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# FOIA MARKER

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**Record Group/Collection:** George H.W. Bush Presidential Records  
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**Series:** Speech File Backup Files  
**Subseries:** Chron File, 1989-1993

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**OA/ID Number:** 13810  
**Folder ID Number:** 13810-005

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**Folder Title:**  
Charlotte [NC] Bush/Quayle 4/27/92 [OA 7572] [2]

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Stack:	Row:	Section:	Shelf:	Position:
<b>G</b>	<b>26</b>	<b>22</b>	<b>4</b>	<b>7</b>

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To Michele  
 Date \_\_\_\_\_ Time 10:50  
**WHILE YOU WERE OUT**  
 M. Mr. Spruell  
 of OSD Reserve Affairs  
 Phone 703 695-7459  
Area Code      Number      Extension

TELEPHONED	PLEASE CALL	<input checked="" type="checkbox"/>
CALLED TO SEE YOU	WILL CALL AGAIN	<input type="checkbox"/>
WANTS TO SEE YOU	URGENT	<input type="checkbox"/>

RETURNED YOUR CALL

Message \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Bobby  
Operator



AMPAD  
EFFICIENCY®

23-021 CARBONLESS

Letters  
 from kids  
 from NC

5,405 Reservists  
 2,501 National  
 Guard  


---

 7,906 TOTAL  
 North Carolina

Rachel Hoefflin  
York Ridge Apts. #828  
12904 York Ridge Dr.  
Charlotte, Nc. 28273

Dear President Bush,

I have never written to you before, but it has been my dream to write to you! My name is Rachel Hoefflin and I have a friend named Wes Vanasek. We think that we have found out the mystery of the Bermuda Triangle. We think that the current is the main solution to the Bermuda Triangle mystery. We think that because when people sleep on the Bermuda islands, during the night the current takes them away. So that's how the sailboats disappear! It's the same way with airplanes. One way to lose cargo is to have the ship run into icebergs! Do you think we solved the Bermuda Triangle mystery? Yes or No? (write on another piece of paper)

TV.

September  
5, 1991

Dear President Bush,  
I think you are right about  
kids watching too much TV.  
I have a rule about watching TV  
that is my rule. You may watch TV  
for 30 minutes everyday except for  
Saturdays.

Tom  
Newsom  
NY

Your friend  
Sarah Law

P.S. What can I do to  
help?

Heba

September 19, 1989

Dear President Bush,

I think that children should have school at their homes. Because it would be easier that way. How it would be easier? When you are sick you could still have school at home in your bed. Other things that would be easier would be that kids could sleep late and have a longer day at school, and on vacations will still have school at home.

Moms and Dads can help you if they're at home and if not someone else can help you. Your school day would be shorter because you don't have Art, P.E., etc., etc.

P.S. Please answer me soon!

from your fifth grader,  
Jonathan Ryan Becan

write me at 519 Knob View Drive  
this address Winston-Salem North Carolina 27104

over

36

131 Gould Rd.  
Jacksonville, NC 28540  
Sept. 3, 1991

Dear President Bush,

My name is Elena Saro. I have blue eyes and blonde hair. I love school and sometimes I wish school was on the weekends. I watched your speech yesterday Sept. 3, I thought it was great. Will you send me a picture of you and Mrs. Bush? Do you have kids or pets? What is it like to be a president? Is it hard or easy? If I married a president I would help kids read and write. And even if I don't marry a president I would still help them. I am going to be a doctor when I grow up. Well I will always watch your speeches. I'll write you soon.

Sincerely,  
Elena Saro

12. Dear President Bush,

I like when my  
teacher reads my class

some books because  
every body gets sleep)

from Haruka

From  
North  
Carolina

*NC has endorsed  
Am 2000*



UNITED STATES DEPARTMENT OF EDUCATION

PUBLIC AFFAIRS

April 6, 1992

MEMORANDUM

To: Jeanie Bunton  
From: Jay Diskey 401-0570  
Subject: AMERICA 2000 editorials

Dozens of newspapers have endorsed AMERICA 2000 and here is a partial list of some those. We are continuing to build the list. I will send you an update when we have one.

- Baltimore Sun
- Chattanooga News Free Press
- Christian Science Monitor
- The Columbus Dispatch
- Daily Herald (Columbia, Tenn.)
- Dallas Morning News
- Kansas City Star
- Memphis Commerical Appeal
- Memphis Business Journal
- Nashville Banner
- The New York Times
- Omaha World-Herald
- Philadelphia Inquirer
- The Seattle Times
- Sioux City Journal
- Tullahoma News (Tullahoma, Tenn.)

Note: I am also sending along a recent copy of the AMERICA 2000 newsletter and a copy of the field report. I think both will help you with your work. I'll talk to you soon, Jeanie.

## AMERICA 2000 FIELD REPORT

### March 30, 1992

#### I. STATE 2000 ANNOUNCED

<u>State</u>	<u>Governor</u>	<u>Kickoff Date</u>
1. COLORADO	Roy Romer (D)	June 17, 1991
2. WYOMING	Mike Sullivan (D)	June 21, 1991
3. OREGON	Barbara Roberts (D)	August 22, 1991
4. AMERICAN SAMOA	Peter Coleman (R)	August 30, 1991
5. MAINE	John McKernan (R)	September 3, 1991
6. MARYLAND	William Schaefer (D)	September 5, 1991
7. NEBRASKA	Ben Nelson (D)	September 5, 1991
8. LOUISIANA	Edwin Edwards (D)	September 9, 1991
9. MINNESOTA	Arne Carlson (R)	September 12, 1991
10. DELAWARE	Michael Castle (R)	September 19, 1991
11. VERMONT	Howard Dean (D)	September 20, 1991
12. NORTH CAROLINA	James Martin (R)	September 27, 1991
13. INDIANA	Evan Bayh (D)	October 1, 1991
14. NEW MEXICO	Bruce King (D)	October 7, 1991
15. ALASKA	Walter Hickel (I)	October 17, 1991
16. GEORGIA	Zell Miller (D)	October 18, 1991
17. PENNSYLVANIA	Robert Casey (D)	October 18, 1991
18. MASSACHUSETTS	William Weld (R)	October 24, 1991
19. TENNESSEE	Ned McWherter (D)	October 25, 1991
20. IOWA	Terry Branstad (R)	October 27, 1991
21. MISSOURI	John Ashcroft (R)	October 29, 1991
22. KANSAS	Joan Finney (D)	October 29, 1991
23. ALABAMA	Guy Hunt (R)	October 31, 1991
24. MICHIGAN	John Engler (R)	November 13, 1991
25. SOUTH CAROLINA	Carroll Campbell (R)	November 20, 1991
26. WISCONSIN	Tommy Thompson (R)	November 21, 1991
27. OHIO	George Voinovich (R)	November 25, 1991
28. UTAH	Norm Bangerter (R)	December 10, 1991
29. MONTANA	Stan Stephens (R)	December 11, 1991
30. ARIZONA	Fife Symington (R)	December 12, 1991
31. NEW HAMPSHIRE	Judd Gregg (R)	December 17, 1991
32. DIST. of COLUMBIA	Sharon Pratt Kelly (D)	December 19, 1991
33. SOUTH DAKOTA	George Mickelson (R)	December 19, 1991
34. OKLAHOMA	Dave Walters (D)	December 19, 1991
35. HAWAII	John Waihee (D)	January 28, 1992
36. MISSISSIPPI	Kirk Fordice (R)	February 10, 1992
37. ILLINOIS	Jim Edgar (R)	February 11, 1992
38. WASHINGTON	Booth Gardner (D)	February 28, 1992
39. TEXAS	Ann Richards (D)	March 5, 1992
40. NEVADA	Bob Miller (D)	March 9, 1992
41. ARKANSAS	Bill Clinton (D)	March 18, 1992

#### II. UPCOMING STATE 2000 KICKOFFS

<u>State</u>	<u>Governor</u>	<u>Kickoff Date</u>
CALIFORNIA	Pete Wilson (R)	April 10, 1992
NEW JERSEY	Jim Florio (D)	April 13, 1992
NORTH DAKOTA	George Sinner (D)	TBD
PUERTO RICO	Rafael Hernandez-Colon (PDP)	TBD
VIRGINIA	Doug Wilder (D)	TBD

**AMERICA 2000 FIELD REPORT**  
**March 30, 1992****I. BIG CITY 2000 ANNOUNCED**

<u>City</u>	<u>Kickoff Date</u>
1. MEMPHIS, TN	July 23, 1991
2. TULSA, OK	August 1, 1991
3. CHARLOTTE, NC	August 19, 1991
4. OMAHA, NE	September 5, 1991
5. EL PASO, TX	October 8, 1991
6. RICHMOND, VA	October 22, 1991
7. NASHVILLE, TN	October 25, 1991
8. SAN ANTONIO, TX	October 30, 1991
9. MOBILE, AL	October 31, 1991
10. DETROIT, MI	November 13, 1991
11. LOUISVILLE, KY	December 3, 1991
12. WASHINGTON, DC	December 19, 1991
13. FRESNO, CA	February 18, 1992
14. DAYTON, OH	February 20, 1992
15. HOUSTON, TX	March 3, 1992

**II. UPCOMING KICKOFFS**

<u>City</u>	<u>Kickoff Date</u>
NEW ORLEANS, LA	March 31, 1992
SAN JOSE, CA	April 10, 1992



**U.S. DEPARTMENT OF EDUCATION**  
**Office of Public Affairs**  
**Room 2089**  
**400 Maryland Avenue, S.W.**  
**Washington, D.C. 20202**

**Telephone: (202) 401-1576**

**FAX Number: (202) 401-3130**

**Date:** 4/6/92

**TO:**

Jeanie Bunton

**FAX NUMBER:**

456-6218

**FROM:**

Jay A. Diskey (202) 401-0570 direct

**MESSAGE:**

[Empty message box]



5TH STORY of Level 1 printed in FULL format.

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September 27, 1987, Sunday, Final Edition

SECTION: SUNDAY TRAVEL; PAGE E1

LENGTH: 1401 words

HEADLINE: CHARLOTTE

BYLINE: Jim Dumbell, Special to The Washington Post

BODY:

Here in Charlotte, N.C., you can't go down to Front Street and watch the ships come in, since you're 180 miles from the coast. (The mountains are about half that distance away.) Nor is there a Central Park right downtown where you can sit and people-watch, although the first two blocks of South Tryon Street make a good place for that.

As you might gather from this, Charlotte's setting among the rolling hills of western North Carolina does not qualify as dramatic -- except perhaps in spring when the hills are abloom with azaleas. However, you can -- with a little effort -- find enough in this city of 350,000-plus to occupy a few hours, several times over.

Charlotte is a modern, New South city 240 miles north of Atlanta that depends heavily on banking and distribution. It is growing rapidly as a regional headquarters for national corporations whose people fan out over the nation from Monday to Friday. And if you question that, drop by the airport on a Sunday afternoon or Monday morning and try to get a seat out of town.

It is a place of agreeable contrasts where historians boast loudly of a significant document that's never been found. You will find opera and stock car racing, drama and rasslin'. Sometimes you wonder if the banks measure success by the height of their buildings rather than the amount of their deposits. But these steel-and-glass towers are set in counterpoint to broad sidewalks lined by leafy trees. (In fact, the city has its own arborist, and he and his crew have catalogued nearly every tree in town.)

Charlotte was settled in 1748 by a handful of Scotch-Irish colonists who named it after England's Queen Charlotte, wife of King George III. That's the same George who a quarter of a century later was the least likely of candidates for any more such honors in the rebellious American colonies.

On May 20, 1775, a group of local patriots purportedly signed the Mecklenburg (County) Declaration of Independence. To this day, you'll find fervent believers who contend the Meck Dec, as it is called, predates some similar paper signed in Philadelphia a year later. The believers are not dismayed by the fact that the Meck Dec has not shown up; they know it will be found one of these days.

Cornwallis, the British commander, attempted to invade Charlotte during the Revolutionary War but was forced into retreat, calling the place a "hornet's nest's," a label it has worn with pride ever since.



(c) 1987 The Washington Post, September 27, 1987

In 1799, gold was discovered here in such quantities that a branch of the U.S. Mint was built downtown. It stills stands -- in a new incarnation -- and there are abandoned gold mines under the downtown streets to this day.

Today, Charlotte fans out from The Square, which is the junction of Trade and Tryon streets, right at the center of downtown. The Square determines whether crossing streets become north, south, east or west.

Touring by stagecoach may be the most unique way to get a feel for the city, although hot-air balloons vie for the position, but you can also choose bus or van, surrey or Amish carriage. To my mind, however, the best way to see Charlotte is on foot.

Tryon Street from First to Seventh streets has become an interesting thoroughfare, with broad, tree-lined sidewalks set off by benches and bus shelters. Stroll north past the square and you will come to two of Charlotte's oldest churches -- St. Peter's Catholic and St. Peter's Episcopal -- as well as small shops juxtaposed against gleaming high rises, the public library and two stops that are absolute musts: Spirit Square and Discovery Place.

Discovery Place has been called one of the country's Top 10 science museums. Such is the fascination of the place that you can turn the crankiest kids loose here and not hear a peep out of them for a whole afternoon. Spirit Square is a downtown center for the visual arts and features classes and workshops for both children and adults. It also hosts cultural performances. (In fact, Charlotte is heavily into attractions for children, and another -- one of the oldest and best -- is the Nature Museum, south of the downtown area on Sterling Road. Kids are inevitably engrossed for hours by its collection of small mammals, reptiles, aquatic life and geologic exhibits.)

A bit further north on Tryon, at Eighth or Ninth street, take a left for two blocks and you'll find yourself in Charlotte's restored historic area, Fourth Ward. In this primarily residential area -- although there are occasional shops scattered here and there -- Victorian houses have been restored to a condition that in some cases is probably better than new. Even the newly built condos have been carefully planned to blend in tastefully. The area has become a popular and somewhat trendy neighborhood for hundreds of young professionals who work uptown.

The arts have seen a resurgence in Charlotte in the last few years. The anchor of the resurgence is the Mint Museum. (Now you know what happened to the old federal Mint. It was moved to the Eastover section of town, southeast of downtown, and transformed into an excellent art museum, with collections of European and American art from the Renaissance to today. There are also pottery, pre-Columbian and African exhibits and period costumes.) In addition, a number of galleries have recently opened in the three or four blocks of Tryon Street just north of The Square.

The Charlotte Symphony Orchestra, which recently returned from a two-week European tour, has a 41-week season of classical, educational and pops concerts. And Opera Carolina, the largest professional opera company between Washington and Miami, presents four productions a year. The Oratorio Singers of Charlotte comprises more than 150 members, and they will join the Charlotte Symphony for performances during the coming season.



(c) 1987 The Washington Post, September 27, 1987

Among dramatic groups that take to the boards in cooler weather are the Little Theatre of Charlotte, ACE-Repertory Theatre, a professional Equity group; the Golden Circle Theatre; and the Tarradiddle Players. Central Piedmont Community College also has an active theater group.

For true escapism, there are two low-key spots that consistently draw visitors:

Wing Haven, a three-acre garden in residential Myers Park, south of the city, was begun by Elizabeth and Edwin Clarkson in their back yard in 1927. It became widely known not only for its beauty as a garden, but also as a sanctuary for more than 130 species of birds. The Clarksons have given the garden to a foundation, which opened it to the public not long ago. Tall hedges divide different gardens, creating a sense of privacy, and gravel paths wind among them.

The botanical gardens on the campus of the University of North Carolina's Charlotte branch -- eight miles northeast of downtown -- are also a haven from noise, hustle and bustle. These are some of the Southeast's best-known rhododendron gardens, and they include a greenhouse that has, among other things, an outstanding orchid collection. The gardens are open daily, the greenhouse on request.

For those who find gardens too static and opera too dull, there is professional wrestling at the Charlotte Coliseum "about every other weekend," a spokeswoman says. And another draw for those who like their action occasionally violent is the Charlotte Motor Speedway, about 15 miles north of town on U.S. Rte. 29. Rabid stock-car fans have been known to take a cab out just to look at the track even when nothing was doing.

Finally, if you can spare an extra day or two in Charlotte, there is a wide selection of accommodations beyond the major chains and hotel groups, some attractively offbeat.

In the restored Fourth Ward section of downtown, there's the Fourth Ward Bed and Breakfast, an 1890s Victorian home that takes you back in time and is within walking distance of everything. Another newly restored old-timer is the Homeplace, which dates back to 1902. It's on the edge of southeast Charlotte and you'll need a cab or car, but it's in a beautiful part of town. Not far from it is the Inn on Providence, which has a pool and is furnished in antiques.

But to really put on the dog, as they say, Hampton Manor, also nearby on Carmel Road, might be the place. It is pretty nifty digs, with tennis court, Jacuzzi and pool. And -- to start you off right -- its Rolls-Royce will pick you up at the airport.

Jim Dumbell is a travel writer for The Charlotte Observer.

TYPE: FEATURE

SUBJECT: TRAVEL AND TOURISM; NORTH CAROLINA

ORGANIZATION: CHARLOTTE

"But now the famed Figaro coffeehouse [in Greenwich Village], where more talented people wasted their talents talking over caffeine than at any other place in New York, has made way for a Blimpie sandwich shop and Bleecker [Street] has become a parody of its former Bohemianism."

Helen Hayes and Anita Loos  
*Twice Over Lightly*  
1972

\* \* \*

"Greenwich Village is the only spot in New York where you can go out for the Sunday newspaper in your pajamas and bare feet and nobody pays you any attention."

Helen Hayes and Anita Loos  
*Twice Over Lightly*  
1972

\* \* \*

"Way down South in Greenwich Village,  
That's the field for culture's tillage.  
There they have artistic ravings,  
Tea and other awful cravings.  
But then the inspiration stops.  
You'll find them anywhere  
Round Washington Square."

Improvised song  
Quoted by Helen Ramsey  
*More Pious Friends and Drunken Companions*  
1928

## Harlem

[After coming to New York City from the South]:  
"Then at the street intersection I had the shock of seeing a black policeman directing traffic—and there were white drivers who obeyed his signals as though it was the most natural thing in the world. . . . This really was Harlem."

Ralph Ellison  
*Invisible Man*  
1947

\* \* \*

"Lenox Avenue,  
Honey,  
Midnight,  
And the gods are laughing at us."

Langston Hughes  
"Lenox Avenue: MIDNIGHT"  
*The Weary Blues*  
1926

\* \* \*

"Light open coats prevailed and the smooth bare throats of brown girls were a token as charming as the first pussywillows. Far and high over all, the sky

was grand blue benediction, and beneath it the wonderful air of New York tasted like fine dry champagne."

Claude McKay  
*Home to Harlem*  
1928

## Other Places

### Central Park:

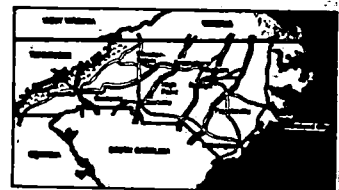
"To the park, accordingly and to the (Central) Park only, hitherto, the aesthetic appetite had had to address itself, and the place has therefore borne the brunt of many a peremptory call, acting out year after year the character of the cheerful, capable, bustling, even if overworked, hostess of the one inn, somewhere, who has to take all the travel, who is often at her wits' end to know how to deal with it, but who, none the less, has, for the honor of the home, never once failed of hospitality."

Henry James  
*The American Scene*  
1907

### Lower New York:

"Every evening is Pamplona in lower New York!"  
John Steinbeck  
*Travels with Charley*  
1962

# NORTH CAROLINA



Capital: Raleigh  
Entered the union (with rank): Nov. 21, 1789  
State motto: *Esse quam videri* (To be rather than seem)  
State flower: Dogwood  
State bird: Cardinal  
State song: "The Old North State"  
State tree: Pine

fiction, and beneath it the won-  
 ork tasted like fine dry cham-

Claude McKay  
*Home to Harlem*  
 1928

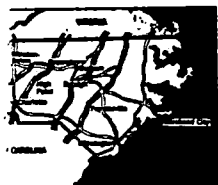
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 or the honor of the home, never  
 ility."

Henry James  
*The American Scene*  
 1907

omplona in lower New York."

John Steinbeck  
*Travels with Charley*  
 1962

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i North State"

Nicknames: Old North State, Tar Heel State  
 Origin of state name: Latinized honorific for King  
 Charles I of England

From the barrier islands of the Outer Banks to the  
 heart of the Smoky Mountains, North Carolina cuts  
 through a rich slice of eastern American geography,  
 history and character. The state has three distinct  
 sections: the sandy coastal counties, the flat pied-  
 mont and the mountains of the west.

Each section has its own personality. The coastal  
 folks are the state's most conservative and typically  
 Southern—religious, agrarian, concerned with local  
 affairs. North Carolina's urban and urbane communi-  
 ties lie in the piedmont. They are more progressive,  
 more cosmopolitan than the rest of the state. Raleigh,  
 Durham, Chapel Hill and Charlotte are places of  
 educational excellence, intense commercialism and  
 the kind of Sunbelt lifestyle that marks the "new"  
 South. The mountains are bluegrass country, lumber-  
 ing country, moonshine country. The farther reaches  
 of these mountains hide towns as close to the feel of  
 the original American settlements as anything still in  
 existence. Traditional folk crafts abound and the  
 accents of Scotland, Germany and other homelands  
 still tinge the speech.

Assorted communities sprang up along Carolina's  
 coast before the British formally took over in 1729.  
 The state was little touched by the Revolution and  
 fought, with some doubts, for the Confederacy dur-  
 ing the Civil War.

Today North Carolina is famous for its furniture,  
 paper, tobacco and for the modern brand of evangeli-  
 cal Christianity-cum-politics espoused by its elected  
 officials and TV preachers.

## THE STATE

"In the Comparative State Elections Project, one  
 question read, 'All things considered, would you say  
 that (your state) is the best state in which to live?' For  
 the entire United States, 62.6 percent agreed. In  
 North Carolina, a positive response came from 82.3  
 percent, higher than in any other state."

Jack Bass and Walter De Vries  
*The Transformation of Southern Politics*  
 1977

\*\*\*

"Nothing could be finer than to be in Carolina in  
 the morning.

No one could be sweeter than my Sweetie when I  
 meet her in the morning.

Where the morning glories twine around the door  
 Whispering pretty stories I long to hear once more.

Strolling with my girlie where the dew is pearly  
 early in the morning"

Walter Donaldson  
 "Carolina in the Morning"  
 1922

\*\*\*

"I come from North Carolina, and it is true that if  
 you come from North Carolina and mention that fact  
 to anybody anywhere else, you will get this reply:  
 'Oh, yes, I have an aunt who lives in Charleston.'"

Charles Kuralt  
*Dateline America*  
 1979

\*\*\*

"If North Carolina were a jigsaw puzzle, the person  
 putting it together might have difficulty convincing  
 himself that all the pieces were part of a single  
 whole."

John Phillips  
*Fodor's South*  
 1979

\*\*\*

"North Carolina was said to be 'the valley of humili-  
 ation between two mountains [Virginia and South  
 Carolina] of arrogance.'"

An old saying quoted by T.H. White  
*America At Last*  
 1965

\*\*\*

"If you call Long Island behind the times, I don't  
 know what you'd call North Carolina. It has been  
 rightly termed Rip Van Winkle."

Sarah Williams, a New Yorker married to a North  
 Carolinian  
 Letter  
 Nov. 7, 1853

\*\*\*

"What good was state pride, anyhow? She [North  
 Carolina] began life as a tail to Thomas Jefferson's  
 kite, and was quite willing to do the work and let  
 Virginia have the glory."

Robert Watson Winston  
*These United States*  
 1924

## THE LANDSCAPE

"Indeed, it would seem as if nature had selected this  
 region [tableland of the Blue Ridge] for the display of  
 her fantastic power in uplifting the earth, and giving  
 to it strange shapes and startling contrasts—in im-

parting curious physiognomies to the mountains and evoking melody from the waterfalls."

F.G. DeFontaine  
*Picturesque America*  
1872

\* \* \*

"It is winter on the Outer Banks [of North Carolina]. At this time of year you can walk nearly 100 miles down the wild barrier beaches without meeting another living soul. Hunch your back against the wind, put your hands in your pockets, and ponder, as you walk, the mystery of the first Europeans to know this coast."

Charles Kuralt  
*Dateline America*  
1979

\* \* \*

"And how fair is this same [North Carolina] forest in late autumn. . . . The damp earth is elastic under your feet; the high blades of grass do not stir; long threads lie shining on the blanched turf, white with dew. You breathe tranquilly; but there is a strange tremor in the soul. You walk along the forest's edge, look after your dog, and meanwhile loved forms, loved faces dead and living, come to your mind; long, long, slumbering impressions unexpectedly awaken; the fancy darts off and soars like a bird; and all moves so clearly and stands out before your eyes. The heart at one time throbs and beats, plunging passionately forward; at another it is drowned beyond recall in memories. Your whole life, as it were, unrolls lightly and rapidly before you: a man at such times possesses all his past, all his feelings and his powers—all his soul; and there is nothing around to hinder him—no sun, no wind, no sound. . . ."

Ivan Turgenev  
*A Sportsman's Sketches*  
1852

## PEOPLE

"They [the people of North Carolina] have not the aristocratic complacency of their northern neighbor nor the careless self-satisfaction of their southern neighbor. They are progressive, industrious and ambitious."

Pearl S. Buck  
*America*  
1971

\* \* \*

"To speak the truth, 'tis a thorough aversion to labor that makes people file off to North Carolina, where

plenty and a warm sun confirm them in their disposition to laziness for their whole lives."

William Byrd, writing in 1728  
*History of the Dividing Line and Other Tracts*  
1866

\* \* \*

"In North Carolina, everyone does what seems best in his own eyes."

William Byrd, writing in 1728  
*History of the Dividing Line and Other Tracts*  
1866

\* \* \*

"There is no man whose residence is in the state [North Carolina] who is recognized by the world as an authority on anything. Since time began, no man or no woman who lived there has ever written a book that has taken place in the permanent literature of the country. Not a man has ever lived and worked there who fills 25 pages in any history of the United States. Not a scientific discovery has been made and worked out and kept its home in North Carolina that has ever become famous for the good it did the world. It is the laughing stock among the States."

Walter Hines Page, newspaper owner and author  
Quoted by Burton J. Hendrick  
*The Training of an American*  
1928

\* \* \*

[On a reporter speaking to a Chinese man]: "He employed English as clearly and as simply as it is possible for a native of North Carolina to speak."

H. Allen Smith  
"New York is Mostly People"  
1943

## WAY OF LIFE

"I believe this [the settlement of Edenton] is the only metropolis in the Christian or Mahometan [sic] world, where there is neither church, chapel, mosque, synagogue, or any other place of public worship of any sect or religion whatsoever. What little devotion there may happen to be is much more private than their vices."

William Byrd, writing in 1728  
*History of the Dividing Line and Other Tracts*  
1866

\* \* \*

"I'd say nearly everybody in a 50-mile radius of here [North Carolina hill country] was in the whiskey

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William Byrd, writing in 1728  
*Dividing Line and Other Tracts*  
1866

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everyone does what seems best

William Byrd, writing in 1728  
*Dividing Line and Other Tracts*  
1866

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whose residence is in the state  
ho is recognized by the world as  
thing. Since time began, no man  
ived there has ever written a book  
in the permanent literature of the  
has ever lived and worked there  
s in any history of the United  
ific discovery has been made and  
t its home in North Carolina that  
famous for the good it did the  
gning stock among the States.”

ge, newspaper owner and author  
Quoted by Burton J. Hendrick  
*The Training of an American*  
1928

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aking to a Chinese man]: “He  
as clearly and as simply as it is  
e of North Carolina to speak.”

H. Allen Smith  
“New York is Mostly People”  
1943

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settlement of Edenton] is the only  
Christian or Mahometan [sic]  
re is neither church, chapel,  
e, or any other place of public  
ct or religion whatsoever. What  
may happen to be is much more  
ices.”

William Byrd, writing in 1728  
*Dividing Line and Other Tracts*  
1866

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ybody in a 50-mile radius of here  
ll country] was in the whiskey

business at one time or another. . . . H'it was just a  
business. . . .”

Junior Johnson, stock car driver  
Quoted by Tom Wolfe  
*That Kandy-Kolored, Tangerine-Flake,  
Streamline Baby*  
1965

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“I will never forget the first time I saw the black  
earth of Illinois. I was a boy from North Carolina,  
where the sky is bluer and richer, but where the dirt is  
redder and a whole lot poorer, and where 100 acres is  
a big farm.”

Charles Kuralt  
*Dateline America*  
1979

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“ ‘Repression’ is not the right word, but ‘progressive’  
gives North Carolina too much credit. For this  
is a state of paradoxes: behind every fact which can  
be cited as proof of its progressiveness lurks another  
which suggests just the opposite. Take industrial  
development, one of the progressive factors men-  
tioned by [political scientist V.O.] Key. North Caro-  
lina continues to lead all southern and border states  
except Texas in value-added by manufacturers and  
new capital expenditures. Yet North Carolina indus-  
trial workers in 1971 earned a pathetic \$104 a  
week—a figure lower than in any other state but  
Mississippi. . . . North Carolina is proud, and in  
many respects justly so, of its system of public  
education. . . . But after years of effort, most adult  
North Carolinians have not finished the 11th grade,  
and the state ranks near the bottom, ahead only of  
West Virginia, Arkansas, South Carolina, and Ken-  
tucky, in terms of school years completed. North  
Carolina likes to think of itself as more sophisticated,  
more mature than other southern and border states;  
but in 1973 it still voted down, and by a large  
margin, liquor-by-the-glass (while supporting a fair-  
sized moonshine industry in the hills).”

Neal R. Peirce  
*The Border South States*  
1975

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“North Carolina has reached for, and gained, the  
panacea of the visionaries of a New South in the late  
19th century. It has industrialized—more than any  
other state. In the early 1970s, 40 percent of all  
employed North Carolinians held manufacturing  
jobs, the highest level in the nation. Yet the panacea  
has not produced the bounteous society that was  
hoped for.”

Neal R. Peirce  
*The Border South States*  
1975

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“The late Governor Aycock summed up the educa-  
tional status in these words: ‘Thank God for South  
Carolina! She keeps North Carolina from the foot of  
the column of illiteracy.’ ”

Robert Watson Winston  
*These United States*  
1924

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“Current economic development policy relies heav-  
ily on industrialization as a means to increase income  
in North Carolina. Yet, while this policy has been in  
effect we have seen North Carolina shift from a poor  
agricultural state to a poor industrial state. We have  
experienced industrialization without development.”

Report  
North Carolina Fund  
1967

HISTORY AND POLITICS

“And, in North Carolina, the sturdy Scotch-Irish  
Will prove at King’s Mountain [Revolutionary War  
battle] the metal they are.”

Stephen Vincent Benet  
“Southern Ships and Settlers”  
1933

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[On marking the borders between Virginia and North  
Carolina]: “Some borderers, too, had a great mind to  
know where the line would come out, being for the  
most part apprehensive lest their lands should be  
taken into Virginia. In that case they must have  
submitted to some sort of order and government;  
whereas, in North Carolina, every one does what  
seems best in his own eyes.”

William Byrd, writing in 1728  
*History of the Dividing Line and Other Tracts*  
1866

\*\*\*

“Provisions here [North Carolina] are extremely  
cheap, and extremely good, so that people may live  
plentifully at trifling expense. Nothing is dear but  
law, physic, and strong drink, which are all bad in  
their kind, and the last they get with so much  
difficulty, that they are never guilty of the sin of  
suffering it to sour upon their hands.”

William Byrd, writing in 1728  
*History of the Dividing Line and Other Tracts*  
1866

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## NORTH CAROLINA

"Surely there is no place in the world where the inhabitants live with less labor than in North Carolina."

William Byrd, writing in 1728  
*The History of the Dividing Line and Other Tracts*  
1866

\* \* \*

"There in tall timber you [Revolutionary war soldiers] will bear free  
As were your fathers once when Tryon raged  
In Carolina hunting Regulators,  
Or Tarleton rode to hang the old-time Whigs."

Donald Davidson  
"Sanctuary"  
1938

\* \* \*

"The farther you get from North Carolina, the more progressive it looks."

Ferrel Guillory, columnist  
*The Transformation of Southern Politics*  
1977

\* \* \*

"Let any man whose mind is not hardened by some wornout theory of politics or of ecclesiasticism go to the country in almost any part of the state and make a study of life there, especially of the life of the women. He will see them thin and wrinkled in youth from ill-prepared food, clad without warmth or grace, living in untidy houses, working from daylight till bedtime at the dull round of weary duties, the slaves of men of equal slovenliness, the mothers of joyless children—all uneducated if not illiterate."

Walter Hines Page, newspaper owner and editor  
Speech, Greensboro, N.C.  
1897

\* \* \*

[A comment on North Carolina's being distracted from its real problems by aging Confederate aristocrats]: "What North Carolina needs is a few first-class funerals."

Walter Hines Page, newspaper owner and editor  
*Raleigh State Chronicle*  
Mid-1880s

\* \* \*

"North Carolina was always a turbulent and disorderly colony, unable to enforce law and justice even in the long-settled districts."

Theodore Roosevelt  
*The Winning of the West*  
1912

\* \* \*

[On the drinking of apple brandy by settlers]: "You

scarce meet a man whose lips are not parched and chapped or blistered with drinking this poison."

Alexander Wilson  
*Natural History of the United States*  
1828

\* \* \*

"When Bancroft wrote that North Carolina was the freest of the free he might have added 'the slowest of the slow.' She got into the Union too late to vote for George Washington, she got out too late to vote for Jefferson Davis. Until recently she was provincial and proud of it."

Robert Watson Winston  
*These United States*  
1924

## CITIES

### Winston-Salem

"In North Carolina [around 1900] grimy, tobacco-stinking Winston was reaching out to swallow up the quiet old center of Moravian piety, Salem; obscure Durham was lifting up its head and pouring its name around the world with the smoke of the cigarette; Gastonia was raising its medieval towers."

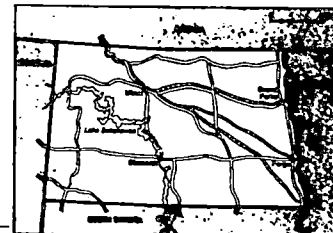
W.J. Cash  
*The Mind of the South*  
1941

\* \* \*

"Winston-Salem [is] a hilly city of 145,000, whose lives have been transformed by a cultural revolution. Over the past 30 years, the city has become an arts empire that includes museums, theater groups, a symphony orchestra, four colleges, a dance company, an opera group and an artists' colony of about 500."

*U.S. News and World Report*  
1980

## NORTH DAKOTA



Capital: Bismarck  
Became a territory: March 2, 1861

FOUNDATION FOR  
THE CAROLINAS

April 14, 1992

Ms. Janice Crouse  
Room 122  
O.E.O.B.  
Washington, DC 20500

Wall St Journal  
A18 4/14/92

Editorial / What shld  
we do about  
the Poor -  
Culture, behavior,

Sounds  
like  
President

Dear Janice:

I hope the enclosed material will be of help. The current issue of Business North Carolina has some profile data that you might find of interest. The reports from Fortune and Inc. have complementary information on Charlotte.

I've also enclosed our annual report and several releases and reports on our projects that you may find of interest. I think if it fits President Bush's speech, it would be appropriate to recognize that Charlotte and the region have a very strong work and volunteer spirit. The energy that goes into the local United Way, Arts & Science Council Drive and all the organizations they help fund is way above average.

Our local Habitat organization, for example, I believe has now built more homes than any in the country. I have enclosed a couple of newsletters as an example of how dynamic this organization is.

We, of course, have our problems in North Carolina. Our growing urban area is fighting with problems of crime, drug abuse and the breakdown of the family. Some of the work we are doing through the Foundation is trying to provide some models for response, but solutions are going to be a long time coming.

North Carolina, as a Sunbelt State, has enjoyed a period of growth and prosperity, but there are still major gaps between the affluent and the poor and a great difference in wealth and resources in urban and rural counties. Having lived in Kentucky for a while, you will understand what I mean in this respect.

If you need more detail, or if I can help you round up a particular detail, let me know.

Sincerely,



William L. Spencer

WLS/sc

# THE BEST CITIES FOR BUSINESS

With companies squeezing costs tighter than ever, locations that give you the most for your money are hot. Here's where to find America's outstanding values. ■ by John Huey



**Growing, restless, endlessly self-promoting, and all about making a buck: Atlanta is in an economic slowdown, which makes it all the more eager for your business.**

**W**hen FORTUNE set out to find America's best cities for business this year, a trend was unmistakable: Cost has become far more important than it was in the Eighties. What companies want in a city hasn't changed much in the three years since this survey began; the twist is that in this stagnant economy business is getting much tougher about demanding it all at the right price. Thus, the best cities for business in

REPORTER ASSOCIATE Laurie Kretchmar

1991 are those offering the best *value*. By that criterion the winner is clear: It's Atlanta, followed by its Sunbelt rival Dallas and a couple of towns where snow actually falls, Pittsburgh and Kansas City.

The loser for value: almost anyplace in California. Reasons include expensive environmental regulations, water shortages, the \$14 billion state budget shortfall, pollution, the cost of living, and congestion. Corporate flight from the Golden State is approaching a stampede (for

more on California's plight, see page 89).

An increasingly competitive global environment has made "cost containment with an emphasis on quality an imperative," says Karen Gerard, senior vice president of relocation consultants Moran Stahl & Boyer, which surveyed more than 600 executives for FORTUNE. With MS&B, we determined value on a sort of balance sheet that weighs a city's assets, as measured in the survey, against the price of doing business there, as reflected in the

## THE TOP TEN CITIES

1. Atlanta
2. Dallas/Fort Worth
3. Pittsburgh
4. Kansas City
5. Nashville
6. Salt Lake City
7. Charlotte
8. Orlando
9. Austin
10. Phoenix

muffled hometown boosterism—and struck a balance between perception and reality—by separating respondents' satisfaction with their own cities from their opinions of other cities. Atlanta stood out in both measures. It was by far the most popular choice among outsiders, and its executives had a more favorable opinion of their town than did those of any other place in the top ten except Kansas City. As for costs, Atlanta is the 15th-least-expensive city among America's 50 largest. That combination of quality and moderate cost was the best of the bunch, leading to Atlanta's No. 1 ranking.

The attributes executives most demand in a city are simple and sensible. They are, in order:

- A flexible, high-quality work force.
- Proximity to markets.
- A strong local pro-business attitude.
- A good public education system.
- Convenient air service to key cities.
- Costs—housing, labor, facilities, and taxes.
- An efficient highway system.
- A whole host of intangibles amounting to "quality of life."

While companies are looking harder for savings these days, they are not willing to sacrifice these attributes to lower their costs. So the top ten for value is not just a bargain basement honor roll. The five least expensive cities in the top 50—Birmingham, San Antonio, Jacksonville, Memphis, and Norfolk—all missed the top ten for value because executives didn't rate them highly enough on quality.

The two top-ranked cities are once-booming, now-surviving service economy capitals that have always ranked high on FORTUNE's list. Like Atlanta, Dallas/Fort Worth is a moderate cost area (16th least expensive) with high crime and poor schools. (Bear in mind that while the MS&B survey encompasses metropolitan areas rather than core cities, problems of those core cities tend to taint the image of an entire area.) One advantage these two share over many cities is familiarity; if you haven't been to a convention in Dallas or Atlanta, you've no doubt passed through their mega-airports.

Another favorable factor: Both places are a little more eager for your business these days, Atlanta having finally been hit by an economic slowdown and Dallas still trying to shake off the Texas crash of the Eighties. "Dallas has been through a gut-wrenching experience, financially and

socioeconomically," says Joseph Musolino, vice chairman of NCNB Texas, formerly First Republic. "But now that we're coming out of it we're healthier because we're more linked to the national economy." Vacant office space and stagnant job growth may spell bad news for businesses dependent on the Atlanta or Dallas economies, but to the prospective outsider they spell better value today than in the heady days gone by.

**A**LREADY headquarters to 19 FORTUNE 500 and Service 500 companies, Atlanta has quieted the competing crowd with several recent monster home runs in the game of economic development. The snaring of the 1996 Summer Olympics has powered a quantum boost in overseas image and should eventually stop Japanese visitors from asking for directions to the casinos (they think they're in Atlantic City).

Several recent corporate headquarters relocations mean cash on the barrelhead today. Holiday Inn's North American operation is shifting to Atlanta from Memphis; Saab is transplanting its U.S. base to Atlanta from Connecticut. Some of the city's most visible existing headquarters companies—Coca-Cola, Turner Broadcasting,



Relaxing after work in the Southern boomtown

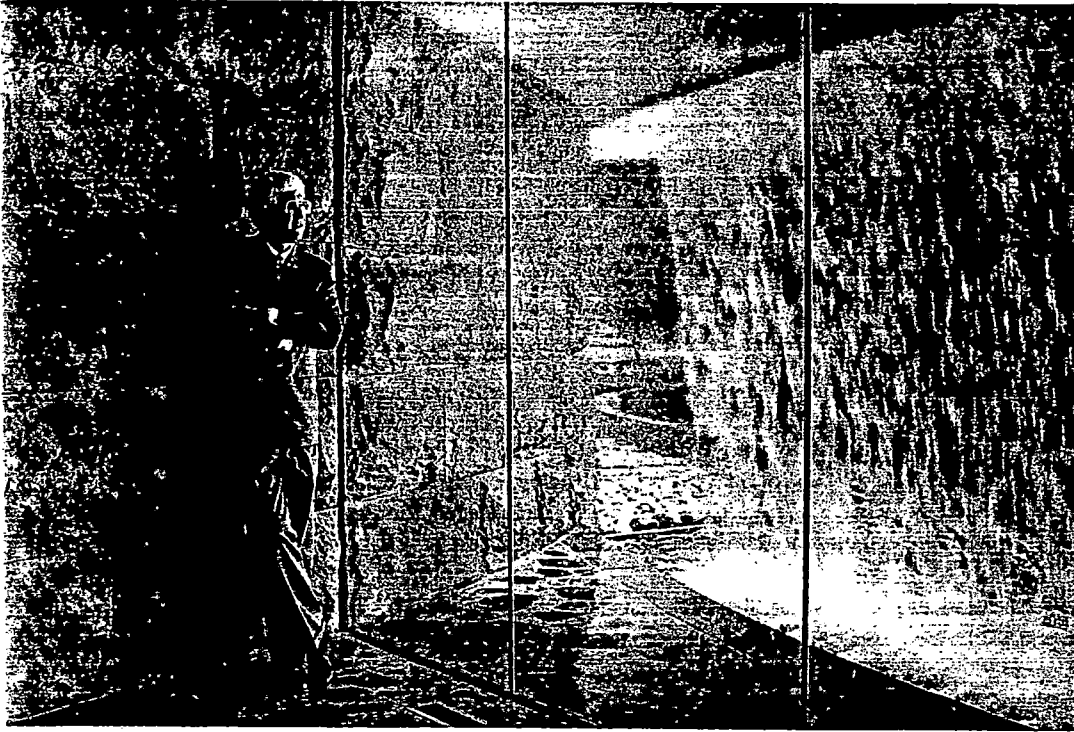
Home Depot—have forged ahead or at least held their own in a troubled national economy.

Dallas/Fort Worth—home to 31 FORTUNE 500 or Service 500 companies—has in recent years lured J.C. Penney and Exxon headquarters to town, and the city hopes to become the center of Mexican-U.S. trade should a North American free-trade pact become reality. Kent Foster, president of GTE's telephone operations, moved his outfit to the Dallas area in

Office space is in oversupply, housing a bargain.

costs of labor, facilities, utilities, construction, and taxes. In fine-tuning the top ten, FORTUNE editors also drew on interviews with dozens of business leaders in many of the cities and with experts, including MS&B consultants and other authorities.

What's on Atlanta's balance sheet? The main liabilities are a high crime rate and notably poor public schools—yet the city was a blowout winner in the survey of executives. MS&B's Gerard says the survey



GTE's Kent Foster in Las Colinas, near the Dallas airport: "It's close to everything—it makes life easy."

1989. "A central geographic location was critical to us," he says, "and the local government leaders here treat you like customers and make sure your needs are met."

**B**USINESS MAY love Atlanta and Dallas, but lots of other people don't. For FORTUNE's two top cities, some critics reserve the kind of scorn that New York filmmaker Woody Allen heaps on Los Angeles ("a city where the only cultural advantage is that you can make a right turn on a red light"). To them, such new cities—with all their glass and concrete and sprawl—are formless blobs of synthetic culture, trying but failing to achieve the cultural cohesion of Boston or San Francisco. The *Economist* has called Dallas the ugliest city in North America, while the *Wall Street Journal* characterized Atlanta as "an archipelago of shopping malls and condominiums with an atrophied downtown, snarled traffic, and a fading sense of community."

To which the objects of this spirited derision have responded with even more vigorous boosterism. Atlanta and Dallas are probably the two best image marketers in America. If Atlanta could suck as hard as it can blow, say folks down in the snooty coastal Georgia city of Savannah, it would be a port city. In ultra-smug Austin, *true*

Texans would rather listen to the price of oil drop than sit through a presentation by a Dallas booster. Fort Worth says *it* is where the West begins, and Dallas is where the East peters out. Maybe it's the newness of these cities. Their society can be nouveau, pretentious, and tacky, which somehow makes people of old means in genteel, paint-chipped places like Little Rock and the Mississippi Delta feel as though they can look down on them.

All these high-minded knocks on Atlanta and Dallas are fair enough—if you don't have to work for a living. But if you do, few places are more opportune over the long haul. What they lack in refinement, they overcompensate for with energy, mostly directed toward turning a buck. "It's hard to define why a person or a city or a company has charisma," says George Berry, a former Georgia commissioner of industry, trade, and tourism. "But with Atlanta I think it's because folks know this is where you can come and make money. That's what Atlanta represents: success, newness, energy, and the profit motive." Yes, Atlanta and

Dallas are synthetic cities, but that is what suits them for the 21st century, in which the economy is certain to be driven by synthetic services supported by such synthetic industries as telecommunications and information technology.

Unlike most major, shall we say organic, cities, which grew up on natural harbors or at intersections of rivers or atop piles of coal and oil, neither Atlanta nor Dallas has the faintest natural *raison d'être*. Both sprang up as residue from the currents of commerce. They started as railroad towns: Atlanta was called Terminus because it was where the tracks ended, and local leaders in Dallas paid the railroad to come 40 miles out of its way. Ever since these synthetic beginnings, both cities have been trying to talk the rest of the world into joining them, primarily for the purpose of doing business. As early as 1895—only 30 years after Sherman burned it to the ground—Atlanta attracted 1.9 million people to its own version of a World's Fair, the Cotton States and International Exposition, a far more impressive feat for its day than whatever the 1996 Olympics turns out to be.

**T**O FEED THE RAILROADS in both cities, highways had to be built, and they were; when interstates came along, Atlanta and Dallas were natural places for them to intersect, and they did, bringing over-the-road trucks with them. Both cities foresaw the future of air travel and built airports that expanded until they redefined the whole concept, becoming—along with Chi-

ago—hubs to which you flew regardless of your final destination. Atlanta is home to Delta, Dallas to American. Southern native son Jimmy Carter deregulated international gateways, and now jumbo jets from Lufthansa, Swissair, KLM, British Airways, JAL, and others swoop down over the piney woods and mesquite prairies onto the runways outside Atlanta and Dallas.

When package delivery giant United Parcel Service set out looking for a new home—driven from Connecticut by housing prices—its choice soon narrowed to three cities: Atlanta, Dallas, and Baltimore. With more than

**In ultra-smug Austin, true Texans would rather listen to the price of oil drop than sit through a presentation by a Dallas booster.**

18,000 commercial air trips a year out of headquarters and expansion designs on the European market, the company calculated that it could save two man-years of travel time annually by picking Atlanta over Dallas/Fort Worth.

In a thorough selection process, 12 top UPS executives took an anonymous tour by chartered plane of the three finalist cities. Then CEO Kent Nelson asked each to give him a written recommendation of his first choice. All 12 chose Atlanta, says Nelson, who admits that his own first choice going into the exercise was Dallas. In the end, he says, "I think it was the trees and the rolling hills. They reminded everybody of Connecticut."

**T**RAINS AND TRUCKS and planes helped make Atlanta, but as 20th-century industrial evolution softened—and telecommunications links took on the status of railroads in the 19th century—both cities knew instinctively what to do. Atlanta and Dallas have become significant centers for the telecommunications industry, Atlanta in particular. When British Telecom announced it would open a North American unit to serve multinational corporations, it said Atlanta was the logical choice because it has 29 fiber-optic telephone paths, vs. only eight in New York. No problem if they need more; Atlanta is always eager to dig up its streets for progress. It is AT&T's third-largest employment center, with over 19,000 jobs, and is headquarters for Bell South, with more than 11,000. GTE, Sprint, Northern Telecom, and MCI account for another 6,000. Many of the same companies provide thousands of jobs in Dallas as well.

For all its success, Atlanta is annoyed to look over its shoulder and see a smaller, hungrier boomtown springing up in its own image and in its own backyard: Charlotte, N.C. If the MS&B survey turned up any little city that might, this is the one. The fourth-cheapest city in the top ten, Charlotte drew favorable scores from residents and outsiders and beat Atlanta for pro-business attitude.

Once a sleepy stock-car-racing town whose main contribution to American culture was Jim and Tammy Bakker,

Charlotte owes much of its current credibility with American business to one man: Hugh McColl, the take-no-prisoners chairman of what will likely become, through Patton-esque takeovers, the nation's fourth-largest bank, NCNB (soon to be NationsBank). "McColl's attitude is Charlotte's attitude," says Ray Shaw, the former president of Dow Jones, who moved to Charlotte to run American City Business Journals, a chain of regional business newspapers. "He's tough. He's optimistic. And he knows how to get a job done." Whether by jingoistic design or divine irony, the diminutive, brash Charlottean now controls—and has renamed after his company—two of the banks that were most associated with Atlanta and Dallas in their earlier go-go years: C&S in Atlanta and Republic Bank in Dallas.

In both cities it has been a bitter pill to swallow, this financial colonization by upstart Charlotte. As a lifelong capital colony, Atlanta probably handles the invasion of North Carolina banks with a little more grace than the Texans do. NCNB, Wachovia, and First Union have bought three Atlanta banks, leaving only one locally controlled name-brand bank (SunTrust) and making it tougher for Atlanta to call itself the South's financial capital with a straight face. But at least Atlantans sold their banks more out of greed than desperation. Dallas bankers not long ago were more arrogant than Los Angeles junk bond dealers, and they fell just as hard. Today, incredible as it seems, the Dallas skyline boasts not a single indigenous major bank. Dallasites try to be polite about it, but many still spit sand when they try to say NCNB—much less NationsBank.

No such Johnny-come-late-ly jealousy has afflicted the

banking scene in Pittsburgh, where the name Mellon may not be as catchy as NationsBank but still has quite a bit of what the marketers call trademark equity. Home to two of the nation's top 25 banks and 15 other FORTUNE 500 or Service 500 companies, Pittsburgh has more than its share of weighty corporate cachet: Westinghouse, PPG, H.J. Heinz, Alcoa, Sony. Sony? Yes. After searching the U.S. for a place to build its picture-tube plant, Sony chose Pittsburgh, a city that ranked near the top in nearly every category of the MS&B survey—availability of high-quality labor, pro-business attitude, education, affordable housing, overall satisfaction of its residents. The category where it ranked poorly was effect of a city on a company's image.

**A**ND FOR THOSE who remember the smoky, carbon-black, shot-and-beer steel town of just a little more than a decade ago—the one Frank Lloyd Wright recommended abandoning—no image could be more out of date. For starters, today's Pittsburgh is actually beautiful. Its sturdy old skyline is nicely complemented by a restrained new one. Framed as it is by Mount Washington and the watery conflux where the Monongahela and the Allegheny form the Ohio, the downtown is one of America's most European in appearance. When the city



NCNB's Hugh McColl has altered Charlotte's skyline and attitudes.

**For all its old money, the reborn Pittsburgh is focused on economic development and hospitality to outsiders.**



Pittsburgh plays up high tech, like Carnegie Mellon's robots . . .

was in danger of going to its grave with the steel industry in the early Eighties, the town's venerable old-money crowd dug into its deep foundation pockets and made sure that Pittsburgh emerged as an American city with a first-rate quality of life.

"I think the Nineties are going to be the era of the big little city," says Frank Cahouet, chairman and CEO of Mellon Bank and a transplanted California banker from Security Pacific and Crocker. "Pittsburgh is an appealing place to live because it has the amenities of a small city but the cultural benefits and business environment of a lot of large cities."

Cahouet and others stress that, for all its old money, the reborn Pittsburgh (pop. two million) is focused on economic development and the hospitality to outsiders that game requires. "We lost 60% of our industrial base and more than 100,000 heavy manufacturing jobs," recalls Wesley von Schack, chairman and CEO of Duquesne Light Co., Pittsburgh's electric utility. He moved there from Vermont in 1984. "With those kinds of numbers it wasn't hard to get people focused on economic development." Drawing heavily on the technical resources of Carnegie Mellon University and the University of Pittsburgh, the city has rebuilt employment around high-tech manufacturing, medical, and biotechnology jobs. The city is happy with modest growth. Von Schack says, "If you don't boom, you don't bust."

Similarly conservative views prevail in Kansas City. Another more traditional burg, its survey results reveal an extraordinary gap between the way resident execu-

tives feel about it (they *love* it) and the opinions of outsiders (it doesn't come up much). "Kansas City doesn't brag. It's a quiet town, gentle, not pushy," says Betsey Solberg, executive vice president of Fleishman-Hillard, a public relations firm. If that sounds a little like a Hallmark greeting card, well, Hallmark is the town's biggest privately owned employer and one of the companies that call the shots. Another is Marion Merrell Dow laboratories, the pharmaceutical giant partly created by self-made billionaire Ewing Kauff-

man, or "Mr. K.," who owns the Royals baseball team and heads a foundation that supports drug prevention programs, stay-in-school projects, self-esteem courses, and more than 1,000 disadvantaged students in college.

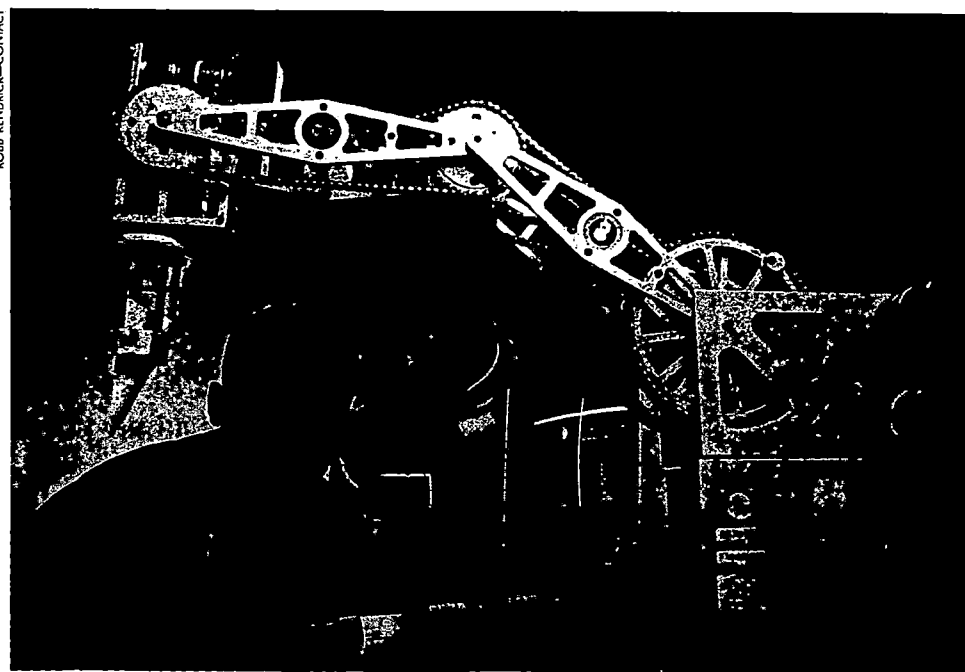
"All kinds of businesses are welcome here," says Kauffman, "as long as they learn the principles of social responsibility under which we operate. A corporation owes more to the community than just jobs. To be specific, 3% of their profits should go to charity. Things come up that need attention. Social problems, floods. Business has to do its part,

and here we do. We've got the Hall Family Foundation [started by the owners of Hallmark], the H&R Block Foundation, and the Greater Kansas City Community Foundation." Kauffman says he's "especially proud of the voters of Kansas City [70% white] for electing a black mayor" and helping bring the community together.

That mayor, Emanuel Cleaver, says, "We're the only major city that's really out front struggling to do something about public education." The claim may be hyperbole, but K.C. is certainly the only city in the country investing some \$600 million in capital improvements to its inner-city school system. And even though the expenditures were ordered by a federal court in a desegregation suit brought by Cleaver and others before he became mayor, the initial results are eye-popping. The brand-new \$32 million Central High School, built in an inner-city black neighborhood, attracts a student body that is 25% white. The magnet school offers a computer for every student, robotics training, the largest indoor swimming pool in Missouri, and a Jesuit-inspired curriculum that includes Greek, Latin, and Olympic sports training. With the school just opened, it's too early to judge results.

Transplants to Kansas City love to talk about the work ethic. "I've worked on both coasts and in Atlanta," says Tom Sprott, a general manager for IBM, "and I've never seen the values toward getting the job done that I see here. There's really no compari-

. . . while Kansas City offers robotics study and much else in an impressive new inner-city school.



ROBB KENDRICK—CONTACT

son." Kansas City has suffered labor problems in the past, but Bob Dineen, president of Marley Co., which has plants in Louisville, Memphis, Houston, and other cities, says, "That labor reputation is 15 years out of date. We have fewer problems here than anywhere else. You get a full day's work in Kansas City."

Each of FORTUNE's remaining top ten brings to the table a different combination of attributes that add up to value:

■ Phoenix is strategically located near the dense Southern California market and offers a high-quality work force at much lower costs than California.

■ Orlando is relatively inexpensive, right in the center of one of the country's fastest-growing markets.

■ Austin is the least expensive of the top ten and has the most relaxed lifestyle. Though somewhat isolated, its high-tech orientation and the University of Texas make it attrac-

tive for a variety of technology operations.

■ Salt Lake City continues to enjoy an excellent reputation for its labor force along with low costs and a notably low crime rate.

■ Nashville is perhaps the sleeper on the list, a newcomer to the top ten and a city likely to take off in years to come. Why? "Location, location, location," says MS&B's Karen Gerard. "It is well positioned to serve markets in the South, Midwest, and East, three interstate highways intersect there, and it is developing into a major hub for American Airlines."

The new emphasis on value should not suggest that American business is on the verge of abandoning all its traditional capi-

**Nashville is perhaps the sleeper on the list, a newcomer to the top ten and a city likely to take off.**

tals. New York, through a combination of size, culture, and concentration of power, remains America's one true international city and a bargain compared with Tokyo, Paris, and several others. Los Angeles is the world's entertainment capital and retains important ties to Mexico and the Pacific Rim. San Francisco, if you can afford it, offers an alluring blend of charm and metropolitan sophistication. Like England, there will always be a Boston. For a true metropolis with a central location, Chicago is top dog. For Latin America, fly Miami. But in the cost-conscious Nineties, the top ten for value will continue to give all of these cities, and each other, a good run for their money. **F**

## THE TOP TEN CITIES

Rankings on access to quality labor and on pro-business attitude come from Moran Stahl & Boyer's survey of executives in America's 50 largest metropolitan areas. A rank of 1 is best, and 50 the worst; duplicate rankings reflect

ties. We and MS&B conducted extensive interviews and visits. The average U.S. manufacturing salary is \$26,700; for clerical jobs it is \$18,600. The average lease rate in the surveyed cities is \$21.25 per square foot.



W. CODY—WESTLIGHT

### ATLANTA

Population 1991	2,913,797
Office lease rate	sq. ft. \$23.50
Tax rates	max. corp. income 6% max. personal income 6%
Average salaries	manufacturing \$27,000 clerical \$19,900
Access to quality labor	rank 17
Pro-business attitude	rank 2

■ The bad news: For a change, Atlanta is actually experiencing ill effects from the national economy, the worst blow having come with the shutdown of Eastern Airlines, a provider of 10,000 jobs. The good news: The slowdown makes the city more of a value than ever for business. Class A office space is abundant, and a bunch more is about to hit the market. The price of traditional luxury houses is soft; UPS says housing is roughly half what it costs in Connecticut. Air access is excellent but not cheap. Atlanta is a natural choice for reaching regional markets, and all those young workers who have flocked to the Southern boomtown still need jobs to make BMW payments. Suburban schools are fine, but many execs in the city choose private education for their kids. Crime is high. Golf is great. Atlanta has more trees than any other major city.

The most famous employer



JAY BROUSSEAU—IMAGE BANK

### DALLAS/FORT WORTH

Population 1991	3,973,542
Office lease rate	sq. ft. \$18
Tax rates	max. corp. income None max. personal income None
Average salaries	manufacturing \$29,300 clerical \$19,500
Access to quality labor	rank 4
Pro-business attitude	rank 13

Las Colinas

■ If you can't find a good deal on office space in Dallas/Fort Worth, you shouldn't be allowed to go to the grocery store alone. Things are stabilizing after the real estate and banking crash of the Eighties, but the city has a ton of office space and housing left on its plate. Negotiate, negotiate, negotiate. As with Atlanta, crime and schools are rough in the city, okay in the suburbs. Also like Atlanta, Dallas/Ft. Worth offers terrific air access and a natural hub for regional markets. No personal income taxes steal bites from the pie. Texans score high for "pro-bidness" attitude and have lately added humility to the mix. As Dallas/Ft. Worth recovers, it is building a diversified service economy tied more to the nation's than to the state's energy cycle, and it is well situated for Mexican-American commerce should North American trade barriers fall.

