

DELAWARE INVESTMENT AGENDA

Delaware Business Roundtable



March 2024



To All Delawareans:

Spurred in part by a global pandemic, over the past few years our personal and professional lives have been impacted by a historic acceleration of technology adaptation and an unremitting pace of change. The influence of social media, the way our children learn at school, the rise of remote-based work environments, changes to our shopping habits, or manufacturing technology upgrades that now require lifelong learning—these and other changes will continue. We all must continually adapt to thrive.

Leaders in the public, private, and nonprofit communities must help Delaware adapt and build on its unique and valuable assets: diverse talent, great employers, world-class researchers, esteemed colleges, beautiful natural resources and recreation, and a growing entrepreneurial spirit. We must support bold, carefully considered decisions and look ahead to enable all Delawareans to enjoy opportunity and prosperity.

In 2016, the Delaware Business Roundtable, a statewide collection of leading company chief executive officers (CEOs), developed the *Delaware Growth Agenda*. The *Delaware Growth Agenda* accomplished numerous strategies to drive economic growth in three areas: building the state's innovation and entrepreneurship ecosystems, pursuing a new approach to economic development, and enhancing the business climate. Importantly, with the leadership of Governor John Carney and the General Assembly, the state's economic development authority is now the Delaware Prosperity Partnership, a public-private partnership funded by both the state and the business community.

As with the Growth Agenda, in 2023 the Delaware Business Roundtable engaged TIP Strategies, a leading national economic development planning firm, to assist in developing this document: the *Delaware Investment Agenda*. This document is not for the Roundtable or even the business community; it is for Delaware. It is a fact-based framework that can be supported by both the private and public sectors and must be worked on collaboratively.

The decisions we make in the coming months and years will determine whether Delaware continues to set a course for excellence and prosperity or if we begin to backslide based on the challenges we face. It is imperative that we prioritize, invest, and look ahead; it takes Delaware's elected officials, the business community, and the nonprofit community to confront what is holding us back and invest in what propels us forward.

We hope you are as excited as we are to focus on the challenge of creating equitable growth and opportunity in our state, and we thank all those who have contributed to the development of the *Delaware Investment Agenda*. Without an unusual commitment of many hours of thinking, discussing, and working on this document by a wide range of stakeholders, the *Delaware Investment Agenda* would not have been possible.

It is our intention that the *Delaware Investment Agenda*, with its recommendations for driving equitable economic growth and long-term competitiveness, will result in constructive action this year and beyond.

Sincerely,

Executive Committee

Delaware Business Roundtable

ACKNOWLEDGMENTS

TIP Strategies, Inc., (TIP) would like to thank the Executive Committee of the Delaware Business Roundtable who guided the planning process. TIP would also like to thank the numerous representatives of the state's business, government, education, economic development, and workforce development sectors who contributed insights and ideas to this effort.

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TIP Strategies, Inc., is a privately held Austin-based firm providing consulting and advisory services to public and private sector clients. Established in 1995, the firm's core competencies are strategic planning for economic development, talent strategies, organizational development, resiliency planning, and equity initiatives.

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CONTENTS

- Executive Summary 1
 - Background 1
 - Key Findings 1
 - The Agenda 2
- Introduction 4
 - Since the Growth Agenda 4
 - Why This Strategy. Why Now. 5
- Recommendations 9
 - 1. Innovation and Entrepreneurship..... 9
 - 2. Talent and Workforce 13
 - 3. Long-Term Competitiveness..... 19

EXECUTIVE SUMMARY

The *Delaware Investment Agenda* (Investment Agenda) proposes an ambitious set of recommendations designed to strengthen Delaware's long-term economic competitiveness. The ideas and opportunities outlined in the Investment Agenda warrant urgent action and bold leadership on the part of state leaders. The State of Delaware, however, cannot solve these issues alone. It will require a sustained and collaborative effort that involves the public, nonprofit, and private sectors. The Delaware Business Roundtable will provide a leadership role in bringing attention to the state's challenges and galvanizing support for enacting solutions.

BACKGROUND

In 2023, the Delaware Business Roundtable (Roundtable) engaged TIP Strategies to help develop a follow-on report to the influential *Delaware Growth Agenda*. Published in 2016, the *Delaware Growth Agenda* (2016 Growth Agenda) outlined strategies across innovation, economic development, and business climate enhancement. The 2016 Growth Agenda's most important recommendation was the proposed creation of a new public-private partnership to lead the state's economic development marketing and attraction efforts. Newly elected Governor John Carney embraced this proposal and in 2017 worked with the General Assembly to replace the Delaware Economic Development Office and establish the Delaware Prosperity Partnership (DPP), which has proven successful in attracting investments and jobs to the state.

Like the prior effort, the current Investment Agenda serves as a blueprint for addressing the most pressing long-term economic challenges the state faces. The Investment Agenda incorporates input and ideas from dozens of state, community, and business leaders from across Delaware. It also includes examples of successful initiatives and programs other states and regions have enacted to tackle similar challenges. One key difference from the 2016 planning initiative is the presence of a unified, invigorated economic development effort. During its relatively short tenure, the DPP has built trust and credibility with the business community and with its partners and investors that will be essential for success. The Investment Agenda proposes to complement the work of the DPP through the creation of the Delaware Futures Council. This nonpartisan independent group would raise awareness among Delaware's leaders on the fundamental challenges impacting the state's future prosperity.

KEY FINDINGS

Below is a summary of some important data points and stakeholder views that informed the recommendations.

- In the years since the 2016 Growth Agenda's release, Delaware has experienced significant economic growth, particularly when compared to other states in the region. Real gross domestic product (GDP) increased from \$69.6 billion in 2017 to \$75.2 billion in 2022, marking an 8 percent growth rate. Nonfarm employment rose by almost 16,000 jobs during the same period.
- State finances have also shown improvement, with revenues growing from \$4.01 billion in 2017 to \$6.3 billion in 2023. However, despite the improvement to the state's financial situation, recent indicators suggest a potential decline in revenue growth in the coming years.
- Delaware's traditional industries, including food and agriculture, financial services, healthcare, and chemical manufacturing, remain strong. In addition, new economic opportunities have emerged for the state in sectors, such as biopharmaceutical manufacturing, clean energy production, and financial technologies (fintech).

- While Delaware’s traditional industries remain strong, there’s a need to match the aggressive strategies of competing states in workforce training, infrastructure investment, and innovation to maintain leadership. For example, Delaware trails many other states in terms of state-funded research and development (R&D). In 2020, Delaware ranked 39 among the 50 states and the District of Columbia in terms of total R&D expenditures by state agencies per \$1 million GDP.
- Like in most states, Delaware employers face a growing workforce availability challenge. However, in Delaware, low labor force participation makes it more difficult for employers to find the workers they need. In 2021, 40 percent of Delaware residents over the age of 16 were not in the labor force, which was the 10th highest percentage. Five of the states with lower labor force participation rates also have the lowest median household incomes in the US, indicating that a declining workforce could result in lower standards of living for Delawareans in the future.
- A likely explanation for the state’s low labor force participation rate is its relatively high share of seniors in the population. At 36 percent, Delaware had the fourth highest rate of households with a senior resident in 2021. In addition, Delaware had the fifth highest share of households with Social Security income (36.1 percent) in the nation.
- The trend of seniors migrating to Delaware to take advantage of the state’s amenities and relatively low cost of living is positive for the economy. However, if seniors continue to account for a growing share of the overall population, there will be long-term consequences for workforce availability.
- The Annie E. Casey Foundation found that 13 percent of Delaware’s children had a family member who quit, changed, or refused a job due to difficulty finding childcare. The resulting challenges to families and employers cost Delaware \$415 million in lost earnings, productivity, and tax revenue a year.

THE AGENDA

Despite the significant progress made since publication of the 2016 Growth Agenda, it is clear that more remains to be done. The Investment Agenda is not designed to be a comprehensive economic strategic plan for the state. Rather, it is a blueprint that should serve as a basis for developing such a plan. That plan should set numeric objectives, identify resources and partners needed for implementation, and create a structure for tracking and reporting on progress. The proposed Delaware Futures Council can serve as the lead organization tasked with coordinating and staffing such an effort. Creating the DPP was the priority recommendation of the Growth Agenda. Similarly, establishing a futures council should be the top priority of the Investment Agenda.



Innovation and Entrepreneurship

Build a more robust entrepreneurship and innovation ecosystem.



Talent and Workforce

Strengthen Delaware’s talent pipeline and increase support for the state’s workforce.



