

# Expert: Stable economy this year, recession by 2019

BY GREG OLIVER  
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SENECA — Clemson economics expert Bruce Yandle said Thursday that while there may be some rough sledding in the nation's economy the first half of

this year, he doesn't expect any major changes overall from a year ago.

But Yandle predicted a recession is likely to return by 2019, though

not of the same magnitude as what hit the country in 2008-09. Speaking at the Oconee Economic Alliance's monthly business forum Thursday morning at Thrift Development Company in Bountyland, Clemson University's College of Business and Behavioral Science and Alumni Distinguished Professor of Economics Emeritus at Clemson said the gross domestic product numbers — with a high of 4.5 percent in the second quarter a year ago and a low of 2.9 percent — will decline.

"There's no way we'll have 2.9 percent when GDP numbers come out again, and will be lucky to have 2.4 percent," Yandle said. "Why? China's struggling economy — an economy so large that if it slows from 10 to 7 percent, you're losing an economy the size of Switzerland. It's like

they turned out the lights in Switzerland."

Yandle said the massive demand for euros also began to fall, causing Europe to print

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money faster than it is printed in America.

"When any other country prints more money than ours, our dollar gets stronger than theirs, and as the dollar gets stronger, we buy more goods and imports go up while exports go down," he said.

Yandle likened the U.S. economy to the search for the Yellow Brick Road in the 1939 MGM classic "The Wizard of Oz." As long as Dorothy, the Tin Man, the Scarecrow and the Cowardly Lion stayed on the Yellow Brick Road, they were fine.

But danger awaited when they veered off the path.

"Every time something would begin to look good, something (bad) would happen," Yandle said. "In this case, it's stock market volatility, China in the basement, currency wars, Brazil in recession, terrorist attacks, strange weather and political crazy season."

The U.S. was hit with a major recession in 2008, with construction among the industries most affected. Yandle said he has witnessed the country slowly climb out of the recession during the ensuing years, seeing signs that certain elements

of the economy have improved. One of those signs came while Yandle was traveling from Clemson to Oconee County on Thursday morning to speak at the business forum.

"I passed these filling stations with people in white trucks filling their gas tanks," he said. "Those are the people who are headed out to job sites and service calls. This indicates to me that the construction industry is bouncing back. Is there a construction boom? Yes, particularly in our region.

"Condos, apartments and multi-family is what's really hot

## brakes and slow things down'

in our economy. Ride around and you'll see a lot of condos going up, as well as multi-family units. They are especially popular among the millennial generation."

Yandle said the Upstate lives in the middle of an economic region he calls "Char-lanta," where the major cities of Charlotte, N.C., and Atlanta are on the opposite ends of the I-85 corridor.

"Char-lanta is the third biggest regional economy in the United States (at \$1.1 trillion, behind Chicago-Pittsburgh and leader Boston-Washington)," Yandle said. "That's giving us a place

other areas in the country lack.

Even with his 2019 projection for the next recession, Yandle said it won't be anything like the one that hit the country in 2008.

"The feds will put on the brakes and slow things down," Yandle said.

Yandle told the men and women sitting in the audience that they deserve the most credit when it comes to the economy and its resurgence.

"I just talk about it — you make it work," he said.

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