



NORTH CAROLINA CENTER FOR
PUBLIC POLICY RESEARCH INC.

PRESS RELEASE

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CENTER QUESTIONS MICROELECTRONICS SALES PITCH

The North Carolina Center for Public Policy Research has questioned the Hunt administration's contention that the microelectronics industry will boost wages and job opportunities in North Carolina. Articles in the latest issue of the Center's magazine, N.C. Insight, say that new electronics jobs may not match the existing pool of unemployed workers in the state.

The Center's publication comes on the heels of a report by the Department of City and Regional Planning at the University of North Carolina at Chapel Hill, which raised similar questions about the benefits of the microelectronics industry. The university-based project concluded that the sector of the industry most likely to come to North Carolina was "low-skilled, low-wage branch manufacturing plants of multinational corporations..."

The N.C. Center, an independent, nonprofit research group based in Raleigh, reached three conclusions about the possible location of new jobs and skill levels of those jobs:

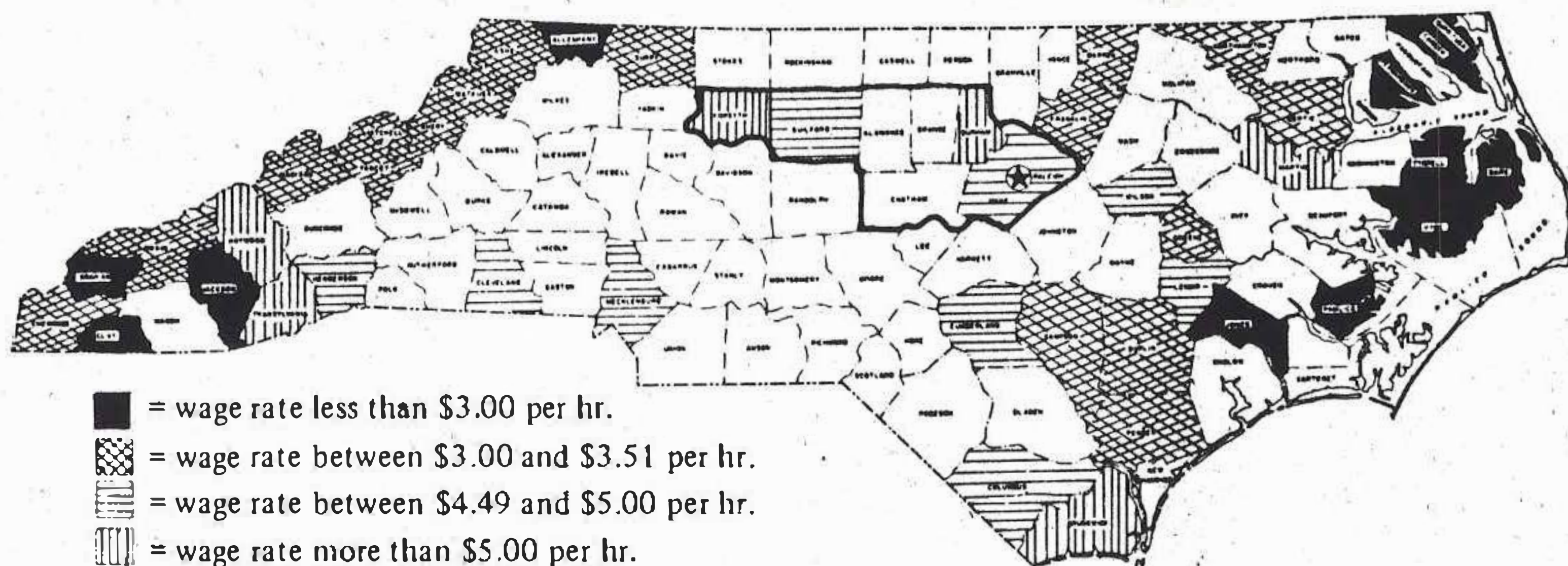
* First, it said, new job opportunities will not come in counties which have high unemployment rates, but instead will be located in Research Triangle counties which already have the lowest unemployment rates in the state. The areas of widespread unemployment in North Carolina are the far west, particularly Swain and Graham counties; northern tier counties, especially the 10-county area northeast of the Research Triangle; and the southernmost counties from Carteret County west to the suburbs east of Charlotte.

