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The Mercedes and the Magnolia:

Preparing the Southern Workforce for the Next Economy

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southern growth policies board
2002 Report on the Future of the South

**The Mercedes and the Magnolia:
Preparing the Southern Workforce for the Next Economy
2002 Report on the Future of the South**

**By Jim Clinton and Carol Conway
With contributions from Scott Doron, Linda Hoke, and Keecia James**

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Introduction

The Mercedes and the Magnolia

Kingstree, South Carolina's Willie Tisdale lost his job when the Colonial Rubber Works plant closed down last fall. "It used to irritate your skin, but was good work," Mr. Tisdale recently told *The New York Times*. "What we need is someone to open up a big plant."

In fact, someone has opened up a big plant. Like a growing number of Southern states, South Carolina has been very successful at creating a burgeoning automobile-sector manufacturing base. BMW, Michelin, Bridgestone and others are significant employers in the state. Unfortunately for Mr. Tisdale, none of those jobs are in Kingstree. Throughout the South, thousands of workers face situations just as disheartening as his.

Charged with helping to raise the standard of living for all Southerners, Southern Growth Policies Board is always asking, "Where are we now and what can we do to improve?" In this report, those questions are applied to the state of the Southern workforce. As *Invented Here*, the 2001 *Report on the Future of the South*, said, "a region's performance in the knowledge economy can rise no higher than the sum of the knowledge of its people." The level of educational achievement that we settle for establishes an absolute upper limit on our economic prosperity.

Where are we now?

Modern industrial recruitment was invented by and in the South, giving rise to a branch plant economy. From the middle of the 20th century on, millions of textile and other manufacturing jobs were recruited into Southern states on the strength of our low taxes, cheap land, low-cost labor, and friendly business climate. Our industrial recruitment successes paved the way for unprecedented economic prosperity in the region. Between 1950 and 1980, the South's real per capita income rose at an average annual rate of 3.7 percent, versus 2.6 percent for the nation as a whole.

Between 1980 and 2000, however, the region's ability to close the income gap between itself and the nation as a whole stalled. The South's real per capita income grew at an average of 2 percent annually during that period versus 1.9 percent annually for the nation as a whole. The income gap is still significant: the South's per capita income in 2001 was \$25,628; while the U.S. average was \$30,271, or 18 percent above the Southern average. The failure to eliminate the gap may be tied directly to our failure to respond adequately to the rise of the knowledge economy, where technology-intensive jobs pay an average 95 percent more than other jobs.

The South's success in building a branch plant economy encouraged an over-reliance on industrial recruitment strategies and made us vulnerable to technological change and global competition. The region has almost 400,000 fewer manufacturing jobs now than we did a decade ago. The remainder of the nation also lost manufacturing jobs during the period, but at less than half the South's rate of loss.

Moreover, Southern jobs lost in manufacturing were not replaced one-for-one with jobs in the high-paying, technology-intensive sectors. The new jobs grown in the South tended to be in the lower-paying retail and service sectors. While the demands of the knowledge economy for educated, skilled, flexible workers have grown exponentially, the South has made only incremental progress in improving its workforce. Much of what we have viewed as progress has been limited to customized training for job-specific skills that may not readily transfer to more demanding jobs. These realities led to large numbers of unemployed, under-prepared, unhappy workers.

Much of the economic success the South achieved during the second half of the 20th century was fueled by our ability to attract talent from other parts of the U.S., although the influx has often masked the reality that many indigenous workers have not enjoyed the fruits of our success. While we may continue to benefit from domestic in-migration, there are no guarantees that this will offset a projected shortage of prime age workers.

Throughout the industrialized world, birth rates are falling below replacement levels and the Baby Boom generation is approaching retirement age. There will be fewer people in the workforce and Census projections point to a decline in the number of prime age Southern workers. In the nation as a whole, the number of prime age workers is expected to increase by 7.1 percent over the next quarter of a century, while in the South a 0.6 percent decline in prime age workers is projected. Since our economic success will rely upon having sufficient numbers of educated, skilled workers, the projections are a cause for great alarm.

In preparing this report, Southern Growth talked to more than 300 Southern leaders. Among the strengths identified by these leaders were a good business climate, the fact that we've begun a transition towards a knowledge economy, the positive attitudes and capabilities of our workers, a good inventory of institutional assets, and the fact that workforce development reform has begun throughout the region. Among the weaknesses identified were policies that are not oriented towards the knowledge economy, relatively low educational attainment levels, mismatches between degrees attained and available jobs, a learning pipeline that is not seamless, the private sector's outsider status, and reform efforts

that are half-measures. Not surprisingly, these leaders found more weaknesses than strengths.

What are we going to do about it?

The Council for a New Economy Workforce (CNEW), chaired by West Virginia Governor Bob Wise, developed a single goal to encompass our workforce aspirations:

Create a talent pool capable of meeting current market needs as well as the opportunities of the emerging, knowledge-based economy.

The CNEW also developed three primary recommendations to help us achieve the goal.

1. *“Create seamless workforce systems that maximize client control over the outcomes.”* Clients are “the businesses that create the jobs and the people who need education and training to work for a business or become an entrepreneur.” Implementation of this recommendation requires an entirely new view of workforce development. We must see the system whole, including P-12, vocational-technical schools, community colleges, universities, specialized training institutions, and the support mechanisms that allow people to access the institutions. We must take charge of and manage the multitude of funding streams that pay for the system. It means organizing workforce development efforts around clients, not around the institutions providing the education and training. To enhance our ability to educate and train for jobs that either exist or will exist, businesses must be integral parts of the design and management of our workforce systems.

2. *“Identify and develop underutilized sources of workers and talents.”* This speaks directly to the threatening shortage of prime age workers, and it urges us to do everything we can to create opportunities for all Southerners to participate meaningfully in the workforce. It calls for development and implementation of specific strategies for groups of people who can participate in the workforce at a higher rate. Among those who could receive special attention are women, minorities, retirees, immigrants, and the disabled. This recommendation offers a mechanism for both enhancing the quality of life of the individuals involved and potentially reducing the burden of providing other services to these same citizens.

3. *“Create a self-directed workforce with the attitudes, learning habits, and decision tools necessary for making wise career choices throughout life.”* We are witness to an accelerating pace of change and the emergence of a world economy that is relentlessly competitive. This recommendation recognizes this new reality and pushes each of us to be responsible for our future in a new way. It

suggests that a recent graduate may be pleased with what he or she has achieved academically, but should also know that the recent degree is not the end of the learning career. It calls for each person to prepare for what may happen next, whether that is a promotion or a new career altogether. It recognizes that many of us will have multiple careers. Fully realized, it means that when a business closes, its workers are prepared to do other productive work at no wage loss.

The CNEW will build on these recommendations by guiding Southern Growth's development and publication of the *Southern Workforce Index*. The *Index* will be composed of those indicators that can most effectively mark our progress towards achieving these goals. Each state will be asked to set long-term targets for each indicator; and Southern Growth will periodically report on the progress of our states and the region. CNEW will also help Southern Growth to identify and report on best practices — initiatives that are creating a more competitive workforce.

Perhaps the most painful single change in the Southern economy in recent years has been the sweeping exit of textile jobs. An economic history curriculum called *On the Job in North Carolina* features two striking newspaper advertisements, one from 1905 and one from 1991. In the 1905 ad, which ran in the *Textile World Record* magazine, the Seaboard Air Line Railway is offering money, free land, cheap fuel, and labor to anyone willing to move a plant to the South. The 1991 ad ran in *Apparel Industry* magazine; it offers 56 cents an hour labor, a reliable labor force, and a stable government to anyone willing to relocate a garment plant to the Dominican Republic. What once "went south" has now gone farther south. There is always someone willing to work cheaper; we have to decide who we are competing against and how.