\*Texas imposes a franchise tax based on net worth and profits.

SOURCES: Pop., National Planning Data Corp.; lease rates in central business districts, Comparative Statistics of Industrial and Office Real Estate Markets; tax rates, Commerce Clearing House; wages for manufacturing, County Business Patterns; wages for clerical, BLS.



W. CODY—WESTLIGHT

## PITTSBURGH

Population 1991	2,043,118
Office lease rate	sq. ft. \$20
Tax rates	max. corp. income 12.25% max. personal income 5.98%
Average salaries	manufacturing \$30,300 clerical \$18,000
Access to quality labor	rank 4
Pro-business attitude	rank 8

■ The Lazarus of American cities, Pittsburgh has everything going for it but an up-to-date image. Low crime, high-quality public education, and a

skilled work force add up to one of the very best values for business—especially among older cities outside the Sunbelt. Carnegie Mellon University helps attract businesses in the biotech industry. A good work ethic and a central location are especially appealing to light manufacturers such as Sony, which chose Pittsburgh as the site for its North American picture tube factory. Housing is a bargain, air is clean, and commutes are short. Cultural institutions stay healthy with heavy involvement from the old-line corporate community. Something that wouldn't happen in Atlanta: When a new building replaced Forbes Field, the outfield wall and home plate were preserved.

### Actually beautiful



GARY LAYDA

## NASHVILLE

Population 1991	1,003,474
Office lease rate	sq. ft. \$21.50
Tax rates	max. corp. income 6% max. personal income 6%*
Average salaries	manufacturing \$24,300 clerical \$18,300
Access to quality labor	rank 7
Pro-business attitude	rank 4

■ Location. Location. Location. Nashville's got it, and it is beginning to pay off. On the important criterion of proximity to markets, Nashville ranked No.

1 in the top ten. It's convenient to the South, the Midwest, and much of the Eastern seaboard. American Airlines operates a growing hub out of the city, giving it the potential to challenge Atlanta and Dallas for ease of transportation. The quality of the work force ranks high, which was instrumental in decisions by Nissan and GM's Saturn division to locate auto plants in the vicinity. Those workers command high pay. Nashville would like to build on its sizable health care industry and nurture a budding telecommunications sector. City business promoters have only recently decided to play up, rather than distance themselves from, its predominant image worldwide: Music City USA.

### Music at the airport



EU REICHMANN

## KANSAS CITY

Population 1991	1,586,993
Office lease rate	sq. ft. \$19
Tax rates	max. corp. income 6% max. personal income 7%
Average salaries	manufacturing \$28,100 clerical \$18,100
Access to quality labor	rank 1
Pro-business attitude	rank 10

■ Of all the top ten cities, Kansas City is the most beloved by its own resident executives, who rate it high in virtually every category: tax structure, labor

### World-class barbecue

costs, quality of labor, housing costs. Its central location appeals to many, but air connections could be better. Hallmark, one of the biggest games in town, and Marion Merrell Dow pharmaceuticals, another 'heavy hitter,' are both strongly committed to civic involvement. Kansas City has more of a story to tell than most when it comes to the plight of its inner-city schools; it is spending \$600 million to rebuild the whole system, bringing computers and exotic curricula to the ghetto. A black mayor, elected by a white majority, has launched a new era of race relations. The city deserves its reputation for great food, especially steaks and barbecue.



JIM RICHARDSON—WESTLIGHT

## SALT LAKE CITY

Population 1991	1,084,847
Office lease rate	sq. ft. \$18
Tax rates	max. corp. income 5.0% max. personal income 7.2%
Average salaries	manufacturing \$24,300 clerical \$16,700
Access to quality labor	rank 2
Pro-business attitude	rank 13

■ Everything is still clean, high quality, safe, and inexpensive in Salt Lake City, an unmistakable location of great value with a bonus for skiers—city buses

### In Temple Square

go to several resorts. Taxes are moderate, literacy is extraordinarily high, crime is low, and one of America's most qualified work forces takes home wages below the national average. Nor is the place as isolated as everyone seems to think; it is within 850 miles of Phoenix, Denver, Seattle, and all major California cities, and a Delta hub gives the city more flights than most cities its size. Highways are excellent and housing costs attractive. Downsides? Utah boasts only three FORTUNE 500 headquarters, so you have to catch other execs visiting on holiday. And some residents report that Salt Lake's Mormon influence can be a bit much for the secular community.

\*Tax on unearned income.

7

## CHARLOTTE, NORTH CAROLINA

Population 1991	1,184,099
Office lease rate	sq. ft. \$18.75
Tax rates	max. corp. income 7.00%
	max. personal income 7.75%
Average salaries	manufacturing \$21,900
	clerical \$18,500
Access to quality labor	rank 14
Pro-business attitude	rank 1

What this upstart North Carolina city lacks in polish it makes up for in one all-important intangible: pro-business attitude, a category in which it ranks first,

even ahead of Atlanta. Like Atlanta and Dallas, Charlotte suffers from high crime and public education woes. But thanks largely to the efforts of NCNB's acquisitive CEO, Hugh McColl, the city is gaining a reputation as a financial center that is eclipsing Atlanta's. Low manufacturing wages—a reflection of the area's furniture- and textile-making past—are attractive to industry. The city stresses its quality of life, but a major threat to that quality looms: traffic. For some reason this stock-car-racing town hasn't built an adequate highway system. Like some other smaller cities, Charlotte has a terrific back-office reputation, which helps attract such newcomers as Hearst Magazines' accounting operations.

The NCNB tower

AERIAL PHOTOGRAPHY SERVICES



8

## ORLANDO, FLORIDA

Population 1991	1,110,442
Office lease rate	sq. ft. \$21.25
Tax rates	max. corp. income 5.5%
	max. personal income None
Average salaries	manufacturing \$25,400
	clerical \$17,300
Access to quality labor	rank 36
Pro-business attitude	rank 10

Relatively inexpensive and smack in the center of one of the country's fastest-growing markets, Orlando is Florida's boomtown answer to Atlanta and

A tourism juggernaut

Dallas. Like the Sunbelt's big two, Orlando has convenient air service, and the reason is obvious: Disney World is America's No. 1 tourist destination. After pausing for the recession, this tourism juggernaut is expected to keep right on exploding. Wages are below the U.S. average, and, as in all of Florida, there's no personal income tax. Success has its price: Orlando ranks worst in the top ten for traffic problems. It also ranks low for cultural activities and presence of quality universities, but the Florida lifestyle gets big points. The city is a short drive from the beach and is surrounded by natural lakes and citrus groves, now transforming into residential communities.

RIDDLE



## AUSTIN, TEXAS

Population 1991	802,413
Office lease rate	sq. ft. \$16
Tax rates	max. corp. income None
	max. personal income None
Average salaries	manufacturing \$29,500
	clerical \$17,000
Access to quality labor	rank 24
Pro-business attitude	rank 13

The smallest and least expensive of the top ten cities, Austin is a bit isolated and in a category of its own. Its casual Hill Country lifestyle is legendary.

While lacking some elements of traditional business locations—such as proximity to markets—it has become something of an alternative Silicon Valley. Many major names—IBM, Motorola, Apple, Advanced Micro Devices, Texas Instruments—are represented there, as are hundreds of entrepreneurial high-tech companies nurtured by the University of Texas's Austin Technology Incubator. MCC and Sematech, two high-tech consortia, also call Austin home. In addition to Lake Travis, country music, and barbecue, Austin (like the rest of Texas) demands no personal income tax. A major drawback: The city lacks good nonstop airline service to many other key cities.

The Capitol

STEVE CHENAL-WESTLIGHT



9

## PHOENIX

Population 1991	2,183,438
Office lease rate	sq. ft. \$20
Tax rates	max. corp. income 9.3%
	max. personal income 7.0%
Average salaries	manufacturing \$27,700
	clerical \$17,800
Access to quality labor	rank 7
Pro-business attitude	rank 21

Phoenix offers a combination of particularly high-quality labor at near-average costs; unionization is notably low. It boasts good schools and a large commu-

Gateway Center

nity college system to train workers. As in Atlanta and Dallas, office space is plentiful and inexpensive in the wake of Eighties overbuilding. The city is strategically located near the dense and lucrative Southern California market, but it is beginning to suffer from some of the same urban problems: traffic, air pollution, urban sprawl. New freeway construction has eased traffic, but water shortages could eventually stunt growth. When problems come up, Phoenixians like to talk about the weather: On average the sun shines 85% of daylight hours, and the average annual temperature is 72° F, which explains the proliferation of golf and other resorts.

REED PARR



\*Texas imposes a franchise tax based on net worth and profits.

*Charlotte*  
C H A M B E R  
Economic Overview of Charlotte, NC

While most of the country suffered through a recessionary slowdown, Charlotte was able to flourish. Overall, 1991 economic growth was very positive in the Charlotte-Mecklenburg area, reconfirming the region's status as a desirable place for business expansion and relocation. Much of this success is due to the Charlotte Chamber, which continued to market the Charlotte region as a potential site for national and international facilities.

Ranked by Fortune magazine as the seventh best place to do business, Charlotte received favorable marks from outsiders and residents alike. The magazine's November issue weighed the cities assets against the price of doing business, as reflected in the cost of labor, facilities, utilities, construction, and taxes. Charlotte was also ranked as having the number one pro-business attitude.

In the first three quarters of 1991, 650 firms announced new or expanded operations within Charlotte. This is the largest number of announcements in the past five years. The firms will create a record number of 8,025 new jobs; investing over \$235.4 million and occupying 5.6 million square feet.

The Chamber's Economic Development Division participated in 51 committed projects this year, representing a total capital investment of \$104 million, 2.5 million square feet, and 3,213 new jobs. Some of the well-recognized companies attracted to Charlotte include Alcoa/Kobe, AT&T, BASF, GE Plastics, Hearst Corp., Moody's Investors' Service, Murata Wiedemann Inc., Northwest Fabrics & Crafts, Pacific Hemostasis, Pass & Seymour Inc., Sprint Services, Baxter and Kodak.

Of major significance to the region is the relocation of the Hearst Corporation Service Center from New York to Charlotte. This powerful, diversified communications company will employ 250 people and occupy some 100,000 square feet of space. The Hearst announcement indicates a confidence in Charlotte from what is generally considered a first-tier corporation and may draw renewed interest from other corporations in that top category.

Charlotte international community continues to increase its size as witnessed by the constant increase of foreign firms in Charlotte. Presently, there are 260 international companies located in the Charlotte area, representing eighteen different countries.

Current prospect activity is also high both for Charlotte and the region. Significant events continue to keep Charlotte in the spotlight such as the phenomenal success of the NBA Charlotte Hornets. With the 23,900 seat Charlotte Coliseum as one of the largest facilities in the NBA, the Hornets continue to lead the league in attendance, number of season ticket holders and volume of merchandising. Charlotte also hosted the NBA All-Star Weekend in February, attracting major media attention to the region.



NFL expansions hopes continue on track with a highly successful NFL exhibition game in Columbia, South Carolina, which drew over 71,000 fans to watch the Washington Redskins play the New York Jets. Barring any major controversy, the NFL should pick two expansion sites in 1993, one of which is expected to be Charlotte.

A major boost to the Charlotte economy came with the recent announcement of the proposed merger of NCNB bank, headquartered in Charlotte, with C & S Soveran Bank of Atlanta. The merger will create NationsBank, one of the five largest banks in the country. Prior to the announced merger, banking ties between NCNB and the NFL were strengthened when NCNB and the NFL announced agreement on a nearly \$1 billion line of credit for the league.

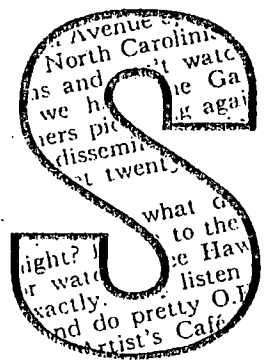
Meanwhile, the Carolinas Partnership, a 13-county regional marketing effort, completed its \$8.1 million fundraising effort, and has begun targeting international business and selected national industries.

The Partnership has also announced the establishment of a 20-station regional computer network linking the member economic development organizations with state economic development officials. The computer system will inventory available sites, building and assets for prospects and will coordinate the activities of the economic development specialists in each of the surrounding counties.

Charlotte is truly a city on the rise. It is a community built on the energy of its people, and the cooperation of both the private and public sectors. Together, Charlotteans will continue to provide the best employment opportunities and an enriched quality of life for its residents, clearing the way for the region's growth, nationally and globally.

# WHAT ARE THEY SAYING ABOUT Charlotte?

Despite a few pans, most national magazines are fans



By DIANE SUCHETKA  
Staff Writer

Charlotte got a little bad press this week when Newsweek wrote about our skyrocketing murder rate.

No big deal. If you're worried that the Queen City is becoming another Cleveland, don't sweat it.

Just last month, we celebrated our hipness when New Yorker magazine told its readers that Charlotte kids don't sit at home watching "Hee Haw" with Pa. They go the Pterodactyl, the May 6 article said, "and dance to better music than anyone who frequents the Roxy ever does."

We read every magazine and newspaper article we could find that mentioned Charlotte over the past few years. And you know, not one referred to Charlotte as the Spam capital of America. Instead, we found compliment after compliment in magazines we'd never even heard of, like Public Management and Discount Store News. Heck, they make us look like Camelot.

In April, House Beautiful listed Wing Haven in Myers Park as one of five fine public gardens in America where the everyday gardener can find inspiration.

And Newsweek itself called us one of "America's Hot Cities" a couple of years ago. Its Feb. 6, 1989, article praised Charlotte's wholesome ambience. The "Huck Finn Factor" Newsweek called it.

Those stories — in big-circulation magazines — get lots of attention. But much has been written about Charlotte in smaller, specialty publications and newspapers, too.

American City & County bestowed its 1988 Award of Merit on Charlotte's Renaissance Park on Tyvola Road. "What had once been a languishing region in Charlotte has been turned

Please see **Charlotte**/next page

From The Charlotte Observer p5 1E 6-7-91

## America's true top dog: The mutt

By MIKE CAPUZZO  
Knight-Ridder Newspapers

The American Kennel Club recently announced the 10 most popular dogs: cocker spaniel, Labrador retriever, poodle, golden retriever, rottweiler, German shepherd, chow chow, dachshund, beagle and

ASPCA in New York. At least 60% of the 30,000 dogs at the ASPCA last year "came in under the name 'shepherd mix.'" Many black-and-tans don't have a drop of shepherd blood.

The black dog. The Labrador retriever's poor distant cousin, the "lab mix," is number two. "Usually it's black, sometimes blond with stocky

### Dear readers:

Charlotte resident Sylvia Hauser was raped in 1989. In Sunday's Observer, she writes of the nightmarish attack and how it changed her life.

"My rapist had total control of my life for three hours and 25 minutes," Hauser writes. "He has had partial control for almost 2½ years. That man stole ME from me. He ripped my personality out of me."



invent imaginary friends or turn themselves into fantasy characters," says Dr. Michael Lewis, professor of pediatrics and psychiatry at Robert Wood Johnson Medical School in New Brunswick, N.J. "Kids have wonderful imaginations, and this is natural," he says. Lewis says a pretend playmate or fantasy character allows children some control over events and their environment. "Even the most normally adjusted child has very little control," Lewis says. "That's the nature of being a child. Someone is always telling them what to eat, when to eat and so on."

One of the first things to do, says Sandey Thompson of Statesville, is to determine the role of imaginary friends in your child's life.

"If the mother would find out what these friends contribute to the child's life and interests, then maybe she could deal with whether this is a normal situation," says Thompson.

As soon as parents decide there is nothing wrong, Lewis says they can join in the fun.

That's what G.W. Poncin, of Coral Gables, Fla., did.

"Some of my fondest memories are those of my youngest daughter's talk of visits with imaginary friends and trips on her flying carpet," Poncin says.

And most children give up having imaginary friends when they find something else more interesting, Lewis says.

tips for them, or questions of your own, please call the toll-free hot line anytime at (800) 827-1092. Or write to Child Life, 1437 Madison St., Hollywood, Fla. 33020.

**DIFFERENT STYLES:** What do you do when parents disagree about the way a child

says R.I. of Hollywood, Fla. "Some of the kids are beginning to call him a crybaby, which probably he is. How can we help him overcome that? If any of the other parents have come up with anything, we'd like to know."

## Charlotte

National magazines like what they see

From preceding page

around," it said.

And Public Management magazine lauded Charlotte for its innovative housing in October 1989.

Here's what some others said about the Bible Belt town that loves NASCAR, ketchup and Beane Weenee:

■ "If you think that Charlotte is a sleepy Southern town, where business is done with a wink and a yawn, think again. . . . In the streets of Charlotte, you can feel it — a contagious, can-do enthusiasm, the confidence of entrepreneurial pluck." (Management Review, October 1989.)

■ "Because Charlotte has more jobs than people, even fast-food restaurants pay at least \$5 an hour. . . ." (Discount Store News, May 8, 1989.)

■ "No longer a sleepy mill town dependent upon the fortunes of the surrounding textile and furniture industries, Charlotte . . . is a dynamic financial, manufacturing and transportation center." (The Los Angeles Times, June, 1991.)

■ "While some sections of the U.S. are mired in what has been labeled a 'rolling recession,' others continue to enjoy prosperity, healthy growth and a remarkably

rosy outlook. One of these quietly booming regions is metropolitan Charlotte. . . ." (Financial World, June 26, 1990.)

■ "Other cities soar and crash. Charlotte keeps a steady course. With hard times ahead, that's the sort of market you should set your sights on." (Builder, May 1989.)

■ "Only the naive tell this city named for King George III's wife that it cannot be a player in major league sports." (The Washington Post, February, 1991.)

■ "Last year alone 413 companies started in or expanded or relocated to Charlotte. . . . One effect of the recession: Charlotte companies aren't placing quite so many help-wanted ads in West Virginia newspapers." (INC., June 1991.)

■ "While Mayor Sue Myrick sets broad policy, Charlotte is run by the city manager, O. Wendell White, one of the best public sector CEOs in the nation." (Business Month, June 1989.)

And if that Newsweek story that says "something is unraveling in Charlotte" is still bothering you, take some advice from the folks who've been getting bad publicity for years.

"Clevelanders are used to reading about negative things," says Michael Polensek, a Cleveland city councilman for the past 14 years.

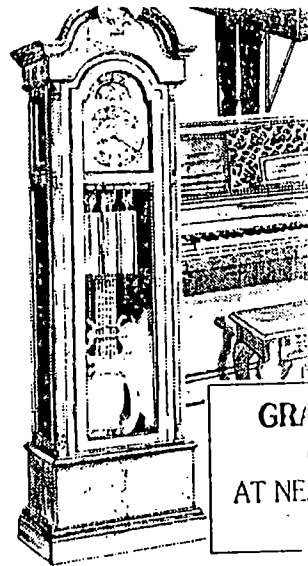
"As a result of that, they've really made up their mind to improve the town.

"And, I say, if it keeps some of the nuts from moving here, maybe I'm better off."

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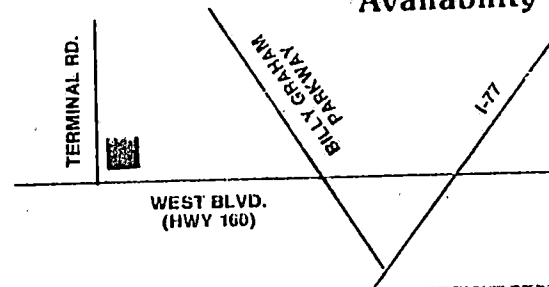
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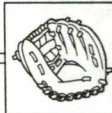


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# BUSINESS REPORTS

J A N U A R Y 1 9 9 2



Sports

## MID-SIZE CITIES BLITZ NFL FOR NEW FRANCHISE

ELEVEN U.S. CITIES ARE NOW TRYING to score a National Football League expansion team. But if they try to sell themselves as another Green Bay, Wisconsin, they will get sacked. A city the size of Green Bay could never snag a professional football team today.

Two new NFL franchises will be announced in 1992. In their efforts to come up with market profiles that will appeal to the NFL, some of the candidates are playing fast and loose with the facts.

A franchise candidate should start with a population of at least 1.5 million people, a per capita income near the U.S. average, and a healthy economy, according to NFL spokesman Greg Aiello. Cities should have fans who are willing to buy season tickets at several hundred dollars apiece, corporations ready to lease \$40,000-plus luxury "skyboxes," and a lucrative TV market that is guaranteed to keep the NFL wealthy.

A number of mid-sized cities are too eager to pay. Two good examples are Charlotte, North Carolina (population 396,000), and Memphis, Tennessee (population 610,000). Promoters of Charlotte's NFL bid have transformed the city into a region of 9.7 million people, despite the fact that the Charlotte metropolitan area has only 1.2 million residents. Sports marketer Max Muhleman counted everyone within 150 miles of Charlotte as a potential fan

for a new football team, the "Carolinas."

"A city limit, county, or MSA is not as relevant to the fundamental question of how many people would come," says Muhleman. "I couldn't use existing market boundaries to make that case."

Memphis was just as bold. It turned a metro area of 982,000 into a 3.8 million-person market. The new boundary is the Mid-South Common Market, a recognized trade area that also stretches out about 150 miles from downtown.

"Memphis has a formal organization that's been in existence for a long time,"

says Larry Henson of the Memphis Chamber of Commerce. "This isn't a region that we just made up."

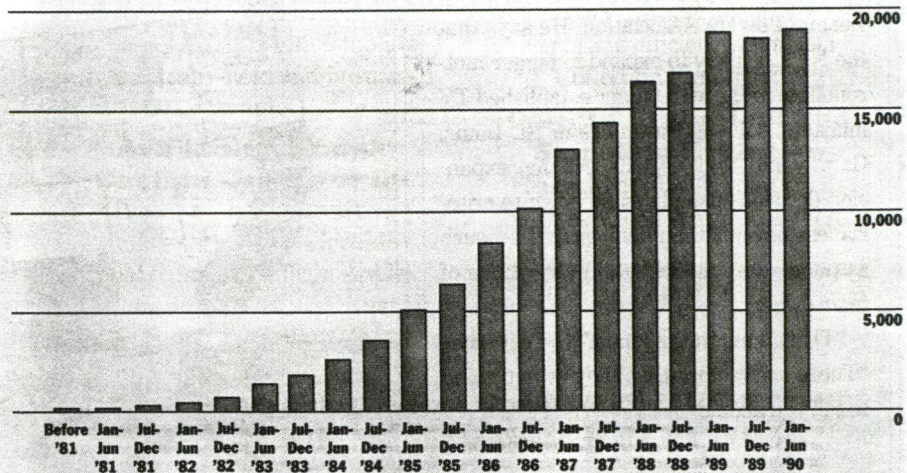
But these new mega-regions aren't enough to convince the NFL, says Stanford University economics professor Roger Noll. If population alone was the basis for a decision, New York could support 12 NFL teams, Noll says. Anyway, it's unlikely that fans would drive three hours to Charlotte or Memphis to watch football. "Tickets normally go to people who live within a half hour of the stadium," he says.

It's more important that NFL franchises capture a large TV market, because every team shares in the league's broadcast revenues. That's why Memphis pushed up its TV ranking from the 39th-largest market in the nation to the 7th by applying the boundaries of the Mid-South

### AIDS Decade

Ten years ago, AIDS didn't have a name. Today, about 187,000 Americans have been diagnosed with the disease.

(AIDS cases diagnosed during six-month intervals, 1980-90)



Source: Centers for Disease Control, Atlanta



## MULTILINGUAL MARKETERS WORK FOR THE POLICE

Common Market. Charlotte made its TV market jump from 31st to 4th by combining contiguous markets in its 150-mile area. But Charlotte's claim to a huge TV market includes Raleigh-Durham, which is 143 miles away and fighting for its own NFL expansion team.

The NFL has no formal guidelines on choosing a location for an expansion team, says league spokesman Greg Aiello. According to Noll, the bottom line is money. "The secret of success these days is selling skyboxes and large numbers of season tickets to business. Are there a number of wealthy individuals or corporations that are willing to pay?"

Both Charlotte and Memphis can boast more than 100 large companies located in their 150-mile "markets." But in a recent *Charlotte Observer* study, only 11 percent

**Charlotte's claim to a huge TV market includes Raleigh-Durham, 143 miles away.**

of the residents of North and South Carolina were willing to pay more than \$30 for a ticket (the projected NFL ticket price).

Despite their intense marketing, Charlotte and Memphis "may be just pawns in the game," says Ed Garvey, former executive director of the National Football League Players Association. He says that the NFL is likely to expand to bigger metropolitan areas with bigger established TV markets, such as Baltimore or St. Louis. Garvey and Noll also suspect that expansion decisions usually come down to criteria less obvious than demographics—such as personality, politics, and the whims of team owners.

"There's another agenda," Garvey says. "There are factors that they're not going to tell you about."

—Laura Zelenko

AMERICAN ENTREPRENEURS CAN learn from the local police, particularly if they live in large diverse cities like Los Angeles. In the 1990s, police officers stalk the front lines of a diverse culture.

"A Los Angeles resident dials 911. Her baby is choking, only she's speaking Farsi, so we don't understand her," says Kathi Ellison, an LAPD communications specialist. "What do we do?"

For a police department that receives up to 6 million 911 phone calls a year, the language barrier is no small problem. In April 1991, LAPD found a solution in Call Incorporated, an interpreting service that was quickly bought by AT&T. Now called AT&T Language Line Services, the interpretation and translation business handles 140 languages 24 hours a day.

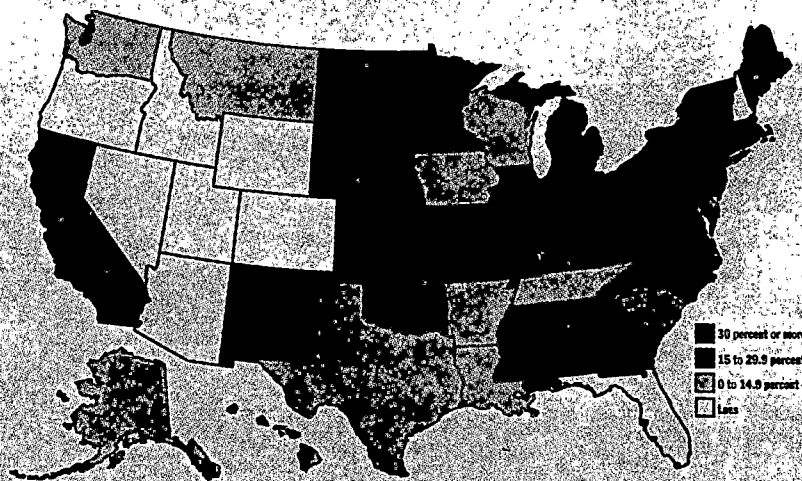
"The citizen can be speaking in a language we don't even recognize, and we'll call up the service. They will determine what language the citizen is speaking and transfer the call to the proper interpreter," LAPD's Ellison says. During the first month of service, LAPD dispatchers called Language Line four times a day, on average, and requested help in 16 different languages, including Punjabi, Hungarian, Vietnamese, Armenian, and Russian.

Language demands for police departments and hospitals are immediate, but they are no less urgent for businesses, says Phil Speciale, Language Line's marketing director. At least 20 million Americans now count some language other than English as their mother tongue. "We found an increasing need for business to

### Where Is the Doctor?

*Between 1986 and 2000, the number of medical doctors for every 100,000 U.S. residents is expected to increase 15 percent, from 216 to 248. But nine states should have fewer doctors per 100,000 residents in 2000.*

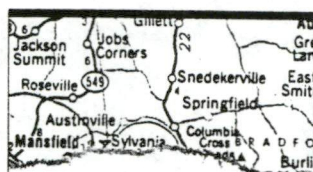
(percent change in number of professionally active medical doctors per 100,000 residents, 1986-2000)



Source: U.S. Congress, Office of Technology Assessment, *Health Care in Rural America*, OTA-H-434, September 1990

# Where the GROWTH Is

Page 78  
**EDITORS' CHOICE**  
*The best cities for growing businesses in every region of the country*



If you know which signs to follow, you'll find thriving markets all over America

BY JOHN CASE

## WHAT A DIFFERENCE A PLACE MAKES.

Boston's theme song these days could be "Brother, Can You Spare a Dime?" In a grim reprise of its mid-1970s blues, the city has lost tens of thousands of jobs, its unemployment rate nosing toward double digits. Residents of Charlotte, N.C., by contrast, are whistling while they work. Sure, there's a recession on—meaning that Charlotte's jobless rate has crept up to a still-tight 4%. Between 1988 and 1990 the Charlotte area gained 26,000 new jobs.

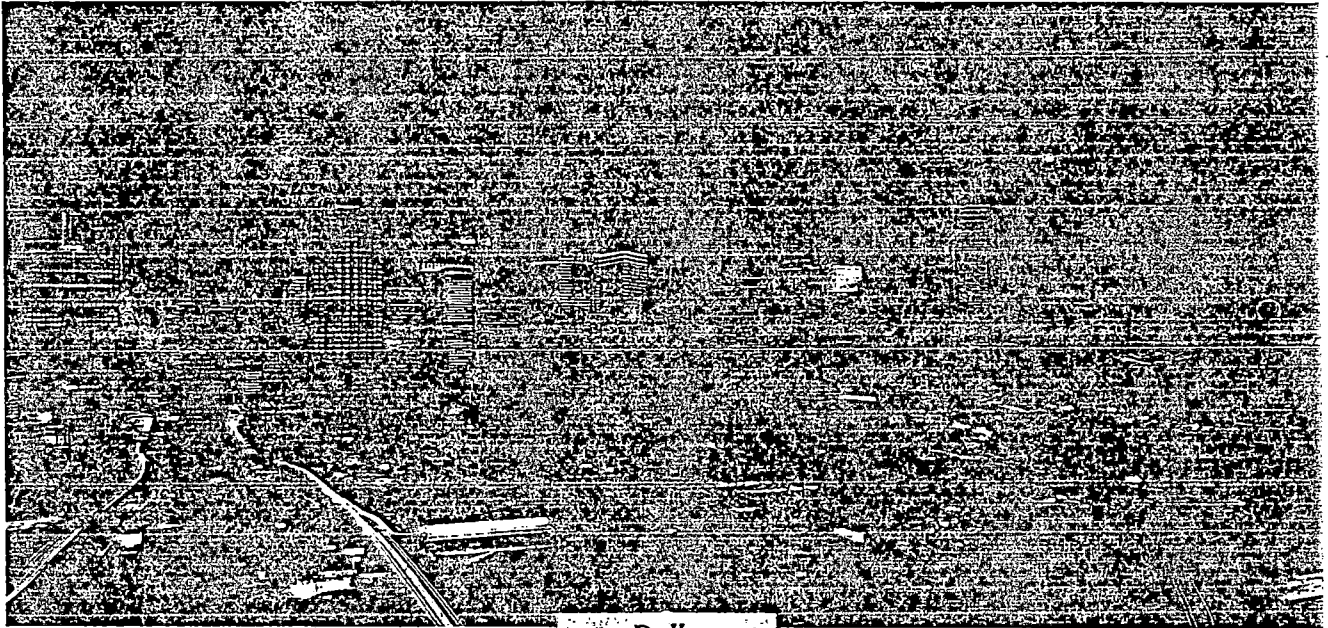
Disparities of such magnitude spill into every corner of the business world, affecting the health of existing companies and the life prospects of new ones. A stark symbol of the difference: Blackstone Bank & Trust Co., a four-year-old Boston start-up designed as a high-service community bank, recently went belly-up, its deposits transferred to a larger competitor. Charlotte's not-quite-two-year-old Bank of Mecklenburg, founded on much the same concept, has grown to \$52 million in assets; cofounder John Ketner is predicting a profitable 1991, based mainly on loans to small and midsize companies. Quick: which city would you rather be doing business in?

The United States has always been a collection of local and regional markets rather than one big one, and business conditions have always varied from place to place. "People talk about regional recessions as if they're unusual," says Stanley Duobinis, senior vice-president with The WEFA Group, an economics consulting firm in Bala Cynwyd, Pa. "But you can go back to 1946 and you won't find one that doesn't vary

from region to region." Today's fax-and-computer communications networks may only intensify the disparities between the haves and the have-nots. Red Rose Graphics Ltd., of Lancaster, Pa., for example, is opening its second branch office in fast-growing Florida rather than in slower-growing areas closer to home, in part because work in process can easily be sent back and forth electronically.

Certainly the current recession has been drastically tilted toward the Northeast. "New England alone will account for one out of every five job losses nationally," predicts Beth Burnham Mace, an economist with DRI/McGraw-Hill Inc., the economic-forecasting and consulting firm. "Yet the region has only 6% of the nation's jobs." While the Boston-to-Washington megalopolis staggers, plenty of cities are growing apace—and not just in Florida and California. Seattle gained 23,000 jobs between 1988 and 1990, Dallas 66,000, with only modest letups in more recent months. Even the Midwest has held its own, with regional capitals such as Indianapolis and the Twin Cities pausing only slightly from the rapid recovery of the late 1980s. "Indianapolis must have one of the strongest economies in America," brags Scott L. Toussaint, whose temporary-help business is enjoying its best year ever. "If I weren't already in this city, I'd run, not walk, here."

Growth-minded entrepreneurs are always tempted to run to where business is best, whether it's to start a new company or expand an existing one. Before you do any running of your own, however, remember



Dallas

that the nation's metro areas are as volatile as they are different. Not so long ago the New York City area was poised for several years of growth, while Dallas—though few knew it—was on the edge of collapse. Today Dallas is sailing out of the economic doldrums, and New York is sinking into them. But how long will either city continue on its current course? And how long will Charlotte or Indianapolis or Seattle stay on the fast track? As mavens of any marketplace know, the past is seldom an adequate guide to the future—particularly when there's a recession on.

Faced with such uncertainty, *Inc.* this year is forgoing its customary top-to-bottom ranking of metro areas. Instead, we've assembled a variety of data indicating not only which cities are growing, but why, and which can expect to do best in the future. One result of this investigation: a list of top performers no businessperson can afford to ignore. (See "Editors' Choice," page 78.) These are cities—two in every region of the country—that are outpacing their neighbors during the current slowdown and are best poised to take advantage of the recovery when it comes. If awards were handed out for solid, long-term growth, these are the cities that would win the ribbons.

But you don't need to live in a best-of-show region to understand the importance of your city's health to

your company's health. What you need to know is what separates the winners from the losers.

#### PEOPLE

A growing economy requires a growing population. That's a truism, but it's been given a twist by the demographics of America in the 1990s. In the past workers went where the jobs were, leaving Mississippi or Appalachia for Chicago and Detroit. In today's labor-short economy, argues MIT researcher David L. Birch, jobs have to follow workers.

"The demographics cut in sharply in the mid-1980s," Birch explains. "That's when the baby boom was finally absorbed into the labor force and we began seeing unemployment rates down around 3% and 4%. Today the work force can dictate the location of employment." Economic growth is thus beginning to follow population movement, rather than vice versa. "The places that are doing well are the places people want to be."

That, says Birch, is why Sun Belt cities such as Las Vegas and Fort Myers, Fla., perennially top the population-growth charts. Forget jobs: people move away from the high costs and cold of the North to places that look cheaper and more pleasant, and feel confident they'll find work once they get there. Businesses then spring up to serve them; others spot an abundant

supply of labor and move in. Even in Florida, the influx of residents no longer consists mainly of retirees. The working-age population in Fort Myers and Fort Pierce, for example, has been growing at more than four times the national rate.


Birch's argument also explains why "edge cities" such as Riverside, in the so-called Inland Empire just east of Los Angeles, have been thriving. "People came in because of the lower costs here," says André Richards of the Riverside County Economic Development Agency. "As the population boomed businesses began noticing this newly forming market and began moving in themselves." A similar phenomenon is visible in the otherwise sluggish Northeast. Though New York City itself isn't growing much, the city's northern New Jersey suburbs are bursting at the seams. And the healthiest outlying cities are those such as Lancaster, Pa., where a low-cost, high-quality style of life attracts and holds a steady stream of new residents. Moral: the place to start or expand a business these days is where the people are.

Marketers, take note: in general, population growth translates into growth in a metro area's total earnings, which is a pretty good proxy for what a region's residents have to spend. Rank U.S. cities by earnings growth, and leading the list will be many of the same Florida and California cities that

top the population rankings. In city-to-city comparisons, places with growing populations outpace their neighbors economically. Metro Cleveland lost residents between 1988 and 1990, and its earnings grew only a little. The Twin Cities in Minnesota gained people—and the area's earnings grew five times as much as Cleveland's.

**MUSCULAR ECONOMIES**

Though an expanding population fuels local markets, population growth alone is no protection against collapse—ask the thousands who flocked



**MOST POPULATION GROWTH 1988 TO 1990**

RIVERSIDE/	
SAN BERNARDINO, CALIF.	10.9%
LAS VEGAS, NEV.	10.9%
NAPLES, FLA.	9.6%
FORT PIERCE, FLA.	8.7%
FORT MYERS/CAPE CORAL, FLA.	8.5%

**MOST PERSONAL-EARNINGS GROWTH 1988 TO 1990**

FORT PIERCE, FLA.	11.2%
WEST PALM BEACH/	
BOCA RATON, FLA.	11.1%
ANAHEIM/SANTA ANA, CALIF.	11.1%
FORT LAUDERDALE/	
HOLLYWOOD, FLA.	10.0%
SANTA ROSA/PETALUMA, CALIF.	9.9%

to Houston in the early 1980s, just in time to watch the region's oil-based economy crumble. So how do you separate flash-in-the-pan booms from solidly based growth? Experts point to three characteristics of a truly muscular metro economy:

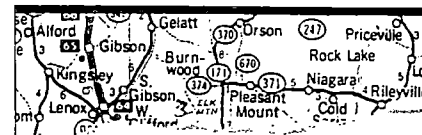
*It's more than just an overheated real estate sector.* In some of the nation's fastest-growing regions, growth itself is the major industry; the hottest companies are in real estate development, construction, and finance. But "construction is a weird sector," points out WEFA's Duobinis. "To have growth, you can't just be adding new buildings; you have to add more new buildings than before." When the pace of expansion slows, construction workers are suddenly out of work, property values plummet, and credit dries up.

That is a clear and present danger for places like the Vallejo/Fairfield region just north of San Francisco, where construction employment grew by 14% between 1988 and 1990. But real estate overheating has plagued cities from New Hampshire to New Mexico. In Minneapolis, says Norwest Corp. economist Larry Wipf, an otherwise healthy economy is haunted by the specter of four big office towers now under construction. "We'll end up with a glut of space we'll have to work through," says Wipf with a sigh. "Construction employment will dip, and that will retard the recovery as we come out of the recession."

*It trades—in part—on a specialty.* Big cities, like big companies, used to think of themselves as conglomerates, each metro business world a microcosm of the national economy. No more. The most prosperous areas are those that specialize in at least one industry, which they then "export" to the surrounding region, nation, or world. Examples? Think of San Jose's technology, Los Angeles's movies, Orlando's Disney-based tourism. Charlotte may be a second-tier city, but it is a top-level banking center, the fourth largest (by bank assets) in the nation. A key specialty for some cities these days is internationally traded goods and services. Most economists figure that export growth will fuel the recovery, which in turn will boost anyone who's doing business overseas.

*Yet it's diversified enough to weather a downturn.* The one blot on Seattle's robust growth of recent years is the area's dependence on The Boeing Co.: the city fell with Boeing two decades ago and rose with it in the '80s. Today the company still has a huge backlog of orders, from both U.S. and foreign customers. But turbulence in the airline industry could affect Boeing's order book, and the reverberations would shake the region. "Everyone watches to see what happens with Boeing," says Phil LeDuc, vice-president of \$1.6-million LeDuc Packaging Enterprises Inc.

Other cities, by contrast, are less dependent on their key industries, let alone on any one company. Los Angeles has become a growing manufactur-



**MOST JOB GROWTH 1988 TO 1990**

FORT PIERCE, FLA.	10.7%
WEST PALM BEACH/	
BOCA RATON, FLA.	10.4%
ANAHEIM/SANTA ANA, CALIF.	9.8%
FORT LAUDERDALE/	
HOLLYWOOD, FLA.	9.1%
SANTA ROSA/PETALUMA, CALIF.	8.5%
OXNARD/	
VENTURA, CALIF.	8.0%
LAS VEGAS, NEV.	7.8%
OCALA, FLA.	7.6%
MIDDLESEX/SOMERSET/	
HUNTERDON, N.J.	7.6%
SANTA CRUZ, CALIF.	7.4%

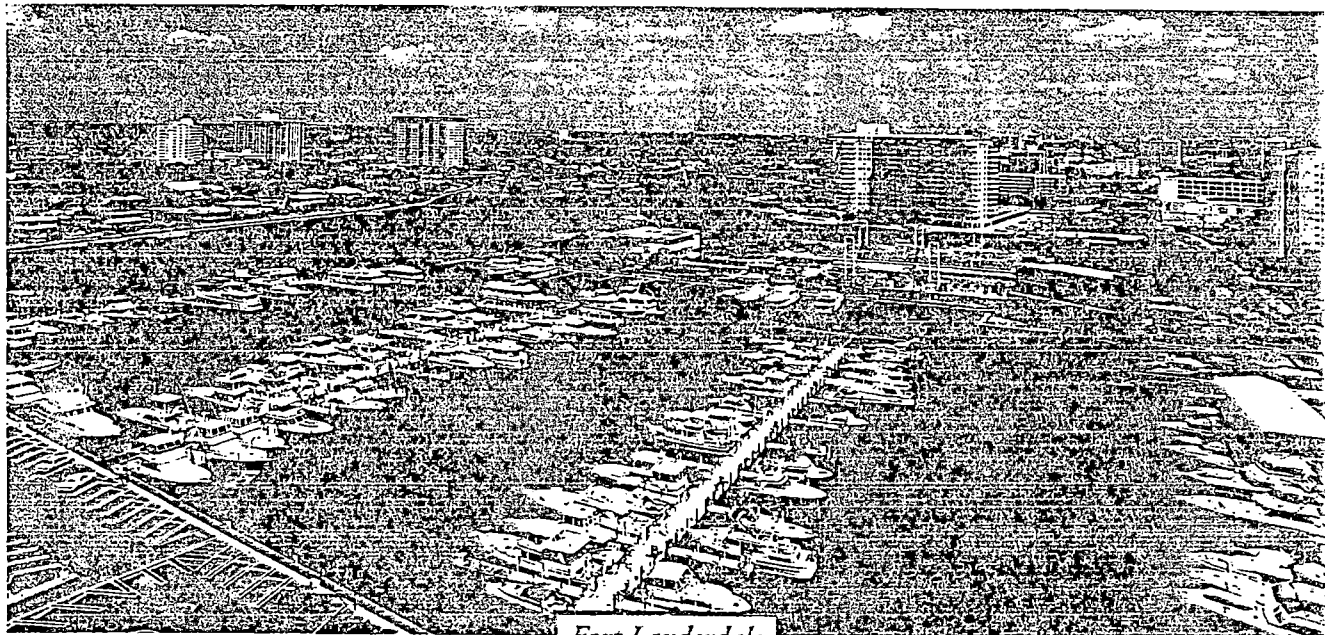
**MOST RETAIL SALES GROWTH 1988 TO 1990**

FORT LAUDERDALE/	
HOLLYWOOD, FLA.	18.2%
ANAHEIM/SANTA ANA, CALIF.	17.9%
SANTA ROSA/PETALUMA, CALIF.	16.6%
ORLANDO, FLA.	16.4%
SANTA CRUZ, CALIF.	16.1%
ATLANTIC CITY, N.J.	16.0%
WEST PALM BEACH/	
BOCA RATON, FLA.	15.6%
SAN JOSE, CALIF.	15.0%
OXNARD/	
VENTURA, CALIF.	14.0%
BURLINGTON, VT.	13.9%

ing and financial center as well as the world's entertainment capital. Indianapolis boasts a thriving insurance business as well as plenty of industrial employers. And who could fault the flourishing economy of Lancaster, Pa., which has done well across a lot of boards? Lancaster's metro area may be small, but it's a regional leader in agriculture, manufacturing, and—thanks to the Amish—tourism. "We're on the tail end of recessions generally because we're so diversified," says Sam Lombardo, chief executive of a \$5.5-million insurance agency in the city. "And when the recovery comes to the rest of the country, I think Lancaster will begin to spread its wings."

**NEW BUSINESS**

The one growth factor no metro area can ignore is new and growing business. "One of the things we've noticed is the number of small and medium-sized manufacturing companies that have expanded their operations and created jobs here," says an appreciative



Fort Lauderdale

Timothy Monger, president of the Indianapolis Economic Development Corp., pointing out that large manufacturers have generally been downsizing. Among the upstarts: 11-year-old Pure Corp., a manufacturer of industrial cleaners, which so far has barely noticed the recession. "We've experienced annual growth rates of about 20%," says CEO Ted Schenberg, "and we expect another 15% gain in 1991. Things look pretty bright in Indianapolis."

Writ large, entrepreneurial bullishness of this sort translates into the creation of whole new industries, which in turn lay the groundwork for future metro specialties. Orlando has spawned a budding film- and video-production industry, swelling from \$2.5 million worth of activity in 1986 to more than \$82 million last year. The Seattle area (Microsoft, Aldus) and Salt Lake City area (WordPerfect, Novell) have developed booming software industries. Burlington, Vt.—thanks to an enabling state law—has recently become home to some 215 "captive" insurance companies, self-insuring subsidiaries of large corporations or trade associations. The effect on entrepreneurship: most of the captives have hired newly formed management companies to handle their paperwork.

As a statistical matter, new-business creation follows population move-

ments, which is why most of the "business starts" leaders on the accompanying charts are also growing in population. But every now and then entrepreneurship sprouts in some unexpected places, giving a boost to a metro area that would otherwise be unremarkable. Greater Philadelphia probably houses more biotech startups than any other place east of San Francisco Bay. Akron has christened itself Polymer Valley and has spawned dozens of new, growing plastics-related enterprises.

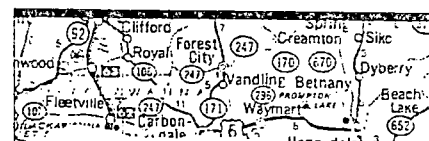
Then there's the unlikely case of the Utica-Rome metro area in central New York State. Like the rest of its region, Utica has seen grim times in recent years: factories have been closing, people leaving. The city's earnings growth between 1988 and 1990 was less than half the national average. But staying behind, explains one resident, are "hard-core Uticans," who have created a healthy number of high-growth businesses. Among them, Conmed Corp., a producer of medical devices and disposable products, is up to an estimated \$35 million in sales this year, from less than \$20 million two years ago.

A TALE OF TWO CITIES

All those factors play off one another, of course, creating virtuous (or vicious) cycles of growth (or decline). Take the examples of Boston and Charlotte,

which illustrate the dynamics of boom and bust in today's economy.

For Boston, the Massachusetts Miracle came to an abrupt end: after years of expansion the region suddenly found itself an economic basket case. What happened? "A whole bunch of cycles came together at once," says Stanley Duobinis, "and they were all

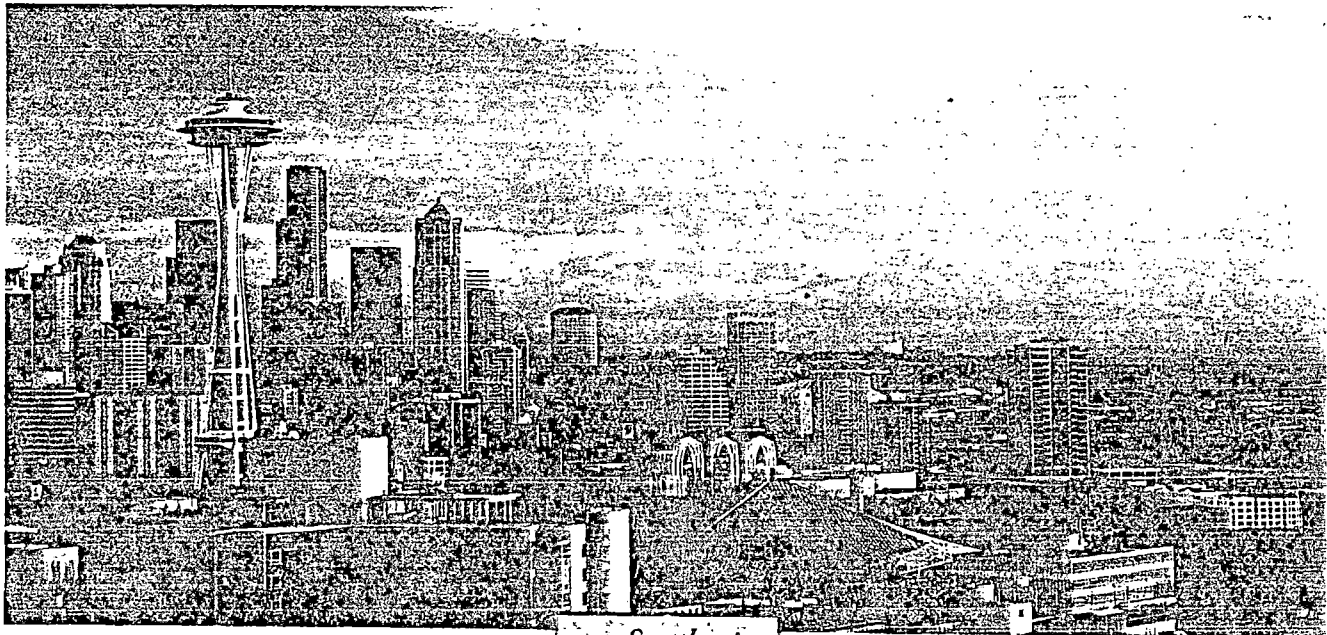


MOST BUSINESS STARTS  
1988 TO 1990

LAS VEGAS, NEV.	1.7%
ORLANDO, FLA.	1.4%
CHARLOTTE, N.C.	1.3%
ATLANTA, GA.	1.2%
HICKORY, N.C.	1.2%
CHARLESTON, S.C.	1.2%
NASHVILLE, TENN.	1.2%
EL PASO, TEX.	1.2%
RIVERSIDE/ SAN BERNARDINO, CALIF.	1.1%
GREENVILLE/SPARTANBURG, S.C.	1.1%

MOST HIGH-GROWTH  
COMPANIES  
1988 TO 1990

SAN JOSE, CALIF.	8.1%
UTICA/ROME, N.Y.	7.1%
WASHINGTON, D.C.	6.9%
HICKORY, N.C.	6.7%
TERRE HAUTE/ BLOOMINGTON, IND.	6.6%
LANCASTER, PA.	6.5%
WILLIAMSPORT/ STATE COLLEGE, PA.	6.4%
BURLINGTON, VT.	6.4%
RENO, NEV.	6.4%
TALLAHASSEE, FLA.	6.3%



Seattle

negative." Housing and commercial real estate were overbuilt. When the market turned, banks from tiny Blackstone to giant Bank of New England found themselves insolvent. Meanwhile, defense spending was shrinking and the minicomputer industry, headquartered in eastern Massachusetts, was in the tank. The result: rising unemployment, shrinking credit, and a state-government fiscal crisis, all feeding an increasingly sour outlook on the part of consumers and businesspeople. Between 1988 and early 1991, The Conference Board's widely watched consumer-confidence index for New England fell more than 75%.

Charlotte's story in recent years was different in every particular. For decades the city was a sleepy financial and commercial center for the cotton and textile industries, serving the Piedmont region and not much more. As the Southeast grew, however, Charlotte was well situated to cash in. Its biggest banks, solidly based in cotton and textiles—and already operating statewide—began moving into other parts of the region. National manufacturers and wholesalers began locating warehouse and distribution facilities around the city, taking advantage of its strategic location on I-77 and I-85. Today Charlotte is number four nationally in banking (as measured by assets) and number six in wholesaling. The population of surrounding Meck-

lenburg County grew by nearly 12% between 1985 and 1990, with employment up 22%.

The result of all that development: a cascade of economic benefits, each one feeding the other. Earnings up 5% and retail sales up 10% in the last two years, both figures well above the national average. More foreign companies locating in the region, thanks in part to a fast-growing international airport. And yes, the region's economy is increasingly diversified. Despite Charlotte's specialization in banking and distribution, manufacturing employment has increased nearly 10% since 1985. The city is also emerging as a major regional health-care center.

Maybe not surprisingly, Charlotte has become a great place to start a company, ranking third nationally in the number of start-ups and 11th in proportion of fast-growing businesses. Ten-year-old Broadway & Seymour, a \$37-million software developer that counts banks among its major clients, has been growing by more than 30% a year. John Ketner's new Bank of Mecklenburg has crept into a local-banking niche vacated by ever-expanding giants such as First Union National Bank and NCNB National Bank. Power-plant operator Cogentrix Inc., twice the top-ranked company on *Inc.*'s annual listing of the 500 fastest-growing private businesses in America, is based in Charlotte. One

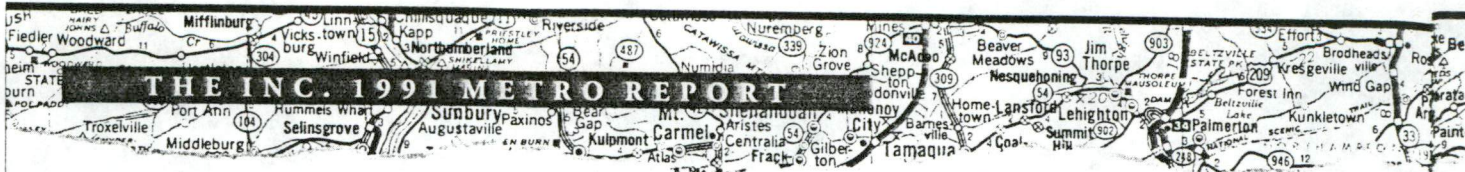
factor in capital-hungry Cogentrix's early growth was the fancy financial resources it could find close to home. "We'd call investment bankers in New York, and they wouldn't even return our calls," says project manager Robin Spinks with a laugh. "Our banking relationship with NCNB was very important to us in our early days."

And what of the future? One big strike against Boston, say economists, was the high rents and wage rates generated during its boom years. And one big attraction of Charlotte has been its relatively low costs. In time—but probably not for several years—those factors will tend to equalize. Ultimately, each city will have to trade on its long-term assets: Boston on its research universities and highly educated work force, Charlotte on its sunny climate and strategic location. What's likely to make the difference is how many people choose to build businesses in either city.

At the moment, the odds favor Charlotte. But metro areas have given us more than a few surprises over the years, as policymakers and businesspeople have learned to invent or take advantage of new strengths. The top performers on the following pages weren't always the best cities for business, and they may not be so forever.

Still, right now, they're the places to be. □

(METRO REPORT continued on page 78)



# Editors' CHOICE

America's best cities for growing a business

## NORTHEAST

**BLUE RIBBON:**  
BURLINGTON, VT.

*Escaping New England's gloom*

### SCORECARD (1988 TO 1990)

Population growth: 3.1%  
New jobs: 5,300  
New companies: 35  
High-growth companies: 43

Burlington's recession has been kinder and gentler than the rest of New England's. The difference? The city is home to stable employers such as IBM; its breathtaking Lake Champlain location ensures a steady stream of well-educated newcomers; and its proximity to Montreal attracts Quebec companies seeking a U.S. foothold. A second factor: astute public policies. Vermont's strict development laws, for example, shielded the area's banks from a real estate boom and bust. "The isolation doesn't hurt us," says Holographics North founder John Perry. "We're only five minutes from the airport. Heck, everybody's only five minutes from the airport."

**RUNNER-UP:**  
LANCASTER, PA.

Lancaster's biggest employers are an interior-furnishings manufacturer, a printer, a hospital, and a farm-equip-

ment maker. Such variety, says finance professor Gary Leinberger, has spared the city the fate of its less diversified neighbors. The prototypical Lancaster entrepreneur: S. Dale High, whose family-owned High Industries Inc. has expanded from steel fabrication and concrete production into real estate, hotels, food services, and compact-disc manufacturing.

## SOUTHEAST

**BLUE RIBBON:**  
ORLANDO, FLA.

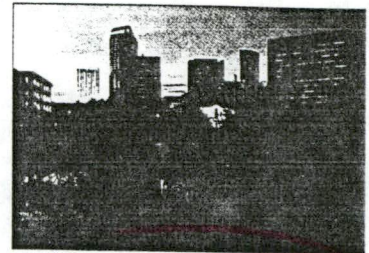
*Oranges and tourists? No longer*

### SCORECARD (1988 TO 1990)

Population growth: 7.6%  
New jobs: 40,800  
New companies: 276  
High-growth companies: 223

Talk about your big, stable industries: Orlando is home to Walt Disney World, Universal Studios Florida, and dozens of other theme parks and attractions; it boasts the most hotel rooms of any U.S. city. Even so, business travelers at Orlando International Airport now outnumber tourists 56 to 44. Growing manufacturers such as Florida Polymers have sprung up (or moved in) to take advantage of the city's expanding work force. Distributors and wholesalers that once oper-

ated out of Atlanta have set up facilities in Orlando, at the center of what's now the fourth-most-populous state. New industries include film production, military simulation and training, and laser-optic technologies.



**RUNNER-UP:**  
CHARLOTTE, N.C.

Last year alone 413 companies started in or expanded or relocated to Charlotte, investing \$266 million and creating 6,800 new jobs. One effect of the recession: Charlotte companies aren't placing quite so many help-wanted ads in West Virginia newspapers.

## MIDWEST



**BLUE RIBBON:**  
INDIANAPOLIS

*Middle America's best-kept secret*

### SCORECARD (1988 TO 1990)

Population growth: 1.6%  
New jobs: 12,800  
New companies: 239  
High-growth companies: 181

The old jokes told of "Naptown" and "India-no-place." Just don't laugh too hard. For while Rustbelt neighbors have scrambled to stave off hard times, Indianapolis has sailed into the '90s with a well-diversified economy. Traditional smokestack employers have

been supplemented by buttoned-down newcomers such as discount broker Charles Schwab, which recently sited a branch there. Certainly the local marketplace has been good to Technical Resource Group, an executive-search firm that's grown to \$2 million in just five years. "It's because of the industries we trade in—engineering, health services, insurance," says president Roger Brummett. "We've really been insulated from the effects of the recession."

**RUNNER-UP:  
MINNEAPOLIS/ST. PAUL**

Factor out an overheated construction industry and you'll still find the Twin Cities spawning small-company growth. One happy company owner: McRae Anderson, head of a \$1-million interior landscape design and maintenance business in St. Paul. "Our sales were up last year," says Anderson. "They will be this year, too."

**SOUTHWEST  
BLUE RIBBON:  
DALLAS/FORT WORTH**  
*On the way back*

**SCORECARD (1988 TO 1990)**

Population growth: 4.2%  
New jobs: 66,400  
New companies: 883  
High-growth companies: 686

Five years ago, says University of Texas professor Donald Hicks, the Dallas/Fort Worth "metroplex" was in "free fall." But rents and land prices in the area got so low that—surprise!—businesses began to move in. Last year Dallas ranked first nationally in the number of new or expanded corporate facilities. And the hard years of the recent past have left companies of all sizes in fighting trim. "We had a good year," says Aggie Jordan-DeLaurenti, who runs a \$14.5-million technical-training company. "But I've learned to be real careful about expenses." One engine for future development: the area's fast-growing telecommunications industry, number two in the na-

tion, with the 10 biggest companies alone employing more than 50,000 people. Among the up-and-comers is SRX Inc., which recently signed a contract with Motorola to market a newly developed emergency 911 hardware-and-software system. The company's anticipated 1991 sales: about \$25 million.



**RUNNER-UP:  
SALT LAKE CITY**

Like Dallas, Salt Lake City went into a slump a few years ago—and now, says William A. Maasberg, CEO of software developer Libra Corp., "we're going to lead the way out. We've got a lot of good, solid new industry here." Much of it is close to Maasberg's professional heart: the area has 450 computer and software-related companies, many started in the last several years.

**WEST COAST  
BLUE RIBBON:  
SEATTLE**

*Everybody's favorite city*

**SCORECARD (1988 TO 1990)**

Population growth: 5.0%  
New jobs: 22,600  
New companies: 414  
High-growth companies: 368

Seattle is Miss Popularity among cities. *Places Rated Almanac* ranks it number one. Company CEOs polled by real estate specialists Cushman & Wakefield say it's the best place to locate a business. The city's only problem? Too many people. "It's becoming a victim of its own appeal," reports *The New York Times Magazine*. Problems like that we all should have. "Growth may be slowing, but I don't think we're going to see anything that could

be labeled a recession here," says Douglas H. Pedersen, an economist at Security Pacific Bank Washington.

Seattle doesn't rank high for new-company formation; more than some cities, it's dependent on one big employer, Boeing. But entrepreneurs who do put down roots there find the soil fertile. Annie Searle, a Midwest native who moved to Seattle 14 years ago, is now CEO of \$1.5-million Delphi Computers & Peripherals. "Frankly, our company's on a growth trajectory that's compounding, not slowing down," says Searle. Let company owners in other regions worry about cautious bankers and credit crunches. "I don't have any problems at all getting money."

