style-type: none"> • Do the policies affect the community and, if so, how?

Source: Compiled by authors.

To answer these questions for Wilmington, DE, our case study community, we engaged in the same type of *community competitiveness intelligence gathering* that a corporate relocation consultant pursues to develop a short list of ideal sites for a client's business relocation or expansion⁶. That is, we conducted an exhaustive search of publicly-available information using the electronic search engines and research indexes identified in Table 3.

We used Wilmington and New Castle County as place identifiers and combined this information with an array of search terms culled from prior research on community competitiveness. The search, which included mainly newspaper and popular articles, technical reports, government documents, and statistical information, spanned a fifteen-year period, 1991 to 2006. Much information was gained directly or indirectly (through links) from the Wilmington and New Castle County government web sites. The community-level SWOT results discussed below are based on our content analysis of these search results.

⁶ IEDN, 1996, "Site Selection Trends in the Electronic Era & Global Economy." IEDN's Economic Intelligence Reports, January, available at <http://iedn.com/information/intelligence/articles/janedire.html>, accessed March 27, 2003

Table 3: Gateways and Databases Used in the Research

GATEWAYS	DATABASES
AltaVista.com	All Business Websites
Google.com	General Search Engine
Yahoo.com	General Search Engine
ABI Inform/ProQuest	Periodicals and Newspapers
Topix.net	Newspapers
ProQuest	All Articles
Lexis/Nexis	Academic Universe
	Statistical Universe
	Government Periodical Universe

Source: Compiled by authors.

DEMOGRAPHIC PROFILE

Wilmington, Delaware—defined for purposes of this analysis as all of New Castle County—had 523,008 residents in 2005, a 4.5% increase over the Census 2000 count of 500,265. This is a slightly slower rate of growth than the 13.2% growth Wilmington experienced during the 1990s.⁷ As shown in Table 4, 73.1% of New Castle County’s residents are white, 20.2% are African-American, and 5.3% are Latino. During the 1990s, the white population grew by just over 10,000 (%), the African American population grew by 28,331, and the Latino population more-than doubled. By 2004, Latinos accounted for 6.5% of New Castle County’s residents.

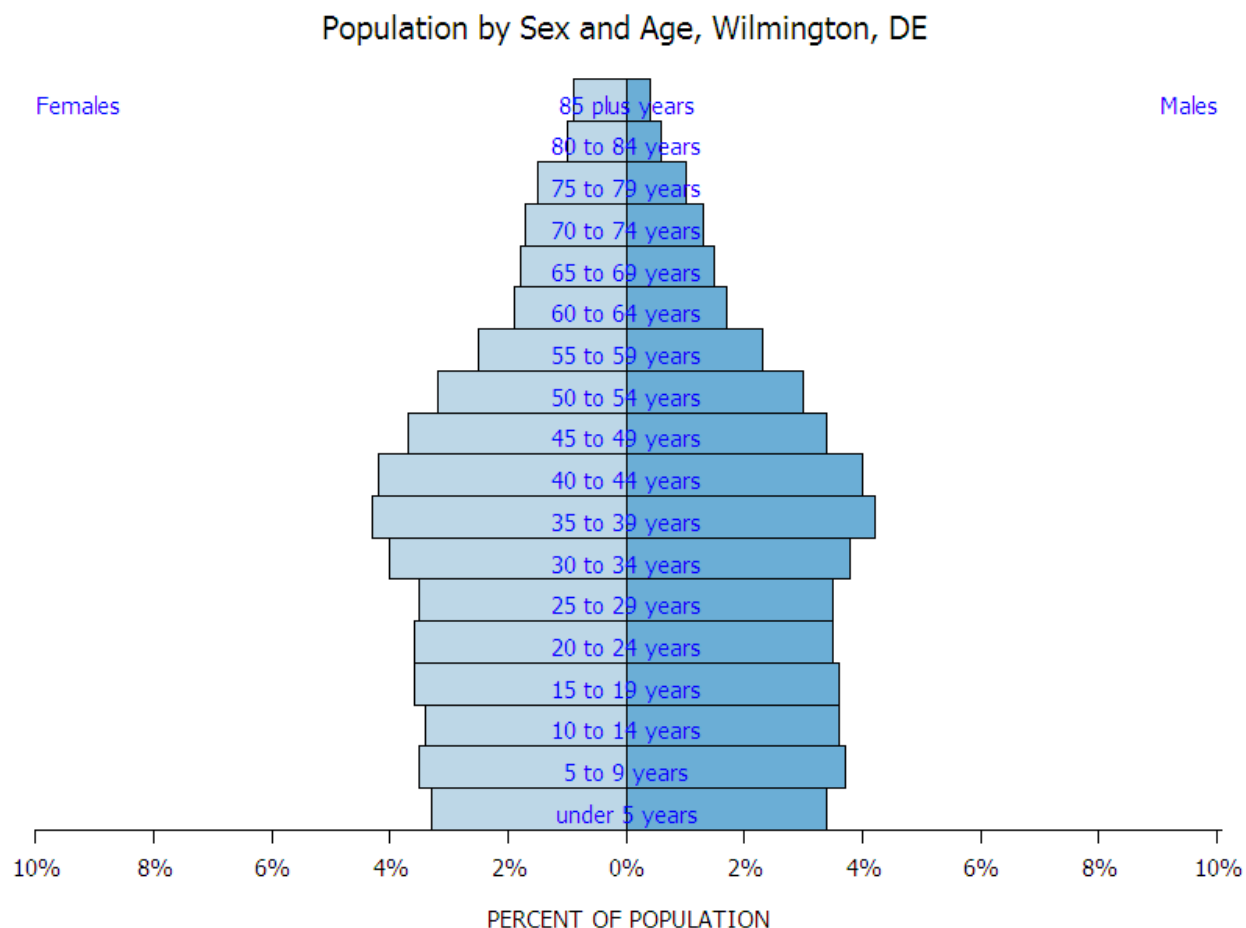
⁷ <http://quickfacts.census.gov/qfd/states/10000.html>