Long-Term Competitiveness

Enhance Delaware’s long-term competitiveness for new investment, jobs, and talent.

1. Innovation and Entrepreneurship

- 1.1 Create a statewide science and technology strategy to guide Delaware's efforts to foster and promote its innovation and entrepreneurship infrastructure.
- 1.2 Redefine and retool the Division of Small Business to increase its outreach and impact on the state's entrepreneurship ecosystem.
- 1.3 Develop more robust storytelling about successes and assets to attract new talent and investment and foster an entrepreneurial culture.
- 1.4 Create new incentives to attract new investment and entrepreneurs to Delaware.
- 1.5 Expand technology transfer and commercialization opportunities at Delaware universities.

2. Talent and Workforce

- 2.1 Support equitable investment in early childhood education to increase access and improve outcomes for children in the state.
- 2.2 Restructure the state workforce development system to reduce redundancy, enhance funding, and improve alignment with the business community's needs.
- 2.3 Support the development of workforce housing in Delaware to improve availability and affordability across housing types.
- 2.4 Establish innovative training programs and nontraditional training delivery methods to help Delawareans find employment opportunities in high-growth, high-demand, and/or emerging industries.
- 2.5 Build industry-led sector partnerships supported by education, workforce providers, and economic development organizations to strengthen Delaware's talent pipeline.
- 2.6 Establish a workforce task force to streamline communication with new and existing businesses and identify opportunities to meet workforce needs.
- 2.7 Make Delaware more competitive for talent attraction by increasing job resources and information for potential new residents.
- 2.8 Advocate for increased support for returning citizens to ensure they can access work opportunities.

3. Long-Term Competitiveness

- 3.1 Establish a nonpartisan independent Delaware Futures Council to inform and advise Delaware's leaders on the fundamental challenges impacting the long-term economic competitiveness in the state.
- 3.2 Identify and prepare large-scale commercial and industrial sites for future development.
- 3.3 Support the passage of state legislation to require state agencies and counties to expedite the review of certain types of development projects consistent with local land use planning and informed by public input.
- 3.4 Support local communities in developing authentic and brandable places that attract and retain young adults and leverage the synergies to live, learn, work, and play.
- 3.5 Request that the State of Delaware commission a report that examines how successful the state is pursuing and securing all available federal funding opportunities.

INTRODUCTION

In 2015, the Delaware Business Roundtable engaged TIP Strategies to assist in developing the *Delaware Growth Agenda*. Published in 2016, this important document offered strategies for reinvigorating Delaware’s economic trajectory and the state’s approach to supporting economic development. At the time, Delaware’s economy was still lagging from the effects of the Great Recession (2007–2009); its traditional goods-producing industries were undergoing significant restructuring; historically, the state’s largest private employer—DuPont—was reducing its footprint in Delaware as it entered its merger with the Dow Chemical Company; and the state’s public finances were becoming increasingly pressured due to declining tax revenues.

The 2016 Growth Agenda proposed numerous strategies organized along three main goals: (1) building the state’s innovation and entrepreneurship ecosystems, (2) pursuing a new approach to economic development, and (3) enhancing the business climate. In the years since its release, substantial progress has been made in all three areas. However, the greatest success was the restructuring of the state’s economic development framework. The 2016 Growth Agenda proposed the creation of a new public-private partnership to lead the state’s economic development marketing and attraction efforts. Newly elected Governor John Carney embraced this proposal and in 2017 worked with the General Assembly to replace the Delaware Economic Development Office and establish the Delaware Prosperity Partnership (DPP). With funding from both the public and private sectors, the DPP has become one of nation’s most respected economic development organizations and has demonstrated a successful record of retaining and attracting jobs and investment in the state.

SINCE THE GROWTH AGENDA

In the years since the 2016 Growth Agenda’s release, Delaware has experienced significant economic growth, particularly when compared to other states in the region. The state’s real gross domestic product (GDP) grew from \$69.6 billion in 2017 to \$75.2 billion in 2022, representing an 8 percent increase over the six-year period.¹ Total nonfarm employment in Delaware rose from 456,300 jobs in 2017 to 472,100 jobs in 2022, a net increase of almost 16,000 jobs.²

State finances also improved significantly in recent years. In 2017, state revenues totaled \$4 billion, and the fund balance stood at \$476 million. By 2023, revenues soared to \$6.3 billion, resulting in a \$3 billion fund balance. Without question, unprecedented federal stimulus spending and the resulting post-pandemic economic rebound significantly boosted state revenues and economic activity. However, in its most recent meetings, the Delaware Economic and Financial Advisory Council (DEFAC) has noted that state revenue growth has begun to decline, and that state spending may soon surpass estimated revenues. During his two terms, Governor Carney has abided by the tenets of Executive Order 21, which includes various budget stabilization initiatives to maintain fiscally responsible state budgets. By working in a manner consistent with the Executive Order, the governor and the General Assembly have thus far avoided the need to either increase taxes or cut spending, depending on the vagaries of a particular year’s revenue projections. These efforts have been successful and should be codified into state law to avoid future budget challenges.

While growth in state GDP and public revenues has painted a generally positive picture of Delaware’s economic health, there are signs that future economic growth and progress cannot be assumed. The state’s tightening fiscal situation is just one indicator. There are also other data points and underlying challenges that, left unaddressed, could imperil Delaware’s future economic competitiveness and prosperity. This strategy seeks to identify those issues and to propose new solutions for addressing them.

¹ US Bureau of Economic Analysis. “SAGDP9N Real GDP by State.”

² US Bureau of Labor Statistics; St. Louis Fed.

WHY THIS STRATEGY. WHY NOW.

The *Delaware Investment Agenda* is not intended to simply serve as an update to the 2016 Growth Agenda. While there are some recommendations proposed in the previous work that are included in this strategy, the Roundtable wanted this effort to offer a fresh assessment of the progress that has been made over the past eight years, the ongoing and emerging challenges the state faces, and new thinking for propelling Delaware forward over the long term. Indeed, in some ways the world is quite different now than it was in 2016. The COVID-19 pandemic reshaped investment patterns, altered global supply chains, changed how and where people work, and created new markets for innovative products and ideas. Overall, Delaware has adapted well to these new realities. In some cases, new economic opportunities have emerged for the state in sectors such as biopharmaceutical manufacturing, clean energy production, and financial technologies.