**RUNNER-UP:  
RIVERSIDE, CALIF.**

The Inland Empire—50 miles east of downtown Los Angeles—is one of the fastest-growing metro areas in the country, meaning there are plenty of people to staff (and buy from) new companies. Compared with much of Southern California, it's cheap. "We had a lot of employees who couldn't afford more than an apartment," says Darrell Ratliff of Natives Sportswear Inc., a clothing manufacturer that recently moved there from Orange County. "When we relocated here, they could afford to buy their first home."

*Behind the Numbers*

DATA ON POPULATION, EARNINGS, employment, and retail sales were provided by Woods & Poole Economics Inc., in Washington, D.C. Data on business starts and high-growth companies were compiled by Cognetics Inc., in Cambridge, Mass. The business-starts rate is the number of companies with 10 or more employees founded between January 1988 and July 1990, as a percentage of all businesses in the area. High-growth companies are those whose employment growth, in both absolute and percentage terms, exceeds a certain threshold. The percentage figure indicates the number of high-growth companies as a proportion of all young companies in the region.

The data were assembled and edited by Special Projects Editor Sara Baer-Sinnott. Research assistance was provided by Alessandra Bianchi.

# Information

Research from the Charlotte Chamber

## COST OF LIVING INDEX CITIES OF 300,000 TO 600,000 POPULATION 3RD QUARTER 1991

RANK	CITY	ALL ITEMS INDEX
1	Omaha, NE	89.9
2	Nashville, TN	91.7
3	Ft. Worth, TX	93.4
4	New Orleans, LA	93.5
5	Tulsa, OK	94.7
6	Wichita, KS	95.5
7	Oklahoma City, OK	96.0
8	El Paso, TX	96.4
9	Kansas City, MO	97.0
10	St. Louis, MO	97.7
11	Albuquerque, NM	99.1
12	Denver, CO	100.0
13	<b>Charlotte, NC</b>	<b>100.1</b>
14	Atlanta, GA	100.1
15	Tucson, AZ	104.2
16	Cincinnati, OH	105.8
17	Sacramento, CA	106.1
18	Toledo, OH	106.1
19	Portland, OR	108.0
20	Seattle, WA	111.9
21	Miami, FL	112.2
21	Cleveland, OH	114.3
23	Fresno, CA	118.4
24	Long Beach, CA	124.6

SOURCES: US Department of Commerce - Bureau of Census, 1991; American Chamber of Commerce Researchers Association - Cost of Living Index, 1991

NOTE: Eight cities within this population range did not report Cost of Living data to ACCRA.

SELECTED SOUTHERN CITIES  
COST OF LIVING, 3RD QUARTER 1991

ALL ITEMS RANK	CITY	ALL ITEMS INDEX	GROCERY		HOUSING		UTILITIES		TRANS.		HEALTHCARE		MIS. GOODS & SERV.	
			INDEX	RANK	INDEX	RANK	INDEX	RANK	INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Nashville, TN	91.7	93.2	1	90.9	2	91.0	2	93.9	3	75.5	1	94.6	2
2	New Orleans, LA	93.5	100.5	13	83.1	1	98.8	6	98.2	8	85.0	3	95.2	5
3	Greenville, SC	94.0	96.7	7	91.5	4	103.3	9	94.1	4	75.8	2	95.1	3
4	Raleigh, NC	96.4	95.9	4	98.7	7	104.8	10	91.9	1	96.9	7	93.9	1
5	Columbia, SC	97.1	96.4	6	99.1	8	86.0	1	98.0	6	95.6	6	100.0	7
6	Winston-Salem, NC	98.3	93.9	2	100.2	11	95.8	4	93.5	2	95.1	5	103.1	9
7	Greensboro, NC	98.9	95.5	3	95.5	6	96.7	5	98.1	7	87.5	4	107.0	14
8	Charlotte, NC	100.1	97.6	9	101.7	12	95.7	3	95.5	5	101.3	9	103.6	10
9	Atlanta, GA	100.1	98.1	1	99.2	10	114.1	13	98.9	9	108.8	13	95.1	4
10	Orlando, FL	100.6	96.0	5	104.3	13	101.7	8	105.7	12	104.6	11	96.8	6
11	Birmingham, AL	101.4	96.8	8	95.2	5	110.1	11	100.3	10	100.4	8	106.0	12
12	Houston, TX	102.6	105.8	15	91.4	3	100.8	7	115.1	15	103.5	10	103.9	11
13	Dallas, TX	104.7	102.0	14	100.0	9	117.1	14	108.8	14	112.4	14	101.4	8
14	Richmond, VA	105.5	100.4	12	104.6	14	112.4	12	104.8	11	107.0	12	106.4	13
15	Miami, FL	112.2	97.9	10	117.7	15	127.5	15	108.4	13	129.4	15	108.4	15

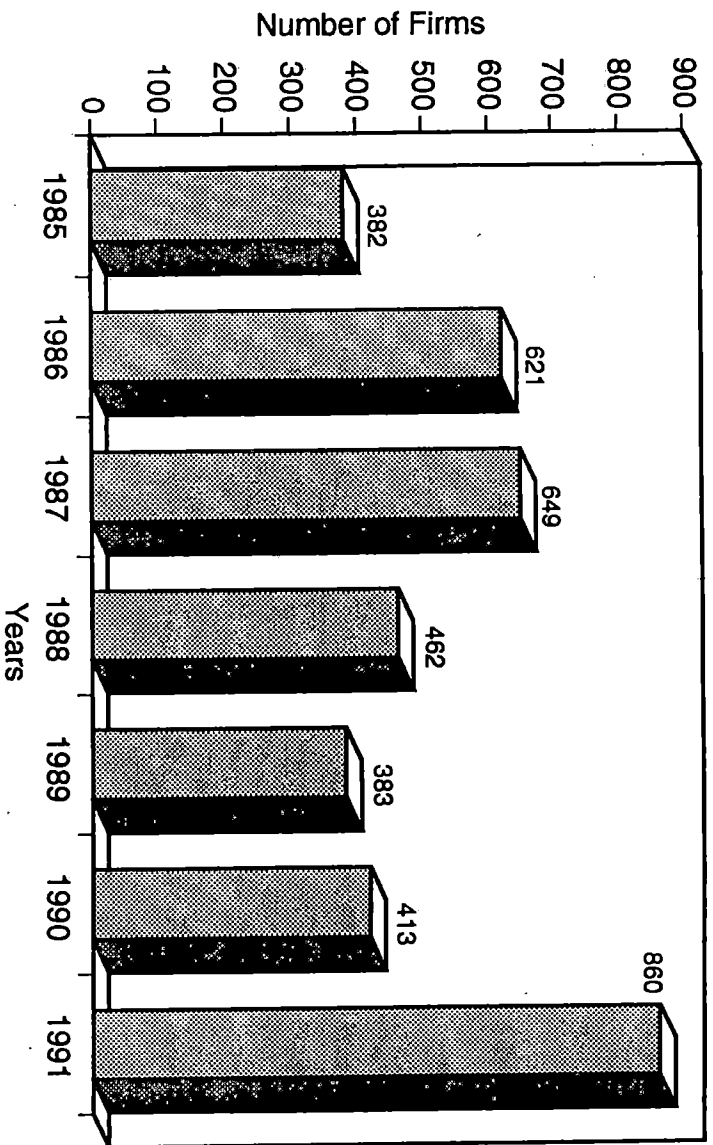
SOURCE: American Chamber of Commerce Researchers Association Inter-City Cost of Living Indicators  
2nd Quarter 1991.

# *Information*

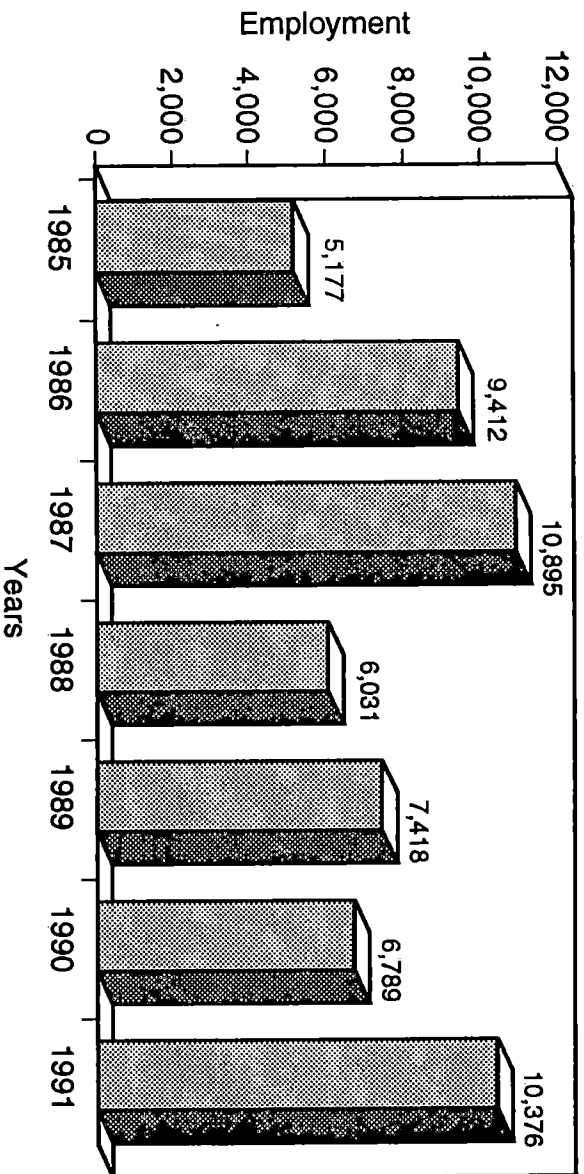
Research from the Charlotte Chamber

## **1991 Economic Review**

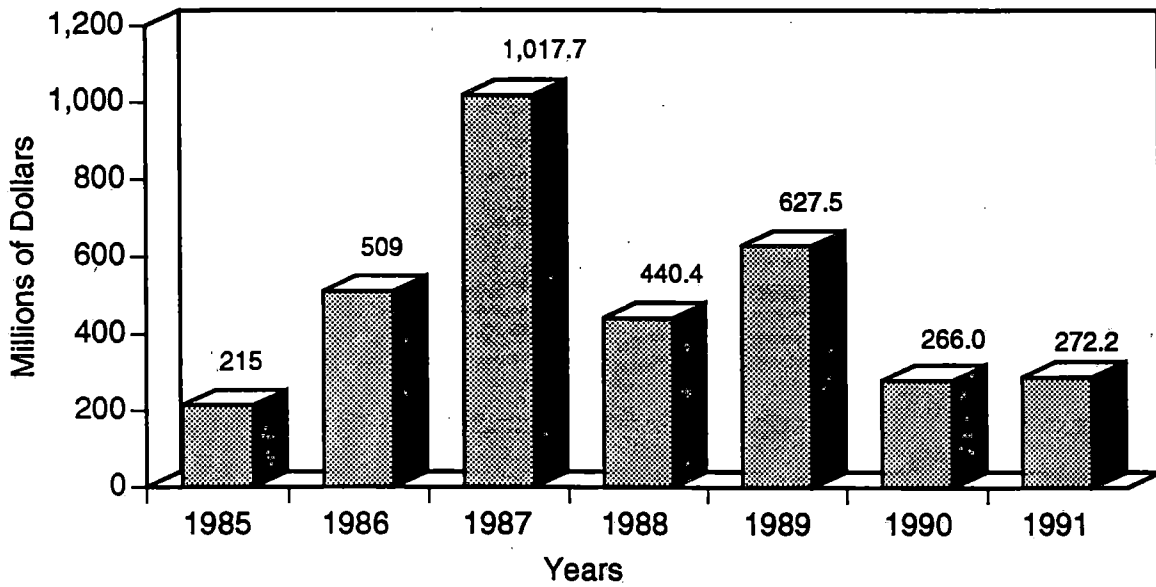
**New and Expanded Business (# of Firms)**



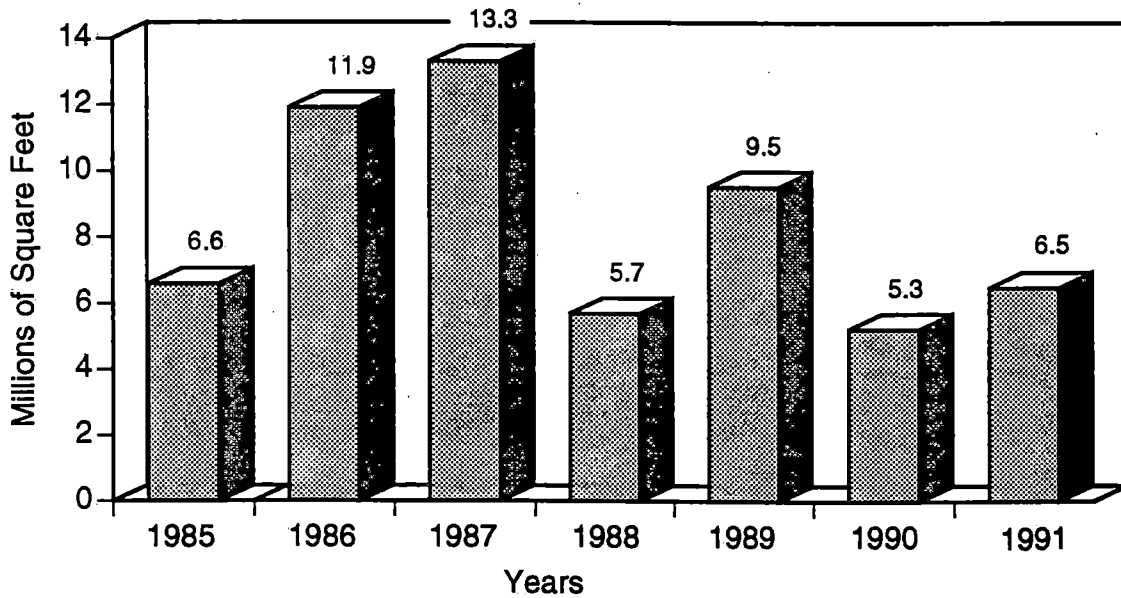
**New and Expanded Business (Employment)**



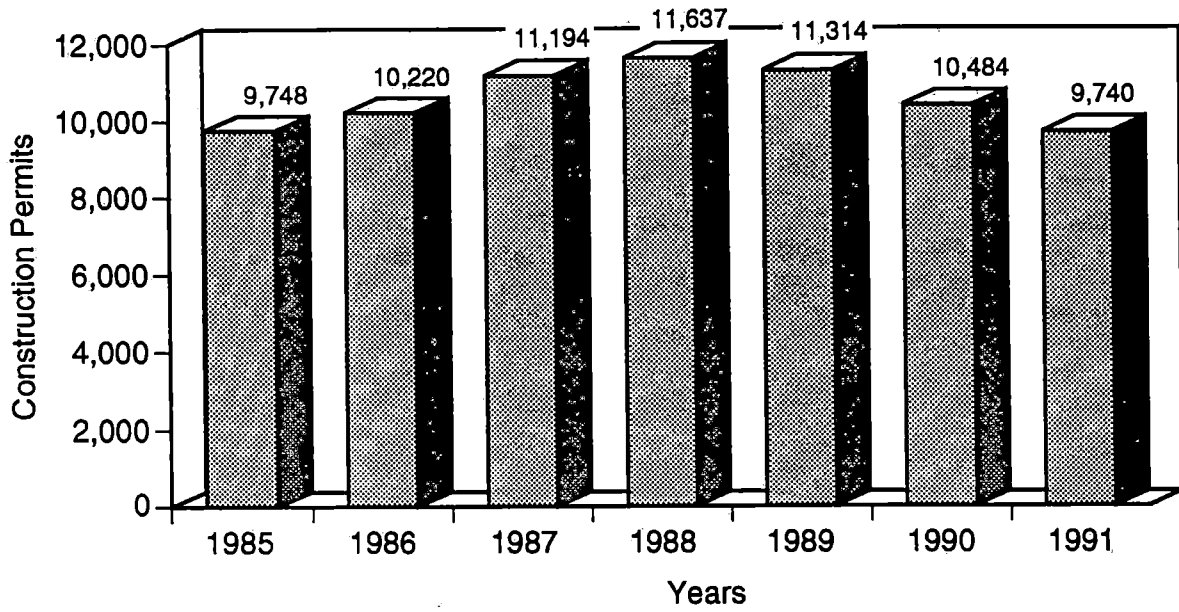
### New and Expanded Business (Investment)



### New and Expanded Business (Square Feet)



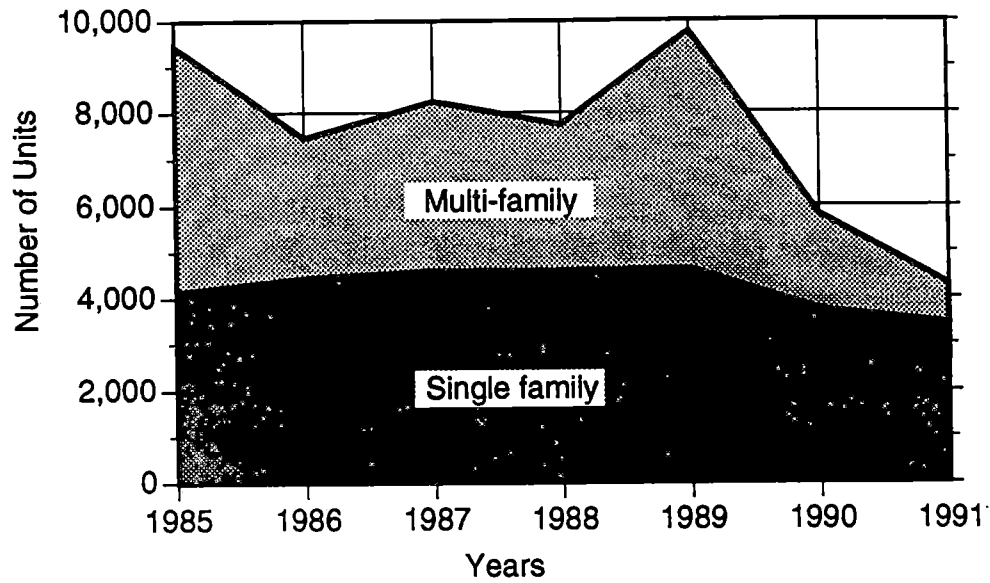
### Total Construction Permits



### Construction Permits

1991	9,740
1990	10,484
1989	11,314
1988	11,637
1987	11,194
1986	10,220
1985	9,748

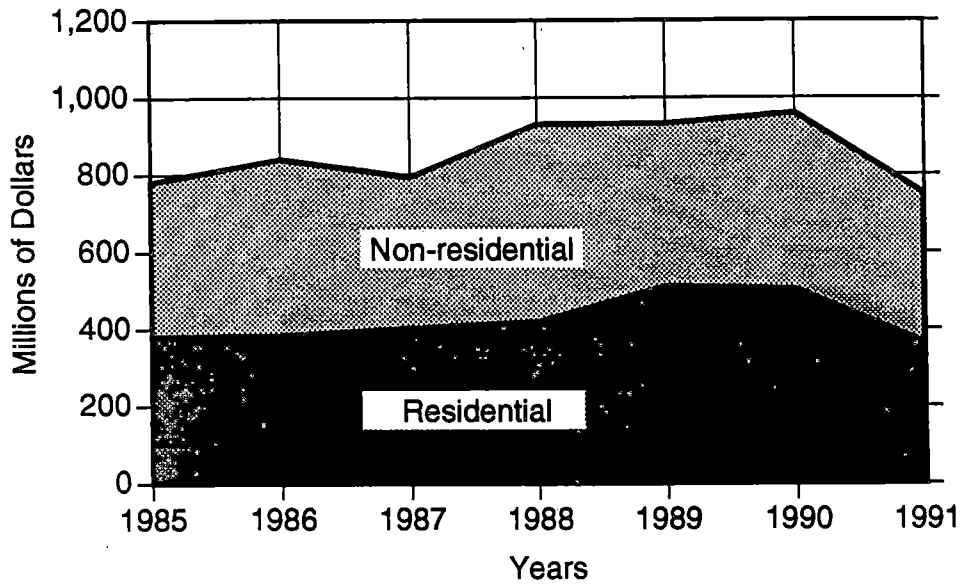
### Residential Units



### Residential Units

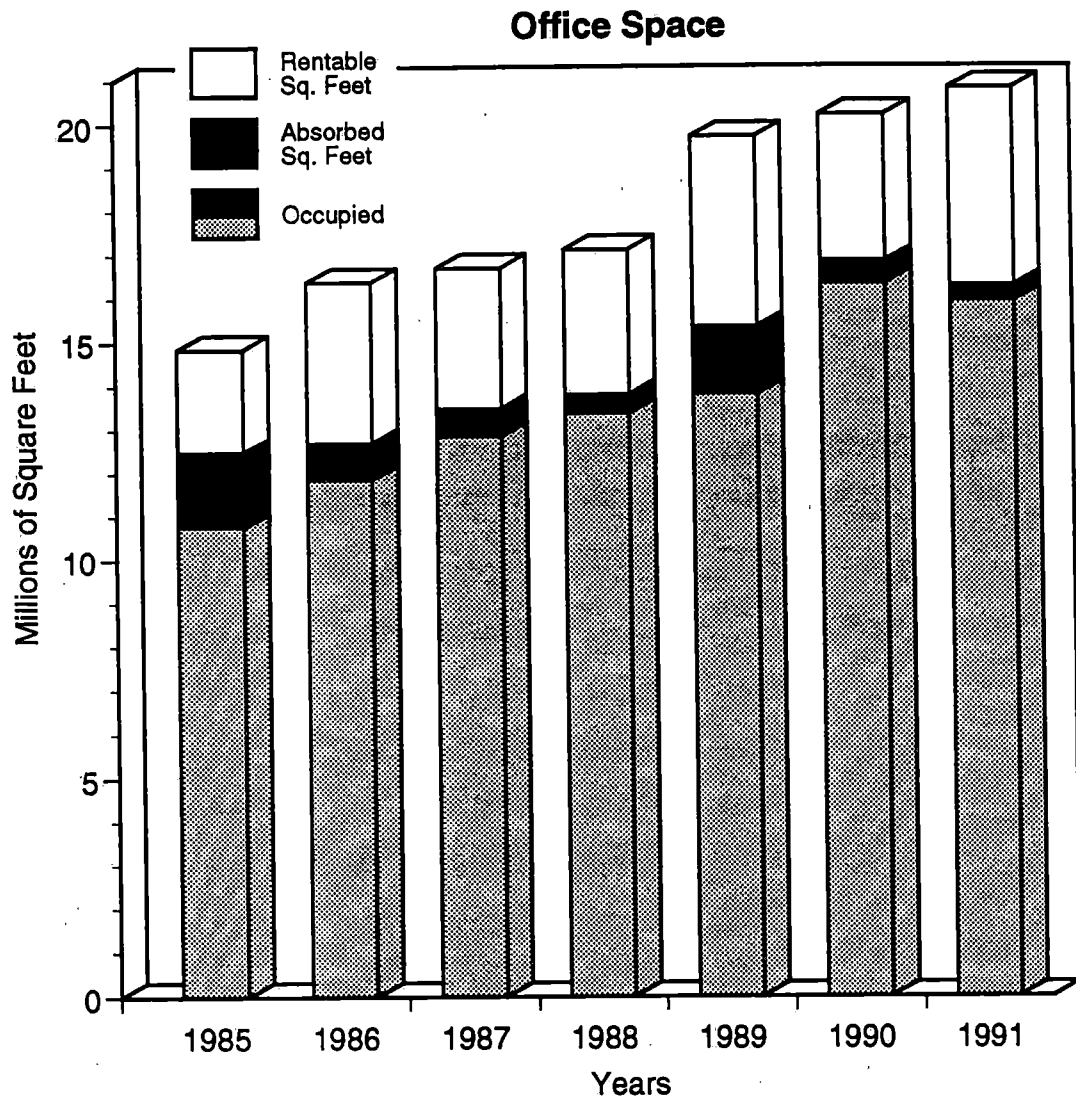
	Single Family	Multi-Family	Total
1991*	3,413	874	4,282
1990	3,873	1,962	5,835
1989	4,622	5,139	9,761
1988	4,597	3,139	7,736
1987	4,597	3,652	8,249
1986	4,436	3,017	7,453
1985	4,141	5,305	9,446

### Construction Value



### Construction Value (Millions of Dollars)

	Residential	Non-Residential	Total
1991	\$364.7	\$385.3	\$750.0
1990	\$424.3	\$528.0	\$952.3
1989	510.5	422.1	932.6
1988	419.9	510.8	930.7
1987	402.1	391.9	794.0
1986	383.6	456.1	839.7
1985	380.6	398.8	779.4

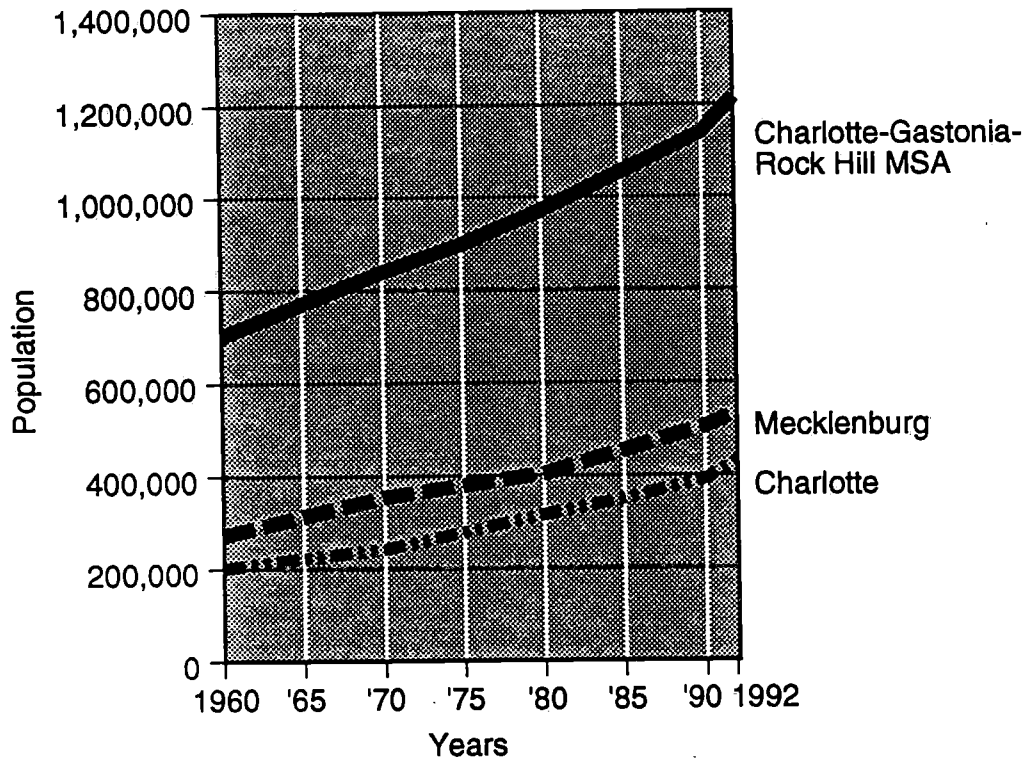


**Office Space  
(December Survey)  
Millions of Square Feet**

	Rentable	Occupied	Absorbed
1991	20.8	16.3	0.4
1990	20.0	15.8	0.5
1989	19.7	15.4	1.6
1988	17.1	13.8	0.4
1987	16.7	13.4	0.7
1986	16.4	12.7	0.9
1985	14.9	11.8	1.8

Source: Charlotte Chamber

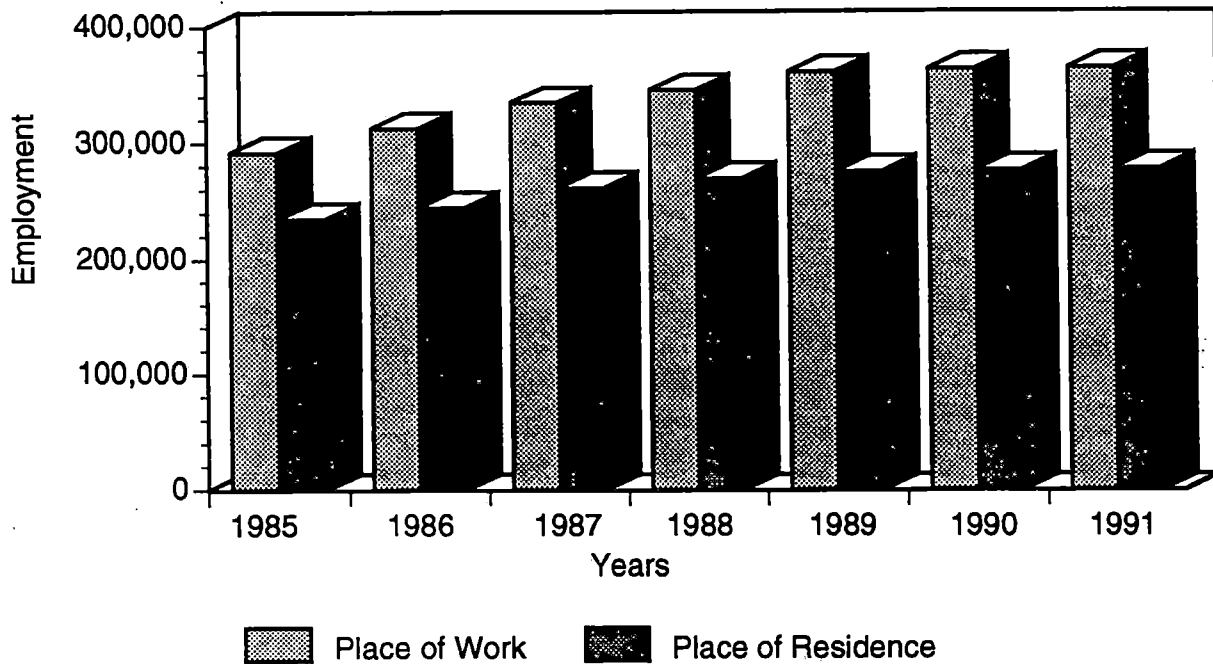
## Population Growth



## Population

	Charlotte	Mecklenburg	Charlotte-Gastonia Rock Hill MSA
1992	421,990	538,373	1,206,672
1990	395,934	511,433	1,162,093
1985	349,949	457,851	1,066,742
1980	315,473	404,270	971,391
1975	278,263	379,463	898,706
1970	241,420	354,656	840,347
1965	221,498	313,384	771,365
1960	201,564	272,111	702,383

### Mecklenburg Employment

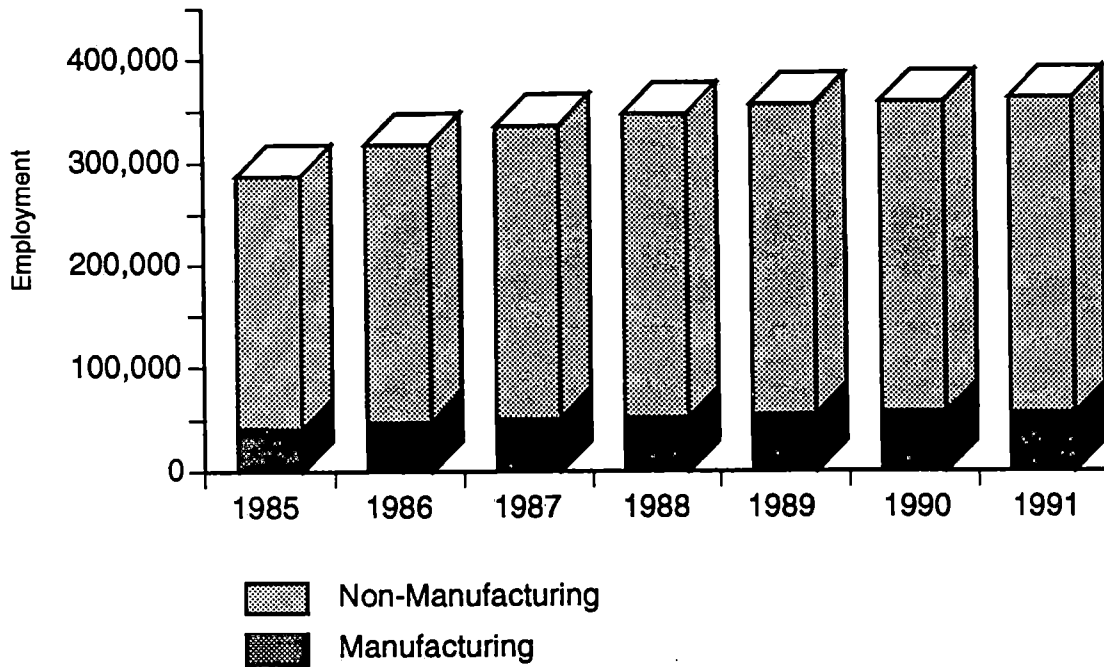


	Place of Work	Place of Residence
1991	362,720	275,300
1990	360,560	274,270
1989	358,010	272,910
1988	345,450	267,160
1987	334,930	261,480
1986	312,600	244,790
1985	292,130	235,250

Note: "Place of Work" consists of employees based on the location of their jobs.  
 "Place of Residence" consists of employees based on the location of their residences.

Source: N.C. Employment Security Commission

### Mecklenburg Employment

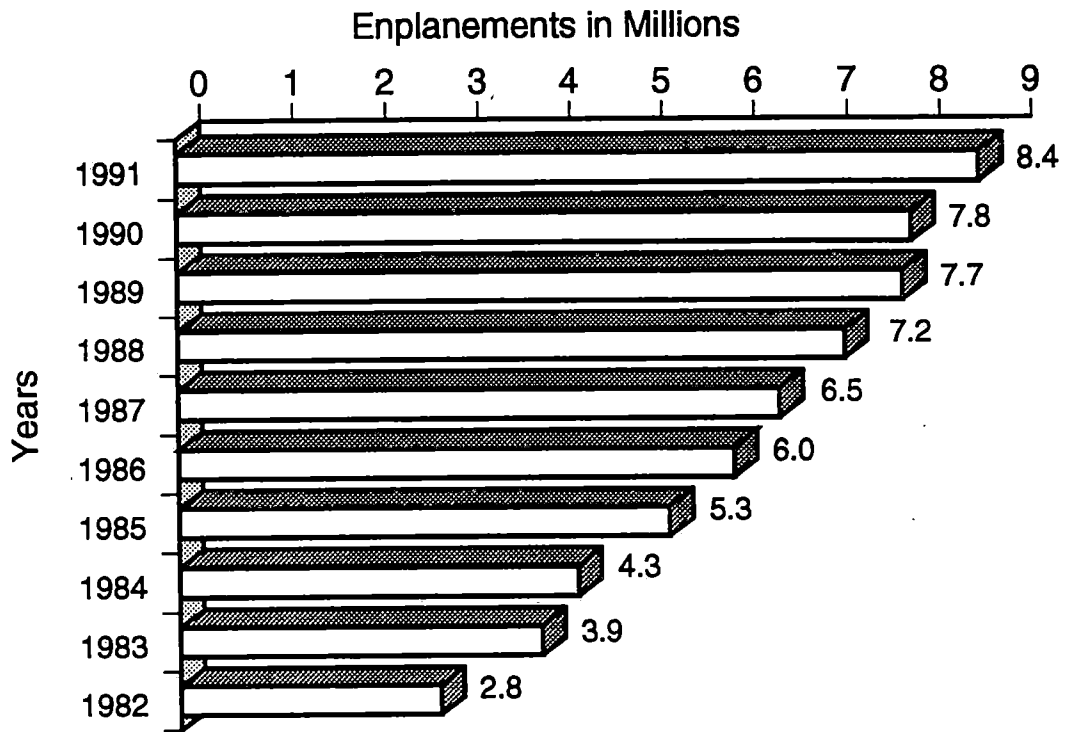


### Mecklenburg Employment

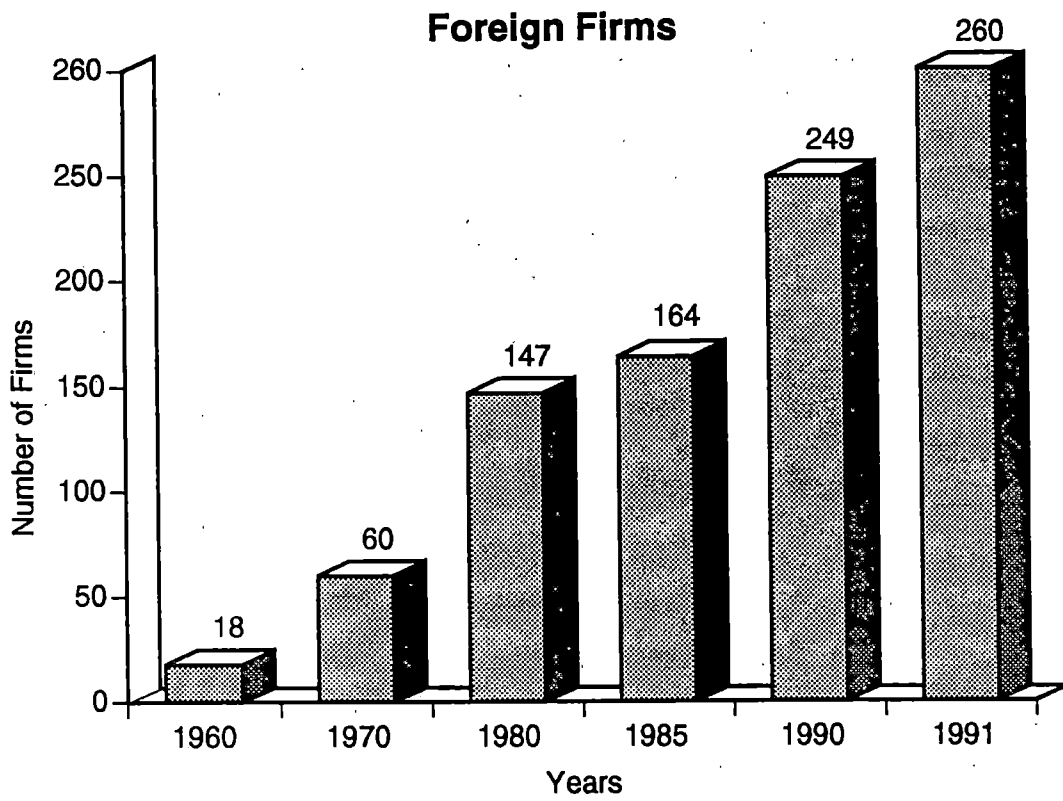
	Total	Manufacturing
1991	362,720	51,260
1990	360,560	51,760
1989	358,010	50,790
1988	345,450	50,300
1987	334,930	50,000
1986	312,600	49,400
1985	292,130	47,480

Source: N.C. Employment Security Commission

## Air Passenger Enplanements



Source: Charlotte/Douglas International Airport



### Foreign Firms

1991	260
1990	249
1985	164
1980	147
1970	60
1960	18

*Charlotte*

IN DETAIL

A close-up photograph of a man in a dark suit and white shirt, smiling slightly as he adjusts a patterned tie. The tie features a repeating pattern of red and silver oval shapes. The background is dark and out of focus.

# Today's Executive Should Know More About Power Than This.

## *The Power Tie*

You should know how to use electric power more efficiently, which can lower your company's energy costs. But if you don't, that's okay. Duke Power's Energy Specialists are ready to help.

Our Energy Specialists will analyze your company's energy requirements free of charge. Then they'll provide you with cost-effective solutions tailored specifically to your company's needs.

For example, our Specialists recently designed a program that's saving a local textile company over \$2

million a year. And a major retail chain decided to go all-electric after we demonstrated how they could reduce maintenance costs while cutting yearly energy expenses by \$7,000 per store.

Chances are, we can do the same for your company. So give your local Duke Power office a call today, and ask to talk with one of our Energy Specialists. Because as you've no doubt realized, there's a lot more to power than meets the eye.

**DUKE POWER**  
*Smart People With Energy*

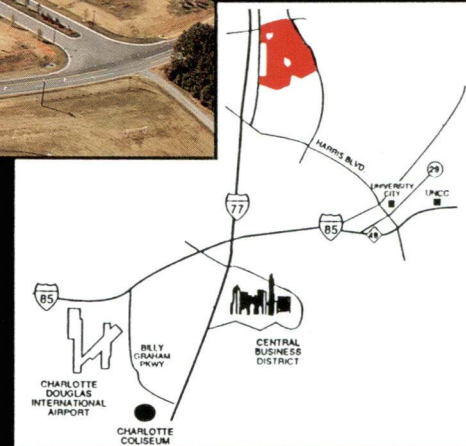
# Since May 1991 Over 1,000,000 sq.ft. Under Construction



**Strategic  
Location**

**Investment  
Value**

**Quality  
Environment**



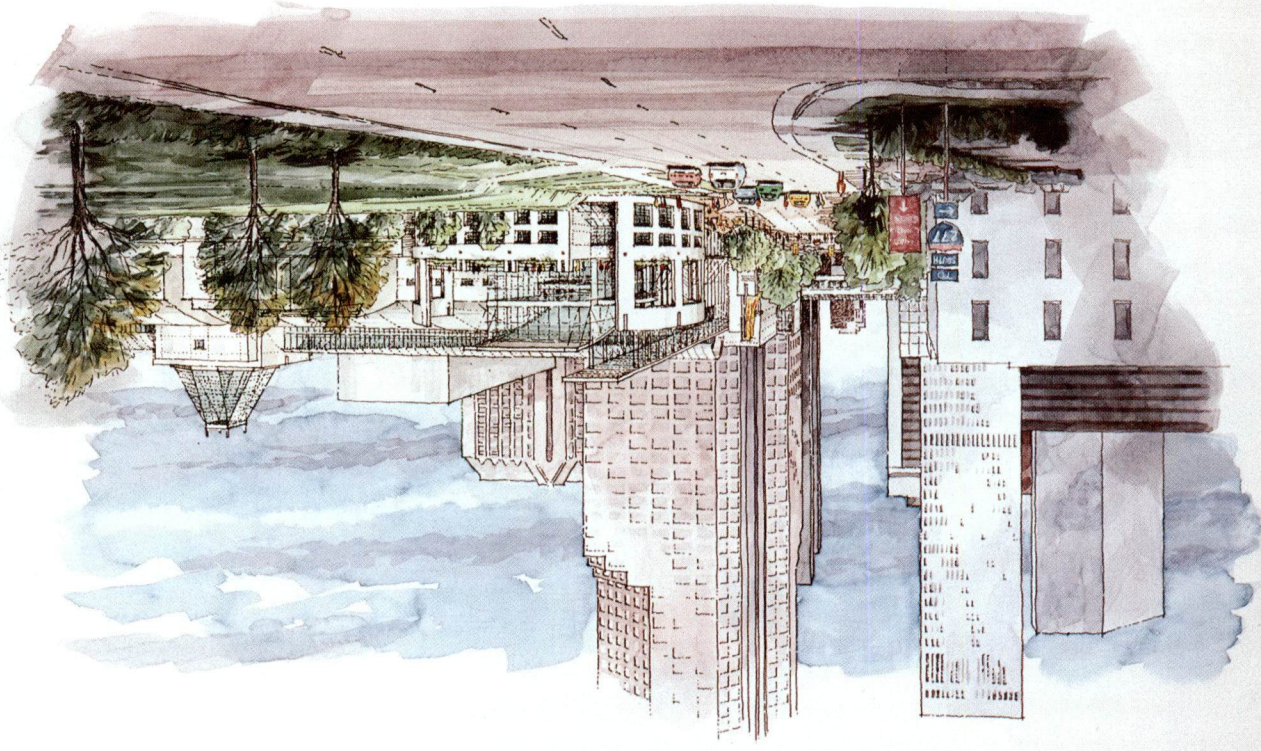
- ◆ A 365 Acre Master Planned Business Park
- ◆ Competitively Priced Land with All Utilities in Place
- ◆ Conveniently Located to: I-77/I-85, Airport, Downtown

**Twin Lakes**  
business park

**Developer: The Keith Corporation**

6060 St. Albans Street, Suite 600, Charlotte, North Carolina 28287 ◆ (704) 552-1010 ◆ Fax (704) 552-9793

# Designing For Charlotte's Future



## The New Charlotte Convention Center



Architecture  
Planning  
Interior Design  
Graphic Design  
Landscape Design



---

# Charlotte

## IN DETAIL

Charlotte: The center of the nation's new heartland for business and industry. A dynamic city of American ideals. A city comfortable with its historic past, certain of its present direction and prepared for the 21st Century's golden opportunities and possibilities.

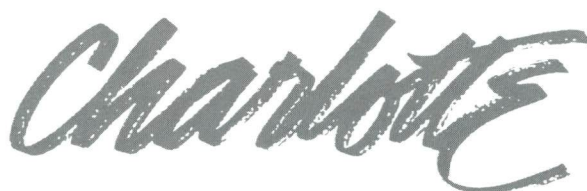
Charlotte: A city insistent of American values; an outstanding quality of life, work ethic, responsive government and prudent taxation. A city appreciative of the family, arts and education.

Charlotte: Chosen by more of the nation's top business leaders for future business location than any other because of its business, government and higher education harmony and environment.

Charlotte: A major financial center, home for two of the nation's largest banks; a major transportation center with one of the world's ranking international airports; a major cultural center with its own opera company, an internationally known orchestra, a ranking science museum and new, state-of-the-art Performing Arts Center. And the NBA's Charlotte Hornets play the world's best basketball here.

Charlotte: A city for the future. The world knows about it. You can, too.

Charlotte: In Detail



P.O. Box 32785 • 129 West Trade Street  
Charlotte, N.C. 28232 • 704/377-6911 • FAX 704/374-1903

# POPULATION

Year	City of Charlotte	Mecklenburg County	MSA
1960	201,564	272,111	702,383
1970	241,420	354,656	840,347
1980	315,473	404,270	971,391
1990	395,934	511,433	1,162,093
<b>1992</b>	<b>421,990</b>	<b>538,373</b>	<b>1,206,672</b>
U.S. (population) rank, City of Charlotte, 1992	33		
U.S. (population) rank, MSA	42		

Households, Mecklenburg County, 1/1/91	205,200
Average Household Effective Buying Income	\$38,153

Percent of Households by Effective Buying Income Group	Percent
\$10,000 - \$19,999	19.6
\$20,000 - \$34,999	26.6
\$35,000 - \$49,999	18.5
\$50,000 and over	21.8

Percent of Population by Age Group, Mecklenburg County 1/1/91	Percent
0 - 17 years	24.3
18 - 24 years	11.3
25 - 34 years	20.4
35 - 49 years	22.7
50 years and over	21.3
Median Age of Population	32.1

Mecklenburg County Population Projections (growth rate is projected at 2.65% per year)	Population
Year	
1995	581,466
2000	661,091

Racial Composition, Mecklenburg County	Percent
White	71.3
Black	26.3
Other	2.4

Migration, Mecklenburg County 1975 - 1980	Annualized
In migrants	84,277 ..... 16,855
Out migrants	79,141 ..... 15,028
Net in migrants	5,136 ..... 1,027

# COST OF LIVING

Cities of 300,000 to 600,000 Population  
2nd Quarter 1991

RANK	CITY	ALL ITEMS INDEX
1	Omaha, NE	90.7
2	Nashville, TN	92.3
3	Oklahoma City, OK	94.5
4	Wichita, KS	94.6
5	El Paso, TX	95.2
6	Kansas City, MO	97.6
7	New Orleans, LA	97.7
8	Tulsa, OK	98.1
9	Tucson, AZ	98.6
10	St. Louis, MO	98.8
11	Austin, TX	99.2
12	Atlanta, GA	99.7

RANK	CITY	ALL ITEMS INDEX
<b>13</b>	<b>Charlotte, NC</b>	<b>100.4</b>
14	Albuquerque, NM	100.6
15	Denver, CO	101.9
16	Sacramento, CA	104.5
17	Minneapolis, MN	104.6
18	Cincinnati, OH	106.8
19	Portland, OR	110.4
20	Miami, FL	111.6
21	Buffalo, NY	112.7
21	Seattle, WA	112.7
23	Cleveland, OH	115.1
24	Fresno, CA	116.1

Selected Southern Cities  
Cost of Living, 2nd Quarter 1991

ALL ITEMS RANK	ALL ITEMS CITY	ALL ITEMS INDEX	GROCERY INDEX RANK	HOUSING INDEX RANK	UTILITIES INDEX RANK	TRANS. INDEX RANK	HEALTHCARE INDEX RANK	MIS. GOODS & SERV. INDEX RANK						
1	Greenville, SC	95.7	98.4	6	95.8	3	104.0	4	93.9	2	75.7	1	96.6	4
2	Raleigh, NC	96.2	96.3	3	103.2	8	105.4	5	90.0	1	90.6	3	91.5	1
3	New Orleans, LA	97.7	101.6	10	88.7	1	118.0	9	98.9	7	89.6	2	96.0	3
4	Atlanta, GA	99.7	94.0	1	102.0	5	115.4	7	98.6	6	110.1	10	93.4	2
5	Winston-Salem, NC	99.8	95.3	2	103.1	7	96.3	3	96.5	3	95.0	4	103.6	9
<b>6</b>	<b>Charlotte, NC</b>	<b>100.4</b>	<b>97.4</b>	<b>5</b>	<b>103.0</b>	<b>6</b>	<b>96.2</b>	<b>2</b>	<b>96.7</b>	<b>4</b>	<b>107.0</b>	<b>9</b>	<b>101.9</b>	<b>6</b>
7	Houston, TX	101.0	106.3	11	91.9	2	93.0	1	111.8	11	103.3	7	102.3	7
8	Birmingham, AL	102.8	96.4	4	101.8	4	114.7	6	98.5	5	98.5	5	105.5	10
9	Dallas, TX	105.1	99.4	7	105.5	9	118.9	10	110.2	10	101.1	6	101.6	5
10	Richmond, VA	109.9	101.2	9	110.4	10	116.3	8	101.8	8	104.7	8	116.7	11
11	Miami, FL	111.6	100.6	8	121.3	11	127.9	11	107.5	9	125.2	11	103.2	8

SOURCE: American Chamber of Commerce Researchers Association Inter-City Cost of Living Indicators 2nd Quarter 1991.

# QUALITY OF LIFE

## Communications

Major Daily Newspapers .....	1
Television Stations .....	6
Local Radio Stations .....	20
Telephone Services .....	2
Long Distance Services .....	17
Telegraph Services .....	6
Weekly Newspapers .....	5
Cable Television Services .....	2

## Education 1991-92

Charlotte/Mecklenburg School System

### Number of Schools

Total Number of Schools .....	105
Elementary Schools .....	73
Middle Schools .....	5
Junior High Schools .....	16
High Schools .....	11
Special Programs .....	9

### Enrollment

Total Number of Students .....	77,897
Grades K-3 .....	26,803
Grades 4-6 .....	16,466
Grades 7-9 .....	16,830
Grades 10-12 .....	13,927
Special Education .....	1,001

### Class Size

Grades K-9 .....	26 Student average
Grades 10-12 .....	30 student average
Average daily attendance .....	98%

## Hotels and Motels, Mecklenburg County, 1991

Total Number of Hotels and Motels .....	130
Total Number of Rooms .....	16,037
Hotels Under Construction or Planned .....	7
Rooms Under Construction or Planned .....	811
Total Number of Rooms - Existing, Under Construction or Planned .....	16,848

## Higher Learning in the Charlotte Area, 1991-92

Name of Institution	Location	Zip Code	Students	Faculty	Type
Barber-Scotia College	Concord, NC	28025	497	41	C
Belmont Abbey College	Belmont, NC	28012	1,020	91	C
Catawba College	Salisbury, NC	28144	953	71	C
Central Piedmont Community College	Charlotte, NC	28235	25,553	1,385	CC
Davidson College	Davidson, NC	28036	1,556	157	C
Gaston College	Dallas, NC	28034	3,807	256	CC
Johnson C. Smith University	Charlotte, NC	28216	1,244	100	U
King's College	Charlotte, NC	28204	310	21	V
Livingstone College	Salisbury, NC	28144	613	65	C
NC Center for Applied Textile	Belmont, NC	28102	2,100	10	V
Pfeiffer College	Misenheimer, NC	28109	958	70	C
Queens College	Charlotte, NC	28274	1,648	114	C
Rowan-Cabarrus CC	Salisbury, NC	28144	2,900	150	CC
UNC at Charlotte	Charlotte, NC	28223	15,058	817	U
Wingate College	Wingate, NC	28174	1,690	92	C
Winthrop College	Rock Hill, SC	29733	5,300	438	C
York Technical College	Rock Hill, SC	29730	2,979	200	T

Code: U - University  
 C - Four Year College  
 T - Technical Institute  
 CC - Community College  
 V - Vocational School

## Climatological Summary

Annual Average Temperature .....	61 degrees °F
Lowest Monthly Average (January) .....	42 degrees
Highest Monthly Average (July) .....	79 degrees

## Records

Highest Temperature .....	105 degrees °F
Lowest Temperature .....	-5 degrees

## Precipitation

Annual Average .....	43 inches
Annual Snow Accumulation Average .....	6 inches
Average Number of Days with Sunshine .....	241

## Relative Humidity

February .....	62%
August .....	75%

## COMMUNITY FACILITIES

### Churches

Protestant .....	400+
Catholic .....	9
Jewish .....	3
Other .....	10

### Medical

Acute Care Hospitals .....	5
Specialty Care Hospitals .....	7
Long-Term Care Facilities .....	19
Total Hospital Beds .....	2,498
Nursing Schools .....	5
Doctors .....	1,300
Dentists .....	300

### Recreational

City & County Parks .....	149
Country Clubs .....	13
Swimming Pools .....	985
Tennis Courts .....	100
Golf Courses .....	24
Shopping Centers .....	139

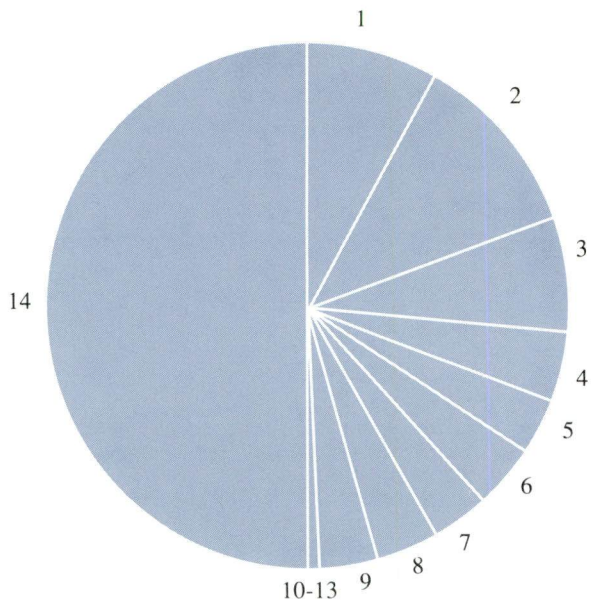
# GOVERNMENT & TAXES

Form of City Government .....	Council-Mayor and Manager
Form of County Government .....	Commissioners and Manager
Police Districts, City of Charlotte .....	9
Police Personnel (city) .....	820
Police Personnel (county) .....	235
Fire Stations, City of Charlotte .....	29
Fire Personnel (full-time, city) .....	812
Volunteer Fire Stations, Mecklenburg County .....	21
Fire Personnel (volunteer, county) .....	690
Public Libraries .....	1 main, 19 branches
Total Volumes Held .....	1,233,936

## 1991-92 CITY BUDGET IN BRIEF

1. Police and Fire .....	\$ 80,920,431	8.3%
2. Debt Retirement .....	121,023,438	12.3
3. Public Works .....	64,229,133	6.6
4. Leisure Services .....	16,147,653	1.6
5. Public Transportation .....	20,467,733	2.1
6. Airport .....	44,486,074	4.5
7. Water and Sewer .....	66,141,790	6.7
8. Community Development .....	5,915,142	0.6
9. General Government .....	47,554,617	4.9
10. Employment and Training .....	2,616,568	0.3
11. Municipal Services Districts .....	965,693	0.1
12. Insurance and Risk Management .....	915,692	0.1
13. Less Interfund Transfers .....	(\$164,566,738)	
<b>Sub-Total Operating Budget .....</b>	<b>\$306,817,226</b>	<b>48.0%</b>
14. Capital Projects .....	\$339,710,363	52.0%
<b>TOTAL BUDGET .....</b>	<b>\$646,527,589</b>	<b>100.0%</b>

City Budget in Brief - 1991-92



Note: Numbers refer to above categories

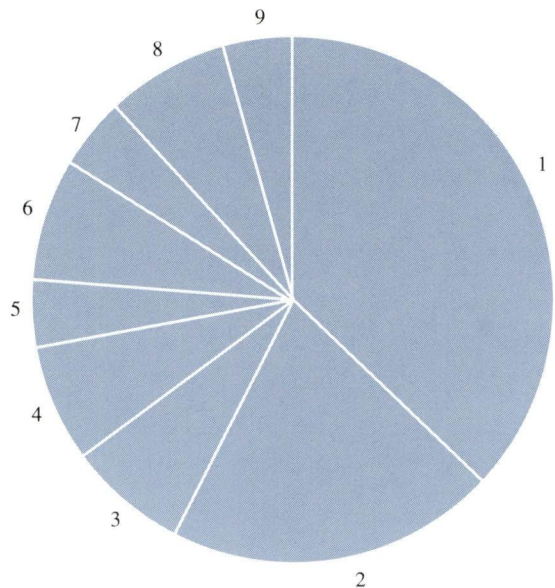
## SOURCES OF CITY REVENUE

1. Property and Other Taxes .....	\$186,938,077	28.9%
2. Water and Sewer .....	66,141,790	10.2
3. Airport .....	44,486,074	6.9
4. Intergovernmental .....	60,123,989	9.3
5. Bond Funds .....	244,651,538	37.8
6. Other .....	44,186,121	6.8
<b>Total Revenue .....</b>	<b>\$646,527,589</b>	<b>100.0%</b>

## 1991-92 COUNTY BUDGET IN BRIEF

1. Social Services .....	\$230,194,880	40.2%
2. Public Schools .....	110,698,277	19.3
3. Health & Hospitals .....	36,379,996	6.3
4. Mental Health .....	30,054,736	5.2
5. Public Safety / Judicial .....	35,879,385	6.3
6. Community Development .....	36,170,230	6.3
7. Public Business .....	21,408,117	3.7
8. Debt Retirement .....	42,362,499	7.4
9. Other .....	29,791,997	5.2
<b>TOTAL BUDGET .....</b>	<b>\$572,940,117</b>	<b>100.0%</b>

County Budget in Brief - 1991-92



Note: Numbers refer to above categories

## SOURCES OF COUNTY REVENUE

1. Property Taxes .....	\$237,465,338	41.4%
2. State .....	65,787,618	11.5
3. Federal .....	128,140,149	22.4
4. Other (Including ABC Revenues, Sales Tax) .....	141,547,012	24.7
<b>TOTAL BUDGET .....</b>	<b>\$572,940,117</b>	<b>100.0%</b>

## Charlotte/Mecklenburg County Tax

	Rate	Assessed Valuation- Billions	Tax Levy- Millions
1987	\$1.2165	\$26.4	\$279.5
1988	1.2545	25.9	279.7
1989	1.2875	27.0	311.3
1990	1.335	29.0	338.0
<b>1991</b>	<b>1.205</b>	<b>36.9</b>	<b>376.0</b>

# LABOR

## Mecklenburg County, August 1991

Total Labor Force .....	293,440
Employed .....	278,470
Unemployed .....	14,970
Unemployment Rate .....	5.1%

## Mecklenburg County Employment Trends

	Employment		Unemployment	
	Place of Work	Place of Residence	Total	Rate
1990	358,100	277,530	8,410	3.0%
1989	354,130	280,570	8,319	2.7%
1988	345,500	269,540	7,518	3.6%
1987	334,930	261,480	8,887	3.4%
1986	312,600	244,790	9,815	4.0%

## Charlotte Area Wage Survey, 1990

Job Title	Median
Assembler D .....	\$6.05
Assembler F .....	6.00
Machine Operator .....	8.51
Electrician (Maint.) A .....	15.44
Electrician (Maint.) B .....	12.95
Machinist (Maint.) A .....	15.87
Machinist (Maint.) B .....	13.28
Welder, Arc .....	10.72
Tool, Die or Gauge Maker A .....	10.96
Tool, Die or Gauge Maker B .....	12.65
Fork Lift Operator .....	7.50
Material Handler .....	8.10
Shipping/Rec. Clerk .....	7.89
Heavy Equipment Diesel & Gasoline Mech. (inside) .....	10.70
Electronic Technician A .....	12.72
Electronic Technician C .....	10.32
Electronic, Assembler A .....	8.88
Electronic, Assembler C .....	6.10

## Top 10 In-Commuting Counties

Rank	County	Total In-Commuters
1 .....	Gaston .....	11,631
2 .....	Union .....	9,118
3 .....	Cabarrus .....	8,463
4 .....	York, SC .....	8,057
5 .....	Iredell .....	3,263
6 .....	Lincoln .....	2,642
7 .....	Lancaster, SC .....	1,639
8 .....	Rowan .....	1,431
9 .....	Stanly .....	1,346
10 .....	Catawba .....	560
<b>Total In-Commuters .....</b>		<b>55,523</b>