Table 4: Key Demographic Characteristics of Wilmington and State of Delaware

	Wilmington	State of Delaware
Total Population, 2005	523,008	843,523
Population Change, 2000-2005	4.5%	7.6%
% Female	51.4%	51.3%
% <15	20.9%	20.7%
% >65	11.6%	20.5%
% African American	20.2%	19.6%
% White	73.1%	72.3%
% Latino	5.3%	4.7%

Source: Summary File 1, Census 2000, www.census.gov

Figure 2 depicts the age-sex structure of the Wilmington area. Almost a quarter of Wilmington's population is under age 15, and 11.6% are age 65 or older. Unlikely to be full-time workers, these two age groups are often referred to as "dependent" populations since they typically rely on either family or institutions (e.g. Social Security) for support.



The median household income in Wilmington (\$52,419) was significantly higher than the national median household income (\$41,994) in 2000. Similarly, the median family income in Wilmington (\$62,144) was also well above the national average (\$50,046). However, as shown in Table 5, there are considerable racial and ethnic variations in income in Wilmington. In 2000, the median white household income was \$56,877, compared to \$38,232 for African-Americans and \$36,781 for Latinos. A similar disparate pattern existed in terms of median family incomes: \$67,619 for white families, \$43,037 for African-American families, and \$37,568 for Latino families. Poverty rates

also varied significantly among these groups, with only 5.5% of white individuals living in poverty compared to 17.2% of African-Americans and 22.3% of Latinos in 2000.

Table 5: Income, Poverty, and Adult Education by Race, Wilmington, DE, 2000

	<i>Wilmington</i>	<i>White</i>	<i>African American</i>	<i>Latino</i>
Median Income				
Household	\$52,419	\$56,877	\$38,232	\$36,781
Family	\$62,144	\$67,619	\$43,037	\$37,568
% Poverty	8.4%	5.5%	17.2%	22.3%
Education (25+)				
<12 Years	14.5%	12.2%	22.1%	40.5%
High School	29.6%	29.4%	34.0%	24.1%
Some College	26.3%	26.5%	27.9%	21.1%
College Graduate	18.5%	20.2%	10.7%	9.3%
Post Graduate	11.0%	11.6%	5.3%	5.0%

Source Summary File 3, Census 2000, www.census.gov

Table 5 also shows the distribution of educational attainment for adults age 25 and older for all of Wilmington and separately for white, African-American, and Latino adults. The overall distribution of educational attainment in Wilmington is better than the national pattern, with lower proportions having less than a high school education (14.5% compared to 19.6% nationally) and higher proportions holding a bachelor's degree (18.5% compared to 15.5% nationally). White adults fare even better at 12.2%, but African-American and Latino adults lag well behind. Roughly one fifth (22.1%)

of African-American and 40.5% of Latino adults have less than a high school education. About half as many African-Americans and Latino adults have a bachelor's degree or post-graduate education compared with whites.

Table 6 shows the distribution of employment by industry in Wilmington. Six industry categories are highlighted: (1) Primary activities (agricultural and mining); (2) Transformative activities (manufacturing and construction); (3) Distributive services (transportation, communication, wholesale and retail trade); (4) Producer services (finance, insurance, real estate, and business services); (5) Personal services (entertainment, repairs, food and beverage), and (6) Social services (medical, education, and government).

