

CLIMATE CHANGE

*A Survey of North Carolina Business Leaders
on Competitiveness, Taxes, and Reform*

May 2004

By John Hood and Chad Adams

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Climate Change

A Survey of North Carolina Business Leaders

A new survey of North Carolina's most politically active business executives suggests that they do not agree with the current direction of public policy in the state. A sample of about 300 respondents from every region of North Carolina answered questions about fiscal policy, education, transportation, tax rates, regulation, and ways to improve economic competitiveness. This report provides not only data from the statewide sample but also from six regional subgroups: the Research Triangle, the Piedmont Triad, the Charlotte area, Northeastern North Carolina, Southeastern North Carolina, and Western North Carolina.

Among the major findings in the "Climate Change" survey were:

- About half of business executives see North Carolina's prospects for economic growth in the coming years to be "excellent" or "good" and about half see the prospects as "fair" or "poor." However, this split decision actually masks important regional differences on the issue: about 60 percent or more of respondents in the Charlotte and Triangle areas were optimistic about the prospects for growth while about 60 percent of respondents in Western and Northeastern North Carolina were pessimistic.
- Asked which factors were most harmful to the state's competitive position, respondents picked North Carolina's high state and local tax burden as the number-one impediment to economic growth. An onerous regulatory burden, a lack of skilled workers, and inadequate education were also cited as significant factors. Airports, port and rail service, and recreational and leisure amenities were considered the least important.
- More than two-thirds of responding executives said that elected officials should close state and local budget deficits without raising taxes by reducing government spending. Asked to gauge the "rate of return" on existing spending programs, respondents gave a positive rating to higher education but indicated less confidence in other major categories. Nearly 80 percent said that there was only a "fair" or "poor" return from taxpayer dollars spent on elementary and secondary education, Medicaid and welfare programs, and state business recruitment and development programs.
- When asked whether expanding the highway system or building rail-transit programs constituted the best option for reducing urban traffic congestion in North Carolina, business leaders picked the highway option by a solid 63 percent to 37 percent margin. Interestingly, respondents in the two regions of the state where such transit systems are currently being planned and built — the Triangle and Charlotte areas — were less likely than the average respondent to pick the transit alternative on the survey.
- More generally, business executives in North Carolina were strongly in favor of dedicating all taxes collected on motor fuels and automobile sales to highway needs (84 percent) rather than continuing the current approach of spending some of those tax dollars on general state government or non-highway programs in the transportation budget.
- Given a choice of tax-cut options to boost North Carolina's economy, most survey respondents preferred to reduce marginal tax rates across the board (61 percent) rather than offer targeted tax credits or incentives (39 percent) to induce specific companies to expand in or move to the state.

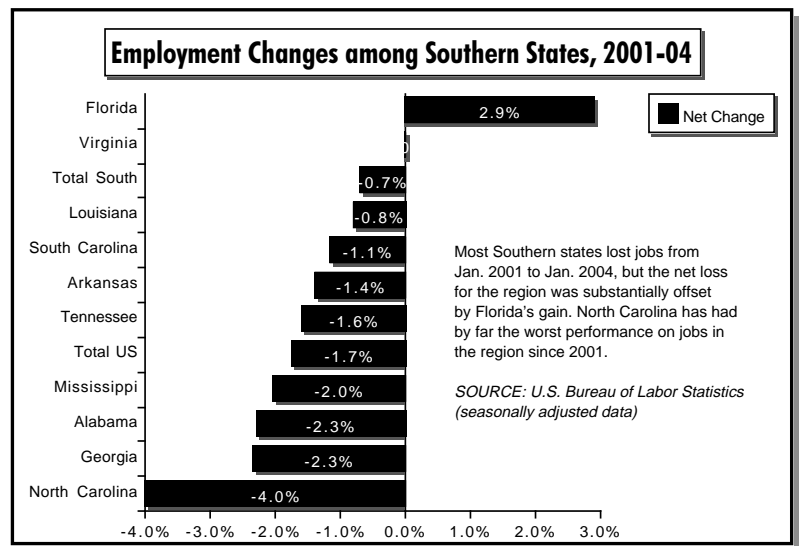
The survey was conducted by mail during the months of February and March. The Triangle region had the largest representation among respondents, at 31 percent, followed by the Triad (25 percent), Northeastern NC (14 percent), the Charlotte region (12 percent), Western NC (10 percent), and Southeastern NC (8 percent).

Introduction

North Carolina Businesses Adjusting to Adverse Fiscal, Economic Conditions

As the critical election year of 2004 began, North Carolina was still seeking to recover from a painful economic downturn that had begun three years earlier. During the 1990s, the state had led much of the South and the nation in job creation and income growth, but a combination of factors had arrested this growth by 2000-01, with dislocations and job losses extending across many regions and industries. During this period of economic change, state and local officials were struggling with budget deficits generated by recessionary declines in revenue growth, spending obligations taken on during the healthier fiscal years of the 1990s, and an upswing in annual cost increases for health-care programs such as Medicaid and the state employee health plan. Local government budgets took additional hits during the period because state leaders decided to withhold hundreds of millions of dollars in tax-sharing and tax-reimbursement dollars to help balance the state budget.