*What can Delaware
NOT afford to do?*

– Delaware General
Assembly Member

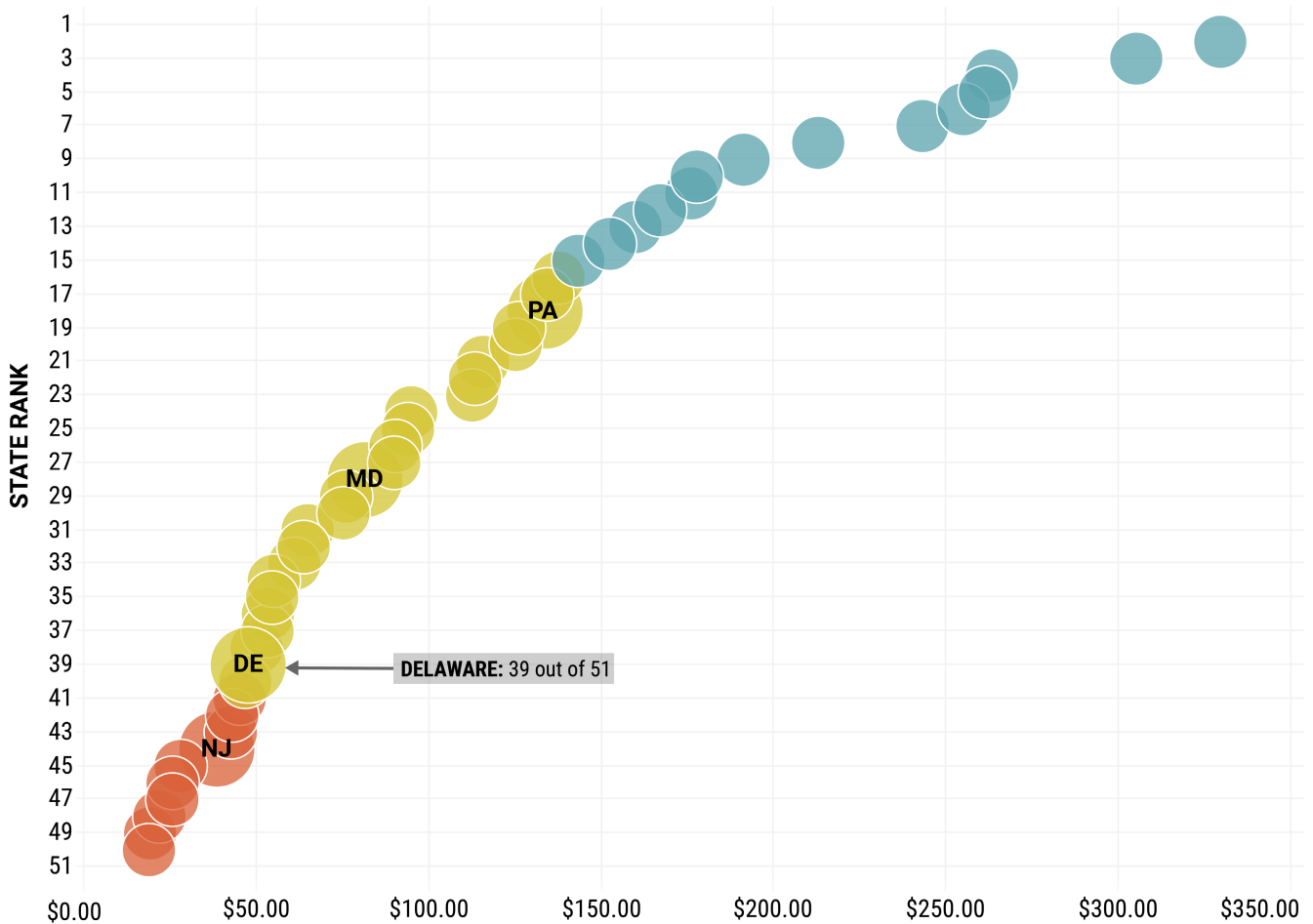


Meanwhile, the state's traditional industries, including food and agriculture, financial services, healthcare, and chemical manufacturing, have remained strong. Food and agriculture, in particular, continues to be a bedrock of Delaware's economy. While the state is best known for its \$1 billion-per-year poultry industry, other agriculture and food sectors are growing in prominence, including shellfish aquaculture, corn, soybeans, and wheat production. Delaware is also a global leader in agriscience research and development. However, the industry also faces significant threats, including loss of workforce. Indeed, from 2012 to 2022 employment in agriculture, forestry, and fishing declined by 23 percent in the state. The effects of climate change on the state's agriculture sector are also a major concern. Rising sea levels, saltwater intrusion, and extreme weather events all pose significant challenges for the industry now and going forward.

More than 40 years after the passage of the landmark Financial Center Development Act, Delaware remains a global hub for the financial services industry. Many of the nation's largest banks have a major presence in the state. Financial services is the state's largest traded sector. Moreover, with over 51,000 jobs in the state, Delaware has by far the highest concentration of finance services employment in the nation.

Still, other states that Delaware competes with for investment, jobs, and talent have aggressively positioned themselves to be national and global leaders in emerging sectors and technologies. They have made significant public investments in new workforce training and development programs, transportation infrastructure, financial incentives and venture capital, centers of excellence, marketing and branding efforts, placemaking, and innovation infrastructure. In some critical areas, such as innovation and R&D, Delaware is not keeping pace. For example, Figure 1 shows that in 2020, Delaware ranked number 39 among the 50 states and the District of Columbia with regard to total R&D expenditures by state agencies per \$1 million GDP.

Figure 1. State Agency R&D per \$1 Million GDP (2020)



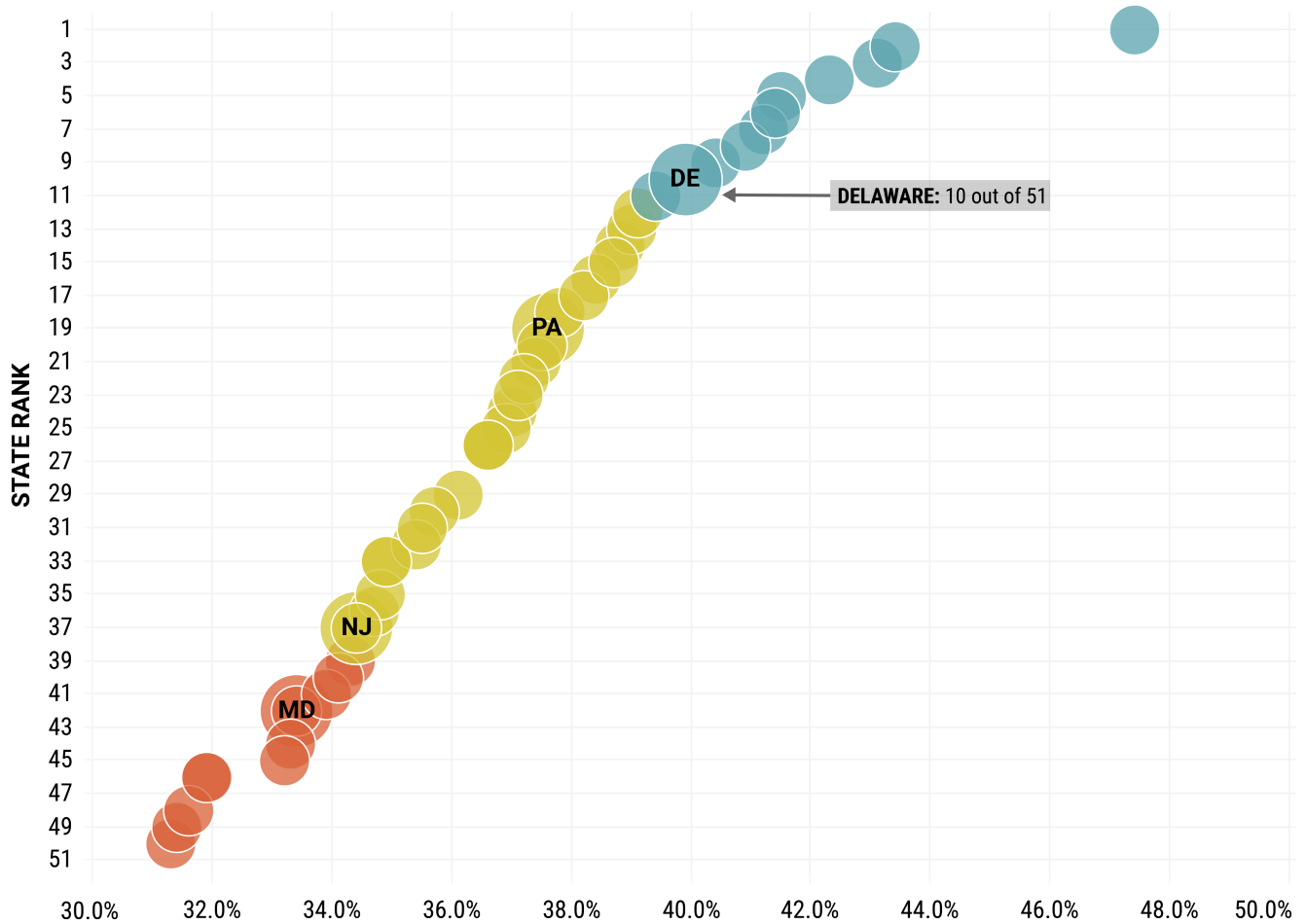
Source(s): National Science Foundation. National Science Board Science and Engineering Indicators.
 Note(s): States in a “normal” range fall one median absolute deviation (MAD) from the median of all states. States outside this range are categorized as “high outlier” and “low outlier.” Maine is an extreme high outlier and has been omitted to improve the readability of this chart. State R&D funding expenditures include state-administered funds from all sources, including the federal government, that support R&D performed by either a state agency or an external performer. Nationally, most R&D is performed by sources other than state agencies, which typically account for less than 1 percent of total R&D expenditures. Data on state R&D funding cover R&D performed by intramural performers (state government departments, agencies, independent commissions, and other state-run entities) as well as extramural performers (such as academic institutions, companies, and individuals).

In addition to the external competitive environment, Delaware also faces difficult internal challenges that pose existing and future threats to its prosperity. At the end of 2023, Delaware had more jobs than ever before. Yet, a lack of available workers was cited by multiple employers as a primary barrier to doing business in Delaware. Worker shortages are especially difficult in southern Delaware, where a growing number of retirees are relocating to be near the state’s beaches and to take advantage of favorable property tax rates. And while workforce availability is currently a national issue, some of the underlying data indicate that Delaware’s shortage is the result of a demographic issue that has potential long-term consequences.