Table 6: Distribution of Jobs by Industrial Categories: Wilmington and State of Delaware, 2000

	Wilmington	State of Delaware
Transformative Activities (e.g. manufacturing and construction)	19.2%	20.2%
Distributive Service (e.g. transportation, communications, wholesale and retail trade)	17.8%	18.8%
Producer Services (e.g. finance, insurance, information services and other business services)	27.4%	22.4%
Personal Services (e.g. entertainment, food services)	11.4%	10.2%
Social Services (e.g. health care, education, government)	23.6%	24.2%
Primary Activities (e.g. agriculture)	0.5%	1.1%

Source: Table P49, Summary File 3,
Census 2000

Over one quarter of jobs (27.4%) are in the high-paying producer services sector, much higher than the national figure (19.3%). This is clearly a positive element in Wilmington's economy. The second largest sector is social services, followed by transformative activities and distributive services.

SWOT Analysis

If New Castle County is to enhance its competitive position in an ever-changing, global society, it is imperative that all stakeholders in the County acknowledge the community's challenges and leverage its advantages. Below, we present the most salient findings of our SWOT (strengths, weaknesses, opportunities and threats) analysis. A summary of the SWOT findings are presented in Appendix Table A1.

STRENGTHS

Among New Castle County's greatest strengths are its polity capital assets and its strong pro-business climate. Over half of the Fortune 500⁸ companies call Wilmington home due to the state's favorable corporate franchise tax laws and its nationally recognized Court of Chancery⁹. Prominent industries include banking, insurance, and legal services. Over 60 banks – state, regional, and national – are located in the Wilmington area. This is likely due in part to the Financial Center Development Act of 1981, which eliminated

⁸ <http://www.city-date.com/us-cities/The-South/Wilmington-Economy.html>

⁹ In the Court of Chancery, legal decisions rest with a judge instead of a jury.

usury laws, thereby removing the cap on interest rates that banks may legally charge customers¹⁰.

The County offers a host of services for small- and minority-owned businesses through its Minority Business Enterprise Office (MBEO) and the World Trade Center Delaware. Various initiatives assist disadvantaged and new or expanding businesses with shared resources, training, partnerships, loans,¹¹ and international expansion¹². Such initiatives promote a culture of entrepreneurship and an exchange of information that is vital to business success.

Another initiative, the Christina Gateway Corporation (CGC), was created 25 years ago as a city and state government partnership to promote development in the Christina Gateway area of the city. This commercial center encompasses the area covering the eastern sector to the waterfront.

The New Castle County Economic Development Council website (<http://www.nccedc.com>) is user-friendly and offers a wealth of information that is useful to persons and/or businesses relocating to the area. The New Castle County Chamber of Commerce website (<http://www.nccccc.com>), although slightly less robust, has detailed information on resources available to support business investments and create a prosperous economy. Services include Business Programs (tours, small business training workshops); Consultant, Environmental and Engineering, and Home-Based Business

¹⁰ <http://www.answers.com/topic/wilmington-delaware>

¹¹ <http://www.ci.wilmington.de.us/mbeo.htm>

¹² <http://www.wtcde.com> - World Trade Center Delaware

Forums (professional growth and development); Networking Breakfasts and Mixers; Roundtable Program (quasi Board of Directors); Video Luncheon Series (presenters include leading corporate executives, consultants or academics); and a Small Business Newsletter. The website of the County Executive (<http://www.nccde.org>) promotes transparency between government and citizens. It is quite comprehensive, providing detailed information on all aspects of county government, including finances/budget, maps, land use, deeds, emergency planning, employment, and housing.

Regarding the County's financial situation and leadership, the County enjoys AAA bond ratings from each of the major bond rating agencies. The ratings are enhanced by a County Executive who is focused on sound fiscal and budget management, and growth through cost cutting and spending restraints, which is evidenced by currently strong financials, with significant reserves¹³. Management practices are supported by a proposed FY 2007 budget that focuses on affordable housing and problem properties, quality of life issues (safety, water and sewer,) youth activities, and support for the diversification and sustainability of economic growth through jobs, innovation and redevelopment¹⁴. Additionally, Wilmington has strong leadership in the newly appointed director of the Wilmington Office of Economic Development who brings significant experience across state (state representative), city (city council member) and corporate (DuPont)¹⁵ sectors.

¹³ <http://www.dscc.com> - Delaware State Chamber of Commerce

¹⁴ <http://co.new-castle.de.us/countyfinances> - Comprehensive Annual Budget Summary 2007

¹⁵ http://www.ci.wilmington.de.us/mayorpress/2006/0705_pinto_econdev.pdf

As Table 7 shows, New Castle County boasts unemployment rates that are consistently equal to or less than the city of Wilmington, the state of Delaware and the nation as a whole.