The most visible Southern industrial recruitment successes of recent years have been automotive — Mercedes, Nissan, BMW, Hyundai, and others. These new facilities are providing thousands of opportunities for Southerners to develop new skills and earn higher wages. They also provide an opportunity for us to not repeat our recent history.

Throughout the years that we were building the textile industry and other relatively low-end manufacturing operations in the South, we behaved as if we could always compete at the low end of the pay scale. We seemed to assume that no one would ever work more cheaply than we would. Bad self-image, worse strategy. Like generals preparing for the last war, we focused too much on preparing for the last economy, too little on the next economy. Enter technology and globalization, exit low-end manufacturing.

Now we have the new wave of auto plants and the chance to get it

right. Every major auto industry recruitment effort has centered on workforce. Every winning state has made significant workforce training commitments to close the deals. The investments we are making to fulfill these commitments and the investments made in Southern educational reform in recent years can, together, provide the foundation for the comprehensive, visionary reform recommended by the Council for a New Economy Workforce.

Pursuing this dream involves a singular and historic decision on the part of Southerners: we must commit to being upwardly competitive. Complacency was our greatest enemy in the heyday of the textile industry, and it will be so again during the golden age of Southern automotive manufacturing, unless we commit now to preparing for the next set of opportunities. If we want a higher quality of life, we must commit to competing at an ever-higher level. The linchpin for this strategy is workforce development — in the comprehensive, seamless sense that is envisioned in these recommendations.

Mercifully, the same investments we make to be more competitive in industrial recruitment will also enhance our ability to generate our own entrepreneurs and grow our own companies. In some cases, the new automotive plants are accompanied by significant front office and research and development operations. Universities have begun to develop joint research and applications centers. Given the South's historic shortage of headquarters and R&D operations, these less-publicized adjuncts to auto manufacturing are a source of great hope that we will in fact seize the opportunity to build on our recruitment successes and create a more diversified, upwardly competitive economy.

In his 1999 bestseller on globalization, *The Lexus and the Olive Tree*, Thomas Friedman wrote about how half the world is focused on building the most technologically advanced products and the other half on fighting over ownership of an olive tree. While celebrating technological success, he noted that olive trees are also important because they "... are what root us and anchor us in the world." For the South, we would substitute the magnolia — that great provider of shade and poetic fancy. Friedman said that the trick is to get the Lexus and the olive tree in balance. The South is a region that is rooted in tradition, bound for better and worse to our past. Being bound to our past does not mean, however, that we must repeat it. We just need to get our Mercedes and our magnolia in balance.

We can do that by making an historic commitment to an upwardly competitive, self-directed, constantly learning workforce — one in which Willie Tisdale will develop the skills, knowledge and opportunity to move higher on the knowledge-worker scale long before the plant goes "farther south."

The Current Southern Workforce

The South is no stranger to large scale change in the composition of its workforce. In the last century, mechanization wiped out millions of farm jobs, forcing many Southerners to leave home to earn wages in Northern factories. After World War II, with only a modest additional investment in customized training, the South's industrial recruitment policies brought many of those Northern factory jobs to the South, providing a wealth of job opportunities for hard-working Southerners, many with no education beyond high school. Later, foreign investors followed suit. In most cases only the assembly operations were brought to the South; headquarters and research and development operations remained outside the region.

For decades, this branch plant economy paid off in rising and widely shared prosperity. Between 1950 and 1980, the South's real per capita income rose by an average of 3.7 percent on an annual basis, versus 2.6 percent for the nation as a whole. Generations of workers — and economic developers — came to expect this comfortable pattern to repeat indefinitely, and thought this would allow the South to finally catch up with, and exceed, the national average for per capita income.

That, however, was not to be. Although the South continued to close the income gap, real per capita income between 1980 and 2000 grew at roughly half the previous rate, by only an average of 2 percent on an annual basis, versus 1.9 percent for the nation as a whole.

It was not a shortage of jobs, or people to work them, that accounted for a slower growth rate. In the decade between January 1992 and January 2002, the South's civilian labor force — people in jobs or actively looking for work — grew by 13.4 percent, or 3.8 million people. The number of people working in the South grew even faster, by 15.9 percent, or 4.2 million people, as more unemployed people found jobs. (See Table 2.1.)

So why did the South's exceptional rate of per capita income growth taper off? It was the dawn of the knowledge economy. All regions were affected, but many areas outside the South, with better access to the building blocks of a knowledge economy — highly educated workers, research and development infrastructure, risk capital, and global savvy — were better able to make the transition. Three trends stand out during this period.

First, with a disproportionately large share of traditional manufacturing jobs, the South lost many jobs to technology and global

Table 2.1
Net change in the South's civilian labor force and employment, 1992-2002 (percent change)

	Employment	Civilian labor force
AL	14.0	11.5
AR	14.8	11.4
GA	29.8	25.9
KY	16.1	13.7
LA	6.5	4.4
MS	13.9	11.5
MO	12.3	10.7
NC	13.2	13.5
OK	14.1	12.1
PR	21.4	13.2
SC	13.2	11.9
TN	20.0	18.1
VA	13.8	10.9
WV	11.4	3.4
South	15.9	13.4

Source: Bureau of Labor Statistics

Table 2.3
U.S. average hourly earnings, 2000

All workers	\$13.75
Construction	\$17.88
Mining	\$17.24
Transportation and public utilities	\$16.22
Wholesale trade	\$15.20
Finance, insurance, and real estate	\$15.07
Manufacturing	\$14.38
Services	\$13.91
Retail trade	\$9.46

Source: Bureau of Labor Statistics

competition. The South had 398,000 fewer manufacturing jobs in January 2002 than it did a decade earlier, a decline of 8.6 percent. (See Table 2.2.) Many of those jobs were lost long before the recent recession. Tellingly, this fate was not shared by many states outside the Southern Growth region: over the same period, manufacturing employment declined by only 4.2 percent in the non-South. In 18 states, manufacturing employment actually increased over this same period, collectively adding 290,000 manufacturing jobs. The five states adding the most manufacturing jobs were Texas, Wisconsin, Arizona, Michigan, and Nevada.

Second, jobs lost from traditional industries were not replaced one-for-one with the high-paying jobs found in emerging growth sectors — industries that are intensive users of technology or that trade globally. Most of the net job growth was in the services and trade sectors (retail and wholesale), where average wages are often less than the average manufacturing wage. (See Table 2.3.)

Third, even though the branch plant economy raised family incomes, many Southern children continued to receive a mediocre K-12 education. This limited their ability to step into top-paying management and technical positions, start a business, or even simply make a lateral transfer into an emerging industry. Although Southerners' skills are often augmented with training, much of it is job-specific, meaning the skills do not readily transfer over to a new job. That, combined with long tenure in a job, leaves displaced workers underprepared to find a new job at similar wages. (Long job tenure is associated with outdated skills and a bigger cut in wages in the next job.¹)

Thus, instead of taking measures to stay ahead of the trend, Southern states continued to rely on proven industrial recruitment strategies. It was assumed that the basis of competition continued to be low costs rather than innovation.

Historically, the South has invested a greater share of its resources in higher education than in K-12 education. Although recent court orders and other initiatives have directed more resources to low-wealth school districts, the overall imbalance between the two systems remains. In 1997-98, the South spent more of its per capita income on education than the nation as a whole, but only

Table 2.2
A decade of change in Southern employment, 1992-2002 (in thousands)

South	Total	Services	Trade	Government	Manufacturing	Construction	Transportation and utilities	FIRE*	Mining
Jan-92	23,443	5,349	5,394	4,356	4,655	1,050	1,308	1,124	194
Jan-02	28,716	8,091	6,654	4,953	4,257	1,524	1,630	1,430	167
Net Job Change	5,273	2,742	1,260	598	-398	474	322	307	-27
% Change	22.5	51.3	23.4	13.7	-8.6	45.1	24.6	27.3	-13.8

* Finance, Insurance & Real Estate Source: Bureau of Labor Statistics

matched the national average in K-12 spending. Five Southern states remained below the national average in K-12 spending. (See Table 2.4.)

