

1990-1994

General Economic Trends: 1990-94

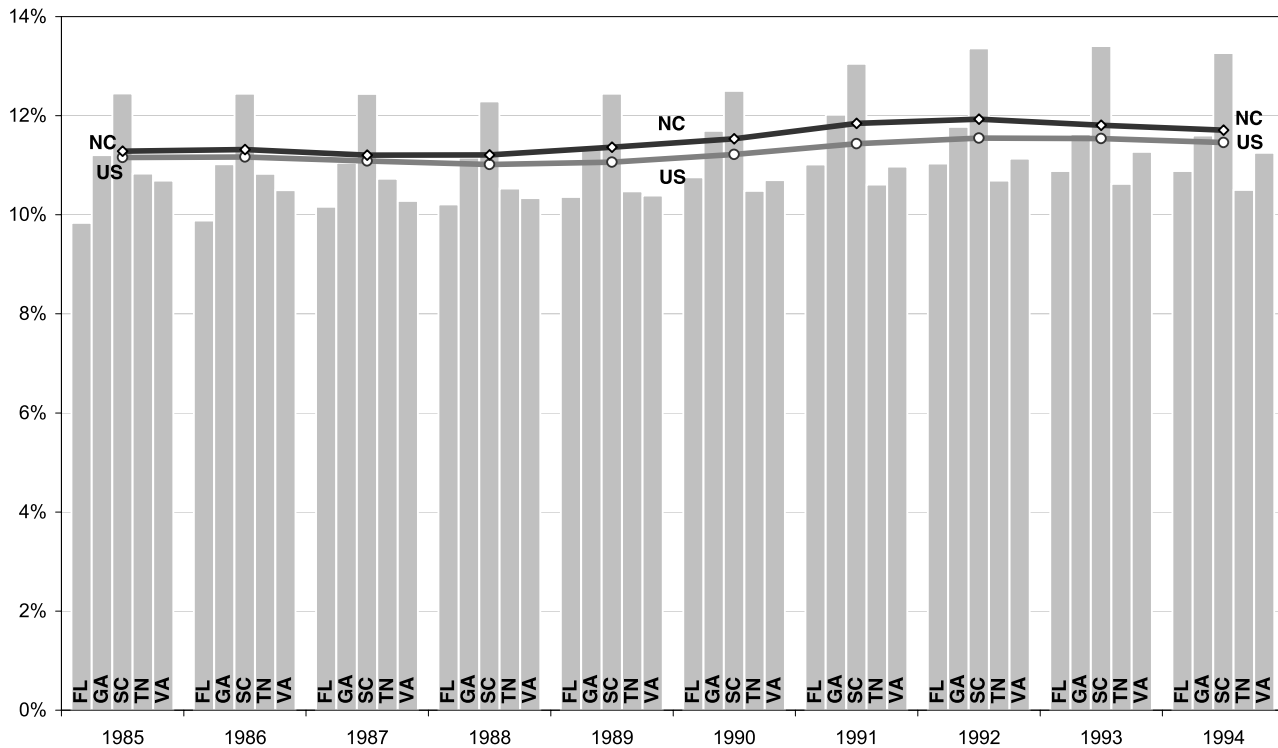
Overall, North Carolina's economy outperformed the U.S. economy during the 1990s. This growth was reflected by increases in per capita personal income, as well as private sector job growth.

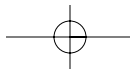
In 1990 North Carolina's per capita personal income was 88.5 percent of the national average; by the end of the decade, it had grown to 91.5 percent of the national average.

During the first part of the 1990s, the private sector weakened, losing some 39,000 jobs from 1990 to 1991. Beginning in 1992, however, the job market rebounded, adding 285,000 jobs between 1992 and 1994. Overall, the private nonfarm employment share increased from 81.9 percent in 1990 to 83.2 percent in 1999.