TABLE 7: Unemployment Rates for Wilmington MSA, State of Delaware, and U.S., 2004-2006

	Apr 2006	Dec 2005	Dec 2004
Wilmington	5.2%	4.9%	6.0%
New Castle Co.	3.7%	4.1%	4.0%
State of Delaware	3.7%	4.4%	4.2%
United States	4.7%	4.9%	5.4%

Source: Current Population Survey

Further support of the favorable business climate is evidenced by an excellent geographic location and transportation infrastructure. One of Wilmington's greatest resources is its location nestled between the Cape Fear River and the Atlantic Ocean. Wilmington lies at the fall line that separates the flat coastal plain from the hilly areas to the west. East of Market Street, and along both sides of the Christina River, the land is flat, low-lying and marshy in some places. The west side of Market Street is hilly and rises to a point that marks the watershed between the Brandywine and the Christina Rivers. The County's landscapes vary from the rolling hills and forest covered "Chateau Country" in the north, to farmland and tidal marshes in the south. The area is located mid-way between New York City and Washington, DC - approximately

100 miles in each direction and approximately 25 miles southwest of Philadelphia, PA.

Amtrak serves the community with rail transportation to all nearby metropolitan areas. Greater Wilmington is easily accessible by I-95, from Pennsylvania or Maryland and points south, and by I-295 and the New Jersey Turnpike via the Delaware Memorial Bridge from New Jersey and points north. Freight rail service is provided by CSX and Norfolk-Southern.

New Castle Airport (ILG) is located five miles from downtown Wilmington. It has three major runways, ten taxiways, and several aircraft parking ramps. Facilities for private aircraft are provided and several charter flight companies are available at the airport. The airport houses fleets of aircrafts maintained by local corporations. The facility also serves as a center for aircraft sales and service and contains a recently expanded international flight safety training facility. Boeing Vertol Aircraft has a flight test center at the airport where the V-22 Osprey tilt rotor aircraft is tested.

Philadelphia International Airport, located 30 minutes from downtown Wilmington, provides an extensive schedule of national and international flights as well as complete freight operations. In addition, the airport is undergoing a major renovation and expansion that will vastly improve service and convenience to all air travelers in the Delaware Valley.

In Wilmington and New Castle County, DART (Delaware Administration for Regional Transit) First State provides more than 40 bus routes serving the suburbs, park & ride lots, and downtown business district. The RT 32 City

Circuit bus route provides frequent service throughout the downtown area including the Wilmington Train Station, one of the last stops on Philadelphia's SEPTA rail transportation system.

The Port of Wilmington¹⁶, located at the confluence of the Delaware and Christina Rivers, and 65 miles from the Atlantic Ocean, is a full-service deepwater port and marine terminal handling over 400 vessels per year with an annual import/export cargo tonnage of 5 million tons. Today, Delaware's port is the busiest on the Delaware River and it serves as the number one port in North America for imports of fresh fruit, bananas, juice concentrate, and palletized frozen beef.

Numerous educational institutions working to address undereducated populations strengthen human capital assets. One such establishment is the Charter School of Wilmington, which was founded in 1996 as an independently operated public school managed by a consortium of six companies. Partners include AstraZeneca, Christiana Care Health System, Conectiv (a subsidiary of Pepco Holdings Inc.), DuPont, Hercules Incorporated, and Verizon. The school offers a math and science college preparatory program that has received numerous awards and accolades for top scores in the state of Delaware school system. Achievements include highest math, science, reading, social studies, and SAT scores, as well as a 98% college attendance rate¹⁷. The school is a member of the National Consortium for Specialized Secondary Schools of

¹⁶ <http://www.portofwilmingtonde.com>

¹⁷ <http://www.charterschool.org> – Charter School of Wilmington

Mathematics, Science and Technology (NCSSSMST)¹⁸, which was established in 1988 to provide a forum for member schools to exchange information and ideas, as well as, to create educational alliances.

Educators are dedicated to, and in many instances, succeeding in improving student achievement in each of the four elementary school districts (Brandywine, Christina, Colonial and Red Clay Consolidated).¹⁹ Strategic planning involving teacher training, mentorship and leadership development, as well as parental involvement and increased advanced placement courses create quality instructors and students that are well prepared to enter one of Wilmington's four colleges or over twenty, nearby post- secondary institutions.

New Castle County has several job training partnerships to support its workforce. The Retail Skills Center is a coalition established to meet workforce needs in order to match projected growth in the retail and hospitality sectors. The coalition includes the Delaware State Chamber of Commerce, the Delaware Retail Council, Delaware Technical & Community College, the Delaware Workforce Investment Board, the City of Wilmington, and the State Department of Labor. Training is targeted to entry-level and senior associates, as well as managers. The City of Wilmington will form a new Job Corps center sponsored by the Delaware Chamber of Commerce and the U.S. Chamber of Commerce's Center for Workforce Preparation. The center will be a satellite of the Philadelphia Job Corps Center that provides

¹⁸ <http://en.wikipedia.org>

¹⁹ <http://www.bsd.k12.de.us>; <http://www.christina.k12.de.us>; <http://www.colonial.k12.de.us>; <http://www.redclay.k12.de.us>

education and job training in facility maintenance, culinary, business, clerical, and health occupations.

