

You Decide: Are there easy answers to key economic questions?

By Dr. Mike Walden, North Carolina Cooperative Extension: When I give presentations about the economy around the state, I always leave time for questions and answers. Of course, the questions vary based on the group, the location and the most recent economic news. However, although I've not kept specific records, I have noticed several economic questions that appear to be repeated quite frequently in my meetings. In fact, there are four in particular that I am often asked. This tells me that, among all the existing economic issues, these may be the top ones on many people's minds.

So here are the four questions, along with a summary of my answers.
1) Do we have to pay off the national debt? The national debt is now \$18 trillion and climbing. Expressed on a per-person basis, this is \$56,000 for every woman, man and child in the country. People understandably worry about how the average person could ever pay off this obligation. The good news is that no one is ever going to be presented with a bill for \$56,000. Unlike private debt, which has a payment deadline, the national debt does not -- for the simple reason that the debt is owed by the nation, and the nation continues, we hope, over an infinite number of generations. So both current and future citizens fund the national debt.

Just like for private debt, the important worry for the national debt is the "carrying cost" -- interest paid on the debt as for income. With interest rates at near historical lows, the recent news that the measure has been very good, with the share barely budging. But if interest rates rise, and if federal borrowing accelerates, then the share will jump. As with all federal fiscal issues, the question always comes to spending and taxes. To reduce federal borrowing, spending must be pared and/or taxes must be increased. So far, on this there is little consensus.

2) Can we predict future jobs? Why can't we just predict what kinds of jobs the economy will need, structure our educational system to train people for those jobs, and then -- as a result -- solve our employment and education issues all in one stroke? This is a suggestion I often hear at my presentations, and it certainly makes sense. There's just one problem: It's very, very difficult to know specifically what types of jobs will be needed in the future. Although it's hard to see on a year-to-year basis, the job market changes dramatically over decades. More than 25 percent of today's jobs didn't exist a generation ago, and some experts estimate 50 percent of today's jobs won't be here in another generation.

To complicate matters, we don't really know what new jobs will take the place of the old jobs. Much will depend on new industries that are developed and on how people spend their income in the future. History shows that both will likely surprise us!

3) Why can't the tax system be reformed? I can give a one-sentence answer to this question: because there's no consensus on what "reform" means. To some, reform means higher tax rates for upper-income households; to others, it means lower rates for all. Targeted tax deductions and credits are favored by many, whereas others want none of these. Some want businesses and corporations to pay more; others want them to pay less.

Every provision in the tax code has backers. So changing the tax code inevitably brings opposition. When changes are made, it means the proponents of change have out-voted the opponents. Yet, as experience has shown, those changes may last only until the next election.

4) Will the dollar remain the world's top currency? Since World War II, the U.S. dollar has been considered the world's "reserve currency." This means U.S. dollars are accepted for payment almost everywhere in the world, and interest rates on U.S. investment securities are slightly lower due to their dollar backing. But the end of fixed exchange rates and the gold standard, along with the rise of the euro and the Chinese economy, has raised questions about whether the dollar will continue its top status. Could we have a future world where the euro or the Chinese yuan is the top currency?

We could, but most economists don't think it's around the corner. Indeed, recently the U.S. dollar has strengthened against most world currencies, as the health of the U.S. economy looks better than the economies of both Europe and China. Yet, there are pluses and minuses to every economic change. A stronger dollar makes imports, like oil, cheaper, but exports from our companies to foreign buyers have suffered as they have become more expensive.

So, these are my "top four" economic questions as revealed by my recent statewide audiences. You decide how both the questions and answers match with yours.

Dr. Mike Walden is a William Neal Reynolds Distinguished Professor and North Carolina Cooperative Extension economist in the Department of Agricultural and Resource Economics of NC State University's College of Agriculture and Life Sciences. He teaches and writes on personal finance, economic outlook and public policy.

States that Expand Medicaid See Big Budget Savings and Revenue Gains

States that expanded the number of people eligible for Medicaid are seeing big budgetary savings without reducing services, a new report shows. Prepared by researchers at Manatt with funding from the Robert Wood Johnson Foundation, the report identifies \$1.8 billion in budget savings and revenue gains across eight states by the end of 2015 -- a direct result of Medicaid expansion. Researchers say the savings come from less state spending on programs for the uninsured; more federal dollars coming to the state for newly eligible Medicaid enrollees—including funds to cover typically expensive beneficiaries like pregnant women and the disabled; and increased revenue from existing insurer dependent taxes. In some states, budget savings should offset the cost of expanding Medicaid through 2021.

The eight states studied are Arkansas, Colorado, Kentucky, Michigan, New Mexico, Oregon, Washington and West Virginia.

The report highlights specific sources of savings for each of the states. Across the eight states, for example, \$68 million will be saved through 2015 as a result of more pregnant women now being covered with enhanced federal funding. States are also seeing savings from behavioral health programs. The highlighted states will save \$472 million through 2015 on mental and behavioral health care spending, now that more state residents with mental or behavioral health care needs are covered by Medicaid.