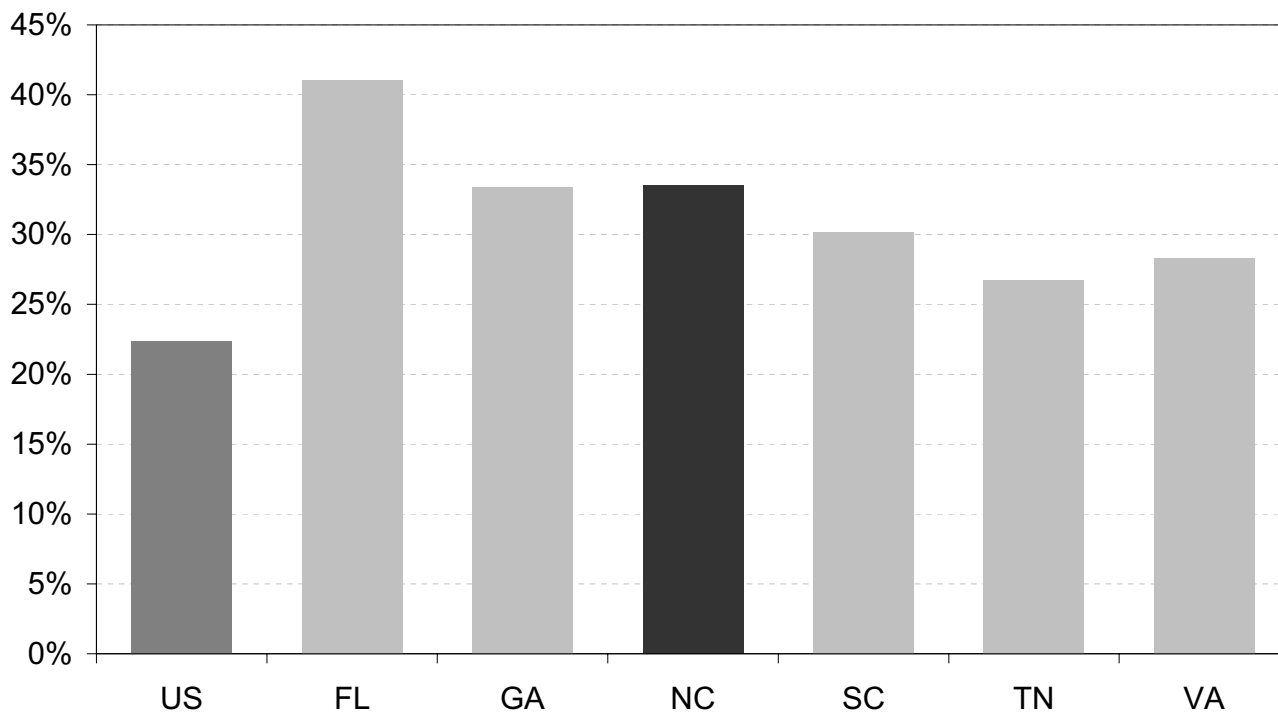
Earnings per private sector job grew by 4.2 percent per year between 1990 and 1994, although much of this increase can be attributed to a 7 percent jump in

State/Local Government Share of Total Nonfarm Employment: Southeast States, 1985-1994





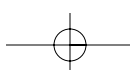
State/Local Government Employment Growth: Southeast States, 1985-1995

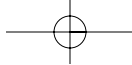


1992. This jump was probably caused by a normal rebound in the national economy, which led to a rapid rise in the demand for labor nationwide, as well as in North Carolina.

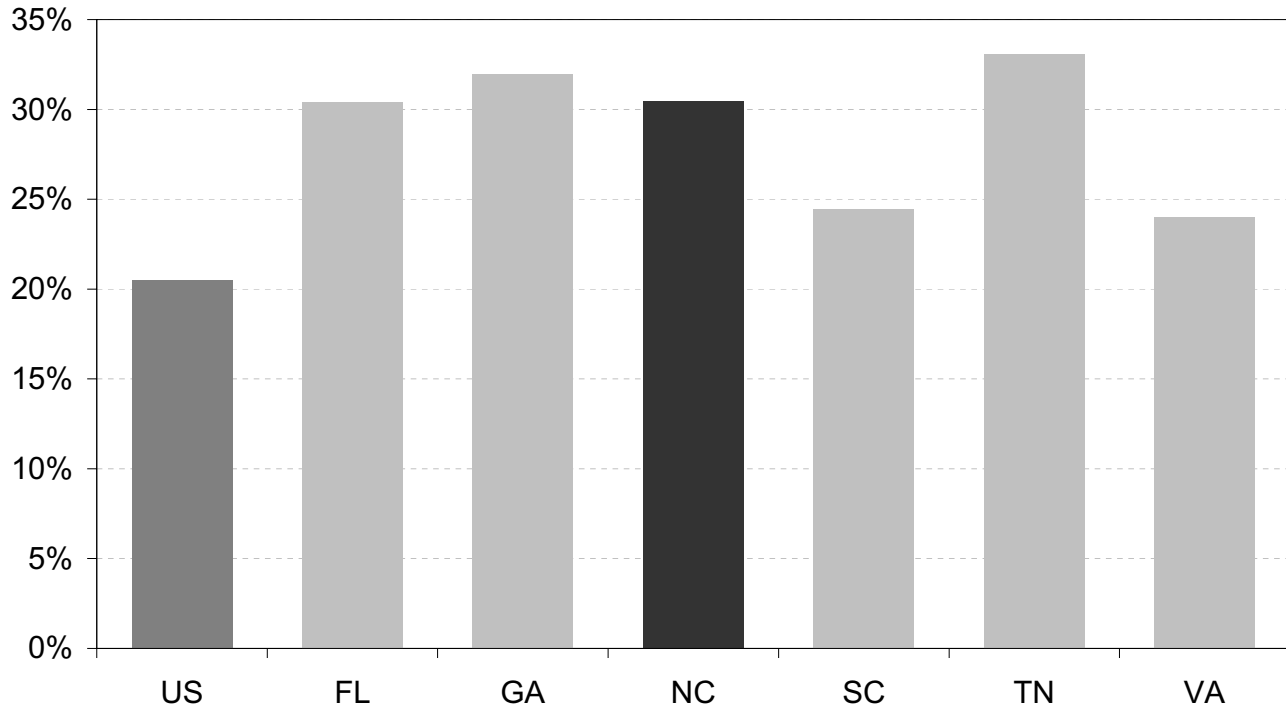
In spite of fluctuations in General Fund tax revenue from 1990 to 1994, state and local government employment increased steadily at an average of 2.3 percent per year for the period. Earnings per state and local position grew at 3.2 percent annually. As a result, earnings in the private sector began to catch up with earnings in state and local government jobs, a reversal of the trend that emerged between 1985-1989. By 1994, compensation for a public sector job was \$1.12 per \$1.00 of compensation for a private sector job, down from the \$1.23 peak of 1989.

