With another round of elections past, it's clear that Americans want change. Exit polls clearly show that Americans aren’t satisfied with the performance of the President, and they’re even more disaffected by Congress. The Republican surge represents America’s ongoing vacillating tendency - when we become fed up with one party, we swing to the other in hopes that they have the answers. It’s emblematic of the favorite American pastime of channel surfing; we keep changing channels until something of value magically appears.

Change was on the forefront of my mind this past weekend as I talked with a young woman from the Triad about her job and her family. Her story sparked memories for me, because she works in an international manufacturing plant in which I once worked as a temporary employee. During the summer between my sophomore and junior years in college, I took a job as a skilled laborer in that plant. However, I was surprised to find that the $10.25 I earned as an employee in 1993 is the exact same wage she's being paid in 2014, while the job remains the same. The firm still relies on the same technology as it did 20 years ago.

Thus, I was left wondering - where is the change? Has the labor market in that community essentially been static for 20 years?
The unfortunate answer is that it has.

From Duke Center on Globalization, Governance & Competitiveness: 9/12/14.

The research literature tells us that many factors impact manufacturing wages. The sad reality for families in NC is that although wages are comparatively low, the cost for many things have increased - heath care, college education, gas, etc.

To be clear, the firm I mentioned employs skilled and semi-skilled labor. Many of the employees possess certifications or backgrounds as mechanics or other skilled craftsmen. But, for all we've done to tout the benefits of working in skilled manufacturing, what does this say about the future income potential of many North Carolinians?

It's possible that this particular industry is the beneficiary of a labor market that has (and may always have) a supply of workers ready to backfill these positions at that prevailing wage. In reality, $10.25 is still higher than the wages paid by many jobs in the service sector.

Within the past 20 years, the global and NC economy have shifted radically. But that change has not benefited all of North Carolina. In the 20 years since I worked in that community, the local mix has not changed appreciably. We are left with some serious challenges which will require us to be innovative in our approach to our local economies.

It's clear that what worked in the past is now inadequate. We've got to reimagine our local economies. Where will the innovation and change come from for the economy of the future? It has to come from committed, thoughtful, and imaginative
leaders. Here's what my trip down memory lane taught me: if we continue ahead with the same plan of attack for solving our problems, we'll end up with the same results. Rehashing the same stale old plans from the traditional Republican or Democratic playbook is doomed to failure.

The best quote I've come across in the past few years is this pearl from Abraham Lincoln: "The best way to predict your future is to create it." Let's start first by imagining a new North Carolina, and then let's start designing a new plan for how to get there.

For a chance to start making your mark on North Carolina's economic future, make plans to attend IEI's Emerging Issues Forum, Innovation Reconstructed, February 9-10, 2015, Raleigh Convention Center. Learn more in the sidebar.

Donnie Charleston
IEI Economy Policy Manager
donnie_charleston@ncsu.edu

You are receiving this message because you signed up for issue specific communications from IEI. Questions? Concerns? Email us.