

Analysis of Titan Cement's Local Employment Impacts

The promise of significant job growth has been Titan Cement's primary argument to create support for their project since they announced their plans to build a cement plant on the Northeast Cape Fear River. However, the extensive pollution impacts and the negative perceptions arising from the very presence of one of the largest heavy industrial factories in the state would generate real and significant economic costs that will not be paid for by Titan.¹ Instead, these costs would be passed on to residents and existing local industries in the form of air, water, and soil pollution, potential devaluation of real estate, and higher health care costs.² Industries in the Cape Fear region that are dependent on the region's natural resources, such as tourism and amenities, real estate, commercial fishing, outdoor recreation, and agriculture, stand to be negatively impacted.

Regarding their own job estimates, Titan's company officials have reiterated employment claims with little to no evidence backing them up,³ and have provided no guarantee to fill any of their positions locally.⁴ Instead, their industry website touts "increased efficiencies" that have steadily reduced overall employment at cement plants nationwide.⁵

- The only comprehensive economic study to examine Titan's net job contribution found that they will likely add only 48 jobs to New Hanover County. It also predicted that the facility could drive away as many as 70 existing jobs for every 100 jobs it creates.⁶ However, the study was unable to account for the county's substantial reliance on natural resources for its tourism-based economy, meaning that this ratio could be even higher.⁷
- By returning the incentives offered to them by the county, Titan ensured that they would not be required to hire locally. Other new cement plants have imported the vast majority of their employees rather than hiring local people out of work, such as the country's largest cement plant, which opened in 2009 in Missouri.⁸
- Economic studies have shown that low-technology industries result in an overall decrease in higher-tech employment, consumer spending and economic activity.⁹
- The PCA's website states that increased "efficiencies" through automation have reduced their US workforce by 23 percent between 1985 and 2005.¹⁰ If this trend holds for what proponents claim will be a "state-of-the-art" cement plant in Castle Hayne,¹¹ many of the jobs they advertise in the Cape Fear community may increasingly be performed by machines instead of blue-collar workers.
- Titan's cement plant in Florida currently operates at about 35% of its total capacity, meaning that the jobs it does provide are not continuously available. Because of inconsistent demand for cement, employees only work for three to four weeks at a time, then are effectively laid off for a month when the plant shuts down.¹²

- According to the US Geological Survey, this inconsistent employment pattern has been a national trend. The agency’s 2012 Mineral Commodity Summaries report states that “beginning in 2008, a large number of plants were put into indefinite idle status or were closed altogether. This trend continued into 2011, with one already idle plant being formally closed, and another plant being idled indefinitely, with few prospects for reopening.”¹³
- Between 2005 and 2010, demand for cement in the U.S. dropped by 44 percent.¹⁴ During this period, employment in the cement industry dropped 19 percent, a loss of over 3,200 jobs nationwide.¹⁵
- Numerous studies have found that heavy polluting industries such as cement plants can have a long-term damaging effect on existing industries in an area.^{16, 17, 18, 19} Here in Southeast North Carolina, we derive much of our economic activity from industries that would be at risk from Titan’s operations:
 - The Cape Fear region’s tourism industry, which supports over 10,000 jobs.²⁰
 - Freshwater fishing depends on clean water and healthy fish nurseries, such as the type of riverine wetlands that Titan wants to destroy. This industry also supports over 10,000 jobs statewide.²¹
 - The Wilmington area contains a large portion of North Carolina’s coastal recreational fishing industry, which was responsible for supporting over 17,000 jobs as of 2011.²²
 - Local athletic events, which bring tens of millions of dollars into the region each year.²³
 - “Marine recreational services,” comprised of non-beach and non-fishing activities such as surfing lessons, ecotours, and sunset cruises, support over 750 jobs locally.²⁴

¹ Galbraith and Stiles, 2012. The Impact of Cement Manufacturing on Economic Growth in the Cape Fear Region.

² ICF International, 2011. Air Quality and Health Impacts Assessment for Southeastern North Carolina.

³ Hall, William W., 2008. “Carolina’s Cement LLC Economic Analysis.” Presented to New Hanover County Commissioners in May, 2008.

⁴ Finlay, J.P. Titan declines tax break; foes rally. *Greater Wilmington Business Journal*. 26 November 2012.

⁵ The Portland Cement Association, 2009. “Overview of the Cement Industry.” <http://www.cement.org/basics/cementindustry.asp>

⁶ Galbraith and Stiles, 2012. The Impact of Cement Manufacturing on Economic Growth in the Cape Fear Region.

⁷ Wakeman, Douglas J., 2012. Economic Effects of the introduction of Cement Manufacturing in the Wilmington MSA: A Review.

⁸ Bryant, Tim. New Plant Triggers Boomlet. *St. Louis Post-Dispatch*. 13 March 2009.

⁹ Barber, Keith T. Mercury Rising. *Wrightsville Beach Magazine*. September 2008.

¹⁰ The Portland Cement Association, 2009. “Overview of the Cement Industry.” <http://www.cement.org/basics/cementindustry.asp>

¹¹ Coletta, Chris. Titan cement plant to create 161 N.C. jobs. *Triangle Business Journal*. 16 May 2008.

¹² Maurer, Kevin. A look at Titan in Florida. *The Star News*. 28 January 2012.

¹³ Van Oss, Henrik G., 2012. US Geological Survey, Mineral Commodity Summaries. <http://minerals.usgs.gov/minerals/pubs/mcs/2012/mcs2012.pdf>

¹⁴ Edwards, Peter, 2012. Cement in the USA. *Global Cement Magazine*. <http://www.globalcement.com/magazine/articles/698-cement-in-the-usa>

¹⁵ Bureau of Labor Statistics, December 2012. Quarterly Census of Employment and Wages, NAICS 327310 Cement Manufacturing.

<http://www.bls.gov/cew/#databases>

¹⁶ Galbraith and Stiles, 2012. The Impact of Cement Manufacturing on Economic Growth in the Cape Fear Region.

¹⁷ Edmiston, K., 2004. The net effects of large plant location and expansions on county employment. *Journal of Regional Science*, 44(2) 289-319.

¹⁸ Scrosson, Scott. July 2010. A Social and Economic Analysis of Commercial Fisheries in North Carolina: Beaufort Inlet to the South Carolina State Line. North Carolina Division of Marine Fisheries.

¹⁹ Mark D. Partridge and M. Rose Olfert. 2011. The Winners’ Choice: Sustainable Economic Strategies for Successful 21st-Century Regions. *Applied Economic Perspectives and Policy*. Vol. 33(2), 143-178.

²⁰ North Carolina Department of Commerce, 2011. Travel Economic Impact Model (TIEM): New Hanover County Statistics for year 2011.

<https://www.nccommerce.com/tourism/research/economic-impact/teim>

²¹ NC Wildlife Resources Commission. 30 June 2008. The 2006 Economic Benefits of Hunting, Fishing and Wildlife Watching in North Carolina.

<http://www.ncwildlife.org/Portals/0/Hunting/Documents/2006NCEconomicImpacts.pdf>

²² National Marine Fisheries Service. 2012. Fisheries Economics of the US, 2011. US Department of Commerce, NOAA Tech. Memo.

²³ CapeFearSoccer.com. 2012. Press Release: 2012 Beach Soccer Classic to bring more than 1,824 youth soccer players to Wilmington, N.C. & Island Beaches.

²⁴ NC Department of Environment and Natural Resources, Division of Coastal Management. April 2011. N.C. Beach and Inlet Management Plan: Final Report. <http://www.nccoastalmanagement.net/BIMP/BIMP%20Final%20Report.html>