The New Castle County Vocational Technical School equips students for the labor force through internships, job shadowing, paid practicums, cooperative employment, and mentoring in one of 34 different careers found in six clusters: Business, Communications, and Computers; Construction Technologies; Health Services; Public and Consumer Services; Science, Energy and Drafting Technologies; and Transportation. Students are required to complete approximately 1500 hours of specialized skills and technical training, in addition to a full academic course load²⁰. Nearly 57% of graduates attend post-secondary schools. The school also offers Adult Education Programs for individuals interested in retraining, continuing education, or completion of high school education requirements.

New Castle County maintains strong cultural capital through various non-profit organizations established to provide educational, recreational, artistic and cultural entertainment for its residents. Cityfest, Inc., a 501(c)(3) tax-exempt corporation, solicits sponsorships and grants that subsidize the City of Wilmington's financial and staffing contributions to arts and cultural programs. The Mayor's Office of Cultural Affairs and other city departments, along with volunteer community input and assistance, provides project staff for the event. Cityfest, Inc. and the City of Wilmington are committed to providing leadership in integrating arts and culture into the socioeconomic life

²⁰ <http://www.nccvotech.com> - New Castle County Vocational Technical School

of the community. Events and programs include an independent film theater, monthly art gallery walk, annual jazz festivals, documentary film festival, Independence Day celebration, blues festival, caroling, and first night celebration (New Year's Eve)²¹.

The Wilmington Hispanic Festival is an annual three-day event that reaches the Latino and greater Delaware community. Established in 1977, the festival features educational and cultural events, bringing talents from across the nation to Delaware in celebration of the diverse Hispanic traditions through music, dance, art, food, and family activities.

Voices Without Borders/Voces Sin Fronteras is a faith-based, grassroots advocacy, 501(c)(3) non-profit organization committed to improving the quality of life of Latinos and Latin-American immigrants living in Delaware. Founded in 2000, Voces seeks to promote social and institutional change by establishing a space for dialogue and exchange between its members, members of other organizations, and the government. Similarly, Delawarehispanic.com, the first Hispanic Internet magazine in Delaware, serves as a resource for Latinos to progress and improve their lives²².

The Bernard and Ruth Siegel Jewish Community Center (JCC)²³, is a non-profit membership organization, which provides the Delaware Jewish community with educational programs (including a nationally accredited preschool and child care program), holiday celebrations, and cultural and arts

²¹ <http://www.ci.wilmington.de.us/departments/cultural.htm>

²² <http://www.delawarehispanic.com>

²³ <http://www.siegeljcc.org>

programming. In addition members can enjoy a state-of-the-art Fitness Center as well as an indoor swimming pool, gymnasium and racquetball facilities. Outdoors, a thirty-acre Family Campus adjacent to the JCC building, hosts a wide array of recreational services.

Historic preservation is a vital part of the cultural assets found in New Castle County. Riverfront Wilmington preserved some of the historic sites along the waterfront and now hosts an art museum, a theatre company, concerts, sports games, and other events. The Delaware History Center is appealing because of its innovative approach to the display of history. It combines exhibitions of nostalgic memorabilia, priceless artifacts, art, and recreations that offer a total experience designed to satisfy everyone from the serious scholar to the casual browser. Additionally, many historic homes and buildings are preserved as museums. Other cultural sites include the Museum of Natural History, Kammar Nyckel (a tall ship of historical importance), and Fort Delaware, which held prisoners of war from Stonewall Jackson's Confederate Army.

Social capital is achieved through a plethora of activities designed to nurture children and youth, many of which are targeted to underserved and at-risk individuals. The Cathedral of Saint John's Debnam House Community Center, located in New Castle, provides mentoring and constructive activities for high-risk youth in the Brandywine neighborhood²⁴. Urban Promise equips children and young adults with the requisite skills for spiritual growth,

²⁴ <http://www.delcfc.org> - Delaware Community Foundation

academic achievement, life management and Christian leadership²⁵. The Ladies Professional Golf Association (LPGA) Youth Golf Program is a community-based, risk-prevention program that utilizes golf fundamentals to reinforce character development (honor, integrity, courtesy and self-discipline)²⁶. Girls Inc. of Delaware is a nationwide, youth organization dedicated to inspiring all girls (specifically high risk and underserved) to be strong, smart, and bold²⁷. The city of Wilmington through its personnel department supports a Mentoring Coordinator who is tasked with recruiting city employees and residents as youth mentors. Additional resources include Boy and Girl Scouts of America, YMCA, Boys and Girls Clubs, Big Brothers and Big Sisters, various neighborhood associations and Parks and Recreation sponsored youth events and activities.

