

# FitchRatings

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February 3, 2005

Mr. David Singleton  
Secretary of Finance  
Department of Finance, State of Delaware  
Carvel State Office Building  
820 North French Street, 8th Floor  
Wilmington, DE 19801

Dear Mr. Singleton:

Fitch Ratings has assigned one or more ratings and/or otherwise taken rating action(s), as detailed on the attached Notice of Rating Action.

Ratings assigned by Fitch are based on documents and information provided to us by issuers, obligors, and/or their experts and agents, and are subject to receipt of the final closing documents. Fitch does not audit or verify the truth or accuracy of such information.


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We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please feel free to contact us at any time.

Sincerely,



David T. Litvack  
Managing Director  
U.S. Public Finance

DTL/ld

Enc: Notice of Rating Action  
(Doc ID: 4094)

# Fitch Ratings

## Notice of Rating Action

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<u>Bond Description</u>	<u>Par Amount</u>	<u>Rating Type</u>	<u>Action</u>	<u>Rating</u>	<u>Outlook/ Watch</u>	<u>Eff Date</u>	<u>Notes</u>
Delaware, State of (DE) GO bonds ser 2005A	\$32,425,000	Long Term	New Rating	AAA		30-Dec-2004	
Delaware, State of (DE) GO bonds ser 2005B	\$92,575,000	Long Term	New Rating	AAA		30-Dec-2004	

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Tax Supported  
New Issue

## State of Delaware

### Rating

General Obligation Bonds ..... AAA

### Analysts

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### New Issue Details

\$125,000,000 General Obligation Bonds, Series 2005A, are scheduled for competitive bids on Jan. 12. The bonds will be due Feb. 1, 2006-2025 and are optionally callable at par beginning Feb. 1, 2013.

**Security:** The bonds are general obligations of the State of Delaware, and its full faith and credit is pledged.

### ■ Outlook

Delaware's premier credit standing centers on its considerable economic and financial resources, the latter buttressed by the well-institutionalized constitutional protections designed to ensure surplus operations. Historically a wealthy state, although still dependent on chemical and auto manufacturing, the economy has been diversified by activist policies, which created a climate attractive to banking and related business services, as well as to pharmaceuticals and biomedical activities. The burden of debt, while above average on this small and highly centralized state, is tempered by an extremely rapid rate of amortization. While economic growth paused in fiscal years 2002 and 2003, financial operations nonetheless exceeded expectations, and fiscal 2004 revenue collections significantly strengthened, bolstered by receipt of unexpected one-time receipts from abandoned property settlements in the past two years and last year's revenue increases. The budget reserve remains fully funded, and fiscal 2005 is projected to close with the budget reserve and unencumbered cash equal to 10.6% of revenues. Long-term revenue exposure exists regarding video lottery receipts due to actions taken and under consideration in neighboring states.

### ■ Rating Considerations

As a small and highly centralized state with a minimal number of local governments, Delaware fully provides many services frequently shared with local units elsewhere, thus contributing to a generally higher debt burden, as well as inclusion of broader annual expenditures at the state level. While the debt burden is again rising and is above average though still in the moderate range at \$2,332 per capita and 6.7% of personal income, ratios (relative to personal income) remain well below the double-digit ratios experienced in the state's very weak fiscal period of the mid-1970s. The burden of debt is also tempered by the extremely rapid amortization rate, with 80% of bonds due in 10 years; debt service has increased to 7.8% of revenues. With the financial pressures of fiscal years 2002 and 2003, there was a considerable reduction of the state's traditionally large pay-as-you-go financing, as well, but levels increased in fiscal 2004 and are intended to further enlarge in the current year, thus heightening the available financial flexibility.

In reaction to the very serious financial pressures of the mid-1970s, constitutional policies were enacted limiting appropriations to 98% of estimated revenues and balance and creating a 5% budget reserve, which has been fully funded since it was created in 1980 and is expected to continue through the current fiscal year. Independent revenue forecasting was established in 1977 with the creation of the Delaware Economic and Financial Advisory Council (DEFAC) and is the consensus basis for the state's statutory debt and constitutional spending limits.