The withholding of local tax revenues proved to be a controversial decision, as did proposals from Gov. Mike Easley and key legislative leaders to increase state income, sales, and consumer taxes in 2001, 2002, and 2003. Many localities raised their tax rates, as well, in part responding to state legislation authorizing a new half-cent “local option” sales tax. Critics argued that these state and local tax increases had hampered North Carolina’s already shaky recovery from the 2001 recession. But Easley and other state and local officials blamed free-trade agreements and other trends affecting the state’s crucial manufacturing sector for North Carolina’s economic woes, and argued that the tax increases were justified to provide continuous funding for programs they said would help build the state’s economic capacity over time, such as teacher-pay hikes and class-size reductions in the public schools.

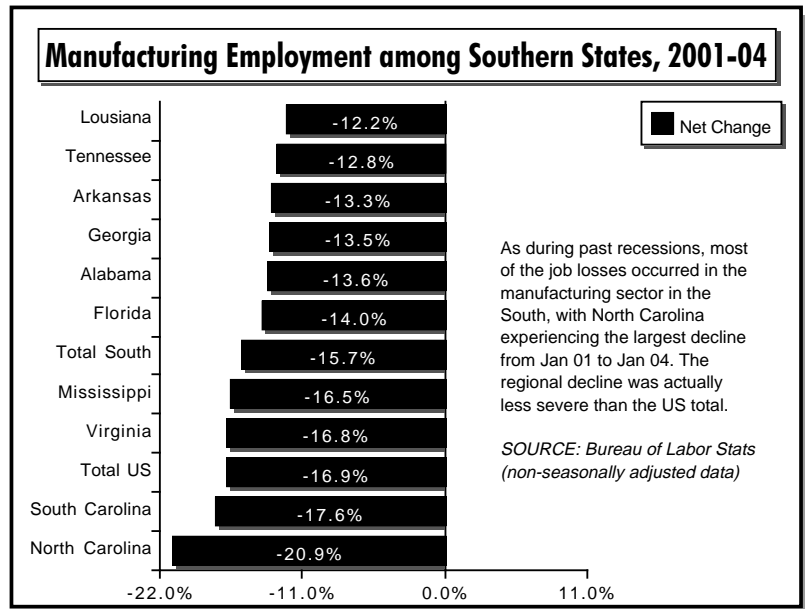


Comparing North Carolina and the Southern States

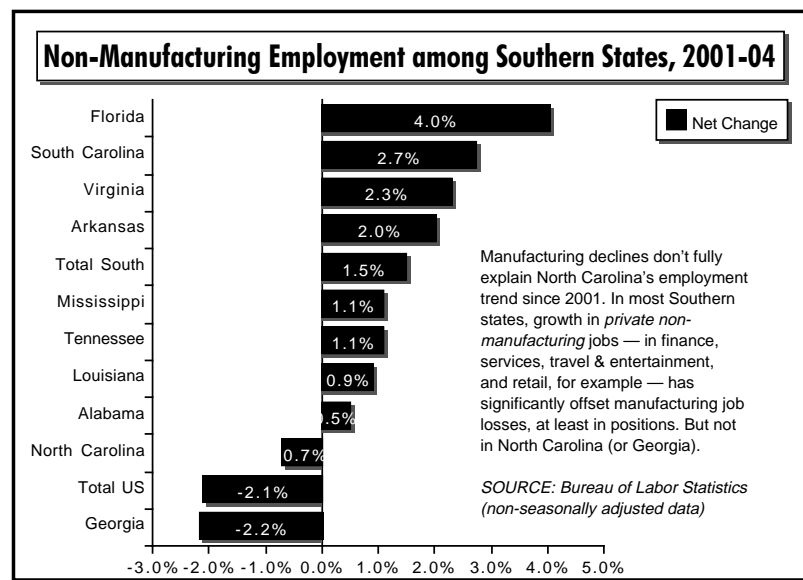
Sorting out the varying explanations for North Carolina’s performance is beyond the scope of this report, which focuses primarily on the views of the state’s business executives regarding economic and public-policy issues. However, before presenting the findings of our “Climate Change” survey, it is necessary to set the stage by discussing recent economic trends within the state and region.

From January 2001 to January 2004, North Carolina clearly had the worst-performing job market of the 10 Southern states we studied (the old Confederacy minus Texas). As the chart above shows, the state lost about 4 percent of its total employment base during the period, which translated into approximately 160,000 jobs. This was by far the largest job loss in the South, no matter how it is measured. Within the state, the job loss wasn’t evenly distributed; if unemployment rates (which derive from a different survey) are examined regionally, it becomes obvious that while most counties in and around Charlotte and the Triangle, for the most part, continued to have relatively low unemployment rates, many communities in both the Western mountain counties and Eastern North Carolina saw jobless rates soar close to, and in some cases over, the 10 percent mark during the period.

Were the state's economic travails related primarily to weakness in traditional manufacturing sectors such as textiles, apparel, and furniture? There is certainly some evidence for this proposition. North Carolina's employment base has long been more dependent on manufacturing than the average state, and its job loss in the manufacturing sector was a staggering 21 percent from January 2001 to January 2004, as the chart to the right shows. But the story is a bit more complicated than that. For one thing, the "traditional" manufacturing sectors weren't the only ones affected by the recession. Industries such as computer and telecommunications equipment also experienced significant job losses during the period. Moreover, other Southern states entered the recession with a similar dependence on manufacturing jobs and experienced nearly as drastic a decline in such jobs as North Carolina did. Yet they posted a smaller net loss in jobs, and in some cases a net gain, from early 2001 to early 2004. What accounts for the difference?