Figure 2 shows state rankings for labor force participation. According to the US Census Bureau, 40 percent of Delaware residents over the age of 16 were not in the labor force in 2021, which was the 10th highest percentage. The top five states with low labor force participation rates included West Virginia, Mississippi, New Mexico, Alabama, and Louisiana. These states also have the lowest median household incomes in the US. And while Delaware ranks number 19 in median household income, a declining workforce could result in lower standards of living for Delawareans in the future.

Figure 2. Share of Population Not in the Labor Force (2021)

Percentage of Population 16 Years or Older



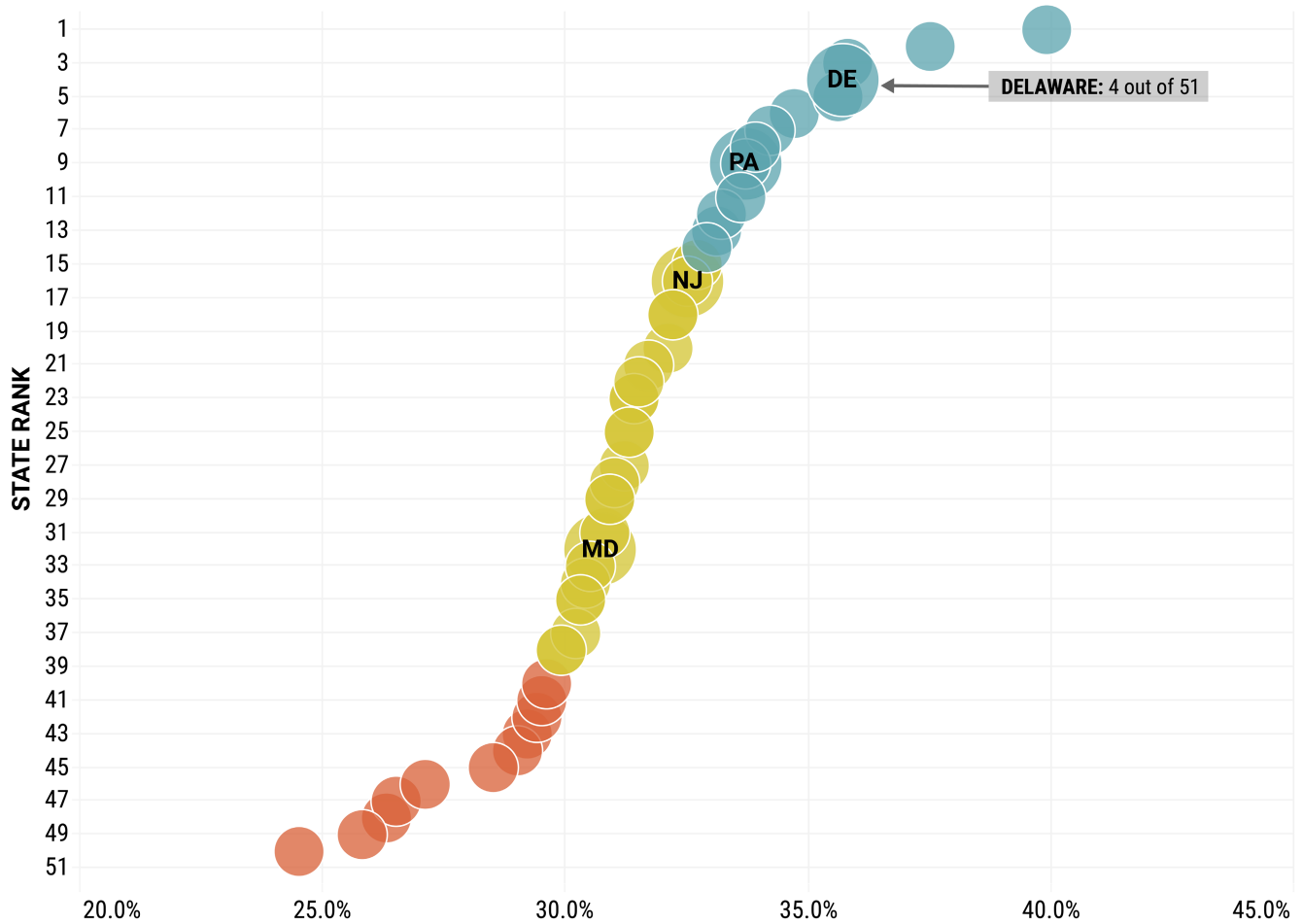
Source(s): US Census Bureau, American Community Survey 2021 1-Year Sample.

Note(s): States in a "normal" range fall one median absolute deviation (MAD) from the median of all states. States outside this range are categorized as "high outlier" and "low outlier." Axis has been adjusted to improve readability.

There could be multiple reasons for Delaware’s low labor force participation rate. One likely explanation is the state’s older population. The US Census Bureau estimates that 36 percent of Delaware households had a senior resident in 2021. Figure 3 shows that Delaware ranked number four in the nation in this category, only falling below Hawaii, Florida, and West Virginia. In addition, Delaware had the fifth highest share of households with Social Security income (36.1 percent) in the nation.

Figure 3. Share of Households with Seniors (2021)

Percentage of Total Households with Senior Residents over the Age of 65



Source(s): US Census Bureau, American Community Survey 2021 1-Year Sample.
 Note(s): States in a “normal” range fall one median absolute deviation (MAD) from the median of all states. States outside this range are categorized as “high outlier” and “low outlier.” Axis has been adjusted to improve readability.

And while the share of seniors is increasing in all three counties in the state, it is particularly pronounced in Sussex County. According to US Census estimates, the median age of the population in Sussex County in 2022 was 51.3 years, up from 45.4 in 2012. The median age in Kent and New Castle Counties in 2022 was 38.5 and 39.0, respectively.

Of course, seniors migrating to Delaware to take advantage of the state’s amenities and the relatively low cost of living is positive for the economy. However, if seniors continue to account for a growing share of the overall population, there will be long-term consequences for workforce availability. One approach to leveraging the state’s growing senior population could include involving them in boards, commissions, or mentoring to make use of their valuable experience.

Addressing these and other challenges detailed in the goals below will require long-term public and private investment. As a small state, Delaware’s public and private resources are not on the same scale as most states. However, even with more limited resources, Delaware must still invest in its people, its institutions, its businesses, and its infrastructure, if it hopes to have a bright economic future. The global competitive environment is too fierce, and the internal challenges are too critical to ignore.

RECOMMENDATIONS

1. INNOVATION AND ENTREPRENEURSHIP

Building more robust entrepreneurship and innovation ecosystems in Delaware was one of the three goals of the 2016 Growth Agenda and remains an unfinished priority today. Delaware has long been a source for innovative research and development, primarily from its large corporations and academic institutions. But the state historically lacked the entrepreneurial culture and infrastructure needed to commercialize and to scale science and technology outside of institutional settings. That situation, however, has started to change in recent years.

Tangible progress has been made in attracting, launching, and nurturing entrepreneurs and innovators. The DPP has a program of work and a dedicated innovation team focused on promoting entrepreneurship and innovation in Delaware. It is actively working to connect entrepreneurs to resources, expand networks, and directly support initiatives such as the Startup 302 pitch competition. The DPP's business development efforts have also yielded success in the attraction of key science and technology industries. Most notable is the recruitment of WuXi STA, an international pharmaceutical manufacturing company that is investing over \$500 million and creating almost 500 jobs in Delaware.

The University of Delaware (UD) and Delaware State University are establishing new entrepreneurship education programs and initiatives for university students, existing/prospective entrepreneurs, and even students at the K-12 level. In addition, UD is incentivizing its faculty to commercialize technology by earning tenure credits.

Organizations like the Tech Council of Delaware are also working with businesses, education and workforce providers, and public officials to support tech talent development aimed at expanding opportunities for a diversity of residents and building a strong technology ecosystem in the state.

The state has also been successful in attracting federal investments in innovation facilities and programs that are putting Delaware on the forefront of advances in sectors such as life sciences, fintech, and clean energy. Located on UD's STAR Campus, the federally funded National Institute for Innovation in Manufacturing Biopharmaceuticals (NIIMBL) places Delaware in a strong position to be a global leader in the development of more efficient and rapid biopharmaceutical manufacturing processes as well as workforce education and training. Delaware was also a member of the three-state Mid-Atlantic Clean Hydrogen Hub (MACH2) coalition that successfully won a \$750 million hydrogen hub designation from the US Department of Energy. This is only one of several regional innovation initiatives in which Delaware is a contributing partner.

