



Some thoughts on the local economy

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The ~~Good~~ Great News

- York County has been BOOMING!!
- York County led the nation in job growth in the 3rd quarter of 2016 and the 1st quarter of 2017.
- In the 1st quarter of 2018, York County ranked 41st in the country (out of the 349 largest counties), with an annual employment growth rate of 3.0%. This was nearly double the rate of the U.S. as a whole (1.6%).
- Between 1st quarter 2013 and 1st quarter 2018, York County saw employment growth of 24.24%, compared to 9.26% in the U.S. as a whole.
 - This ranks 11th out of the 349th largest counties in the U.S.
 - The next closest county in the region is Spartanburg Co. (37th)
- Over the same time period, York County saw wage growth of 22.70%, 24th in the nation.
 - However, the weekly wage in York County (\$935) ranks only 226th out of the 349 counties
 - Other areas in the region fair better: Mecklenburg (20th), Durham (33rd)



Local Impact of Growth

- Education

Growth = More Students

- Change in District Enrollments 2005 – 2017

- Chester: -13.67%
- Clover: 39.05%
- Fort Mill: 105.37%
- Rock Hill: 8.41%
- York: -0.76%
- U.S.: 1.28%



Local Impact of Growth

- Change in 12th Grade Enrollment 2011 - 2016
 - Chester: -12.89%
 - Clover: 23.36%
 - Fort Mill: 26.91%
 - Rock Hill: 7.80%
 - York: 7.72%
- U.S. High School Growth 2011 – 2016: 2.45%
- This provides us with the opportunity to provide companies the workforce they need/want
- Growing enrollment can also help us innovate within our schools (economies of scale)
- It also presents challenges (new schools, changing demographics)



Local Impact of Tariffs

- Trump Administration Tariffs

- January 2018: 30% tariff on solar panel components; 20-50% tariff on washing machines
- March 2018: 25% tariff on steel; 10% tariff on aluminum
- June 2018: Steel and aluminum tariffs are extended to the EU, Canada and Mexico
- July 2018: 25% tariff on 800 categories of goods from China
- September 2018: 10% tariff on 6,000 Chinese goods (with threat of increase to 25%)

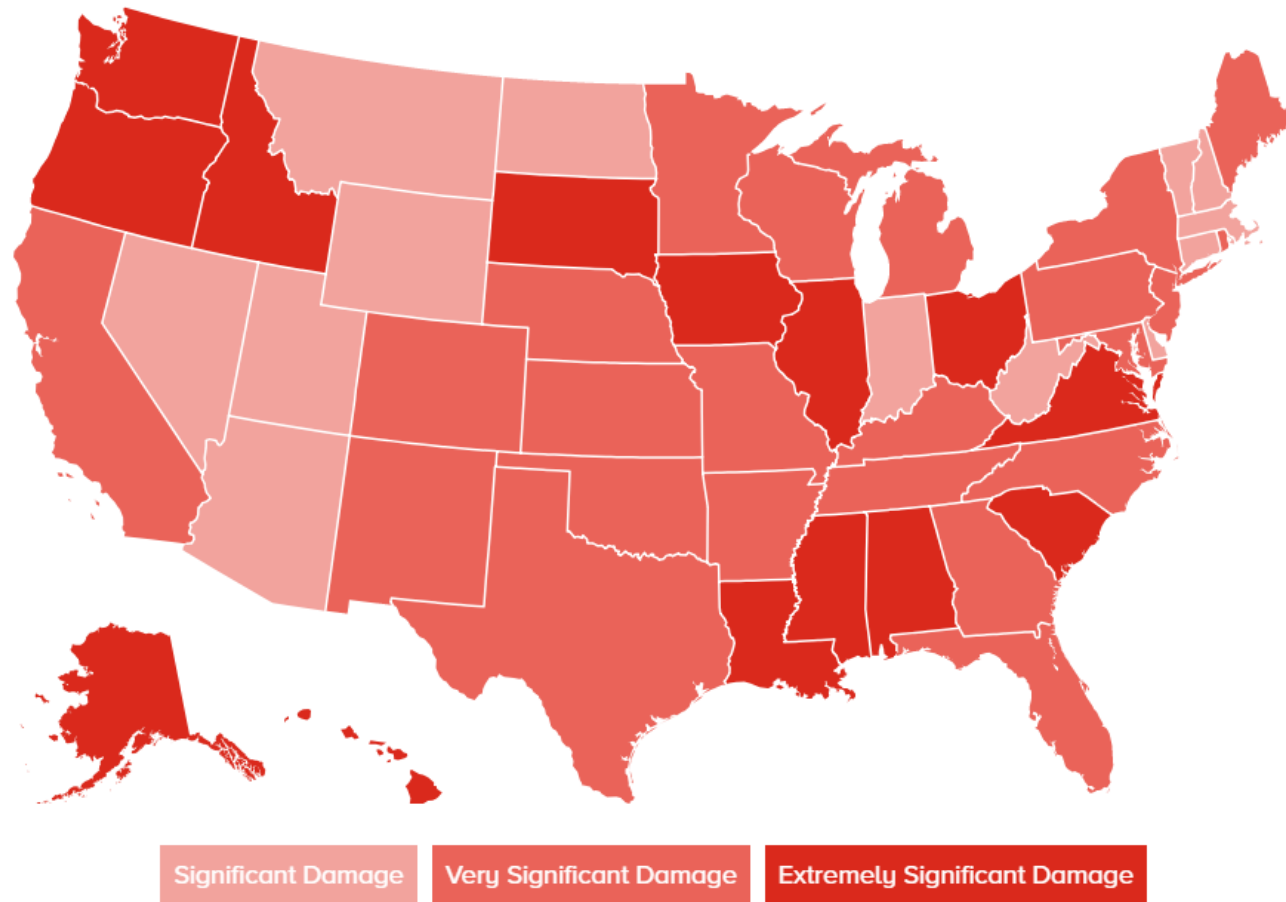
A study by Morgan Stanley estimated that Trump's tariffs on steel, aluminum, washing machines and solar components impacted 4.1% of all U.S. imports