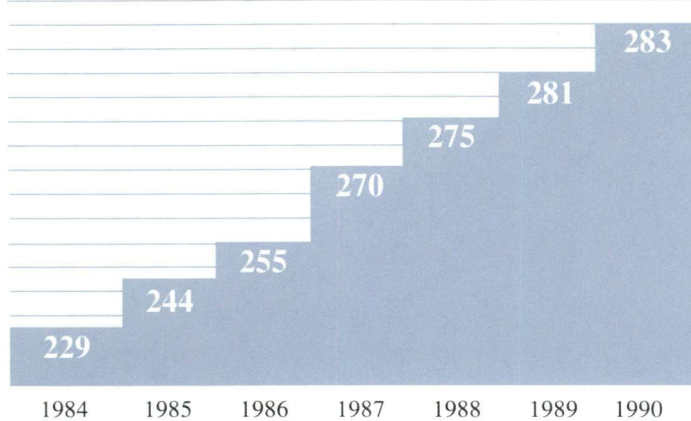
## Charlotte Area Salary Survey, 1990

Job Title	Median Monthly Salary
<b>Non-Supervisory Employees</b>	
Bookkeeper .....	\$1,850
Clerk, Accounting .....	1,734
Clerk, File .....	1,392
Computer Operator .....	1,880
Engineer, Entry Level .....	2,780
Key Punch Operator .....	1,322
Switchboard Receptionist .....	1,351
Secretary A .....	2,056
Secretary B .....	1,546
Typist .....	1,385

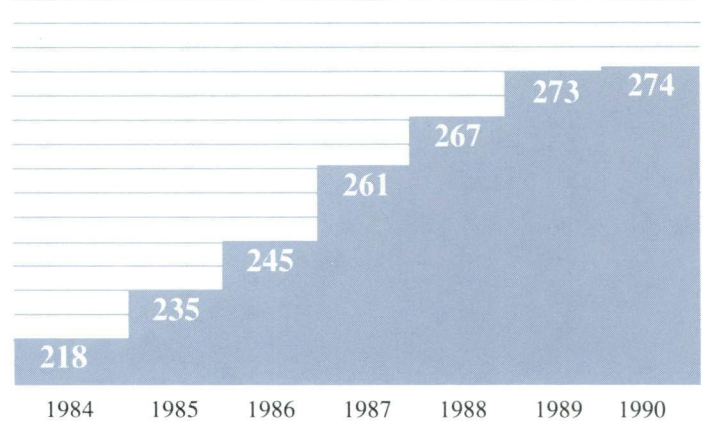
## Staff and Technical Supervisors

Office Manager .....	\$2,786
Personnel Manager .....	3,570
Engineer, Industrial .....	2,772
Engineer, Chief, Industrial .....	3,409
Maintenance Supervisor .....	2,650
Machine Shop Supervisor .....	2,825
Production Supervisor (any industry) A .....	2,526
Production Supervisor (any industry) B .....	1,773
Plant Manager .....	4,583
Shipping & Receiving Supervisor .....	2,050

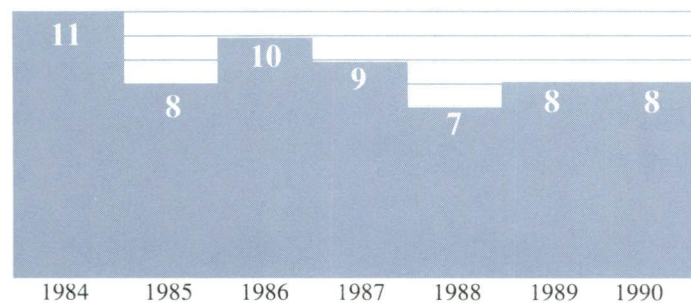
## Total Labor Force Thousands



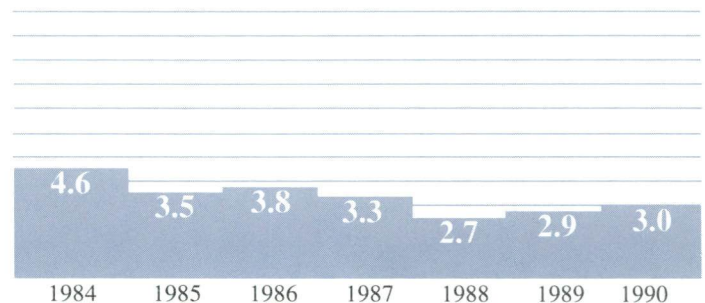
## Total Employment Thousands



## Total Unemployment Force Thousands



## Unemployment Rate Percent



# CORPORATE NEIGHBORS

## Charlotte Industrial Firms

Industrial Category	Number of Firms	Headquarters
Printing and Publishing	219	198
Machinery	140	109
Fabricated Metals	104	87
Chemicals and Allied Products	78	46
Textiles	40	33
Food Products	36	20
Apparel	43	37
Instruments	41	36
Rubber and Plastics	34	20
Furniture and Fixtures	19	19
Paper and Allied Products	31	16
Lumber & Wood Products	36	30
Electrical Machinery Equipment	26	19
Stone, Clay and Glass	30	18
Miscellaneous	32	32
Transportation Equipment	24	15
Primary Metals	18	13
Petroleum	5	4

## Business Mix

Category	# of Firms	Employment	Annual Payroll (000)
Agriculture	212	1,652	\$29,126
Mining	14	216	5,431
Construction	1,531	27,007	634,179
Manufacturing	1,057	55,991	1,430,331
Transportation	581	43,190	1,319,009
Wholesale Trade	2,434	35,467	1,083,545
Retail Trade	3,563	58,350	715,162
Finance, Insurance, RE	1,696	32,925	868,148
Services	5,240	76,847	1,415,287

Source: County Business Patterns

## Charlotte's Largest Employers 1991

Employer	Number Employed
Charlotte-Mecklenburg Schools	9,400
Duke Power Company	9,000
Charlotte-Mecklenburg Hospital Authority	7,153
USAir	6,800
State of North Carolina	4,956
City of Charlotte	4,922
IBM Corporation	4,800
First Union Corporation	4,754
NCNB Corporation	4,213
U.S. Government	3,922
Mecklenburg County	3,670
Presbyterian Health Services Corporation	3,500
Southern Bell	2,800
U.S. Postal Service	2,400
Belk's	2,325
Harris-Teeter, Inc.	1,990
Lance, Inc.	1,900
General Tire	1,807
Central Piedmont Community College	1,800

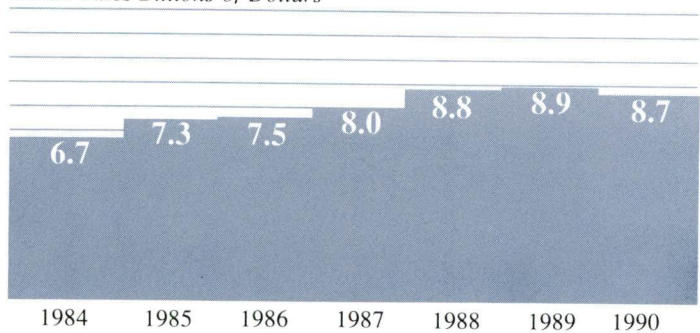
## Charlotte/Mecklenburg Fortune 500 Companies

Total (Industrial)	212
Total (Service)	149

## New & Expanded Business Activity

Year	#Firms	Employment	Square Ft. (Millions)	Investment (Millions)
1990	413	6,789	5.3	\$266.0
1989	383	7,418	9.5	627.5
1988	462	6,031	5.7	440.4
1987	649	10,895	13.3	1,017.7
1986	621	9,412	11.9	509.1

## Retail Sales Billions of Dollars



Year	Total Sales
1986	\$7,526,725,298
1987	8,016,747,464
1988	8,756,275,980
1989	8,915,710,228
1990	8,720,625,299*

\* Reflects change in reporting auto tax

## 1990 Retail Sales

Apparel	\$294,989,467
Automotive	1,469,664,048
Food	1,475,120,607
Furniture	408,310,483
Gen. Merchandise	1,979,448,117
Lumber/Bldg. Mat.	919,595,195
Unclassified	1,700,004,259

## Wholesale Sales, Cities with \$12 billion or more in sales

Rank	City	Sales (000)
1	New York, NY	\$186,440,971
2	Houston, TX	63,645,691
3	Los Angeles, CA	53,109,496
4	Chicago, IL	32,702,141
5	Dallas, TX	31,010,980
6	Charlotte, NC	21,127,181
7	Memphis, TN	18,447,612
8	Jacksonville, FL	14,795,978
9	Portland, OR	14,411,160
10	Pittsburgh, PA	14,132,813

## Foreign Firms Represented in Charlotte

Country	1991	1990	1985	1980	1970
Germany	77	68	54	41	22
Great Britain	37	35	25	20	9
Japan	32	29	18	19	3
Switzerland	31	31	17	20	8
Italy	17	19	5	2	0
France	15	14	9	11	4
Canada	14	16	6	11	4
Netherlands	10	11	8	9	6
Sweden	8	8	7	3	2
Belgium	7	6	5	2	1
Finland	3	2	0	0	0
Denmark	2	3	2	3	0
Spain	2	2	0	0	0
Ireland	1	1	0	0	0
Israel	1	1	2	1	0
Kuwait	1	1	1	1	0
South Africa	1	1	1	0	0
Taiwan	1	0	1	3	1
Venezuela	0	1	0	0	0
Australia	0	1	2	1	0
<b>Totals</b>	<b>260</b>	<b>249</b>	<b>164</b>	<b>147</b>	<b>60</b>

# TRANSPORTATION

Commercial Airport ..... Charlotte/Douglas International  
 21st largest in nation and  
 33rd largest in the world

Major Airlines ..... 7

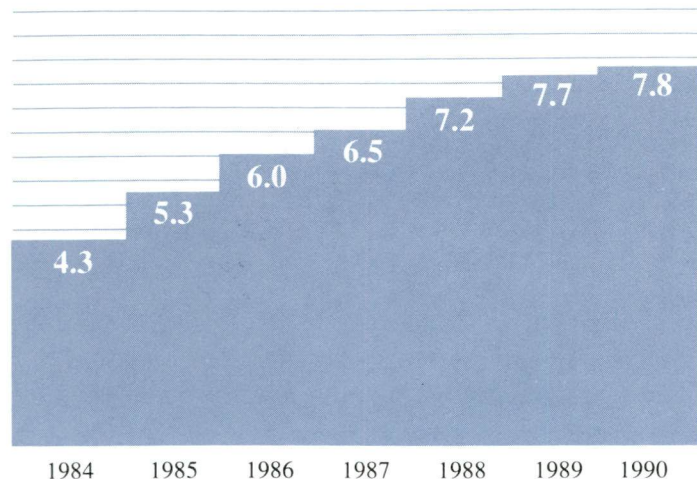
Number of Flights Daily ..... 484

Direct/Nonstop Flights to ..... More than 150 cities

Air Freight Services ..... Yes

Air Cargo (annually) ..... 150.2 (mil.lbs.) enplaned  
 149.4 (mil.lbs.) deplaned

## Air Passenger Enplanements Millions



Year	Enplanements
1984	4,307,535
1985	5,268,627
1986	6,001,459
1987	6,483,262
1988	7,231,169
1989	7,658,842
1990	7,800,953

## Charlotte International Air Passenger Traffic

Geographic Area	Inbound & Outbound	Percent	% Change From 1985
Caribbean	38,810	29	93 %
Europe	35,620	26	14
Canada	28,400	21	61
Central/South America	10,860	8	218
Pacific/Orient	10,020	7	43
Mexico	8,780	6	72
Middle East/Africa	3,100	2	-9
United States	810	1	42
TOTAL	136,400	100 %	55 %

Source: U.S. Department of Transportation Data Bank, 1988

## Top 30 markets served by Charlotte/Douglas International Airport 1990

RANK	DESTINATION	TOTAL PASSENGERS
1	New York	386,754
2	Atlanta	201,826
3	Chicago	139,357
4	Philadelphia	120,669
5	Boston	107,310
6	Dallas/Ft. Worth	110,522
7	Washington D.C.	97,893
8	Los Angeles	84,753
9	Orlando	77,745
10	Miami	73,803
11	Tampa	72,343
12	Detroit	70,664
13	Baltimore	67,890
14	Raleigh-Durham	66,722
15	Pittsburgh	55,991
16	San Francisco	55,772
17	Cleveland	55,334
18	Nashville	54,385
19	Ft. Lauderdale	49,567
20	Houston	54,312
21	Denver	48,253
22	St. Louis	45,698
23	Hartford	44,822
24	Minneapolis	40,442
25	New Orleans	37,011
26	Memphis	36,885
27	Norfolk	35,770
28	Wilmington	32,120
29	Jacksonville	31,098
30	Indianapolis	29,492

## Highways Serving Area

U.S. Primary	21, 29, 52, 74, 521, 601
State Primary	16, 24, 27, 49, 51, 73, 160
Interstate	I-85, I-77

## Certified Motor Freight Carriers

Total Number of Firms	200
-----------------------	-----

## Rail Service

On-Line Railroads	Norfolk Southern and CSX Transportation
Off-Line Railroads	Amtrak, Kansas City Southern, and Louisiana and Arkansas Railway
Trains through Charlotte weekly	275

## Bus Service

Provided by	Greyhound/Trailways
In-City Service	yes
Charter Services	21

## Delivery Services

Total	62
-------	----

## Waterways

Inland Port opened in 1984, currently handling more than 17,500 containers annually - offering shippers easy accessibility to N.C. ports.

1990 - # of entries into Charlotte 50,000

\$100 mil. duties/\$1.5 bil. worth of merchandise

# REAL ESTATE

## Construction

	Total Permits	Value-Millions		
		Residential	Non-Residential	Total
1983	8,647	\$280.7	\$253.7	\$534.4
1984	8,789	348.1	332.2	680.3
1985	9,748	380.6	398.8	779.4
1986	10,220	383.6	456.1	839.7
1987	11,194	402.1	391.9	794.0
1988	11,637	419.9	510.8	930.1
1989	11,314	510.5	422.0	932.5
<b>1990</b>	<b>10,484</b>	<b>424.3</b>	<b>528.0</b>	<b>952.3</b>

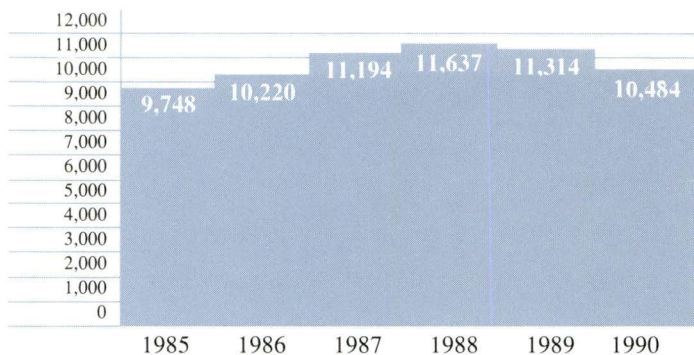
## New Residential Units Permitted

	Single Family	Multi-Family	Total
1983	3,792	3,341	7,133
1984	3,714	4,400	8,114
1985	4,141	5,305	9,446
1986	4,436	3,017	7,453
1987	4,597	3,652	8,249
1988	4,597	3,139	7,736
1989	4,622	5,139	9,761
<b>1990</b>	<b>3,873</b>	<b>1,962</b>	<b>5,835</b>

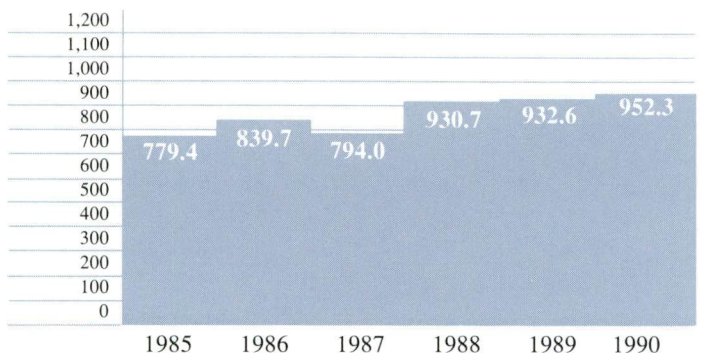
## Sales of Residential Units

	Units Sold	Average Value	Total Value
1983	5,810	\$72,322	\$403,761,594
1984	7,216	76,800	537,564,531
1985	8,340	83,492	671,055,000
1986	9,462	88,126	807,913,793
1987	6,302	101,784	641,442,868
1988	8,597	106,802	877,775,352
1989	8,979	113,921	972,169,530
<b>1990</b>	<b>9,076</b>	<b>113,570</b>	<b>991,720,444</b>

## Total Construction Permits



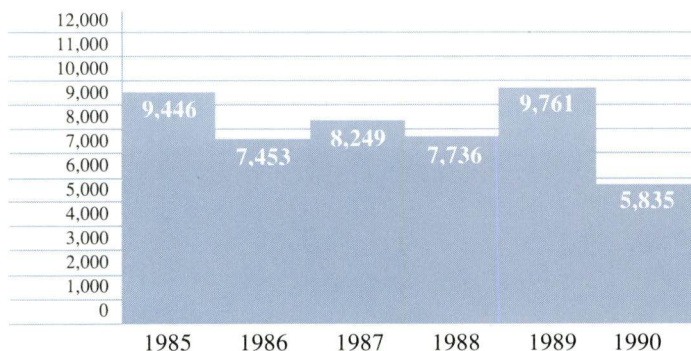
## Construction Value - Residential/Non-Residential Millions/Dollars



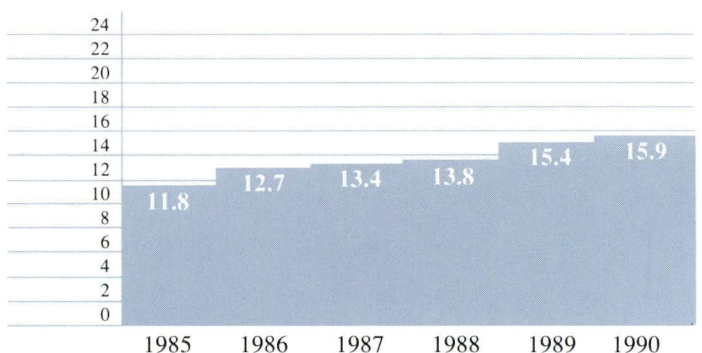
## Office Space Survey By Area 9/91

Area	No. of Buildings	Total	Rentable	Reported Available	Percent Available	Average Rate/SF
Uptown	41	10,726,123	9,769,946	1,952,088	19.9	\$18.87
Suburban	139	11,836,752	10,886,305	2,359,513	21.6	\$13.86
<b>Total</b>	<b>180</b>	<b>22,562,875</b>	<b>20,656,251</b>	<b>4,311,601</b>	<b>20.8</b>	<b>\$16.47</b>

## Residential Units - Single/Multi-Family



## Occupied Office Space Millions/Square Feet



# REAL ESTATE

## Charlotte-Mecklenburg

### Historical Trends In Office Space

Date	Square Feet		
	Rentable (Mils.)	Used (Mils.)	Available (Mils.)
9/83	11.1	9.1	2.0
9/84	12.1	9.9	2.3
9/85	13.8	11.2	2.6
9/86	15.9	12.5	3.4
9/87	16.7	13.5	3.2
9/88	17.0	13.7	3.3
9/89	17.4	14.4	3.0
9/90	20.1	15.8	4.3
<b>9/91</b>	<b>20.6</b>	<b>16.3</b>	<b>4.3</b>

### Percentage of Rentable Square Feet Available

Date	Char./ Meck.	Center City
9/83	18%	19%
9/84	19	16
9/85	19	17
9/86	22	17
9/87	19	16
9/88	20	12
9/89	17	10
9/90	21	19
<b>9/91</b>	<b>20</b>	<b>19</b>

# FINANCE

Average Prime Rate ..... 8 %  
 Average Fixed Rate on Home Mortgage 30 yrs. .... 8 %

**Charlotte Banks and Holding Companies** ..... 17  
 Total Assets ..... \$166.8 billion  
 Total Deposits ..... \$116.8 billion

Mortgage Bankers ..... 123

Commercial Finance and Factoring ..... 72  
 Leasing Corporations ..... 47  
 (Transportation and Equipment)

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- Industrial
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FOUNDATION FOR  
THE CAROLINAS



1991 ANNUAL REPORT

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## MISSION

*The mission of the Foundation is to better the communities it serves through leadership in the advocacy and understanding of philanthropy, in service to donors, in its stewardship of charitable assets, in the building of permanent charitable resources and in grantmaking to a wide range of community projects and interests.*

### A Resource For The Community

Total Assets .....	\$61,483,187
Contributions .....	\$6,810,501
Distributions .....	\$5,221,572

To Fulfill the Mission the Foundation:

- Provides leadership in the advocacy and understanding of philanthropy in our region.
- Promotes the concept that “Anyone Can Be A Philanthropist.”
- Conducts programs to create broader awareness and understanding among key legal and financial advisors and prospective donors who would benefit from Foundation services.
- Provides watchful, prudent stewardship for the assets with which the Foundation has been entrusted.
- Expands the benefits of a county community foundation to interested neighboring counties.
- Builds unrestricted endowment funds for both discretionary grants and operations.
- Provides a quality and growing grants program that can offer assistance to worthy charitable initiatives.

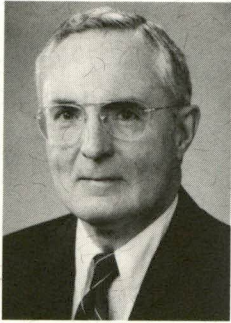
The Foundation encourages donors of all means and interests to make their charitable visions become realities. Foundation assets come from gifts made by individuals, corporations, private foundations and nonprofit organizations. These gifts meet immediate needs, strengthen the community and provide endowment for future generations.

The Foundation offers a unique expertise in gift planning, technical assistance and grantmaking. The professional staff can help donors and their financial advisors explore the many attractive charitable giving options such as annuities, unitrusts and charitable lead trusts, or gifts by bequests.

The Foundation also helps simplify charitable giving by administering gifts of cash, personal property, stock, or real estate.

The Foundation is governed by a board of directors of private citizens who have demonstrated outstanding leadership in the community and who serve without compensation. It is their desire, and the Foundation’s goal, to serve equally well the community and the charitable giver.

## CHAIRMAN'S REVIEW



The Foundation For The Carolinas completed another successful year as the resource for philanthropy in our region. In spite of a challenging

economic climate, the Foundation continued to grow both in assets and in its grantmaking capacity during 1991.

Contributions of more than \$6.8 million brought total assets under management to over \$61 million for the year, an increase of about 14% from year-end 1990. Distributions exceeded \$5 million including a record \$625,497 in Special Project Grants to aid growing community needs.

Increasingly the Foundation, like other community foundations in many cities in the United States, is being asked to adapt to the challenges of the community. We find ourselves in a position to expand our role in the community. This transition has been marked by several outstanding projects during 1991.

The Strengthening Families Initiative broke new ground for the Foundation. This special project, chaired by Bill Drew, is the first Distribution Committee endeavor incorporating a new pro-active grantmaking philosophy. Foundation discretionary funds and contributions by anonymous donors have provided \$500,000 over three years to assist at-risk preschool children in a focused geographic area.

The Regional HIV/AIDS Consortium, a seven-county effort chaired by Dr. David Citron and sponsored by the Foundation and the United Way of Central Carolinas, Inc., is attempting to deal in various ways with a serious world health problem that is having a significant impact on our region. The

Foundation was the catalyst for securing more than \$400,000 to implement a comprehensive service plan. Through the Consortium and the Foundation, grants for AIDS-related services are being distributed to local agencies to develop and expand HIV/AIDS service in the region.

Carolina Gives, a two year program to increase giving and volunteer service, is a nine-county regional effort. The campaign has successfully recruited and placed over 8,000 new volunteers. I have been impressed with the dedication and efforts of the members of the various committees, the steering committee and the other supporting organizations, the Junior League of Charlotte, Inc., The Volunteer Center of United Way of Central Carolinas, Inc. and WCNC-TV 36. My sincere thanks is extended to all who have been involved and who share in the success of the program.

The Foundation also went through its first strategic planning process, chaired by Crandall Bowles. The process, resulting in the mission statement and specific objectives described elsewhere in this report, does not represent a radical departure from the course we have followed until now. It did give us the opportunity to restate our objectives as an organization, and the plan provides a current measurable reference to help our board govern and our staff manage a dynamic, growing organization. Finally, the plan confirms the commitment to the new initiatives of the Foundation as indicated by some of the examples above.

One of the strategic plan objectives was to develop a marketing/promotion program to create broader awareness and understanding of the Foundation's work. To carry out that mandate, a marketing and communications plan was produced by a committee under the leadership of Bill Middlemas.

One of the early results of that effort is the handsome new logo you see on the materials before you. We are grateful to the local firm, Loeffler Ketchum Mountjoy, which designed the logo as a public service project.

During the year the Foundation continued its work in assisting agencies and organizations with endowments. Seventeen new agency endowments were added during 1991, bringing that total to 85. The Foundation has demonstrated that it has the resources to manage these endowments more efficiently than most organizations can on their own.

Where is the Foundation going from here? It will continue to encourage philanthropy among citizens of widely varying financial means, adhering to the philosophy "Anyone Can Be A Philanthropist." We will also work to promote the development of a larger and more adequate permanent endowment so that the Foundation can better respond to the critical issues we face. Without this important element firmly in hand, we cannot continue to meet the needs of the community in a timely manner.

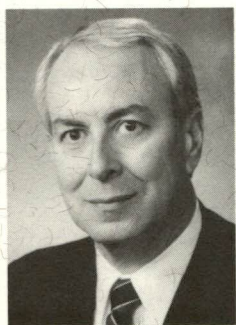
We will continue to be imaginative and assume a leadership role in developing initiatives and community resources. To continue its service, however, the Foundation depends on the support of many generous people.

The Foundation, thus, will continue a dual role, faithfully carrying out the wishes of its donors and also playing a leadership role in addressing the current problems of our community as we create a legacy upon which future generations can build.

A handwritten signature in dark ink that reads "Robin L. Hinson". The signature is written in a cursive, flowing style.

Robin L. Hinson, *Chairman*

## PRESIDENT'S REPORT



The year past saw the Foundation continue on a steady course of growth in assets as well as in community presence and capacity to make

a difference in the region we serve.

While our discretionary grant resources remain modest, we are helping deal with some of the tough issues of our times. We are making a difference in our region as the convener and co-sponsor, along with the United Way, of the Regional HIV/AIDS Consortium. The Consortium represents a joint effort by leadership from seven counties to develop a coordinated, humane, effective and cost-efficient response to the growing peril of HIV/AIDS infection. The pro-active Strengthening Families Initiative is an effort to save lives and give the children of Piedmont Courts and the Belmont neighborhood hope for the future. It is intended for this program to serve as a model to be replicated in other neighborhoods. Initiatives of this scale are new ventures for our Foundation and are the first of what we expect to evolve into a much larger and important role for our organization.

I am encouraged by the growing number of requests coming from individuals and organizations about Foundation services. Last year we received 150 inquiries, of which 50 resulted in the creation of new funds, bringing to the Foundation over \$2.6 million in new gifts. At the end of 1991 our family of funds had grown to 515, representing a wonderfully diverse array of charitable interests.

It is typical for many inquiries to lead to an extended period of conver-

sation and involve complex financial and estate planning. Our staff has experienced increased activity in our work with individuals and their financial advisors interested in deferred giving, and particularly with those interested in making gifts by wills.

As the Foundation grows, the nature of our charitable funds is evolving in a dramatic way. As recently as 1986, two-thirds of our assets were donor advised or nonpermanent funds. Today, the composition of our assets has completely reversed and two-thirds of our \$61 million in assets are permanent funds, most of which are dedicated to serving regional or program fields of interest, or to providing income to specific organizations.

Our Foundation, even with its overall success, continues to have a less than adequate general endowment for grantmaking. We are challenged in our grantmaking to try to respond to requests for support that represent vision and energy, that try to fill needs that are unmet and that attempt to improve the quality of life for people. With general endowment assets of \$2.3 million, our income for grants falls far short of what is needed to respond in an adequate way.

I am convinced that as we build the Foundation and carry out our stewardship for the resources with which we are entrusted, we must advocate in the strongest way possible the long-term importance to our community of the Foundation's growth and success.

The legacy that has been created over the past 30 years is alive and dynamic in the impact it is having. The legacy we are building gift by gift, year by year, is going to have meaning for the future generations

far beyond our imagination.

Several weeks ago, while visiting The Duke Endowment office, I was impressed by a framed copy of the 1924 *Charlotte Observer* story on the announcement of James Buchanan Duke's gift of \$40 million to create The Duke Endowment. While Mr. Duke was a man of great vision and business acumen, it is not likely that he would have imagined that his gift today would be worth a billion dollars. In 1924, billion dollar foundations did not exist. I don't think it is unreasonable to propose that we are building what will be for future generations a billion dollar charitable resource.

A handwritten signature in black ink that reads "William L. Spencer". The signature is written in a cursive, flowing style.

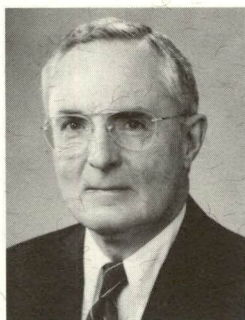
William L. Spencer, *President*

## FOUNDATION COMMITTEES

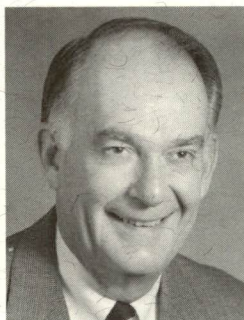
- **Acceptance Committee**  
Robin L. Hinson, *Chair*  
Crandall C. Bowles  
William H. Grigg  
James W. Thompson
- **William Tasse Alexander Scholarship Committee**  
Lydia McNeary, *Chair*  
Frances V. Bryant  
Dr. Chris Folk  
Dr. Emory Mason  
O. J. Parris
- **Audit Committee**  
William H. Grigg, *Chair*  
John M. Belk  
Crandall C. Bowles  
Robin L. Hinson  
F. Kenneth Iverson  
Edwin L. Jones, Jr.  
C. Don Steger  
James W. Thompson
- **Charlotte Housing Authority Scholarship Selection Committee**  
Kitty Huffman, *Chair*  
Judy Leonard, *Vice Chair*  
Charles Cross  
Irving Edelman  
Don Ellis  
Ike Heard, Jr.  
Valorie McCullough  
Jacqueline Waites Moss  
Ann Murphy  
Jeroline Woods
- **Charlotte-Mecklenburg Schools Scholarship Incentive Program**  
The Rev. George Battle, Jr., *Chair*  
Dr. Chris Folk  
Valorie McCullough
- **Children's Medical Committee**  
Dr. O. F. Roddey, Jr., *Chair*  
Dr. John M. Archer, III  
James H. Barnhardt  
Robert O. Beck  
Dr. W. Blair Bryan  
Dr. Monroe T. Gilmour  
Deborah S. Harris  
Kaye McMullen
- James K. Polk  
Doris Uliss
- **The Cole Foundation Committee**  
Robert W. Elliot, *Chair*  
Russell Bennett  
Mrs. Robert L. Cole  
William L. Pender  
Dr. Stanley J. Vetter
- **The Cole Foundation Scholarship Committee**  
Trent Strickland, *Chair*  
Russell Bennett  
Jimmy Blair  
Ann Burgin  
Dorothy Fisher  
Irene Lewis  
Alice Little  
J. W. Mask, Jr.  
Lynn McCaskill
- **Community Relations Committee**  
William P. Middlemas, *Chair*  
Anne M. Alexander  
Roberta Bowman  
William F. Drew, Jr.  
Lawrence M. Kimbrough  
Jim Mountjoy  
Elizabeth S. Randolph
- **Crowder Scholarship Committee**  
Dr. Richard H. Hagemeyer, *Chair*  
Dr. David M. Bayer  
Jeanne M. Brayboy  
Patsy Sifford  
Harry S. Swimmer
- **Davidson Community Fund Trustees**  
Robert S. Sutton, *Chair*  
Lawrence M. Kimbrough  
Dr. John W. Kuyendall
- **Distribution Committee**  
James S. Howell, *Chair*  
Jeanne M. Brayboy, *Vice Chair*  
Anne M. Alexander  
Katherine M. Belk  
Frances V. Bryant  
Thomas P. Dillon
- William F. Drew, Jr.  
James O. Funderburk  
William H. Grigg  
Deborah S. Harris  
Ike Heard, Jr.  
R. Powell Majors  
Samuel H. Smith, Jr.
- **Foundation Endowment Committee**  
Edwin L. Jones, Jr., *Chair*  
J. David Barnhardt  
Crandall C. Bowles  
Seddon Goode, Jr.  
William H. Grigg  
F. Kenneth Iverson  
Edwin P. Latimer  
A. Zachary Smith, III  
Harry S. Swimmer
- **Richard Goolsby Scholarship Committee**  
Joe Bennett, *Chair*  
J.W. Dominick  
James O. Funderburk  
Kenneth K. Kilpatrick  
Helen G. Lowery
- **Investment Committee**  
Charles T. Davidson, *Chair*  
John V. Andrews  
J. David Barnhardt  
Crandall C. Bowles  
Larry J. Dagenhart  
Frank E. Emory  
William Gorelick  
John M. Harney  
Robin L. Hinson  
F. Kenneth Iverson  
Rolfe Neill  
Richard J. Osborne  
A. Zachary Smith, III
- **Medical Advisory Committee**  
Dr. Lawrence K. Boggs, *Chair*  
J. W. Adams  
Herman Blumenthal  
Frances V. Bryant  
Dr. Ophelia Garmon-Brown  
Dr. James B. Greenwood, Jr.  
Billy G. McCall  
Dr. Joseph B. McCoy  
Dr. Hamilton W. McKay, Jr.
- **Neighborhood Grants Committee**  
Samuel H. Smith, Jr., *Chair*  
Anne M. Alexander  
Judy Allison  
Jeanne M. Brayboy  
Dr. Jim Cooke  
Franklin McCain  
David S. Mervine  
Charles Page  
William A. Simmons  
Johnnie Wallace, Jr.
- **Nominating Committee**  
Larry J. Dagenhart, *Chair*  
Katherine M. Belk  
Herman Blumenthal  
Frank E. Emory  
James V. Johnson  
James R. Nisbet  
Elizabeth S. Randolph
- **NC League for Nursing Scholarship Committee**  
Dr. Ruby G. Barnes, *Chair*  
Frances V. Bryant  
Mary James  
Dr. Ernestine Small
- **Plyler Scholarship Committee**  
Thomas W. Thomas, *Chair*  
Willis F. Ballard  
James K. Davis
- **Regional HIV/AIDS Consortium Grants Committee**  
John Craig, *Chair*  
Farrie Blackburn  
Tom Dillon  
Carla DuPuy  
James Ferguson, II  
Frank Lubbers  
Eyelyn Schaffer  
Dr. Jared Schwartz  
The Very Rev. Bob Sessum  
Chris Wise  
Jere Witherspoon  
Betty Worthy
- **Rotary Scholarship Committee**  
Dr. Richard E. Neel, *Chair*  
James O. Funderburk, *Vice Chair*  
Sadler H. Barnhardt  
Dr. Dean W. Colvard  
Hoyt R. Galvin  
Warren H. Owen  
Kenneth W. Poe  
Guy A. Wilson
- **Strategic Planning Committee**  
Crandall C. Bowles, *Chair*  
F. Kenneth Iverson, *Vice Chair*  
Jeanne M. Brayboy  
W. R. Cuthbertson, Jr.  
Larry J. Dagenhart  
William F. Drew, Jr.  
William Gorelick  
William H. Grigg  
Deborah S. Harris  
Robin L. Hinson  
James V. Johnson  
James K. Polk  
A. F. Sloan  
James W. Thompson  
William H. Williamson, III
- **Treasurer's Committee**  
Crandall C. Bowles, *Chair*  
W. R. Cuthbertson, Jr.  
William H. Grigg  
Robin L. Hinson  
F. Kenneth Iverson  
Harry S. Swimmer
- **Washburn Graphics Scholarship Fund Committee**  
Frances V. Bryant, *Chair*  
Franklin S. Atwater  
R. Powell Majors  
Raenea Siegel  
Libbie M. Webber

## BOARD OF DIRECTORS

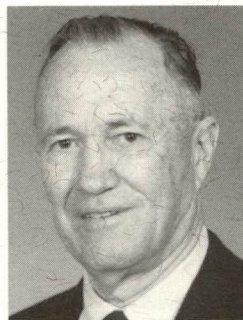
### 1991-1992 Officers and Executive Committee



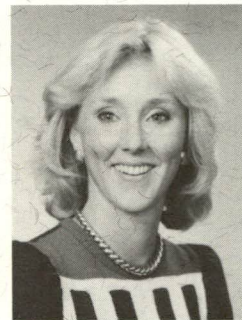
**Robin L. Hinson**  
*Chairman of the Board*



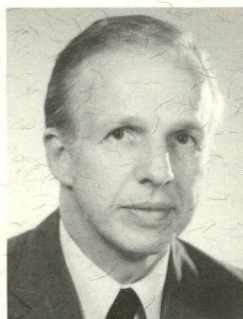
**William H. Grigg**  
*First Vice Chairman*



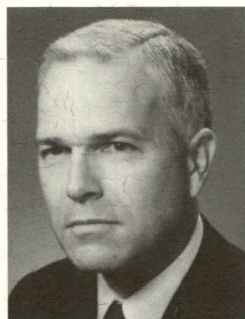
**Edwin L. Jones, Jr.**  
*Vice Chairman*



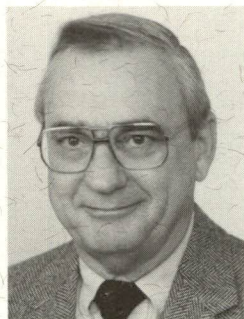
**Crandall C. Bowles**  
*Treasurer*



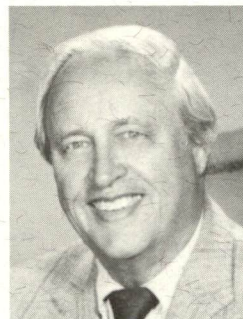
**James W. Thompson**  
*Secretary*



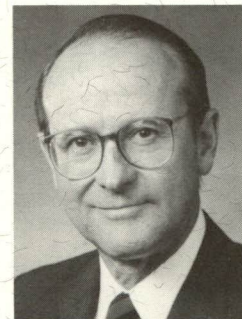
**Charles T. Davidson**  
*Chair of the Investment  
Committee*



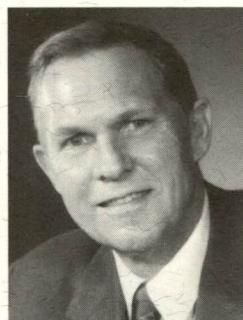
**James S. Howell**  
*Chair of the Distribution  
Committee*



**John M. Belk**  
*Member at Large*



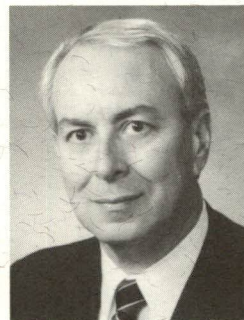
**Larry J. Dagenhart**  
*Member at Large*



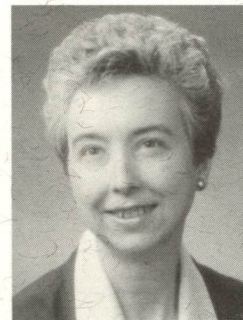
**F. Kenneth Iverson**  
*Member at Large*



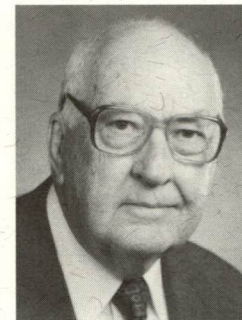
**C. Don Steger**  
*Member at Large*



**William L. Spencer**  
*President*



**Marilyn M. Bradbury**  
*Vice President & Assistant  
Secretary*



**Gordon Berg**  
*President Emeritus*

#### • Class of 1992

Katherine M. Belk  
Jeanne M. Brayboy  
C. C. Cameron  
Thomas P. Dillon  
Hugh M. Durden  
John R. Georgius  
Seddon Goode, Jr.  
William H. Grigg  
Graeme M. Keith  
Lawrence M. Kimbrough  
A. Zachary Smith, III

#### • Class of 1993

Anne M. Alexander  
William M. Barnhardt  
John M. Belk  
Harry M. Dalton  
William F. Drew, Jr.  
James V. Johnson  
Rolfe Neill  
James K. Polk  
Elizabeth S. Randolph  
C. Don Steger  
William H. Williamson, III

#### • Class of 1994

Herman Blumenthal  
Dr. Lawrence K. Boggs  
Larry J. Dagenhart  
Charles T. Davidson  
Frank E. Emory, Jr.  
Kathleen D. Hamrick  
Deborah S. Harris  
Ike Heard, Jr.  
William P. Middlemas  
James R. Nisbet  
A. F. Sloan  
Harry S. Swimmer

#### • Directors Emeriti

Dr. Monroe T. Gilmour  
Edwin P. Latimer

## COUNTY COMMUNITY FOUNDATIONS

The Foundation For The Carolinas promotes the community foundation concept to provide individuals from all geographic areas the opportunity to develop new charitable resources for their communities. County community foundations provide a means to benefit local charitable organizations and enhance their ability to serve.

A county community foundation operates as a component fund of the Foundation For The Carolinas. This affiliation enables the county foundation to carry out its mission with a minimum of required reporting and overhead expense. It is also able to pool its investments with other funds for maximum investment income. The Foundation For The Carolinas provides management services, and the local community volunteers participate in distribution of funds.

The Foundation For The Carolinas is proud of the relationships that have been established with the following communities. These strong community leaders are committed to increasing the charitable resources of their communities and serve as splendid examples to others.

- **The Cabarrus County Community Foundation**

Lawrence M. Kimbrough, *Chairman*  
Benjamin F. Mynatt, *Vice Chairman*  
Margaret C. West, *Secretary*  
Michael R. Coltrane  
J. Roy Davis, Jr.  
William S. Fisher  
Carolyn V. Foil  
Robert C. Hayes  
Joseph C. Hunter  
Branson C. Jones  
Dr. Douglas G. Kelling, Jr.  
Dr. George W. Liles  
W. Whitaker Moose  
The Rev. Robert L. Sessum  
C. Steve Smith  
Harold H. Smith  
Gabe S. Stewart  
G. Raiford Troutman  
M. Slate Tuttle

- **The Cleveland County Community Foundation**

George Blanton, Jr., *Chairman*  
Kathleen D. Hamrick, *Vice Chairman*  
Robert W. Yelton, *Secretary-Treasurer*  
Lloyd C. Bost  
Maxine Forrest  
R. T. LeGrand, Jr.  
Jack Palmer, Jr.  
Dr. Johnny Presson  
J. L. Suttle, Jr.  
Lamar L. Young

- **The Iredell County Community Foundation**

Ronald W. Hawkins, *Chairman*  
James V. Houston, *Vice Chairman*  
Judge Robert A. Collier, Jr., *Secretary*  
James P. Ashburn  
B. Melvin Gordon  
Sara K. Haire  
Edith W. Holland  
James V. Johnson  
Ann T. Kelly  
John D. King  
Chester P. Middlesworth  
Barbara Orr  
Donald R. Parker  
Bert Walser  
T. Duke Williams  
William W. Wilson

- **The Lancaster County Community Foundation**

Thomas W. Thomas, *Chairman*  
Elizabeth Wilson, *Vice Chairman*  
William C. Tindal, *Secretary*  
W. H. Bridges  
Charles A. Bundy  
Richard Chandler  
C. K. Connelly, Jr.  
James K. Davis  
Ray F. Faulkenberry  
Robert K. Folks  
Don T. Gardner  
Richard D. Plyler  
Dr. Douglas A. Rucker  
Donald B. Scott  
Dr. Roy A. Still

- **The Union County Community Foundation**

John V. Andrews, *Chairman*  
Dr. Thomas H. Batchelor, *Vice Chairman*  
Lane Drew, *Secretary*  
J. W. Adams  
John B. Ashcraft, Jr.  
Thomas P. Dillon  
H. Clark Goodwin  
Bobby H. Griffin  
Walter B. Love, Jr.  
Richard M. McGee

- **The York County Community Foundation**

Dr. William M. Hull, Jr., *Chairman*  
James C. Hardin, III, *Secretary*  
William M. Brice, Jr.  
Elliott S. Close  
Harry M. Dalton  
John F. Day  
Julian Dickerson  
Andy Douglas  
James F. Hall  
Alex Haeefe  
Wayne T. Patrick  
Betty H. Rader  
Betty Jo Rhea  
Gerald Schapiro  
Harold Shapiro  
Linden Smith  
Howard R. Weckerley

## FINANCIAL INFORMATION

Summarized Financial Data For Years Ended December 31

### Balance Sheets

	1991	1990
<b>Assets</b>		
Cash and temporary investments	\$ 8,097,163	\$10,489,078
Investments	52,285,344	42,891,972
Receivables	1,057,243	471,246
Other	43,437	43,850
<b>Total Assets</b>	<b>\$61,483,187</b>	<b>\$53,896,146</b>
<b>Liabilities</b>		
Deferred revenue	\$ 829,108	\$ 780,676
Grants and other payables	386,278	432,761
<b>Total Liabilities</b>	<b>\$ 1,215,386</b>	<b>\$ 1,213,437</b>
<b>Fund Balances</b>		
Restricted	\$51,553,421	\$43,495,616
Unrestricted	8,714,380	9,187,093
<b>Total Fund Balances</b>	<b>60,267,801</b>	<b>52,682,709</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$61,483,187</b>	<b>\$53,896,146</b>

### Statements Of Revenues, Expenses And Changes In Fund Balances

	1991	1990
<b>Revenues</b>		
Contributions	\$ 6,810,501	\$ 6,560,496
Interest, dividends and other income	3,143,481	2,942,871
Investment gains (losses)	3,884,572	(1,508,336)
<b>Total Revenues</b>	<b>\$13,838,554</b>	<b>\$ 7,995,031</b>
<b>Expenses</b>		
Charitable distributions	\$ 5,221,572	\$ 5,043,755
Administrative expenses, net	792,934	729,117
Unitrust and pooled income fund payments	238,956	249,116
<b>Total Expenses</b>	<b>\$ 6,253,462</b>	<b>\$ 6,021,988</b>
Revenues over expenses*	<b>\$ 7,585,092</b>	<b>\$ 1,973,043</b>
<b>Fund Balances, beginning of year</b>	<b>52,682,709</b>	<b>50,709,666</b>
<b>Fund Balances, end of year</b>	<b>\$60,267,801</b>	<b>\$52,682,709</b>

\*Before reflecting restricted fund activity.

The audited financial statements of the Foundation For The Carolinas are available for inspection at the office of the Foundation For The Carolinas, 301 South Brevard Street, Charlotte, NC 28202.

## DONOR INFORMATION

### Benefits of Giving

The Foundation serves the community by working to increase current and long-term charitable resources. Gifts from generous donors help meet today's needs and provide for future needs as the community changes. The Foundation welcomes and administers gifts of all sizes and types from individuals, corporations, foundations and other charitable organizations.

- **Simplicity:** The Foundation helps simplify charitable giving for donors. One gift can support a specific charitable interest or a broad range of interests.
- **Stability:** Donors can have confidence that the Foundation is permanent and that the stewardship of their resources will continue over time according to their intentions.
- **Professional Management:** The Foundation has a long tradition of sound professional management. It is experienced in handling all types of gifts including more complex gifts of securities and real estate, and can assist donors with a variety of estate planning and deferred giving options. All contacts with the Foundation are confidential, and there is no obligation to proceed.
- **Flexibility:** The Foundation is a permanent structure to receive gifts, yet it is flexible enough to meet continually changing community needs. The wishes of donors in supporting specific activities or organizations within the community are always respected. Yet, should the original purpose of the fund become obsolete or a designated beneficiary cease to exist, the Foundation has the obligation to reevaluate and, where appropriate, redirect funds to meet current or critical needs, while keeping the donor's original intent in mind.
- **Tax Benefits:** The Foundation For The Carolinas is a public, community

foundation recognized by the Internal Revenue Service as a 501(c)(3) charitable organization. Gifts to the Foundation receive maximum tax advantages for income, gift and estate tax purposes.

Distributions from all funds administered by the Foundation benefit other charities. Many funds established with the Foundation are endowment or permanent funds. Annual income is distributed for the designated charitable purpose in perpetuity to provide ongoing sources of revenue for charitable needs. Donors are acknowledged in all charitable disbursements unless anonymity is requested.

### Types of Funds

There are many types of funds that can be established through the Foundation:

- **Unrestricted Funds:** Unrestricted funds do not designate a specific charitable beneficiary but permit the Foundation to determine the most pressing charitable needs in the community and fund them. Unrestricted funds are typically used for "seed grants" to new charitable programs.
- **Field of Interest Funds:** Field of interest funds allow the donor to specify a general area of interest such as the arts, care of the elderly, or human services without designating a specific organization as beneficiary.
- **Restricted Funds:** Restricted funds are non-permanent funds which usually are limited to specific purposes or are to be spent over a defined period of time. At the time the fund is established the donor creates the restrictions as a condition of the gift, and the Foundation makes charitable distributions accordingly.
- **Endowment Funds:** Endowment funds are permanent funds which generate in

perpetuity income for charitable purposes designated by the donor. To provide an adequate base for growth, an initial gift of \$5,000 or more is recommended. Additional gifts in any amount may be made. Endowments may be established by a charitable organization, an individual, a business or a family. Endowments may be donor advised.

- **Donor Advised Funds:** These funds allow the donor to be actively involved in recommending the nonprofit organizations to receive gifts from the fund. The Foundation has final discretion on distributions but gives full consideration to the donor's recommendations. An initial gift of \$1,000 is required to establish a donor advised fund.
- **Trusteed Funds:** Trusteed funds may offer special advantages to donors such as retaining a life income while receiving a current tax deduction. The four main types of trusteed funds are unitrusts, annuities, pooled income funds, and charitable lead trusts.

### Ways of Giving

Many donors contribute to the Foundation For The Carolinas through cash gifts, appreciated property and bequests. There are other methods of contributing that offer donors the opportunity to tailor donations to suit tax and estate planning situations.

The Foundation would be pleased to discuss these and additional options with donors. We strongly recommend that donors consult with personal tax and estate planning advisors in making charitable gifts. The Foundation staff will be happy to work directly with advisors to develop the most appropriate plan to suit charitable objectives.

FOUNDATION FOR  
THE CAROLINAS

A

*Advocating, encouraging*

LEGACY

*and assisting philanthropy*

UPON

*by individuals*

WHICH

*of all means to*

FUTURE

*benefit their communities*

GENERATIONS

*both now*

CAN

*and for all time.*

BUILD

## GRANTMAKING

*I*n 1991 the Distribution Committee realized a long-held dream — making more than a half million dollars in discretionary Special Project Grants. A total of \$625,497 was awarded, more than double any amount previously approved. This record was part of \$5,221,572 in total grants made during the year and outlined in detail on pages 19-22. The new Strengthening Families Initiative and the first grants made on behalf of the HIV/AIDS Consortium account for the major increase in Special Project Grants. Highlights of these programs and others are given below.

### **Strengthening Families Initiative**

*Referrals for child abuse/neglect in Mecklenburg County doubled from 1988 to 1990 to 4,445 cases.*

*The number of young people (20 years and younger) arrested for murder tripled in the last four years.*

*Mecklenburg's infant mortality rate is higher than that for North Carolina, which ranks 43rd in the nation.*

*Almost one of every five children in Mecklenburg lives in poverty.*

These are some of the disturbing facts that led the Distribution Committee in 1991 to undertake its first major pro-active grantmaking effort, the Strengthening Families Initiative.

Over the next three years the Foundation will award \$500,000 to assist at-risk families with preschool children through neighborhood based services and collaboration of service providers. From numerous applications submitted, the Foundation chose a proposal by three organizations to develop a continuum of services from conception to kindergarten and to empower families toward self-sufficiency.

The UPLIFT Program of the Charlotte-Mecklenburg Schools, Seigle Avenue Preschool Cooperative and the Johnston Memorial YMCA, lead agency for the Success By 6 effort, will develop the continuum for the Piedmont Courts/Belmont neighborhood near uptown Charlotte. Representatives from the neighborhood, which has a population of 3,350 and a median family income of \$7,542, will also participate in the planning and implementation of the programs.

UPLIFT will focus on providing early child development education and parenting training to families from the prenatal period until a child reaches age 3. Seigle Avenue Preschool will target families with 3 and 4 year-olds and offer a half-day preschool experience and continued parent education and involvement. The Johnston Y/Success By 6 will coordinate services for families not served by the other two programs, develop a system-level forum for coordinating service delivery and promote neighborhood leadership development.

**T**he Foundation's \$500,000 Strengthening Families Initiative aims to offer Somona (right) and the 400 preschool children in the Piedmont Courts/Belmont neighborhood hope for a brighter future.



## Regional HIV/AIDS Consortium

A second major effort launched by the Foundation in 1991 was its first grantmaking project devoted to the development of services for persons affected by HIV/AIDS. Currently approximately 400 individuals in the region have been diagnosed as having AIDS while as many as 10,000 are estimated to be infected with HIV, the virus that causes AIDS. Populations in which the epidemic is growing fastest are minorities, women and children.

In cooperation with the Regional HIV/AIDS Consortium, which serves a seven-county area, the Foundation made a total of \$132,702 in grants. Existing agencies were encouraged to develop/expand services in accordance with the Consortium's regional plan developed by participating counties: Cabarrus, Gaston, Lincoln, Mecklenburg, Rowan, Union and York (SC). Grants funded included home health care, education for physicians and clergy, transportation and counseling for families touched by HIV/AIDS. More grants are anticipated in 1992 and beyond.

A joint effort of the Foundation and the United Way of Central Carolinas, Inc., the Consortium in 1991 was chosen as an associate partner of the National Community AIDS Partnership, regional convener for federal/state Ryan White funds and recipient of a major grant from the Kate B. Reynolds Health Care Trust. Additional financial support was obtained from regional corporations, foundations and other groups to give a total of over \$400,000 for Consortium operations and service grants in coming years.

Other accomplishments of the Consortium include development of a regional case management system, technical assistance to individual counties, inauguration of a regional 800 HIV/AIDS hotline and a collection of writings of persons affected by HIV/AIDS.

**T**he House of Mercy, a hospice-type facility in Belmont (below), received a grant as part of \$132,702 awarded in conjunction with the Regional HIV/AIDS Consortium through a major new grant-making effort to develop/expand services for persons affected by HIV/AIDS in seven counties: Cabarrus, Gaston, Lincoln, Mecklenburg, Rowan, Union and York (SC).





**W**ith his own personal resources, Fred C. Wikoff, Jr. (left), established a new scholarship fund with the Foundation in 1991 to benefit children of employees of Wikoff Color Corp. An avid pilot, Mr. Wikoff frequently visits company locations in 18 states and wanted to assist his employees' children in obtaining an education.



### Scholarships

In 1991 the Foundation also experienced continued growth in its scholarship program which awarded \$156,000 to 145 students through 10 different scholarship funds. The largest of these are the Charlotte Housing Authority Scholarship Fund for students in public housing, the Charlotte-Mecklenburg Scholarship Incentive Program for at-risk public school students and the Cole Scholarship Program for students in Richmond County, NC.

Other scholarship programs include the William Tasse Alexander Scholarship for teachers, the Crowder Scholarship for children of construction workers, the Goolsby Scholarship for students seeking a career in the plastics industry, the North Carolina League for Nursing Scholarship, the Plyer Scholarship for Lancaster, SC and the Rotary Scholarship Fund.



**M**y dreams and aspirations are on the route to fulfillment, thanks to you. Through your financial support of my college education, I can implement my plans and one day aid others in pursuit of their dreams."

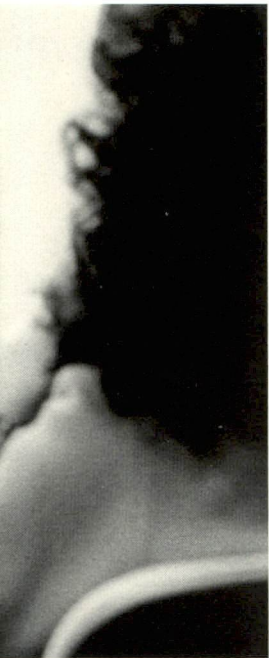
Tanya Moore (above),  
UNCC Student, Charlotte-  
Mecklenburg Scholarship  
Incentive Program

## Seed Grants

In 1991 the Foundation also continued its traditional Seed Grants, the Neighborhood Grants Program, Medical Research Grants and Summer Camperships. Twenty-one organizations received \$80,500 in Seed Grants for innovative charitable projects. Among those programs funded were: Mecklenburg County's first Hispanic social worker, expansion of an in-school arts program in Union County, inauguration of a leadership program for senior citizens, a new program to help teens in foster care bridge the gap to independent living and a matching fund to assist students recruit bone marrow donors. For information on how to apply for Seed Grants, see page 14.

*International House sought and received a Foundation grant to help fund the first Hispanic caseworker (right) for the Charlotte area, which has more than 10,000 Hispanics, many of whom need bilingual assistance to find jobs, housing and become productive citizens.*





**P**arents in York, Lancaster, and Chester, SC who have experienced the death of a child (below) can now receive services through Kinder-Mourn, which received a Foundation grant to expand its services in 1991.

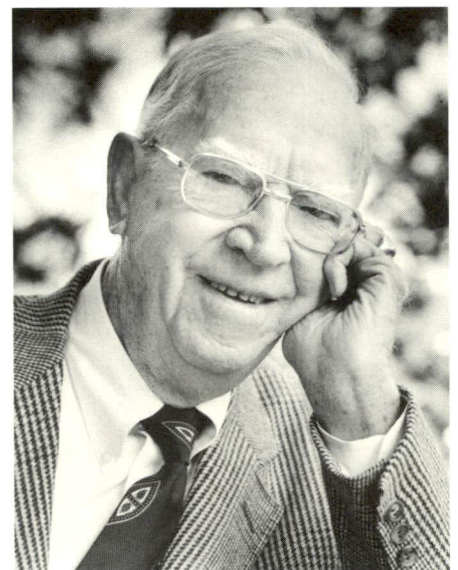


**T**he many worthwhile projects funded with grants from the Foundation Endowment demonstrate the importance of having resources to meet changing community needs. It is crucial that those who care about the future help the Foundation to grow and provide a legacy for generations to come.”

Edwin P. Latimer, (below)  
Chairman of the Board 1975-1981  
and Director Emeritus



**A** seed grant to A Child's Place (left), a transitional school for homeless children, helped launch a Family Advocate program to assist families in achieving economic, physical and social stability.



## GRANT GUIDELINES

Before applying for a grant, please carefully review the grant guidelines listed below and be certain all criteria are met. Please note that the program focus is on “seed grants” for new projects and that the geographic focus is on the Central Piedmont area of the Carolinas. Please also review the list of areas not generally funded.

The Foundation’s funds for special projects are limited. To make the most effective use of available resources, the Foundation will follow these guidelines in considering grant requests.

### Program Focus

**Seed Grants:** Priority will be given to “seed grants” to initiate promising new projects so that such projects may demonstrate their usefulness to the community. The applicant may be a new organization or an existing agency. If the agency has been in existence, the proposal must fall clearly outside the realm of possible inclusion in the regular budget.

**Volunteer Involvement:** Volunteer leadership and/or grassroots participation in developing the program are required.

### Geographic Focus

The Foundation serves North and South Carolina. However, the majority of grants will be made to organizations in the Central Piedmont area from which the Foundation derives most of its support.

### Challenge Grants

Priority will be given to “challenge grants” under which distributions will be authorized, provided other donors make matching gifts.

### Future Funding

The program must have potential for continuity through other funding sources in the future.

### Amount of Grants

Except in unusual circumstances, the largest grant will be \$5,000. It is anticipated that the majority of grants will be in smaller amounts.

### Tax Exempt Status

Except in unusual circumstances, grants will be made only to organizations recognized by the IRS as 501(c)(3).

### Application Deadlines

Deadline dates for applications are February 1, June 1, and October 1.

### Areas Generally Not Funded

1. Capital campaigns and buildings, computers, vehicles and similar equipment
2. Ongoing operating budgets
3. Publication of books and production of videos
4. Conferences and travel
5. Grants to individuals
6. Endowment funds

### Grant Application Procedure

1. Grant application form should be completed and signed by the Board Chairman or Executive Officer of the organization.

2. Attachments to the application form should include:

A. A cover letter of not more than two pages. The letter should address concisely the following points:

- (1) Objectives and background of the project
- (2) Demonstration of need for the project
- (3) Specific plans and timetable of the project
- (4) Description of both the current and long-term funding plans of the organization
- (5) Qualifications of the organization and personnel concerned

B. An overall budget for the organization as well as a budget for the specific project. The budgets should show sources of income as well as expenditure items.

