

A New Century for North Carolina

Chapter Preview

Terms:

millennium, North American Free Trade Agreement (NAFTA), biotechnology, organic farming, ecosystem, subprime loan, underemployment, Tea Party movement, Moral Monday movement, exurbs

People:

Vivian Howard, Hugh M. Morton, David Murdock, Hmong, Latinos, Thom Tillis, William J. Barber, Roy Cooper

Places:

Eden, Reidsville, Wilson, Lexington When Vivian Howard left North Carolina as a young adult, she was sure she would never come back except to visit. She had been raised, in her own words, as "a river rat" on a prosperous tobacco and hog farm near Kinston. She would tell people she met in New York City that Deep Run, the hamlet near her farm, was "the middle of no place." The NC State University graduate did her best to get a job in advertising, but before two years were up, she switched to learning to cook, restaurant-style, the "new" way food was being prepared in big cities across the country. And she was very good at it, advancing to the status of a noted chef.



Signs of the Times



Population

In 2005, 8.7 million people lived in the state; in 2015, just over 10 million lived here. The bulk of the growth occurred in metropolitan areas like Charlotte and the Triangle. Over half of the rest of the state lost population in the same period.

Education

North Carolina kept a cap on the number of charter schools at 100 from 2000 to 2010. After the cap was lifted, the number grew to 148 in five years. A third were located in metropolitan areas. The number of North Carolina youth being homeschooled more than doubled between 2005 and 2015, to more than 169,000 students.

Religion

In 2010, 53 per cent of North Carolina residents said they frequently attended church. In 2015, 40 per cent said they did.

Technology

Epic Games, a maker of electronic entertainment products, moved from Canada to Raleigh to take advantage of the Research Triangle Park.



Sports

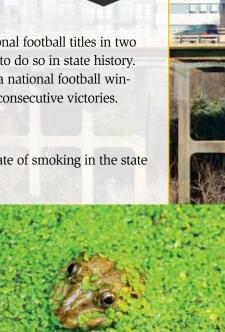
Appalachian State University won two national football titles in two years, 2005 and 2006, the first college team to do so in state history. Independence High School in Charlotte set a national football winstreak record with more than one hundred consecutive victories.

Fads

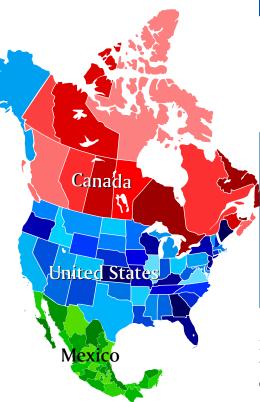
In 2005, for the first time in a century, the rate of smoking in the state fell to the national average, 20 percent.

Science

NC State University's Anne-Marie Stomp helped to develop insulin for diabetics from duckweed, an alga found on farm ponds across the state.







Section 1

The Impact of Global Change

As you read, look for

- North Carolina's economy at the start of the new century;
- new immigrants to the state;
- the effects of terrorism on the state and nation;
- terms: millennium, North American Free Trade Agreement (NAFTA), biotechnology.

The early years of the twenty-first century brought rapid change to North Carolina. New people, widespread development, job losses, and user-friendly technology seemed to arrive as fast as a whirlwind. The changes were dramatic even when they moved slowly.

Some state residents celebrated the new **millennium** (the thousand years when each year would start with 2) by contributing to the expense of moving the Cape Hatteras Lighthouse. The lighthouse had been on the tip of Cape Hatteras since the 1870s. At first, it was a third of a mile away from the tide. Natural erosion and the winds and rains of hurricanes had worked to move the beach inward. By 1988, it was barely 130 feet from the waves. A 1988 study done by NC State University predicted the right hurricane would topple one of the most beloved landmarks of the state.



Above: Mexican President Carlos Salinas de Gortari, U.S. President George H. W. Bush, and Canadian Prime Minister Brian Mulroney initialed the draft North American Free Trade Agreement in October 1992. Right: Mexican President Enrique Peña Nieto, Canadian Prime Minister Justin Trudeau, and U.S. President Barack Obama met at the North American Leaders Summit (informally known as the Three Amigos Summit) in Ottawa, Canada, in 2016.



Hugh M. Morton, owner of Grandfather Mountain, led an effort to raise millions of dollars to move the lighthouse toward the middle of the island. Engineers literally sawed the twenty-story tower off its base, skillfully rigged up a huge hydraulic sled, and carted the million-brick tower to its new home. The moving went inches an hour and took more than a year. On May 5, 2001, the whole state celebrated the placement of the lighthouse on its new foundation. It was again a third of a mile from the Atlantic.

The Cape Hatteras Light was not the only landmark to be altered by new technology in the early years of the new century. The traditional industries of the state had to adapt to new conditions or die out. Sometimes this meant that the jobs of North Carolinians were "moved" overseas. In other cases, new types of jobs became available.



In 2009, Hugh Morton's family sold Grandfather Mountain to North Carolina, and it became a state park.

Downward Movement of the Big Three Industries

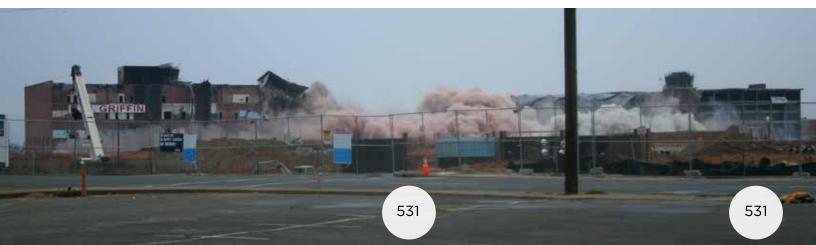
At the start of the new century, North Carolina remained the largest textile employer in the nation. However, one by one, textile mills in towns across the Piedmont shut their doors and ceased to operate. More than 100,000 mill workers lost their jobs in less than five years. The most dramatic closing was Pillowtex, the company that had bought both the Fieldcrest Mills in Eden and the Cannon Mills in Kannapolis. In 2003, Pillowtex lost a bid to recover from bankruptcy. More than 9,000 people

lost their jobs in one day, the largest number in state history. By 2005, the factories of Kannapolis were themselves imploded, literally leveled to make way for new businesses. In one big blast, a century of industry became rubble in the Piedmont. Two of the other well-known companies, Burlington Industries and Cone Mills, both in Greensboro, were bought out and consolidated into one smaller compa-

Below: The main offices of the Pillowtex Corporation shortly before demolition in July 2006. **Bottom:** The remaining portion of the Towel Distribution Center and the Bleachery were imploded in 2006.



ny. It became known as the International Textile Group. By 2007 it had diversified into the making of automotive components.