UD also recently cut the ribbon on the FinTech Innovation Hub on the STAR Campus. The privately owned six-story, 100,000-square-foot building will focus on creating technologies to help grow wealth in underserved communities.

The Innovation Space located at the DuPont Experimental Station, which has a mission of incubating new science-based technology companies in Delaware by offering lab space and technical expertise, has supported over 100 startups since its opening in 2017. Moreover, these startups have cumulatively raised over \$1 billion in private investment.

Despite the significant progress Delaware has made in building its entrepreneurship and innovation ecosystems in recent years, there is still much more that needs to be done. **In essence, these initiatives, facilities, and investments need to significantly scale in order for Delaware to be on par with competing states and metro areas.**

In accordance with the recommendations of the 2016 Growth Agenda, there has been much discussion about the challenges and opportunities that need to be addressed to build a robust entrepreneurial and innovation ecosystem. One report from a group of advisors brought together by the DPP identified the state's main innovation challenges, including a nascent startup culture, weak innovation center of gravity and leadership, and nebulous sector and technology value proposition.³ While a number of stakeholders have expressed support for creating a separate entity to develop and execute a strategy to grow entrepreneurship in Delaware, many stakeholders believe a clear alternative is to build additional capacity for such activity as part of the DPP.

More recently, a report was commissioned by the Delaware Workforce Development Board to assess Delaware's landscape of innovation and entrepreneurship assets and identify potential gaps in access to resources, particularly for historically disadvantaged communities in the state. Social Contract LLC conducted the research and authored the report, which was completed in 2023.⁴ The report found that the state's entrepreneurship ecosystem has a strong foundation, a robust network of resources, and growing number of finance options. However, it suffers from siloed efforts and redundant services across multiple organizations. The report also concluded that despite an increasing number of finance options available in the state to entrepreneurs, many still lack access. Among its recommendations, the report suggested the creation of an entrepreneurship hub in the state (virtual or physical) to provide entrepreneurs a centralized one-stop shop for resources, information, and services.

The Delaware Division of Small Business (Division) is the agency primarily responsible for supporting small business development in the state. Housed within the Delaware Department of State, the Division formed in 2018 after the closure of the Delaware Economic Development Office (DEDO) and the transfer of the state's economic development marketing and attraction functions to the DPP. DEDO's small business support functions and financial assistance programs moved to the newly created Division. Delaware's tourism promotion and marketing program also moved to the Division. While its functions are critically important to Delaware's economic health, stakeholders questioned the impact and general awareness of the Division's activities. Most felt the Division is under-resourced and its financial tools lack the scale to significantly impact small business formation and growth in the state.

Other recommendations in this strategy include developing a more robust storytelling and branding campaign to promote Delaware's innovation value proposition, creating new financial instruments to support early-stage companies, and supporting university technology transfer and commercialization efforts.

STRATEGIES

1.1. Create a statewide science and technology strategy to guide Delaware's efforts to foster and promote its innovation and entrepreneurship infrastructure.

Transforming Delaware into a premier hub for science and technology innovation and entrepreneurship will require greater public and private investments in the physical, programmatic, and human infrastructure. But as a small state with limited resources, Delaware would benefit from a comprehensive strategy to guide where and how its resources are directed.

- As the state's chief economic development organization, DPP's capacity could be enhanced to incubate and manage the development of a plan, as well as its potential organizational and staff requirements, to provide the necessary focus on this growing area of Delaware's economy and workforce. The State of Delaware and the private sector should work together to ensure resources are available for this activity.

³ Science & Technology Advisors Recommendations to DPP Board. July 2021.

⁴ Social Contract. *Assessing the Entrepreneurial Ecosystem in Delaware*. 2023.

- The plan should be sector focused. It should identify how the state can foster and scale the sectors with the greatest potential for technology development and commercialization, such as life sciences, clean energy, healthcare, agricultural technology, and fintech.
- Fostering greater regional innovation and entrepreneurship efforts and partnerships should be a point of strategic emphasis.

Oregon Innovation Council (Oregon InC)

Oregon InC is a public-private partnership that is responsible for developing and guiding the implementation of Oregon's 10-Year Innovation Plan. The plan is updated every biennium with a report to the governor and the legislature every year.

More info: www.oregon.gov/biz/programs/homeareas/innovate/Pages/oip.aspx

1.2. Redefine and retool the Division of Small Business to increase its outreach and impact on the state's entrepreneurship ecosystem.

While this strategy is not able to make any specific recommendations about the Division's structure and programs, stakeholders raised enough questions to suggest an evaluation of the adequacy of its structure and resources, relative to its economic impact, is warranted. Some stakeholders suggested that the Division should be elevated to a cabinet-level agency and allocated more resources given its importance to the state's economy. Other stakeholders thought a separate organization should be charged with the responsibility of providing entrepreneurship support. This evaluation should also address the efficacy of the Division managing the state's tourism promotion efforts versus the state having a standalone tourism office.

1.3. Develop more robust storytelling about successes and assets to attract new talent and investment and foster an entrepreneurial culture.

Stakeholders engaged throughout this process recommended that the state invest in a Delaware innovation branding campaign, given that Delaware lacks a strong identity as a hub for innovation among business executives, corporate site selectors, and prospective talent. To build greater awareness of the rich innovation assets that exist in the state, a marketing campaign should be directed at external and internal audiences.

- Build a greater awareness and understanding of Delaware's innovation value proposition among business executives in targeted industries, site location consultants, entrepreneurs, elected officials, and the public.
- Increase collaboration among like-minded organizations to enhance DPP's current storytelling activities and more effectively identify and publicize Delaware's success stories.
- Conduct a parallel marketing campaign directed at high school and middle school students, trade school students, STEM students, and career counselors.
- Highlight the stories of successful higher education graduates to increase the visibility of exemplary programs within the universities.

1.4. Create new incentives to attract new investment and entrepreneurs to Delaware.

Delaware faces fierce competition with other states for attracting and retaining entrepreneurial investment and talent. Many states have a long lead on Delaware in establishing financial incentives and instruments

focused on startups and early-stage enterprises. Just within the immediate region, New Jersey and Maryland have devised creative innovation incentives to provide vital venture capital to early-stage businesses in their states.⁵ Other states that developed early-stage investment funds include New York, Connecticut, Michigan, Ohio, Georgia, and Indiana.

- Establish an early-stage investment fund that focuses on startups working in key technology areas of the state, for example, fintech, life sciences, ag tech, and clean tech. Other state-created early-stage investment funds include the Early Stage Focus Fund (Ohio), New York Ventures, Venture Michigan Fund, Venture Capital Authority (Colorado), MassVentures (Massachusetts), and the Maryland Technology Development Corporation (TEDCO). New Jersey has also made venture fund investments through the New Jersey Economic Development Authority.
- Develop other specialized relocation incentives geared toward attracting entrepreneurs and innovators to settle in Delaware. Incentives could be targeted to such areas as relocation costs, loan repayment, housing support, and healthcare services.
- Be intentional about searching for, incubating of, nurturing of, and development of historically marginalized and underrepresented entrepreneurs and businesses. Public policy must be purposeful in inspiring the creation and development of minority-owned businesses.

1.5. Expand technology transfer and commercialization opportunities at Delaware universities.

Technology transfer and commercialization from Delaware universities is another area with significant growth potential within the state’s innovation and entrepreneurship infrastructure. Historically, tech transfer and commercialization have not been priorities within Delaware’s universities. However, this is now changing, especially at UD. There is a new emphasis on expanding the commercialization pipeline of university-developed technologies. Accelerating this effort requires new tools and incentives and additional state government support of R&D, commercialization, and tech transfer activities.

Maryland Innovation Initiative

The Maryland Innovation Initiative (MII) is a partnership between the state of Maryland and five Maryland academic research institutions. The program seeks to foster the transition of promising technologies having significant commercial potential from qualifying universities, where they were discovered, to the commercial sector, where they can be developed into products and services that meet identified market needs. MII funds up to \$415,000 for university applicants through two phases of the program: (1) Technology Assessment—Technology Validation and Market Assessment, 9 months, up to \$115,000 and (2) Company Formation—Commercial Launch, 9 months, up to \$300,000.

More info: www.tedcomd.com/funding/maryland-innovation-initiative

- Create state matching funds for the pursuit of federal research grant program awards, such as the National Science Foundation Established Program to Stimulate Competitive Research and the National Institutes of Health Research Evaluation and Commercialization Hubs.
- Encourage a greater amount of “spin-in” activity at Delaware universities in the form of industry-sponsored research and other market-driven R&D.