C. List of current Board of Directors.

D. Copy of applicant’s official notice of tax exempt status under the Internal Revenue Code.

E. One copy of applicant’s most recent audit.

## SAMPLING OF PERMANENT FUNDS

### Individual and Special Endowments

- **James M. Alexander Medical Fund**  
Established in 1979 for medical programs including medical education.
- **Allegro Endowment Fund**  
Established in 1991 by an anonymous donor, the Allegro Endowment has broad charitable purposes.
- **B & B Endowment Fund**  
Established in 1984 by Mr. and Mrs. A. S. Blankenship, Jr. with broad charitable purposes.
- **Nell Barnhardt Endowment Fund**  
Established in 1991 in memory of Nell Barnhardt.
- **William H. Barnhardt Endowments**  
Established in 1986 under the will of William H. Barnhardt, these five endowments benefit charitable programs of special interest to Mr. Barnhardt. Four of the endowments provide annual income to specific charitable organizations: the Boy Scouts of America, Mecklenburg County Council; the YMCA of Greater Charlotte; the YMCA Blue Ridge Assembly in Black Mountain, NC; the Billy Graham Evangelistic Association. The fifth endowment benefits a broad range of charitable purposes.
- **Barnhardt/Thomas Fund For The Arts**  
Established in 1990 for the benefit of the North Carolina Blumenthal Performing Arts Center at Charlotte and the Charlotte Symphony.
- **George Baxter Endowment Fund**  
Established in 1981 with broad charitable purposes.
- **Bechtler Arts Endowment Fund**  
Established in 1981 by Andreas H. Bechtler to provide support to major arts programs in the Charlotte area.
- **Belmont Area Endowment for the Homeless and Hungry**  
Established in 1991 by an anonymous donor to benefit charitable efforts in Belmont, NC.
- **Gordon Berg Endowment Fund**  
Established in 1977 by Charles R. and Ailene S. Harris. Unrestricted, with emphasis on: (1) the voluntary system of social work generally (2) the field of child welfare and protective services (3) social planning for the community as a whole.
- **Mary Lou Bleau Endowment Fund**  
Established in 1988 with broad charitable purposes.
- **Emmett W. and Elizabeth H. Bringle Fund**  
Established in 1989 by Southern Webbing Mills in honor of the Bringles and in recognition of their service to the company and the community with broad charitable purposes.
- **Stanford R. Brookshire Endowment Fund**  
Established in 1979 for the benefit of High Point College, High Point, NC.
- **Martin Cannon Family Endowment Fund**  
Established in 1978 with broad charitable purposes.
- **Carolina Circle Fund**  
Established in 1985 under the will of a resident of Winston-Salem, NC with broad charitable purposes.
- **Carolinas Cancer Research Fund**  
Established in 1985 by William H. Van Every, Jr. for the purpose of medical research into the causes, detection, treatment and cure of cancer and for the purpose of educating and stimulating further cancer research by physicians and medical centers in the Carolinas.
- **Central United Methodist Church, Shelby, NC, Endowment Fund**  
Established in 1986 for the benefit of Central United Methodist Church in Shelby, NC.
- **Children's Medical Fund**  
Established in 1979 to assist in the medical needs of children (age 17 and under) which may be beyond their families' means to meet.
- **The Cole Foundation Endowment**  
Established in 1989 to serve a broad range of charitable, educational, religious, literary and cultural purposes primarily in the Richmond County area of NC.
- **Columbia Bible College and Seminary Endowment Fund**  
Established in 1987, the fund supports the training of missionaries for starting and developing new churches among unreached peoples.
- **Crosland Family Fund**  
Established in 1980 with broad charitable purposes.
- **Anne and Don Davidson Endowment Fund**  
Established in 1985 by Anne and Don Davidson for the benefit of the First Presbyterian Church of Charlotte. In particular the fund will benefit the church's urban ministry and support in other ways the existence of a Christian theological and ethical conscience within the heart of Charlotte.
- **Durwood Medical Clinic Endowment Fund**  
Established in 1979 for the field of medicine with particular emphasis on: (1) Financial aid to students in their education at schools of medicine (2) Medical projects or research in the Charlotte community (3) Other medically related activities.
- **Mr. and Mrs. Edward R. Fatzinger Endowment**  
Established in 1983 in memory of Mr. Edward R. Fatzinger for cancer research.
- **First United Methodist Church, Austell, GA, Endowment Fund**  
Established in 1986 for the benefit of the First United Methodist Church in Austell, GA.
- **Stuart and Martha Fishburne Endowment Fund**  
Established in 1982 as a memorial to Howard B. Higgins.
- **Stuart P. Fishburne Memorial Fund**  
Established in 1983 as a memorial to Stuart P. Fishburne.
- **Paul Hughston Frowein Endowment Fund**  
Established in 1989 by the First Presbyterian Church, Lancaster, SC to provide post-graduate scholarships for the ministry or church affiliated work.
- **Anne L. Van Every and Thomas Walter Glenn, III Endowment Fund**  
Established in 1981 with broad charitable purposes.
- **Romola D. Hardy Endowment Funds**  
The first endowment was established in 1981 for community projects of Charlotte Rotary Club #256. A gift is made annually in memory of Mrs. Hardy's husband, Harry Hardy, who was a member of that club. The second endowment, established in 1990, is an unrestricted fund to be used for grantmaking by the Foundation's Distribution Committee.
- **Charles R. and Ailene S. Harris Fund**  
Established in 1977 as an unrestricted fund with emphasis on: (1) Meeting the needs of underprivileged youngsters who might be assisted by scholarships to the various camps serving our community (2) Providing some of the equipment needs of boys clubs, youth centers and camps (3) Providing one or two annual scholarship grants to aid students of the Engineering College of the University of North Carolina at Charlotte (4) Giving help and education in appropriate ways to unwed mothers and assisting in education to prevent this social problem.
- **Barbara T. Hautau Endowment Fund**  
Established in 1989 as an unrestricted fund in honor of Barbara Hautau for 15 years of service to the Foundation as its vice president.
- **Judge D. E. and Mattie J. Henderson Endowment Fund**  
Established in memory of Judge D. E. and Mattie J. Henderson for the purpose of providing aid and assistance to abused women and children of the Charlotte-Mecklenburg area.
- **Lethia Jones Henderson Endowment Fund**  
Established in 1981 by the transfer to the Foundation of the trust created by the will of Lethia Jones Henderson. This is an unrestricted fund in the field of health and

community service with emphasis on service to minority groups.

- **Don S. Holt Memorial Endowment Fund**  
Established in 1982 in memory of Don S. Holt for the purpose of education and research in the renal field.
- **E. F. Hutton Fund**  
Established in 1979 to be used for crippled children (under 18) of North Carolina in need of braces, corrective shoes, wheelchairs and other orthopedic appliances.
- **Imago Mundi Endowment Fund**  
Established in 1990 for research in the field of the comparative history of science.
- **Annabel Lambeth Jones Endowment Funds**  
Established in 1980, these two memorial funds honor Annabel Lambeth Jones. The first fund is for the benefit of Brevard College (the Annabel Lambeth Jones Dormitory) and the Western North Carolina Conference of the United Methodist Church for the Ministers' Pension Fund. The second fund is for merit scholarships in Mrs. Jones' name at Queens College and Brevard College. In addition, the fund provides for a sculpture to be on permanent display at the Mint Museum.
- **Gail Elaine King Endowment Fund**  
Established in 1985 in memory of Gail Elaine King to benefit young people by providing: (1) scholarships at either, or both, the secondary school or collegiate levels (2) matching or challenge gifts for capital improvements or portions of new building funding for educational, religious or humanitarian institutions, and (3) operating funds or capital items of charitable, humanitarian, or research-oriented organizations on a "special need" basis.
- **Knight Foundation Endowment**  
Established in 1988 by the Knight Foundation of Miami, FL for charitable purposes in the Carolinas.
- **James J. and Dorothy F. McCarthy Endowment Fund**  
Established in 1990 with broad charitable purposes by Swimmer Insurance Agency to honor their service to the company.
- **McMahon Memorial Fund**  
Established in 1965 as an unrestricted fund through the will of Mrs. Philip McMahon. During her lifetime Mrs. McMahon was interested in beautification projects, women's rights and social welfare. The Foundation follows Mrs. McMahon's interests in the use of this fund.
- **William F. Mulliss Endowment Fund**  
Established in 1987 by the will of William F. Mulliss, who was the third president of the Foundation. The purpose of the fund is to assist with the medical needs of children.
- **Myers Endowment Fund**  
Established in 1991 by Brevard S. and Beatrice W. Myers with broad charitable purposes.

- **Col. Erickson S. Nichols and Madeline Hechenbleikner Nichols Endowment Fund**  
Established in 1983 in memory of Madeline Hechenbleikner Nichols for cancer research.
- **North State Telephone Company Endowment**  
Established in 1990 with broad charitable purposes.
- **Wilton L. and Mary W. Parr Foundation**  
Established in 1991 with broad charitable purposes.
- **Andy Pitts Memorial Fund**  
Established in 1985 in memory of Noah A. "Andy" Pitts with broad charitable purposes.
- **Bob and Wilma Shaw Endowment Fund**  
Established in 1978 with broad charitable purposes.
- **Paul and Eve Stewart Fund**  
Established in 1981 with broad charitable purposes.
- **Teledyne Allvac Endowment Fund**  
Established in 1988 for broad charitable purposes in the Union County, NC area.
- **Capt. Salem A. Van Every, Jr. Endowment Fund**  
Established in 1983 with broad charitable purposes.
- **S. Lance Van Every Endowment Fund**  
Established in 1981 with broad charitable purposes.
- **Charles R. Willard, Jr. Lecture Series Fund**  
Established in 1978 by Mr. and Mrs. Charles R. Willard in memory of their son. The fund is used for the Charles R. Willard, Jr. Lecture Series at the First Presbyterian Church, Charlotte, NC.
- **Emery Wister Endowment Fund**  
Established in 1983 in memory of Viola F. Wister and Dorothy M. Wister for the purposes of cancer research, treatment and the comfort of cancer patients.
- **Worldteam Endowment Fund**  
Established in 1987 for the benefit of Worldteam to promote missionary outreach of churches in the U.S.

## Organizational Endowments

- **American Red Cross, Greater Carolinas Chapter Endowment Fund**  
Established in 1985 for the benefit of the American Red Cross, Greater Carolinas Chapter.
- **Arthritis Patient Services Endowment Fund**  
Established in 1980 for arthritis education, research and patient support activities.
- **Arts Endowment Fund**  
Established in 1975 for the benefit of the Arts and Science Council to honor J. Walter Barr, one of the founders and the first president of the Arts Council.
- **Bethlehem Center Endowment Fund**  
Established in 1990 to celebrate the 50th Anniversary of Bethlehem Center.
- **Boys Home of York County Endowment Fund**  
Established in 1991 for the benefit of Boys Home of York County, SC.
- **Charlotte Choral Society Endowment Fund**  
Established in 1980 for the benefit of the Charlotte Choral Society.
- **Charlotte Community Day Care Fund**  
Established in 1987 by a gift from an anonymous donor to build and endow the YWCA Uptown Child Development Center.
- **Charlotte Council on Alcoholism and Chemical Dependency**  
Established in 1978 for the benefit of the Charlotte Council on Alcoholism and Chemical Dependency.
- **Charlotte Country Day School Endowment Fund**  
Established in 1979 for the benefit of Charlotte Country Day School with one-half of the net income to be used for scholarships and one-half for unrestricted use.
- **Charlotte Museum of History and Hezekiah Alexander Homesite Endowment**  
Established in 1990 for the benefit of the Hezekiah Alexander Foundation.
- **Charlotte-Mecklenburg Public Schools Endowment Fund**  
Established in 1985 for the benefit of the Charlotte-Mecklenburg Board of Education and the public schools under its jurisdiction.
- **Charlotte Speech and Hearing Center Endowment Fund**  
Established in 1980 for the benefit of the Charlotte Speech and Hearing Center.
- **Charlotte Symphony Endowment Fund**  
Established in 1978 for the benefit of the Charlotte Symphony Orchestra.
- **Child Care Resources Endowment Fund**  
Established in 1984 for the benefit of Child Care Resources. The first gift to the fund was in memory of Captain Steven F. Locke.
- **Children's Home Society Endowment Fund**  
Established in 1978 for the benefit of the Children's Home Society in Mecklenburg County.
- **Community Health Services Endowment Fund**  
Established in 1979 for the benefit of the Community Health Services.
- **Katherine B. Couch Endowment for The Oratorio Singers of Charlotte**  
Established in 1984 by Miss Couch for the benefit of The Oratorio Singers of Charlotte.
- **Council for Children Endowment Fund**  
Established in 1982 for the benefit of the Council for Children.
- **Crisis Assistance Ministry Endowment Fund**  
Established in 1981 for the benefit of the Crisis Assistance Ministry.
- **Davidson Community Fund**  
Established in 1979 for charitable needs in Davidson, NC.

- **Diabetes Fund of the Community Health Services Endowment Fund**  
Established in 1979 for the benefit of Community Health Services to be used in diabetes education, research and patient support activities.
- **Elon Homes for Children, Kennedy Campus Endowment Fund**  
Established in 1982 for the benefit of Elon Homes for Children, Kennedy Campus in Charlotte.
- **Florence Crittenton Services Endowment Fund**  
Established in 1979 for the benefit of Florence Crittenton Services.
- **Foundation Endowment Fund**  
Established in 1979 to assist with operations and grantmaking of the Foundation For The Carolinas.
- **Friendship Trays Endowment Fund**  
Established in 1980 for the benefit of Friendship Trays, a meals-on-wheels program for the elderly and homebound.
- **Hoyt Galvin/Friends of the Library Trust**  
Established in 1980 for the benefit of the Public Library of Charlotte and Mecklenburg County to provide funds for special library acquisitions, activities, or scholarships for which budgeted funds are not available.
- **Good Fellows Endowment Fund**  
Established in 1979 for the benefit of the Good Fellows Club, which provides financial assistance to residents of Mecklenburg County in need.
- **Mrs. A. J. Hagood Endowment Fund for the Bethlehem Center**  
Established in memory of Mrs. A. J. Hagood for the benefit of the Bethlehem Center.
- **Julie Hargrave Library Fund**  
Established in 1986 in memory of Julie Hargrave for the benefit of the Montclair Elementary School library in Charlotte, NC.
- **Highlands of Roan Endowment Fund**  
Established in 1988 by the Southern Appalachian Highlands Conservancy to help preserve the wilderness area around Roan Mountain on the North Carolina/Tennessee border.
- **Hornets' Nest Girl Scout Council Endowment Fund**  
Established in 1984 for the benefit of the Hornets' Nest Girl Scout Council.
- **Hospice at Charlotte Endowment Fund**  
Established in 1983 for the benefit of Hospice at Charlotte.
- **Hospice of Cleveland County Endowment Fund**  
Established in 1987 to benefit Hospice of Cleveland County.
- **Hospice of Union County Endowment Fund**  
Established in 1990 for the benefit of Hospice of Union County.
- **International House Endowment Fund**  
Established in 1984 for the benefit of International House.
- **Iredell-Statesville Public Schools Endowment Fund**  
Established in 1991 by Chester and Maxine Middlesworth for the benefit of the Iredell-Statesville Public Schools. Additional gifts from the public are encouraged.
- **Kinder-Mourn Endowment Fund**  
Established in 1990 for the benefit of Kinder-Mourn, which provides counseling and support services to parents who have lost a child.
- **Lancaster County, SC Library Endowment Fund**  
Established in 1988 to benefit the Lancaster County, SC public library.
- **Life Enrichment Center Endowment Fund**  
Established in 1987 to benefit the Life Enrichment Center, an adult day care service in Shelby, NC.
- **Sam and Carolyn McMahon, Jr. Fund for Community School of the Arts Endowment**  
Established in 1988 to benefit the Community School of the Arts in Charlotte, NC.
- **Mecklenburg County Council, Boy Scouts of America, Endowment Fund**  
Established in 1982 for the benefit of the Mecklenburg County Council, Boy Scouts of America. The first gift to the fund was made in memory of R. Michael Beck and Lori Pfann.
- **Mecklenburg 4-H Endowment Fund**  
Established in 1979 for the benefit of the Mecklenburg County 4-H.
- **Metrolina Association for the Blind Endowment Fund**  
Established in 1980 for the benefit of the Metrolina Association for the Blind.
- **Mint Museum of Art Endowment Fund**  
Established in 1977 as a permanent fund for the benefit of the Mint Museum of Art.
- **Dorothy L. Moline Endowment Fund**  
Established in 1981 in memory of Dorothy L. Moline for the benefit of the National Kidney Foundation of North Carolina, Mecklenburg Chapter.
- **Margaret Parker Moss Fund**  
Established in 1986 in memory of Margaret Parker Moss for the benefit of special programs of the Education Department of the Mint Museum of Art.
- **Nevins Center Endowment Fund**  
Established in 1983 for the benefit of the Nevins Center, which serves mentally retarded and physically handicapped adults.
- **North Carolina School of the Arts Endowment Fund**  
Established in 1981 for the benefit of the North Carolina School of the Arts.
- **North Mecklenburg Child Development Association Endowment Fund**  
Established in 1976 for the benefit of the North Mecklenburg Child Development Association in Davidson, NC.
- **Opera Carolina Endowment Fund**  
Established in 1977 for the benefit of Opera Carolina.
- **Parkinson Association of Mecklenburg County Endowment Fund**  
Established in 1985 for the benefit of the Parkinson Association of Mecklenburg County, a division of Community Health Services.
- **Planned Parenthood of the Southern Piedmont and Carolina Mountains Endowment Fund**  
Established in 1985 with the initial gift being made by the Blumenthal Foundation.
- **Richmond County Hospice**  
Established in 1990 for the benefit of Richmond County Hospice.
- **Rotary Club of Statesville Endowment Fund**  
Established in 1991 for charitable projects of the Rotary Club in Statesville, NC.
- **St. Mark's Center Endowment Fund**  
Established in 1984 for the benefit of St. Mark's Center, which provides services to mentally retarded children and adults.
- **Salvation Army Endowment Fund**  
Established in 1989 for the benefit of Salvation Army programs in the greater Charlotte area.
- **Science Museums of Charlotte Endowment Fund**  
Established in 1979 for the benefit of the Science Museums of Charlotte.
- **Shepherd's Center of Charlotte Endowment Fund**  
Established in 1987 for the benefit of Shepherd's Center, which provides educational opportunities and services to senior citizens.
- **Spirit Square Scholars**  
Established in 1986 to provide a summer program in the visual arts for talented students in the Charlotte-Mecklenburg School System.
- **Teresa S. and Laura H. Thomas Fund**  
Established in 1981 for the benefit of the Science Museums of Charlotte. The two sisters established this fund in memory of their aunts, Alice H. Wickersham and Alice F. Hogans.
- **Union County Community Arts Council**  
Established in 1990 for the benefit of Union County Community Arts Council.
- **United Way of Central Carolinas Endowment Fund**  
Established in 1975 for the benefit of United Way of Central Carolinas.
- **United Way of Cleveland County Fund**  
Established in 1985 for the benefit of United Way of Cleveland County.
- **Wing Haven Foundation Endowment Fund**  
Established in 1980 for the benefit of the Wing Haven Foundation, which operates a bird and garden sanctuary in Charlotte.
- **Billy Wireman Professorship Endowment for Queens College**  
Established in 1988 in honor of Billy

Wireman, president of Queens College.

- **Augusta Wray Fund of the Community Health Services Endowment Fund**  
Established in 1980, this fund benefits Community Health Services for the purposes outlined in the will of Augusta M. Wray.
- **WTVI Public Television Endowment Fund**  
Established in 1985 for the benefit of WTVI.
- **YMCA Endowment Fund**  
Established in 1980 for the benefit of the Young Men's Christian Association of Greater Charlotte.
- **York County Hospice**  
Established in 1991 for the benefit of York County (SC) Hospice.
- **Youth Homes Endowment Fund**  
Established in 1982 for the benefit of Youth Homes, which provides residential and other services to older youth with emotional or behavioral problems.
- **YWCA Endowment Fund**  
Established in 1983 for the benefit of the Young Women's Christian Association of Charlotte.

## Scholarship Funds

- **Nancy (Nan) M. Abell Scholarship Fund**  
Established in 1991 to honor Nan Abell, a teacher in the Charlotte-Mecklenburg School System for 45 years, by one of her former students, H. R. McCrorie. The fund provides an annual scholarship to a senior at Garinger High School.
- **Herb Adrian Memorial Scholarship Fund**  
Established in 1990 in memory of Herb Adrian by the Charlotte Apartment Association for scholarships in the multi-family housing field.
- **William Tasse Alexander Scholarship Fund**  
Established in 1983 to provide merit scholarships to Mecklenburg County, NC residents for undergraduate studies primarily in the field of education. This fund was established through the will of Margery Alexander Thompson, a Charlotte-Mecklenburg teacher, in memory of her parents and grandparents, the William Tasse Alexanders.
- **George L. Bagby Scholarship Fund**  
Established in 1990 to provide scholarships at the University of North Carolina at Chapel Hill.
- **Mr. and Mrs. James H. Black Voice of Democracy Scholarship Fund**  
Established in 1987 to provide an annual scholarship to the North Carolina winner of the Voice of Democracy essay contest sponsored by the Veterans of Foreign Wars.
- **Julian E. Carnes Scholarship Fund**  
Established in 1989 to provide scholarships to students preparing for a career in a technological field appropriate to meet the requirements of the U.S. Patent Office as a

patent agent or attorney.

- **Charlotte Housing Authority Scholarship Fund**  
Established in 1983 to provide scholarships to residents of Charlotte public housing who wish to continue their education beyond the secondary level.
- **Charlotte-Mecklenburg Schools Scholarship Incentive Fund**  
Established in 1988 by a \$1 million anonymous gift to provide an incentive for disadvantaged, at-risk students to graduate and pursue further education.
- **Lula Faye Clegg Memorial Scholarship Fund**  
Established in 1990 in honor of Lula Faye Clegg, a teacher in the Charlotte-Mecklenburg Schools for more than 40 years, by her former students. The fund provides scholarships in teaching at the University of North Carolina at Charlotte.
- **Cole Scholarship Program**  
Established in 1989 to increase the number of Richmond County, NC high school graduates who pursue post-secondary education.
- **Crowder Scholarship Fund**  
Established in 1986 by O. P. Crowder and W. T. Crowder, Sr. to provide college scholarships to children of employees of construction companies located in Mecklenburg County, with preference being given to children of employees of the Crowder Construction Company.
- **E. R. and Lillian B. Dimmette Scholarship Fund**  
Established in 1990 to provide college scholarships to students from Mecklenburg, Rowan and Wilkes counties.
- **Richard Goolsby Scholarship Fund**  
Established in 1987 by William and Martha DeBrule of Forest City, NC in honor of Richard Goolsby, a pioneer in the field of plastics, to provide scholarships to students who have shown a career interest in the plastics industry.
- **Lucille Finch Jones Presidential Scholarship Fund**  
Established in 1979 for the Lucille Finch Jones Presidential Scholarship Program of Queens College in Charlotte, NC.
- **Lucille Finch Jones Endowment Fund**  
Established in 1988 to provide scholarships for male students at Queens College.
- **Margaret H. Jones Scholarship Fund**  
Established in 1987 by the will of Annie Lois Hyland in memory of her daughter, Margaret H. Jones. This endowment provides an annual college scholarship for a graduating senior at Myers Park High School.
- **Law Enforcement Memorial Scholarship Fund**  
Established in 1987 in memory of Charlotte Police Officer Robert L. Smith and all other officers slain in the line of duty. This fund

awards scholarships to undergraduate students studying law enforcement at CPCC and UNCC.

- **North Carolina League for Nursing Academic Scholarship Fund**  
Established in 1989 to offer graduate scholarships in nursing and related fields.
- **Mary Lynn Phillips Dance Scholarship Fund at Spirit Square**  
Established in 1983 in memory of Mary Lynn Phillips to provide instructional scholarships to students of dance at Spirit Square Arts Center on the basis of need and talent.
- **Henry DeWitt Plyler Scholarship Fund**  
Established in 1989 to provide undergraduate scholarships to Winthrop College for students from Lancaster County, SC.
- **Amy E. Ray Memorial Scholarship Fund**  
Established in 1989 to provide an annual scholarship to a senior band student at Southpoint High School in Belmont, NC.
- **Rotary Scholarship Fund**  
Formerly a loan program placed with the Foundation in 1979 by the Charlotte Rotary Club, this fund was converted to a scholarship fund in 1987. The purpose of the fund is to provide scholarships for graduates of Central Piedmont Community College who wish to obtain a bachelor's degree. Scholarships are awarded on the basis of merit, financial need and community service.
- **Wade H. Stroud, Jr./Charlotte-Mecklenburg Fraternal Order of Police Scholarship Fund**  
Established in 1990 in memory of Charlotte Police Captain Wade H. Stroud, Jr. to provide scholarships in law enforcement at the University of North Carolina at Charlotte.
- **Louise Thomas Scholarship Fund**  
Established in 1986 with broad educational purposes.
- **Washburn Graphics Scholarship Fund**  
This fund, established in 1980, provides a scholarship to a graphic arts student at Central Piedmont Community College.
- **Fred C. Wikoff, Jr. Scholarship Fund**  
Established in 1991 to provide scholarships to children of employees of Wikoff Color Corporation.
- **Wilmore Scholarship Fund**  
Established in 1991 to provide a college scholarship to a student from the Wilmore Neighborhood of Charlotte.

## 1991 GRANTS

### Grants By Categories

Education .....	\$1,626,923
Human Services .....	1,578,450
Religion .....	851,145
Arts .....	447,191
Health & Medical Research .....	383,527
Senior Programs .....	160,377
Environment & Historical Preservation .....	118,000
Youth Programs .....	40,224
Public & Civic Programs .....	15,735
<b>Total Grants .....</b>	<b>\$5,221,572</b>

### Education

• Appalachian State University, <i>Boone, NC</i> , .....	\$2,500
• Appalachian State University Foundation, <i>Boone, NC</i> , .....	\$16,000
• Barber-Scotia College, <i>Concord, NC</i> , .....	\$11,800
• Brevard College, <i>Brevard, NC</i> , .....	\$56,381
• Central Piedmont Community College, <i>Charlotte, NC</i> , .....	\$3,339
• Central Piedmont Community College Foundation, <i>Charlotte, NC</i> , .....	\$2,000
• Charlotte Country Day School, <i>Charlotte, NC</i> , .....	\$77,690
• Charlotte Housing Authority Scholarship Program, <i>Charlotte, NC</i> , .....	\$8,585
• Charlotte Latin School, <i>Charlotte, NC</i> , .....	\$3,700
• Charlotte-Mecklenburg Schools, <i>Charlotte, NC</i> , .....	\$2,500
• Clemson University, <i>Clemson, SC</i> , .....	\$3,500
• Clemson University Foundation, <i>Clemson, SC</i> , .....	\$5,000
• College of Charleston Foundation, <i>Charleston, SC</i> , .....	\$10,100
• Converse College, <i>Spartanburg, SC</i> , .....	\$2,150
• Davidson College, <i>Davidson, NC</i> , .....	\$87,150
• Duke University, <i>Durham, NC</i> , .....	\$9,663
• ETV Endowment of South Carolina, <i>Spartanburg, SC</i> , .....	\$2,325
• East Carolina University, <i>Greenville, SC</i> , .....	\$11,600
• Educational Foundation, <i>Chapel Hill, NC</i> , .....	\$8,350
• Elon College, <i>Elon College, NC</i> , .....	\$5,000
• Episcopal High School, <i>Alexandria, VA</i> , .....	\$11,000
• Fayetteville State University, <i>Fayetteville, NC</i> , .....	\$27,900
• Florida Atlantic University Foundation, <i>Boca Raton, FL</i> , .....	\$3,500
• Georgia Tech Foundation, <i>Atlanta, GA</i> , .....	\$2,500
• Greensboro College, <i>Greensboro, NC</i> , .....	\$10,000
• High Point College, <i>High Point, NC</i> , .....	\$2,610
• Howard University, <i>Washington, DC</i> , .....	\$5,400
• Institute for Research on Interrelation of Science & Culture, <i>Wilmington, NC</i> , .....	\$13,952
• Johnson C. Smith University, <i>Charlotte, NC</i> , .....	\$11,000
• Lancaster County Library, <i>Lancaster, SC</i> , .....	\$2,899
• Lees-McRae College, <i>Banner Elk, NC</i> , .....	\$6,000
• Livingstone College, <i>Salisbury, NC</i> , .....	\$13,600
• Meredith College, <i>Raleigh, NC</i> , .....	\$8,500
• Montreat-Anderson College, <i>Montreat, NC</i> , .....	\$2,000
• Museum of York County, <i>Rock Hill, SC</i> , .....	\$4,000
• North Carolina A & T State University, <i>Greensboro, NC</i> , .....	\$11,079
• North Carolina Central University, <i>Durham, NC</i> , .....	\$10,168
• North Carolina School of the Arts, <i>Winston-Salem, NC</i> , .....	\$9,227
• North Carolina State University, <i>Raleigh, NC</i> , .....	\$41,741
• North Carolina Textile Foundation, <i>Raleigh, NC</i> , .....	\$2,000
• Oglethorpe University, <i>Atlanta, GA</i> , .....	\$3,000
• Pfeiffer College, <i>Misenheimer, NC</i> , .....	\$14,500
• Pope John Paul II Regional High School, <i>Boca Raton, FL</i> , .....	\$2,000
• Providence Day School, <i>Charlotte, NC</i> , .....	\$12,000
• Public Library of Charlotte-Mecklenburg, <i>Charlotte, NC</i> , .....	\$4,000
• Queens College, <i>Charlotte, NC</i> , .....	\$211,208
• Randolph-Macon Woman's College, <i>Lynchburg, VA</i> , .....	\$100,000
• Research & Educational Trust Fund - Mortgage Bankers Association of America, <i>Washington, DC</i> , .....	\$2,000
• Richmond Community College, <i>Hamlet, NC</i> , .....	\$38,418
• Richmond Community College Foundation, <i>Hamlet, NC</i> , .....	\$6,750
• Richmond County Schools, <i>Hamlet, NC</i> , .....	\$91,000
• Richmond County Public Library System, <i>Rockingham, NC</i> , .....	\$46,743
• Rock Hill School District Foundation, <i>Rock Hill, SC</i> , .....	\$2,700
• Sandhills Community College, <i>Pinehurst, NC</i> , .....	\$7,800
• Science Museums of Charlotte, <i>Charlotte, NC</i> , .....	\$10,808
• St. Andrews Presbyterian College, <i>Laurinburg, NC</i> , .....	\$35,000
• Union College, <i>Schenectady, NY</i> , .....	\$3,000
• University of North Carolina at Chapel Hill, <i>Chapel Hill, NC</i> , .....	\$38,178
• University of North Carolina at Chapel Hill Foundation, <i>Chapel Hill, NC</i> , .....	\$253,000
• University of North Carolina at Charlotte, <i>Charlotte, NC</i> , .....	\$39,450
• University of North Carolina at Charlotte Athletic Foundation, <i>Charlotte, NC</i> , .....	\$5,100

## 1991 GRANTS

• University of North Carolina at Charlotte Foundation, Charlotte, NC, .....	\$45,950
• University of North Carolina at Greensboro, Greensboro, NC, .....	\$2,200
• University of Virginia, Charlottesville, VA, .....	\$2,700
• WTVI, Charlotte, NC, .....	\$4,720
• Wake Forest University, Winston-Salem, NC, .....	\$37,500
• Washington & Lee University, Lexington, VA, .....	\$2,600
• Washington College, Chestertown, MD, .....	\$5,000
• Western Carolina University, Cullowhee, NC, .....	\$3,825
• Winston-Salem State University, Winston-Salem, NC, ...	\$2,450
• Winthrop College Foundation, Rock Hill, SC, .....	\$2,000
• Woodberry Forest School, Woodberry Forest, VA, .....	\$4,600
• York Technical College Foundation, Rock Hill, SC, .....	\$10,000
Others (Less than \$2,000 each) (72) .....	\$48,314
<b>Total .....</b>	<b>\$1,626,923</b>

### Human Services

• A Child's Place, Charlotte, NC, .....	\$5,500
• Advocates for Children in Court, Charlotte, NC, .....	\$15,000
• Alexander Children's Center, Charlotte, NC, .....	\$12,200
• Amethyst Foundation, Charlotte, NC, .....	\$12,750
• Bethlehem Center, Charlotte, NC, .....	\$4,200
• Carolina Computer Access Center, Charlotte, NC, .....	\$20,000
• Charitable Outreach Society, Charlotte, NC, .....	\$2,000
• Child Care Resources, Charlotte, NC, .....	\$19,921
• Community Based Alternatives, Rockingham, NC, .....	\$30,000
• Community Foundation of Greater Washington, Washington, DC, .....	\$25,000
• Council on Foundations, Washington, DC, .....	\$3,000
• County of Richmond, Rockingham, NC, .....	\$15,167
• Crisis Assistance Ministry, Charlotte, NC, .....	\$127,493
• Crossnore School, Crossnore, NC, .....	\$30,250
• Cued Speech Center, Raleigh, NC, .....	\$5,000
• Energy Committed to Offenders, Charlotte, NC, .....	\$30,000
• Family Support Center, Charlotte, NC, .....	\$27,900
• First Baptist Church Day Care, Charlotte, NC, .....	\$20,500
• Florence Crittenton Services, Charlotte, NC, .....	\$40,300
• Gethsemane Enrichment Program, Charlotte, NC, .....	\$5,000
• Good Fellows Club, Charlotte, NC, .....	\$2,673
• Goodwill Industries, Charlotte, NC, .....	\$5,000
• Gospel Chapel - Parson of the Hills, Hickory, NC, .....	\$2,000
• Grandfather Home for Children, Banner Elk, NC, .....	\$5,000
• Habitat for Humanity of Charlotte, Charlotte, NC, .....	\$12,300
• Habitat for Humanity - Richmond County, Rockingham, NC, .....	\$22,000

• Holy Angels Nursery, Belmont, NC, .....	\$10,000
• Hopespring, Charlotte, NC, .....	\$10,000
• Hospice at Charlotte, Charlotte, NC, .....	\$7,400
• International House, Charlotte, NC, .....	\$6,000
• Kennedy Campus of Elon Homes for Children, Charlotte, NC, .....	\$50,000
• Kinder-Mourn, Charlotte, NC, .....	\$3,350
• Loaves & Fishes, Charlotte, NC, .....	\$2,000
• Mecklenburg Council on Adolescent Pregnancy, Charlotte, NC, .....	\$4,605
• Mecklenburg Community Corrections, Charlotte, NC, ..	\$3,500
• Metrolina Association for the Blind, Charlotte, NC, .....	\$2,100
• National Housing Endowment, Washington, DC, .....	\$10,000
• Nevins Center, Charlotte, NC, .....	\$8,882
• North Carolina Literacy Association, Raleigh, NC, .....	\$5,000
• North Mecklenburg Child Development Association, Davidson, NC, .....	\$8,850
• Planned Parenthood of the Southern Piedmont and Carolina Mountains, Charlotte, NC, .....	\$20,094
• REBOUND - Charlotte Rehabilitation Center, Charlotte, NC, .....	\$6,250
• Relatives, The, Charlotte, NC, .....	\$4,700
• Richmond Christian Family Center, Rockingham, NC, ..	\$7,500
• Richmond County Hospice, Rockingham, NC, .....	\$40,000
• Salvation Army, Charlotte, NC, .....	\$169,019
• Salvation Army, Rock Hill, SC, .....	\$20,500
• Special Olympics, Raleigh, NC, .....	\$2,000
• St. Francis Jobs Program, Charlotte, NC, .....	\$2,200
• St. Luke's Lutheran Church Day Care, Charlotte, NC, ...	\$5,000
• St. Mark's Center, Charlotte, NC, .....	\$6,500
• United Way of Central Carolinas, Charlotte, NC, .....	\$392,602
• United Way of Greater Greensboro, Greensboro, NC, ...	\$3,000
• United Way of Greater High Point, High Point, NC, ....	\$4,500
• United Way of Iredell/Statesville, Statesville, NC, .....	\$2,000
• United Way of Richmond County, Rockingham, NC, ..	\$63,430
• United Way of Stanly County, Albemarle, NC, .....	\$2,670
• University of North Carolina at Charlotte Urban Institute for Neighborhood Grants, Charlotte, NC, ....	\$29,517
• University of North Carolina School of Social Work, Chapel Hill, NC, .....	\$50,000
• YMCA - Blue Ridge Assembly, Black Mountain, NC, ..	\$14,502
• YMCA - Charlotte, NC, .....	\$51,007
• YMCA - Iredell/Statesville, Statesville, NC, .....	\$2,500
• York County Hospice, Rock Hill, SC, .....	\$2,000
• York Place, York, SC, .....	\$2,000
Others (less than \$2000 each) (70) .....	\$43,118
<b>Total .....</b>	<b>\$1,578,450</b>

## 1991 GRANTS

### Religion

• Avondale Presbyterian Church, <i>Charlotte, NC</i> , .....	\$3,500
• Billy Graham Evangelistic Association, <i>Minneapolis, MN</i> , .....	\$14,478
• Broad Street United Methodist Church, <i>Statesville, NC</i> , .....	\$9,300
• Calvary Church, <i>Charlotte, NC</i> , .....	\$25,000
• Candlewyck Baptist Church, <i>Charlotte, NC</i> , .....	\$9,000
• Central United Methodist Church, <i>Concord, NC</i> , .....	\$26,000
• Central United Methodist Church, <i>Shelby, NC</i> , .....	\$6,473
• Charlotte Federation of Jewish Charities, <i>Charlotte, NC</i> , .....	\$4,000
• Charlotte Jewish Federation, <i>Charlotte, NC</i> , .....	\$17,609
• Christ Episcopal Church, <i>Charlotte, NC</i> , .....	\$62,420
• Church of Jesus Christ of Latter Day Saints, <i>Charlotte, NC</i> , .....	\$4,000
• Columbia Bible College & Seminary, <i>Columbia, SC</i> , ...	\$37,124
• Cove Presbyterian Church, <i>Covesville, VA</i> , .....	\$6,013
• Covenant Presbyterian Church, <i>Charlotte, NC</i> , .....	\$10,700
• Davidson College Presbyterian Church, <i>Davidson, NC</i> , .....	\$8,300
• Duke University Divinity School, <i>Durham, NC</i> , .....	\$7,500
• Episcopal Diocese of North Carolina, <i>Raleigh, NC</i> , .....	\$7,500
• First Presbyterian Church, <i>Charlotte, NC</i> , .....	\$20,800
• First Presbyterian Church of Concord, <i>Concord, NC</i> , .....	\$4,953
• First United Methodist Church, <i>Austell, GA</i> , .....	\$32,350
• First United Methodist Church, <i>Charlotte, NC</i> , .....	\$4,000
• Foundation of Charlotte Jewish Community, <i>Charlotte, NC</i> , .....	\$3,350
• Foundry United Methodist Church, <i>Washington, DC</i> , ....	\$2,225
• Jewish Community Center, <i>Charlotte, NC</i> , .....	\$2,240
• Kanuga Conferences, <i>Hendersonville, NC</i> , .....	\$2,500
• Lausanne Committee for World Evangelism, <i>Charlotte, NC</i> , .....	\$2,000
• Ministries in Action, <i>Coral Gables, FL</i> , .....	\$2,800
• Myers Park Baptist Church, <i>Charlotte, NC</i> , .....	\$56,600
• Myers Park Presbyterian Church, <i>Charlotte, NC</i> , .....	\$167,650
• Myers Park United Methodist Church, <i>Charlotte, NC</i> , ..	\$32,755
• Old Cutler Presbyterian Church, <i>Miami, FL</i> , .....	\$3,400
• Park Road Baptist Church, <i>Charlotte, NC</i> , .....	\$16,000
• Providence United Methodist Church, <i>Charlotte, NC</i> , ..	\$32,500
• Sardis Presbyterian Church, <i>Charlotte, NC</i> , .....	\$9,000
• Selwyn Avenue Presbyterian Church, <i>Charlotte, NC</i> , ....	\$6,300
• St. Christopher's Episcopal Church, <i>High Point, NC</i> , .....	\$4,000
• St. John's Baptist Church, <i>Charlotte, NC</i> , .....	\$11,000
• St. John's Episcopal Church, <i>Charlotte, NC</i> , .....	\$13,500
• St. John's House, <i>Durham, NC</i> , .....	\$7,500
• St. John's Lutheran Church, <i>Statesville, NC</i> , .....	\$10,000

• St. John's United Methodist Church, <i>Rock Hill, SC</i> , ....	\$14,500
• St. Martin's Episcopal Church, <i>Charlotte, NC</i> , .....	\$11,300
• St. Mary's of the Hills Episcopal Church, <i>Blowing Rock, NC</i> , .....	\$2,000
• St. Peter's Episcopal Church, <i>Charlotte, NC</i> , .....	\$8,680
• St. Peter's Episcopal Church, <i>Greenville, SC</i> , .....	\$3,000
• Tabernacle Church of Norfolk, <i>Norfolk, VA</i> , .....	\$10,000
• Temple Israel, <i>Charlotte, NC</i> , .....	\$7,332
• Trinity Presbyterian Church, <i>Charlotte, NC</i> , .....	\$27,200
• United Methodist Foundation of Western North <i>Carolina, Charlotte, NC</i> , .....	\$5,000
• Wesley Foundation, <i>Rock Hill, SC</i> , .....	\$2,000
• Western NC Conference of the United Methodist Church, <i>Charlotte, NC</i> , .....	\$7,948
• Worldteam, <i>Coral Gables, FL</i> , .....	\$15,317
• Others (less than \$2,000 each) (43) .....	\$30,528
<b>Total</b> .....	<b>\$851,145</b>

### Arts

• Arts and Science Council, <i>Charlotte, NC</i> , .....	\$55,949
• Charlotte Children's Choir, <i>Charlotte, NC</i> , .....	\$2,100
• Charlotte Symphony Orchestra, <i>Charlotte, NC</i> , .....	\$19,675
• Children's Theatre of Charlotte, <i>Charlotte, NC</i> , .....	\$5,800
• Community School of the Arts, <i>Charlotte, NC</i> , .....	\$4,387
• Festival in the Park, <i>Charlotte, NC</i> , .....	\$2,000
• Mint Museum of Art, <i>Charlotte, NC</i> , .....	\$26,732
• North Carolina Blumenthal Center for the Performing Arts, <i>Charlotte, NC</i> , .....	\$290,559
• North Carolina Dance Theatre, <i>Charlotte, NC</i> , .....	\$2,000
• Opera Carolina, <i>Charlotte, NC</i> , .....	\$2,802
• Oratorio Singers of Charlotte, <i>Charlotte, NC</i> , .....	\$2,656
• Queens Table Projects, <i>Charlotte, NC</i> , .....	\$4,689
• Spirit Square, <i>Charlotte, NC</i> , .....	\$13,712
• Union County Community Arts Council, <i>Monroe, NC</i> , .....	\$3,000
• Others (Less than \$2,000 each) (17) .....	\$11,130
<b>Total</b> .....	<b>\$447,191</b>

### Health & Medical Research

• American Red Cross, <i>Charlotte, NC</i> , .....	\$25,100
• American Red Cross, <i>Rock Hill, SC</i> , .....	\$5,500
• Cannon Memorial Hospital, <i>Banner Elk, NC</i> , .....	\$3,100

## 1991 GRANTS

• Carolinas Medical Center, <i>Charlotte, NC</i> , .....	\$5,000
• CFIDS Association, <i>Charlotte, NC</i> , .....	\$5,150
• Charlotte-Mecklenburg Hospital Authority Foundation, <i>Charlotte, NC</i> , .....	\$20,906
• Community Health Services in Mecklenburg/Union Counties, <i>Charlotte, NC</i> , .....	\$51,352
• Duke University Medical Center, <i>Durham, NC</i> , .....	\$5,292
• Heineman Medical Research Center, <i>Charlotte, NC</i> , ...	\$25,000
• Hospice at Charlotte, <i>Charlotte, NC</i> , .....	\$6,241
• Hospice of Rowan County, <i>Salisbury, NC</i> , .....	\$28,906
• Hospice of York County, <i>Rock Hill, SC</i> , .....	\$3,357
• House of Mercy, <i>Belmont, NC</i> , .....	\$6,718
• Lineberger Cancer Research Center, <i>Chapel Hill, NC</i> , ...	\$5,500
• Mecklenburg County Health Department, <i>Charlotte, NC</i> , .....	\$10,000
• Mercy Hospital Foundation, <i>Charlotte, NC</i> , .....	\$8,650
• Metrolina AIDS Project, <i>Charlotte, NC</i> , .....	\$39,024
• North Carolina Memorial Hospital, <i>Chapel Hill, NC</i> , ...	\$50,000
• Presbyterian Hospital Foundation, <i>Charlotte, NC</i> , .....	\$8,150
• Rex Hospital Foundation, <i>Raleigh, NC</i> , .....	\$6,000
• Rowan County Health Department, <i>Salisbury, NC</i> , .....	\$8,880
• United Family Services, <i>Charlotte, NC</i> , .....	\$15,000
• United Way of Central Carolinas, <i>Charlotte, NC</i> , .....	\$11,336
• University of North Carolina at Charlotte, <i>Charlotte, NC</i> , .....	\$3,600
• University of South Carolina, <i>Columbia, SC</i> , .....	\$5,000
• Others (less than \$2,000 each) (30) .....	\$20,765
<b>Total</b> .....	<b>\$383,527</b>

### Senior Programs

• First Assembly of God Living Center, <i>Concord, NC</i> , .....	\$2,000
• Friendship Trays, <i>Charlotte, NC</i> , .....	\$32,599
• Leadership Charlotte, <i>Charlotte, NC</i> , .....	\$3,000
• Methodist Home, <i>Charlotte, NC</i> , .....	\$100,500
• Richmond County Council on Aging, <i>Rockingham, NC</i> , .....	\$9,343
• Shepherd's Center of Charlotte, <i>Charlotte, NC</i> , .....	\$6,435
• Others (less than \$2,000 each) (8) .....	\$6,500
<b>Total</b> .....	<b>\$160,377</b>

### Environment & Historical Preservation

• Friends of Town Creek Indian Mound, <i>Mt Gilead, NC</i> , .	\$2,500
• Hezekiah Alexander Foundation, <i>Charlotte, NC</i> , .....	\$6,000
• Historic Rosedale, <i>Charlotte, NC</i> , .....	\$5,000

• Nation Ford Land Trust, <i>Fort Mill, SC</i> , .....	\$5,000
• North Carolina Museum of History, <i>Raleigh, NC</i> , .....	\$2,000
• North Carolina Outward Bound School, <i>Morganton, NC</i> , .....	\$12,100
• North Carolina Zoological Society, <i>Asheboro, NC</i> , .....	\$5,000
• Ocean Isle Museum Foundation, <i>Ocean Isle Beach, NC</i> , .....	\$15,500
• Palmetto Conservation Foundation, <i>Columbia, SC</i> , .....	\$7,000
• Sierra Club Foundation, <i>San Francisco, CA</i> , .....	\$30,000
• South Carolina Wildlife Federation, <i>Columbia, SC</i> , .....	\$5,000
• Southern Appalachian Highlands Conservancy, <i>Johnson City, TN</i> , .....	\$5,000
• Spirit of Kitty Hawk, <i>Raleigh, NC</i> , .....	\$2,000
• Wilderness Society, <i>Washington, DC</i> , .....	\$2,500
• Wing Haven Foundation, <i>Charlotte, NC</i> , .....	\$3,900
• Others (less than \$2,000 each) (15) .....	\$9,500
<b>Total</b> .....	<b>\$118,000</b>

### Youth

• Boy Scouts of America - Mecklenburg County Council, <i>Charlotte, NC</i> , .....	\$ 18,607
• YMCA - Camp Thunderbird, <i>Clover, SC</i> , .....	\$2,700
• YMCA - Daytona Beach, <i>Daytona Beach, FL</i> , .....	\$2,000
• YMCA - Johnston Memorial Branch, <i>Charlotte, NC</i> , .....	\$5,000
• Others (less than \$2,000 each) (13) .....	\$11,917
<b>Total</b> .....	<b>\$40,224</b>

### Public & Civic Programs

• Central Carolina Citizens Forum, <i>Charlotte, NC</i> , .....	\$3,518
• Charlotte Chamber Foundation, <i>Charlotte, NC</i> , .....	\$4,000
• City of Burlington, <i>Burlington, NC</i> , .....	\$3,000
• People For the American Way, <i>Raleigh, NC</i> , .....	\$3,000
• Others (less than \$2,000 each) (4) .....	\$2,217
<b>Total</b> .....	<b>\$15,735</b>

**Total 1991 Grants Approved ..... \$5,221,572**

*Note: Grant figures for organizations are cumulative and may represent more than one gift.*

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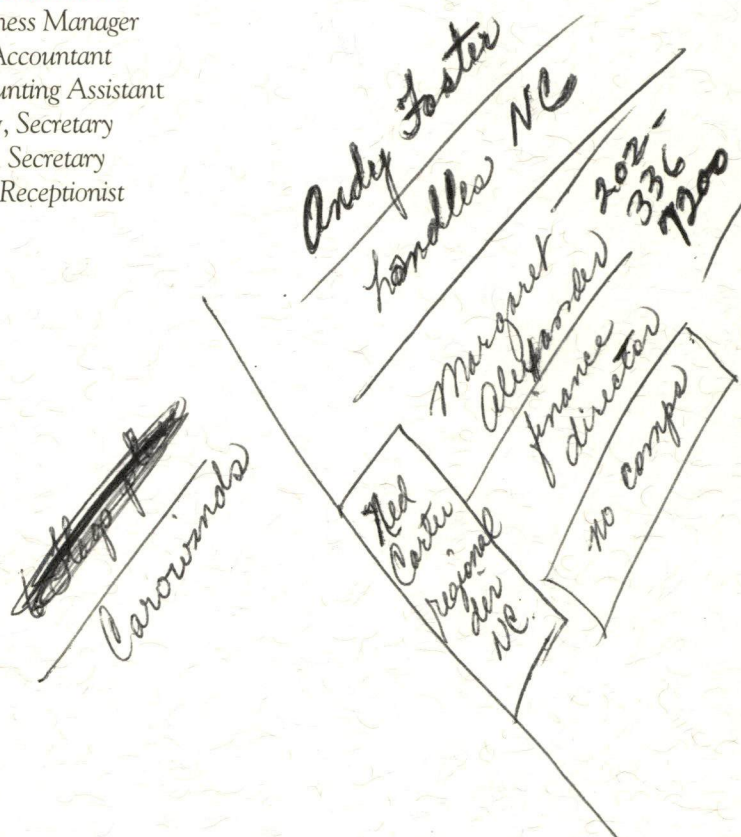
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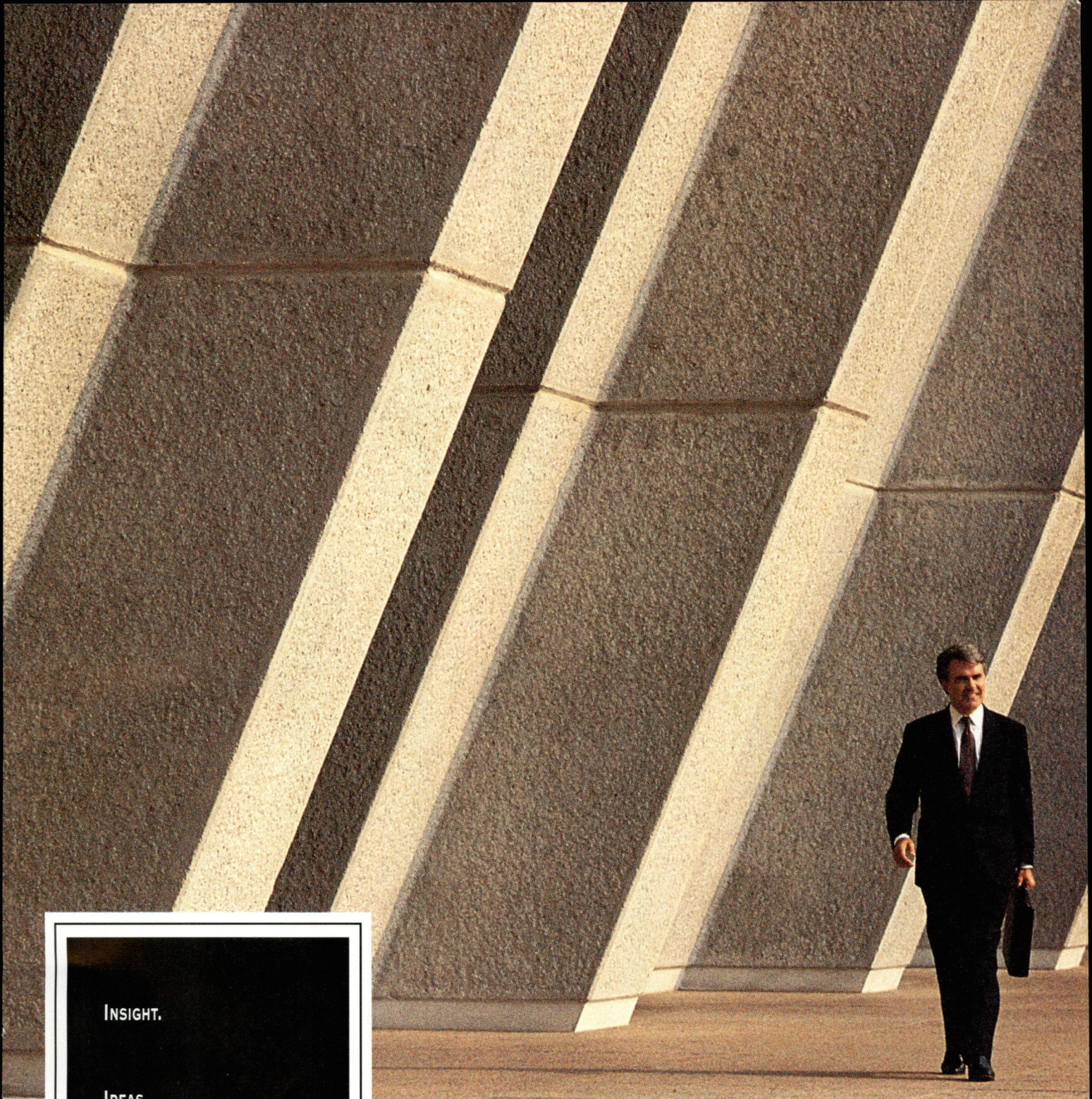


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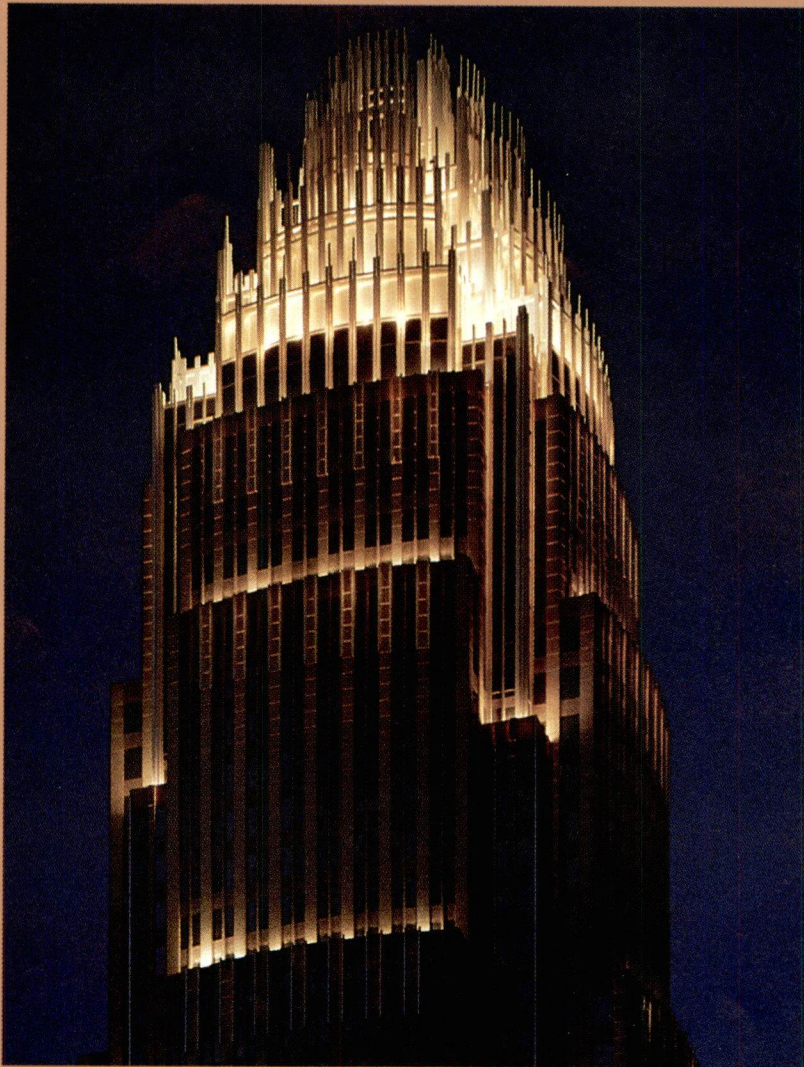
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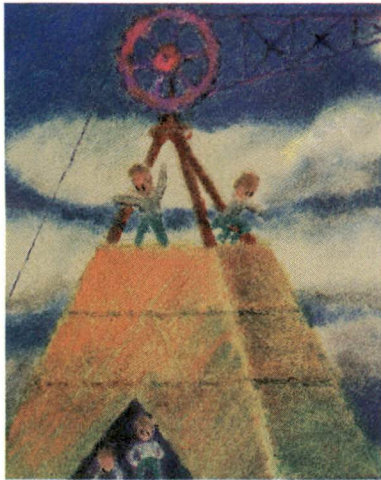
## NORTH CAROLINA

### ECONOMIC ALMANAC

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#### The Dream Machines

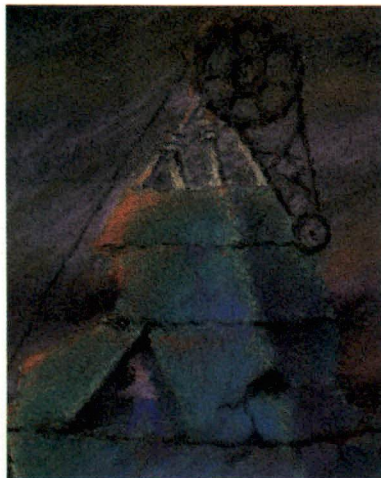
*By Suzanne Wittebort*  
Metrolina and the Triangle turned their visions into growth other regions only dream about.



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#### Three's A Crowd

*By David Bailey*  
Greensboro, High Point and Winston-Salem are trying to make the Triad pull together.



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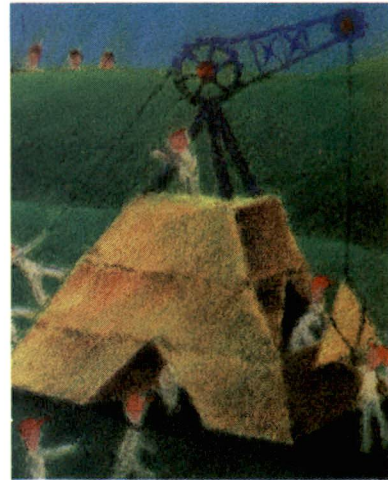
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Design by  
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### ECONOMIC ALMANAC

#### Running In Place

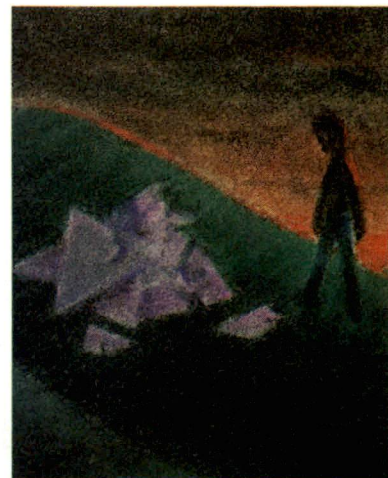
*By Luann Nelson and David Milenberg*  
Second cities don't want to be also-rans in the economic race.



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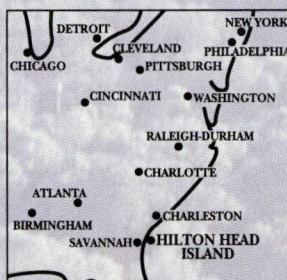
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Volume 12, Number 4

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## Time for a reality check

**N**orth Carolina is a large and growing urban state of many places. By national measures we are a state of small cities and towns. And we are a state with diverse scenic and natural riches.

We want to live in dispersed places and we want it to stay that way. We want opportunities for jobs and a better life style to be found in many places, not just a few. We want to choose where to live, not be forced to move away in search of a job or a higher paying job. And we want to preserve our natural riches, our agricultural traditions and the small, more livable scale of our cities and towns. ...

A Balanced Growth Policy for North Carolina: A Proposal for Public Discussion, June 1978

Nice sentiments, which I among many, maybe most, North Carolinians hold dear and cleave to, just as we do that this is a place "where the weak grow strong and the strong grow great." But as a blueprint for

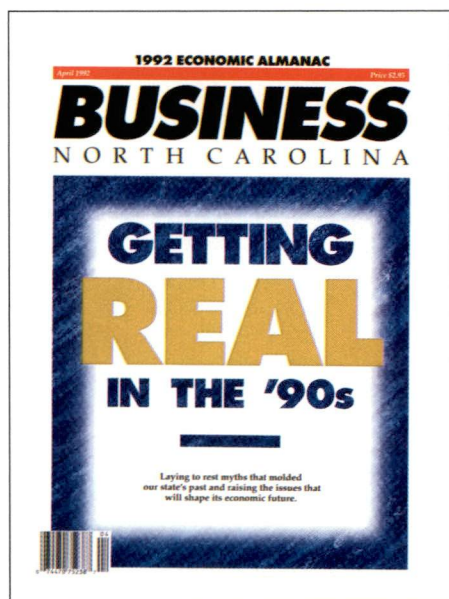
public policy, it built a house upon the sand.