WEAKNESSES

While New Castle County and the City of Wilmington offer many strengths, there are a few issues that need to be addressed. Of utmost importance is the need to attend to the large number of poor and undereducated people in the area, specifically in the Latino and African-American communities. As these populations grow, educational attainment becomes increasingly important. As previously noted, the most recent census data indicates that only 10.7% of African-Americans and 9.3% Latinos completed a college degree. This suggests a declining supply of educated

²⁵ <http://www.urbanpromise.org>

²⁶ <http://www.lpgakids.org> - Ladies Professional Golf Association Youth Golf Program

²⁷ <http://www.girlsinc.org>

workers to support business growth and retention in the area. Low levels of educational attainment result in lower paying jobs, which, in turn, impede access to quality housing and other community assets. Given the significant correlation between education and earning potential, greater numbers of people with high educational attainment are essential to combating high incidence of poverty among African-Americans (17.2%) and Latinos (22.3%).

Of further concern is that a significant portion of the population (35%) falls into the dependent categories of under 15 or over 65 years of age. These populations often consume more resources than they contribute to the economy. Youth need to be fed, clothed, housed, educated and provided with medical care, while the elderly have an increased need for medical and financial (social security, pensions) support (Figure 2). Higher numbers of the very young and the aging implies potential impending economic strain as the elderly population must increasingly be cared for by younger generations and supported by government programs, while those under 18 years of age typically provide an insignificant portion of revenue in support of the tax base.

Another concern involves Wilmington's fiscal problems and low revenue base resulting from 42% of the land being exempt from taxation. Also, only 50% of the city's residents are homeowners versus 72% statewide.

Cultural and social weaknesses indicate minimal focus on diversity programs aimed at ethnic minorities. There are no historical or cultural institutions that celebrate and acknowledge the presence of Native Americans,

nor any African-American museum or other entity illustrating the history and contributions of African-Americans in the area.

OPPORTUNITIES

The existing challenges represent a tremendous opportunity to improve upon resources and create a better public image of the County. More can be done to leverage the support of the area's large financial community through the creation of additional job training partnerships and educational initiatives that enhance job opportunities in the higher wage producer services industry. Proactively addressing workforce development needs by building upon existing joint training programs between public, private and education sectors will go a long way in preparing current and future workforces to be productive and efficient workers. Such training will enhance continued efforts to attract and retain commercial enterprises, as well as, position residents to own homes, become tax-paying citizens, and potentially reduce high crime rates.

Diamond Entertainment Group LLC of Wilmington is proposing a \$300 million gambling and entertainment playground on a 50 acre site on the city's Seventh Street Peninsula. The project, called Diamond Casino, promises to bring 2,000 jobs to the city by creating a regional entertainment attraction known in the industry as "casinos-plus."

Blue Cross Blue Shield of Delaware, the state's largest health insurance company, will relocate nearly 700 people from five locations in New Castle County to a new \$35 million granite and glass headquarters on Delaware

Avenue in Wilmington in spring 2007. This presents an opportunity for the city to partner with Blue Cross to provide information on preventive medical care to underserved populations. Of course, the construction of the new facility brings new jobs and income that will reverberate through the local economy.

Given the region's well-developed transportation infrastructure, there is an opportunity to attract more foreign investment and increase international trade through its port of entry. A targeted marketing campaign should be developed to provide information and support for both domestic and international business ventures to build upon import/export capabilities.

There is a tremendous opportunity to develop services catering to the fast-growing Latino population. According to Jayne Armstrong, District Director of the U.S. Small Business Administration, "Hispanic-owned small businesses represent the most significant untapped market in Delaware." In a 2002 U.S. Census Bureau survey of Delaware business owners, 880 firms out of 63,581 were Latino, a figure that is lower than for African-Americans and Asians,²⁸ but the potential for entrepreneurship among the mostly immigrant Latino population is enormous.

In the area of polity capital, governing bodies continue to be proactive in attracting big business. A bill was recently passed allowing Delaware to rewrite its Captive Insurance statute²⁹ which will enable the state to better compete

²⁸ <http://www.ncbl.com/archive/01-06coverstory.html> - The Business Ledger

²⁹ Captive Insurance – provided by an insurance company that only insures all or part of the risk of its parent company.

with Vermont and other states in attracting subsidiary companies that primarily insure larger corporations. This is an opportunity for the County to establish a marketing plan that promotes the area as an attractive place for captive insurance companies to conduct business.

To address financial worries, the General Assembly passed a bill to increase revenue streams from state funds to target assessments, filing fees, general fund proceeds, and infrastructure appropriations. These alternative sources will have a significant impact on continued financial stability for the region.

Finally, current laws do not permit the enhancement and expansion of the gaming industry. Diamond Entertainment has estimated a loss of more than \$130 million in general fund revenue for Delaware if both Pennsylvania and Maryland legalize gambling.