⁵ New Jersey Innovation Evergreen Fund (www.njeda.gov/evergreen); TEDCO Venture Funds (www.tedcomd.com/funding/venture-funds).

- Build stronger connections among tech transfer offices, the DPP, and regional economic development organizations.
- Foster closer engagement between higher education institutions and the private sector. Stakeholders interviewed as part of the development of this strategy suggested that Delaware businesses and universities have not traditionally collaborated or communicated regularly. As a result, there has been a lack of understanding within institutions of private sector needs and how universities can better support their success. This is true for expanding commercialization and tech transfer opportunities and for meeting talent development needs. However, the development of the FinTech Innovation Hub was cited as an example of how business and higher education are beginning to work more collaboratively.

2. TALENT AND WORKFORCE

The COVID-19 pandemic accelerated existing trends that impacted local workforce dynamics. Retirements surged, parents stepped away from careers to care for their families, businesses grappled with staffing shortages, and housing costs soared. While the immediate pressures of the pandemic have eased, its lingering effects underscore the need for a focused, multipronged approach to strengthen Delaware’s talent pipeline and enhance support for the state’s workforce.

Delaware has many active programs and organizations within its workforce ecosystem, yet it stands to benefit from increased collaboration and alignment among training and education providers, workforce programs, and businesses. Notably, sector partnerships have proven effective at solving workforce challenges by fostering collaboration among training providers, higher education institutions, economic development practitioners, and industry. By concentrating efforts on key industries such as information technology and life sciences, Delaware can allocate resources more efficiently. Similar coordination efforts would also be beneficial in communicating with new and expanding businesses that want to understand the availability of workforce and training opportunities in the state prior to making an investment decision.

Improving the support of Delaware’s workers by removing barriers to employment is another important aspect of investing in the state’s future. As with most states, Delaware’s labor force participation rate plummeted during the pandemic. However, while labor force participation in many other states has recovered to pre-pandemic levels, it has not in Delaware.⁶ One approach to addressing this gap is increasing the availability and affordability of early childhood education options to support parents who exited the workforce to care for their children. The Annie E. Casey Foundation found that 13 percent of Delaware’s children had a family member who quit, changed, or refused a job due to difficulty finding childcare.⁷ The resulting challenges to families and employers cost Delaware \$415 million in lost earnings, productivity, and tax revenue a year.⁸ The recommendations in this plan are based on the findings and experiences of the Rodel Foundation of Delaware, the Vision Coalition of Delaware, Federal Reserve Bank of Philadelphia, and the Kingswood Early Learning Academy (Wilmington, Delaware), which have concluded that greater investment in Delaware’s children would yield substantial benefits for all, including better educational outcomes for historically disadvantaged students in the state. With members of the Black community accounting for 22 percent of the state’s population, the eighth highest percentage in the US, improving education outcomes for historically disadvantaged students is crucial to Delaware’s economic future.⁹

Increasing labor force participation also depends on facilitating the seamless integration of returning citizens to the workforce as well as removing barriers to training and education. Doing so not only benefits individual livelihoods but also significantly contributes to the state’s overall economic vitality.

⁶ Labor force participation refers to the percentage of the state’s population over the age of 16 that is active in the workforce.

⁷ “2023 Kids Count Data Book.” The Annie E. Casey Foundation. 2023.

⁸ “\$122 Billion: The Growing, Annual Cost of the Infant-Toddler Child Care Crisis.” Ready Nation. February 2023.

⁹ “World Population Review.” www.worldpopulationreview.com/state-rankings/black-population-by-state

Like many states, Delaware has experienced increased housing costs that can make it difficult for people to live near employment centers. Even though Delaware remains more affordable than some of its neighbors, residents still face the pressure of increased rents and homeownership costs.

As the state grapples with a large senior population and lower proportion of young residents, talent attraction and retention campaigns will further strengthen its workforce pipeline. Delaware has significant assets in this regard: ample employment and education opportunities, a lower cost of living relative to its neighbors, and an array of quality-of-life amenities attractive to young professionals. Increasing awareness of all the state has to offer and assisting businesses with their recruitment efforts will go a long way to bolster Delaware's reputation as a destination for talent.

STRATEGIES

2.1. Support equitable investment in early childhood education to increase access and improve outcomes for children in the state.

Parents have a variety of public and private school options for their children. Delaware is an unrestricted open enrollment state, meaning that a child can attend a free, public school anywhere in the state or a public charter school if there is an available seat. There are also many independent and parochial schools that are available. While the most recent report from the National Assessment of Educational Progress illustrates that low test scores in reading and math remain a challenge for the state, stakeholders are making continuing efforts to improve public education.

Through the work of the Vision Coalition, which has been chaired by a member of the Delaware Business Roundtable for the past two decades, the teacher workforce in Delaware increased 5 percent, and educators received a 9 percent compensation increase last year. In addition, the Delaware Pathways program—a program that connects students and employers through high-quality career pathways—has grown from 27 students in one high school in 2014 to over 23,000 students in 24 pathways in every high school in the state. The state has also made full-day kindergarten available to all children.

However, with six out of seven young children unable to access early childhood education, there is a compelling need to invest in this space.¹⁰ Early childhood not only supports children's development during their most formative years but also provides essential childcare for working families. Delaware's low labor participation rate highlights a need for increased access to childcare to better support working parents. Further, childcare is a historically vulnerable sector, and it has only become more vulnerable as costs have increased 47 percent from pre-pandemic levels.¹¹ To ensure parents do not face the difficult choice between employment and childcare, enhance educational outcomes for children, and improve employee retention for businesses, Delaware must implement strategies to stabilize and expand access to and affordability of early childhood education.

- Establish a public-private partnership to share the cost of childcare among the state, participating businesses, and employees and help families find childcare. (See Michigan Tri-Share Childcare Program initiative, page 15.)

¹⁰ "Most Delaware Families Can't Access Publicly Funded Child Care." *Rodel Foundation*. www.rodeldel.org/wp-content/uploads/2023/01/2023-Child-Care-Access-1-pager.pdf

¹¹ Kaiser, Sloane. "The Role of Early Childhood Education in Delaware's Business Sector Pandemic Recovery and Beyond." *Philadelphia Federal Reserve Bank*. www.philadelphiafed.org/-/media/frbp/assets/community-development/reports/delaware-child-care-brief.pdf

- Ensure wider access to early childhood education by expanding support to families earning over 200 percent of the federal poverty level (FPL). Currently Delaware provides support to families earning between 185 and 200 percent FPL.
- Invest in the early childhood education workforce through apprenticeship models, professional development, support for obtaining professional credentials, and equitable compensation and benefits.
- Continue to support evidence-based curricula, screening, and assessments (STAR quality rating) to ensure program quality across early childhood education programs. The Kingswood Early Learning Academy is an example of an early childhood education program that has improved outcomes with this approach.¹²

MI Tri-Share Childcare Program (Michigan)

Launched in March 2021, MI Tri-Share is a public-private partnership that shares the cost of childcare equally among an employer, the employee, and the state. Tri-Share is administered by the Michigan Women’s Commission and is operated through a series of facilitator hubs managed by regional intermediaries, including public entities (e.g., school districts and regional organizations) and nonprofits (e.g., United Way and Goodwill Industries). To be eligible, employees must work for a participating employer, have an income between 200 percent and 350 percent of the federal poverty level, and not be eligible for a state childcare subsidy. The initial MI Tri-Share pilot consisted of three hubs and was funded by a \$1 million appropriation. By February 2022, the program expanded to 12 hubs through continued state appropriations, supplemented by an \$800,000 grant from the W.K. Kellogg Foundation.

More info: www.mitrishare.org

2.2. Restructure the state workforce development system to reduce redundancy, enhance funding, and improve alignment with the business community’s needs.

There is an opportunity to improve the efficacy of Delaware’s workforce system by encouraging a more direct line of communication with the governor’s office, reducing the size of the workforce board to better reflect the size of the state’s workforce ecosystem, and utilizing the Governor’s Reserve to provide additional resources for strategic workforce training projects.