One factor becomes evident when the data on private-sector jobs in non-manufacturing sectors are examined. Most Southern-state economies have actually created jobs in these sectors since 2001, in such areas as professional services, personal services, retail, travel and tourism, and health care. While these new jobs may not have paid as much as previous positions in manufacturing enterprises did — though this is highly correlated with particular opportunities and skills sets, since many non-manufacturing jobs pay higher-than-average wages — there was at least a chance to offset losses in manufacturing positions by gains elsewhere. But North Carolina and Georgia saw net declines in employment in these sectors during the period. Possible explanations for the trend include inadequate infrastructure to accommodate new enterprises, state and local tax increases, an adverse regulatory atmosphere, and the impact of the September 2001 attacks on the travel and tourism industry. These issues are examined in greater detail during our discussion of the business-survey results.



One other set of economic data is useful for setting the stage for this discussion. In addition to tracking employment, economists often use changes in personal income to gauge the health of a state economy. In North Carolina, federal statistics from the Bureau of Economic Analysis on personal income per resident offer a similarly pessimistic take on recent economic performance: from the first quarter of 2001 to the third quarter of 2003, per-capita incomes grew by only 3 percent in North Carolina, again the lowest growth rate among the Southern states. The region as a whole posted personal income growth per capita of approximately 6 percent during the period.

Methodology

Brief Survey Mailed to Statewide Sample of North Carolina Business Leaders

In February 2004, John Locke Foundation research staff assembled a mailing list of some 3,700 business executives across North Carolina. The list included the entire business membership of North Carolina Citizens for Business and Industry (non-business members of the organization, such as public schools or colleges, were excluded) as well as large employers who were members of local chambers of commerce in the following cities: Raleigh, Charlotte, Greensboro, Winston-Salem, Asheville, and Wilmington. In addition, we added chief executives from companies listed in the most recent “Book of Lists” publications for the Charlotte area, the Triangle, and the Triad. The mailing list was similar to that mailed in 2002 for the Locke Foundation’s previous statewide survey of business executives, which was published in April 2002 as “Warning Signs.”

In choosing these sources for the list, while eschewing others, we consciously decided to weight our sample with business executives who had shown an interest in public policy issues, by joining either the functional equivalent of a state chamber of commerce or local chambers in the largest metropolitan areas. We also chose to ensure that North Carolina’s largest businesses were well-represented in the survey (even though many smaller firms were also included) because of their historical importance in affecting the legislative process in the state legislature and in local governments. We also sought to ensure representation in the sample from each of six regions: the Charlotte area, the Triangle, the Triad, Western North Carolina, Northeastern North Carolina, and Southeastern North Carolina. Admittedly, however, the first three regions together represent a large share of the state’s population, the state’s business community, and, therefore, the list of executives surveyed.

To encourage participation and keep data collection simple we designed a brief, two-page questionnaire with a limited number of questions. Most of the items were straightforward, close-ended questions allowing one answer among two to four options. Four questions allowed for more complexity; two asked respondents to rank options in ascending order of importance, while two more asked respondents to rate major areas of state and local spending on their perceived rate of return, allowing a response of either “good,” “fair,” or “poor.” Some but not all of the questions on the 2004 survey had been included in 2002, allowing for comparisons over time.

Finally, the questionnaire left space after the prepared questions for “additional comments . . . on North Carolina’s business climate.” As expected, most respondents left the section blank, but many did give additional comments or suggestions.

Pros and Cons of the Survey Design

As with any mailed survey, the methodology chosen here had some important drawbacks. First, unlike a telephone survey, it is difficult to guarantee that a respondent in a mail survey is who he or she claims to be. Second, response rates tend to be lower for mail surveys than for personal interviews or telephone surveys because mail surveys ask more of respondents (they must fill out the form and return it rather than simply answer a few questions verbally). Finally, because the brief length of the survey was deemed to be important in maximizing participation, the design did not allow for in-depth probing of issues or responses.

On the other hand, as will be demonstrated, the mail survey did yield a rich and informative body of results. This kind of survey design is relatively inexpensive, and can therefore be replicated easily in the future to see if opinions evolve along with changing economic or political conditions. The limited number of questions allowed for a quick turnaround in calculating and publishing the results, ensuring the timeliness of the data — which was important given the fast-moving nature of some of the public policy debates about which survey respondents were asked to comment.