January 12, 2005

Financial operations have remained successful in recent years as the growth of the banking industry and incorporations provided offsets to the very slow growth of the personal income tax. At the same time, DEFAC took prompt actions in both fiscal 2002 and fiscal 2003 to reduce estimates when necessary. Operations in both those years ultimately exceeded revised expectations and further strengthened in fiscal 2004 with approval of a tax package affording some \$150 million in new and ongoing revenue. The unencumbered fund balance and the budget reserve fund combined were equal to about 11% of fiscal years 2002 and 2003 revenues before improving to 13.4% in fiscal 2004. The bulk of fiscal 2003's overage was principally due to unexpected one-time windfall receipts from the estate tax and an abandoned property settlement, again offsetting the weak personal income tax, and in fiscal 2004, the overage was again largely from abandoned property and the enacted revenue measures. With the moderate economic growth projected, fiscal 2005 is anticipated to show revenue-adjusted growth of 2.8% and close with the combined budget reserve and unencumbered cash equal to 10.6% of revenues.

The state has experienced steady economic growth and increasing diversity, in part reflective of actions taken to broaden the economic base in a deliberate and positive way. Since the recession of the early 1990s, population, employment, and personal income gains have generally exceeded the national averages. Like the nation, the state experienced declines in employment through 2003 largely attributable to manufacturing, but growth in the banking sector appears to have resumed in 2004 with some expansions. Employment growth to date is exceeding the national increase, and unemployment rates continue to be low.

### ■ Strengths

- Constitutional protections, now well institutionalized, designed to ensure surplus operations.
- Very successful financial operations, with undesignated balance and budget reserve equal to about 11% of revenues.
- Historically wealthy state, now diversifying, with economic growth generally exceeding national and regional averages.
- Still well-funded contributory pension systems, at 98% funded including the original, now closed, police plan; excluding the latter, the funding level was still 103% of plan assets at June 30, 2004.

### ■ Risks

- Above-average debt burden, but somewhat eased by extremely rapid amortization.
- Although diversifying, the economy remains dominated by manufacturing.
- Longer term uncertainty regarding lottery revenues, 8% of the general fund, as the video lottery has been approved in Pennsylvania and is under consideration in Maryland.

### ■ Debt

A small state with a minimal number of local governments, Delaware's service functions are highly centralized, with the state providing all welfare, court, correctional, health, and transportation services and the bulk of public school costs, contributing to above-average debt at the state level. The state issues all bonds for school construction, with the local school districts issuing their own bonds to reimburse the state for their 20%-40% share of capital costs (interest rates charged to locals are at the interest rate on the state bonds plus a maximum of 25 basis points, and no local school district has ever defaulted on its payments to the state). The state also provides about 70% of school operating revenues.

While authority exists for issuance of revenue and bond anticipation notes, none have been issued since fiscal years 1977 and 1978, respectively, following the state's severe financial problems of the mid-1970s. (Market access for outstanding bond anticipation notes was denied, requiring interim funding from current revenues until a negotiated financing was arranged.) Following that difficult period, compounded by operating problems at the Farmers Bank of Delaware, in which the state had majority ownership, a stringent and narrow statutory debt limit (there are no

### Debt Statistics

(\$ Mil., At June 30, 2004)

General Obligation Bonds - Outstanding	1,012.5
General Obligation Bonds - Offered	125.0
Delaware Transportation Authority*	861.7
Leases (Real Estate)	117.0
Total Debt	2,116.2
Less: Local School Districts	288.5
Net Tax-Supported Debt	1,827.7

### Debt Ratios

Per Capita (\$)	2,332 (783,600, 2000)
% Personal Income	6.7 (\$27,239,950,000, 2003)

