

Foreign Competition and North Carolina's Furniture Industry

Pre-Seminar Questions Answer Key

Overview

Introduction

1. Shut down plants, lay off workers, rethink their corporate strategies to remain competitive
2. Should the government be intervene more to protect the industry

Key Furniture Companies in North Carolina

3. Thomasville Furniture & Broyhill Furniture (both owned by Furniture Brands International), Klaussner Corporation, Lexington Home Brands
4. Piedmont Triad Region (Guildford, Randolph, Davidson counties)

Employment and Wages

5. Ranks among the top three furniture manufacturing states
6. Dropped over the past decade
7. Dropped below the state average manufacturing wage

Global Competition and Outsourcing

8. U.S. producers began to import more
9. Abundant cheap labor abroad, costs less to train and retain workers, environmental regulations
10. Went from \$100 billion to \$325 billion due to cheap labor offshore and tighter government regulations on environmental conditions

Public Policy

Overview

1. Increased taxes and the desire to decrease costs
2. Working to promote domestic companies and workers; trying to create policies that protect domestic manufacturing & ensure international competitiveness
3. In hopes of increasing tariffs and quotas on imported goods to promote domestic capital
4. To ensure the highest level of productivity

Impact of Chinese Imports

5. An influx of foreign direct investment and the growth of export markets
6. Average annual wages for these employees increased
7. Lured by weaker regulations, ability to build world class facilities, and an abundant labor supply
8. Growing acceptance in the U.S. market of ready to assemble furniture
9. Finding benefits of establishing long-term relationships with foreign firms

Education and Skills: The Key to Staying Competitive in the Job Market

10. Allocated funding for unemployment benefits and retraining programs (i.e. National Emergency Grant)
11. North Carolina's workforce development system
12. Core services- provide basic assessment of skill levels and abilities as well as assistance in job search and placement
Intensive services- offer more comprehensive assessments, counseling services and development of useful skills
Training services- provide a wide range of programs such as on-the-job training and skills upgrading
13. Since the traditional manufacturing industries have not been creating new jobs, workers have to acquire new skills that are useful in other industries
14. Thomasville offers outplacement services for workers and supports government sponsored retraining programs