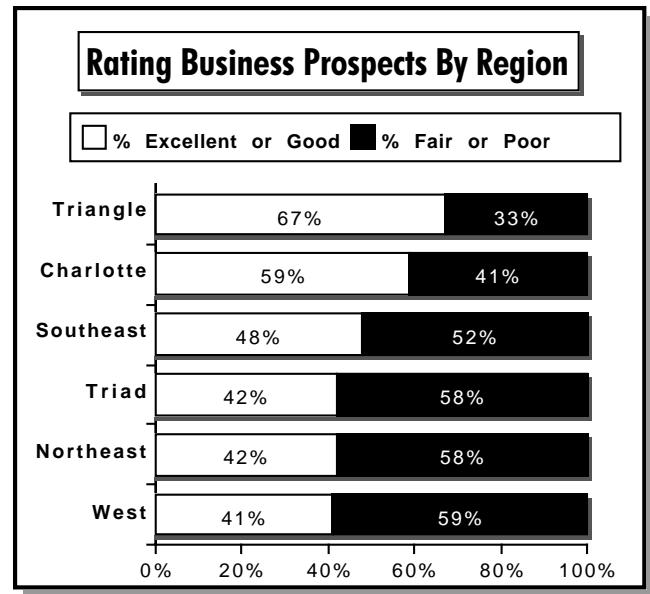
Findings

Executives Differ on Future, Question Spending Programs

Nearly 300 business executives in North Carolina returned a completed “Climate Change” survey. They were located in every region of the state, with the Triangle (31 percent) and the Triad (25 percent) providing the largest share of responses, followed by Northeastern North Carolina (14 percent), the Charlotte area (12 percent), Western North Carolina (10 percent), and Southeastern North Carolina (8 percent).

The initial question on the survey examined the prospects for economic growth in North Carolina. Respondents were split nearly evenly on the question, with 52 percent labeling the state’s economic prospects as “excellent” or “good” and 48 percent terming them “fair” or “poor.” But this apparent split-decision masked some important regional differences. While two-thirds of Triangle-area executives and nearly 60 percent in the Charlotte area were relatively optimistic about the state’s economic future (see nearby chart), about 60 percent of respondents in the Piedmont Triad, Northeast, and Western counties were relatively pessimistic. Interestingly, these findings closely track the recent economic performance of these regions since the onset of the 2000-01 recession. The Triangle area saw a large percentage increase in its unemployment rate — from just over two percent in January 2001 to just over four percent in January 2004. Obviously, it remained low. Much of the Charlotte area, similarly, did not experience a drastic reversal of fortunes during the period.

On the other hand, counties in the far west and east saw jobless rates rise up to, and in some cases over, the 10 percent market. And in the Triad, declines in some traditional manufacturing sectors helped to generate significant job losses. Given their recent experience, it makes sense that different regions perceive North Carolina’s economic future differently.



State Budget and Taxes

While slackening income growth and rising unemployment were affecting directly the economic fortunes of households and businesses in North Carolina, they were also helping to translate longstanding problems in public finance in the state into major state and local budget deficits. State leaders have had to grapple with budget gaps in 2001, 2002, and 2003. Many city and county officials also found themselves faced with deficits.

At both levels of government, elected lawmakers chose to address the deficits with a combination of spending restraint, or even cuts, in some areas along with tax hikes. In Raleigh, the General Assembly enacted higher taxes on income, retail sales, telecommunications, health insurance, and consumer goods. Some of these increases were enacted as “temporary” measures to address the deficit and were set to expire, but in 2003 lawmakers extended them. In addition, part of state government’s response to its deficits involved the redirection of hundreds of millions of dollars in tax sharing and tax reimbursements from city and county coffers to the state. In exchange, localities were allowed the “option” of adding an additional half-cent to the sales tax. North Carolina’s once-low combined rate is now 7 percent in most counties, higher than in all neighboring states except Tennessee (which has no income tax).

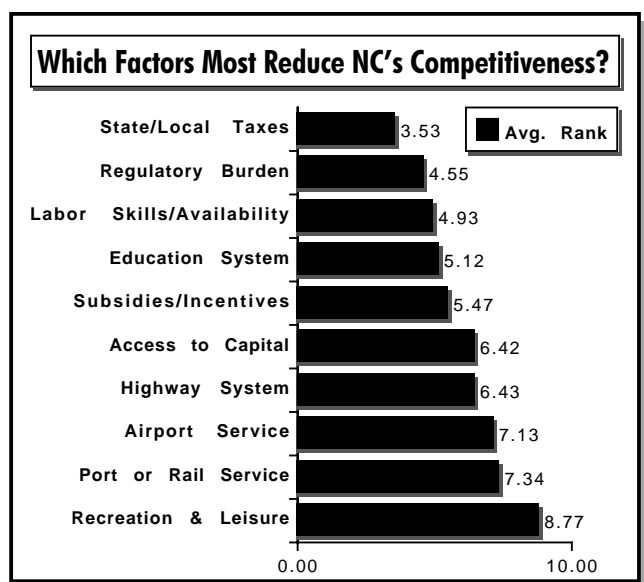
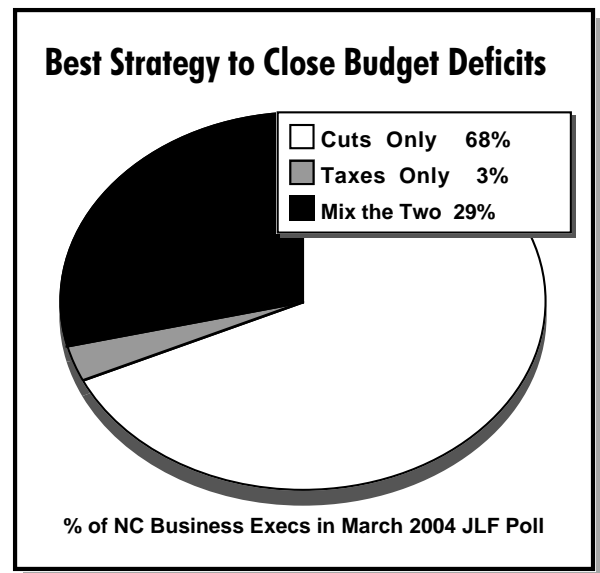
In the “Climate Change” survey, we asked business leaders across the state what they thought the best response would be to state or local budget deficits. There was little ambiguity in the response. About two-thirds of our respondents said that policymakers should rely on budget savings alone to address fiscal deficits, compared with only 3 percent who favored tax increases alone and 29 percent who favored mixing some budget savings with some tax hikes. These results were similar to those in the 2002 survey to the same question: in that survey, 64 percent endorsed the no-tax-increase option compared with 3 percent for the tax-only option and 32 percent endorsed mixing the two approaches.