### Amortization Ratios (%)

Due in Five Years	48
Due in 10 Years	80

\*Includes \$804.2 million senior and \$57.5 million junior lien bonds.

constitutional restrictions) restricting issuance to 75% of the prior year's maturity was adopted. It remained in place until a 1991 debt affordability study replaced it with a three-part statutory limit beginning in fiscal 1992, as follows:

- New tax-supported state obligations, excluding transportation authority debt, cannot exceed 5% of estimated net budgetary general fund revenue (issuance of \$138.3 million is allowed for fiscal 2005 and \$144.1 million for fiscal 2006, and based on revenue projections, issuance rises to \$161 million in fiscal 2009).
- Tax-supported state obligations and transportation trust fund debt cannot be issued if maximum annual debt service exceeds 15% of budgetary general fund and transportation trust fund revenue (for fiscal 2006, debt service is estimated at 7.8% of such revenue).
- No general obligation debt can be issued if maximum annual debt service, excluding reimbursements by local school districts, the transportation trust fund, and the housing authority, exceeds the following year's estimated cumulative cash balances, including reserves. Net maximum debt service is \$129.7 million, while the cumulative cash balance at June 30, 2006 is projected by DEFAC at \$500.7 million.

Cognizant of its high debt, the state had taken steps to reduce its bonding for capital, largely enabled by the financial health of recent years despite the slowed revenue growth of fiscal years 2002 and 2003. Since 1995, it engaged in a substantial debt reduction plan, reducing authorizations, de-authorizing some \$122 million general obligation bonds and defeasing and refunding bonds (most recently, \$167 million in fiscal 2003 and \$75 million in fiscal 2004), and applying surplus and one-time revenues for capital purposes. About 50% of both fiscal 1999 and fiscal 2000 general fund capital budgets were funded by budgetary revenues. The funding level dropped by about \$100 million in fiscal 2001 (to \$198 million) and with slowed revenue growth fell to lows of \$11 million in fiscal 2002 and \$19.2 million in fiscal 2003. With revenue improvement in fiscal 2004, the pay-as-you-go level rose to \$142 million and further enlarges to \$236 million in the current year.

The creation of the Twenty-First Century Fund (from escheated settlements received as a result of the U.S. Supreme Court's decision in *Delaware v. New York*) allowed the allocation of some \$389.3 million for capital, principally for environmental and quality of life improvements, including some \$30 million for

initial acquisition costs and improvements to the Port of Wilmington (the largest banana importer in the U.S.). With \$147.7 million of budgetary general funds, the state created the Infrastructure Investment Plan in 1999 to continue such investment initiatives, including educational technology and the economic redevelopment of Wilmington's riverfront.

With the exception of some real estate leases and up to \$350 million housing authority bonds for which the state has a capital reserve deficiency makeup provision (none are currently outstanding) and the debt of the unified transportation authority, which replaced state general obligation debt issued for highways (secured by highway-related taxes and fees and tolls and concession revenues on the Delaware Turnpike and Route 1 toll road), all debt is general obligation or guaranteed. While state debt is above average though still in the moderate range at \$2,332 per capita and 6.7% of personal income, when all local debt is included, the resulting ratios of \$3,342 per capita and 9.5% of personal income are quite reasonable. Debt ratios have shown steady decline over the past two decades and are further tempered by the very rapid amortization rate, with 80% due in 10 years. Amortization of general obligations bonds is limited to 20 years. After the current issue, \$262 million in general obligation bonds will remain authorized but unissued; a further \$100 million sale is expected in the summer of 2005.