In 2015, North Carolina continued to be the largest producer of tobacco in the nation, accounting for half of the crop.

Below: Despite the buyout of tobacco allotments, North Carolina continues to be a large producer of the crop. **Below Right:** The Reynolds American building in Winston-Salem.

The problem plaguing textiles was largely global competition. Americans had started going to "big-box" stores like Target and Wal-Mart and buying cheaper clothing made in new factories in places like China and Mexico. Some textile leaders particularly faulted the **North American Free Trade Agreement** (commonly called **NAFTA**) passed in 1992 with hastening the closing of factories. NAFTA is an agreement among Canada, the United States, and Mexico that made trade among the three countries much easier.

In those same years, another foundation of the state's economy weak-ened. After years of lawsuits over the health risks of smoking, American tobacco companies—including those in North Carolina—agreed to help finance a "buyout" of tobacco allotments. For the first time since World War II, tobacco farmers could actually make money by *not* growing tobacco. Thousands accepted an offer to give up their quotas and do something else for a living. Most received their last price-support checks in 2007. Once the tobacco auction ceased to be a part of the state, the familiar chant of the auctioneer disappeared from Coastal Plain towns.

Tobacco companies continued to operate in the state in the new century, despite the fact that far fewer Americans smoked than had been the case a half century before. North Carolina cigarettes were increasingly sold overseas, particularly in the growing Asian markets of China and Japan. R. J. Reynolds Tobacco survived major management changes in the 1990s and kept its plants in Winston-Salem. It did close the old factories in the downtown area. Reynolds American, its new name after 2004, made half as many cigarettes as Philip Morris, which continued to operate a plant in Concord. American Tobacco ceased to make cigarettes in Durham but continued production at its factory in Reidsville.



North Carolina furniture also lost market share for its products. Twenty-five factories closed in the first five years of the century. Thousands of workers in Davidson County, in particular, lost their jobs as furniture from overseas did well in American markets. A new company, Furniture Brands International, formed by the merger of Broyhill Furniture in Lenoir and Thomasville Furniture, did continue to operate in the state. Century Furniture in Hickory, which remained in the hands of the Harley Shuford family, prospered by customizing its products for particular markets. The International Home Furnishings Market in High Point (later called the High Point Market) continued to be a major part of the wholesaling of products made in the state.

North Carolina's Move to High-Tech Jobs

Despite the loss of traditional manufacturing jobs in the state, employment remained high in most communities because of the development of new types of work. A notable shift occurred in North Carolina's job market in the early years of the century. At some point, more than 250,000 state residents went to work each day for financial institutions. More people were working in banks or companies that served banks than in the traditional factories like textiles. North Carolina was fast becoming a leader in the service industry. The largest concentration of such jobs was in Charlotte. The Queen City continued to be the second-largest banking center in the nation, after New York City.

Two North Carolina-based banks emerged as leaders of finance in the nation and the world. The merger of Wachovia and First Union banks in 2003 created the second-largest bank in the nation. In the merger, Wachovia moved its headquarters to Charlotte, and First Union gave up its name. In 2004, Bank of America acquired Fleet Boston Bank, the largest in New England. By 2005, Bank of America was operating in twenty-nine states, Wachovia in eleven. Charlotte became a global financial leader because new technology allowed banks and customers to communicate around the world in seconds.

Bottom Left: One Wells Fargo Center (formerly One Wachovia Center) in Charlotte is the headquarters for Wells Fargo's east coast division.

Below: Charlotte's Bank of America Corporate Center was completed in 1992. Standing 871 feet and 60 stories high, it is the tallest building in North Carolina.







By 2013, the North Carolina Research Campus had become world famous for its discoveries about the nutritional benefits of blueberries.

Above and Below: North Carolina has become a leader in the fields of telecommunications and biotechnology. Bottom Left: Appalachian State University participates in the North Carolina Research Campus in Kannapolis.

The rise of international banking went hand in hand with the expansion of telecommunications companies. By 2005, the world's top five makers of digitally based communications devices like cell phones and laptop computers had concentrated many of their operations in North Carolina. World-famous companies like Sony, Microsoft, Lucent, Cisco, and IBM operated in the Research Triangle Park between Raleigh and Durham. Sprint and Nortel made advances in cell phone technology in the RTP. Dell had a computer-assembly plant in Winston-Salem.

North Carolina also emerged as a leader in the field of **biotechnology** (the use of living organisms to make or modify products). More than 150 companies worked to provide drugs and other devices that would improve the life expectancy for people around the world. New advances were made in the fight against AIDS at RTP, and a new drug expected to help stem the effects of multiple sclerosis was developed. By 2004, 10 percent of all the biotechnology products made in the world came from North Carolina.

The most ambitious project of the early 2000s was David Murdock's plan to erect the North Carolina Research Campus on the site of the old Cannon Mills factories in Kannapolis. Murdock, the owner of Dole Foods,

> established a world nutrition research center that would make food more nutritious, bite for bite, than ever before. By





Even NASCAR continued to go high tech, as it became increasingly concentrated in North Carolina. Eighty percent of all racing teams in the sport were headquartered in the triangle made by Mooresville, Concord, and Charlotte. To gain a "winning edge," the teams continued to upgrade their digitally based production shops. The team designers "produced" every bit of a car in the computer, then used software to make the actual pieces for race day. Some of the computer-generated devices resulted from new safety requirements demanded after the death of Dale Earnhardt Sr. in 2001. These efforts resulted in NASCAR accepting an improved "Car of the Future" by 2008. In the same period, NASCAR developed a museum that would explain its contributions to the history of automobile technology. This NASCAR Hall of Fame was opened in uptown Charlotte in 2010.

Above: The NASCAR Hall of Fame in uptown Charlotte honors drivers, crew chiefs and owners, and other major contributors to NASCAR competition. **Below:** Newcomers from many parts of the world have come to North Carolina in the new century.





Central and South America are often called Latin
America because Latin-based languages—Spanish and
Portuguese—are spoken there.
For that reason, their people are often called "Latinos." The designation "Hispanics" refers to those who speak Spanish.