The skill deficit also shows up in a profile of the South's educational attainment. In 2000, the South had only 27.4 percent of its population aged 25 and over with an associate's degree or more, versus 31.6 percent for the nation as a whole. (See Table 2.5.)

So how did the South manage to grow at all? The branch plant economy depended on the recruitment of more than just firms. It relied on importing well-educated people to fill newly created managerial, research, and technical positions. This domestic in-migration accounted for nearly 40 percent of the South's population growth between 1990 and 1998. Meanwhile, the non-South experienced out-migration as a net total of more than a million Americans migrated to the South, many of them young, college-educated, and middle class.² However, domestic in-migration to the South was concentrated in just a few states. Between 1990 and 1998, Georgia, North Carolina, and Tennessee claimed 72 percent of the region's domestic arrivals.³ (See table 2.6.) Although retirees accounted for some of this, many in-migrants were following new job growth.

The South has thus relied disproportionately on the in-migration of prime age workers from other parts of the country to meet business demand for workers. This dependency could cause the post-recession South to be particularly vulnerable as worker shortages once again become acute throughout the country.

The future workforce

Low educational attainment is only one dimension of the workforce crisis facing the South — we are at risk of a population crash as well. Although it's difficult to imagine a labor shortage during a time of high unemployment, actions need to be taken now to counter demographic trends that will shrink the available future workforce.

Just like the rest of the industrialized world, birth rates are falling below replacement levels, and a large segment of the skilled workforce — the Baby Boom generation — will soon enter retirement. Worldwide, one in five people will be 60 or older by 2050. This means fewer people joining the labor force, especially in the U.S.⁴ The Bureau of Labor Statistics (BLS) predicts that total labor force growth will slow to 0.7 percent annually between 2000 and 2025, versus 1.1 percent annually between 1990 and 2000.⁵ This small shift translates into a serious labor shortage. The BLS predicts a 14 percent increase in U.S. job openings between 1998 and 2008, but labor force growth of only 12 percent over the same period.⁶

The South may have special cause for concern. Census projections suggest a decline in the number of prime age Southern workers over the next 25 years, versus modest growth in the non-South. (See Table 2.7.) If this holds true, it could greatly inhibit economic growth, especially in relation to the rest of the country.

Table 2.4
Per capita education expenditures, and as a share of state per capita personal income, by level, 1997-98

	Expenditures	Total	K-12	Colleges	Other
AL	\$1,524	7.3%	4.6%	2.2%	0.4%
AR	\$1,476	7.5	4.9	2.1	0.6
GA	\$1,611	6.7	4.8	1.5	0.5
KY	\$1,417	6.8	4.2	2.0	0.5
LA	\$1,452	7.0	4.7	1.9	0.4
MS	\$1,489	8.0	4.9	2.6	0.5
MO	\$1,474	6.2	4.3	1.6	0.3
NC	\$1,580	6.7	4.2	2.2	0.3
OK	\$1,535	7.4	5.0	2.1	0.3
PR	\$1,050	11.4	NA	NA	NA
SC	\$1,590	7.6	5.1	2.1	0.4
TN	\$1,343	5.9	4.0	1.6	0.2
VA	\$1,631	6.2	4.3	1.7	0.2
WV	\$1,581	8.2	5.7	2.0	0.5
South	\$1,482	7.1	4.8	2.0	0.4
US	\$1,666	6.6	4.6	1.6	0.3

Source: Bureau of Economic Analysis and National Center for Educational Statistics

Table 2.5
Percent of the population aged 25 and over, by level of highest educational attainment, 2000

	South	Percent	US	Percent
< 9th grade	3,113,835	7.9	12,327,601	6.9
9-12th grade	5,460,706	13.9	20,343,848	11.5
High school graduate	12,161,358	31.0	52,395,507	29.5
Some college, no degree	7,785,700	19.8	36,453,108	20.5
Associate's degree	2,167,575	5.5	11,487,194	6.5
Bachelor's degree	5,610,597	14.3	28,603,014	16.1
Graduate or professional degree	2,969,833	7.6	15,930,061	9.0
Pop 25 and Over	39,269,604	100	177,540,333	100

Source: Census Bureau, Profile of Selected Social Characteristics, 2000

Table 2.6
Net domestic in-migration, 1990-98

	Net domestic migration
LA	-117,459
WV	8,023
MS	42,748
OK	47,774
VA	67,977
KY	90,068
MO	94,299
AL	105,616
AR	113,569
SC	118,895
TN	337,630
NC	500,989
GA	597,916

Source: Statistical Abstract of the United States, 1999, Table 22

Table 2.8
Projected growth in the number of children under 18, 2000-2025

AL	3.0%
AR	-4.1
GA	12.5
KY	-7.8
LA	5.6
MS	-4.0
MO	2.0
NC	1.4
OK	7.1
SC	4.1
TN	3.1
VA	9.7
WV	-13.9
South	3.5
US	14.1
Non-South	17.1

Source: Census Bureau

Table 2.7
Projected change in the prime age workforce, ages 18-44, between 2000-2025

AL	-1.3%
AR	-6.9
GA	6.7
KY	-11.5
LA	3.0
MS	-6.7
MO	-2.9
NC	-1.3
OK	3.6
SC	0.1
TN	-1.4
VA	4.6
WV	-18.4
South	-0.6
US	7.1
NonSouth	9.4

Source: Census Bureau

Equally ominous, the South's reservoir of children is expected to grow only a little more than 3 percent between 2000 and 2025, versus 17 percent in the non-South. (See Table 2.8.) It should be noted, however, that some immigration experts believe the Census data may significantly under-estimate the number of foreign-born residents in the South, which in turn may mean an under-estimate in the number of future children.⁷

Stagnant high school graduation numbers seem to foreshadow the coming worker shortage. In the past decade, the raw number of high school graduates has actually declined in four of our states. (See Table 2.9.) Whatever the cause, the South is not generating many more high school graduates than it did a decade ago — only 4 percent more versus 17 percent more in the non-South, or 14 percent nationwide.

For years, the South has flourished by attracting talent from other parts of the U.S. and world. It is also now more successful than it was 30 years ago at keeping its young people in the region. But there are no guarantees either trend will continue, especially as regions outside the South increase their efforts to grow good jobs and retain and attract skilled workers.

Clearly the South must do more with its indigenous human resources. As the charts below suggest, the South appears to be leaking excessive amounts of human potential from its talent pool. Recovering this potential will require highly innovative strategies, and collaboration well outside the traditional boundaries of workforce and economic development.

The sources of some leaks are obvious, while others are not. Below are several of the largest pools of lost or under-utilized talent, some or all of which could be targeted for recovery.

1. Retirees. The easiest way to shore up the South's future labor force is to keep people working. Nationally, by 2015, workers 55 or over will make up nearly 20 percent of the workforce.⁸ Many in

this cohort, all of whom will have reached the retirement age of 65 in 2025, will likely want or need to work part time. Retirees frequently look for different work arrangements, such as part-time

work at hours of their choosing, and a work experience that allows them to do things they never could in their full-time jobs, such as teach. Barriers to their full participation include pension restrictions, physical limitations, lack of formal certifications, and an employer culture that regards elderly workers as short-term employees.