## ■ Financial Operations

Delaware operates on a cash (budgetary) basis, with the general fund providing for most operating functions, although the unified transportation trust fund (which receives all highway-related taxes and fees, as well as tolls and concession revenues) handles all transportation expenses. The principal revenue source to the general fund is the personal income tax, the net amount accounting for about 30% of fiscal 2004 revenues, followed by the corporate franchise tax at 17% (levied on in-state corporations, increased in 2003 from \$150,000 to a maximum of \$165,000 per year). Dependency on the personal income tax has dropped by about one-half over the past two decades, with the growth of the banking industry and incorporations providing offsets through several corporate and business-related taxes and fees, as well as growth in the lottery and abandoned property receipts. Of the latter, \$10 million annually is earmarked for the transportation trust fund. While an unpredictable revenue source, Delaware as a major corporate center receives sizable amounts of

## General Fund — Budgetary Basis

(\$ Mil., Years Ending June 30)

	2001	2002	2003	2004	% Change 2003-2004	Estimate 2005
Personal Income	837.8	841.1	839.9	906.4	7.9	961.2
Franchise	533.6	492.5	448.2	515.8	15.1	474.0
Total Receipts	2,329.0	2,425.7	2,436.4	2,735.7	12.2	2,755.8
Education	1,026.2	1,066.0	1,045.2	1,064.5	1.9	1,198.1
Health and Social Services	570.5	617.6	639.4	652.6	2.1	731.7
Corrections	181.6	179.2	185.5	189.6	2.2	204.0
Debt Service	118.5	112.1	116.2	134.3	15.6	153.4
Total Disbursements	2,429.0	2,463.9	2,454.1	2,553.7	4.1	2,823.5
Operating Result	(100.0)	(28.2)	(17.9)	181.9	—	(67.9)
Cash Balance	509.9	481.7	464.0	646.0	39.2	577.9
Unencumbered Cash Balance*	167.0	265.1	181.8	269.1	66.3	142.7

\*Includes budget reserve account, fully funded in all years since inception in 1980 to 5% (\$128.9 million at June 30, 2003, \$138.5 million at June 30, 2004, and \$148.42 million expected at June 30, 2005).

revenue (it is the state's third largest revenue source), in part as a result of the U.S. Supreme Court decision of remitting unclaimed property to the state of incorporation of the holder of the property when the lost owner's address is unknown. There is no state sales tax, aiding in the state's comparative cost advantage.

The bank franchise tax and the gross receipts tax respectively provide 5% and 6% of revenues. Lottery revenues are contributing 8% of fiscal 2005 general fund revenues. While its growth was strong through fiscal 2002, reflecting the reauthorization of the video lottery with an increase in the number of machines (at the state's three racetracks) and absence of competition in neighboring states, softening occurred in fiscal 2003. Smoking at the tracks was banned, causing a drop of 7.4% in revenues; this was below the 10% initial expectation. As part of a tax package approved for fiscal 2004, extended video lottery operating hours are expected to provide another \$16 million annually. Pennsylvania has approved a video lottery, and with delays in implementation, competition is not expected until fiscal 2007, at which time a loss of about \$30 million annually is expected. An even greater loss is expected to occur should Maryland also allow video lottery, and with Pennsylvania, it could possibly affect about one-half of Delaware's current lottery receipts.

Following the state's severe financial pressures of the mid-1970s, the state in 1977 established an independent revenue estimating council, which forecasts revenues for the general and transportation trust fund for the current and four out-years. The current year's consensus forecast is updated five times annually (monthly in each of last four months of the fiscal year). Forecasts were increased during fiscal 2004 but slightly lowered

through the first half of fiscal 2005 by 1.3%, or \$34.8 million, for a now-projected gain of 0.7% following fiscal 2004's 4.1% increase. At the same time, estimates for fiscal 2006 increased to \$2,882.6 million, for a projected 4.6% gain.

The state also enacted constitutional protections designed to ensure surplus by limiting appropriations to 98% of estimated revenue and the unencumbered balance; with a declared emergency and three-fifths vote, appropriations may be increased to 100%. A budget reserve fund was also established, and it has long been fully funded to its required 5%; it is available for unanticipated general fund deficits or to offset legislative revenue reduction actions with a three-fifths vote of each house. Additionally, a three-fifths vote by each legislative house is required for any tax or fee increase except for debt service.