The most visible newcomers came from Mexico, the countries of Central America, and the Dominican Republic. North Carolina had a faster rate of growth among these immigrants than any other state. In 2000, 5 percent of the state's population was Latino, or Hispanic, as many of the newcomers were collectively called. Those half million newcomers quickly changed the North Carolina landscape. Latinos often had households twice as large as those of more traditional citizens, which would increase the natural birthrate of the state. Latinos came to the state most often for economic opportunity. Many took their first jobs in the construction of highways and buildings. In fact, Latinos filled one out of three new jobs created in the state. And, increasingly, they created jobs themselves. There were more than seven thousand Latino-owned businesses by 2006. They opened groceries, restaurants, garages, taxi services, loan offices, and real estate ventures, particularly in the Raleigh and Charlotte areas where the balance of the immigration was occurring. By 2010 more than a fifth of the population of smaller cities like Sanford, Monroe, Siler City, and Asheboro was Latino. The immigrants also moved into agricultural towns in the east like Wallace, Rose Hill, Faison, and Magnolia.

The great shifting of populations around the world impacted North Carolina in other ways. By the early 2000s, more than 15,000 Hmong, immigrants from Laos in Southeast Asia, were a settled part of the Morganton, Hickory, and Greensboro communities. The Hmong had originally been refugees from the Vietnam War. They were brought to the Triad to help them become adjusted to the United States. The first generation of "Tar Heel Hmong," children of the immigrants, came of



Ethnic and cultural diversity were facts of daily life in just about every town in the state. Nicaraguans were concentrated in Lincolnton, Laotians established new homes in Morganton, and immigrants from the Dominican Republic came to the Midland and Plaza neighborhoods of Charlotte. The city of Salisbury counted twenty-eight different languages spoken by its schoolchildren. The city's fastest-growing ethnic group was Liberians who had escaped the terrors of a civil war in their African country.

All of the immigrants to North Carolina brought elements of their home culture with them. Monks set up a Laotian temple in Morganton, and Muslims established more than thirty mosques, the majority in the greater Charlotte area. Dominican transplants set up food carts on Central Avenue in Charlotte. The Hmong held both spring and fall festivals at the Hickory fairgrounds that attracted people from across the southeastern states. North Carolinians of all types and backgrounds could eat new foods like pickled fish and baked eggs. Beginning in 2000, thousands came each year to the celebration of Diwali, the Hindu New Year holiday, in Cary.

Another important group in North Carolina were the elderly, mostly retired Americans from other states. They often were able to buy larger, newer houses because real estate prices were lower here than the national average. They also came for the warm and more temperate weather. Retirees particularly crowded into the Asheville and Wilmington areas.



In 2000, immigrants
established the first Hispanic
bank in the state, the Latino
Community Credit Union in
Durham.

White, not Hispanic or Latino 63.8%
Hispanic or Latino 9.1%
Black or African American 22.1%
American Indian and Alaska Native 1.6%
Asian 2.8%
Two or more races 2.1%

Figure 15.2

North Carolina Population, 2015



"The Most Military Friendly State"

On September 11, 2001, North Carolinians had their lives disrupted by the attacks on the World Trade Center in New York City and the Pentagon outside Washington, DC. Only a few North Carolinians died in the tragedy, but many residents knew some of the victims. Mick Kulikowski, who was working at NC State University, lost two high school classmates that day.

Soon after, President George W. Bush launched "Operation Enduring Freedom" in Afghanistan to find the terrorists responsible for the attack. North Carolina quickly had a significant role in "the war on terror." Soldiers from Fort Bragg and Marines from Camp Lejeune were among the first fighters on the scene. Back in North Carolina, state residents participated in homeland security measures aimed at making the nation safer, like tighter airport security. State agriculture officials helped feed the troops with crops grown in the state.

In 2003, the United States launched "Operation Iraqi Freedom" in an effort to stop the spread of terrorism. Again, the state's military bases







During the early years of the Iraq War, more than half of the North Carolina National Guard served in the Persian Gulf. In addition, most units of the 82nd Airborne and the Marine regiments in Camp Lejeune had tours overseas. More than 100 of these troops were killed in the first two years of the war, including 35 North Carolina natives. By 2006, only 10 percent of the National Guard remained in the Gulf, but more than 20,000 Marines and members of the 18th Airborne at Fort Bragg were dispatched during the 2007 "surge" ordered by President Bush. By 2008, more than 100 members of the famed division had lost their lives in the war zone. Members of the division were withdrawn from Iraq in 2011. In 2010, soldiers from Fort Bragg were dispatched to help the victims of the earthquake that devastated the country of Haiti in the Caribbean.

The war on terror actually created jobs in North Carolina after 2003. While military bases in other states were closed, all five local operations were maintained. One study by East Carolina University estimated that 300,000 state jobs were made possible by the military bases. In addition, military spending accounted for more than \$18 billion a year, 6 percent of the state's economy. Beverly Perdue, the lieutenant governor, helped popularize the slogan that North Carolina was "the most military friendly state in the nation" because of the state's central role.

Top: The North Carolina National Guard serves both country and community. Members deployed to the Persian Gulf during the Iraq War. They also respond to domestic emergencies like floods. Above: The North Carolina Air National Guard is based in Raleigh. Below: The 156th Airlift Squadron is the oldest unit in the North Carolina Air National Guard, with over sixty years of service. Its aircraft, the C-130 Hercules, is the longest continuously produced military aircraft, also with over sixty years in service.



Section 2

Living Local in a Global Economy

As you read, look for

- the state's search for identity in the new century;
- how agriculture and traditional industries have coped with the global marketplace;
- ways communities are evolving to meet changing needs;

One of the questions North Carolinians asked repeatedly in the new

terms: organic farming, ecosystem.

century concerned identity. What would North Carolina lose and gain in the new century? What kind of state would it become as it both welcomed and weathered global change? Tar Heels still drank their Cheerwine, munched on their Krispy Kreme doughnuts, and doctored their barbecue with Texas Pete. They also bought sushi in their grocery stores. For many state residents, old habits and new tastes could be combined. **Above:** North Carolinians are leaders in the field of biotechnology. **Right:** This worker checks the "health" of tobacco plants in the field. Tobacco is very susceptible to disease, fungus, and insects. 540 540