Business executives’ strong aversion to tax increases in North Carolina tracks with their responses to another question in the “Climate Change” survey. We asked respondents to rank 10 factors commonly associated with a state’s business climate. They were to rank the factors in descending order according to how much they reduced the state’s economic competitiveness. In other words, respondents were asked to put a “1” beside the factor considered most harmful to North Carolina’s competitive position, a “2” beside the next-most harmful factor, and so on.

By computing average ranks for each factor, we were able to summarize the results on this question in the chart below. State and local taxes were ranked as the factor most reducing North Carolina’s competitiveness, followed by the regulatory burden, the availability of skilled labor, and the quality of the state’s education system. Interestingly, the quality of the state’s highways, which has been cited by many business and policy analysts as a significant issue of concern in North Carolina, did not rank particularly high in our survey. Nor did most business executives seem to worry much about access to port or rail service or the availability of recreational or leisure amenities, even though both issues have received legislative attention in recent years as well as significant state and local government appropriations.

The same question was asked in our 2002 survey of business executives, and the results were, once again, not much different. State and local taxes were ranked as the biggest problem then, followed by labor skills and education. The regulatory issue seems to be looming larger now than it did in 2002, when it ranked fourth on the list. Access to government subsidies and economic-development programs ranked somewhere in the middle on both the 2002 and 2004 surveys. On that point, a separate question in the survey asked which single change in North Carolina’s tax code would best promote economic growth in the state: general tax-rate reductions for all or targeted tax incentives to encourage specific businesses to move to or expand in the state. Respondents picked the across-the-board option over the incentive option by a 61 percent to 39 percent margin.

When viewing the results by region, one interesting finding is that concern about the negative impact of tax rates on the economic climate is strongest in and around the Charlotte area, where nearly half of respondents gave a number-one ranking to state and



local taxes. Charlotte has the highest tax burden among the state's major metropolitan areas, according to a recent Center for Local Innovation study. Triad respondents were also somewhat more likely than the rest of the state to rank taxes at the top, while Triangle respondents were closer to the statewide average and those of other regions tended to spread their number-one picks out across a range of factors. On the question of whether across-the-board tax cuts or targeted tax incentives would be best, the majority opinion in all regions was for general tax reduction. However, support for incentives was noticeably greater in the Western and Northeastern regions — a result that could well be related to the fact that these regional economies have been underperforming the rest of the state, and thus business leaders there believe that more controversial steps may need to be taken.

Rate of Return on Government Spending

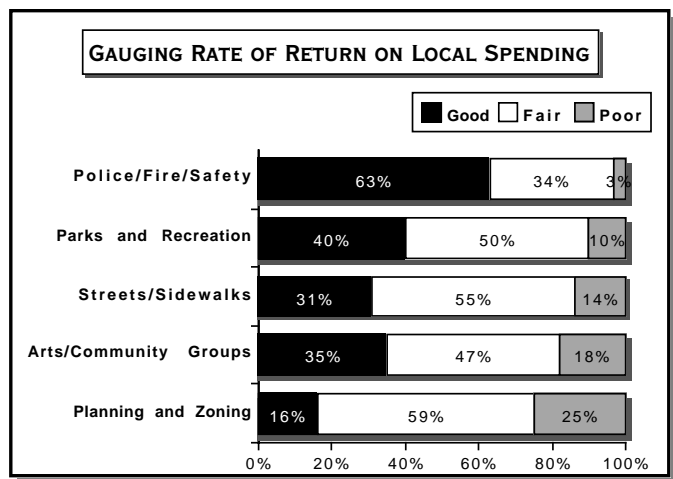
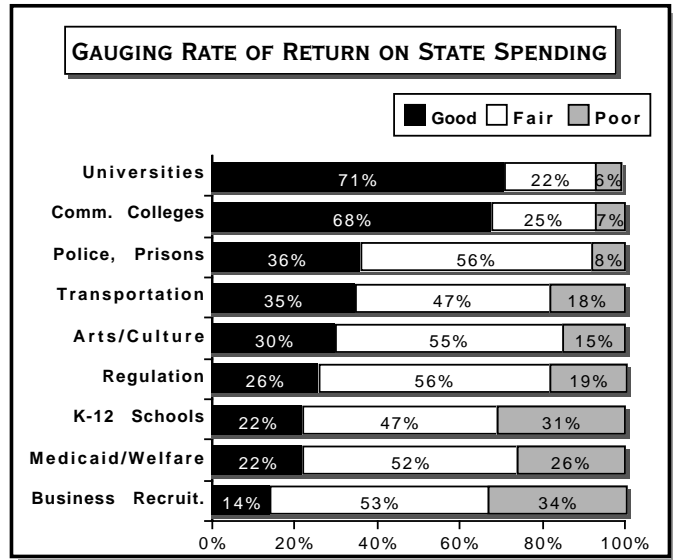
Because the respondents to the survey were business executives, we fashioned a question for the 2002 survey on the effectiveness of government expenditures and chose to include it again in the 2004 survey. Rather than simply asking whether respondents agreed or disagreed with what state and local programs were trying to accomplish, we asked whether respondents thought that they and other taxpayers got a “good,” “fair,” or “poor” rate of return on dollars invested in the major activities of government. In this way, we hope to gauge the cost-effectiveness of programs as seen by key leaders of the communities they are intended to serve.

