

St. Johns County has Head Start for Success, Economist Says

By STUART KORFHAGE
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COLIN HACKLEY TALLAHASSEE, FLA. 1/7/15- Jerry Parrish, Ph.D. is chief economist & director of research for the Florida Chamber of Commerce Foundation in Tallahassee.
COLIN HACKLEY PHOTO

In order to achieve sustained success in the modern economy, the key is investing in the education of the future workforce, state economist Jerry Parrish says.

And that's one of the areas where St. Johns County is already well ahead of the curve.

Parrish, the chief economist and director of research at the Florida Chamber Foundation, spoke to members of the St. Johns County Chamber of Commerce on Friday morning. He said that while economic indicators are good for Florida right now, a strong dollar and global uncertainties will weigh down the current momentum.

"Now is not the time to take our foot off the gas," he said. "Things are getting tougher out there."

With those concerns in mind, Parrish lauded the county for its high-performing schools and for residents' willingness to adopt the 0.5 percent tax increase for school funding.

He talked about the huge advantage St. Johns County has in terms of its graduation rate from high school, which recently was announced at 90.5 percent — almost 13 percentage points higher than the state overall.

"Remember, these kids coming out of these schools are probably going to get a premium in the job market," Parrish said. "[St. Johns County's] key is to keep up the quality schools because, like I said and like Mark Wilson (president and CEO of the Florida Chamber of Commerce) says, talent supply is the new currency of economic development. It's the most critical thing."

He said economic benefits of having a well-educated population are "incalculable;" better education leads to better employment, less chance of incarceration and lower risk of many health problems, among other advantages.

"Everybody needs to work that wants to work, and it doesn't matter where they come from — we need to give them the best start we can," Parrish said. "This area is widely known for super, super positive schools. I'm very positive on the future of this county."

A week ago, it was reported that St. Johns County had an unemployment rate of 3.5 percent in December, the second lowest in the state.

Population changes

While low unemployment is a great sign, Parrish said that's only part of the story for the county. The population is aging rapidly, and an estimate by the University of Florida Bureau of Economic and Business Research shows that from 2015 to 2030, the county will see its population increase from 215,000 to 325,000. Of that 325,000, more than 21 percent is expected to be 65 or older. That's an increase from 2015, when the 65-and-older age group comprised just less than 18 percent.

It will also lose residents in the 50-59 age group — from 15.5 percent of the population in 2015 to about 11 percent in 2030.

Parrish worries that could put a strain on the economy because those older than 65 have historically spent less money, and those 50-59 tend to be at their earning and spending peak.

But he said the county will have better balance than some places in the state because the population estimates also show strong growth in the 25-39 age group by 2030 (to 19.5 percent of the population, up from 15.8 percent in 2015).

Keeping those young, probably well-educated people in St. Johns County will greatly enhance the county's economic future, Parrish said.

"It's super important because you want to have a diversified economy, whether you're a county or a state, because that will help you when the next recession comes — and it will," he said. "That diversification will help you spread the risk and keep from getting the super highs and super lows."

As for the state overall, Parrish said job growth will slow in 2016 after a robust 2014 and 2015.

That sentiment is shared by many others, according to a University of Florida consumer survey report released Friday.

Both short- and long-term views of the national economy were down, the report said. Expectations of U.S. economic conditions over the next year fell 1.8 points to 84.1, while the outlook on U.S. economic conditions over the next five years fell 4 points to 86.8.

"Despite the positive trends in the labor market, the decline in Floridians' consumer sentiment, in particular the decline in the short- and long-run expectations on U.S. economic conditions, might be due to the drop in the stock market this year combined with the deterioration of the Chinese economy," said Hector H. Sandoval, director of the Economic Analysis Program at UF's Bureau of Economic and Business Research, in a statement. "On one hand, if the turmoil in the stock market persists, this will reduce consumer spending in the medium-run; on the other, job losses might occur as a consequence of China's slowdown."