Why are the tariffs so important in SC?

- Canada, China, Mexico, Europe and India have announced large retaliatory tariffs, or the plans to issue such retaliation.
 - Some impacted goods (there are hundreds):
 - Soybeans
 - Apples
 - Cheese
 - Pork
 - Whiskey
 - Steel
 - Apple Juice
 - Orange Juice
 - Cranberry Juice
 - Washing machines
 - Boats
 - Clothing
 - Sleeping bags
 - Yogurt
 - Coffee
 - Maple Syrup
 - Candy
 - Candles
 - Shaving Cream
 - Toilet Paper
 - Facial Tissues/Towels
 - Playing Cards
 - Mattresses
 - Pizza
- Steel and aluminum producers versus steel and aluminum users
- Manufacturing accounts for 11.8% of output nationwide (8.6% of the workforce), but in South Carolina it accounts for 16.8% of output (11.7% of the workforce).

Why are the tariffs so important in SC?



Source: U.S. Chamber of Commerce; www.uschamber.com/tariffs

\$3.2 BILLION

SOUTH CAROLINA EXPORTS THREATENED
BY AN EMERGING TRADE WAR

\$287M

South Carolina
exports to

Canada

targeted for retaliation

\$117M

South Carolina
exports to

Mexico

targeted for retaliation

\$2.8B

South Carolina
exports to

China

targeted for retaliation

\$37M

South Carolina
exports to

Europe

targeted for retaliation

South Carolina's hardest hit products:

1. Combined Refrigerator-freezers with Separate Doors
\$50 million exported annually to Canada
2. Handkerchiefs, Tissues & Towels Of Paper Pulp Etc
\$31 million exported annually to Canada
3. Mowers For Lawns, Parks Etc
\$31 million exported annually to Canada



In Summary...

- Expect continued population growth
 - This should be accelerated in Rock Hill, York and beyond now that Fort Mill is so congested.
 - The growth in the number of high school graduates should be seen as a positive for new companies and local businesses alike.
- We need common sense economic policies to prevail
 - Local governments should prepare for the growth. New schools and additional infrastructure are a must.
 - National policies can have a significant impact on state and local conditions. Economics matters.