NORTH CAROLINA

Do pension contributions crowd out education funding?

No. The slope of the education expenditure trend line is steeper than that of pension contributions. Crowding out would be likely only if the two lines were on a path to convergence.

Are state and local revenue systems out of sync with the economy?

Yes. The slope of the trend line for the economy is steeper than that for revenues. This means revenues cannot keep pace with the funding needs of a growing economy and will never be enough without reform.