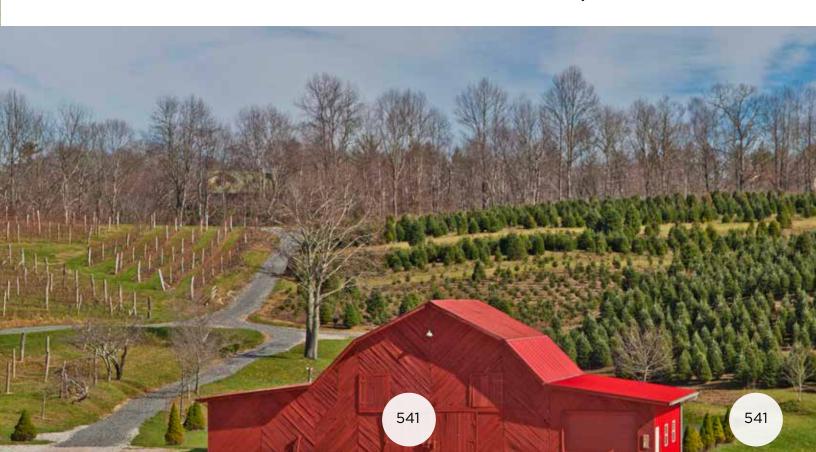
In the early 2000s, Ed Mitchell was particularly worried about the taste of pork. It is not that the Wilson restaurant owner was exactly opposed to the growth of pork processing in the state. Rather, he was concerned that the huge production facilities on most hog farms so rushed the animals toward slaughter and packaging that flavor was lost. And older farmers in the state had less chance to make a living because they could not earn enough, per pig, to show a profit. So Mitchell borrowed an idea from the tobacco buyout. He began to contract with small farmers to raise pigs the old-fashioned way, with the pigs rooting and snorting in open pens. This, Mitchell argued, would produce a taste that was "juicy and full of flavor like the barbecue I remember from tobacco days" when he grew up in Pender County. Mitchell was also going against the efficient course most barbecuers were taking—cooking with gas as the heat. Mitchell stuck to wood, hoping newcomer and oldster alike would like it. By 2005, he had become world famous for his work, appearing as a cook on cable networks and operating a Raleigh restaurant.

Farming Innovations

Other North Carolinians adapted the state's old traditions to find a local *niche* (a specialized market) in the global marketplace. North Carolina continued to be the second-largest producer of Christmas trees in the nation, and most of the Fraser fir stands in places like Ashe County were family owned and operated. By 2013, almost forty wineries had been established in the Yadkin River basin, reviving a craft that had once been a part of the early state's economy. The Maple Hill Farm southwest of Hillsborough had started to bottle its own milk in 1996, selling to more than fifty local markets by 2010. Its ice cream shop, also on the farm, came to be considered one of the best in the nation.



Below: As of 2014, Ashe County grows more Christmas trees than any other county in the eastern United States.





At a time when most of America's food comes from international agribusinesses (large-scale farming operations), many state farmers began to go small. Many increasingly turned to **organic farming**, where no industrially produced fertilizers or pesticides are used. Hilltop Farm in Wake County concentrated on the medical herb trade that

was important a century ago. It harvested valerian root, believed by some to be a sleep aid. Pine Knot Farm in Hurdle Mills, the state's small farm of the year in 2004, raised kale, broccoli, cabbage, and even tobacco. Deal Orchards continued to be a major producer for the Brushy Mountain Apple Growers, harvesting more than 57,000 pounds. Sweet Grass Dairy near Thomasville made cheese from goat's milk. By 2012, more than 100 vendors sold their produce at state-sponsored farmers' markets in Raleigh, Greensboro, and Asheville. Other produce is eaten at newer restaurants. The Magnolia Grill, operating in an old grocery store in Durham, used mostly fresh fruits and vegetables from the state. It was ranked one of the top restaurants in the United States in the early 2000s.

More traditional large-crop farmers were also working to find a place in the new marketplace. Edward Wheeler, son of a Franklinton tobacco farmer, took the allotment buyout. He worked full time for an electrical utility company and then went home each evening during growing season to work corn and soybeans. On the other hand, Richard Tyson of Nashville doubled his tobacco acres, hoping to take advantage of the freer market.

Industrial Adaptations

Traditional industry was also adapting to the new times and needs. The Sara Lee Corporation, which owned the Hanes Company, retooled a Winston-Salem plant to design "wearable electronics." These nonwoven materials, designed and generated with computer software, produced clothing that meets special needs in extreme settings. The materials were designed with the teamwork of scientists at NC State University.

Some of the older industrial families in the state adapted to new needs. The Jordan family of Saxapahaw in Alamance County turned its old rural cotton mill, which had closed in 1994, into apartments as the populations of the Piedmont Triad and Triangle began to grow together. The family put ten years into the project, then rented or sold most of the housing units in a month. Benjamin Cone of Charlotte, who grew up in the Greensboro textile family, began a business making custom tables for the conference and board rooms of large corporations. The materials and workmanship come from all over the world, but the tradition goes back to the state's original furniture makers.

Above: Many North Carolina farmers are "going small" by turning to organic farming, which uses no industrially produced fertilizers or pesticides.

specialFeature

Carolina People

Rhett & Link

Who could have guessed that drawing on school desks could lead to such worldwide fame? It happened to two young North Carolinians. In 1984, first graders Rhett James McLaughlin and Charles Lincoln Neal III had to spend their recess inside at Buies Creek Elementary School as punishment for their misbehavior. Given crayons, Rhett and "Link" created the first of a long line of "Mythical Beasts." The two BFFs kept their creativity going through high school and college. After rooming together at NC State University, they each worked

as engineers for a while, then came back together to produce digital content for the Internet. Rhett and Link soon became successful "Internetainers." Their first show, staged at their homes in Fuquay-Varina, gained a loyal audience by using "a wheel of mythicality" to let viewers choose the best ending for their madcap stories. This streaming led to even more success with their YouTube show, *Good Mythical Morning*, where the duo took on typical topics from atypical viewpoints. Some of the subjects included "crazy rags-to-riches stories" and "the six weirdest things to fall from the sky." They also tried experiments like batter-frying a pair of eyeglasses. In the early 2010s, some of their postings had more than ten million views.

To grow their careers, Rhett and Link moved to Burbank, California. The move helped them succeed in another Internet business, viral marketing. They encouraged local businesses to use the World Wide Web to gain customers in far-off places. One of the first videos to go viral was an ad for Red House Furniture in High Point. Later they engineered digital tee-shirt wars designed to put a company's name out onto the global economy.

It seemed like they had invented a whole new way to make a living. As one of them explained, "We were pursuing something

that doesn't exist and then we found ourselves in it without even knowing it." That was not unlike the first explorers who had come to Roanoke Island four centuries before.

Rhett (left) and Link (right) posing for their "Up to This Point" album cover.





Rhett McLaughlin and Link Neal launched *Good Mythical Morning* in January of 2012. The series took the same format as their previous show and added "a wheel of mythicality," containing suggestions from fans on how to end the show, usually with a brief improvised scene.