Table 2.9
Public high school graduates, 1991-2001

State	1990-91	2000-01	Change	
			# 91-01	% 91-01
AL	39,042	39,377	335	1
AR	25,668	27,335	1,667	6
GA	60,088	64,738	4,650	8
KY	35,835	36,620	785	2
LA	33,489	38,022	4,533	14
MS	23,665	24,065	400	2
MO	46,928	52,569	5,641	12
NC	62,792	61,887	-905	-1
OK	33,007	36,603	3,596	11
PR	29,329	30,576	1,247	4
SC	2,999	32,800	-199	-1
TN	44,847	40,911	-3,936	-9
VA	58,441	65,401	6,960	12
WV	21,064	18,773	-2,291	-11
South	547,194	569,677	22,483	4
US	2,234,893	2,542,398	307,505	14

Source: National Center for Education Statistics

2. Immigrants. The 2000 Census revealed that roughly one in 10 people in America is foreign-born, a proportion not seen since 1930. Although the South has a relatively smaller number of immigrants compared to other regions of the country, in major metropolitan areas such as Nashville and Charlotte, it is not uncommon to find that one in six residents are foreign-born, up from one in 25 just a decade ago.⁹ (See Table 2.10.) Immigrants already resident in the South face a multitude of barriers to their full participation in the workforce. Among them are tough visa restrictions, including some that prevent certain skilled immigrants from making a lateral job shift within the same company. These restrictions are likely to get even tougher in the wake of the September 11 terrorist attacks on New York City and Washington, D.C. Other common barriers are a lack of formal certifications that validate skills they already possess, language and culture barriers, and, for illegal immigrants, access to licenses that permit them to drive or even marry.

Table 2.10
Origins of the South and non-South population, by place of birth

	2000			1990		
	US In-state	Foreign-born	US out of state	US In-state	Foreign-born	US out of state
AL	74%	2%	24%			
AR	61	2	36			
GA	59	7	34			
KY	73	2	24			
LA	78	2	19			
MS	74	1	25			
MO	66	3	31			
NC	64	6	31			
OK	62	4	34			
SC	59	3	37			
TN	63	4	33			
VA	51	8	41			
WV	74	1	25			
South	69%	2%	29%			
Non-South	60	10	31			
US	62	8	30			
South	64%	4%	31%			
Non-South	58	13	29			
US	60	11	29			
South	-7%	116%	8%			
Non-South	-2	36	-7			
US	-3	40	-4			

Source: The Census Bureau

3. Immigrant children. The children of recent immigrants are likely to be a key component of the South's future workforce, yet major segments of this youthful population are dropping out of school. Nationwide, in 2000, 28 percent of all Hispanics ages 16 to 24 were high school dropouts, versus 13 percent for blacks and 7 percent for whites.¹⁰

4. Minorities. The great potential of many minorities is often lost to low expectations, socio-economic disadvantages, and the residual — sometimes blatant — effects of racism. Yet the South's future economy is highly dependent on the success of its minorities. African Americans, for example, make up 20 percent of the South's population, double that of the non-South. (See Table 2.11.)

Evidence of the excessive loss of minority talent can be found in dropout rates, juvenile incarceration rates, and student achievement tests. Although the overall high school dropout rate has decreased in most Southern states in the past five years, dropout rates for African Americans and other minorities continue to exceed that for whites. (See Table 2.12.) Minorities are also incarcerated at much higher rates than whites. In 1997, 1,018 non-Hispanic black youth per 100,000 in the population were in juvenile custody — one of every hundred — versus 515 Hispanics and only 204 for non-Hispanic whites.¹¹

Table 2.11
Racial profile of the South, 2000

	Population	White	Black
Alabama	4,447,100	71.1%	26.0%
Arkansas	2,673,400	80.0	15.7
Georgia	8,186,453	65.1	28.7
Kentucky	4,041,769	90.1	7.3
Louisiana	4,468,967	63.9	32.5
Mississippi	2,844,658	61.4	36.3
Missouri	5,595,211	84.9	11.2
North Carolina	8,049,313	72.1	21.6
Oklahoma	3,450,654	76.2	7.6
Puerto Rico	3,808,610	80.5	8.0
South Carolina	4,012,012	67.2	29.5
Tennessee	5,689,283	80.2	16.4
Virginia	7,078,515	72.3	19.6
West Virginia	1,808,344	95.0	3.2
South	66,154,289	74.4	20.0
United States	281,421,906	75.1	12.3
Non-South	215,267,617	75.3	9.9

Source: Census Bureau

Although the South as a whole has made important gains in recent years, reading skills continue to lag for minority students. (See Table 2.13.)

5. Disabled. There are some 54 million disabled Americans, roughly 20 percent of the U.S. population,¹² but the South has more than its share of citizens with disabilities. Almost 11 percent of the South's non-elderly (ages 5 through 64) are disabled, compared with only 9 percent in the non-South. (See Table 2.14.) Similarly, only 45 percent of the South's disabled population aged

Table 2.12
High school dropouts from public school, by race and ethnicity, 1998-99

	Total	White*	Black*	Hispanic	Asian	American Indian
AL	4.4%	4.4%	4.5%	6.6%	1.8%	1.6%
AR	6.0	5.6	6.7	10.3	4.4	8.0
GA	7.4	6.5	8.7	11.1	4.5	7.7
KY	4.9	4.7	6.3	7.0	3.0	1.1
LA	10.0	7.9	12.6	11.8	8.8	14.9
MS	5.2	4.3	6.1	6.7	2.6	5.3
MO	4.8	4.4	7.1	7.3	3.4	6.1
NC	NA	NA	NA	NA	NA	NA
OK	5.2	4.6	7.8	11.2	3.4	5.1
PR	1.2	NA	NA	NA	NA	NA
SC	NA	NA	NA	NA	NA	NA
TN	4.6	NA	NA	NA	NA	NA
VA	4.5	3.8	5.8	7.8	3.2	5.4
WV	4.9	4.8	6.1	3.2	2.3	9.1
South	5.3	5.1	7.2	8.3	3.7	6.4
US	5.1	4.2	8.2	9.1	3.8	8.4

* Non Hispanic

Note: US and South average were calculated as a simple average of state rates for those states reporting data.

Source: National Center for Education Statistics

21-64 are working, compared to 50 percent in the non-South, a percentage that the U.S. Department of Labor says is already well below the potential. (See Table 2.15.)

Health and safety problems in the home, street, and workplace also rob individuals and their employers of productivity on the job and time at work. The total estimated cost of unintentional injuries in 1996, which includes estimates of lost future wages, was \$444 billion. Of this, \$121 billion is from workplace accidents alone.¹³ States already have agencies that work to reduce workplace hazards, and many other entities work to reduce problems in the home and community. Although much is already being

Table 2.13
Average proficiency scores in NAEP reading tests for 4th graders in public schools, 1994 and 1998

	1994	1998	% Change 1994-98	White 1998	Black 1998	Hispanic 1998
AL	208	211	1.4	222	193	190
AR	209	209	0.0	218	186	187
GA	207	210	1.4	225	193	193
KY	212	218	2.8	221	196	195
LA	197	204	3.6	222	186	184
MS	202	204	1.0	217	192	183
MO	217	216	-0.5	223	190	196
NC	214	217	1.4	227	200	196
OK	NA	220	NA	220	202	191
SC	203	210	3.4	223	197	189
TN	213	212	-0.5	220	193	193
VA	213	218	2.3	226	203	198
WV	213	216	1.4	219	192	196
South	209	213	1.8	222	194	192
US	212	215	1.4	225	193	195

Source: National Center for Education Statistics

Note: South average is not adjusted for state student population.