- Move the Delaware Workforce Development Board (DWDB) and its four full-time employees out of the Delaware Department of Labor and have it report directly to the governor’s office. According to the National Governors Association (NGA), many states have placed their workforce boards under the direction of their chief executive. In several cases, the workforce boards have become a center hub for many ancillary services, such as childcare, housing, transportation, and other support services. The governor’s office can more strategically invest the DWDB’s resources and programs into these critical needs.
- Leverage the Governor’s Reserve, set aside from Delaware Workforce Innovation and Opportunity Act (WIOA) program funds for high priority areas targeted by the governor and the WIOA board. The federal WIOA statute, established in 2014, contributes funding to the states that is strategically distributed by the workforce development boards within each state. The NGA has highlighted Delaware as one of a few states that does not recognize strategic investments, known as the “Governors Reserve.” Each state can allot up to 15 percent of the federal funds to be set aside annually to address high priority areas targeted

¹² Kingswood Early Learning Academy. *Our Journey: 2016 to 2022*.

by the governor and the state's WIOA board to focus on statewide workforce initiatives and activities. This can equate to as much as \$950,000 annually in Delaware.

- Reduce the size of the board to better reflect the population size of the state. Delaware currently has the largest workforce board in the country, tied with Maryland.

2.3. Support the development of workforce housing in Delaware to improve availability and affordability across housing types.

Increasing housing costs in Delaware has led to additional cost-burdened households (those spending 30 percent or more of their incomes on housing). The state can alleviate the housing shortage by leveraging state-owned land, setting up a fund for low-income housing development, and encouraging higher-density developments.

- Identify vacant or underutilized state-owned land in accessible areas for mixed-use, mixed-income residential development. Determine eligibility requirements, including developer type (nonprofit or for profit, area of specialization), affordability expectations, density and unit count, and preferred populations to be served.
- Create a revolving fund to help finance low-income and mixed-use developments. (See Montgomery County Housing Opportunities Commission.)
- Advocate for zoning changes that encourage the development of diverse housing types and allow for increased density.
- Evaluate development incentives, such as exempting workforce housing projects from building permit application fees.
- Limit zoning restrictions to allow property owners to build certain housing types, like duplexes, in residential zones.
- Establish a new public-private partnership for seasonal housing to alleviate housing needs. High seasonal demand places pressure on housing supply, especially along Delaware's coast, as visitors and hospitality workers flock to the region during the summer months.

Montgomery County Housing Opportunities Commission (HOC)

The Montgomery County HOC acquires and renovates properties to increase and preserve the local affordable housing inventory. The HOC revolving fund (Housing Production Fund) is used to accelerate and help finance mixed-use developments. The Montgomery County Council authorized \$50 million for this fund. These funds are expected to support 8,800 new housing units, with 20 percent dedicated to households with incomes below 50 percent of area median income, and another 10 percent to those below the income for a moderately priced dwelling unit.

The program also authorized a tax abatement for developers dedicating at least 50 percent of units to those earning 60 percent or less of area median income.

More info: www.hocmc.org

2.4. Establish innovative training programs and nontraditional training delivery methods to help Delawareans find employment opportunities in high-growth, high-demand, and/or emerging industries.

Increasing education and training costs mean that many students need to earn an income while pursuing their education. Removing barriers to accessing education opportunities and increasing opportunities to transfer credentials helps students pursue and complete their accreditations and degrees.

- Remove barriers to education, such as training scheduling, to better allow students to receive training while earning an income.
- Implement a credential-to-credit program to provide course credits for accredited certification programs approved by the workforce development board.
- Develop programs that allow learning and earning to happen in one location, making it more accessible to a broader audience.

2.5. Build industry-led sector partnerships supported by education, workforce providers, and economic development organizations to strengthen Delaware's talent pipeline.

Sector partnerships have proven effective at solving local and regional workforce challenges. Led by industry, these partnerships manage a sustained focus on each sector's most pressing challenges. Sector partners might include representatives of K-12, higher education, technical and trade schools, apprenticeship programs, trade unions, and employers. The participation of all interested stakeholders also improves implementation. Delaware has existing/emerging sector partnership initiatives for the IT, life sciences, and healthcare services sectors. These efforts should be expanded and replicated in other critical sectors suffering from constrained labor supply.

- Form a sector support team for each industry. The teams will include core partners responsible for launching and supporting the partnership; a convener responsible for scheduling meetings, facilitating connections, and managing communications; and a network of supporters in education, workforce development, and economic development.
- Identify industry business partners. Build a list of CEOs corresponding to the sector in question and identify those interested in the initiative.
- Create a framework to ensure partnerships are able to evolve. Establish priority opportunities, assign champions to implement them, and identify measures for determining progress. Create a process for continuous improvement and feedback.

Sector Partnerships

The Next Generation Sector Partnerships model has proven effective at developing sought-after skills and connecting community members to jobs. Led by industry executives in partnership with regional institutions of higher education, these partnerships effectively develop the talent needed in the region, which in turn helps with industry growth and business attraction.

More info: www.nextgensectorpartnerships.com/toolkit

2.6. Establish a workforce task force to streamline communication with new and existing businesses and identify opportunities to meet workforce needs.

Delaware has an array of workforce organizations, training programs, and higher education institutions that support the state's talent pipeline. However, there is no single resource for all the state's education assets,

nor is there clear communication with economic development organizations and businesses about the needs of new and expanding businesses. A task force will promote alignment among stakeholders and present an organized and collaborative front to prospective businesses.

- Create marketing materials that showcase Delaware’s workforce development assets.
- Include representatives from the DWDB, the DPP, the office of the governor, the secretary of labor, the Delaware Department of Education, and the Delaware Division of Small Business.

Frisco EDC Talent Task Force

The Frisco Economic Development Corporation (EDC) created the Frisco Talent Task Force to collaborate with Workforce Solutions for North Central Texas and local education providers on ensuring the community is connected to the right resources and creating opportunities for workforce development. As a result of this effort, in 2022, Teachers Insurance and Annuity Association committed to moving to Frisco, Texas, creating up to 2,000 full-time jobs and nearly \$58 million in capital investment. The process succeeded in showcasing its regional collaboration and dedication to the workforce as well as removing any confusion that engaging with partners separately may create. Given the initial success of this initiative, Frisco EDC expanded its work to existing employers and developed a marketing piece to distribute to potential employers.

2.7. Make Delaware more competitive for talent attraction by increasing job resources and information for potential new residents.

As Delaware continues to attract investment and its target sectors grow, its workforce will need to expand to meet demand. Talent attraction is just one of the strategies that can help address short- and medium-term workforce needs. Delaware already has many quality-of-life amenities and employment opportunities attractive to young professionals and families. To help promote the state to potential residents, the DPP launched the Live Love Delaware talent portal website, which provides useful information on the state and its communities. Building on this site by creating features such as an online job portal that connects people with specific job opportunities in the state will strengthen the ability of Delaware employers to find the talent they need to be successful.

- Create an online job portal that connects job seekers (residents and nonresidents) to specific employment opportunities within participating Delaware employers. Such a portal can be integrated into the Live Love Delaware site or hosted separately.
- Develop a recruitment toolkit for Delaware employers with messaging, promotional materials, and quality-of-life data for the state (commuting and affordability data, for example).

Hello West Michigan

Launched in 2010, Hello West Michigan is the nation’s first organization dedicated to connecting local companies with talent through an online talent attraction portal. Based in Grand Rapids, Hello West Michigan is housed under The Right Place, the region’s economic development organization. Hello West Michigan is a membership organization that seeks to increase the rate of success that member companies have in their talent recruitment efforts. In addition to operating the online job portal, the organization provides relocation information and contacts to help new residents integrate into the region.

More info: www.hellowestmichigan.com

2.8. Advocate for increased support for returning citizens to ensure they can access work opportunities.

Delawareans with criminal records face many obstacles to entering the workforce. Given that the vast majority of employers, property owners, and colleges conduct background checks, criminal records are an obstacle to pursuing jobs, education, and housing. Helping Delawareans return to life in their communities and reducing barriers to employment supports the state's economic vitality.

- Support and encourage collaboration among existing efforts aimed at improving reentry programs and services that address the needs of returning citizens.
- Develop comprehensive data sharing procedures and systems.
- Support implementation of the Clean Slate Act that Governor Carney signed into law in 2021.

3. LONG-TERM COMPETITIVENESS

Strengthening Delaware's long-term competitiveness for new investment, jobs, and talent will require greater collaboration and planning among the public, private, and nonprofit sectors and an openness to new ideas and solutions to address enduring challenges. These challenges include issues such as systemic barriers to employment, educational outcomes, housing availability and affordability, placemaking, and the state's aging population. They also involve business climate issues, such as site availability and inefficient permitting and development processes.