The results were striking. The only function of state government described by most respondents as providing a “good rate of return” was higher education — 71 percent said so for public universities and 68 percent for the community college system. As the above chart demonstrates, the ratings fell off dramatically for the other functions, including law enforcement and prisons, transportation, arts and cultural programs, and state regulatory agencies.

Particularly distressing to state leaders must be the programs found at the bottom of the list. Elementary and secondary education did not receive nearly the vote of confidence that higher education did, with only 22 percent saying the rate of return on tax dollars invested was “good” and nearly a third rating it as “poor.” For Medicaid and other public assistance, the perception was similarly negative.

Finally, business-recruitment and economic-development programs were the lowest-ranked state programs on the list, with more than 85 percent of respondents ranking their return as fair or poor. Given that business executives are themselves the target or client for many of those services, the finding can only be viewed as a distinctly unflattering one. Furthermore, keep in mind that if you add K-12 education, Medicaid and other welfare programs, and activities related to commerce and economic development together, they comprise a substantial majority of the dollars expended by state government every year.

There was also some bad news in our survey for local governments in North Carolina. As we did for the state government, we listed major local governmental functions and asked survey respondents to offer an opinion on



their rate of return. Only police, fire, and public safety functions were rated as good investments by a majority of survey respondents. Current efforts to provide and maintain streets and sidewalks, a basic municipal function, were not viewed as cost-effective by most business executives. And at the bottom of the list was local planning and zoning departments.

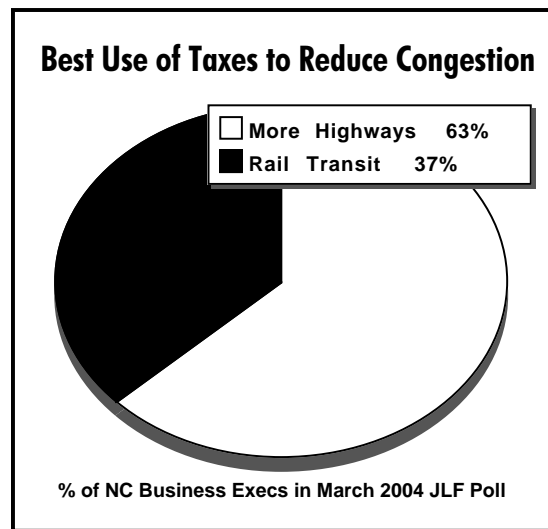
While on some level it shouldn't be surprising that businesses don't like to deal with regulatory and permitting agencies, the argument advanced for local planning is that it facilitates orderly and attractive business growth. If it was accomplishing its mission at a reasonable cost, one would think more business leaders in communities across North Carolina would have a higher regard for the cost-effectiveness of the planning and zoning function.

Transportation and Congestion Issues

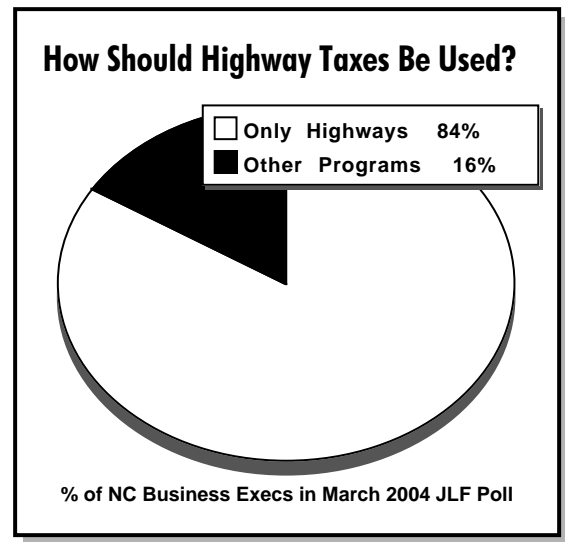
Most survey respondents did not rate the state's highways as among the top problems facing the state's economy — perhaps surprisingly, given the vehemence with which some business leaders and motorists have denounced what they have seen as a deteriorating road system. But they did offer some interesting responses to specific questions on transportation issues.

For example, when asked whether state taxes collected on the sale of motor fuels and automobiles should be dedicated only to highway expenditures or, as is currently done, spent on both highway and non-highway programs, business leaders were strongly in favor of the idea of earmarking the funds for highway construction and maintenance. Only 16 percent of respondents agreed with the current use of revenues to the Highway Fund and Highway Trust Fund, which includes hundreds of millions of dollars transferred each year to the state's General Fund budget and to non-highway transportation spending on such items as state-run ferry boats, pedestrian and bicycle paths, and transit programs in and around the state's major cities.