The 1980s — one of the greatest periods of economic expansion the state has ever experienced — did not bring balance but sent the scales swinging wildly. For the most part, the big cities moved far ahead while the rural areas, despite repeated efforts to amplify the boom into the boonies, fell farther behind.

Now, well into the '90s with a new century just around the corner, we must come to grips with what has happened, wake up to where we have been and where we're going. Our efforts to share the wealth, to spread it all around, are in their own way as doomed as those of the apparatchiks to create a classless society in Eastern Europe.

That is not to say there was not good reason, beyond simple political pragmatism, to try to balance growth across the state. But we must open our eyes to what we have done and see how to do the most good for the most people. And to that end, we must destroy some of our most treasured myths.

"I hope I have a little understanding of North Carolina, but I am not sure I know who the North Carolinians are," Jonathan Daniels wrote in *Tar Heels*. "Undoubtedly they are colored folk and white folk. They are native in an ancient sense. Most of them are still rural or in small almost rural towns. There may be more energy in the Piedmont hills than in the lowlands, and more money in pants pockets, too. But the east in a wide neighborliness has at least as much pleasure if not as much profit. Poverty is not pleasant east or west. And east and west, though they sometimes forget it, the rich are flung up from the same stock which has also produced so many of the poor.



"From Currituck to Cherokee, as our all-inclusive orators say, the differences between regions and people are not enough to destroy the similarity in them as the people of one place in old America where the past in blood unaltered has produced a present of plain, strong people out of plain, strong stock."

The book was published more than 50 years ago, but that is the way so many of us still picture ourselves. The truth is, we are no longer a rural state. The 1990 Census showed that more than half of us live in what the government classifies as urban areas. It is a change that has come quickly, perhaps too rapidly for many to grasp. In 1950, only one of three Tar Heels was an urban dweller.

"Traditionally, Carolina was rural and fragmented," notes Michael Gallis, an architect and fellow at UNC-Charlotte's Urban Institute. "The Southern economic

strategy since the 1880s has been low wages, low taxes and low environmental controls. These were aimed at attracting Northern industry. That was a successful strategy for 100 years but the worst possible strategy for the global age. It's exactly a Third World strategy."

North Carolina has led the nation in rural non-farm employment; many of us live in the country and work in nearby mills and factories. It's a way of life we have long cherished. But the decline of the textile industry — along with the projected ascendancy of the service sector over manufacturing — casts a shadow over the viability of this dispersed urbanization. Still, we continue to spread asphalt throughout the hinterlands in hopes of luring here a plant, there a plant, everywhere a plant plant ...

Such efforts would be laudable had we unlimited means, but promising every North Carolinian, no matter where he or she

**TREND**

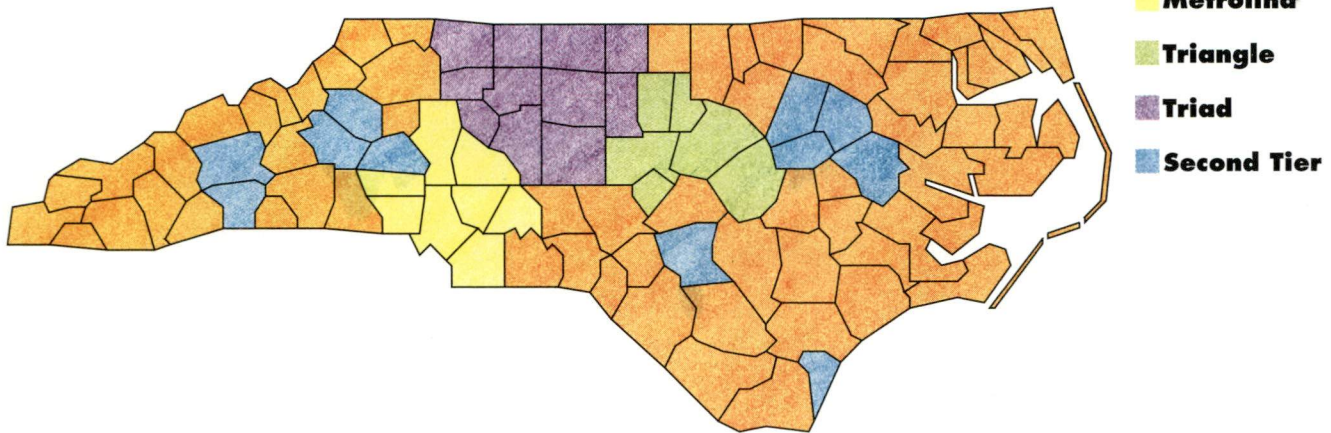
## The state's 25 largest cities

	1980		1990	Change from 1980
1 Charlotte	315,474	1 Charlotte	395,934	25.5%
2 Greensboro	155,642	2 Raleigh	207,951	38.4
3 Raleigh	150,255	3 Greensboro	183,521	17.9
4 Winston-Salem	131,850	4 Winston-Salem	143,485	8.8
5 Durham	101,149	5 Durham	136,611	35.1
6 High Point	63,479	6 Fayetteville	75,695	27.2
7 Fayetteville	59,507	7 High Point	69,496	9.5
8 Asheville	54,022	8 Asheville	61,607	14.0
9 Gastonia	47,333	9 Gastonia	54,732	15.6
10 Wilmington	44,000	10 Wilmington	55,530	26.2
11 Rocky Mount	41,526	11 Rocky Mount	48,997	18.0
12 Burlington	37,266	12 Greenville	44,972	25.8
13 Greenville	35,740	13 Cary	43,858	101.5
14 Wilson	34,424	14 Goldsboro	40,709	27.7
15 Chapel Hill	32,421	15 Burlington	39,498	6.0
16 Goldsboro	31,871	16 Chapel Hill	38,719	19.4
17 Kannapolis	30,303	17 Wilson	36,930	7.3
18 Kinston	25,234	18 Jacksonville	30,013	64.4
19 Salisbury	22,677	19 Kannapolis	29,696	(2.0)
20 Cary	21,763	20 Hickory	28,301	36.3
21 Hickory	20,757	21 Concord	27,347	61.4
22 Statesville*	18,622	22 Kinston	25,295	0.2
23 Jacksonville	18,259	23 Salisbury	23,087	1.8
24 Lumberton	18,241	24 Havelock	20,268	14.4
25 Havelock	17,718	25 Lumberton	18,601	2.0

\* Statesville's 1990 population was 17,567, 5.7% less than 1980.

## TREND

## The rise of the city-state



lives, a four-lane, limited-access highway within hollering distance carries a high price: We can't do that and build the roads needed for workers to commute where the jobs are and will be — in and around the cities.

"We need to concentrate our resources," Gallis notes. "We are making many decisions on a political basis that don't contribute to the development of the area. For example, the State Transportation Improvement Program gives the same amount — \$500,000 — to the Charlotte and Raleigh/Durham airports. The Charlotte airport is twice as big! You have to relate investment to results, not political power."

Throughout our history, no city has dominated our state. None does today. But the global age has brought with it a new phenomenon, the rise of the city-state. "Land-based empires are no more," Gallis says. "The new empires are economic empires, and they are the cities. The Japanese are the first strategic thinkers to realize this. It's not territory, but dominance of network."

Like it or not, we are witnessing the metropolitanization of North Carolina, as our small, traditional cities are engulfed into regional economies. Metrolina, with Charlotte its dominant urban core and extending into 13 counties in two states around it, is the most advanced. Raleigh and Durham in the Triangle and, to a greater degree, the

three major cities of the Triad continue to eye their neighbors warily, still uncomfortable that their fortunes are bound together. Then there are what we call the second tier, each seeking to find and to exploit an independent identity.

And what about the rest? What does the reality of the 1990s and beyond hold for them? Does this new world order within our state consign North Carolina outside the realm of the city-states to a fate similar to the west of Ireland?

Simply put, no. We know that in reducing things to their most common denominators we risk generalizing too much, of creating new myths to replace the old. Each section of our state has its strengths as well as weaknesses. And though we cannot halt change, we can direct it to some degree. But only if we wake up and stop dreaming about what was, or might have been, and recognize reality for what it is.

As David Orr, senior vice president for economic research at First Union National Bank, says, "Cities and countries either rise or fall. It's like stepping on a treadmill. You either keep going or you fall off. If you stopped being aggressive, you wouldn't stay on a peaceful plateau. You'd go backwards."

*David Kinney*



*Charlotte is 49 miles away, the Triad  
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## Lies, damned lies and statistics

An economist was in the audience recently when a speaker dropped a statistical bombshell: Greensboro's population, he said, grew by only 1% between 1980 and 1990. That's true, sort of. "What he didn't tell the audience, what he had taken for granted," the economist says, "was that the 1% was the average annual growth rate, not an absolute change" of 1990 over 1980.

How many left with the impression that Greensboro is barely growing, the economist wondered, when it's growing at just about the state average?

That's the risk with statistics. They will always tell you something, but it's not always the truth.

This issue is packed with numbers supplied by the data center at the N.C. Office of State Planning. Our editors have used them to draw an economic portrait of

each of the state's 100 counties.

Interpretation of data is crucial. Here's one example: Graham County posted \$9,140 in per capita income in 1989. That's not a lot, but in raw numbers, it's 46.1% more than in 1980.

Still, purchasing power in 1989 wasn't what it was in 1980. Using the Consumer Price Index to adjust for inflation, Graham's real per capita income actually dropped over the nine years, by 2.6%. So the CPI has been used throughout the issue to adjust most measures of growth involving money.

Sometimes interpreting data can be as easy as indexing dollar figures or comparing growth rates with the actual growth. But it's not always so easy to figure out if the numbers are telling you what you think they are.

As 19th-century humorist Artemus Ward put it, "It ain't so

much the things we don't know that get us in trouble. It's the things we know that ain't so."

## Are seers nearsighted?

People just can't help betting on the home team, and some say loyalty may color economic forecasting.

For example, projections for North Carolina by UNC-Greensboro finance Professor Donald Jud are generally sunnier than those concocted by Lexington, Mass.-based DRI/McGraw Hill.

The discrepancy isn't unusual, says Rosalind Greenstein, a senior economist at DRI. "We find that locally based economists and institutions are often more optimistic," she says. DRI fits each state into a national model to ensure that the sum of the parts can't grow faster than the whole. Though DRI is not pessimistic compared with other national forecasters, bullish Charlotteans recently berated Greenstein for DRI's alleged gloominess. Undaunted, she still insists that "state models can be overly optimistic."

Counters Jud, "I don't think I have any political bias." He took the U.S. Department of Commerce projections and factored in how North Carolina's growth rate in recent years began to converge with the national average, after far outperforming it in the '70s. Still, he admits, "forecasting 10 years out is absolute guesswork. All the serious problems we worried about in 1980 — inflation, oil — didn't happen."

## No longer cheap, still not steep

North Carolinians have long counted a low cost of living as an immutable natural resource, like the

### TREND

#### Inner vision

Projected average annual growth rates, 1990-2000

Metropolitan Statistical Area	Employment		Real per capita income	
	DRI/McGraw Hill	UNCG's Jud	DRI/McGraw Hill	UNCG's Jud*
Charlotte	1.5%	2.5%	1.0%	1.5%
Greensboro	0.9	1.8	0.8	1.5
Raleigh/Durham	1.8	2.9	1.9	1.8
North Carolina	1.2	2.0	0.8	1.5
United States	1.2	0.9	1.1	1.2

\* Figures are for 1989-2000

## TREND

## Living it up

Cost-of-living composite index

Dare County	111.4
Chapel Hill	106.9
Charlotte	100.1
Average	100.0
Fayetteville	99.6
Greensboro	98.9
Winston-Salem	98.3
Raleigh/Durham	96.4
Greenville	96.2
Hickory	95.8
Burlington	93.7
Marion/McDowell County	91.0
Gastonia	89.5
New York City	213.3
Washington	131.7
Los Angeles	124.6
Miami	112.2
Seattle	111.9

100 is average of 304 reporting U.S. cities and regions.

Figures are for third quarter 1991.

Source: American Chamber of Commerce Researchers Association

seashore and the mountains. Now, however, many state residents are paying just about the national average for basic living expenses.

According to the American Chamber of Commerce Researchers Association, which indexes the cost of living for 304 U.S. cities, towns and rural areas, Charlotteans paid a smidge more than the national average in third quarter 1991, while residents of the Triad and Triangle got off a little bit cheaper. The major exceptions were Dare County, where costs were 11.4% higher than the U.S. mean, and Chapel Hill, which was about 7% higher. Among the 12 North Carolina locations participating, Gastonia was the place to go to save, with costs 10.5% below the national average.

Housing was priciest in coastal Dare County at 38.2% above the national average, followed by Chapel Hill at 19.8%; it was cheap-

est in McDowell County, Gastonia and Fayetteville.

Costs in North Carolina still look good compared with many places. The cost of living here remains less than half that of New York City, the highest in the country.

## Things look up with the Wright stuff

Last year — 88 years after the Wright brothers inaugurated aviation in North Carolina and the world — 14.6 million passengers boarded planes at North Carolina's six biggest airports. That's more than double the state's population — a reflection of some mighty frequent fliers and of Charlotte's and Raleigh/Durham's status as hubs for connecting flights.

In absolute numbers, Charlotte served far and away the most passengers, with 8.4 million boardings. RDU followed with 4.7 million, Piedmont Triad with 854,500 and Asheville with 261,740.

But growth trajectories for the airports over the decade tell an even more interesting story. Boardings at Charlotte, first named a hub by Piedmont Aviation in 1979, increased steadily and inexorably throughout the decade, fueled by the city's explosive growth.

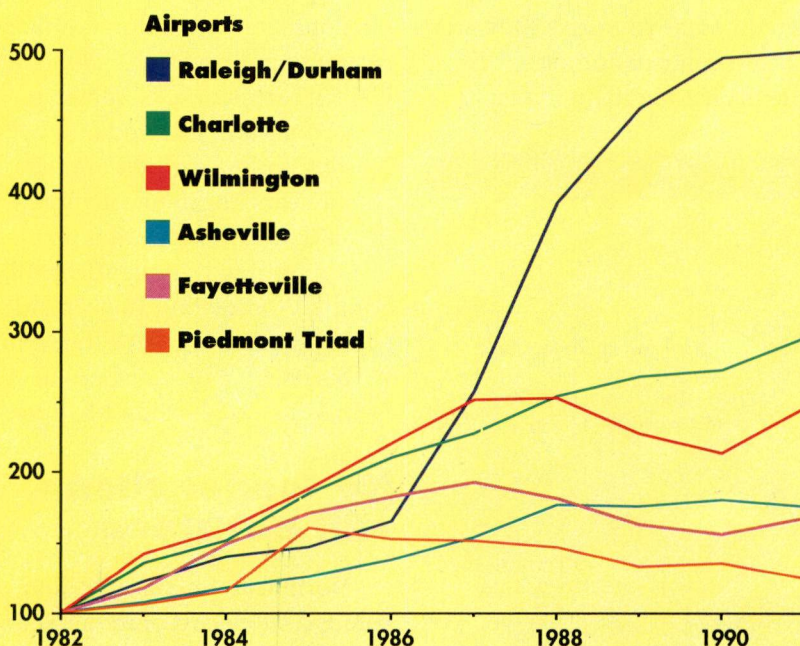
Boardings grew more slowly at RDU until it began operating as a hub for American Airlines in 1987, when boardings really took off, last year tripling 1986's level. Boardings at Piedmont Triad peaked in 1985 at 1.1 million and have trailed off since.

Asheville reports its slight decline in boardings last year was due to the Gulf war and uncertainty over gasoline prices, which discouraged mountain-bound tourists. Fayetteville, on the other hand,

## TREND

## Fight for flight

Index of growth in passenger boardings since 1982



# Population

	1980	1990	Change		1980	1990	Change
<b>Metrolina</b>	<b>995,782</b>	<b>1,175,292</b>	<b>18.0%</b>	Duplin	40,952	39,995	(2.3)%
Cabarrus	85,895	98,935	15.2	Franklin	30,055	36,414	21.2
Gaston	162,568	175,093	7.7	Gates	8,875	9,305	4.9
Iredell	82,538	92,931	12.6	Granville	34,043	38,345	12.6
Lincoln	42,372	50,319	18.8	Greene	16,117	15,384	(4.6)
Mecklenburg	404,270	511,433	26.5	Halifax	55,076	55,516	0.8
Rowan	99,186	110,605	11.5	Harnett	59,570	67,822	13.9
Stanly	48,517	51,765	6.7	Hertford	23,368	22,523	(3.6)
Union	70,436	84,211	19.6	Hoke	20,383	22,856	12.1
<b>Triangle</b>	<b>671,451</b>	<b>860,505</b>	<b>28.2</b>	Hyde	5,873	5,411	(7.9)
Chatham	33,415	38,759	16.0	Jones	9,705	9,414	(3.0)
Durham	152,235	181,835	19.4	Lenoir	59,819	57,274	(4.3)
Johnston	70,599	81,306	15.2	Martin	25,948	25,078	(3.4)
Lee	36,718	41,374	12.7	Montgomery	22,469	23,346	3.9
Orange	77,055	93,851	21.8	Moore	50,505	59,013	16.9
Wake	301,429	423,380	40.5	Northampton	22,195	20,798	(6.3)
<b>Triad</b>	<b>1,114,343</b>	<b>1,218,765</b>	<b>9.4</b>	Onslow	112,784	149,838	32.9
Alamance	99,319	108,213	9.0	Pamlico	10,398	11,372	9.4
Caswell	20,705	20,693	(0.1)	Pasquotank	28,462	31,298	10.0
Davidson	113,162	126,677	11.9	Pender	22,262	28,855	29.6
Davie	24,599	27,859	13.3	Perquimans	9,486	10,447	10.1
Forsyth	243,704	265,878	9.1	Person	29,164	30,180	3.5
Guilford	317,154	347,420	9.5	Richmond	45,161	44,518	(1.4)
Randolph	91,300	106,546	16.7	Robeson	101,610	105,179	3.5
Rockingham	83,426	86,064	3.2	Sampson	49,687	47,297	(4.8)
Stokes	33,086	37,223	12.5	Scotland	32,273	33,754	4.6
Surry	59,449	61,704	3.8	Tyrrell	3,975	3,856	(3.0)
Yadkin	28,439	30,488	7.2	Vance	36,748	38,892	5.8
<b>Second-tier</b>	<b>1,092,022</b>	<b>1,211,041</b>	<b>10.9</b>	Warren	16,232	17,265	6.4
Buncombe	160,934	174,821	8.6	Washington	14,801	13,997	(5.4)
Burke	72,504	75,744	4.5	Wayne	97,054	104,666	7.8
Caldwell	67,746	70,709	4.4	<b>West</b>	<b>552,126</b>	<b>577,685</b>	<b>4.6</b>
Catawba	105,208	118,412	12.6	Alexander	24,999	27,544	10.2
Cumberland	247,160	274,566	11.1	Alleghany	9,587	9,590	0.0
Edgecombe	55,988	56,558	1.0	Ashe	22,325	22,209	(0.5)
Henderson	58,580	69,285	18.3	Avery	14,409	14,867	3.2
Nash	67,153	76,677	14.2	Cherokee	18,933	20,170	6.5
New Hanover	103,471	120,284	16.3	Clay	6,619	7,155	8.1
Pitt	90,146	107,924	19.7	Cleveland	83,435	84,714	1.5
Wilson	63,132	66,061	4.6	Graham	7,217	7,196	(0.3)
<b>East</b>	<b>1,454,371</b>	<b>1,585,349</b>	<b>9.0</b>	Haywood	46,495	46,942	1.0
Anson	25,649	23,474	(8.5)	Jackson	25,811	26,846	4.0
Beaufort	40,355	42,283	4.8	Macon	20,178	23,499	16.5
Bertie	21,024	20,388	(3.0)	Madison	16,827	16,953	0.8
Bladen	30,491	28,663	(6.0)	McDowell	35,135	35,681	1.6
Brunswick	35,777	50,985	42.5	Mitchell	14,428	14,433	0.0
Camden	5,829	5,904	1.3	Polk	12,984	14,416	11.0
Carteret	41,092	52,556	27.9	Rutherford	53,787	56,918	5.8
Chowan	12,558	13,506	7.6	Swain	10,283	11,268	9.6
Columbus	51,037	49,587	(2.8)	Transylvania	23,417	25,520	9.0
Craven	71,043	81,613	14.9	Watauga	31,666	36,952	16.7
Currituck	11,089	13,736	23.9	Wilkes	58,657	59,393	1.3
Dare	13,377	22,746	70.0	Yancey	14,934	15,419	3.3
				North Carolina	5,880,095	6,628,637	12.7
				United States	226,549,448	248,709,873	9.8

## TREND

## Employment

	1980	1990	Change		1980	1990	Change
<b>Metrolina</b>	<b>506,370</b>	<b>630,664</b>	<b>24.6%</b>	Duplin	16,370	21,433	30.9%
Cabarrus	39,180	54,281	38.5	Franklin	10,860	17,865	64.5
Gaston	88,120	97,242	10.4	Gates	2,980	3,707	24.4
Iredell	37,050	50,245	35.6	Granville	14,790	19,378	31.0
Lincoln	18,050	26,470	46.7	Greene	7,700	8,575	11.4
Mecklenburg	219,140	274,268	25.2	Halifax	20,640	22,082	7.0
Rowan	45,240	57,315	26.7	Harnett	24,120	27,924	15.8
Stanly	21,440	25,736	20.0	Hertford	11,360	8,527	(24.9)
Union	38,150	45,107	18.2	Hoke	6,960	9,721	39.7
<b>Triangle</b>	<b>356,500</b>	<b>465,347</b>	<b>30.5</b>	Hyde	2,830	2,008	(29.1)
Chatham	15,050	19,175	27.4	Jones	3,670	4,424	20.5
Durham	83,750	100,285	19.7	Lenoir	27,420	27,719	1.1
Johnston	32,850	36,729	11.8	Martin	11,320	10,789	(4.7)
Lee	17,440	19,064	9.3	Montgomery	10,240	11,643	13.7
Orange	42,240	51,647	22.3	Moore	22,790	30,069	31.9
Wake	165,170	238,447	44.4	Northampton	7,710	7,128	(7.6)
<b>Triad</b>	<b>534,680</b>	<b>643,589</b>	<b>20.4</b>	Onslow	24,700	37,603	52.2
Alamance	45,560	63,435	39.2	Pamlico	3,840	4,499	17.2
Caswell	7,230	9,132	26.3	Pasquotank	11,560	12,569	8.7
Davidson	55,780	68,336	22.5	Pender	8,410	14,704	74.8
Davie	9,880	14,161	43.3	Perquimans	2,920	3,871	32.6
Forsyth	120,130	141,343	17.7	Person	12,590	14,491	15.1
Guilford	156,340	184,819	18.2	Richmond	16,930	21,318	25.9
Randolph	45,220	59,513	31.6	Robeson	41,410	42,642	3.0
Rockingham	37,480	38,337	2.3	Sampson	22,700	22,296	(1.8)
Stokes	16,310	17,908	9.8	Scotland	13,770	14,248	3.5
Surry	26,730	31,060	16.2	Tyrrell	1,250	1,270	1.6
Yadkin	14,020	15,545	10.9	Vance	16,100	17,360	7.8
<b>Second-tier</b>	<b>456,360</b>	<b>574,056</b>	<b>25.8</b>	Warren	5,410	7,430	37.3
Buncombe	74,080	89,172	20.4	Washington	6,460	5,322	(17.6)
Burke	30,230	42,108	39.3	Wayne	36,350	43,773	20.4
Caldwell	30,470	36,175	18.7	<b>West</b>	<b>243,290</b>	<b>277,348</b>	<b>14.0</b>
Catawba	53,690	68,013	26.7	Alexander	12,750	15,610	22.4
Cumberland	65,320	89,383	36.8	Alleghany	3,720	4,799	29.0
Edgecombe	27,000	28,300	4.8	Ashe	8,800	10,796	22.7
Henderson	24,520	33,508	36.7	Avery	5,520	8,515	54.3
Nash	32,380	35,535	9.7	Cherokee	6,550	8,524	30.1
New Hanover	44,540	62,234	39.7	Clay	2,290	2,892	26.3
Pitt	43,050	56,822	32.0	Cleveland	37,130	41,500	11.8
Wilson	31,080	32,806	5.6	Graham	3,720	1,876	(49.6)
<b>East</b>	<b>574,800</b>	<b>670,864</b>	<b>16.7</b>	Haywood	17,230	20,217	17.3
Anson	11,760	11,523	(2.0)	Jackson	12,570	11,939	(5.0)
Beaufort	19,620	18,721	(4.6)	Macon	7,740	7,180	(7.2)
Bertie	8,490	8,200	(3.4)	Madison	18,660	15,825	(15.2)
Bladen	12,420	11,828	(4.8)	McDowell	7,780	11,397	46.5
Brunswick	15,400	16,896	9.7	Mitchell	6,140	6,547	6.6
Camden	2,360	2,318	(1.8)	Polk	5,180	5,614	8.4
Carteret	15,170	22,176	46.2	Rutherford	24,590	28,920	17.6
Chowan	4,740	5,315	12.1	Swain	4,330	5,166	19.3
Columbus	21,530	20,561	(4.5)	Transylvania	10,000	10,276	2.8
Craven	26,230	30,774	17.3	Watauga	14,990	17,996	20.1
Currituck	4,640	9,642	107.8	Wilkes	28,090	31,028	10.5
Dare	6,280	16,522	163.1	Yancey	5,510	10,731	94.8
				North Carolina	2,668,000	3,262,000	22.3
				United States	99,303,000	117,914,000	18.7

experienced a surge of passengers as troops returning from Desert Storm boarded planes for home.

## Not much pie in the sky

The '80s was a decade of extremes, and by some economic-development measures Graham County was the state's leading loser.

While the state averaged a 22% employment gain over 10 years, this little mountain county bordering Tennessee ended 1990 with half the 3,720 jobs it had in 1980.

When adjusted for inflation, Graham's per capita income declined by nearly 3% to \$9,140 during the decade, and total personal income went down by 12%.

Consider, though, that 60% of the land is government-owned, and much of the remaining real estate is at an angle unsuitable for any of the works of man dependent upon the horizontal.

Despite the grim numbers, the county's population held steady from 1980 to 1990. "We're not that bad off or starving or anything," says Frances Carver, executive director of the Graham County Chamber of Commerce.

The county has some of the finest scenery in the world, a low crime rate, a parachute plant, a new blanket-making operation and a thriving retirement population, she says. "We have riches that no one ever thinks about," Carver says.

## Leaf dies on vine, farms turn to swine

Pigs, chickens and turkeys helped salvage what could have been a disaster for North Carolina agriculture in the '80s.

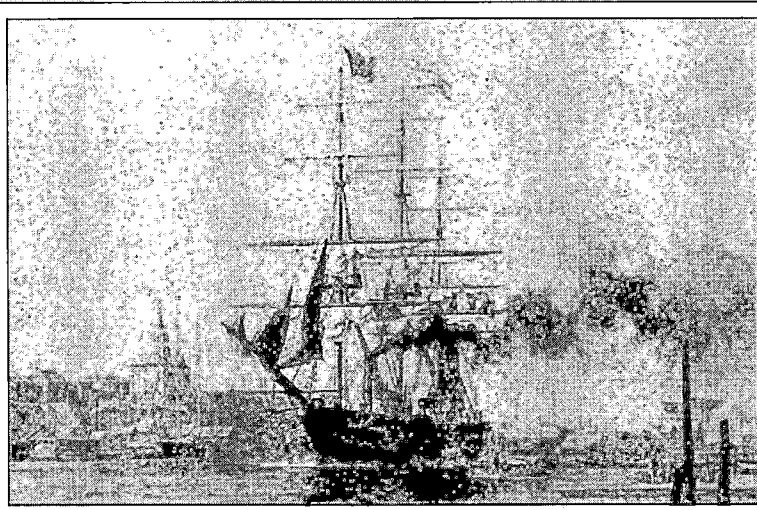
Farm cash receipts from all crops

and livestock products, including government payments, totaled \$4.55 billion in 1989, down 15.5% in real dollars from a decade earlier. Nationally, cash receipts fell by more than 20%. But the main story was a momentous shift from crops to livestock: Receipts for crops declined 36.7% over the decade, while livestock gained 15.7%.

Declining tobacco sales get most of the blame, though the golden leaf still accounts for about 20% of farm receipts, says Jim Knight, a marketing specialist for the N.C. Department of Agriculture. "We've gone from being the Tobacco State to being the third most diverse agricultural state, behind only Florida and California."

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## TREND

## Per capita income

	1989	Real increase from 1980		1989	Real increase from 1980
<b>Metrolina</b>	<b>\$15,851</b>	<b>26.9%</b>	Duplin	\$10,907	31.0
Cabarrus	15,571	24.5	Franklin	11,563	22.0
Gaston	15,194	26.0	Gates	12,264	23.4
Iredell	15,841	26.5	Granville	12,631	28.8
Lincoln	14,397	24.2	Greene	11,090	14.8
Mecklenburg	20,040	31.1	Halifax	11,633	22.6
Rowan	15,011	21.9	Harnett	11,120	20.4
Stanly	14,221	23.9	Herford	11,723	19.1
Union	16,535	35.8	Hoke	9,091	16.5
			Hyde	12,075	23.1
<b>Triangle</b>	<b>16,817</b>	<b>30.6</b>	Jones	10,816	12.2
Chatham	16,012	33.2	Lenoir	13,264	21.4
Durham	18,346	33.2	Martin	12,890	24.2
Johnston	13,201	20.8	Montgomery	11,952	21.4
Lee	15,021	21.0	Moore	17,306	34.6
Orange	18,295	39.7	Northampton	11,658	22.6
Wake	20,025	33.4	Onslow	12,157	35.0
			Pamlico	12,859	19.2
<b>Triad</b>	<b>15,140</b>	<b>23.7</b>	Pasquotank	12,723	17.3
Alamance	16,576	28.6	Pender	12,820	27.2
Caswell	9,796	11.1	Perquimans	11,236	26.9
Davidson	14,191	18.9	Person	12,028	20.2
Davie	16,770	32.6	Richmond	11,950	23.5
Forsyth	19,655	27.6	Robeson	9,769	15.2
Guilford	19,239	29.7	Sampson	11,608	18.3
Randolph	14,224	20.4	Scotland	11,812	12.6
Rockingham	14,228	15.2	Tyrrell	10,460	25.1
Stokes	13,642	21.2	Vance	12,205	22.7
Surry	14,176	24.5	Warren	11,589	24.4
Yadkin	14,042	24.4	Washington	11,785	19.0
			Wayne	13,089	23.9
<b>Second-tier</b>	<b>14,794</b>	<b>26.2</b>	<b>West</b>	<b>12,258</b>	<b>23.4</b>
Buncombe	15,627	26.5	Alexander	13,842	28.1
Burke	13,661	22.7	Alleghany	11,930	21.1
Caldwell	13,688	24.7	Ashe	11,176	29.8
Catawba	16,210	28.1	Avery	11,325	29.8
Cumberland	13,576	29.4	Cherokee	10,850	26.7
Edgecombe	11,958	15.8	Clay	10,832	27.7
Henderson	16,691	26.2	Cleveland	14,355	24.1
Nash	15,900	33.5	Graham	9,140	(2.6)
New Hanover	15,896	27.4	Haywood	13,272	18.1
Pitt	14,824	32.2	Jackson	12,072	28.8
Wilson	14,707	20.9	Macon	13,159	26.9
			Madison	10,904	22.3
<b>East</b>	<b>12,096</b>	<b>21.8</b>	McDowell	11,635	14.4
Anson	11,681	24.7	Mitchell	11,255	14.0
Beaufort	13,161	17.2	Polk	17,690	31.2
Bertie	11,800	30.9	Rutherford	13,275	22.2
Bladen	11,041	20.8	Swain	9,933	17.9
Brunswick	11,303	16.1	Transylvania	13,856	17.7
Camden	13,237	17.9	Watauga	12,118	31.1
Carteret	13,484	17.6	Wilkes	13,436	26.3
Chowan	12,596	23.0	Yancey	11,367	37.4
Columbus	11,085	16.7			
Craven	13,698	21.4	North Carolina	15,287	27.4
Currituck	12,570	13.1	United States	17,592	18.2
Dare	14,392	29.6			

The state's dominant farm counties are now hog-heavy Duplin and Sampson and poultry-rich Union, each of which reaped more than \$230 million from crops and livestock in '89.

The news was bleaker in Eastern North Carolina's tobacco counties. Of 16 counties with cash receipts from crops exceeding \$40 million, only one — Halifax County — reported an increase from '80 to '89.

## Cabarrus survives Cannon's blast

When it comes to being whip-sawed by economic change in the '80s, Cabarrus County has a remarkable story to tell.

In 1980, Kannapolis-based Cannon Mills Co. employed about 23,000 people, nearly 60% of the county's work force. By 1990, the textile manufacturer, now owned by Greensboro-based Fieldcrest Cannon Inc., employed just 9,000, about 17% of the work force. Import competition and modernization eliminated nearly a fourth of the county's manufacturing jobs during the decade.

But proximity to Charlotte and a \$295 million, 1,800-employee cigarette-manufacturing plant established by Philip Morris in 1983 kept Cabarrus in the chips. Overall employment grew by 38.5% to about 54,000, more than double the county's 15% population growth.

"I remember back in '56 when Cannon Mills made up about 23,000 of the 35,000 people in the labor force," says Bobby Overcash, manager of the county Employment Security Office in Concord. "We're still a manufacturing county, although it's gone from 80% to 35% [of the work force]."

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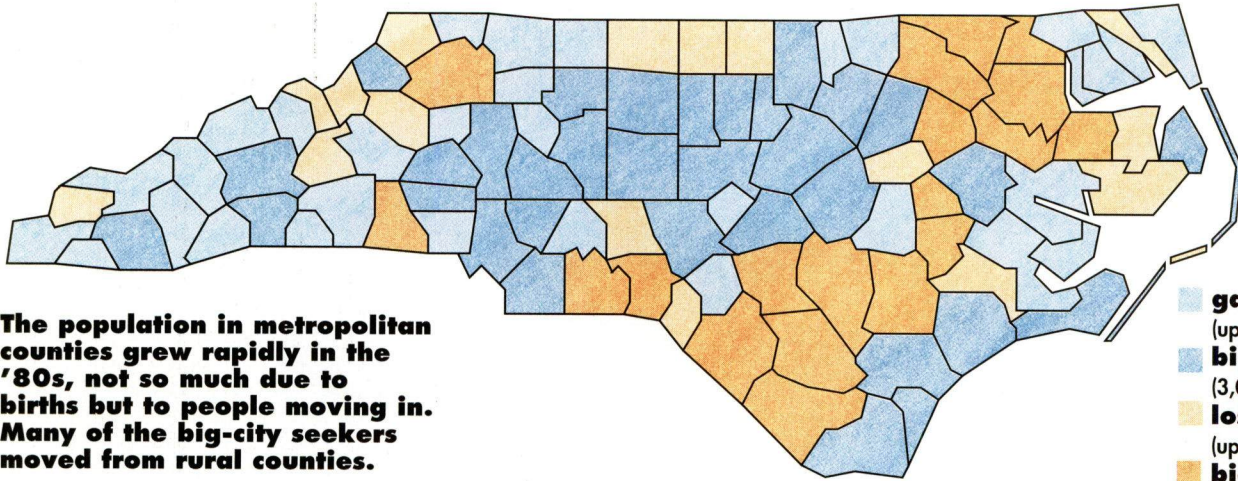
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The population in metropolitan counties grew rapidly in the '80s, not so much due to births but to people moving in. Many of the big-city seekers moved from rural counties.

■ **gainers**  
 (up to 3,000)  
■ **big gainers**  
 (3,000 or more)  
■ **losers**  
 (up to 1,000)  
■ **big losers**  
 (1,000 or more)

**TREND**

# Net migration

	1980-1990		1980-1990		1980-1990
<b>Metrolina</b>	<b>109,843</b>	<b>Edgecombe</b>	(2,704)	<b>Pamlico</b>	727
Cabarrus	9,027	Henderson	10,064	Pasquotank	970
Gaston	2,853	Nash	5,586	Pender	5,560
Iredell	6,700	New Hanover	11,579	Perquimans	594
Lincoln	5,312	Pitt	10,943	Person	(60)
Mecklenburg	68,948	Wilson	(131)	Richmond	(2,137)
Rowan	8,028			Robeson	(5,245)
Stanly	1,348	<b>East</b>	<b>28,764</b>	Sampson	(3,891)
Union	7,627	Anson	(3,139)	Scotland	(707)
		Beaufort	765	Tyrrell	(268)
<b>Triangle</b>	<b>135,711</b>	Bertie	(1,466)	Vance	401
Chatham	3,341	Bladen	(2,754)	Warren	708
Durham	19,187	Brunswick	12,709	Washington	(1,617)
Johnston	7,397	Camden	(73)	Wayne	120
Lee	2,155	Carteret	8,835		
Orange	11,626	Chowan	638	<b>West</b>	<b>9,296</b>
Wake	92,005	Columbus	(4,007)	Alexander	1,115
		Craven	306	Alleghany	33
<b>Triad</b>	<b>51,753</b>	Currituck	2,032	Ashe	(323)
Alamance	5,540	Dare	8,137	Avery	(141)
Caswell	(728)	Duplin	(2,408)	Cherokee	940
Davidson	7,416	Franklin	5,282	Clay	498
Davie	2,425	Gates	181	Cleveland	(2,577)
Forsyth	9,737	Granville	3,213	Graham	(330)
Guilford	13,455	Greene	(1,544)	Haywood	62
Randolph	9,675	Halifax	(2,207)	Jackson	239
Rockingham	(378)	Harnett	3,243	Macon	3,391
Stokes	2,569	Herford	(1,961)	Madison	31
Surry	679	Hoke	320	McDowell	(752)
Yadkin	1,363	Hyde	(570)	Mitchell	(254)
		Jones	(766)	Polk	1,874
<b>Second-tier</b>	<b>39,649</b>	Lenoir	(4,683)	Rutherford	1,426
Buncombe	9,702	Martin	(1,816)	Swain	542
Burke	178	Montgomery	(133)	Transylvania	1,366
Caldwell	(580)	Moore	7,199	Watauga	3,685
Catawba	7,384	Northampton	(1,959)	Wilkes	(1,631)
Cumberland	(12,372)	Onslow	10,235	Yancey	102
				<b>North Carolina</b>	<b>375,016</b>

\$400 million to expand its plant and add 600 jobs, and a general-aviation airport with a 5,000-foot runway is planned. Some other new industries are coming to town, including the French-owned Legrand electric-switch plant, which will employ 450. Even Fieldcrest Cannon eked out a profit during the last quarter of 1991.

## Flight of the bright to the big cities

It wasn't a boom in babies that boosted the biggest gainers in population in the state between 1980 and 1990.

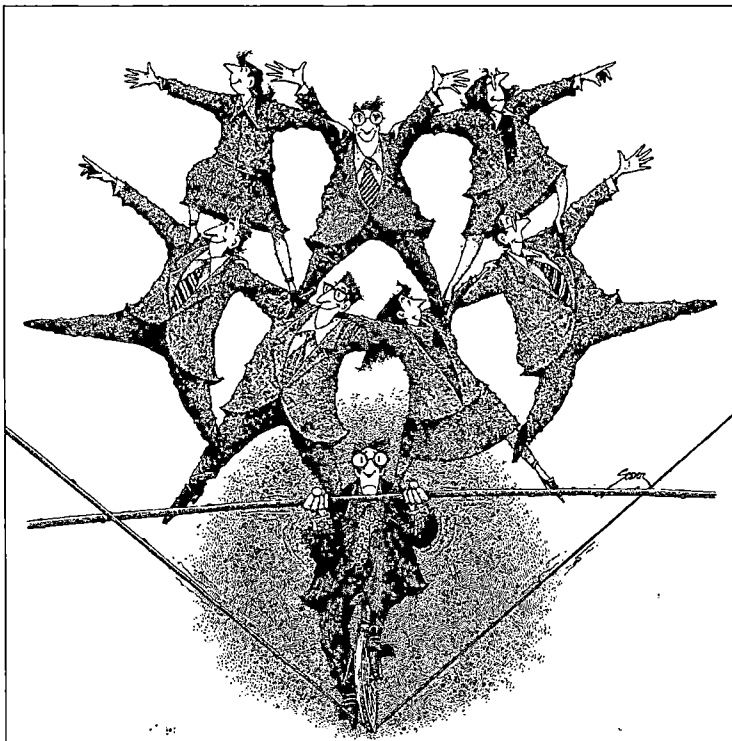
Wake County, for instance, grew 40%, or by nearly 122,000. After adjusting for births and deaths, the county's net gain from outsiders was 92,005.

Because it doesn't count births or deaths, only people who choose to move in or out, net migration is often a better indicator than population change of a county's economic strength.

The biggest winners over the past decade were the state's most populous counties, Wake and Mecklenburg, which had a net migration of 68,948. Almost all the counties in the Charlotte region, Triangle and Triad registered gains.

Many Eastern counties weren't so fortunate. Robeson lost 5,245; Lenoir, 4,683; Sampson, 3,891.

Migration is "negatively selective," UNC-Charlotte geography Professor Al Stuart says. The notion of the young, ambitious country boy or girl heading to the big city is familiar for a reason — it happens all the time. Says Stuart, "There's a saying among demographers: The recipients of migration get some of the youngest and brightest. The older and less-skilled stay put." ■



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# LIFE IN THE BIG LEAGUES

*Charlotte and Raleigh/Durham became national players in the '80s. Can they still make the cut in the '90s?*

By Suzanne Wittebort

**I**n 1975 Al Stuart, a lanky young geographer in the department of geography and earth sciences at UNC-Charlotte, was absorbed in co-editing a book titled *North Carolina Atlas: Portrait of a Changing Southern State*. He recalls working on yellow legal pads in that pre-computer age and driving to the airport himself to pick up the first copies to deliver to local bookstores in time for Christmas. In the atlas that hit the shelves that December, in the chapter on urban areas, was the statement that North Carolina "has never had a dominant city."

Fast forward to early 1992. Al Stuart, still lanky but now maned in gray, sits at his desk in his office, where he's working on a second edition of the atlas, due out next year. A computer screen winks behind him. "The decision is in. The game is over," he says with a referee's finality. "Charlotte and Raleigh/Durham have pre-empted the field and established themselves as the pre-eminent urban centers in the state. That's not going to change till we're all long gone."

Charlotte and Raleigh/Durham did indeed trounce their main intrastate urban rivals in the explosive '80s, outscoring them in population, employment and income gains. The champs now compete in the national arena in everything from basketball to corporate relocations. But even for these paradigms of economic vigor the austere

'90s represent a whole new ballgame. Do they have what it takes to flourish in the big leagues during harsher times?

As they've surged forward, Charlotte and Raleigh/Durham have established themselves as the pace setters for the state's economy. Better than one in six North Carolinians now lives in the Charlotte metropolitan region; nearly one in nine lives in the Wake, Durham and Orange three-county area. Nearly a third of the state's population increase over the decade can be accounted for by Mecklenburg and Wake counties alone. One out of every nine North Carolina residents works in Mecklenburg County, says John Connaughton, professor of economics at UNCC, and one dollar of every \$6.50 of the state's output originates there, up from one of every \$8.50 a decade ago. "There's been a tremendous increase in the impact Charlotte has on the state's economy," he concludes.

The figures show the exuberance of the '80s. Population in Charlotte's Mecklenburg County grew to 511,433 in 1990, a 26.5% gain over 1980's total, more than double the state's rate of 12.7%. The eight-county metropolitan area grew by a substantial 18%. According to the Charlotte Chamber, Charlotte attracted 2,719 new businesses, which invested \$3 billion and created 37,516 jobs. Employment grew 25%, to 274,268.

*Every city stood to gain from the state's advantages, so why have these two regions pulled ahead? The answer lies in luck, leadership and changing times.*



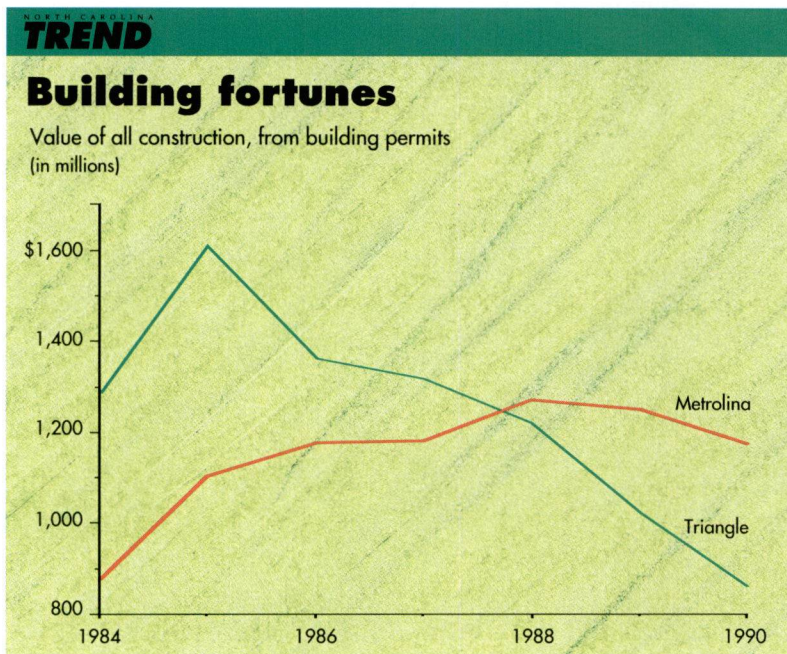
YUNG SHENG TSAO

More obvious trophies of growth are displayed in Charlotte's gleaming skyline, which burgeoned in the '80s and is newly punctuated by the 60-story NationsBank tower, a symbol of the city's new status as the country's third-largest financial center. Direct international air links to London and Frankfurt and the arrival of the National Basketball Association Hornets in 1988 further confirm Charlotteans' conviction that theirs is a city of destiny. "There's a sense of momentum and opportunity. This is Charlotte's time to break into the upper echelon of cities," says David Orr, economist and senior vice president at First Union.

The Raleigh/Durham area has grown even more powerfully than Charlotte. The population of Wake, Orange and Durham counties grew 31.7% to 699,066 between 1980 and 1990. Wake County alone grew by a stunning 40.5%, the fastest in the state. Employment in the three counties more than kept pace, increasing 34.1% between 1980 and 1990. Despite the population growth, unemployment generally ran at half the national average. For the second half of the decade it hugged the baseline with a minuscule 3% or less.

Research Triangle Park, midway between Raleigh and Durham, continued to burnish its reputation as one of the nation's premier research and development sites.

**After a mid-'80s boom, construction in the Triangle fell off dramatically while building in Metrolina stayed steadier.**



More than 30 R&D organizations opened new facilities in the park between 1980 and 1990, creating more than 17,000 jobs and helping increase the park's total employment to 34,000. Furthermore, *Technology in the Garden*, a recent study by UNC-Chapel Hill Associate Professors Michael Luger and Harvey Goldstein, attributed another 31,500 area jobs to activity generated by the park. Though the low, pleasant buildings nestled in the piney woods off Interstate 40 contrast sharply with Charlotte's soaring towers, RTP is indisputably "the crowning jewel of the area," as economist Michael Walden of N.C. State University puts it.

Just what has caused Charlotte and Raleigh/Durham to pull ahead of other regions in the state? In theory, all cities in North Carolina stood to benefit equally from the state's moderate climate, low labor and manufacturing costs and laws that have long permitted branch banking and outlawed closed union shops — factors that have attracted businesses from the Northeast and Midwest for more than a century.

The answer lies in a combination of luck, leadership and changing times. Charlotte and Raleigh/Durham have caught the proverbial tide in the affairs of men at its flood and are surfing it directly to fortune. Both metropolitan areas have seized different national and international trends and capitalized on them.

The decision in 1959 to build upon the reputations and expertise of Raleigh's three universities by establishing a research park has proved prescient. In developing an economic mix that adds R&D, high-tech manufacturing and medical research and services to government and education — while de-emphasizing traditional low-tech manufacturing — Raleigh/Durham has become "the first 21st-century economy in the Carolina Piedmont," says architect and urban planner Michael Gallis, a fellow of the Urban Institute at UNCC.

Charlotte, for its part, has traditionally enjoyed a diverse economy. Strategically positioned at the junction of Interstate Highways 85 and 77, it has long acted as a service and distribution center for the

manufacturing plants around its perimeter. As such, it happened to be home to two major, expansion-minded banks. Accustomed to branching throughout the state, both NCNB (now NationsBank) and First Union were quick off the mark when a change in federal laws permitted Southeastern regional banking in 1985. As banking consolidated in the region, their growth, together with the arrival of Royal Insurance Co. in 1984, laid the groundwork for Charlotte to emerge as a financial-services center.

While Raleigh and Durham have been bolstered by UNC, N.C. State and Duke, as well as the presence of a state government employing more than 24,000, Charlotte has been propelled by its unabashed pro-growth, pro-business attitude and a strong commitment by business leaders to the city. "Charlotte has become a major-league city. It's aggressive, it knows what it wants and goes after it. It has its act in order," says John Kasarda, director of the Kenan Institute of Private Enterprise at UNC-Chapel Hill. "It's a successful mix of a community that works together and leadership that has community interest at heart."

Charlotte has managed to get its bullishness nationally ranked: *Fortune* named the city No. 1 in "pro-business attitude" last year and seventh among cities said by executives to offer top value for businesses.

As Charlotte and Raleigh/Durham have capitalized on these assets and on their hub airports, success has bred success. For example, Charlotte's growth prompted the NBA to grant a franchise there, adding \$100 million annually to the local economy, according to UNCC's Connaughton. The Hornets' reception in turn led to the drive to snag a National Football League franchise, which would bring in an additional \$200 million a year, Connaughton says, as well as further raise Charlotte's national profile and perhaps finally distinguish the city once and for all from those other pesky "Ch" cities, Charleston, S.C., Charlottesville, Va., and Charleston, W.Va.

The developments of the '80s left Charlotte and Raleigh/Durham in enviable competitive positions. In terms of work-



*"Regionalism is absolutely the only thing to do. It's essential for recruiting and infrastructure planning. People have to give up thinking in terms of counties."*

force quality, availability and cost, attractive housing stock and air links, "both communities are strong," says corporate relocation specialist Gene DePrez, vice president and principal at New York-based PHH Fantus Corp. "In the last month, they've come up dozens of times in our conversations."

But the wake-up call of the recession has made it clear that the '90s are not going to be a repeat of the expansionary '80s. Charlotte and Raleigh/Durham have not fared too badly; though unemployment has crept up in recent months, both regions managed to register net increases in jobs in 1991 and are continuing to attract businesses.

But even after the recession ends, forecasters do not predict a return to the heady growth of the '80s. "Essentially, it will be very hard for growth rates to be any more than a third or half of those of the '70s and '80s," says First Union's David Orr. For example, DRI/McGraw Hill predicts that employment, which grew at an average annual rate of 4% between 1982 and 1990 in the Charlotte area, will increase by a modest 1.5% annually between 1990 and 2000. For Raleigh/Durham, which enjoyed 5.5% annual growth in employment in the '80s, the rate is expected to slow to 1.8%. Real per capita income, which grew at an average annual rate of 3.2% for Charlotte and 3.3% for Raleigh/Durham from 1982 to 1990, will bump down to 1% and 1.9% respectively, according to DRI. Still, both areas are expected to run a sliver ahead of the state and national rates.

The reasons for the slower growth are primarily demographic. As postwar baby boomers head into their late 30s and 40s, the shrinking numbers of Americans entering

their 20s mean fewer workers, especially for entry-level jobs, and reduced demand for housing, automobiles and other goods typically first purchased in the young-adult years. In the late '90s, there will be 140,000 fewer North Carolinians between 18 and 34 than there are today, according to Kasarda.

Another important economic stimulus of the '80s is unlikely to be repeated: the abandon with which consumers wielded their credit cards. "There's been a large psychological change due to the recession," Orr says. "People are unwilling to borrow as much or consume as frivolously."

Stagnation in R&D spending could hurt the Triangle's growth prospects. Real corporate R&D spending has been flat over the past two years. And as more research parks have opened, competition has grown fiercer. There are now 115 research parks in the nation, vs. just 15 in 1980.

Even after the recession recedes, the '90s are going to require a new brand of realism, economists agree. "We'll still engender above-average growth but not as rapid as that of the '70s and '80s. I've been warning business leaders not to get back to the boom mentality, where they see nothing wrong with build, build, build," says N.C. State's Walden. "The '90s call for much more modest investment and marketing plans.

Much more caution will be needed to keep us from overextending ourselves."

So should Charlotte and Raleigh/Durham simply bow to the inevitable? Not necessarily. As Orr puts it: "The world has changed, and the pie is not growing as fast. But that doesn't mean you don't try to get a bigger share of it. The key in the 1990s will be stealing business from other regions."

Charlotte and Raleigh/Durham are plainly past masters at wooing businesses from other parts of the country. But as the contest heats up in the '90s, some of their prime selling points have lost luster. Their traditional cost advantage over other regions has been shrinking. "Twenty-five years ago, costs here were 30% to 35% less than in the Northeast and industrial Midwest," Orr says. "Today, they're about 10% less. The gap is narrowing."

Charlotte and Raleigh/Durham are creeping up in costs vs. some other Southern cities as well. In the American Chamber of Commerce Researchers Association's composite cost-of-living index, Charlotte's costs were indexed at 100.1 and Raleigh/Durham's at 96.4 for third quarter 1991 (100 equals the average of the 304 cities polled). The living was cheaper in Austin, Texas, for example, at 92.6; Nashville, Tenn., at 91.7; Memphis, Tenn., at 94.5; and New Orleans

**TREND**

## Metrolina magic

**Manufacturing employment**

**Unemployment**

	1980	1989	Change	1980	Rate	1990	Rate
Cabarrus	22,160	16,840	(24.0)%	1,980	4.8%	2,161	3.8%
Gaston	39,560	38,590	(2.5)	5,380	5.8	4,180	4.1
Iredell	15,630	17,140	9.7	2,570	6.5	2,312	4.4
Lincoln	6,540	7,310	11.8	1,740	8.8	1,249	4.5
Mecklenburg	44,450	50,790	14.3	10,560	4.6	8,411	3.0
Rowan	15,680	13,120	(16.3)	2,660	5.6	2,490	4.2
Stanly	10,870	10,860	(0.1)	1,400	6.1	1,272	4.7
Union	10,190	14,050	37.9	1,640	4.1	1,334	2.9
Metrolina	165,080	168,700	2.2	27,930	5.2	23,409	3.6
North Carolina	820,000	871,100	6.2	187,000	6.5	139,000	4.1
United States	20,285,000	19,442,000	(4.2)	7,637,000	7.1	6,874,000	5.5

**Despite slower growth in manufacturing employment, the Charlotte region helped set the pace for the North Carolina economy.**

with 93.5, which could give them a competitive advantage. "Costs have been driving a lot of corporate relocation decisions for the last year or two, more than four or five years ago," DePrez of PHH Fantus says. "There has to be a compelling advantage, a really dramatic saving, to justify the extremely high one-time costs of moving."

North Carolina's edge as a non-union state has also eroded as unions have weakened nationally. Many growth areas, such as banking, research and high-tech manufacturing, are typically not unionized.

The labor force in Charlotte and Raleigh/Durham may have a hard time meeting the demands of the '90s. "The labor problem is double-barreled," Kasarda explains. "Not only is the labor force declining in number, but a substantial number of workers lack the education, training and skills to adapt to the needs of business. Both cities are going to face a serious squeeze, and tight labor will raise costs."

North Carolina students' poor performance on national tests has fanned worries over education and work-force preparedness. Charlotte's and Durham's public schools rate below the state average. When speaking to companies thinking of coming to RTP, Research Triangle Park Foundation President James Robeson says, "We're

*always* asked about the quality of education. When a research facility is relocating, it's a major concern for their staff and their children. The biggest single liability we have is the quality of public education in North Carolina."

The much-touted quality of life in both areas is not immune from the urban stresses of the '90s. Crime is on the rise. Durham and Charlotte set new records for homicides in 1991 — with 33 and 115 respectively — as both cities have seen an increase in drug trade. Commuters complain about rush-hour traffic snarls — more than 100,000 commute into Charlotte daily, more than double the number in 1980 — and sketchy public transportation severely limits the employment prospects of the carless.

Unfazed by the sobering news, Charlotte and Raleigh/Durham business and civic leaders are busy forging their strategies for the '90s with typical zeal. The future of their cities could depend on their success.

Economic-development officials plainly have their work cut out for them. The Charlotte Chamber has targeted specific industries, including biomedical research, chemicals, aircraft parts, metalworking, financial back-office operations and electronics, for its recruitment efforts and hopes to lure national associations and banking,

Average annual wage		Total personal income		Retail sales	
1989	Real increase from 1980	1990 (in 000s)	Real increase from 1980	1990 (in 000s)	Real increase from 1980
\$18,611	18.6%	\$1,513,201	31.4%	\$691,732	23.3%
18,772	5.5	2,658,608	26.8	1,377,115	12.2
17,491	8.5	1,474,054	33.3	872,971	28.9
16,588	8.9	712,939	35.6	286,356	22.6
23,767	12.2	9,769,386	47.6	8,845,616	14.3
19,085	8.2	1,614,071	23.5	772,561	18.8
16,832	4.3	729,974	22.8	396,025	10.6
17,895	6.8	1,424,017	54.7	699,105	38.9
<b>18,630</b>	<b>9.2</b>	<b>19,896,250</b>	<b>38.9</b>	<b>13,941,481</b>	<b>16.6</b>
<b>19,302</b>	<b>8.0</b>	<b>100,417,638</b>	<b>33.0</b>	<b>64,691,006</b>	<b>19.3</b>
<b>22,120</b>	<b>5.5</b>	<b>4,662,698,000</b>	<b>29.3</b>	<b>1,807,219,000</b>	<b>25.8</b>



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real-estate and insurance companies to put corporate or division headquarters there. The chamber, with a staff of 50, including an international department, is a recruitment juggernaut that uses direct mail, trade shows, seminars, overseas trade missions, phone calls and one-on-one visits to lobby corporate prospects. "They're a very, very effective group compared with their peers around the nation," says a relocation specialist. Adds an economist: "They sell Charlotte like Honda sells Hondas."

Supplementing their efforts is the fledgling Carolinas Partnership, an attempt

to coordinate economic-development efforts in the 13-county Charlotte area. The partnership, which has just completed its first year, has received pledges of \$8 million over five years from area businesses. It handles all regional advertising and recently launched a national and international campaign under the slogan "America's New Business Horizon ... Charlotte Region." The partnership is also sponsoring the making of an OmniMax film of the region to be shown at Charlotte's Discovery Place next year and has opened a VIP briefing center at Charlotte/Douglas International Airport.

## Strategic air command

Though the economies of Charlotte and Raleigh/Durham differ vastly, they share a common benison: their hub airports. "The hubs are absolutely critical. In a way, they're the most important things North Carolina has to offer," says James Robeson, president of Research Triangle Park Foundation.

Charlotte's airport was designated a hub by Piedmont Aviation (now USAir) in 1979, and Raleigh/Durham's by American Airlines in 1987. With 500 flights a day, Charlotte boarded 8.4 million passengers last year and offered direct service to 150 cities, including London and Frankfurt. At RDU 4.7 million departed on 253 daily flights for nearly 80 cities, including Paris.

Air links have become even more crucial as international markets integrate. Components are manufactured all over the world, gathered in one location and assembled. The resulting products are shipped around the globe. For example, IBM's PS2 personal computers are assembled in Raleigh from parts manufactured at sites from Burlington, Vt., to the Far East.

As companies strive to trim inventories and beat out competitors, they increasingly choose to ship by air. Exports, which grew by 22% in North Carolina between 1989 and 1990, are more frequently airlifted; according to Kenan Institute of Private Enterprise Director John Kasarda, 35% of exports now move by air. Charlotte loaded 170 million pounds of cargo last year, up from 40 million in 1981; RDU loaded 83.5 million pounds. "Instead of shipping by a six-hour truck drive, it makes sense to use an air hub," says urban planner Michael Gallis. "Time and transportation are concentrating economic development to major hubs in the U.S. For the first time, we're seeing a shift to major urban centers in the Carolinas."

Corporate relocation specialists say that one of the first factors a relocating company considers when assessing sites is air service. Charlotte's and Raleigh/Durham's airports have helped them attract foreign-owned facilities, 260 and 65 respectively.

As the '90s progress, the preser-

vation and enhancement of their airports will be essential to both regions. Raleigh and Durham suffered a collective shudder recently at rumors that American Airlines was considering dropping RDU as a hub. Though the reports have been denied, attendees at the Raleigh-Durham Regional Association conference in January cheered in relief when the local American Airlines representative said company officials had ruled out Atlanta as an alternative hub to RDU.