International corporations like DuPont Chemicals and Goodyear Tire on the Cape Fear continued to be innovative in their technology and service. This helped them keep up with global change.

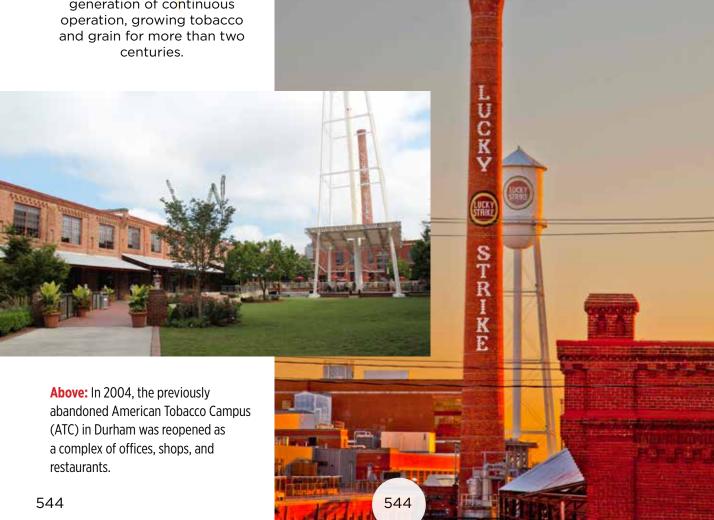
Established North Carolina firms also adapted to the times of the early 2000s. Food Lion of Salisbury had made much of its profit from customers who worked in the traditional factories. With that customer base declining, Food Lion opened new stores under a new name, Bloom, that catered to the person-on-the-go. The Bloom stores carried lots of ready-made food in solid packaging. Nucor, a Charlotte firm that made steel from recycled scrap metal, fought off low-priced steel from Asia by buying up old plants across the nation and putting new technology into them. Cheerwine, the Salisbury bottler, came out with a popular line of bottled water.

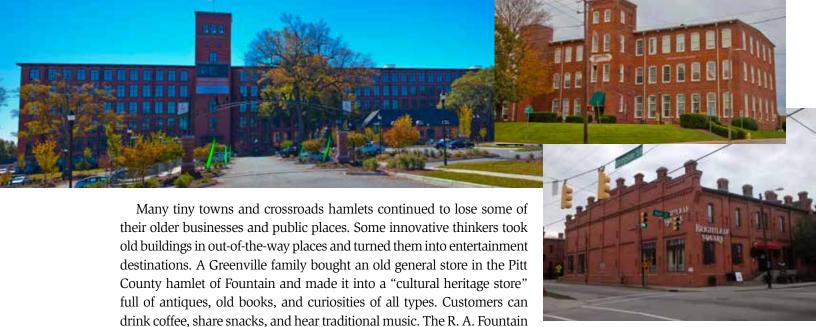
Community Revitalization

Communities also worked to take advantage of global possibilities by strengthening their local assets. In-fill housing (where new places to live are built in the older middles of downtowns) helped revive the core portions of Charlotte, Greensboro, and Winston-Salem in the early 2000s. By 2008, Harris Teeter had opened an uptown grocery in Charlotte. The Main Street program assisted smaller towns like Lexington and Wilson in attracting new businesses and cultural destinations like museums.



In 2012, the oldest family business in North Carolina was the Whitley Farm near Williamston. The Whitleys, who had cropped that land since 1742, were in their eighth generation of continuous operation, growing tobacco and grain for more than two





The newer communities are also working hard to adapt to the new ways with traditional ideas. Cary in Wake County was one of the fastest-growing towns in the nation in the early 2000s. Once a small suburb of Raleigh, Cary grew into a small city of its own very quickly. It went from one square mile to fifty in thirty years. By the new century, it was the seventh-largest city in the state. Many of its residents had some connection to the new technology jobs that came to the Research Triangle Park. By 2001, Cary had taken measures to mix the old with the new. It controlled the size of signs in town to give the town a better sense of traditional scale. It also took steps to wire the whole town for Internet service, the first town in the state to do so.

General Store and Internet Café is just one of many examples of adaptive

use of North Carolina's dated resources.

Other communities made special efforts to stem the tide of uncontrolled construction, particularly the urban sprawl that was encircling many cities. Both in the mountains and at the beach, older residents acted on concerns about erosion caused by commercial and residential development. In 2006, the residents of Bettie, a small fishing village in Carteret County near Harkers Island, formed "Down East Tomorrow." Its purpose is to make sure development does not damage the coastal ecosystem. An **ecosystem** consists of all the living organisms in an area and how they interact with one another.

It's Your Turn

- Identify two niche markets that exist in North Carolina.
- 2. How have some North Carolina industries adapted to changing times?
- 3. In what ways are communities working to improve themselves in the twenty-first century?

Top Left: Preservation North Carolina received the Loray Mill, also known as the Firestone Mill, in 1998 as a donation from its owner. In 2013, construction began to turn Loray Mill into a mixed-use community with loft apartments and retail/commercial space. Top Right: The Odell-Locke-Randolph Cotton Mill, which dates from 1882, is now an apartment building known as Locke Mill Plaza. **Above:** The Watts and Yuille Warehouses are two historic tobacco storage warehouses located in Durham. They have been converted into retail and office space called Brightleaf Square. Below: Shallowbag Bay, just off the Intracoastal Waterway in the Outer Banks, maintains the natural ecosystem.



Carolina Places

East versus West:

The Great Barbecue Debate

Some North Carolinians argue that the state meal is barbecue. Then, like almost everything else in our heritage, they argue about how to serve it. The Tar Heel State is world famous for the way it cooks a pig, but which way to cook it is a matter of debate.

It all depends upon where you live in North Carolina. If you grew up east of the fall line, you eat "eastern-style" barbecue. If you are from the west, you prefer "western-style," or what some folks call "Lexington-style." The difference is this. Eastern barbecue is the whole pig, split in two, and roasted over oak coals all night. The meat is basted with a vinegar and pepper sauce. Western barbecue uses only the shoulder section of the pig, which is cooked over hickory coals. The rest of the pig is reserved for other uses, like bacon and sausage. The western sauce has ketchup added to the vinegar and peppers. Folks in eastern towns like Goldsboro, Rocky Mount, or Greenville take their meat minced and wet with the sauce. The serving plate also has boiled potatoes and some kind of coleslaw. Folks in the west around Lexington, Greensboro, and Albemarle chop the meat more coarsely, put it on a sandwich roll, and eat it with French fries and a peppery coleslaw.





special Feature

History by the Highway

Badin (L'Aluminium Français)

The Stanly County town of Badin was established in 1913 to house the workers at an aluminum plant. When the French owner had a difficult time during World War I, the Aluminum Company of America (usually called ALCOA) took over the town.