In urban areas such as Charlotte and the Triangle, proposals to construct rail-transit systems with a combination of federal, state, and local dollars have elicited a great deal of public discussion over the past decade. A key argument advanced for spending tax dollars on new transit system is that North Carolina can't afford to "pave the state," that policymakers should respond to escalating traffic congestion not simply by adding additional highway capacity but by offering an attractive alternative in the form of mass transit. Opponents argue that North Carolina's longstanding tendency to low-density development patterns will not likely generate the kind of ridership that would justify the expenditure of billions of tax dollars in new rail systems.



We decided to test sentiment among business executives about this debate by asking them which was the best use of limited tax dollars for reducing urban traffic congestion: building more highways or building rail-transit systems. A sizable majority, 63 percent, picked the highway alternative over the transit alternative. Still, transit advocates might argue that one explanation for this finding was that because the survey was statewide, it captured the opinions of many business executives who don't live in areas that would be affected by



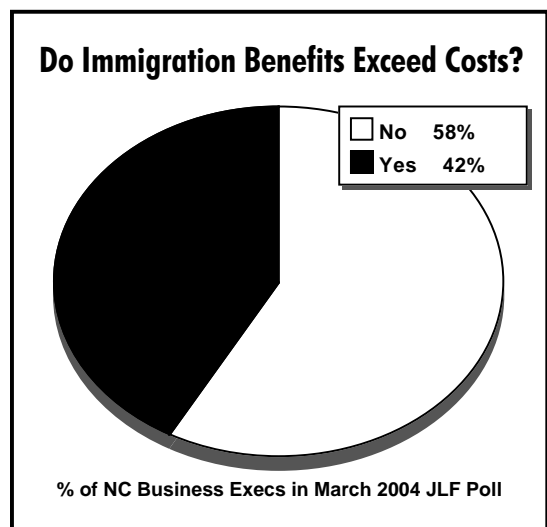
the construction of rail transit and thus would see no reason to prefer it over highway expansion. So we examined the results of this question by region, and discovered that respondents from the Triangle and Charlotte areas were actually less supportive of the rail-transit alternative than respondents statewide were. Nearly 70 percent of Triangle respondents and a staggering 85 percent of Charlotte-area respondents opted for the highway alternative to address urban traffic congestion, even though these are the only two regions in which rail-transit systems are currently being constructed.

Other Contentious Issues Addressed

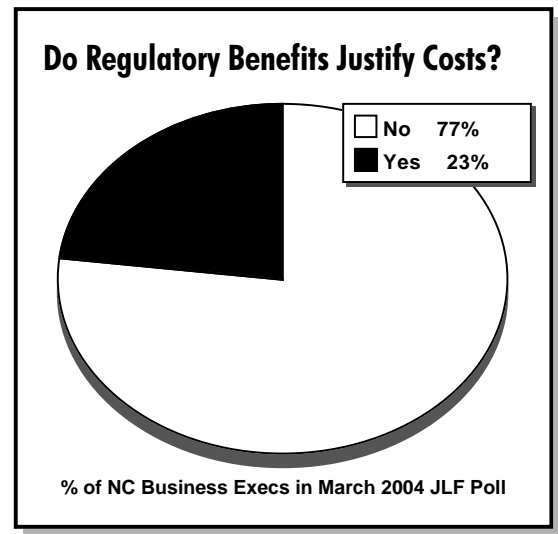
When ranking factors that reduced North Carolina's competitiveness, the state's regulatory burden received the second-highest average ranking. That helps to explain the findings of a separate question on regulation, which asked respondents whether they thought the environmental, health, and safety benefits of current state and local regulations in North Carolina exceeded the costs they imposed on businesses and consumers. While simply asking regulated industries if they liked having to comply with regulations would have likely generated a strongly negative, and not very meaningful response, we thought that urging respondents to consider both the costs and benefits of government rules might generate a more balanced response from our sample.

We were wrong. More than three-quarters of business executives across the state viewed current regulations as not being justified on a cost-benefit basis. This critical conclusion was present in roughly similar proportions in all regions of the state, and obviously represents a clear message for public officials to consider.

Another controversial issue affecting North Carolina businesses and public policymakers, and one not included in our previous survey in 2002, is the subject of immigration. Critics of current levels of immigration into North Carolina offer a variety of arguments for reform, including the impact of immigrant workers on the wages of native-born workers, the cost imposed on taxpayers for public services such as schools and health clinics that serve immigrant populations, and the potential for social and public cohesion because of limited English-language skills and the displacement of residents of traditional neighborhoods. On the other hand, advocates of current or even expanded immigration argue that it brings new ideas and energy to the country and that it helps to supply needs in the labor market — for industrious, skilled labor willing to work for a modest wage — that would otherwise require higher prices or reduced service. Because of the latter argument in particular, we thought that business leaders might offer a more sanguine take on current levels of immigration than would members of the general public. But if this is true, the general public sentiment must be strongly negative towards current rates of immigration.