General fund operations were very successful in the latter half of the 1990s, with revenue growth exceeding estimates between 3% and 13% each year since fiscal 1995. Collections in fiscal 1999 were 7.5% above the original budget estimate, notwithstanding tax relief (which reduced the personal income maximum rate from 6.9% to 6.4% on Jan. 1, 1999 and to 5.95% on Jan. 1, 2000). At the end of fiscal 1999, the cumulative cash balance reached a peak of \$577 million, and the undesignated fund balance and budget reserve equaled 23.6% of general fund revenues. Even with further tax cuts, fiscal 2000 closed with a cash balance up to nearly 27% of revenues, declining slightly to 22% at the end of fiscal 2001 and 21% at the end of fiscal 2002.

Underlying revenue growth (net of tax reductions) slowed from 4.0% in fiscal 2000 to 2.2% in

fiscal 2001 and 2.4% in fiscal 2002. In fiscal 2003, growth was only 0.4%, but it would have been negative 2.1% absent the one-time windfall revenues from an estate tax (\$47 million) and from an abandoned property settlement (\$18 million). For fiscal 2002, revenue estimates were consistently lowered by DEFAC in the first nine months; they were increased somewhat in the last few months and ultimately were above projections. The personal income tax was about 3% below estimates (and 1% below fiscal 2001 collections), and the franchise tax fell nearly 17% short. However, the corporate income tax yield was about 2.5 times greater than the estimate, and a number of other sources, including the lottery, were also positive. The year closed with a balance of \$482 million, including a \$128 million reserve; the unencumbered balance was \$137 million.

For fiscal 2003, revenues were initially expected to decline 4.2%, reflecting the one-time nature of the fiscal 2002 performance of the corporate income tax and other nonrecurring receipts. The personal income tax was estimated to increase 3.3% and the franchise tax 2.0%. However, estimates were reduced early in the year, and the governor took actions to close the gap through some \$60 million of measures, including a hiring freeze, further agency cuts, use of some one-time reserves, and debt service savings from refundings. In the second half of the year, frequent DEFAC meetings, virtually monthly, were held, and revenues were increased by \$75 million over the original estimate, to \$2,440 million. Some \$64.6 million of the increase was provided from the one-time windfall estate tax and abandoned property settlement. The personal income tax remained weak, with net collections down 1% since fiscal 2002, and the franchise tax was about 10% below the prior year's, as well. The year closed with a \$464 million cash balance, including \$129 million in reserve; the unencumbered balance was \$162 million, compared to an estimate for \$69 million.

With the absence of significant evidence of economic recovery, the state addressed the revenue pressures for fiscal 2004 and the enlarging projected gap with approval of tax increases amounting to about \$150 million (\$174 million in fiscal 2004 due to some \$24 million as a one-time retroactive impact). The increases include \$29 million from a cigarette tax increase, about \$100 million in ongoing revenues from incorporation tax and fee increases, and \$16 million from enhancements to the video lottery, including longer operating hours. An improved evaluation process for abandoned property potential

added another \$49 million, with an increase of some \$50 million-\$60 million expected annually on an ongoing basis. With these actions, revenues in fiscal 2004 achieved a 12.2% increase (6.6% adjusted for tax changes and one-time events) over the fiscal 2003 level, instead of the original projection of a 3.1% decline. A large operating surplus of \$181 million was achieved, the first since fiscal 2000, and contributed to considerable growth in the unencumbered cash balance, which, together with the \$136.5 million budget reserve, represented 13.4% of revenues.