RDU's chairman, developer Smedes York, went on to outline a long-term plan calling for additional runways by the end of the decade. "The main thing I know about running an airport is that the public has to be behind the effort," he told the crowd. "We cannot go backwards. We cannot afford to lose the hub." The unspoken message: the business community had better be prepared to rally against any community opposition to expansion.

Charlotte's airport also has plans to expand. Its status as USAir's southernmost hub, particularly now that the airline has axed its Dayton, Ohio, hub and is reducing its losses, seems fairly secure.

Charlotte is also tackling regionalism on a political level. Charlotte and six surrounding cities last December approved creation of an association of cities from the region to take on issues of common interest, and representatives met for the first time Feb. 4. The first item on the agenda: lobbying the state for the region's fair share of reimbursements. Eventually the organization will expand to the region's 38 municipalities and aims to produce long-term savings by coordinating planning and sharing costs of public projects, such as parks, roads, sewers and regional transportation. "The reason we're spending too much today is that there was too little planning 10 years ago," says Lynn Wheeler, the Charlotte City Council member spearheading the initiative.

Raleigh and Durham have also inaugurated a regional initiative: the Raleigh-Durham Regional Association, established in June 1990. The purpose of the association, says Chairman John Atkins, president of the Triangle architectural firm O'Brien/Atkins Associates, is to promote economic development and provide a forum for discussion of issues important to the area. "We think when we combine our assets, we have a story that's hard to beat. If we don't — if Raleigh or Durham is pursuing a prospect on its own — our chances dim." Interest is plainly running high. The group's second

annual conference, held in January, drew 737 to RTP's Sheraton Imperial to hear discussion of regional economics and the future of the Raleigh/Durham airport.

Will regionalism really make a difference? Says First Union's Orr: "Regionalism is absolutely the only thing to do. It's essential for recruiting and infrastructure planning. People have to give up thinking in terms of counties. You can't have Iredell and Gaston fighting it out. The area attracts people and companies, and within the area each will get its fair share."

DePrez agrees that areas that sell themselves as regions can have an edge. "When companies relocate, they consider the whole broad region, the downtown, the suburbs, the labor pool. The more flexible you are in offering a regional approach, the more opportunities you offer."

Gallis was a consultant to the Charlotte City Council on its regional initiative and says it holds the key to the area's future success. "Lynn [Wheeler's] committee is in the forefront of breaking down the walls that ring the Great State of Mecklenburg," he says. "We've inherited a jigsaw of political entities that do not efficiently divide the area." With a regional strategy, he believes, "Charlotte has the potential of being the strongest competitor in America. We are entering a metropolitan state after Houston and Atlanta. We can clearly see the

**TREND**

## Triangle triumph

	Manufacturing employment			Unemployment			
	1980	1989	Change	1980	Rate	1990	Rate
Chatham	5,960	5,990	0.5%	810	5.1%	653	3.3%
Durham	18,720	29,870	59.6	4,380	5.0	2,461	2.4
Johnston	9,620	8,490	(11.8)	2,190	6.2	1,751	4.6
Lee	7,350	8,030	9.3	1,500	7.9	1,065	5.3
Orange	3,460	2,740	(20.8)	1,840	4.2	980	1.9
Wake	22,820	27,680	21.3	6,970	4.0	5,950	2.4
Triangle	67,930	82,800	21.9	17,690	4.7	12,860	2.7
North Carolina	820,000	871,100	6.2	187,000	6.5	139,000	4.1
United States	20,285,000	19,442,000	(4.2)	7,637,000	7.1	6,874,000	5.5

**The Raleigh/Durham region has shown even greater gains than Charlotte.**

problems that were created, and we have the potential to do things differently."

Also crucial will be protecting the quality of life in both regions. As Atkins puts it: "How do we plan for growth and not jeopardize our quality of life? The spectrum of viewpoints ranges from 'I'm here so let's close the door' to development for development's sake. It's a struggle." Finding a balance will be vital. A pleasant, affordable environment is key not only to attracting new companies but also to inducing existing companies to expand — a major potential source of growth for both Charlotte and Raleigh/Durham. For example, the proposal to establish parks along lakes Wylie and Norman is an attempt to preserve an important amenity in the face of urban encroachment, Gallis says.

Improved education will have to be a top priority. "The question of the '90s is how to get a grip on education. We need to put more money in schools and less in roads," Stuart says. Charlotte has tried to solve its problem by hiring a new school superintendent with ambitious plans for restructuring portions of the system and imposing high standards. Charlotte also hopes to upgrade its higher education, long in the Triangle's shadow. A proposal that would allow UNCC to grant doctorates is awaiting approval by the university's Board of Governors. Such programs could lure more

research-oriented companies to the area.

"We believe that offering Ph.D.s is critical to this region and its economic development," says William McCoy, director of UNCC's Urban Institute. Meanwhile, local businesses are supporting a \$50 million fund drive for Johnson C. Smith University.

As the '90s unfold, economists and development specialists agree that Charlotte and Raleigh/Durham must continue to broaden their world view, to snag international as well as national and local trends. This may mean, for example, increasingly active recruitment of foreign companies. RTP, where 39 sites are still open for development, is already targeting European and Japanese companies, Robeson says. "Many U.S. executives are judged on their quarterly results, not on their performance over five or 10 years. One reason we're aggressively recruiting overseas is that many of those companies take a longer view in their research and development."

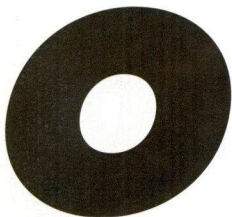
The '80s placed Charlotte and Raleigh/Durham in the world arena. They're powerfully equipped to compete, but they'll be learning their positions in the slow-growth '90s. "We have to look at the global economy and understand the strategy of growth in the '90s," Atkins says. "If we just look at North Carolina or national opportunities, it's not going to happen. We've got to look at the bigger picture." ■

Average annual wage		Total personal income		Retail sales	
1989	Real increase from 1980	1990 (in 000s)	Real increase from 1980	1990 (in 000s)	Real increase from 1980
\$16,962	7.9%	\$595,493	38.5%	\$186,055	(12.2)%
24,903	19.4	3,207,768	43.0	1,663,216	44.5
15,614	3.4	1,082,114	31.1	622,751	17.6
17,479	8.0	636,746	30.6	428,333	2.2
21,185	12.4	1,657,661	53.7	640,662	31.9
20,883	7.3	8,016,139	65.2	5,251,140	49.0
<b>19,504</b>	<b>10.2</b>	<b>15,195,921</b>	<b>53.2</b>	<b>8,792,157</b>	<b>39.1</b>
<b>19,302</b>	<b>8.0</b>	<b>100,417,638</b>	<b>33.0</b>	<b>64,691,006</b>	<b>19.3</b>
<b>22,120</b>	<b>5.5</b>	<b>4,662,698,000</b>	<b>29.3</b>	<b>1,807,219,000</b>	<b>25.8</b>

# TWILIGHT OF THE GODS

*In manufacturing might, the Triad once reigned supreme. Can it hammer out a new identity in the '90s?*

*By David Bailey*



ur little town of High Point," Dave Phillips says fondly. Then he lets out a long sigh. "It hasn't changed much in its population in a long time."

In fact, from 1980 to 1990 High Point slipped from sixth to seventh in the state, even though population increased at a healthy rate.

Sure, says Phillips, a developer and president of Phillips Industries, "it's known as the furniture and hosiery capital of the world. But most of our hosiery companies in the last decade have gone out of business or merged, like Adams-Millis and Sara Lee. They've shut down operations and moved somewhere else."

Of course, there's still the furniture market: "It's exciting and one of the most incredible things that happens in America. It brings 60,000 people down twice a year," Phillips says, his voice rising in a brief crescendo, "but it doesn't employ a lot of people. It's seasonal employment."

The biggest manufacturing employer in town, Phillips says, is Thomas Built Buses Inc., with just under 1,000 workers. But few cash-strapped state and local governments are buying school buses. Historically, the other two big employers have been Hatteras Yachts and Alma Desk Co. The luxury tax has almost put boat building in dry dock, "and people have just stopped building

buildings anymore," he says. That makes it tough to sell office furniture.

"That's our little town, and you go to Winston and they'll tell you the same story," Phillips says. "Greensboro is the same thing. We're hurting."

By almost any measure — population, employment, auto registrations, per capita income, wages per worker — the Triad lagged behind state growth averages during the '80s. High Point, since it is not as diversified as the other two cities, probably has had the hardest time. But Winston-Salem lost its status as the headquarters of RJR Nabisco, and Greensboro has seen jobs come and — mostly — go as the textile industry went through a chaotic decade.

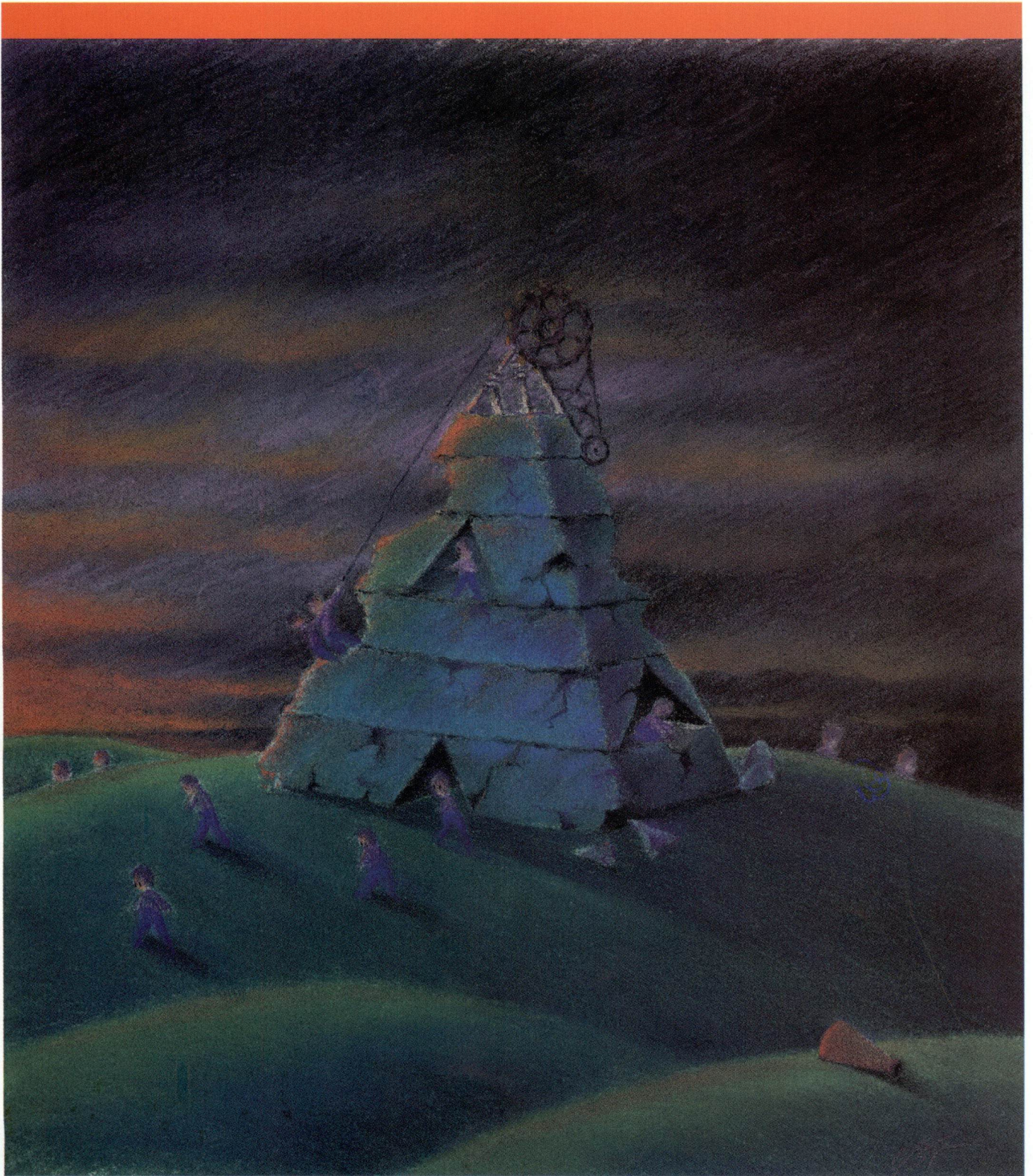
That's not to say the area didn't grow. "If [the Triad] were located anywhere else in the nation, you'd say, 'That's pretty healthy, managed growth,'" UNC-Greensboro finance Professor Donald Jud notes. "They could almost brag."

In fact, *Site Selection and Industrial Development* magazine ranked the Triad as the fourth-most-popular place in the nation to build new plants in 1991 — after the No. 2-ranked Charlotte area. "In that they're located between two of the major growth areas in the Southeast, Charlotte and Raleigh, they pale by comparison," Jud says.

Even more troubling, Winston-Salem,

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*As the '80s dawned, the Triad's future looked as rosy as a Carolina sunrise. Now, its leaders must decide what they want tomorrow to bring.*



YUNG SHENG TSAO

Greensboro and High Point — cities that for decades have been the gauges used to monitor North Carolina's industrial might — have added few manufacturing jobs. Such jobs actually declined by 16% from 1980 to 1990 in Forsyth County, which in its heyday — 1935 — produced a quarter of the state's manufactured goods.

But in the '80s, the Triad looked on with envy as manufacturing jobs grew by 14% in Mecklenburg County and 21% in Wake County. "When I was in Winston-Salem," banker Hugh Durden says, "one of the things I used to say with some conviction was the sun is going to turn around and shine here some day. Well, I was wrong."

Durden, now based in Charlotte as Wachovia Bank of North Carolina's executive vice president for the western third of the state, knows where to lay the blame. "The '80s fever in the Carolinas was concentrated in the Triad," he says. The disease showed up in many forms — downsizings, consolidations, mergers, LBOs, restructurings, relocations and plain old-fashioned business failures. "There was an epidemic of the fever, and no single person could have done anything about that," Durden says.

That was then. Now, as the Triad looks toward the slower growth projected between now and the year 2000, leaders realize someone had better do something. The big question is what. "The area just does not have the enthusiasm for itself that Metrolina and the Triangle have," Greensboro City Manager William Carstarphen says. "It's not quite sure what's happened to it, and it hasn't formulated, as a result, a new strategy."

Consider, for instance, a recent effort to transform Triad cooperation into bricks and mortar. The idea was to turn a 1,000-acre tract in the middle of the Triad into a regional centerpiece. Leaders, especially those from Winston-Salem, decided that the land would be perfect for a research park or could be used as an industrial and office park. All they needed was \$500,000 to extend the option on the land, which was on the market for \$14 million.

Bowman Gray School of Medicine officials were particularly enthusiastic about tying such a park to a graduate-engineering center already in the works. Because the land was closest to High Point, leaders there were understandably excited. But Greens-

**TREND**

## Triad trails

Manufacturing employment

Unemployment

	1980	1989	Change	1980	Rate	1990	Rate
Alamance	19,500	21,620	10.9%	3,550	7.2%	2,159	3.3%
Caswell	990	760	(23.2)	570	7.3	416	4.4
Davidson	23,100	23,840	3.2	4,550	7.5	2,791	3.9
Davie	2,990	3,890	30.1	680	6.4	686	4.6
Forsyth	44,110	37,250	(15.6)	6,570	5.2	5,706	3.9
Guilford	57,250	59,310	3.6	9,350	5.6	6,820	3.6
Randolph	20,860	23,590	13.1	3,050	6.3	1,833	3.0
Rockingham	17,610	15,400	(12.6)	3,780	9.2	2,331	5.7
Stokes	1,620	1,320	(18.5)	1,150	6.6	827	4.4
Surry	15,520	15,970	2.9	2,180	7.5	1,542	4.7
Yadkin	1,760	2,710	54.0	1,030	6.8	739	4.5
Triad	205,310	205,660	0.2	36,460	6.4	25,850	3.9
North Carolina	820,000	871,100	6.2	187,000	6.5	139,000	4.1
United States	20,285,000	19,442,000	(4.2)	7,637,000	7.1	6,874,000	5.5

**Although it outpaced the nation in some areas, the Triad lagged behind the state, Metrolina and Triangle.**

boro's mood was cool, and the deadline for tying up the land passed without the money being raised. Clearly, the kind of cooperation that put Charlotte and Raleigh/Durham on the national corporate-relocation map is a distant dream for the Triad.

Charlotte's success must be particularly galling to the Triad, which has always prided itself on quality of life and cultural superiority. After all, it has the North Carolina School of the Arts, a modern-art museum, a Shakespeare company, Old Salem, several symphony orchestras and an arts-patronage system that is to the Triad what the Medici family was to Florence.

But while the Triad was building art programs, Charlotte was creating what it likes to call a world-class city. Allen Mebane, chairman and founder of Greensboro-based Unifi Inc., says Charlotte was able to pull it off because six or seven of the city's most powerful leaders can sit down at a table together, take a vote and make just about whatever they want happen in the Queen City. "You can't get six people from Greensboro, High Point and Winston-Salem even to sit down together," he says.

In 1979, the Triad's future looked as rosy

as a Carolina sunrise. Winston-Salem alone had the headquarters of R.J. Reynolds Tobacco Co., Hanes Corp., Wachovia Bank and Piedmont Aviation. Within a 30-mile radius were the nation's largest tobacco manufacturer, more than a dozen textile and apparel makers (including the nation's largest), three major insurance companies, the state's soundest bank, a booming airline and two of the country's largest trucking companies. Triad population had grown 180% from 1920 to 1980, compared with 130% for the state and 114% for the nation.

And despite intensive industrialization, it was a great place to live — Greensboro was ranked No. 1 among medium-sized cities by the 1981 *Rand McNally Places Rated Almanac*.

"Industrialization has supported growth, raised incomes and created a large skilled labor force," boasted an *Economic Atlas of the Piedmont Triad* published in 1982 by chambers of commerce, the state Department of Commerce and Triad county governments. But the citizens in this part of the Bible Belt would soon be reminded of the lesson Job learned: What the Lord gives, He can take away.

Average annual wages		Total personal income		Retail sales	
1989	Real increase from 1980	1990 (in 000s)	Real increase from 1980	1990 (in 000s)	Real increase from 1980
\$16,765	6.1%	\$1,774,879	29.8%	\$1,067,660	27.1%
14,808	(1.0)	216,468	10.5	36,837	(22.4)
17,285	6.8	1,791,752	24.0	786,047	14.7
16,353	(0.9)	467,928	40.0	177,333	52.4
23,692	7.3	5,285,300	31.5	3,299,817	20.6
21,110	6.3	6,547,142	30.2	5,216,685	22.5
16,160	1.7	1,488,080	28.9	616,560	25.5
18,788	5.8	1,235,239	12.1	490,283	(1.2)
16,945	7.2	502,830	26.0	118,944	15.6
16,072	4.5	886,066	22.5	602,759	30.9
16,053	13.9	430,334	25.3	141,811	(9.2)
<b>17,639</b>	<b>5.3</b>	<b>20,626,018</b>	<b>28.0</b>	<b>12,554,736</b>	<b>20.8</b>
<b>19,302</b>	<b>8.0</b>	<b>100,417,638</b>	<b>33.0</b>	<b>64,691,006</b>	<b>19.3</b>
<b>22,120</b>	<b>5.5</b>	<b>4,662,698,000</b>	<b>29.3</b>	<b>1,807,219,000</b>	<b>25.8</b>

In the Triad, the Almighty had some help, though. "The Winston people didn't want other people in there because it would destroy the labor situation they had," Mebane asserts. "Burlington and Cone and Jefferson-Pilot for years have been inhibitors of the growth of Greensboro. They didn't want the competition for the labor." Mebane should know. He worked at Burlington Industries from 1957 to 1964 before launching Unifi.

Statistics bear him out. Granted, tobacco work (the highest-paid category of manufacturing jobs in the nation) boosted Forsyth's average wage per hour in 1979 close to the national average wage of \$6.69 an hour. But in the whole 11-county region, workers averaged \$4.77 an hour, lower than the \$4.87 average for the state and nearly \$2 less than the U.S. average.

"North Carolina in the period from 1979 to 1984 went through the most expansionary period in its history," John McNair, former president of Wachovia Bank of North Carolina, has said. "During that time, a great many referrals [to the Triad] were made by the state Department of Commerce, and none of the deals were closed." Granted, Greensboro snagged an American Express service center in '85 and other companies were lured to the Triad in the

'80s, but that didn't offset what happened to the area's bread-and-butter industries.

Says Wachovia President L.M. "Bud" Baker Jr.: "A strong employment base was always here, and we sort of sat and watched. Charlotte and Raleigh were larger, more concentrated areas, and I think they were more aggressive in economic development than the separate cities of the Triad were."

Population numbers back that up. From 1980 to 1990, the 11-county Triad region gained 104,422 people or about 9% — the growth rate of Eastern North Carolina. The eight counties in the Charlotte region grew by 179,510, double the Triad rate. And in the Triangle, the six counties around Raleigh grew by 189,054, a rate of 28%.

More telling is net migration — a population count adjusted for births and deaths. Forsyth saw a net loss of some 2,100 people from 1989 to 1990. Guilford added 6,600 in 1990 — but compare that with Mecklenburg's 21,800 or Wake's 19,800.

Overall, the Triad's net gain was about 52,000 for the decade — while the Charlotte area picked up more than 110,000 and the Triangle gained more than 136,000.

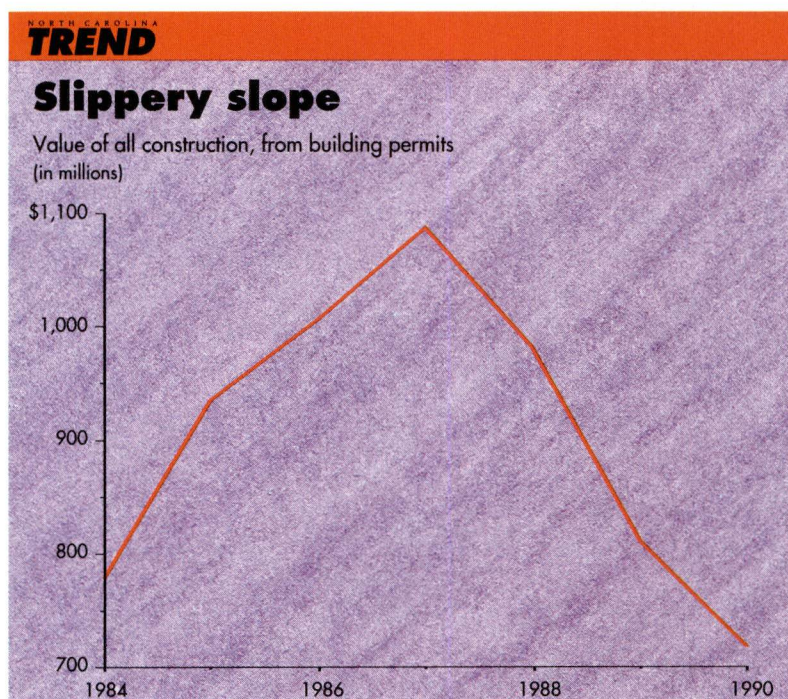
"It's not just Charlotte and Raleigh vs. the Piedmont Triad," says former Greensboro Mayor Jim Melvin. "The megatrends are happening so quickly that if you don't step back and take a look at the way things are going and identify just a few of these things, then you're going to get left behind."

Melvin, president of 1st Home Federal Savings and Loan, says that in the early '80s John Belk and other Charlotte leaders decided what would make the city grow and went after it. "I heard them articulate their dream and saw the leadership of Charlotte come together — corporate, public and private — and clearly identify their goals and objectives. The megatrends of the world have caused Charlotte to emerge as a mega-viable economic entity for the 21st century."

"Charlotte and Mecklenburg and Raleigh/Durham/Chapel Hill kind of got the jump and took the marbles home," Baker says. "How permanent that is and what it means over the long run, I don't know."

Of course, there's the issue of whether

**The Triad never hit the heights Metrolina and the Triangle reached. But it shared the big drop when money tightened up.**



# Entscheidungen

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*"The area just does not have the enthusiasm for itself that Metrolina and the Triangle have," William Carstarphen says. "It's not quite sure what's happened to it."*

the region really wants the kind of growth Charlotte and Raleigh have experienced. "Not everything that has taken place in Charlotte and Raleigh/Durham has been positive," says Marc Bush, senior economic developer for the Greensboro Area Chamber of Commerce. Along with urban amenities come big-city problems: traffic congestion, more murders and other crimes and a strained infrastructure.

"We don't want to be a Charlotte or a Raleigh," Bush says, echoing the sentiments of many. The current growth rate, he says, "is where this region wants to be."

Besides, Baker says, what he calls an emerging democracy is changing the way the Triad is run: "The fact is, there's a broader sense of governance within our communities. There's a sense of everybody wants to kind of sit at the table a little."

This may not be as efficient as a small group of powerful leaders calling the shots, nor does it build wealth as effectively. "But I think it's pretty healthy," he says, "and in the end you end up with a fairly strong sense of community."

But to stay even with past growth, the Triad will have to work harder than it did during the '80s because of increased national competition and slower population growth. DRI/McGraw Hill estimates that the population of the Metropolitan Statistical Area around Greensboro, High Point and Winston-Salem will grow at a little less than 1% a year from 1990 to 2000. From 1982 to 1990, the area grew 3% annually.

Melvin and other influential voices in the Triad say regionalism is the surest way to foster growth. They maintain that if the 11-county area, with a total population of 1.4

million, really worked together, the Triad could wield as much political clout as Charlotte or Raleigh/Durham. They also say that the Triad could compete successfully for corporate relocations if it marketed the combined resources of the three cities and surrounding counties.

"The Triad is what one person once described as a polynucleated urban region," UNC-Charlotte geography Professor Al Stuart says. "There's no there there."

The Triad is busy trying to remedy that. "The major business people are seriously sitting down and looking for ways to do things better as a region," Melvin says. Witness the number of CEOs who gathered in Winston-Salem to show the UNC Board of Governors they favored setting up graduate engineering programs.

"We're beginning to look inwardly at ourselves as a single regional entity and asking ourselves how do we make that entity compete worldwide," Melvin says. Phillips cites the Piedmont Triad Partnership, an 11-county marketing alliance, as an instance of how the region is working together.

He admits, though, that setting it up was a real struggle: "There are a lot of suspicious people in these surrounding counties who just don't trust Greensboro, Winston-Salem and High Point because they felt they wouldn't get a fair shake." Indeed, rural counties surrounding the Triad's three major cities grew much more slowly in the '80s than those ringing Charlotte. Still, the Triad counties have committed \$300,000 a year for three years and have hired a staff for the partnership.

Although Greensboro and Guilford County took the lead, Triad leaders worked together last year to lure the United Airlines jet-maintenance center — and came close to getting it. United chose Indianapolis for the \$1 billion hangar complex. The Triad went all out, offering \$298 million in incentives in a bid for 6,300 new jobs.

"It's important that these communities conduct a self-assessment and understand what they have to offer," says Gene DePrez, vice president and principal in the New

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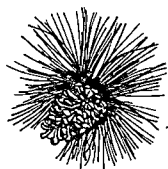


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York corporate-relocation firm PHH Fantus. "It's like any marketing situation. You ask, 'Who should we go after?' You can't take a shotgun approach and go after everybody. That's not going to work."

The Triad's problem is not knowing what it wants. "I came to Greensboro seven years ago, and then I felt Greensboro wasn't sure what it wanted to be when it grew up," City Manager Carstarphen says. Seven years later, the identity crisis continues.

"Back in the 1920s, someone coined the name Gate City," Jud says, "because they thought we were going to be a gateway to the South, another Atlanta. But since then I don't think people have taken those types of ambitions seriously."

"The problem, if it is a problem, is that we don't have a real entrepreneurial class who are willing to use their influence to make this region grow rapidly. Now we've lost some industrial base and we've got concerned, but it's questionable whether the level of concern is sufficient to make us do something."

First, the Triad needs to figure out what that something is. "The Triad has probably not decided what to market itself as," says Gayle Anderson, executive vice president of the Greater Winston-Salem Chamber of Commerce.

Manufacturing remains its strength, though that may not seem as appealing given the national shift toward more white-collar jobs. Wachovia's Durden, however, believes the area's future is inextricably tied to manufacturing. "They want to sell services and technology," he says. "That's popular. But they should be talking about a manufacturing work base."

"My guess is that things will

look pretty good for manufacturing in the future," Baker says. "I think when you look at some of the companies that have been through restructuring here in the Triad, they seem to be emerging nicely, showing pretty good results and will eventually lead to some employment gains."

Things are looking up for a number of manufacturers, including Burlington Industries, Guilford Mills, Oakwood Homes and Fieldcrest Cannon. Others, including RJR Nabisco, Unifi and Sara Lee, have weathered the recession practically unscathed.

"I think we need to be the finest, quality manufacturing center in the Southeast," Carstarphen says, "but unfortunately our leadership hasn't focused on that as a single objective."

Peter Reichard, executive director of the Greensboro Area Chamber of Commerce, agrees: "What we have not done is brought in the upper-end, head-of-household-income jobs," he says. "I don't think anyone needs to be ashamed of manufacturing."

Baker wonders whether the individual cities can ever abandon their internecine factionalism: "The Triad is still a number of separate cities and counties that have started to work together," he says. "It remains to be seen whether the area will actually pull together as an economic entity."

"I don't think the three cities that make up the Triad even know where each other are," Mebane says. "You know, people in Greensboro don't care a thing about people who live in High Point, and people in High Point don't care about people in Winston. They call it the Triad, but they don't do anything together that means anything."



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# STILL HOLDING THEIR OWN

*Outside the domain of the metropolitan centers, smaller cities control their own economic principalities.*

*By Luann Nelson and David Mildenberg*

**I**n 1974, a young lawyer named Louis Bissette Jr. moved to Asheville to head a new bank. Coming from Charlotte, where growth sometimes seemed an end to itself, he was taken aback by attitudes he encountered in his new hometown.

"I was amazed when I first moved here when I'd have people tell me, 'We've got such a great thing going here, we don't want people to know about it,'" says High Point native Bissette, who was mayor of Asheville from 1985 to 1989 and now practices law.

Be careful what you wish for. You might get it. In the 1980s, Buncombe County's population grew by 15,000, up 8.5% to 175,000. Decent growth, to be sure, but well below the state's 12.7% average. Likewise, the increase in per capita income in Buncombe and neighboring Henderson County underperformed the state as a whole, defying the conventional wisdom that wealthy retirees are enriching the area.

Though it may be one of the world's most beautiful places to live, Asheville was a minor participant in the state's boom of the '80s. That's hardly what Garrett AlDefer, a former executive director of the Asheville Chamber of Commerce, anticipated when he told *BUSINESS NORTH CAROLINA* in 1983, "We're on the very verge of the greatest growth we've ever known."

"There's a theory in this state that a

rising tide lifts all ships," says Martin Nesbitt, an Asheville native and legislator since 1979. "But that hasn't happened in the last six or eight years."

With some notable differences, similar trends were evident in the state's five other second-tier metropolitan areas: Fayetteville; Greenville; Hickory/Lenoir/Morganton; Rocky Mount/Wilson; and Wilmington.

Each is far enough from the state's three major metropolitan centers to retain its identity. Each possesses singular strengths, such as tourism in Asheville and Wilmington, the military in Fayetteville, furniture and telecommunications in Hickory, banking in Rocky Mount/Wilson and medicine and education in Greenville. Each is a regional distribution, retailing and medical-services center — a distinction that sets them apart from Goldsboro, Jacksonville, Kinston and other midsized cities.

Each has an enviable standard of living largely devoid of many of the problems facing the metro centers. But there's a trade-off involved. None has big-city political clout, marketing power, name recognition nor amenities. Combined, their growth in total employment and retail sales barely topped the state average, while growth in population, total personal income and average annual wages trailed slightly.

Though it might satisfy some, such modest

*Moderate growth suited North Carolina's second-tier regions in the '80s. But attracting jobs that slow the migration of talent remains a major challenge.*



YUNG SHENG TSAO

growth isn't likely to stem the migration of many high-school and college graduates to larger cities.

Steve Holt, executive director of the Asheville chamber for the past two years, sees his job in those terms. "There are seven high schools in this county, and we need to be producing jobs for those graduates."

But growth is a controversial topic in Asheville, setting it apart from the other second-tier regions, which tend to be unabashed in their support for development. "Asheville is a drawbridge community," observes Phil Carson, a lawyer who has lived there since 1967. Once people move in, he says, they want to pull up the drawbridge and keep others out.

"There's a segment of the business community that would like to see Asheville explode," says Doug Stafford, who headed the city's convention and tourism bureau before taking a similar job in Charlotte. "But most of the citizens don't want to see much

happen." Among those with a moderate appetite for expansion is Ken Michalove, a former city manager who has been mayor since 1989. "We aren't looking for an explosion of growth," he says. "We really don't want it."

Measured growth would be fine if the city was attracting more jobs that pay good wages. But aside from some well-to-do neighborhoods in North Asheville and the ritzy three-square-mile town of Biltmore Forest (an enclave bounded by Asheville on three sides and the Biltmore Estate, from which it was carved in 1923, on the other), Buncombe County has never been known as a prosperous place.

In the '80s, the county had a net loss of about 1,000 manufacturing jobs and has lost nearly that many more during the recession of the past two years, according to Jim McMahan, manager of the Asheville office of the Employment Security Commission. Among the past year's closings were a Burlington Industries plant that employed

## TREND

# Second-tier shuffle

	Manufacturing employment			Unemployment			
	1980	1989	Change	1980	Rate	1990	Rate
<b>Asheville region</b>							
Buncombe	21,160	20,100	(5.0)%	4,660	5.9%	3,033	3.3%
Henderson	6,580	7,700	17.0	1,170	4.6	1,084	3.1
<b>Hickory region</b>							
Burke	16,180	18,970	17.2	2,190	6.8	1,702	3.9
Caldwell	16,240	17,300	6.5	2,910	8.7	1,639	4.3
Catawba	34,350	41,650	21.3	4,010	6.9	3,071	4.3
<b>Fayetteville region</b>							
Cumberland	11,570	12,470	7.8	6,090	8.5	4,414	4.7
<b>Rocky Mount region</b>							
Edgecombe	6,730	7,210	7.1	2,690	9.1	1,476	5.0
Nash	11,500	14,480	25.9	2,520	7.2	1,759	4.7
Wilson	8,320	8,620	3.6	3,120	9.1	2,462	7.0
<b>Wilmington region</b>							
New Hanover	9,990	9,450	(5.4)	3,670	7.6	2,756	4.2
<b>Greenville region</b>							
Pitt	8,140	9,490	16.6	3,410	7.3	2,084	3.5
<b>Second-tier</b>	<b>117,200</b>	<b>128,610</b>	<b>9.7</b>	<b>36,440</b>	<b>7.4</b>	<b>25,480</b>	<b>4.2</b>
<b>North Carolina</b>	<b>820,000</b>	<b>871,100</b>	<b>6.2</b>	<b>187,000</b>	<b>6.5</b>	<b>139,000</b>	<b>4.1</b>
<b>United States</b>	<b>20,285,000</b>	<b>19,442,000</b>	<b>(4.2)</b>	<b>7,637,000</b>	<b>7.1</b>	<b>6,874,000</b>	<b>5.5</b>

**The six second-tier regions encompass 11 counties. Growth in manufacturing jobs failed to boost wage rates or income levels.**

550 and Sayles Biltmore Bleacheries, a finishing plant that had 300 workers.

DRI/McGraw Hill, a Lexington, Mass.-based forecasting company, predicts Asheville will continue losing manufacturing jobs while attracting more retirees in the '90s. Rosalind Greenstein, a DRI/McGraw Hill senior economist, thinks Asheville/Hendersonville's population will grow by about 1.5% a year, much better than the estimated state growth of 1.05%. "We're basing that estimate on an expected influx of retirees," she says.

One silver lining, according to Michalove, is that Asheville's manufacturing jobs are shifting from relatively low-paying, low-tech textile and apparel work to more skilled machining and electronics tasks. That trend was typified by the high-water mark of industrial recruitment in recent years in Asheville: an ITT Teves plant that opened in 1987 and now employs about 750 people who make anti-lock brakes.

Overall, Asheville leaders say the manufacturing base is on more solid footing than a decade ago. "I think we've got the kind of manufacturing industries that do well," Bissette says. As examples, he points to such major employers as Square D, Westinghouse, Rockwell International and BASF, each employing more than 400.

Still, Asheville's high regard for the environment means economic developers have a tough row to hoe to plant the seeds of industrial growth. The irony is that, as Bissette notes, western North Carolina probably needs economic development as much as any section in the state. The poverty rate in Buncombe County is 21%. "I really think our problems relate to the economic opportunities for the people that live here," Bissette says.

"We do live in a place that is not only beautiful but which has a geography that defines it and limits it," says Sandy Wisniewski, an industry recruiter in west-

<u>Average annual wage</u>		<u>Total personal income</u>		<u>Retail sales</u>	
<u>1989</u>	<u>Real increase from 1980</u>	<u>1990 (in 000s)</u>	<u>Real increase from 1980</u>	<u>1990 (in 000s)</u>	<u>Real increase from 1980</u>
\$18,331	2.9%	\$2,730,323	28.5%	\$1,830,494	16.2%
17,766	3.3	1,173,263	41.0	597,083	22.0
17,525	3.7	1,063,587	23.2	441,007	12.6
16,594	7.5	983,190	23.8	456,532	17.1
18,243	9.5	1,927,473	35.3	1,362,681	16.4
17,833	5.5	3,473,479	25.4	1,890,482	23.6
17,232	(0.5)	721,852	16.8	345,005	0.9
17,786	11.5	1,166,312	36.3	891,124	19.0
18,013	1.5	970,896	18.4	739,415	31.3
18,488	1.8	1,893,730	36.9	1,596,553	38.6
18,085	9.1	1,543,150	42.6	960,024	29.6
17,809	4.9	17,647,255	30.1	11,110,400	22.2
19,302	8.0	100,417,638	33.0	64,691,006	19.3
22,120	5.5	4,662,698,000	29.3	1,807,219,000	25.8

ern North Carolina for the N.C. Department of Economic and Community Development. "That leads to a lot of debate."

Quality-of-life issues tend to get shorter shrift in other second-tier areas. Economic-development experts consider the Hickory area hungrier for growth and more open to entrepreneurial start-ups than Asheville. "All of the counties in this area are extremely aggressive in terms of economic development," says Robert Dunn, Wisniewski's colleague in the northwestern part of the state. "The Hickory metropolitan area has the highest percentage of manufacturing workers in the nation, and this tends to attract additional manufacturing."

Some Asheville leaders acknowledge that their region has been out-hustled in attracting industry. The Hickory/Lenoir/Morganton region added nearly 11,000 manufacturing jobs in the '80s. Nash and Edgecombe counties in the east gained about 3,500. Lack of flat land for major industrial operations in Buncombe County gets part of the blame. Another factor is Asheville's creaky infrastructure, including an antiquated water system that leaks an incredible 5.63 million gallons of the 23 million-plus gallons pumped from the city's two reservoirs each day. But such problems are manageable, civic leaders say.

"Asheville has all the good things going

for it," Carson says. "It does not have going for it a very good track record of attracting quality industry and high-paying jobs for the people of the county."

Right now, the retail, service and manufacturing sectors each employ 20,000 to 22,000 people in Buncombe County. That's an enviable balance, McMahan says. But if current trends persist, Asheville will become increasingly dominated by its tourism and service industries. And everyone knows desk clerks and restaurant waiters rarely earn as much as machinists or loom fixers.

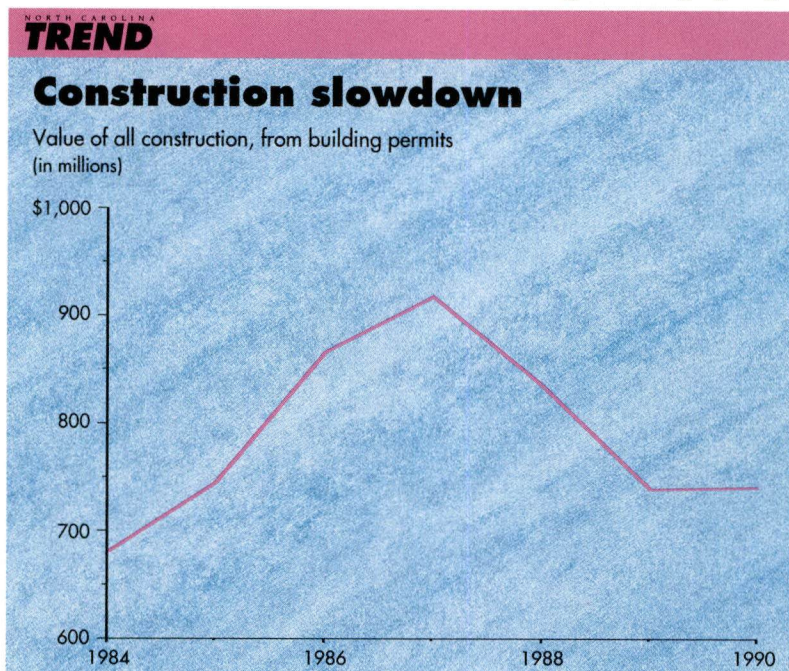
"The base employment of our people is sound," says legislator Nesbitt, who is co-chairman of the House Appropriations Committee. "But the missing link is bringing in high-paying jobs. We did well in the early 1980s, but since then, things have slowed."

That's one reason civic leaders are so excited about two recent gains: the February transfer of VME Sales North America's headquarters from Cleveland to Asheville and a \$5 million, 130,000-square-foot expansion, now under way, at New York-based catalog retailer Clifford & Wills' 3-year-old distribution center near the Asheville airport. The company already employs 500 full- and part-time workers. The VME move was intended to put the sales and marketing headquarters close to its 20-year-old plant in nearby Skyland, where 200 people produce wheel loaders and articulated haulers. VME is a joint venture between Sweden's Volvo and South Bend, Ind.-based Clark Equipment Co.

Gains like these — of 49 families transferring in and 20-plus new white-collar jobs for locals at VME and of 140 new warehouse-type jobs by the end of the year at Clifford & Wills — represent the "clean" kind of new business that civic leaders say the people of Asheville want. "There is such a focus here on quality of life and on the environment in which we live from a scenic standpoint, from a resource standpoint, that people don't get so negative about growth if they can see it doesn't harm the environment," says Don Harrison, Asheville city executive for First Union National Bank.

David Brown, chancellor of UNC-

**Annual construction in the 11 counties that make up the second-tier regions peaked at more than \$900 million in 1987.**





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*Success in the '90s will require "creative, adventuresome thinkers" who can effectively promote their regions, former UNC-Asheville Chancellor David Brown says.*

Asheville from 1984-90, calls such development the "Grove Park Inn way," referring to the city's famous resort that combines elegance with a country feel. For companies and individuals who put a premium on beauty, Brown notes, Asheville is North Carolina's answer to such mountain cities as Santa Fe, N.M., Provo, Utah, or Boulder, Colo. "There is a very large population of business-locating executives who want very much the mountains but do not want to give up the amenities of their harried cities," he wrote in a memo to Asheville civic leaders in July 1990, shortly before becoming provost at Wake Forest University. "What we need to do is preserve and enhance the aesthetic and quality of life in our environment and promote the heck out of it."

A shared blessing for Asheville and others on the second tier is a booming medical industry cushioning the loss of manufacturing jobs. Memorial Mission Hospital, the city's largest employer with 1,918 workers, saw its revenues rise from \$70 million in 1984 to \$166 million in 1991. This growth was in part due to the more than 11,000 Buncombe dwellers over age 65. A 1989 study by Bill Haas, a UNCA sociology professor, found that the average retirement household spends \$38,500 annually, which creates myriad jobs. "It's bag boys, retail clerks. But mixed in there are doctors and nurses."

Other second-tier regions have also benefited from cutbacks at rural hospitals, which forces country folks to seek treatment in bigger cities. "During the '80s there was a significant shift in medical services away from rural areas," says Robert Schellenberger, an East Carolina University business

professor. The growth of ECU's medical complex in Greenville has meant many in the East are going there rather than to Duke or UNC for treatment, he notes.

Similar regionalization has occurred in retailing. In 1989, Buncombe had 3.2 million square feet of retail space; since then, an additional 2.2 million square feet has come on line. Much of that growth came from the 1989 opening of Biltmore Square Mall, partly owned by the George H.V. Cecil family, heirs of the Vanderbilts and Asheville's most prominent business family. (George Cecil's brother, William, owns Biltmore House, the largest private house in the country.) The mall had a sluggish start as competing 18-year-old Asheville Mall expanded to 945,000 square feet. Observers say Biltmore Square's business has picked up since Belk opened its store there a year ago. With Belk, Dillard's, Hess's, J.C. Penney, Proffitts and Sears, Asheville has as many different department-store operators as Charlotte or Raleigh/Durham. Now, the only major retail concept Asheville lacks is a warehouse-club store, Don Harrison says.

Tourism revenues have also doubled, along with the number of hotel rooms, since 1983 when Asheville instituted a 2% room tax (since increased to 3%). The tax brings in \$1.67 million a year for travel promotion, says Steve Miller, senior vice president of Biltmore Co., which operates Biltmore Estate, and chairman of the Buncombe County Tourism Development Authority.

To thrive in the '90s, the second-tier cities will require "creative, adventuresome thinkers" who understand how to promote their areas, Brown says. Asheville has its share of visionaries. Most notable, perhaps, is Roger McGuire, a retired *Southern Living* magazine executive who moved there a dozen years ago and led development of the \$14 million Pack Place Education, Arts & Science Center downtown. In addition to giving \$250,000, he helped raise \$8.5 million — three times more than any previous private fund-raising project in Asheville.

"Pack Place is physical proof of the turning of the people's minds towards the future," says McGuire, named the *Asheville*



# If We're Not Careful, We May Lose Our Minds.

Tonya Robinson: 21 years old; brilliant; a natural leader. With her ability, Tonya might have gone to Harvard, Yale, or Princeton — but she didn't. She chose a Duke Power scholarship and is now president of the student body at Duke University.

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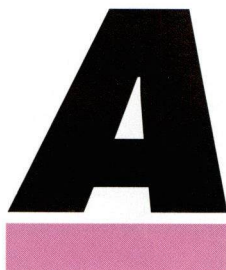
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*Citizen-Times'* first Citizen of the Year in January. "The most important thing going on here, I believe, is that Asheville is regaining its civic confidence. There had been a make-do attitude that was throttling things."

But growth requires more than vision. "We have a problem in that we don't have very many locally owned major businesses," Bissette says. "We don't have an R.J. Reynolds or Belk or Hanes or Jefferson-Pilot. We just don't have the kind of financial clout in our business community that can make things happen the way it does in a number of cities." Since Akzona Inc. was taken private by its European owner in 1982, grocery chain Ingle's Markets has been the only major public company based in Buncombe. "When Akzona left, we lost that flair that you could go to for corporate support at a level that other places enjoy," Carson says.

Adds Doug Orr, a former UNC-Charlotte administrator who is now president of Warren Wilson College in Swannanoa, just east of Asheville: "We don't have a Hugh McColl."



An early '80s study by New York-based PHH Fantus Corp. predicted that Asheville would benefit as *Fortune* 500 companies decentralized and set up regional offices in lower-cost cities. That forecast proved dead wrong as many closed their regional operations. And as banking and other industries have consolidated, second-tier cities increasingly have become branch-office towns. "There's no doubt that one of the major factors that can make or break a city is the existence of headquarters offices," Stafford says.

"There's a disproportionate amount of corporate giving in the headquarters cities," McGuire notes. "I'm not complaining because that's the way it is. But it means we need to work together more."

Without major corporations or foundations to look to, Asheville must depend more on government to provide the impetus for big projects, McGuire says. But that's difficult given the contentiousness of local politics. "There are an awful lot of special-interest groups in Asheville," Bissette says. "They probably have more impact than their

numbers would justify, but they are active, and they are becoming more skilled in lobbying activities."

As Asheville's problems show all too clearly, economic trends don't recognize county lines. The challenge for Asheville — as for other second-tier cities — is to find new ways to prosper while much of the state's growth occurs in larger metropolitan areas. Regionalism is gaining favor, exemplified by a new seven-county marketing effort called CarolinaWest, aimed at raising the region's profile through trade missions and national advertising. "We've got to think with a regional hat on," First Union's Harrison says. "We're still pretty provincial up here. Too many people think business begins or ends at the county line."

Nor should economic growth in North Carolina end at the Wake or Mecklenburg county lines. It's shortsighted to expect Asheville and other second-tier areas to grow without concerted statewide development efforts. Greenville outperformed the other second-tier cities in the '80s by most measures, reflecting the economic impact of the ECU medical school. Imagine what would have happened in Pitt County had the General Assembly put the school in Charlotte. Likewise, the challenge of making Asheville attractive for both business and retirees has importance beyond Buncombe.

"People moving to Asheville don't want it to be an age ghetto like some parts of Florida. They want it to be a part of society that is ongoing and substantial," Brown says. "I think that can be pulled off ... but it's not realistic for the people of Asheville to do it by themselves. You're also going to need the support of the major thinkers and entrepreneurs in the state. Research Triangle Park wasn't pulled off just by people in the Triangle."

Just the mention of RTP seems to rile Nesbitt. "My people's money built the Research Triangle Park," he says of his constituents. "But when I hear someone say that it's a beacon of hope, I sometimes say that up here we can't see the light over the Continental Divide. We need to try to create some balanced growth in this state." ■

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# A WORLD APART

*While struggling to find its way, rural North Carolina falls farther behind.*

*By Jane Ruffin*

**T**wo years ago, Hamlet was on a roll. The National League of Cities named it an All-America City for rescuing its tiny hospital from financial doom, expanding its immaculate library and holding an annual festival celebrating its heritage as a railroad town.

Abbie G. Covington, the sprightly mayor, saw the award as an important symbol for the Sandhills town of 6,196. It showed, she says, "you may have problems, but you can do something about them." In a burst of civic pride, the town lined Main Street with All-America City banners.

Then last Sept. 3, a fire at Imperial Food Products, a plant that cooked and froze chicken breasts, melted Hamlet's self-assurance. The town was left to contend with the horror of 25 deaths and 56 injuries, to say nothing of the loss of more than 200 jobs. "Probably the highest and lowest points in my life were covered in the last 18 months," Covington said several weeks after the fire. Flags at half-staff overshadowed the All-America City banners.

Hamlet's can-do image was supplanted by national notoriety as a place where \$5.50-an-hour workers died behind locked doors and blocked exits. The event became symbolic not only of grotesque failures in government workplace-safety programs but of all that is wrong with an economy built on the low-skilled and poorly paid — the

economy of many of the state's small towns and rural areas.

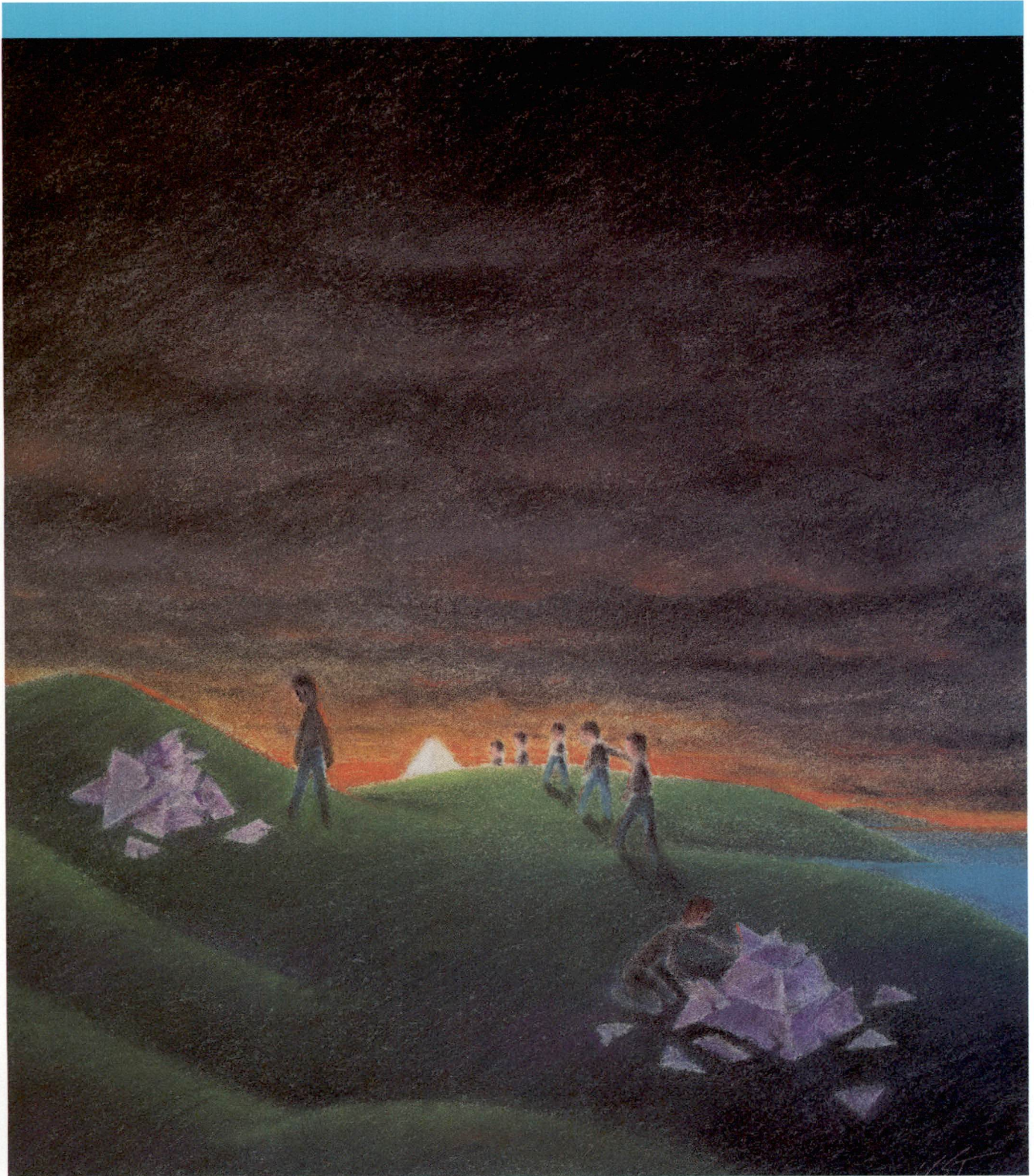
While they strive for economic growth, better jobs and upgraded schools, these places have been unable to break free from the past. Too often, their work force is unequipped for jobs outside textile mills and poultry plants. Despite some success at diversification, low-skill industries remain the lifeblood of much of North Carolina.

The irony is that Hamlet, like the rest of Richmond County, is not particularly depressed. Parts of downtown are shuttered, but there are also blocks of substantial brick houses and well-kept yards. At the Seaboard Station Restaurant on Charlotte Street, the meatloaf is greasy, but lunch business is robust. Though the county's population fell by 1.4% in the '80s — a loss of more than 600 people — it added 4,500 jobs, and per capita income growth was near the state average.

Billy Ray Hall, president of the North Carolina Rural Economic Development Center, says, "Richmond County is typical of rural North Carolina in the sense that they've been holding on." Still, he says, the county is vulnerable to blips in the marketplace — a drop in demand for a certain type of clothing, say, or new technology that eliminates jobs.

"We've been lucky, and we haven't been

*With a fragile economy built on low-wage, low-skill jobs,  
rural North Carolina must remake its work force  
as its industries remake themselves.*



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## No feast in the East

Manufacturing employmentUnemployment

	1980	1989	Change	1980	Rate	1990	Rate
Anson	4,190	4,220	0.7%	800	6.4%	539	4.5%
Beaufort	5,380	5,880	9.3	1,130	5.4	1,070	5.4
Bertie	3,160	3,810	20.6	730	7.9	459	5.3
Bladen	3,590	3,580	(0.3)	1,200	8.8	850	6.7
Brunswick	3,210	2,680	(16.5)	1,420	8.4	1,459	7.9
Camden	60	150	150.0	180	7.1	83	3.5
Carteret	1,980	1,530	(22.7)	1,330	8.1	1,062	4.6
Chowan	1,340	1,440	7.5	330	6.5	314	5.6
Columbus	6,030	6,210	3.0	2,020	8.6	1,276	5.8
Craven	4,010	4,600	14.7	1,980	7.0	1,513	4.7
Currituck	150	90	(40.0)	340	6.8	235	2.4
Dare	170	500	194.1	500	7.4	696	4.0
Duplin	4,260	6,300	47.9	1,410	7.9	1,093	4.9
Franklin	2,140	2,050	(4.2)	1,240	10.2	897	4.8
Gates	180	230	27.8	160	5.1	115	3.0
Granville	3,250	5,570	71.4	1,130	7.1	900	4.4
Greene	810	990	22.2	570	6.9	310	3.5
Halifax	6,410	6,310	(1.6)	2,060	9.1	1,397	5.9
Harnett	4,860	4,930	1.4	1,710	6.6	1,257	4.3
Herford	2,490	2,180	(12.5)	950	7.7	490	5.4
Hoke	2,980	3,610	21.1	630	8.3	595	5.8
Hyde	130	220	69.2	230	7.5	204	9.2
Jones	200	340	70.0	260	6.6	220	4.7
Lenoir	9,030	8,160	(9.6)	2,130	7.2	1,472	5.0
Martin	5,010	4,430	(11.6)	930	7.6	630	5.5
Montgomery	6,250	6,660	6.6	650	6.0	732	5.9
Moore	5,930	6,980	17.7	1,270	5.3	1,124	3.6
Northampton	1,560	1,020	(34.6)	740	8.8	387	5.1
Onslow	3,190	2,980	(6.6)	1,920	7.2	1,543	3.9
Pamlico	520	650	25.0	290	7.0	205	4.4
Pasquotank	1,360	1,120	(17.7)	930	7.4	555	4.2
Pender	640	1,030	60.9	760	8.3	686	4.5
Perquimans	380	450	18.4	220	7.0	147	3.7
Person	4,180	4,640	11.0	1,560	11.0	1,013	6.5
Richmond	6,030	8,140	35.0	1,780	9.5	1,273	5.6
Robeson	13,930	15,220	9.3	4,790	10.4	3,363	7.3
Sampson	5,210	5,040	(3.3)	2,120	8.5	1,090	4.7
Scotland	8,090	7,900	(2.4)	1,450	9.5	1,242	8.0
Tyrrell	130	110	(15.4)	200	13.8	208	14.1
Vance	6,100	7,190	17.9	1,600	9.0	1,556	8.2
Warren	1,180	1,600	35.6	480	8.1	416	5.3
Washington	540	510	(5.6)	460	6.6	261	4.7
Wayne	8,980	9,370	4.3	2,740	7.0	2,208	4.8
East	149,220	160,620	7.6	49,330	7.9	37,145	5.2
North Carolina	820,000	871,100	6.2	187,000	6.5	139,000	4.1
United States	20,285,000	19,442,000	(4.2)	7,637,000	7.1	6,874,000	5.5

**As a region, the East outpaced the state and nation in creating manufacturing jobs. But many of its counties missed out on the '80s boom.**

<u>Average annual wage</u>		<u>Total personal income</u>		<u>Retail sales</u>	
1989	Real increase from 1980	1990 (in 000s)	Real increase from 1980	1990 (in 000s)	Real increase from 1980
\$15,734	2.7%	\$306,183	19.4%	\$110,563	(7.6)%
16,693	1.4	554,599	14.2	333,998	(6.7)
14,180	5.1	247,016	22.0	62,792	(23.0)
16,195	5.9	341,865	14.7	164,355	22.5
20,430	(0.4)	597,692	59.4	339,802	81.8
13,743	6.1	81,246	16.7	14,102	(3.4)
13,362	(3.6)	698,243	38.0	457,743	51.6
15,948	5.8	174,763	27.3	86,089	(8.0)
16,970	1.8	584,220	12.7	327,577	(8.5)
18,687	1.4	1,125,648	31.3	558,266	7.7
14,550	8.5	180,534	36.8	88,729	23.6
14,429	19.8	331,998	107.1	456,290	174.1
15,222	10.0	454,335	25.0	210,363	(21.6)
14,442	3.7	420,544	38.0	155,132	(3.8)
14,107	0.1	121,607	29.1	35,309	20.7
18,207	9.8	500,473	40.1	178,625	11.6
15,102	14.5	181,176	9.1	52,276	3.6
16,125	0.7	664,896	19.1	393,466	(3.8)
15,068	3.7	749,190	27.2	362,384	9.9
14,586	4.1	276,105	12.4	204,101	5.6
15,976	4.6	222,459	30.3	62,275	(9.0)
12,352	(0.0)	67,402	9.3	29,659	6.5
14,167	(0.7)	106,718	6.9	38,009	4.1
16,597	(3.1)	799,482	14.5	498,573	(6.0)
18,994	3.1	339,495	17.9	157,937	(17.5)
15,050	3.4	290,166	22.7	134,355	5.9
16,128	6.1	1,053,689	51.7	484,000	37.7
14,891	11.5	256,750	14.0	55,982	(44.3)
13,989	(7.6)	1,553,697	43.1	640,676	18.7
12,024	(1.7)	141,080	17.7	42,404	21.1
15,596	5.4	395,490	20.0	292,752	15.2
13,446	3.7	359,275	49.6	101,288	13.7
12,027	(5.5)	126,706	41.1	31,604	(37.2)
16,560	2.5	382,601	22.7	178,379	3.7
15,730	0.4	549,213	16.9	291,217	7.3
15,438	6.8	1,061,626	15.2	657,603	12.5
14,888	0.8	592,641	13.8	273,523	(15.5)
17,599	1.8	413,364	14.1	237,042	4.0
14,954	16.9	42,719	20.0	18,112	(18.4)
15,532	1.6	483,157	23.6	301,545	11.6
14,107	6.2	193,412	19.9	58,613	(9.7)
13,840	(0.6)	172,999	10.8	75,848	(24.3)
16,038	1.9	1,291,344	17.9	840,779	15.2
<b>15,342</b>	<b>3.5</b>	<b>19,487,818</b>	<b>26.2</b>	<b>10,094,137</b>	<b>10.0</b>
<b>19,302</b>	<b>8.0</b>	<b>100,417,638</b>	<b>33.0</b>	<b>64,691,006</b>	<b>19.3</b>
<b>22,120</b>	<b>5.5</b>	<b>4,662,698,000</b>	<b>29.3</b>	<b>1,807,219,000</b>	<b>25.8</b>



*Wages were bottom rung at Imperial, but the unskilled have few choices. They found work in a factory that timed trips to the bathroom and had a history of disregard for safety.*

lucky," says Johnny S. Sutton, the county's industrial-development director. "For rural areas, in terms of creating new jobs, I think we stack up to most rural areas of the state — non-metro, non-interstate areas."