This strategy proposes forming an independent nonpartisan council to lead data-driven research, analysis, and planning efforts around key economic competitiveness issues and to advise state policymakers on creative approaches to address them. There are several examples in the US at the state and regional levels where such organizations have played an important role in addressing long-term challenges. DEFAC has shown that an independent advisory model can work in Delaware.

Additionally, as was the case in 2016, the challenge of burdensome and inefficient development and permitting processes at the state, county, and local levels, particularly in New Castle County, was identified as an ongoing impediment to economic growth in the state. The 2016 Growth Agenda recommended that the state take a leadership role in helping to facilitate more efficient development and permitting processes at the local and county levels. Some progress has been made on this front. The Roundtable, the DPP, the Delaware State Chamber of Commerce, and other economic development organizations in the state have championed the Ready in 6 initiative, which seeks to cut the permitting timeline from 24 months to 6 months in Delaware. Importantly, two of the bills in the Ready in 6 package were passed by the General Assembly and signed by Governor Carney in 2023. However, more reforms need to be enacted, especially as they pertain to state agency and county permitting processes.

Another of Delaware's barriers for attracting major commercial and industrial development projects is the lack of suitable and available sites. The Division of Small Business does administer the Site Readiness Fund, which was established through Senate Bill 127 and launched in January 2022, to address this challenge. The fund provides grants, loans, or other assistance measures to qualified businesses or local governments to invest in creating readily available sites for new or established businesses. In fiscal year 2023, \$10 million was budgeted for the Site Readiness Fund, with six site readiness applications totaling \$4,680,000 being approved for funding. However, some stakeholders suggested this fund is not sufficient to support the development of large sites that are not served by existing utility infrastructure. Such projects often involve major outlays of private capital and result in long periods of time before the site is suitable for development. In the current market, this renders Delaware uncompetitive for such projects.

Placemaking is also critical to Delaware's long-term prosperity. To attract and retain talent, and by extension employers, cities and regions across the US are investing heavily in the amenities, housing options, transportation systems, educational offerings, and recreational spaces that appeal to young, educated, and skilled workers. The

dramatic rise in remote work caused by the pandemic has placed even greater importance on quality of place. Skilled professionals are increasingly able to choose where they want to live, independent of where they are employed. With an aging population, especially in rural areas, Delaware must invest in placemaking that appeals to a wide range of residents.

STRATEGIES

3.1. Establish a nonpartisan independent Delaware Futures Council to inform and advise Delaware’s leaders on the fundamental challenges impacting the long-term economic competitiveness in the state.

Echoing the recommendation in the 2016 Growth Agenda, the Delaware Futures Council would conduct nonpartisan research, analysis, and planning efforts to address the long-term economic competitiveness of the state.

- The governor should appoint a temporary task force to make recommendations regarding the membership structure, governance model, and funding mechanism for the council. This is the same approach that was taken to inform the legislation that led to the establishment of the DPP.
- The council should use the *Delaware Investment Agenda* as a basis for developing a comprehensive economic competitiveness plan for the state that is informed by a broad array of stakeholder input, national best practices, and data-driven research and analysis. Recommended goals and strategies should include measurable targets that would be tracked and reported publicly. A small, full-time, professional staff would be tasked with research, outreach, and publication activities.
- The council could enhance the state’s long-term competitiveness by supporting the Delaware Manufacturing Extension Partnership and other organizations in their efforts to develop financial and technical assistance programs to assist existing manufacturers in adopting Industry 4.0 technologies. As technologies such as artificial intelligence, big data, and cybersecurity reshape the global manufacturing sector, it is crucial that the state’s manufacturers, particularly small businesses, are able to integrate such technologies into their production processes in order to remain competitive.

The Vermont Futures Project

The Vermont Futures Project is an independent nonpartisan organization that uses data, research, and the development of alliances to foster a common economic vision for the state. The organization is leading the creation of a statewide economic plan that includes quantifiable goals to inform policy and strategy on a state and local level. The organization also maintains an online dashboard that presents data on six categories: economic development, innovation, demographics, workforce, quality of place, and infrastructure. Its board of directors consists of leaders representing the business, nonprofit, economic development, and education sectors.

More info: www.vtfuturesproject.org

Growing Michigan Together Council

In June 2023, Governor Gretchen Wilson established the Growing Michigan Together Council to develop a long-term vision for tackling the state’s current and future challenges. As an advisory body, the council is tasked with identifying goals and policies to grow the state’s population, improve educational outcomes, attract and retain talent, and build long-term sustainable infrastructure. The council will submit a report to the governor and legislature that addresses jobs, talent, and people; infrastructure and places; pre-K–12 education; and higher education.

More info: www.growingmichigan.org

3.2. Identify and prepare large-scale commercial and industrial sites for future development.

Delaware struggles to compete for large industrial and commercial office projects due to a lack of suitable sites with available utility infrastructure. The state should consider creating a new site readiness incentive to facilitate the construction of utility infrastructure to sites appropriate for large development projects.

- Conduct a statewide assessment of the quality and availability of infrastructure in large sites identified for industrial development.
- Create a new site/utility readiness incentive to reduce the amount of time it takes to get development of large industrial development projects underway. The new incentive should operate similarly to a revolving loan fund. The incentive is provided to approved developers/companies as a loan to pay for utility construction and is paid back over time to recapitalize the fund.
- Create a competitive readiness fund that will identify key regions, encourage landowners to go through the land use process in advance of a tangible opportunity, receive a long-term interest-free loan for entitlements, and repay the fund with interest at permitting or sale.

3.3. Support the passage of state legislation to require state agencies and counties to expedite the review of certain types of development projects consistent with local land use planning and informed by public input.

There have been calls in recent years for new state legislation that would require counties to accelerate their review process for certain development projects. While it is important for counties and communities to be able to determine the types of developments most appropriate for them, businesses seeking to invest and develop in Delaware need a more efficient, transparent, and less cumbersome process for meeting state and local development standards. If state and local permitting processes take too long, Delaware will continue losing new investment and job creation to other states where they are able to gain approval and become operational more quickly. This is especially true for large capital projects where the competition is intense.

- Business organizations, local economic development organizations, and industry trade groups should advocate for state legislation that requires state agencies and counties to fast-track their review process for office, manufacturing, industrial, and business park developments that meet specific size and job creation thresholds.

3.4. Support local communities in developing authentic and brandable places that attract and retain young adults and leverage the synergies to live, learn, work, and play.

Placemaking is most often undertaken at the community or regional level. However, states can help communities enhance their placemaking efforts. This support can come in the form of policy, capacity-building, and financial resources, as well as thought leadership.

- Create a state matching grant program to support local placemaking investments in Delaware communities.
- Ensure that state specialists in community development, transportation planning, education, parks and recreation, and natural resources are working to educate and inform local officials on placemaking strategies.
- Work with communities to better connect local land use planning with state transportation planning to foster new residential and commercial development that aligns with mobility, safety, and accessibility goals.
- Incorporate placemaking as a major goal of the proposed economic competitiveness plan in Strategy 3.1.

Indiana Regional Cities Initiative/READI

The Indiana Regional Cities Initiative, launched in 2015, has spurred collaboration among communities to transform their regions into desirable places to live and work. With \$1.2 billion invested so far, it has supported over 420 projects, benefiting 70 percent of the state's population. Over \$1.2 billion was invested in the Regional Cities projects, which included private sector contributions totaling \$835.5 million.

Building on this success, the Regional Economic Acceleration and Development Initiative (READI) was introduced in 2021, offering up to \$50,000 grants for regions to develop plans that can include infrastructure projects, housing, revitalization efforts, and more. It's a unique opportunity for Indiana to stimulate economic growth and create a lasting impact for residents and future generations of Indianans. The program dedicated \$500 million in state funding to support 361 quality-of-place, quality-of-opportunity, and workforce projects across all 17 Indiana READI regions. On average, every dollar of state funding was matched with \$26 from outside entities.

More info: www.indianareadi.com

3.5. Request that the State of Delaware commission a report that examines how successful the state is pursuing and securing all available federal funding opportunities.

Some stakeholders interviewed during the planning process expressed a concern that Delaware is not bringing in all federal funding opportunities that it is eligible to receive or compete for. This is especially the case for federal discretionary spending or competitive grant funding. While this perception may not be the reality, having more transparent reporting on how successful Delaware is in competing for and securing federal resources would help to answer the question. Such a report could also offer recommendations for a more coordinated state effort to attract federal funding, which if successful could provide additional valuable resources for investing in the state's economic competitiveness.



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