No other community in North Carolina looks like Badin. The original French colonial style row houses are found nowhere else. Some of the factory families continued to live in the picturesque houses into the twenty-first century, even after the aluminum plant ceased operations in 2003.



Above: Badin Lake, viewed from the Uwharrie National Forest. **Right:** Some former employees of the Badin aluminum plant still live in the old French colonial worker housing.

Section 3

North Carolina and the Great Recession

As you read, look for

- causes of the Great Recession;
- the recession's impact on banking, employment, and government spending;
- an increasing political divide in the state;
- ► terms: subprime loan, underemployment, Tea Party movement, Moral Monday movement, exurbs.

The Great Recession, which lasted from 2008 to 2011, was a major slowdown in the economy of the United States that rivaled the problems caused by the Great Depression. Its causes were complex, but much of the problem was the overextension of credit given by many banks to provide more and more Americans with home mortgages. Often, it turned out, many of these were **subprime loans**, meaning that they were often unlikely to be paid back.

The Great Recession was like the Great Depression of the 1930s in two ways. First—in both cases—leading up to the collapse, money had been lent unwisely. Before the Great Depression, people bought stocks "on the margin," meaning that they borrowed money to buy shares, expecting their value to rise. When stock prices fell, shareholders were unable to pay back their loans by selling off shares at a profit. Before the Great Recession, people who could not afford it borrowed money to buy homes, expecting home prices to rise. When prices fell instead, many found that they owed more money than their homes were worth. Second, the immediate effect of the problem, both times, was a fear that the banking system would not be able to continue without a lot of harm done to consumers and citizens.

Bottom Left: "Going Out of Business" banners, like this one at Linens N Things, were a sign of the times during the Great Recession.





The Local Impact of a National Slump

The Great Recession had a negative impact upon the people of the Tar Heel State. During the worst years, from 2008 through 2010, the state's Gross Domestic Product was at half the level it had been during the prosperous 1990s. In 2008, North Carolina was the nation's tenth-largest state in terms of population, but it soon ranked sixth in the number of people who lost their jobs. More than a half million jobs were eliminated in the state over the course of the recession. And when people found new jobs, they were often not at the same pay level as before. In 2015, the rate of underemployment was a third higher than it had been in 2011. **Underemployment** occurs when people are employed at less than full-time jobs or at jobs that do not match their training or meet their economic needs. Often a person had to have multiple jobs to keep going. North Carolina also led the nation in the number of times, on average, a laid-off worker renewed a request for unemployment compensation before getting a new job.

North Carolina's recent rise to become a world banking center made it a likely victim of the recession. One of the most surprising results of the advent of the Great Recession was the loss of Wachovia, which had become the fourth-largest bank in the nation after banks were allowed to do business across state lines. One of its biggest mergers had been with First Union, also a North Carolina bank. Wachovia had offered so many subprime mortgages to so many customers that it was feared much of the debt would not be recovered. At one point it appeared that the federal government would have to step in and manage a reorganization of the business. In late 2008, Wells Fargo Bank of California acquired Wachovia, a move that restored its ability to operate. Wachovia kept its name until 2011, when all of its operations were absorbed into Wells Fargo. Although the banks kept operating, many businesses across the state had such a shrinking customer base that they either laid off workers or closed. More than 250,000 state residents were out of work for various periods of time because of the Great Recession.



Right: As a result of the Great Recession, university graduates were often underemployed. Approximately 44 percent could only find service jobs (like this barista position) that did not make use of their college education.

North Carolina's state government struggled to collect enough tax money to operate without having to borrow money. At one point, Governor Beverly Perdue proposed using cash from the state's Education Lottery to keep state government operating. This was not implemented, but the state for a while faced a \$3.7 billion shortfall in its tax receipts. The burden was especially heavy in the community college system. With so many jobs lost in

the old kinds of factories, people of all ages across the state enrolled in "industrial retraining." State parks and state historic sites cut back on staff and hours to try to weather the bad times. To help some students make the best of the new technological world, the state in 2011 started the North Carolina Virtual Public School, which offered online classes. Eventually, more than 50,000 students enrolled. The state also expanded the "Pre-K" program, designed to help children get ready earlier for their school years. This had the advantage of allowing working parents an alternative to expensive childcare.

North Carolina's counties in some cases took an active role in trying to build back their local economies. Most counties dipped into their "fund balance," the money they keep in the bank just like any other saver, to fund their services. More than eighty counties offered "economic incentive packages" to new businesses—mostly free hookups to utilities and tax breaks in the first years of operation, with the tax savings connected to the number of jobs created. Local leaders used these packages to convince international corporations to open facilities in their communities. The largest investments by technology companies were located in the foothills area to the north and west of Charlotte. Catawba County was successful in getting Apple to open a data-storage unit in the old textile town of Maiden, and Google came to Caldwell County. The Apple deal was worth \$1 billion. Down east, Wilson County helped Bridgestone and Firestone Tire Corporation open a new plant. Jobs related to healthcare also grew in number in some places. Hospira, a company that made high-technology medical devices, created more than 2,000 jobs in Rocky Mount.

Above: During the Great Recession, Governor Perdue proposed using funds from the Education Lottery to keep state government operating.

Below: The solar project at Maple View Agricultural Center is one of several in the state conducted by Duke Energy in response to North Carolina legislation requiring renewable energy to be at least 12.5% of their production by 2021. The solar field can produce 180 kilowatts per day, enough to power the farm and 235 homes in the area.



How hard the Great Recession hit depended upon which kind of community a North Carolinian lived in. Factories closed first in and around towns of 20,000 or less. Few of those factories were ever reopened. As late as 2015, half the counties in the state had more people looking for jobs than there were job openings in the local area. In contrast, the largest urban areas were able to bounce back and do the bulk of the hiring for new jobs during the period. Charlotte, Raleigh, and Durham accounted for more than two-thirds of the new jobs created in the state from 2009 to 2015. Because of continued military spending by the federal government, Cumberland and Onslow Counties did not suffer as much.

New Debates

For most of the twentieth century, North Carolinians prided themselves on being a state that balanced liberal aspirations with conservative approaches. Liberals and conservatives worked together, for example, to see that our schools, from the kindergarten to the university level, were among the best in the southern states. The agreement on common goals had been particularly the case in the 1990s, when leaders from both political parties had held important offices from one election to the next. In the 2010s, however, both these aspirations and approaches became controversial. The people of the state found themselves as deeply divided as they had been since the days of Reconstruction and populism in the 1800s, maybe even the Regulation all the way back to the 1700s.