Table 2.14
Percent of disabled, ages 21-64, that are working, 2000

WV	32.1
KY	36.9
AR	40.8
AL	41.4
LA	43.9
MS	43.9
TN	43.7
SC	44.3
South	44.6
GA	45.2
OK	47.7
NC	48.0
US	48.7
VA	49.0
MO	53.0

Source: The Census Bureau

Table 2.15
Percent of the population 5-64 that is disabled, 2000

VA	8.7
US	9.4
GA	9.5
MO	9.7
SC	9.8
NC	10.6
South	10.9
OK	11.4
TN	11.8
LA	11.9
AL	12.1
MS	12.1
AR	12.8
KY	13.6
WV	14.6

Source: The Census Bureau

done, it is possible that certain groups of new workers, including recent immigrants and post-retirement age workers, have unique health and safety education needs that are not yet being met. For instance, in some places, efforts are being made to promote Spanish language learning in the construction industry as a way to reduce accidents among Hispanic workers.

Premature death can also put a dent in the workforce. Most states in the South lose a higher proportion of their population to death than states elsewhere — 100 more deaths per 100,000 residents — especially to heart disease. (See table 2.16.)

6. Ex-felons. State and federal prisons in the South held more than 286,000 inmates in 1998, an average of 479 people per 100,000 residents, which is roughly double the number from a decade earlier.¹⁴ The incarceration rate for the South is slightly under the national average, but a number of Southern states are more than a quarter above the average. (See Table 2.17.) Many of these felons are coming up for release with low prospects for employment. Already, at the end of 1998, the South had 922,000 adults on probation or parole, almost twice the level from a decade earlier. Since the majority of felons have lower education levels than the general population and higher rates of mental health problems, their job prospects are limited. Laws and liability

concerns create additional barriers to hiring ex-felons in either the private or public sector.

7. Women. Nationally, 60 percent of working-age women (age 16 and over) were in the civilian labor force in 2000. About the same share of Southern women collect a paycheck, though a few states are significantly below the national average. (See Table 2.18.) Many more women might be able to participate in the labor force with better child-care support, flexible work arrangements, transportation and telecommuting. Child care is a significant barrier, particularly for women leaving welfare. In many cases, the cost of child care is greater than college tuition.¹⁵

The future of work and learning

Given the twin crises of low skills and a shrinking supply of workers, how can the South thrive in a knowledge economy? The chief response has to be to raise skills across the board, and to ensure the skills being taught are for occupations in demand. This will require dramatic changes in institutional behaviors, increased investments in education and training, and new public attitudes towards work, learning, and change itself.

Table 2.16
Death rates by leading causes, 1997 per 100,000 population, 1997

	Total	Heart Disease	Cancer	Cardiovascular	Accidents	Car Wrecks	Lung	Diabetes	HIV	Suicide	Murder
AL	1,002	314	222	67	53	29	43	27	4	12	12
AR	1,104	336	240	98	53	29	50	25	3	14	12
GA	793	236	174	57	41	22	34	17	10	12	9
KY	972	319	230	64	46	22	50	26	2	12	7
LA	919	273	215	58	44	21	34	39	9	12	16
MS	1,007	355	214	68	58	32	41	21	6	12	14
MO	1,006	342	221	69	44	22	48	24	3	13	8
NC	889	260	204	70	41	21	43	25	7	12	9
OK	1,023	340	218	72	48	26	52	28	3	15	9
SC	896	263	203	76	46	24	40	27	8	12	10
TN	981	310	221	75	47	23	46	24	5	14	10
VA	800	232	192	60	34	14	36	18	5	11	8
WV	1,150	381	262	68	44	21	63	38	2	14	5
South	965	305	217	69	46	24	45	26	5	13	10
US	865	272	202	60	36	16	41	23	6	11	7

Source: Statistical Abstract of the United States, 2001, Chart 109

Table 2.17
Incarceration rates for prisoners under state or federal jurisdiction, per 100,000 residents*

	12/31/78	12/31/88	12/31/98
Alabama	144	300	509
Arkansas	115	230	415
Georgia	216	281	502
Kentucky	97	191	379
Louisiana	184	370	736
Mississippi	110	277	574
Missouri	116	236	457
North Carolina	223	249	358
Oklahoma	146	323	622
South Carolina	243	369	550
Tennessee	134	157	325
Virginia	157	230	420
West Virginia	63	78	192
U.S. Total	135	244	460

Source: Bureau of Justice, <http://www.ojp.usdoj.gov/bjs/dtdata.htm#corrections>

Table 2.18
Female workforce participation rates, 2000

State	2000
AL	56.9%
AR	56.1
GA	63.3
KY	57.9
LA	54.2
MS	57.0
MO	64.3
NC	61.6
OK	57.3
SC	59.5
TN	59.1
VA	61.3
WV	51.3
South	58.4
US	60.2

Note: South average is not weighted for population

Source: Statistical Abstract of the US, 2000 and 2001

In many places, progress is well under way. Half of the respondents to our survey said the quality of the workforce in their area had improved in the past two years. The improvement was attributed to a wide range of factors, notably better training and placement services, higher business investment in training, and more people seeking education and training. This positive assessment seems to be borne out in the rising pace of college enrollments and awards of general equivalency degrees (GEDs). The GED

process is especially critical as it allows dropouts to finish their high school education and gain access to further education, training and employment. Between 1990 and 2000, the number of GEDs granted increased by 23.2 percent in the South versus 18.2 percent in the non-South. (See Table 2.19.)

Still, there are reasons for concern. First, a GED by itself is not a ticket to a good-paying job. According to Ed Potter, president of the Employment Policy Foundation, "Fifty-two percent of today's jobs require at least some college or post-secondary training; thirty years from now, it will be 65 percent."¹⁶ However, for those who do get post-secondary education, the Bureau of Labor Force projects a large number of job openings in the coming decade. (See Table 2.20.)

Second, in many places, the post-secondary degrees being granted do not match up with job openings in the local labor market. As Jim Hudgins, executive director of the South Carolina Technical College System commented at a Council for a New Economy Workforce (CNEW) meeting, "There is a severe mismatch between the types of degrees granted and occupations being created in the job market." Hudgins cited a South Carolina Department of Education survey of high schools between 1985 and 1999 that revealed this clash between the hopes and realities of the workforce. (See Table 2.21.)

Table 2.19
The number of GED credentials granted, 1990 and 2000

	1990	2000	% Change
Alabama	7,549	7,092	-6.1
Arkansas	7,013	7,105	1.3
Georgia	13,174	18,703	42.0
Kentucky	11,822	13,211	11.7
Louisiana	6,874	8,373	21.8
Mississippi	5,751	6,660	15.8
Missouri	8,174	10,411	27.4
North Carolina	11,981	14,858	24.0
Oklahoma	5,527	8,096	46.5
Puerto Rico	8,574	12,986	51.5
South Carolina	5,708	5,654	-0.9
Tennessee	9,953	13,742	38.1
Virginia	9,911	11,386	14.9
West Virginia	3,101	3,554	14.6
South	115,112	141,831	23.2
Total US	418,634	500,520	19.6
Non-South	303,522	358,689	18.2

Source: The National Center for Education Statistics

Third, students and adult workers may not be getting enough help with life skills, career awareness and selection, and entrepreneurial skills to match either the job market or their own expectations for a high standard of living and self-employment. Poor career preparation makes for poor career outcomes.

As a result, the world of education and training is bound to undergo additional change as current reforms are found to be insufficient to meet the challenge. The pressure to change will come not only from state and federal regulatory reforms, but the rise of distance learning and private institutions for education, training, and job placement. This attack on the status quo could spark turf wars between public agencies as well as between public and private institutions, but as Chris Weaver, executive director for the Louisiana Workforce Commission remarked at a CNEW meeting, “There’s no reason not to collaborate. There’s plenty of work to go around.”