* Second, the demand by new microelectronics plants for skilled workers will far outstrip the existing supply of such workers. Consequently, these plants will have to import skilled employees from other states or induce those who are already employed to switch jobs. Skilled employees in electronics include engineers and tool-and-die makers.

* Third, there will be an excess demand for semi-skilled workers in and around the Research Triangle counties. The burden of this shortage of semi-skilled workers will fall on nonelectronics producers already in the area. Semi-skilled workers include inspectors, technicians, and clerical employees.

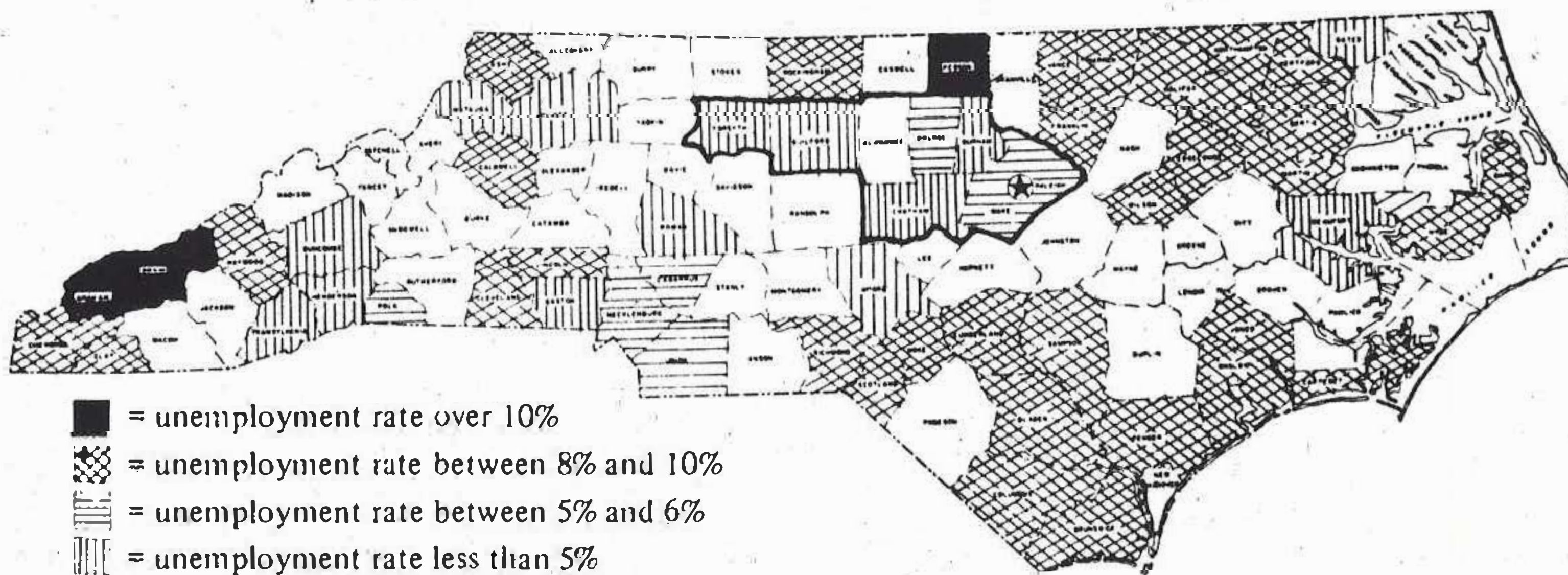
The Center's magazine highlights six articles in a special section on the microelectronics industry. Two articles are by proponents for the Microelectronics Center -- Governor Hunt and George R. Herbert, the chairman of the board of directors of the Microelectronics Center. Two articles question the benefits of the industry from an economic or health standpoint, and two articles examine the issue from a local government and legislative point of view.

Areas of High and Low Wages, 1978



Source: *North Carolina County Labor Profiles*, North Carolina Department of Commerce, Business Assistance Division.

Areas of High and Low Unemployment, 1980



Source: Employment Security Commission, Research Division.

In the maps above, the heavy dark line around a seven-county area stretching from Wake to Guilford surrounds the "projected location zone" for new microelectronics facilities.