In terms of personal income, North Carolina continued to gain on the rest of the country. Per capita personal income rose from 88.5 percent of the national average in 1990; to 90.4 percent in 1992; to 92 percent in 1994. In relation to neighboring states, North Carolina increased its per capita personal income compared to Kentucky and South Carolina, who fell farther behind. Both Tennessee and Virginia, however, outperformed the Tar Heel state. Tennessee's growth rate was 5.4 percent per year from 1990 to 1994, although its stunning growth tapered off after that. Similarly, Virginia's per capita personal income grew steadily, remaining at four cents per dollar above the national average for the period.

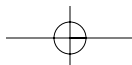
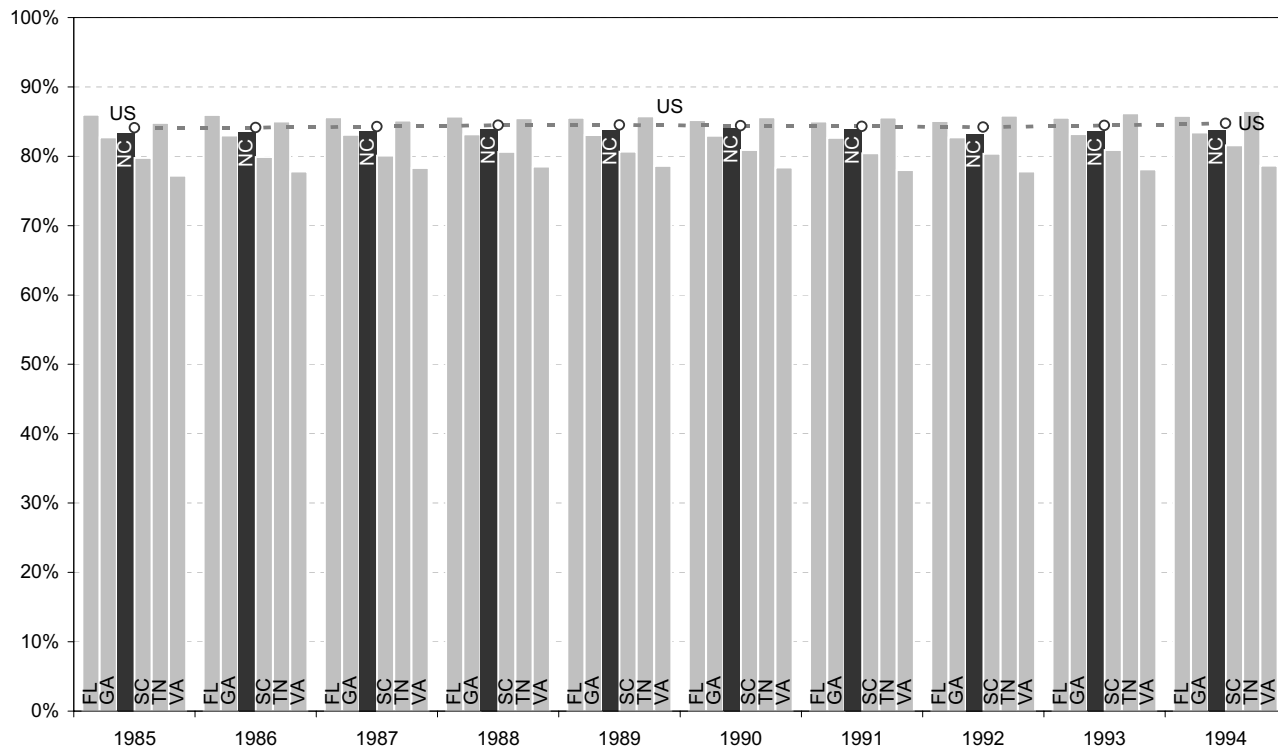


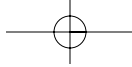


Total Nonfarm Employment Growth: Southeast States, 1985-1995



Private Share of Total Nonfarm Employment: Southeast States, 1985-1994





Total Private Employment Growth: Southeast States, 1985-1995