Table 2.21
The training gap in South Carolina

- | | |
|--|---|
| <p>Where Ninth Graders Are Headed</p> <ul style="list-style-type: none"> ● 28% will enter a four-year college ● 32% will enter an associate program or advanced training ● 10% will lack the skills needed for employment ● 30% will drop out of the system before completing high school | <p>Where the Jobs Are</p> <ul style="list-style-type: none"> ● 20% require a four-year degree ● 65% require an associate’s degree or advanced training ● 15% require minimum skills |
|--|---|

Source: *Pathways to Prosperity*, Governor’s Workforce/Education Task Force, October 2001

Table 2.20
Twenty skilled occupations with the most projected openings in the South, 1998-2008*

VOCATION	1998 Employment	Average annual job Openings#	Openings as percent of total 1998 employment
General managers and top executives	733,900	28,540	3.9
Registered nurses	425,700	17,840	4.2
Teachers, elementary school	328,300	13,640	4.2
Teachers, secondary school	251,450	15,510	6.2
Licensed practical nurses	170,350	6,630	3.9
Accountants and auditors	148,250	4,550	3.1
Automotive mechanics	137,250	5,810	4.2
Systems analysts, electronic data processing	100,500	10,660	10.6
Computer support specialists	48,650	5,360	11.0
Financial managers	46,650	1,760	3.8
Physicians and surgeons	39,400	1,550	3.9
Clergy	26,550	870	3.3
Computer engineers	24,550	2,850	11.6
Teachers, special education	17,650	760	4.3
Marketing, advertising, and public relations managers	16,150	890	5.5
Engineering, mathematical, and natural sciences managers	15,700	1,050	6.7
Education administrators	12,600	490	3.9
Teachers, preschool	11,800	730	6.2
Sales agents and placers, insurance	9,550	320	3.4
Electrical and electronic engineers	5,700	310	5.4
Total of listed occupations	2,570,650	120,120	4.7

* Requiring at least some post-secondary training. # Due to growth and net replacements

Source: Bureau of Labor Statistics

Profile of displaced workers

The crumbling of the South's traditional industries created many displaced workers. (A displaced worker is anyone who has involuntarily and permanently lost his or her job for reasons other than personal performance.) Understanding the origins and demographics of displacement is important for fashioning effective workforce development strategies.

Most people associate displaced workers with mass layoffs — incidents where 50 or more people are terminated from a single business. But the majority of job loss occurs in small numbers, and primarily in the service sector. According to recent research, the typical displaced American worker in 1999 was a white, married male with 12.8 years of schooling, who lost his service sector job after working there for a little more than 5 years.¹⁷ Indeed, about 63 percent of the 45 million jobs lost in the U.S. between 1979 and 1999 were from the service sector.

There are some important demographic differences between workers laid off from manufacturing and workers displaced from other industries. Manufacturing workers displaced between 1979 and 1999 tended to be older and less educated than workers displaced from service industries. They also had held their jobs longer. Job seniority is associated with a high level of job-specific skills. While the last employer probably valued the worker's skills highly, and paid him or her a premium for the higher productivity associated with job expertise, job-specific skills are less transferable. This means a displaced worker with high job tenure is more likely to be paid less in his or her next job (at least initially).

Although new technologies and federal policy changes (i.e., defense cut-backs, interest rate changes) often account for more job loss than import competition, within the manufacturing sector, import-sensitive firms took a major hit. Of the 17 million U.S. manufacturing jobs lost between 1979 and 1999, 38 percent came from highly import-sensitive industries.¹⁸ Although some people retire or give up looking for work, most import-displaced workers do find new jobs (63 percent at the time of the Census Bureau follow-up), as do workers displaced in other manufacturing firms (65 percent) and from services (69 percent). Women are less likely to find a new job. It took the average import-displaced worker eight weeks to find a new job, versus six weeks for other manufacturing workers and four weeks for service workers. Of those that got new jobs, the import-displaced saw an average cut in earnings of 12 percent, versus 0.3 percent for workers displaced from service jobs. The averages, however, gloss over some dramatic variations with each category.

Although mass layoffs are not the chief source of unemployment,

they can nevertheless inflict a body blow to communities and signal a major economic transition. The growing number of mass layoffs between 1997 and 2001 probably reflects increased global competition and the diminishing vitality of the branch plant economy. (See Table 2.22.)

Table 2.22
Indicators of job change in the South, 1997-2002

	Annual Mass Layoffs Events	Initial Claimants	Net Change in Civilian Employment (January to January)	
			Total Non-Farm	Manufacturing
1997	1,898	218,664	700,000	-34,000
1998	2,203	271,299	698,000	27,000
1999	2,019	249,556	634,000	-58,000
2000	2,364	291,050	570,000	-61,000
2001	3,155	414,416	258,000	-126,000
Total	11,639	1,444,985	2,860,000	-252,000
2002	NA	NA	-320,000	-284,000

Source: Bureau of Labor Statistics

Nationally, import-related job loss between 1979 and 1999 was concentrated in particular industries (notably electrical machinery, apparel, motor vehicles, electronic computing, blast furnaces, and construction and material moving equipment). Import-related job loss also affected women more than men, particularly women over the age of 44, since they made up a disproportionately large share of employees in the affected industries. Women accounted for almost half of all people losing their jobs from import-sensitive industries between 1979 and 1999.

On a positive note, it's important to keep in mind that job loss takes place within the context of an enormous amount of job churning in the economy. A landmark study published by the U.S. Department of Commerce in 1994 tracked 70,000 manufacturers over a 15-year period and found about 37 percent of manufacturing workers changed jobs each year, and that industries facing stiff import competition did not have higher rates of job destruction.¹⁹ Another study found that about a third of all private sector jobs were coming or going during 1994-95. That year there were 3.6 million net new private sector jobs: new firms added 5.8 million jobs, dying firms cut 4.5 million jobs, and existing companies added a net of 2.4 million more jobs to the economy.²⁰

Finally, in the midst of an economic downturn, it is helpful to recall that the South has recovered from higher unemployment numbers and rates before. In fact, the South as a whole had 373,000 fewer people unemployed in January 2002 than it did in January 1992. (See Table 2.23, following page.)

Table 2.23
January unemployment, 1992-2002, by state and region (in thousands)

January of Year	South	Ala.	Ark.	Ga.	Ky.	La.	Miss.	Mo.	N.C.	Okla.	P.R.	S.C.	Tenn.	Va.	W.Va.
1992	2,134	142	88	248	130	150	101	160	216	91	200	116	172	224	94
1993	1,967	150	77	212	114	144	80	164	196	85	200	127	149	184	86
1994	1,855	139	67	193	102	156	84	150	156	98	197	131	133	167	82
1995	1,620	124	60	170	94	141	76	132	143	76	165	96	124	157	60
1996	1,731	116	64	172	109	136	82	127	186	69	173	106	155	169	67
1997	1,635	109	65	179	111	126	73	133	145	68	161	105	153	146	60
1998	1,485	93	68	170	90	114	71	128	139	68	185	72	123	111	52
1999	1,379	92	60	160	90	112	62	95	118	68	166	85	116	99	54
2000	1,296	101	54	154	79	103	74	82	128	48	148	84	107	87	47
2001	1,424	106	59	154	94	122	64	135	179	48	129	88	115	88	43
2002	1,761	114	62	192	108	120	86	140	257	72	147	108	158	160	42
2002-1992	-373	-28	-26	-56	-22	-30	-15	-20	41	-19	-53	-8	-14	-64	-52

Source: <http://data.bls.gov/servlet/SurveyOutputServlet>

The Goal: Create a talent pool capable of meeting current market needs as well as the opportunities of the emerging, knowledge-based economy.