After frequent increases through the first half of 2004 in the quarterly revenue estimates, both the September and December forecasts slightly reduced projections for both fiscal 2005 and fiscal 2006. For fiscal 2005, growth was originally projected at 1.3% and has now been reduced to 0.7%, to an estimated \$2,755.6 million; much of the fiscal 2004 revenue growth emanated from increased one-time receipts. The franchise tax remains weak, and collections from this source were also reduced for fiscal 2006, which now is forecast for a 4.6% increase to \$2,882.6 million. Underlying assumptions include employment growth of 1.6% and personal income growth of 5.7% (6.4% realized in the third quarter of 2004, compared with the level in the third quarter of 2003) for fiscal 2005 and 1.4% employment and 5.1% personal income increase for fiscal 2006. Fiscal 2005 is anticipated to require a draw of some \$68 million from the cumulative cash, reducing the unencumbered cash and budget reserve (fully funded at \$148 million) to \$291 million at fiscal year end, or 10.6% of revenues.

## ■ Economy

A small state, Delaware's growth in recent years has generally outpaced that of the U.S. as its economy has diversified. As the headquarters of both E. I. DuPont de Nemours & Co. (DuPont) and Hercules Inc., chemical manufacturing remains of significant importance. While DuPont's employment declined by more than 50% since 1990 (from about 23,000 to 11,000), economic growth in other sectors created more than 40,000 jobs over the same period. DuPont's recent sale of its fiber business (INVISTA) to Koch Industries involved about 1,100 employees. The merger of AstraZeneca, an international pharmaceutical company, and the selection of Delaware as its corporate world headquarters, retained Zeneca's some 2,200 employees and intended to increase the level to 4,000 by 2004 with Astra's full relocation to the state; there are currently 4,900 employees. A total of 6,900 employees are

expected to be in place by the end of 2005. This growing pharmaceutical manufacturing aspect is expected to provide more balance to Delaware's traditionally cyclical manufacturing base, which also includes the presence of two auto plants (Daimler-Chrysler's Dodge Durango plant and GM's re-tooled plant now producing Saturns, the latter employing 1,900 and expected to produce a sports model, keeping it open) that combined now employ some 4,000. Employment continues to steadily decline in this sector. Poultry production is still important in the southern portion of the state. Perdue and Mountaire Farms together employ 6,100.

Legislation in 1981 encouraged the location to the state of banking institutions and, more recently, credit card issuers; MBNA is now the state's largest employer, with 11,300 employees. The high concentration of banking and related business services, aided by the well-established body of case law and the predictability afforded by Delaware's Court of Chancery, is contributing to the growth. Although incorporations have slowed, Delaware's business laws continue to evolve to maintain its competitive position. Additionally, J.P. Morgan Chase employs 2,900, and Bank One employs 2,400; the latter is investing \$550 million in two corporate data centers under construction, and other expansions are again occurring, such as 700 new jobs expected at ING Direct.

Manufacturing, at 11%, still provides a sizable share of personal income earnings but no longer dominates Delaware's employment, and with the growth of financial services, greater employment diversity is occurring. In 2002, manufacturing provided only 8.9% of employment, compared to the level in

1985, when it accounted for about 25% of non-agricultural employment.

Delaware's employment gains exceeded those of the Mid-East region for nearly two decades and the U.S. level since 1995 (Delaware employment growth was generally above the U.S. level since 1980, with the exception of the early 1990s recession years and in 2000 and 2001), although the state's gain in 2000 slightly lagged both. In November 2004, non-agricultural employment was 1.9% above the level in the same month a year earlier. Manufacturing was down 4.4%, with gains in all other sectors, led by education and health services, up 4.8%, and construction, up 4.4%. Unemployment remains lower than the national average, at 3.6% in November, or 67% of the U.S. level.

Delaware has been a wealthy state historically, with annual personal income and per capita income growth since 1993 ranging around the national and regional rates of increase. However, growth slowed in 1999 and 2000, reflecting the weakness in the still considerable manufacturing sector. (The small increase in 1997 reflected the temporary closing of two auto plants for retooling.) A rebound occurred beginning in 2001. In the third quarter of 2004, compared to the third quarter of 2003, Delaware's 6.4% growth was the eighth strongest in the nation. Additionally, while per capita income had ranged between 110% and 115% of the U.S. levels historically, in 2000, it fell to 12th in national ranking, having ranked sixth in 1998, probably reflecting actual census-documented population growth. At \$33,321 in 2003, per capita income kept Delaware at its 12th place ranking, equal to 106% of the U.S. average.