Cultural and social opportunities arise with the need to develop more social venues that attract a diverse crowd and increase awareness of community diversity, as well as, enhance services offered to the growing Latino community. Also, the relatively high age of the population warrants a look at additional programs targeted to senior and elderly populations.

THREATS

The primary threat to the fabric of the community involves formal education. Without an improvement in the educational attainment of large numbers of the resident population, there is likely to be an increase in the social ills that are pervasive in many communities with high numbers of

undereducated and underemployed residents. Consequently, there will be a drain on the economic resources of the community.

Secondly, as the immigrant population expands, there is likely to be a strain on race relations as existing populations feel threatened by newcomers. Conflicts that begin small may be escalated or aggravated by local and national politics (e.g., the current debate over immigration reform). Concerted efforts must be made to alleviate the racial and ethnic disharmony through cultural education and public policies that address the community's concerns.

Thirdly, with Wilmington being the national financial center for the credit card industry, and the recent and frequent mergers and acquisitions of banks, more job cuts are likely. Wilmington residents lost jobs when MBNA and Bank of America combined their credit card operations earlier this year. Other job losses in the financial services sector represent a huge potential risk to the area given the high number of people employed in this sector.

Fourthly, although New Castle County's current financial situation is strong, the future is not as secure due to costs rising faster than revenue. It is estimated that within three years, a budget deficit of \$40M will occur if income does not outpace expenses.

Lastly, the port poses a potential threat to national security in the area given its prominence as one of the country's top importers of a variety of goods. It is just one of the many ports that remain vulnerable to attack.

SUMMARY AND RECOMMENDATIONS

We have conducted a community-level SWOT analysis in an effort to identify ways Wilmington, Delaware can improve its attractiveness as a place to live and do business in the ever-changing knowledge-based economy of the 21st century. Toward this end, we utilized a conceptual framework and methodology for monitoring and evaluating community competitiveness developed in the Frank Hawkins Kenan Institute of Private Enterprise, the applied business research arm of the Kenan-Flagler Business School, at the University of North Carolina at Chapel Hill.

From a content analysis of publicly available information accessed through the World Wide Web, we have identified current strengths and weaknesses as well as the opportunities and threats that Wilmington currently faces. The following specific recommendations flow logically from this community-level SWOT analysis.

Recommendation #1: *Improve educational opportunities for underrepresented minority and ethnic groups.* Highly competitive communities rely on an educated workforce. Partnerships between business, education and government institutions are the key to preparing citizens to compete in a knowledge-intensive and technology-driven society. Innovative education partnerships, such as the one that created the Charter School of Wilmington, must be replicated more broadly in the region, especially in areas with high concentrations of African-American and Latino youth.

Recommendation #2: Develop additional job training programs to support unemployed and underemployed workers, as well as retain key employers. Job training programs that serve as a pipeline to industry will encourage business retention and growth. Specifically, more initiatives are needed that support training in mathematics, technology, biotechnology and other sciences. Such training will better position the County as a player in the knowledge driven economy of the 21st century.

Recommendation #3: Cultivate working and supportive relationships with the Latino immigrant population. Census estimates indicate that Delaware's Latino population will continue to grow for years to come. Proactively addressing their needs and finding mechanisms for bringing them into the social and business mainstream of the community will prove advantageous to economic development efforts.

Recommendation #4: Build upon the community's reputation as a proactive business environment and its well-developed transportation infrastructure to increase international trade activity. Implementing policies that maintain favorable tax incentives and foster diversified business opportunities should increase foreign investment in the area and provide significant sources of employment for existing and newly trained workers.

Recommendation #5: Continue support of gaming industry. Enhancing regulations to attract and retain gaming operations will provide employment opportunities and a significant revenue source through tourism. In support the gaming industry, local officials should adopt strategies that have been

advocated in other gaming industry cities to ensure that the advantages outweigh the potential negative effects of gaming operations.³⁰

³⁰ See James H. Johnson, Jr., 1998, Cashing In On Job Opportunities in the Gaming Industry: How Detroit Can Do It Right Wayne State University College of Urban, Labor and Metropolitan Affairs. Richard C. Van Dusen Forum on Urban Issues.