In our survey, nearly 60 percent of respondents said that the benefits brought by current levels of immigration in North Carolina did not exceed the costs imposed on the public sector and society as a whole. In most regions of North Carolina we found a similar degree of skepticism about whether immigration policy would meet a cost-benefit test. However, the results were more closely matched in the Triangle area, where about half of respondents said immigration's benefits exceeded the cost and about half said they did not.



Conclusion

North Carolina Executives Express Clear Policy Preferences

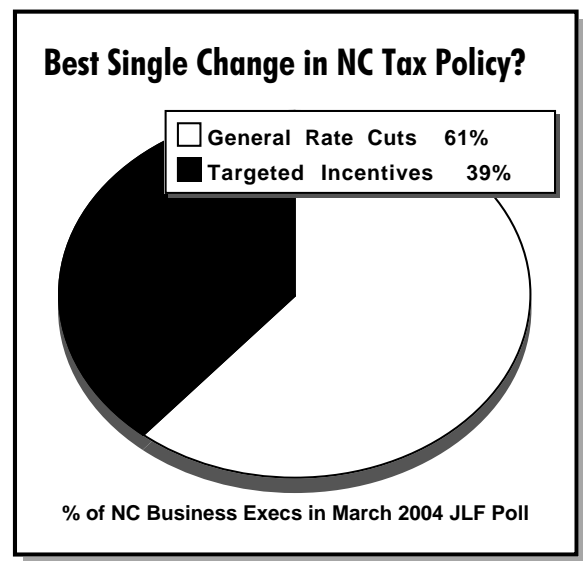
In general, the results of our 2004 survey of business executives across North Carolina did not differ dramatically from what was found in the 2002 survey. Moreover, other than the examples already noted, there were few regional differences in how business leaders responded to the various economic and public-policy questions. It seems likely that state business executives from different parts of North Carolina find much more they agree on than areas of disagreement.

It would also be a fair conclusion to draw that for the most part our survey respondents offer clear preferences on public-policy issues facing North Carolina. They were strongly opposed to state or local tax increases to close budget deficits, and saw the state's current tax rates as the single-biggest impediment to economic growth and development, followed closely by the impact of state and local government regulations. Respondents saw most government services provided at the state and local level as not providing a "good" rate of return on taxpayer dollars invested, though the state's higher education programs and local government's law enforcement and public safety activities were exceptions to the rule. And when asked which kind of tax reduction would best improve the state's business climate and growth prospects, business leaders chose across-the-board tax cuts (61 percent) over targeted tax credits or incentives (39 percent).

On other policy matters, business executives offered clear support for earmarking all highway-related tax revenues to highway construction and maintenance, rather than transferring some of the revenues to other uses, and exhibited little enthusiasm for addressing the state's urban-congestion problems with transit alternatives rather than highway expansion. A huge majority thought the state's regulations did not meet a cost-benefit test, and about 60 percent said the same about current immigration policy.

These results should not be viewed as the last word on what North Carolina business executives believe or what they want their state or local policymakers to do. Additional research should be conducted to probe some of these issues in greater depth and to see if other mail-survey samples offer substantially different results. But it is useful to consider how the policy positions of some lobbyists or organizations claiming to represent the state's business community differ from the stated opinions of key members of that community.

Of course, just because state business leaders believe something to be true, or that a certain policy is justified or unjustified, does not necessarily mean that it is so. Public-policy analysis and debate should center on demonstrated results — how government programs deliver or fail to deliver on their promise, and the effects of government action to tax, spend, or regulate on economic and social indicators. But to the extent that some important questions in public policy resist easy reduction to quantifiable measure of output, it is valuable to seek the option of those who are supposed to be benefitting from government programs, either directly or indirectly. This "Climate Change" survey supplies useful answers to such questions. We plan to conduct similar surveys in the coming months and years to seek additional answers and use them to inform the public policy debate in North Carolina.



- **John Hood** is chairman and president of the John Locke Foundation. He serves as publisher of *Carolina Journal*, JLF's monthly newspaper, and oversees the research, publications, and administration of the organization. In addition to his duties at JLF, Hood is a syndicated columnist on state politics and public policy for three dozen North Carolina newspapers. He is a regular radio commentator and a weekly panelist on "N.C. Spin," a discussion program on state issues that is broadcast on television stations in Charlotte, the Triangle, Winston-Salem, Asheville, Wilmington, Greenville, New Bern, Boone, and six other communities across the state. His books include *The Heroic Enterprise: Business and the Common Good* (Free Press, 1996), *Investor Politics* (Templeton Foundation Press, 2001), and *Selling the Dream: Why Advertising Is Good Business* (Praeger, forthcoming).
- **Chad Adams** joined the John Locke Foundation as the director for the Center for Local Innovation in January of 2004. Adams currently serves as the Vice-Chairman of the Lee County Commission. He was first elected in 1998 and is now serving in his second term. He is a graduate of the University of North Carolina at Wilmington, attended graduate school at North Carolina State University and is a Fellow at the NC Institute of Political Leadership. In 2002 Chad was recognized by the NC Junior Chamber of Commerce as one of five Outstanding Young North Carolinians for his political and community work and was recognized by the National Junior Chamber of Commerce with the Charles Kulp Memorial Award in 1998.

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The Foundation is a 501(c)(3) research institute and is funded solely by voluntary contributions from individuals, corporations, and charitable foundations. It was founded in 1990. For more information, visit www.JohnLocke.org.