The work of the Council for a New Economy Workforce (CNEW) in developing this report was guided by a widely shared set of beliefs about the changing demands on the workforce development system. These beliefs, gleaned from hundreds of Southerners through a planning retreat, meetings of the CNEW, and focus groups, were stated in many different ways but were constants throughout the process.

Many of these beliefs mirrored those expressed in the current literature on workforce development: skill levels must rise across the board, people must be trained for jobs that are in demand, business must be consulted, agencies must collaborate, accountability must be established. In listening carefully, however, we heard other less-frequently articulated beliefs that may point out a new way to achieve the goal.

Belief #1:

We need a common set of definitions.

To create a coherent conversation on workforce development, the vocabulary must be clear and consistent. For the purposes of this report, here is what we mean when we use three specific terms:

- Clients: The businesses that create the jobs and the people who need education and training to work for a business or become an entrepreneur.
- Workforce development: The education and training of all potential members of the current workforce and of all those who will join the workforce in coming years.
- Workforce development system: All services and providers of services that contribute to a client's ability to function at increasing levels of technical complexity and embedded knowledge.

No agreement

Nearly three-quarters of those responding to the Southern Growth survey answered “no” to the question: “Do business, government, and academic leaders in your area have a widely shared vision for, and understanding of, workforce development?”

This latter definition is particularly challenging — and perhaps liberating. Workforce development is properly about sustaining upward mobility over the long-term. The workforce development system should encompass all education, training, and support services —

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paid and unpaid — that are necessary to achieve that sustained upward mobility.

Belief #2:

Workforce development is everyone's business.

Workforce development is often hindered by the perception that it is confined to a particular field, such as:

- Social policy — programs to help the disadvantaged become self-sufficient. This includes remedial education, job readiness skills, and placement in a job that often requires nothing more.
- Industrial policy — programs to train blue-collar workers for existing jobs. This included customized training through community colleges for jobs in recruited industries, and sometimes for expanding industry.
- Education policy — programs leading to a degree. This includes K-12 as well as two-year colleges and universities.

None of these views were necessarily inaccurate in a branch plant economy, but each is too narrow for the modern economy where clients must constantly add to their pool of knowledge in order to maintain or raise their standard of living. Moreover, none of these views touch the lives of the majority of firms and workers. Where there is no perceived stake, there is apt to be limited awareness and usage of services, and less oversight. As a consequence, for too many people, social, workforce, and economic development are all things that happen on somebody else's watch.

In the knowledge economy, workforce development must be seen in more holistic terms and must be organized and managed as an economic development enterprise affecting both the current and future workforce. This means that a workforce development system should encompass:

“The old system dies hard. Politically, we are moving forward but the passive resistance from the old system is hard to overcome.”

— Jerry Adams, Economic Development & Community Relations, Acxiom Corporation, Arkansas

- All institutions involved in lifelong learning. This includes day care establishments, K-12, community colleges, vo-tech schools, colleges, and universities.
- Employment security support mechanisms. This ranges from job placement services to those services that remove barriers to work, such as lack of transportation.
- Families and communities. This involves parents, peers, and

other role models that play a key role in shaping the character, aspirations, and career choices of existing and future workers.

All this suggests a much wider array of stakeholders should be in on the design and delivery of workforce development services.

Belief #3:

The South must become upwardly competitive.

If the South is to achieve a higher standard of living, it must do so by competing at a higher, more knowledge-intensive level. By holding on to the cheap labor strategies of the '60s and '70s, the South stalled in its efforts to close the income and wealth gaps between it and the rest of the nation. In the increasingly competitive global market of the '90s, the low-skill jobs that the South relied upon moved to locales where the labor was even cheaper. The region cannot rely on a strategy of competing and winning on those terms. The challenge is not so much to retain jobs by resisting market forces, but to keep incumbent workers fully employed, moving them within or between firms at ever higher skill levels and compensation.

Belief #4:

The business sector is often left on the sidelines, as both clients and leaders.

Despite the expanded role for business in recent years (i.e., school-to-work programs, more seats on local workforce councils) those creating most of the jobs have not been sufficiently involved in the workforce development system. There are many success stories involving business, but small and medium-sized firms are often unaware of the impact of workforce development on their bottom line, or fear that their training investments will walk out the door. Few firms are aware of the full range of services available, and few feel they can find all that they need through the public system.

In a Southern Growth survey, when asked how business leaders feel about the time they invest serving on workforce advisory boards, nearly half replied, “frustrated.”

With important exceptions, businesses are also stymied in their role as leaders. Their place within the workforce development system is unclear, their contributions sporadic and sometimes superficial. Many business leaders feel the system is unresponsive to their advice and thus a waste of their time. The results are frustration, alienation, and neglect.

Belief #5:

Future growth depends in great part on groups whose talents have often been wasted or underutilized.

As hard as it is to imagine in the midst of high unemployment and budget deficits, the South of 2010 and beyond potentially faces an even more serious labor and budget crunch. As the Baby Boom generation begins to retire and birth rates continue to fall worldwide, there will be a shortage of prime age workers to fill jobs and state tax coffers. Even expanded in-migration, immigration, and the application of labor-saving technologies are unlikely to close the gap between jobs available and people to fill them. Under such circumstances, the South must ensure that every person is prepared to give his or her fullest to the labor market. That means removing barriers to learning and performance, a daunting task requiring a broad array of demographic-specific strategies.

The alternative is grim. A profound mismatch between the supply and demand for labor would result in a business climate where economic developers can no longer effectively recruit industry, encourage start-up ventures, or retain existing jobs. State and local budgets for workforce and economic development would also suffer as a growing share of public funds is directed to the care of those who live at the fringes of the knowledge economy.

Belief #6:

We must create the political will to evoke change on a massive scale.

Throughout the region, there are a large number of opportunities for significantly improving workforce development systems and an even larger number of threats if we fail to act wisely and expeditiously. Although there have been many courageous policy and program reforms, innovation and success are still too isolated and sporadic. Not enough people recognize this as crisis that affects them personally.

The Recommendations

With definitions and beliefs articulated, the Southern Growth Policies Board staff and the Council for a New Economy Workforce moved towards a set of recommendations. The intent is to provide a framework for action and a foundation upon which new, visionary systems for workforce development will be built. From the retreat, meetings, focus groups, and surveys that illuminated this research effort, three primary recommendations emerged.

Recommendation #1:

Create seamless workforce systems that maximize client control over the outcomes.

We know the workforce development system should be seamless and market-driven. By analogy, people and firms should be able to acquire knowledge and skills pretty much the same way one might shop for groceries: decide what is needed, make a list, compare costs, make choices, visit a single store, and pay (cash or credit) a single cashier. The customer can return to the store again and again at a schedule based on his or her needs and convenience. To clients of the existing workforce development system, however, shopping for knowledge often feels like shopping in a state-managed economy with its queues, shortages, over-supplies, and limited choices. Making the switch to a market-driven workforce development system will require system-wide innovation rather than piecemeal change in particular programs, or even the introduction of new programs that may contribute as much to fragmentation as to service.

A key step in the right direction is to increase client control. Clients should have more direct say in how public funds are spent and more ability to leverage those funds with private and non-profit resources. The proven power of enlightened self-interest — at work in many of the model programs highlighted in this report — can be the driving force in a more effective workforce development system.

This is not to suggest an assault on existing services and institutions. Full privatization, abdication of public oversight, or a diminished role for service providers would not accomplish our objective. Rather, we are saying that the workforce system will be more effective and rewarding to all parties if the private sector assumes a significantly higher level of responsibility and accountability for system outcomes through genuine partnerships between clients and providers.