In the early 2000s, North Carolina Democrats were in charge of most state offices, just as they had been for much of the twentieth century. The state's citizens elected two Democrats in a row to be their governor. The second, Beverly Perdue, was the first woman governor in state history. Between 2008 and 2013 the state tilted in a conservative direction. This was caused in part by the loss of economic security in the Great Recession and the rise of the **Tea Party movement**, a national protest group that called for a reduced role of government at all levels in the lives of citizens. By 2013, for the first time since the days of William W. Holden during Reconstruction, Republicans held the governor's chair and the majority of seats in the state legislature.



Right: Beverly Purdue, North Carolina's first woman governor, consulted with FEMA specialists in Raleigh after severe storms and tornadoes damaged the state in April of 2011.



The Republican majority, influenced by Tea Party beliefs, began to reverse ideas and programs that were decades old. The state legislature in 2011 created new election districts that were attractive to some citizens but were regarded as unfair by others. Critics charged that the districts—at both the legislative and congressional levels—led to minorities being able to win only where minorities made up the bulk of the population. On the other side, some state citizens complained that some districts favored minorities, particularly the famous "snake district" that went from Greensboro to Charlotte, which in some places was only a few miles wide. Several court cases followed, brought forward by both sides of the issue. In 2016, a federal judge ruled the congressional districts to be unfair. Among the many changes demanded, the state got rid of many of the wiggles and twists in districts that supposedly had promoted discrimination. In fact, in redoing the boundaries, the state took a turn back to tradition in honoring county lines as much as possible.

North Carolinians also became divided over how easy it would be to register and vote, particularly for people who often had a hard time getting to the polls because of work hours or lack of transportation. Both parties had originally supported the new idea of early voting, where a citizen had a specified period of time to go to the polls ahead of the scheduled election day. They could also register to vote and then vote on the same day. This had been widely popular across the state. In 2014, Republicans opposed these changes, claiming that the chance of voter fraud—where someone votes without being really eligible to—had increased. This eliminated same-day voting and cut back on the number of days given to early voting. This change brought great controversy to the state.

Conservative Republicans also charged that Democrats had not wisely managed the state's money, technology, and other resources, particularly during the Great Recession when the state sometimes had a hard time collecting enough tax money. Republicans proposed three related ideas to move the state in a new direction.

Above: Tea party members have called for lower taxes and for a reduction of the U.S. national debt and the federal budget deficit by reducing government spending. **Below:** A typical message from Tea Party supporters.





First, they cut taxes on all citizens and most businesses, hoping that putting more money in people's and corporations' pockets would prompt more investment inside the state. Conservatives argued that the state had for too long put too many restrictions on the marketplace. That had to change if North Carolina was to compete in the new global marketplace, argued Thom Tillis, the speaker of the state House. A new law gave a new small business a way to save on the taxes it paid for the first profits it made. Tillis, a technology consultant before entering public service, was elected a United States senator in 2014 because a majority of those

voting agreed with his position.

554

Second, conservatives cut government programs in many areas. For example, in 2014 the state ended the tax credits earned for restoring old buildings, making it more expensive for North Carolinians to practice historic preservation. The state also ended the automatic raise that teachers received when they earned an advanced degree in their specialty. This had been one of the ways the state had attracted people into the profession at a time when teacher pay was a problem. Later, in 2016, the legislature restored the historic preservation tax credit and gave pay raises to first-year teachers to address hiring issues. There was also controversy when the legislature cut back the growth of healthcare funding and unemployment benefits.

Third, conservative state leaders took steps to oppose many of the changes in social values that accompanied globalization, digital technology, and immigration. For example, voters in the state in 2013 passed a referendum declaring that "marriage was between a man and a woman." This was the first of a number of issues that related to individual identity and family values, all of which became controversial.

Above: Thom Tillis served four terms in the North Carolina House of Representatives before being elected to the U.S. Senate in 2014. **Below:** The pyramidal roof design of the House of Representatives chamber in the General Assembly building is based on Indian council houses of the 1500s.

North Carolinians who did not agree with the Tea Party approach to government soon protested. Thousands joined what came to be called the Moral Monday movement. Beginning in 2014, protesters walked into the hallways of the state legislative building to disrupt the proceedings and call attention to their grievances, including the claim that recent reforms like voter identification requirements had a racial bias. These protests lasted for more than a year, and almost a thousand citizens were arrested. One rally, which included public school teachers from across the state, numbered more than 20,000. The Moral Monday leader, the Reverend William J. Barber of Goldsboro, had been one of the first African Americans to integrate the state's public schools back in the 1960s.

The conflicts of the past several years were the principal issues in the elections of 2016. Democrat Roy Cooper of Rocky Mount, the state's attorney general, challenged Governor Pat McCrory in the gubernatorial race. McCrory promised to continue to represent the more conservative, traditional values that had long been strong in the small towns and rural areas. Cooper appealed to the diverse groups of people throughout the state to come together and forge new agreements on social and economic issues. At the same time, Wake County legislator Deborah K. Ross, a Democrat, challenged U.S. Senator Richard Burr over many

> of the same issues on the federal level. The election was close, as North Caro-

Left: In February 2016, thousands gathered for the 10th Annual Moral March on Raleigh. **Below:** The Reverend William Barber, head of the North Carolina chapter of the NAACP, speaking at a Moral Monday rally. **Bottom:** A Mountain Moral Monday





There was a new pattern to these divisions, in terms of who was on which side. As North Carolinians confronted the challenges of the twenty-first century, they seemed to be caught up in a new form of sectionalism. This time, it mattered not whether they lived in the east or west, but how urban they had become. Republican Party leaders lived in the exurbs, the outlying areas ringing the growing cities, or they came from small towns in counties that were not growing as fast as the urban areas. In contrast, Democrats tended to be people who lived in the new and revitalized cores of the cities, like the center of Charlotte or the denser population areas of the Triangle or Triad areas. It seemed to some observers like the return of the disputes that dated back to the days of Herman Husband and William Tryon, when so many people had come to North Carolina in a very rapid manner. It surely would lead to people across the state coming up with ideas that would take the state past its challenges and create new horizons in "the goodliest land."

It's Your Turn

- 1. Explain the major cause of the Great Recession.
- 2. How did counties try to build back their local economies?
- 3. What is the new sectional divide in North Carolina?