"States that expanded Medicaid are finding that it was a win-win proposition. More people have health insurance, which reduces the states' costs for caring for the uninsured. Savings to state budgets are in the hundreds of millions of dollars," said John Lumpkin, MD, senior vice president at the Robert Wood Johnson Foundation. "When states expand who is eligible for Medicaid coverage, they see the federal government cover more of the costs of caring for patients who historically have been expensive to care for."

The report is a project of the State Health Reform Assistance Network, a national program of the Robert Wood Johnson Foundation. The State Network provides technical assistance to states as they implement coverage programs in the Affordable Care Act.

For more than 40 years the Robert Wood Johnson Foundation has worked to improve health and health care. They are striving to build a national Culture of Health that will enable all to live longer, healthier lives now and for generations to come. For more information visit www.rwjf.org. Follow the Foundation on Twitter at www.rwjf.org/twitter or on Facebook at www.rwjf.org/facebook.

USDA Free Food Distribution for Ansonians is Monday, April 27

The Burnsville Recreation & Learning Center Emergency Food Pantry has a large shipment of TEFAP Products that will be distributed on Monday, April 27 from 2 to 4:30 p.m. The food commodities are provided by the United State Department of Agriculture free of charge to eligible recipients. The US Federal Income Guidelines are one of the determining factors for each individual's eligibility. Food stamp recipients automatically qualify. The food items are available only to Ansonians who qualify. If you are not currently registered with the BRLC Emergency Food Pantry, they ask that you please arrive early to complete the eligibility application. Please bring proof of income. BRLC does not discriminate for any reason. Food will be distributed until all is gone. BRLC no longer serves on Tuesday mornings. BRLC is located on Highway 742 North in Burnsville, across from the Fire Department. For more information call 704-826-8182 or 704-826-8689.

TOWN OF LILESVILLE PUBLIC HEARING

The Town of Lilesville will hold a Public Hearing on Monday, April 13, 2015, at 5:30 p.m. at the Lilesville Town Hall. The purpose of the public hearing is to hear comments on the proposed **Water Ordinance**. A copy of the ordinance is available for the public to review at the Town Hall between the hours of 8:00 a.m. and 5:00 p.m.
 Lynn B. Whitlock, CMC

Ansonville Historical Spaghetti Supper

Everyone is invited to come and enjoy a delicious spaghetti dinner at the Ansonville Fire Department in support of the Ansonville Historical Society. This spring fundraiser will feature spaghetti, a salad, bread, dessert and a drink for \$9. It takes place on Saturday, April 18, from 5 to 8 p.m.

Designing Smiles
General & Cosmetic
Dentistry

M. A. Kazemian, DDS, PA

1414 East Franklin Street in Monroe
 (704) 289-5233
www.designingsmiles.com

NOW OFFERING INVISALIGN CLEAR ALTERNATIVE FOR BRACES

Ray SHANKLE Home Sales

Hours:
 MON-THUR 8am-6 pm
 FRI 8am-5pm
 SAT: 9 am-1pm
 SUN: Closed

Licensed in North & South Carolina
hhcray@carolina.rr.com

Ph: 910-582-5066
 Fx: 910-582-4644

1570 E. US 74 Hwy
 P.O. Box 1543
 Hamlet, NC 28345

TAX SEASON
All Inventory
REDUCED!
Making Room For New!
LOW INTEREST RATES WAC!

6th Annual Union County Farm Show & Festival

Sponsored By

KEFFER

RAM

"Your Truck Center Store"
www.KefferRam.com

PRESENTED BY

Union County North Carolina



Antique Tractor & Power Club
 In Association With
Extension Master Gardeners of Union County, North Carolina

SUGGESTED ADMISSION

ADULTS TWO NON-PERISHABLE FOOD ITEMS OR ITEMS FOUND AT www.mastergardenersunioncountync.org
 Heritage Festival, Worthy Causes or 704-283-3822

Food Donations go to Operation Reachout
 Saturday April 11th 9:00-6:00
 Sunday April 12th 9:00-4:00
Union County Ag Center
 3230 Presson Rd. (at Hwy 74)
 Monroe, NC 28112

Union County Heritage Festival

Wild Turkey 5K Run /Walk
 Spring Plant Sale
 Exhibit/Vendor Booths
 Free Seminars/Kids' Activities



Extension Master Gardener Union County Volunteer Association
 NC COOPERATIVE EXTENSION

www.mastergardenersunioncountync.org

BIKE GIVE-AWAY
 Five bikes will be given away
 Kids ages 5 to 12
 Drawings Sat. at 12:30 - 2:00 & 4:00
 Sunday 2:00 & 3:00 (times approximate)

Check for Updates on Facebook  & www.unioncountytractorsnc.com
 or call
 Jim Nolen 704-272-7502
 Larry Thomas 704-764-3007



FREE FREE FREE FREE FREE