"As a rule, the people in the county are hungry for opportunity," says Steve Shelton, who was manager of the Rockingham Stainless Steel plant, which closed last year. "Around here, a lot of people feel they're lucky to get a job."

Once, Hamlet distinguished itself from the rest of the Richmond County. It was a company town — the company being the Seaboard Air Line Railroad and its successors — to which nearly every family had a tie. But railroads declined, eroding Hamlet's identity. Today its children attend county schools, and the county has one chamber of commerce, one community college and one industrial-development director.

"We have a broader-based economy," Mayor Covington says. "It's not just the railroad anymore. There are industries around the perimeter of town, and that's a blessing, because as the economy changes, the changes in one industry don't close us."

She points to plants such as Owens-Illinois, which opened north of Hamlet in 1983 to produce plastic bottle caps, and BEA Fasteners Inc., which has made metal fasteners for more than 12 years at a plant in a newly annexed industrial district to the south. Residents routinely commute to work in other communities, and workers come from other towns for jobs in Hamlet. Rockingham, the county seat and population center of Richmond County, is five miles west on U.S. 74, a stretch cluttered with fast-food restaurants and shopping

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Thank you, please come again!

county school administrator. "Industry has sort of forsaken this town." Workers had little choice about settling for jobs at Imperial, he says. "They haven't got any other place to work." Employment is scarce even for those who go off to college. Mask raised two sons — now both doctors — and a daughter. None plans to return to Hamlet. "Ain't nothing to come back to," he says. "Really, they would come back if there was something to come back to."

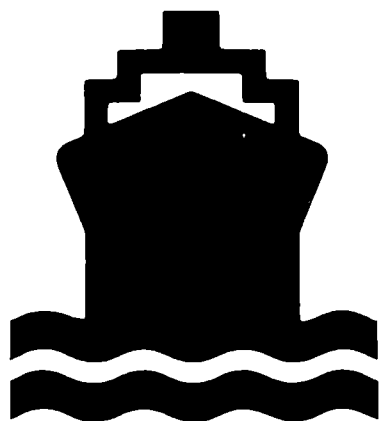
A couple of miles from his house, tucked in the rear of the train depot on the south end of Main Street, the National Railroad Museum exults in the town's history as a rail center. "Oh, lordy, we just got history goin' to bed!" says Julius A. Crowell, the 76-year-old retired conductor who mans the place on weekends. At the slightest urging, he will start up a model of the Orange Blossom Special, filling the museum air with the music of a steam engine's whistle.

That used to be the sound of money in Hamlet, which became a railroad hub before the turn of the century and remained so until well after World War II. The town was headquarters for a division of the Seaboard Railroad. Crowell remembers when 30 or more trains passed the station daily in the late 1930s. "We had them thick as fleas around here," he says.

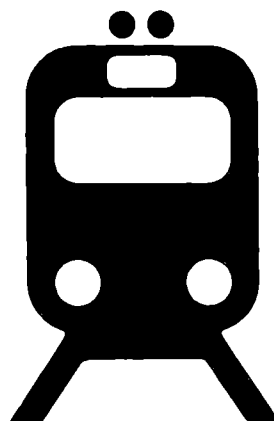
In a sense, even the Imperial plant traces its origin to the railroad. It had been the

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home of Buttercup Ice Cream Co., whose founder came to Hamlet in 1920 after selling his business in New York. Louis A. Corning chose Hamlet after picking up a map and noticing the convergence of rail lines — a ready means to distribute his product.

From 1900 until the advent of dining cars in the 1930s, trains arriving from five directions stopped at the depot to let passengers eat at the Seaboard Hotel. Later, in the 1940s, military troop trains regularly took on crews and supplies there. If a tornado went through Hamlet, someone once observed, it would stop at the railroad station. After World War II, with the decline of train passengers, the focus shifted to a huge freight yard north of town.

"Everybody's fathers worked with the railroad," says Mayor Covington, whose

grandfather owned the Coca-Cola plant, the first bottling franchise in North Carolina. "Everybody who didn't have some connection with the railroad was odd."

Today, the freight yard, operated by CSX Transportation Co., employs 600, down from 1,500 just 10 years ago largely because of transfers, consolidations and reductions in crew size. And the 92-year-old station is a mere twice-a-day whistle-stop for Amtrak. It's easy to overlook the garden-club welcome to train passengers that the ladies of the town planted 60 years ago on a grassy bank near the depot: a cluster of spirea bushes spelling out H-A-M-L-E-T.

Meanwhile, Richmond County's economy chugs along on manufacturing. One of the first textile mills in the state was built in Rockingham in 1837. An ample

**TREND**

## West of the best

	Manufacturing employment			Unemployment			
	1980	1989	Change	1980	Rate	1990	Rate
Alexander	5,150	5,860	13.8%	1,030	7.5%	611	3.8%
Alleghany	1,360	1,220	(10.3)	170	4.4	195	3.9
Ashe	2,900	3,170	9.3	1,030	10.5	667	5.8
Avery	720	820	13.9	540	8.9	362	4.1
Cherokee	2,880	2,980	3.5	610	8.5	818	8.8
Clay	270	350	29.6	230	9.1	176	5.7
Cleveland	15,550	16,290	4.8	3,790	9.3	2,030	4.7
Graham	1,100	690	(37.3)	480	11.4	444	19.1
Haywood	5,400	4,710	(12.8)	1,720	9.1	1,108	5.2
Jackson	1,720	1,380	(19.8)	1,160	8.4	521	4.2
Macon	1,170	1,180	0.9	590	7.0	435	3.7
Madison	1,040	900	(13.5)	560	6.7	333	4.4
McDowell	10,550	9,380	(11.1)	1,240	6.2	1,092	6.5
Mitchell	1,850	1,980	7.0	440	6.7	447	6.4
Polk	1,160	920	(20.7)	240	4.4	181	3.1
Rutherford	10,360	11,930	15.2	1,850	7.0	1,622	5.3
Swain	1,320	1,220	(7.6)	580	11.8	593	10.3
Transylvania	4,550	3,490	(23.3)	520	4.9	327	3.1
Watauga	1,870	1,450	(22.5)	1,210	7.5	518	2.8
Wilkes	9,420	9,990	6.1	1,630	5.5	1,276	3.9
Yancey	1,080	2,840	163.0	500	8.3	534	4.7
West	81,420	82,750	1.6	20,120	8.3	14,290	5.2
North Carolina	820,000	871,100	6.2	187,000	6.5	139,000	4.1
National	20,285,000	19,442,000	(4.2)	7,637,000	7.1	6,874,000	5.5

**Rural western counties face the same uphill battle for economic growth as their eastern neighbors.**

water supply from the Pee Dee River and a large, willing work force made the county a textile center. The small, crumbling houses and bare yards hugging the narrow streets of East Rockingham, an unincorporated mill village between Hamlet and the county seat, are a bleak reminder of that heritage.

In 1979, Richmond County mills employed 3,480. By 1990, the number had dropped 9%, to 3,180. As a percentage of total employment, though, the change has been more dramatic. Textiles provided 52% of the county's manufacturing jobs in 1979; in 1990, just 38%. Traditional cotton mills were not the source of most new jobs in the 1980s. Instead, the largest new manufacturers were big apparel operations and food processors. In Hamlet, Imperial's chicken-processing plant was a major employer.

The family-owned company, then based in Moosic, Pa., expanded to the South along with other poultry processors searching for cheap labor and a convenient source of supply. Imperial, which would later move its headquarters to Georgia, kept its eye on the bottom line, looking to get the most out of its workers. No hoopla accompanied its opening. There was no story in the local newspaper, and owner Emmett J. Roe refused an invitation to join the Richmond County Chamber of Commerce.

Though chicken from Imperial was a regular item on county school-lunch menus, Joseph W. Grimsley, president of nearby Richmond Community College, was — like many — barely aware of its existence. "It really was a very self-contained operation," he says. "We invite people to various events.

Average annual wage		Total personal income		Retail sales	
1989	Real increase from 1980	1990 (in 000s)	Real increase from 1980	1990 (in 000s)	Real increase from 1980
\$15,908	10.2%	\$385,985	33.6%	\$107,063	18.3%
13,300	9.7	117,586	16.4	46,127	0.6
14,259	1.4	262,758	27.7	127,932	14.4
14,304	1.8	173,508	29.0	107,369	42.6
14,488	9.3	233,614	34.5	136,725	11.8
13,584	6.5	79,713	32.3	25,841	(20.5)
18,293	6.7	1,255,283	21.8	692,297	22.3
13,573	(6.8)	63,627	(11.8)	28,422	(13.3)
18,717	(4.7)	642,158	15.0	380,012	20.3
15,646	5.5	327,046	26.2	180,837	49.1
14,772	1.4	309,260	37.1	200,369	32.6
14,493	7.5	188,130	17.0	49,970	(1.0)
16,146	(7.5)	423,109	10.5	202,626	5.9
14,390	(4.7)	165,935	9.2	104,411	(7.0)
14,157	6.5	262,219	39.1	58,196	1.7
17,037	5.6	771,157	23.2	489,955	41.9
12,088	(4.8)	104,104	12.3	56,280	(5.0)
21,117	(9.3)	365,413	23.7	138,427	10.9
15,473	7.3	422,076	34.3	352,244	45.1
16,625	2.2	827,964	24.2	393,621	11.0
16,650	18.4	183,731	39.1	64,962	16.6
<b>15,477</b>	<b>2.8</b>	<b>7,564,376</b>	<b>23.6</b>	<b>3,943,686</b>	<b>22.0</b>
<b>19,302</b>	<b>8.0</b>	<b>100,417,638</b>	<b>33.0</b>	<b>64,691,006</b>	<b>19.3</b>
<b>22,120</b>	<b>5.5</b>	<b>4,662,698,000</b>	<b>29.3</b>	<b>1,807,219,000</b>	<b>25.8</b>

These people never showed up for anything we have done."

But workers showed up at Imperial's door. Wages were bottom rung, but those without skills have few choices. They found work in a factory that timed their trips to the bathroom, that had a history of disregard for safety, that regularly polluted the town's sewer system with clumps of grease the size of cannonballs. These were people so job-hungry they would tolerate grim conditions, battering chicken near a 375-degree fryer or standing in an ice-cold packing room, breaking up, weighing and boxing frozen chunks of meat.

After the fire, some of the workers went to Perdue, the county's largest poultry processor. Its Rockingham plant employs 850, who slaughter, process and package 500,000 roasters every week. For every applicant the company hires, it turns away four others, many of whom would travel 20 miles or more for the work.

Workers, paid \$6.05 an hour on day shift and \$6.15 at night, look like extensions of the machinery that keeps lines of chickens moving overhead and along conveyor belts. The plant is increasingly automated, but expansion has allowed employment to double in the past six years. "We've worked very hard to locate in areas that have a good labor force," says Larry K. Winslow, vice

president of Perdue Farms Inc. in Salisbury, Md., the nation's second-largest poultry producer, which has 3,700 employees and 500 growers in North Carolina.

Its employees are primarily women and minorities. Perdue has stepped up its hiring of Hispanics, increasingly a source of cheap labor across the state. "They are industrious folks," notes Wayne T. Burgess, complex manager for Perdue in Rockingham, "and we are well-pleased with the Hispanics we have hired."

Like Perdue, other low-wage employers have no problem filling jobs in Richmond County. At Bowling Green, Ky.-based Union Underwear's Fruit of the Loom plant, hundreds of women bend over sewing machines as they work through piles of white cotton in a huge, hangar-like room. The plant employs 1,600, down from 2,100 in mid-1990, but it remains among the largest employers. Workers, about 70% of them women, are paid on an incentive basis. They go through a half-million pounds of yarn a week, turning out more sweat shirts and sweat pants than any other Fruit of the Loom plant in the world.

When it opened in 1986, the plant installed some of the most modern equipment in the industry, manager William A. Tucker says. Some jobs, such as cutting fabric, are performed entirely by machines. It is a clean plant, with employee bowling, golf and volleyball teams. Yet Fruit of the Loom provokes mixed feelings in Richmond County. In a sense, it represents a step backward, a failure that still stings.

In this plant, a mostly male work force once made truck and bus transmissions for South Bend, Ind.-based Clark Equipment Co. Clark's ballyhooed arrival in Richmond County in 1974 was part of a migration to the South, where low wage scales and a non-union work force beckoned industry. Although Richmond County was late to benefit from the trend, Clark was a breakthrough, promising a new level of skills and wages for its workers.

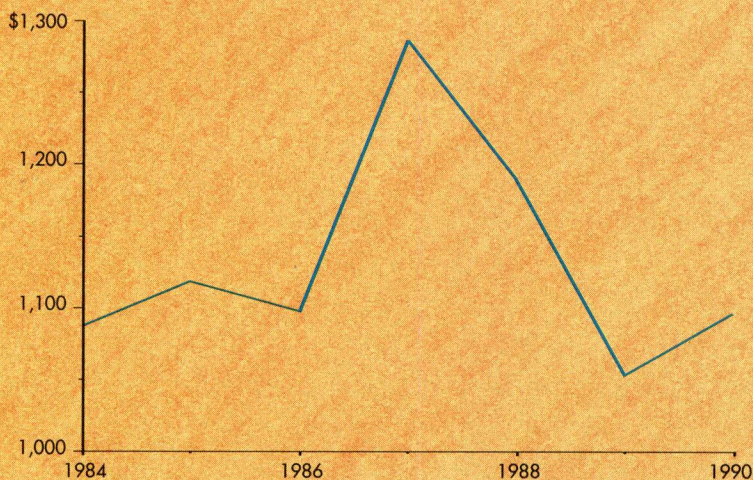
It didn't last. Pressured by foreign competition, Clark closed in 1986. After its departure, the county's average weekly

**Even in its peak year, all the construction in the 64 rural counties never matched that built in just the Triangle.**

## TREND

### Bouncing back?

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manufacturing wage dropped from \$307.93 to \$282.57. The vacant building attracted a parade of high-powered prospects, and some people were disappointed when it was bought by Union Underwear, whose pay scale did not match Clark's. Richmond County, one woman complained in the newspaper, was "too good for a sewing plant or cotton mill."

But Sutton, the industrial-development director, responded that the county was dependent on textiles and apparel for its economic survival. "We should remember that it's fine to pet a new puppy," he said at the time, "but we should never bite the hand that feeds us."



The county had 8,420 manufacturing jobs in 1990, an increase of nearly 29% from 1978. But it is still playing catch-up from the recession of the early 1980s. In 1990, 21,318 Richmond County residents had jobs — just 12% more than in 1978. As late as 1979, Sutton says, the county did not have a "showable industrial site" with rail, water and sewer services. Since then, the county has poured resources into building its infrastructure by expanding the capacity of water systems and extending sewer to industrial clusters.

"Of course, by the time we got in position to really accommodate job growth in terms of relocations, everybody quit relocating," Sutton says. "That's not totally the case, but the trend is obvious." As a result, economic-development efforts concentrate on expanding smaller businesses and encouraging home-grown industry.

In lowered voices, some in Richmond County are quick to blame sinister forces. They suspect that Republicans in Raleigh steer new industry away from the heavily Democratic county. Others figure that local business leaders contrive to keep out high-paying jobs to keep wages down. But the problem is not the result of a conspiracy. Richmond County is missing two enticements essential to many industries: an interstate highway and a commercial airport. That's typical of other rural areas that saw a decline in new-industry an-

nouncements in the 1980s. In 1989, for instance, nearly three of every four new industries that came to North Carolina chose metropolitan areas or those with interstates.

Given the Imperial fiasco, it would be easy to conclude that the county has sought jobs at any cost. Sutton, however, bristles at that suggestion. If county leaders had that attitude, he says, they wouldn't be fighting a proposed low-level radioactive waste landfill near Hamlet, even though it could produce jobs.

"Our position in this office — and it has been supported basically by both the county commissioners and the chamber of commerce — is that we are willing to sit down and talk to any company that is willing to make an investment and create jobs in Richmond County," he says. "But we have not taken the position that growth or job creation or investment is an absolute, unconditional goal."

The lack of a skilled and educated work force also hasn't done anything to attract electronics or other high-tech manufacturing operations, according to a study of the county's economy in the mid-1980s. The study, by MDC Inc. of Chapel Hill for the North Carolina Commission on Jobs and Economic Growth, did applaud the county for recognizing the need to improve workers' training and education.

The county schools and Richmond Community College have pioneered programs aimed at increasing students' technical skills. A Tech Prep program readies high-school students to enter the community college. The companion Occu Prep program is geared toward students who go directly from schoolhouse to factory. "We've been able to catapult a lot of students into more rigorous academic pursuits," says M. Doug James, superintendent of the county schools. In 1986, for instance, fewer than half of high-school students took Algebra I. At last count, 71% took the course.

If the picture is improving, it is also because existing industries are starting to demand workers who can do more than run sewing machines or arrange chicken pieces. By one study, 80% of the jobs of the future



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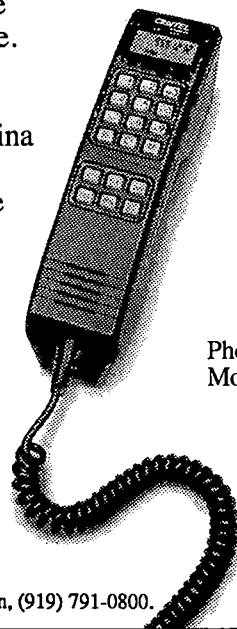
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will require workers with 13.5 years of education. And that, says Hall of the Rural Economic Development Center, poses a particular challenge for rural areas, which must find ways to finance education for its workers — and then keep them from leaving for bigger cities.

Some of today's plants, even in traditional industries, are technological wonders, says Ralph S. Robertson, principal of Richmond Senior High School. "The textile industry has advanced and upgraded the quality of the work environment," he says. "It's a totally different world from the old cotton mills, and I would be pleased for any of my folks to work there."

Workers at Owens-Illinois must be able to use computers and modern electronic equipment. Computers run the lathes at the Eteo steel-parts plant. Robots drive machinery at Burlington Industries' fabric plant, and L'eggs, another major employer, plans to go to robotics, says Grimsley, the community-college president. "Those kind of technologies changed the whole mix of employees."

In short, rural North Carolina is being forced to remake its work force as industries remake themselves. The shift means a decline in demand for those with few skills and little training, the traditional bulk of the county's workers. The question is, what will happen to those unable to keep up?

"We've got a very large group of people who are invisible until something brings them out, and what brings them out is the opportunity to work," Grimsley says. If Imperial reopened today, he says, "there are probably another thousand people in the county who would still work there."

*Jane Ruffin is a staff writer for The News & Observer of Raleigh.*

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# Art appreciation?

**J**oe Vale considers himself an investor. He collects gnomes — 1,400 at last count.

Vale, a former radio-station owner and retired import and steel executive now living in Gaston County, estimates that he has spent \$35,000 to \$40,000 on Davidson sculptor Tom Clark's ceramic gnomes since buying his first in 1987 for his daughter-in-law. Judging by figures from Davidson's Cairn Studio Ltd., which distributes the gnomes, Vale says his collection is probably worth \$250,000 now. "They're great investments — better than money in the bank," he insists.

Both Clark and Lexington artist Bob Timberlake command that kind of loyalty. Whether you call their work art, craft or even kitsch, they're undeniably popular, luring thousands of collectors nationwide.

Plenty of people believe in the investment power of these pieces. But can a purchaser of a Timberlake duck print or a Clark gnome figu-



PHOTOGRAPHY BY MAURY FAGGART

rine expect it to perform like shares in Duke Power Co.? "The more you approach it as a business and understand values and pricing, the better you'll do at it," says Larry Carroll, a Charlotte financial planner. "It's a tough market for a novice."

With his finely controlled distribution system and business offshoots, Timberlake is more an industry than an artist, some claim. He sells his original watercolors through The Heritage Co. of Lexington and its Heritage Gallery. An 8-by-10-inch work typically costs about \$5,000, and an 18-by-30-inch painting can fetch \$30,000.

The company also releases three or four limited editions of offset reproductions a year. It sells some through "time-limited" release, under which it accepts orders for seven or eight weeks, then produces just enough to satisfy demand. Other releases are printed in lots of 1,000. Half go to a network of 46 dealers from Georgia to Michigan, and the others are sold through Heritage. Heritage keeps a list of 10,000 to 12,000 active buyers, business manager Frank Stoner says.

Prints from Timberlake's first release went for \$35 in 1971. Today, new prints will set you back \$235 each. According to the company, all 71 Timberlake reproductions to date have appreciated after sellout, and

some have even doubled in value. Others, such as the 1983 "Somewhere in Time," an outdoor still life featuring a quilt and basket at the base of a tree, have sold for as much as \$2,200, the company says.

Lanny McNeely of Wee Mount-N-Frame Ltd. in Hickory carries an extensive stock of Timberlake prints. "Lawyers and doctors and heads of corporations buy Timberlakes, and so do hourly employees at furniture factories," he reports.

McNeely notes that appreciation can be rapid in the active secondary market. The three prints issued in



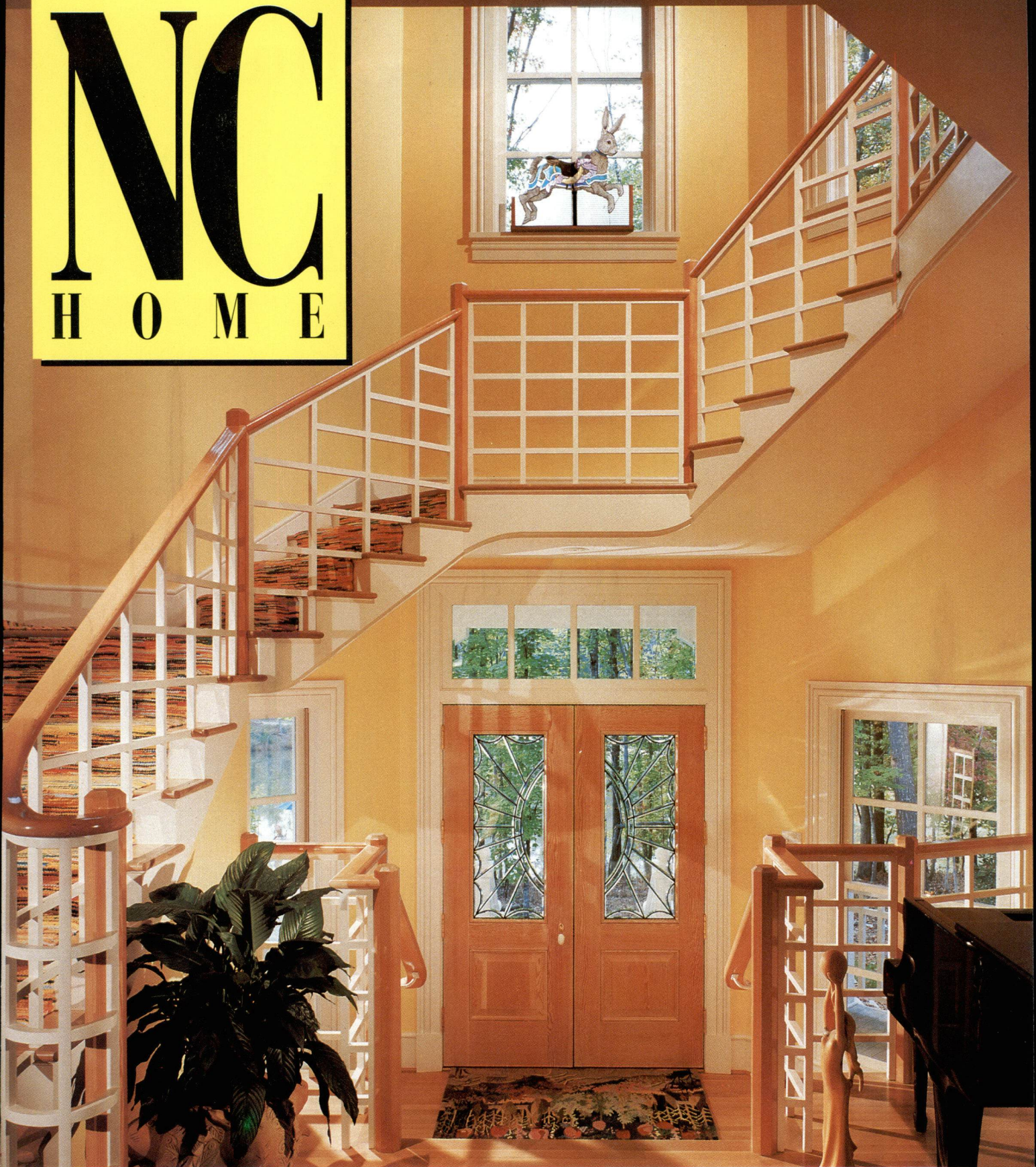
1991 for \$235 each now sell for \$400 to \$450, and the

three sold in 1990, also for \$235, go for \$900, \$500 and \$360, he says.

Since October 1990, fans have been able to turn their homes into Timberlake tableaux through The Bob Timberlake Collection Inc. With Lexington Furniture Co., Timberlake has developed a 200-piece line of furniture and upholstery that surpassed first-year sales projections.

Issuing works in limited editions is also a strategy of Cairn Studio, Clark's distributor. Though Clark has created nearly 600 figurines

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since he started selling his work 14 years ago, only about 300 pieces are "active" — that is, in production. The gnomes and his other ceramic figures are "retired" after two to five years — he stops making them. Retail prices range from \$13 to \$750.

Though the company won't comment, Vale estimates Cairn produces 2,500 to 3,000 of most pieces, though some are rarer. At its Mooresville plant, the figures are hand-cast from original masters out of a compound of resins, crushed pecan-shell flour and wood chips.

According to Joe Poteat, owner and president of Cairn, average appreciation for a Clark gnome is 12 times its last retail price before retirement. Carol Spear-Hemlein, buyer for Calabash Nautical Gifts in Calabash, says the biggest jump in value for a figure she's handled was for "Dusty," depicting a West Virginia coal miner. It originally went for \$40, but she later sold one on the secondary market for \$3,750.

Under the highly organized Cairn system, the purchaser of each gnome fills out a card identifying himself, listing the price paid and indicating whether he would ever consider selling. The card is sent to Cairn by the dealer, where the information is used to track price movements and help buyers seeking particular pieces. The owner receives a certificate of authenticity that transfers to subsequent purchasers like the title of a car.

Can a collector count on selling at these appreciated prices? Vale points out that new enthusiasts are constantly pushing up the prices of retired gnomes, and the company recently began selling in Britain, expanding the pool of buyers.

Of course, there are no guarantees. Poteat concedes, "The secondary market is all based on investors'

perceptions." Promotion helps those perceptions along. Clark, a former Davidson College religion professor, makes about 120 personal appearances a year. Timberlake cultivates media attention with promotional materials and books.

As investments, many of these works have clearly outpaced more conventional choices. For example, Carroll says, Duke Power stock can be expected to appreciate perhaps 70% to 100% over five years, far slower than the rate for the most popular Clark gnomes or Timberlake prints in recent years.

However, there's an important difference between the two kinds of investments: liquidity. "If I own Duke Power stock I can sell it this afternoon in an organized liquid market, as opposed to scouring the country for a buyer," Carroll says.

The collectibles and popular-art markets can be dauntingly capricious. Appreciation expectations are based on the assumption that the artist will retain a following.

Serious collectors are aware that some artists thrive on hype. "If you give me \$250,000 to advertise a champagne gallery opening to the right people, I could have dried buffalo chips spotlighted on pedestals for \$30,000 a piece, and people would buy them," says Jerald Melberg, who owns Jerald Melberg Gallery in Charlotte. "That's human nature. People buy the hype."

Few art dealers or museums would classify works by Timberlake or Clark as fine art. "Timberlake is a fairly decent illustrator. But art, for me, has to go beyond a depiction of something," Melberg says. "If people want to collect gnomes, that's great, but let's not call them art. Let's call them what they are: collectible *tchotchkes*." ■

— Andrea Cooper



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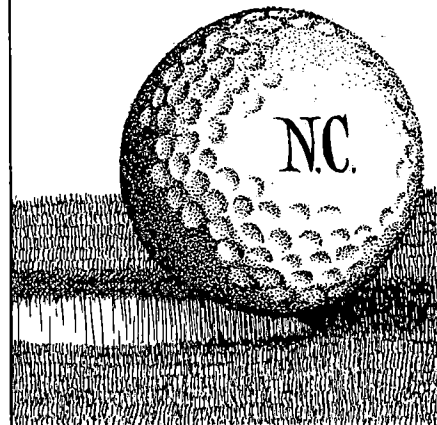
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## Will GM get it in gear?

It arrived all shiny and new, a sea-foam-green Olds Cutlass, smelling of saddle soap and good intentions, motoring on little cat feet up my driveway. It left five days later on a flatbed trailer, its butt hoisted unceremoniously into the wind.

In between, it broke my heart.

God knows, I want to love American cars. Next to world peace and being Kim Basinger's luffa, there are few things I want more.

And lately, I've hit a string of superbly executed domestics — the Saturn sports coupe, the Bonneville SSEi and Cadillac STS, to name a few. For a while there, my true-blue heart soared. Yes, I thought, finally General Motors was getting it right. At last, I could say with pride, "Make mine American!"

The Oldsmobile has done to those sentiments what truck tires do to box turtles.

The car in question is a Cutlass Supreme International Series — a hopped and dropped version of the front-drive Cutlass, circa 1988. Foremost in improvements for '92 is the LQ1 motor, a 3.4-liter, 210-horsepower mill that whips the ponies to the tune of 6,000 rpms.

The LQ1 is GM's belated foray into dual overhead cam, small-block technology, and though it arrives pathetically late in the global smaller-is-just-as-good marketplace, it's a sound power plant, with excellent weight-to-power ratio and smooth delivery of torque.

The I-series Cutlass sits on a performance-minded independent suspension, with beefed-up struts and stabilizer bars, and is shod with adhesive 16-inch tires. Anti-lock four-wheel discs behind alloy wheels round out the performance specs. As a sports coupe, the Cutlass is more than just specs. The dual cammer started smoothly and pulled strongly, and handling seemed sure and steady. I pushed the CSI through my favorite offramp at 65 mph, keeping the car just at breakaway limits, with lots of tire screaming and tail-out posturing. There was very little twist and body roll.

So, even though the ride left something — namely comfort and quiet — to be desired, all-around performance was pretty darn good.

As in all GM products, gadgets and gimmicks culled from the intradivision

parts bins were everywhere: head-up display, pneumatic adjusting seats, auto climate, high-line Delco stereo, power everything, mirrors, map pockets, lamps and cruise — the works. Despite this iron-filings-to-magnet method of accessorizing, the build quality seemed excellent — no rattles, squeaks or other rude noises. Garish body-colored rocker panels and moldings completed this tricked-out highway cruiser.

True, it was cramped and vulgar, but the CSI certainly had this loyal American's attention.

Then, things started to go very, very wrong.

It had rained all day in the Capital City. The Cutlass sat on the top level of the parking deck outside my office. When I got in at 6, I reached for my parking stub in the visor. It fell apart in my hands, a sopping wet mass of cardboard. After a quick inspection, the cause was obvious: A misplaced windshield molding had drunk in a day's worth of rainwater. The car's ceiling

### Cutlass Supreme

**Base price:** \$21,795

**Engine:** V-6, dual overhead cam, 138 cubic inches

**Horsepower:** 210

**Top speed:** 116 miles per hour

**0-60 mph:** 9 seconds

**EPA city/highway:** 17/27 miles per gallon

**Test weight:** 3,221 pounds

**Suspension:** Fully independent with MacPherson struts

**Wheelbase:** 107.5 inches

**Length:** 193.9 inches

**1/4-mile time:** 16 seconds



became soaked, and when the sun came out, condensation formed great dewy clouds inside the car.

This car had less than 2,000 miles on it and already had its own microclimate.

Several days later, my son, Hank, and I headed for the Atlantic in the now-damp Olds. In Goldsboro, I noticed the oil-pressure warning light flashing. Great, I thought, a blown seal. I stopped, examined the exhaust for blue smoke, turned off the car and checked the oil level, gaskets and temperature — the usual suspects. The oil level was low, so I put in a quart of 10W-30 and headed East.

The next day, on the way back, the oil-pressure gauge again slipped into the red. Only then did I remember that I had no money and no credit cards. Panic set in. Facing the prospect of being stranded broke on the highway with a 6-year-old boy after dark in the rain, I decided that — whatever the matter was — I'd drive until the car quit or blew up.

Eighty nerve-racking miles later, I pulled the CSI into the garage, and the day after, the flatbed truck arrived. Good riddance, I thought.

A couple of weeks later, I inquired after our beleaguered Cutlass and learned that it was a bad sensor that had caused the problem, and my son and I were never in danger of being stranded. The same problem, however, had cropped up again with a new sensor and with another auto critic. (Hey, you can't buy that kind of press.) Only then did GM realize it had put out a service bulletin advising the entire oil-pressure circuit be replaced. If this is the kind of attention GM gives auto writers, imagine what sort of treatment the average car buyer receives.

I don't know much about

geopolitical economies and multinational corporations. But it seems to me the Big Three — and especially GM — are losing the trade war not in the stratospheric heights of global commerce but down along the sides of American roads.

Every time someone like me gets left walking by an American car, that's one less customer, for now

and for years to come. For me — flag-fearing, God-waving American that I am — the Cutlass episode fills me with bang-my-head-on-the-dash frustration. As the Tennessee-bred Saturn proves, GM can build a dependable automobile.

Dear GM, take a hint from Nike: "Just do it."

— Dan Neil

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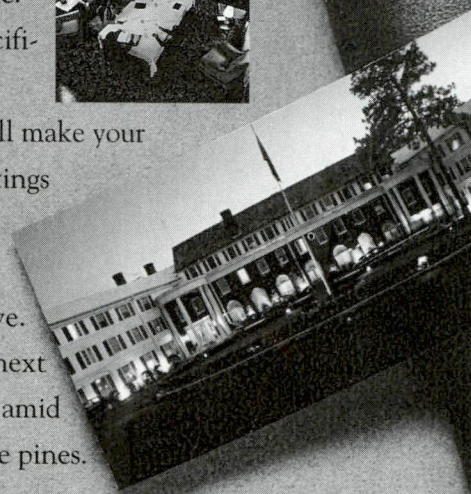
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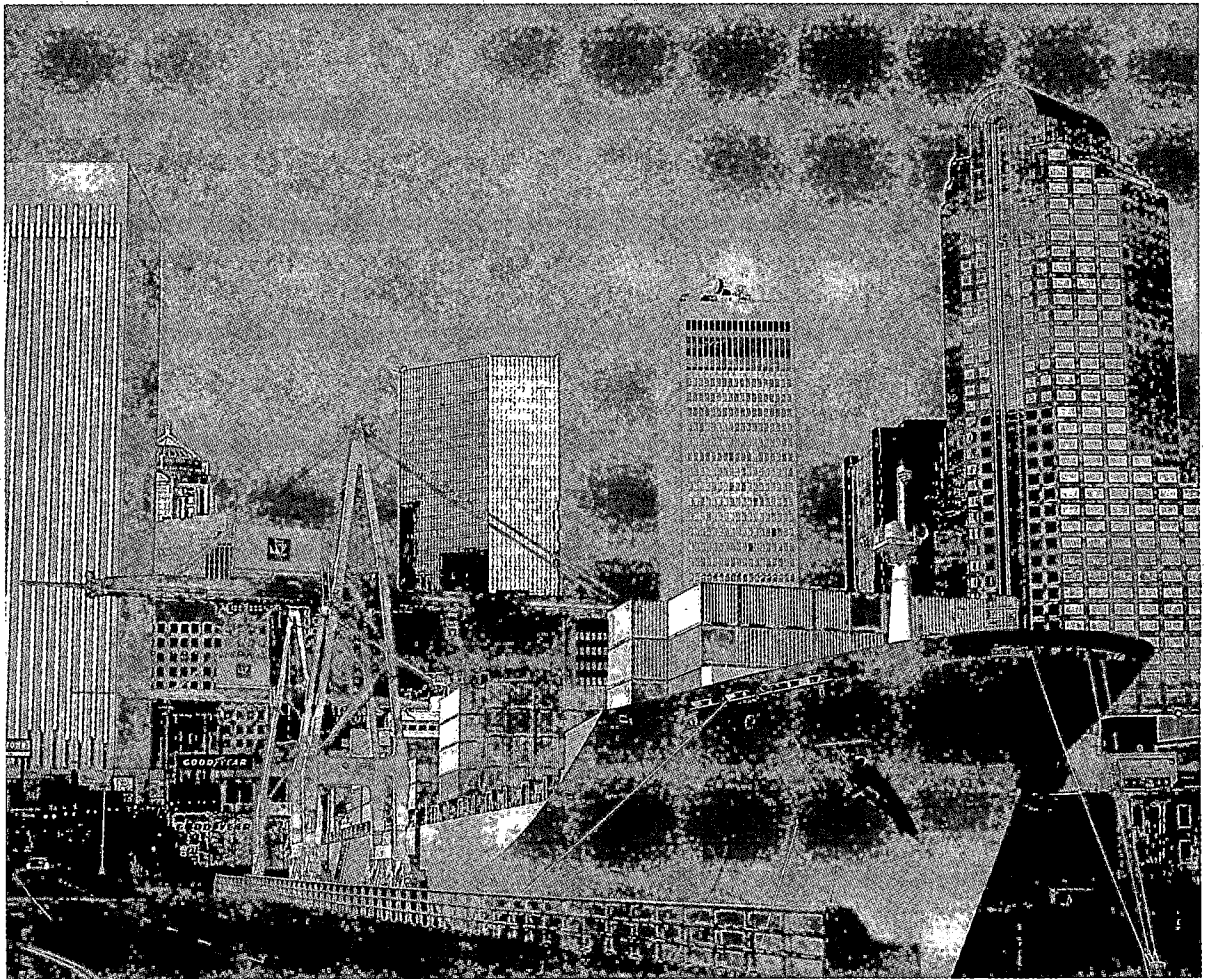
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## Hartman's steaks its claim to fame

**C**ross the threshold at Hartman's Steak House in Durham and you enter a time warp. Truman is still president. The Dodgers call Brooklyn home. Cars have running boards, and rock has yet to roll.

Here, you will find no angel-hair pasta or pesto. No sushi or blackened redfish. Don't expect a "specials" board at the entrance or a waiter with a ponytail.

But on a wall by the front entrance, you'll see a framed menu from 1950. It lists a pound-and-a-half T-bone steak for \$2.50 and a

2-pound T-bone for \$3.50. A hamburger is a quarter. The portions hark back to a time when meat was measured by the pound rather than milligrams of cholesterol.

Forty-one years later, only the prices have changed. Everything else about Hartman's is about the same — a place where you can get a big hunk of red meat served without any frills.

"Atmosphere? It's got absolutely zero," says a Durham man who conducts business there at least once a month. "It may even be minus."

Then in the next breath, he acknowledges he's been eating there for more than 30 years.

"It's got

the best food in town," he says.

Over the five decades since "Mom" and "Pop" Hartman opened a one-room grill next door to their house in east Durham in 1940, governors, chancellors, coaches, CEOs, ballplayers, tobacco workers, reds, yellows, blacks and whites have devoured Hartman's stick-to-the-ribs fare.

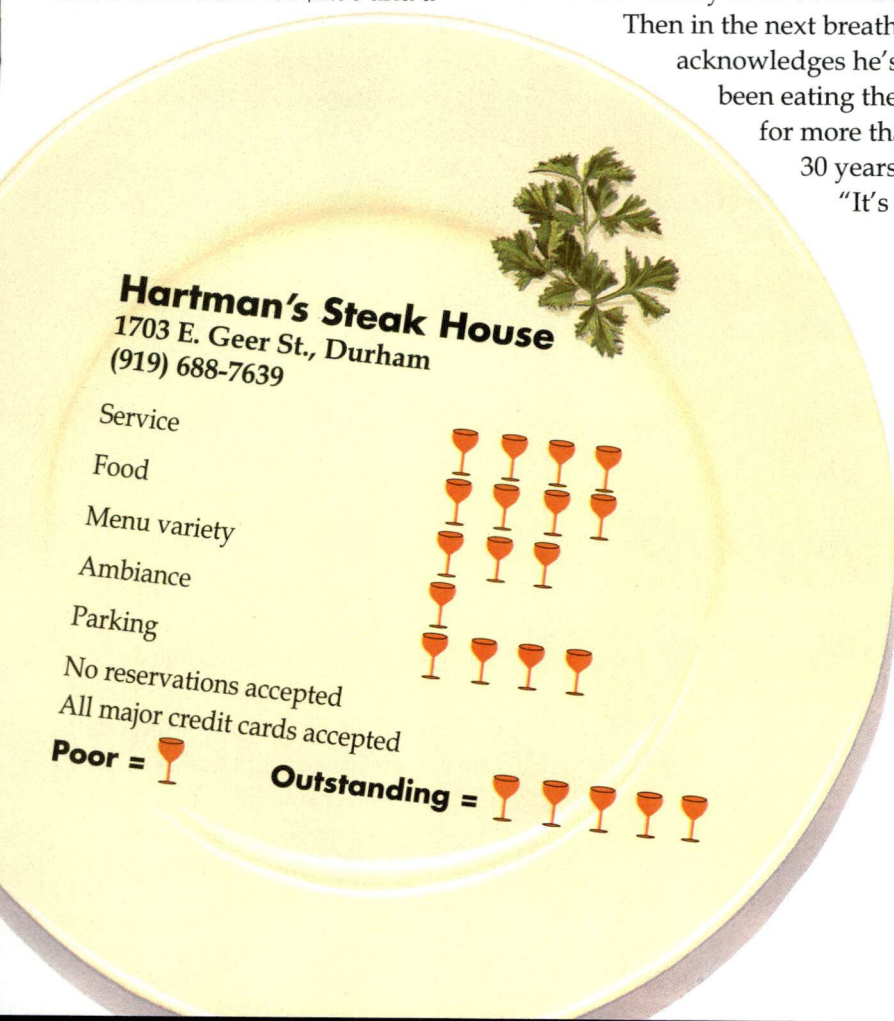
Sonny Jurgenson, the Wilmington native and former Duke quarterback, always checks to make sure a 1961 photo of his Philadelphia Eagles team is on display. Owner Jack Markham, son-in-law of the founders, is careful never to discuss basketball when Carolina coach Dean Smith visits during the summer. "He'll talk about the weather, anything, but he doesn't like to talk basketball when he's on his own time," Markham says.

Then there are the 30,000 or so business cards patrons have left for display along the foyer walls. The cards hang in long strips taped from ceiling to floor. Some are in Japanese. There are cards from England and India, from an antiques dealer in Northport, N.Y., and a car salesman in Cincinnati.

"People ask sometimes, 'What's the most important card we have?'" Markham says. "I say, 'Yours is the most important.'"

"You'll see a bank president at one table and a truck driver at the next," says Tom Kenan of Kenan Transport in Chapel Hill. Kenan remembers his father, Frank, taking the family often to Hartman's. "Hartman's was a family affair," he says. "The owners and the waitresses knew everybody by name. They never forgot a face."

Hartman's remains a throwback to the days when America was a meat-and-potatoes society and when you only learned about



saturated fats if you went to medical school. But the cars still line up on both sides of East Geer Street along about supper time, just as they have done for decades. The one-story, cement-block building is actually a conglomeration of additions to the original diner and even includes the Hartmans' old house.

The menu attests to the restau-

rant's no-frills charm. It's all a la carte, meaning you get what you order, nothing else. There are no fancy names, no adjective-bloated descriptions. Just two facing pages listing food and prices: medium T-bone, \$16; ham steak, with or without pineapple, \$9.75; pork chops, pan-fried, \$10.75; fried shrimp, \$11.85; toasted garlic bread, \$.75.

That kind of thing.

I knew what I wanted without looking: the T-bone, a small order of French-fried onions (\$1.60) and a lettuce-and-tomato salad (\$1.80). My wife, Catherine, decided on lamb chops (\$16.75) and a lobster cocktail (\$5.50). In no time, Dee, our quiet and efficient waitress, returned with our drinks.

Hartman's offers cocktails, domestic and imported beers and several dozen wines. We ordered Piesporter Michelsberg Spätlese (\$13.75) because Catherine likes it. So what if it wasn't red? It tastes good, and no one here is going to sneer at you for ordering the "wrong" wine.

Since it was dark, we couldn't see the small pond in the back of the restaurant, which sits in a little meadow. Until the early 1980s, Hartman's staged a nativity scene each December near the pond. There was a little stable and life-size wooden figurines of Mary, Joseph, the Baby Jesus and angels. Live sheep and cattle milled about to round out the scene. Once in the '50s a snowstorm kicked up as the Kenans ate dinner. "The wind blew so hard one of the angels flew right over the restaurant," Kenan recalls.

You'd swear Hartman's is blessed by the heavens when its well-oiled machine begins cranking out your order. Ten employees have worked there between 20 and 40 years, and they know how to turn around a meal.

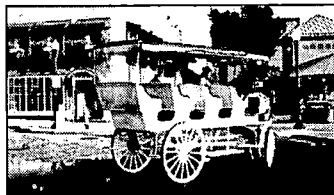
My onion rings were crunchy and heaped on the plate. I had added Special Fried Banana Peppers (\$1.50) on a lark. "Pop" Hartman and Markham developed those in the mid-1960s by taking chunks of pickled banana peppers, dousing them in the same batter as the onions and frying them. The result

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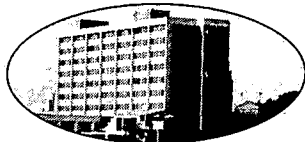
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is a crispy morsel you bite into, revealing a tangy burst of flavor when you reach the pepper. Catherine's lobster cocktail included a small dish of sweet, succulent lobster (about a dozen bite-sized pieces) and a side of cocktail sauce.

Beef has always been Hartman's hallmark, and I wasn't disappointed with my sizzling 20-ounce T-bone. Markham has a middleman who brings aged beef in from the Midwest. "We pay his price," he says. "We don't shop our meat. It's too important to cut corners."

My T-bone was cooked to medium-rare perfection — with a red, hot center. No cookie-cutter steakhouse with a cafeteria line or peanuts all over the floor, I thought as I took my first bite. Then I thought of all the chicken and fish

**No cookie-cutter  
steakhouse with a  
cafeteria line or  
peanuts all over  
the floor, I  
thought as I took  
the first bite of  
my sizzling 20-  
ounce T-bone.**

I'd be eating the rest of the month. And then I took another bite. And another. And another.

A pound-and-a-half of meat disappears in no time at Hartman's. Still, I reserved the right side of the T-bone, the smaller portion of meat that more often today becomes filet mignon — and made a trade with Catherine. She gave me one of the

three lamb chops on her plate. The steak was beyond reproach, we agreed. Catherine said the flavor of lamb was a bit too gamy for her taste; I thought it a little dry, but then I conceded I'm not an expert on lamb and that anything would pale tonight in competition with the cow.

We capped the evening off with a cup of coffee and a piece of apple pie a la mode (\$2.50). The coffee was everything a cup of coffee should be — piping hot and strong. The pie was also hot and the perfect conclusion to an all-American meal. With bones for the dogs bagged up, we headed back to Chapel Hill. We were fat and happy. And a little sleepy as well, but I made it all the way through *The Donna Reed Show* before nodding off.

—Lee Pace



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North Carolina's EMCs



## A stable business

**W**hen Philip Szostak smacks the polo ball around his 160-acre horse farm in Carrboro, it's not just goofing off. You could call it research.

From his office in Research Triangle Park, Szostak, 38, heads up sports architecture for the national architecture firm NBBJ, which is based in Ohio and Washington.

"I consider myself a sportsman," Szostak says. Two current projects are particularly dear to his heart. In fall '90, NBBJ was tapped to design the \$30 million equestrian park for the 1996 Olympics in Atlanta.

"It's taking the typical equestrian center a couple of steps further," he says. The 1,600-acre site in Conyers, Ga., will include two outdoor arenas, with 40,000 and 20,000 seats, a 6,000-seat indoor arena, 750 stalls, a museum and a golf course.

Szostak has also been hired to check out stadiums across the country for the 1994 World Cup. It's not easy finding large stadiums suitable for soccer, he says. Soccer requires a larger field than football, and artificial turf is a no-no.

Szostak knows he's facing a big

task: "We're putting on 52 games of the same magnitude as the Super Bowl and doing it in one month in 12 different cities around the country."

Since graduating from N.C. State in 1975 with a degree in environmental design/architecture, Szostak, a Greensboro native, has built a track record in sports. He designed Tad Gormley Stadium in New Orleans (site of the '92 Olympic track-and-field trials) and track facilities at several universities — Wake Forest, N.C. State, Iowa State, Minnesota and George Mason.

Szostak worked 12 years in his own Chapel Hill practice before joining NBBJ in 1990. The North Carolina office accounted for \$2.2 million of NBBJ's gross fees of \$55 million last year.

"I probably enjoy doing work in my home state more than anything," Szostak says. "I wish there was more. [But] business is picking up in North Carolina in the last couple of months for architecture overall."

**For architect Philip Szostak, it pays to be a good sport.**



MAURY FAGGART

## Mad Max is on general assignment

He's a career military man with an aggressive leadership style, but Maxwell Thurman says he is adapting to the less rigorous demands of academe.

"I will try to be benevolent and kind," says the four-star general, known as Mad Max to his troops. Thurman, 61, is probably best-known as the commander of the U.S. military operation that in 1989 ousted Panamanian dictator Manuel Noriega.

Now he's rallying different troops. Retired after a 38-year Army career, Thurman has served since fall as executive-in-residence at N.C.

State University's Division of Economics and Business.

Thurman's military career was impressive: He did two tours in Vietnam, became a master parachutist and served as tactics instructor at West Point, artillery commander for the 82nd Airborne at Fort Bragg and commanding officer of Operation Just Cause in Panama.

But that's not how the High Point native sold himself to NCSU, where he had graduated with a degree in chemical engineering in 1953. "I had some major responsibilities in running a major enterprise: the U.S. Army Recruiting Service," he says. "I was the personnel chief of a very large corporation: the U.S. Army. For four years, I was the CEO of the Army. So I said to the people at NCSU, 'Look, maybe I have something to offer you in the way you are teaching business, strategic-leadership and management courses.'"

As a volunteer at NCSU, Thurman is speaking to students, organizing a lecture series, helping start an outreach program for local business people and advising the university on its quality-management curriculum.

Thurman, who lives in northern Virginia, spends about a week a month in Raleigh. He's a senior fellow at the Institute of Land Warfare. The president has appointed him to the Panama Canal Consultative Committee, which is planning for the transfer of the canal's ownership to Panama in 1999. He also does a lot of motivational speaking.

"What you spend your life doing in the Army is motivating people to do tasks that they would not necessarily volunteer to do, which are to go risk their lives."

His gig at NCSU will last



MAURY FAGGART

**Engineer Glenn Futrell is not content to coast in Manteo.**

through next year, and he admits he has a lot to learn. "I don't pretend to know the culture of universities," he says. "I don't have a Ph.D. in anything except the school of life."

## **His aim: unfurl sales at Pirate's Cove**

What do you do after you build a successful engineering firm and then sell it for \$60 million?

"I didn't want to get into a rocking chair," Glenn Futrell says. But he didn't figure he'd become the managing partner of a Manteo resort development during the nation's worst real-estate slump in decades.

With two partners, Futrell, 50, owns Pirate's Cove, a 609-acre waterfront community on Roanoke Island with 150 houses and town houses, plans for 600 — and sluggish sales. Since 1988, \$25 million of property has been sold, about 25% of the development. (Condos sell for

\$130,000 to \$200,000; houses sell for \$225,000 to \$500,000.) Futrell spends three to five days a week in Manteo, flying back and forth from Raleigh in his single-engine plane.

This isn't exactly what Futrell had in mind back in 1984 when he invested in the project as one of nine partners. "I'd been involved in development and construction my whole career," he says, "just always on the engineering side, not the development side."

After graduating from N.C. State University with a master's in civil engineering in 1966, Futrell opened a regional office in Raleigh for Atlanta-based Law Engineering. He left in 1973 to start his own business, Soil and Materials Engineers. In 1987, he sold the 1,000-employee consulting firm to Westinghouse for "in excess of \$60 million," he says. He stayed on two years as president, then left to manage his investments, including car dealer-

ships and real-estate partnerships.

But one investment needed help: Pirate's Cove. "In late 1989 and '90, I began getting a lot more involved in the project. Real estate was not doing well, and I had a considerable investment in the project. I had a personal need to get involved."

In 1990, he took over management, and last fall the original

partners sold out. Futrell and engineer Lawrence Matthews, a former colleague at Westinghouse, persuaded Alexander P. Thorpe, president of Thorpe & Ricks, a Rocky Mount tobacco merchandising company, to invest.

"This puts the project on a much sounder financial basis," Futrell says. He has reorganized marina

operations and launched a national marketing program. "We're hoping for results in 1992," Futrell says. "\$10 million [in sales] is our goal."

## She built career on a firm foundation

"As soon as I tell people what I do, especially women, it's a subject they want to discuss," Mary Kay Edwards says.

Edwards has no problem mentioning unmentionables: She's built her career on them. Last fall, Edwards, 54, was named president of Sara Lee Corp.'s Bali lingerie brands in Winston-Salem.

Edwards knows the intimate-apparel market inside out. The Pittsburgh native graduated from Carlow College with a degree in home economics, then went to work in the early '60s at Gimbel's department store in Pittsburgh as a buyer of robes and lounge wear and then bras and foundation garments. "I really liked the bra area," she says, and she developed an expertise in that segment at Gimbel's and later at Rich's in Atlanta.

In the early '70s, she switched to the manufacturing side, taking a job in product development with a bra maker in New York. She rose to higher positions at several manufacturers, including an 11-year stint at Warner.

Edwards came to Bali in 1990 as vice president of marketing, merchandising and design. She splits her time between New York and Winston-Salem, but plans to move to North Carolina this summer.

Bali, which was started in Brooklyn, N.Y., was bought by Hanes Corp. in 1969. Hanes was bought by Sara Lee in '79. Bali has distribution centers in Statesville and Gastonia and produces gar-

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ments in Puerto Rico. It won't disclose revenues.

Boosting market share is Edwards' goal. In most of the nation's top 50 department stores, Bali is the biggest-selling brand, she says. "We want to grow to No. 1 in department stores where we are No. 2."

One of her first efforts has been to change the labeling and packaging. "We've got to put information on our products that tells the customer what the benefit is," she says. "If it has a seamless cup, we need to say it looks good under smooth knits."

She's hoping her presence as Bali's first woman president will spark customer interest. "Our consumer responds to the fact that a woman is in charge behind the scenes at the company," she says. "I'm the first president since the company was founded in 1927 who wears the product."

## For him, it didn't pay to advertise

Two weeks after a fire at Imperial Food Products in Hamlet killed 25 people and injured 56, Raleigh lawyer **Karl Knudsen** took out an ad in the *Richmond County Journal* urging victims' families to call him "if I may be of any service to you."

To Knudsen, 39, there was a need, and he was advertising to fill it. "We're never going to turn the clock back to when there was no advertising," he says. "But at the same time I do not believe the profession should be sold like soap. There should be some dignity. There should be some restraint."

Wake Superior Court Judge Knox V. Jenkins apparently didn't see anything dignified or restrained about Knudsen's solicitation. When Knudsen went before the judge last

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## PEOPLE

September to represent two clients charged with traffic violations, Jenkins ordered the lawyer out of the courtroom. Saying he couldn't give Knudsen's clients a fair trial because he considered the lawyer's actions in Hamlet "beneath contempt," Jenkins wouldn't even allow Knudsen to respond.

Knudsen filed a complaint with the state Judicial Standards Commission, but it decided in December not to pursue the matter.

This isn't the first scrape for Knudsen, who received his law degree from UNC-Chapel Hill. In his 15 years as a defense lawyer and a prosecutor, he's had an uncanny ability to get caught up in controversy and strange circumstances.

Like the time in 1982 when two men came to his house to buy jewelry he had advertised. It turns out they came to rob him, and he shot the two in self-defense. Both died of their wounds. Knudsen, who was seriously injured in the shootout, wasn't charged.

More recently he was the court-appointed attorney for Michael Charles Hayes, whom a jury found insane after he killed four people in 1988 in Winston-Salem. Hayes caused a commotion last fall by apparently wandering away from his room at Dorothea Dix Hospital in Raleigh. It was Knudsen who explained to law-enforcement officers that Hayes hadn't left the grounds and posed no threat.

Still, it's the Hamlet ad that may hurt Knudsen's career by casting doubt on his intentions, he says.

J. Randolph Riley, a former Wake County district attorney, says his former assistant has a good reputation: "His tenacity and perseverance in handling his cases certainly matches the degree of fervor with which he pursues clients." ■

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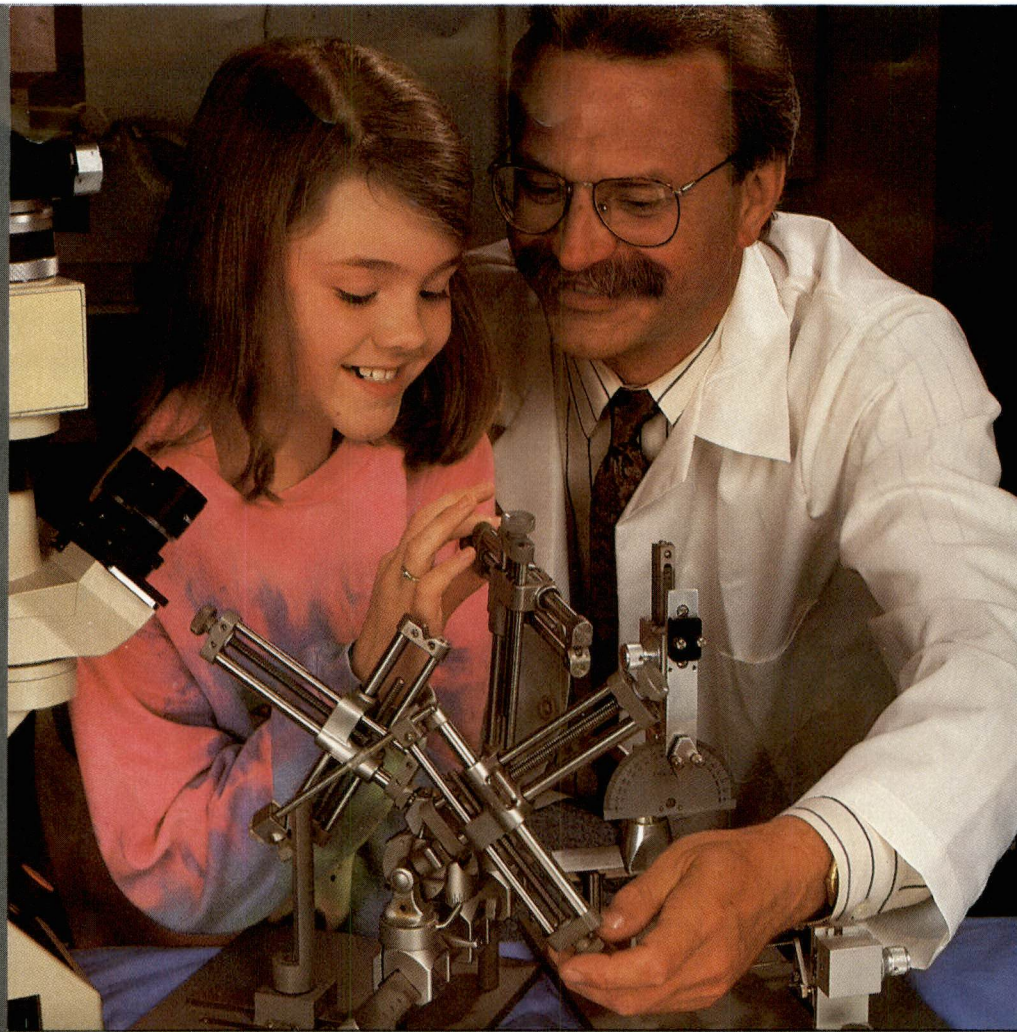
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