## Economic Trends

### Nonfarm Employment

(000, Not Seasonally Adjusted)

	DE	% Change	U.S.	% Change
1990	348	1.2	109,487	1.4
1991	341	(2.0)	108,374	(1.0)
1992	341	0.0	108,726	0.3
1993	349	2.3	110,844	1.9
1994	355	1.7	114,291	3.1
1995	366	3.1	117,298	2.6
1996	376	2.7	119,708	2.1
1997	388	3.2	122,776	2.6
1998	400	3.1	126,930	2.6
1999	413	3.3	128,993	2.4
2000	420	1.7	131,785	2.2
2001	419	(0.2)	131,826	0.0
2002	415	(1.0)	130,341	(1.1)
2003	414	(0.2)	129,931	(0.3)
November 2003	419	—	131,071	—
November 2004p	427	1.9	133,162	1.6

### Unemployment Rates

(%, Not Seasonally Adjusted)

	DE	U.S.	DE as % of U.S.
1990	5.1	5.6	91
1991	6.2	6.8	91
1992	—	7.5	—
1993	5.3	6.9	77
1994	4.9	6.1	80
1995	4.3	5.8	77
1996	5.2	5.4	96
1997	4.0	4.9	82
1998	3.8	4.5	84
1999	3.5	4.2	83
2000	3.9	4.0	98
2001	3.4	4.7	72
2002	4.2	6.8	72
2003	4.4	6.0	73
November 2003	3.9	5.9	66
November 2004p	3.6	5.4	67

### Personal Income

(Change from Prior Year)

	% Change		DE as % of U.S. Growth	
	DE	U.S.	DE	U.S.
1990	5.0	6.4	79	148
1991	5.2	3.5	70	81
1992	4.4	6.3	80	111
1993	3.0	3.7	117	73
1994	4.1	5.2	114	78
1995	5.9	5.3	104	134
1996	7.0	6.0	176	125
1997	4.4	6.1	79	148
1998	8.4	7.4	70	81
1999	4.0	5.1	80	111
2000	8.3	8.0	117	73
2001	4.7	3.5	114	78
2002	3.0	1.7	104	134
2003	4.0	3.2	176	125

### Per Capita Income

(Change from Prior Year)

	% Change		DE as % of U.S. Growth	
	DE	U.S.	DE	U.S.
1990	3.3	5.2	64	145
1991	3.1	2.1	54	55
1992	2.6	4.8	65	91
1993	1.3	2.4	113	60
1994	2.5	3.9	110	61
1995	3.7	4.1	98	143
1996	5.4	4.8	242	121
1997	2.9	4.8	64	145
1998	6.7	6.1	54	55
1999	2.4	3.9	65	91
2000	6.7	6.8	113	60
2001	3.5	2.5	110	61
2002	1.7	0.7	98	143
2003	2.6	2.2	242	121

### Components of Personal Income: Earnings

(%)

	DE		% Change 2001-2003	U.S.		% Change 2001-2003
	2001	2003		2001	2003	
Construction	6	6	5	6	6	5
Manufacturing	11	11	9	14	14	2
Durable Goods						
Manufacturing	5	5	2	9	9	1
Trade, Transportation, and Utilities	14	14	10	17	16	4
Financial Activities	12	16	40	10	10	7
Professional and Business Services	25	19	(20)	15	15	2
Education and Health Services	10	11	16	10	11	15
Government and Government Enterprises	13	14	15	16	16	11

State Population: 783,800 (2000)

Population Change 1990-2000: DE 17.6%, U.S. 13.1%

Personal Income Per Capita 2003: \$33,321 =106% of U.S., rank 12th

Note: Monthly unemployment rates are seasonally adjusted. p - Preliminary.

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