Above: Republican Party leaders often live in the exurbs, the outlying areas ringing the growing cities.

special Feature

Carolina ProgressRapid Transit

Through much of its early history, North Carolina was a place where its residents often got stuck in the mud. In recent years, they more likely got stuck in traffic. The growth of urban places often outpaced our urban *infrastructure* (structures like highways and bridges that aid transportation). One solution to urban congestion is building "rapid transit," vehicles that hold many people and can bypass most stops and avoid most jams.

The turn to rapid transit began in North Carolina's most urban places: Charlotte and the Research Triangle area. By the 2010s, both of these metropolitan places had made big plans and started big projects.

The Charlotte Area Transit System was started in 1999. Charlotte combined better bus routes with a "light rail system" (a railroad strong enough for passengers but not for heavy freight). Its initial route was the Lynx Blue Line from uptown ten miles south to Pineville. Charlotte also built commuter parking lots that would allow people to transfer to either the bus or rail. By the 2020s, work was to begin on the Blue Line north to the University area. That would allow residents to go from one end of the city to the other.

Charlotte also introduced two new means of getting around. Its first Gold Line trolley ran south from the center city, and a second line was completed in 2015 eastward to Central Piedmont Community and Presbyterian Hospitals. That second line was to eventually extend along Central Avenue to the northeast. At some trolley stops rental bicycles are available. The user can pay a fee, keep a bicycle all day, and return it to any other rack in the city. Charlotte has also built special bike and bus lanes on some of its major streets.

Officials in Wake County approved a plan to combine "dedicated busways" and light rail. Another plan, "Four Big Moves," would provide a rail line between downtown Raleigh, the international airport, and Duke University. There was also a proposal for a connection to the light rail line planned between Durham and Chapel Hill. When completed, North Carolina would have urban systems rivaling any in the world.



Chapter Review

Chapter Summary

Section 1: The Impact of Global Change

- The twenty-first century brought continued decline in the big three industries in the state.
 New or expanding industries included finance, telecommunications, and biotechnology.
- Thousands of immigrants have moved to North Carolina. Many came from Mexico and Central America.
- Retiring seniors have also migrated to North Carolina in increasing numbers. Many moved into either the Asheville or Wilmington areas.

Section 2: Living Local in a Global Economy

- Many North Carolina businesses began thinking "local" in our global economy by finding niche markets.
- Communities across the state have revitalized old facilities into new uses and developed in-fill housing. They have merged new ways with traditional ideas and are taking steps to limit uncontrolled construction.

Section 3: North Carolina and the Great Recession

- The Great Recession of 2008 to 2011 did not leave North Carolina unaffected. In 2008, North Carolina ranked sixth in the number of people who lost their jobs.
- The economic downturn led to Wachovia being acquired by California-based Wells Fargo.
- In the Great Recession, factories tended to close first in smaller towns, and most did not reopen.
- Urban areas such as Charlotte, Raleigh, and Durham accounted for the majority of new jobs created between 2009 and 2015.

Activities for Learning

Reviewing People, Places, and Things



biotechnology exurbs
Hmong Hugh M. Morton
Lexington millennium

North American Free Trade Agreement (NAFTA)
Reidsville Roy Cooper
underemployment

- 1. a period of time equaling a thousand years
- 2. agreement designed to increase economic exchange among Canada, the United States, and Mexico
- 3. the use of living organisms to make or modify products
- 4. immigrants from Southeast Asia who were originally refugees from the Vietnam War
- 5. Democratic attorney general in 2016 who ran for governor
- 6. town famous for "western-style" North Carolina barbecue
- 7. occurs when people are employed at less than full-time jobs or at jobs that do not match their training or needs
- 8. outlying areas ringing the growing cities
- 9. owner of Grandfather Mountain; helped get the Cape Hatteras Lighthouse moved
- 10. hometown of Fieldcrest Mills, which merged with Cannon Mills in the mid-1980s

Understanding the Facts



- 1. What major problem has plagued the North Carolina textile industry?
- 2. What shifts occurred in North Carolina's job market in the early 2000s?
- 3. What was significant about the arrival of newcomers to North Carolina and their influence on the state?

- 4. What are some new trends in agriculture in the state?
- 5. List some data that proves North Carolina was negatively affected by the Great Recession.
- 6. How were smaller towns affected by the Great Recession? Larger cities?
- 7. How did the Republicans in the North Carolina General Assembly try to move the state in a new direction following the Great Recession?
- 8. What was the purpose of the Moral Monday movement?

Developing Critical Thinking

- 1. With thousands of North Carolina tobacco farmers accepting the tobacco allotment buyout, what will likely happen to the number of Americans smoking over the next two decades? Do you think the decreased availability of American-made tobacco will result in fewer people smoking? Or do you think people will find other sources of tobacco and the numbers of people who smoke will remain steady or even increase?
- 2. With the job trend in North Carolina moving from the big three industries to banking and other high-tech jobs, what kinds of new job skills must North Carolinians have to compete for good jobs?
- 3. Do you think North Carolina will continue to be a "purple" state, where either "red" Republicans or "blue" Democrats can win a statewide election? Explain your answer.

Applying Your Skills

 During the first five years of the twenty-first century, 100,000 mill workers in North Carolina lost their jobs. If that trend continued and only half of the workers got new jobs, how many workers from the North Carolina mills would be unemployed by the year 2025?

- 2. Every federal budget year, there is fear that reduced military spending will affect North Carolina military bases. Write a letter to your Congressman expressing why Fort Bragg, Seymour Johnson Air Force Base, or Camp Lejeune should be unaffected by any proposed budget cuts.
- 3. Make a poster titled "North Carolina in the 21st Century." This poster should highlight the best that North Carolina has to offer today and should attract tourists, job-seekers, businesses, and people looking to move from other states.

Writing across the Curriculum



Choose one of the new or "revamped" farming or industrial adaptations described in your textbook. Write a flyer explaining the product, its innovativeness, and its usefulness. Imagine that the flyer will be used to sell the product to consumers in nearby states.

Exploring Technology



Explore the website https://edpnc.com/ industries/. List at least ten facts about industries in North Carolina. Be prepared to share your information with the class. Based on your facts, what is the economic outlook for North Carolina in the future? What types of jobs will be in high demand?

Exploring Diversity



- With the growing number of Hispanic, Hmong, Indian, Chinese, and Korean North Carolinians, what new jobs and opportunities will likely arise in the next few decades?
- 2. Do a survey to determine how many different ethnic groups—Hispanic, African American, Asian, European (Caucasian), Arabic, etc.—are represented in your school. Translate that data into a circle or bar graph.