Appendix A

Table A1: SWOT Results for Wilmington, DE

1. Polity Capital

Strengths

- ❖ County Executive focused on sound fiscal and budget management via cost cutting and spending restraints
- ❖ Redevelopment Office created to stimulate job growth
- ❖ Current strong financials, with reserve balance
- ❖ New Castle County Chamber of Commerce web site: www.nccc.com
- ❖ State's reputation as a pro-business environment
- ❖ County Executive web site www.nccde.org; transparency of government

Weaknesses

- ❖ Wilmington fiscal problems; low revenue base

Opportunities

- ❖ Captive insurance statute
- ❖ Potential for diverse revenue sources from state funds; assessments, filing fees, general fund proceeds, infrastructure appropriations
- ❖ Proactively address workforce development needs by creating additional joint effort training programs between public, private and education sectors
- ❖ Support for gaming industry

Threats

- ❖ Loss of jobs in the financial services sector may erode income levels in high wage sector
- ❖ Rising costs anticipated to erode County cash reserves within 3 years
- ❖ Wilmington has high unemployment and under-educated workforce

2. Physical Capital

Strengths

- ❖ Significant transportation infrastructure
- ❖ Location near the major metropolitan cities
- ❖ Major port city
- ❖ Over 245 regional, district and neighborhood parks

Weaknesses

- ❖ Insufficient public transit to service the poor during late working hours

Opportunities

- ❖ Strengthen port of entry against terrorist activities

Threats

- ❖ National security – Wilmington Port

3. Financial Capital

Strengths

- ❖ Significant presence of Fortune 500 companies in Wilmington
- ❖ Favorable usury and corporate franchise tax laws, and nationally recognized Court of Chancery
- ❖ Christina Gateway Corporation; waterfront commercial center
- ❖ Port of Wilmington handles considerable domestic and foreign shipping
- ❖ Experienced Director of Wilmington Office of Economic Development

- ❖ Minority Business Enterprise
- ❖ World Trade Center Delaware

Weaknesses

- ❖ Wilmington fiscal crisis, including low property tax revenues

Opportunities

- ❖ Attract foreign investment and increase international trade through port of entry
- ❖ Enhance information regarding export opportunities
- ❖ Leverage support of large financial community
- ❖ Diamond Casino Resort
- ❖ Develop competencies of Hispanic-owned businesses

Threats

- ❖ Substantial increase in illegal immigrants may cause drain on economy
- ❖ Current laws do not permit the enhancement and expansion of the gaming industry; potential competition if both Pennsylvania and Maryland legalize gambling.
- ❖ New Castle budget deficit within 3 years

4. Human Capital

Strengths

- ❖ Charter School of Wilmington
- ❖ The Brandywine School District
- ❖ Improvement in public school SAT math and verbal scores
- ❖ Numerous colleges/universities in general vicinity
- ❖ Unemployment rate for Wilmington improved significantly in 2005 compared to 2004
- ❖ Diverse workforce of blue and white collar workers
- ❖ Job training partnerships – Retail Skills Center, Job Corps

Weaknesses

- ❖ Unemployment rate for Wilmington is consistently higher than that of New Castle County, state of Delaware and US.
- ❖ Wilmington has significant number of undereducated
- ❖ Low-income and minority urban communities have little political clout; crime, violence and an open drug trade plague poor neighborhoods
- ❖ High numbers of very young and elderly populations

Opportunities

- ❖ Diamond Casino Resort
- ❖ Job training of residents in poverty areas
- ❖ Relocation of Blue Cross Blue Shield of Delaware from New Castle County to Wilmington

Threats

- ❖ Additional job cuts following the continued merger and acquisition of financial institutions
- ❖ High crime levels

5. Cultural Capital

Strengths

- ❖ Non-profits devoted to educational, recreational, artistic and cultural entertainment
- ❖ Revitalization plan for historic neighborhoods, homes, and buildings
- ❖ Riverfront Wilmington
- ❖ The Delaware History Center
- ❖ Museum of Natural History
- ❖ Kalmar Nyckel
- ❖ Fort Delaware

Weaknesses

- ❖ Lack of historical or cultural institutions that celebrate and acknowledge the presence of Native Americans
- ❖ No African-American museum or other entity illustrating the history and contributions of African Americans in the area
- ❖ Little focus on diversity in events, festivals, and web sites

Opportunities

- ❖ Improve awareness of diversity in the community

Threats

- ❖ Increasing racial tensions with growing Hispanic population

6. Social Capital

Strengths

- ❖ City Mentoring Initiative
- ❖ Parks and Recreation Department
- ❖ Chamber of Commerce holds periodic networking meetings
- ❖ Boy Scouts and Girl Scouts
- ❖ YMCA
- ❖ Boys and Girls Club
- ❖ Big Brothers and Sisters
- ❖ Debnam House Community Center
- ❖ Girls Inc. of Delaware
- ❖ Strive Youth Programs
- ❖ Urban Promise
- ❖ Urban Youth Center
- ❖ LPGA Urban Youth Golf Program
- ❖ 15 Neighborhood Associations

Weaknesses

- ❖ No social programs focused on celebrating diversity
- ❖ No social programs supporting the elderly

Opportunities

- ❖ Facilitate ethnic and cultural tolerance
- ❖ Increase services offered to the growing Latino community

Threats

- ❖ Racial disharmony