“We will still need a major effort to reach the public and convince them of the need to invest in education and lifelong learning.”

— Jack Sharp, President,
Biomedical Research
Foundation of Northwest
Louisiana

Nor is this to suggest that businesses are the only ones behind the wheel. People, too, as students, parents, and workers, need to be empowered to make informed choices about their future and their children’s futures. More options in the timing, sequence, location, and delivery of lessons would better fit a society where family structures and life styles are highly diverse, where people are expected to exercise more personal responsibility, and where it

Strengths

We have a good business climate and have started the shift to a knowledge economy.

- Pockets of strong growth
- Rapid increase in quality jobs
- Low cost of living and high quality of life
- Good supply of labor

We have an attractive workforce.

- Adaptable, eager-to-learn, ready to change
- A strong work ethic (though not in all cases)
- Experienced
- Large numbers of college graduates going back to technical college

We have significant institutional assets and services.

- Outstanding services and leadership in technical and community colleges
- Excellent higher education infrastructure in some fields and locations
- Growth in corporate/private universities
- A flexible and low-cost system of training, accessible to nontraditional students
- Strong incumbent worker training

We have already begun needed reforms.

- Setting education standards and seeing improvement (accountability)
- Free two-year post-secondary education increasingly available
- Getting good at asking industry what they need
- New federal and state regulations/initiatives driving some reforms
- Progress serving the underemployed, and integrating academic and vocational
- Progress making parents and communities understand that technical careers are
- Seeing more collaborative efforts among institutions

Weaknesses

Policies are not oriented towards creating a knowledge economy.

- Lack of educational opportunity for all, perpetuating under-achievement
- Rigid tax structure and sometimes out-dated tax incentives
- Not enough support for existing business
- Limited number of nationally recognized research universities
- Lack of science and technology jobs and home-grown business
- Not fully attuned to the global economy

The South continues to have relatively low educational attainment.

- Vast pool of under-educated adults
- Basic education levels below national averages
- Weak public school curriculum, especially in math and science

The quantity and quality of the future workforce may be inadequate.

- A shortage of labor in the long term
- Mismatch between degrees granted and job openings
- Brain drain

Workers are unprepared, poorly counseled, and discouraged from learning.

- Life skills not included in academic-driven standards and assessment systems
- Strong stigma against vocational-technical careers
- Career awareness low, information about job opportunities inadequate
- Workers disillusioned about value of education and training
- Disease of low expectations (in school, in the family)
- Limited upward mobility

The learning pipeline is not seamless.

- Little collaboration among higher education institutions
- Link between schools is weak
- Segregation of technical and education systems
- Lack of coordination on distance learning capabilities for all ages
- K-12 system is disconnected from business and family needs

Institutional resources are lacking.

- Lack of certified teachers
- Shortage of endowed professors and research institutions
- Comparatively little foundation resources
- Lack of entrepreneurship training
- Lack of international education

The private sector remains on the sidelines.

- Business leadership in the workforce development system still too low
- Businesses are unaware of training services
- Low corporate investment in upgrading workers

Reform efforts are poorly supported, misdirected or half-measures.

- Not enough system accountability for results
- Disconnect between strategic planning and rapidly changing times
- Data we have to base decisions on is very poor
- Disconnect between policy makers and total population
- Needs of special populations are still over-looked

Opportunities

Create the business climate for the next economy.

- An enhanced workforce can attract more businesses
- Our moderate climate, etc., can be used to attract knowledge economy workers
- We can reform the tax structure
- It's a chance to leapfrog ahead in technology sectors

This is a chance to build a seamless learning system.

- Focus on creating a K-16 system
- Use technology for learning
- Use technology to create a customer-centered, information-driven system
- Collect and use new data for evaluation and accountability

We can resolve social issues at the same time.

- The skill/worker shortage means we must develop the entire population's skills
- Train the displaced workers with an eye to upgrading skills, not just placement
- Focus on careers that do not require a university degree

Seize the moment to tear down the silos — build new coalitions.

- Make use of the new willingness and regulatory opportunities to work together
- Create a structure in which discussion of K-16 can happen
- Forge more meaningful partnerships with businesses
- Use industry clusters to create more private sector collaboration
- Make better use of the higher education mandates for public service
- Use strategic planning to cut across political lines
- Use regional collaboration to increase political power and program efficiency

Threats

We are stuck in the old economy mode.

- Image of the region as not a good place to do business
- Old industrial economy, lack of higher paying jobs, under-educated workforce
- Brain drain and industry leaving
- Recruiting talent instead of developing indigenous talent
- Continuing colonization of South's economy - lack homegrown high-growth firms

The political will may not be strong enough.

- Party politics and "business-as-usual" attitude
- Inelastic tax system
- Lack of political will to break out of program silos
- Competition among institutions of higher education
- Short term goals get emphasized (due to political cycles)
- Lack of public confidence in government
- Lack of vision - not looking at the whole picture in workforce

The recession may hamper progress.

- Terrorist attacks could sour policies towards immigrants
- Sense of pessimism over the economy
- Budget pressures as security costs increase

There may be social and cultural barriers to change.

- Lack of willingness to take risks
- Immigrants may be pitted against low-income populations
- Ethnic and cultural prejudice, resulting in uneven training
- Disappearing middle class in rural areas
- Welfare moms pushed into dead-end low skill jobs

Leaders and public aren't able to make informed decisions.

- Workforce Investment Act boards don't have the knowledge base to reform
- Lack of knowledge within communities and state legislatures for making policy
- Parochialism within the institutions
- Continuing to measure outcomes only on the basis of number of jobs created
- Existing metrics aren't up to measuring what we want to accomplish

is increasingly accepted that not everyone can learn in a traditional framework.

Enhanced decision-making power is feasible only if clients have full information about, and increased control over, the full range of education and training services. The current fragmentation of funding streams creates disparate and conflicting power bases,

How the knowledge economy affects the workforce development system

The knowledge economy is about change — unrelenting, pervasive, and rapid — that touches every worker, business, and public institution. In the knowledge economy:

- Intellectual assets replace physical labor, capital, and raw materials as the driving force of production. Know-how generates the highest returns on investment, which encourages still more investment in knowledge-intensive business. This applies not only to high-tech firms, which make up only 4.8 percent of the South's business establishments, but for many other industries and services.²¹ As such, the future of all economic development rests on the success of workforce development.
- New jobs tend to be more technologically complex than the ones they replace, which makes job knowledge more specialized. This means more years of schooling are required to perform a job. In many cases, it's not just a question of learning how to use new gadgets, but how to apply and manage skills and information in an increasingly complex work environment. Knowledge-based firms demand computational, analytical, team, and self-management expertise — skills and habits that are best learned at a young age. Workforce development does not begin after high school.
- Global trade heightens competition, pressuring firms to get creative or get out. As such, it accelerates innovation and technological development, shrinking product cycles and making it harder to predict future occupations and job skills. Workforce development systems will have to be keenly attuned to the market.
- Information is instantly available in a wide range of formats. This means education and training can be delivered through entirely new modes, at any location, providing alternatives to traditional classroom training. Information can also be more readily packaged to suit individual learning needs and styles. This means students, workers and businesses are more empowered to make better choices about what skills they need, and how to acquire them.

which reinforces program silos and makes it difficult to think or act strategically.

By empowering the client with information and choice, services providers are likely to get what most of them want — more business and community leadership, public awareness of services, and client investment in workforce development.

This higher level of empowerment and accountability depends on states setting up a process that will deliver four things.

- **A complete map of funding flows.** Decisions need to be made based on full information. States should produce a complete picture of all public workforce dollars in full view of the clients and stakeholders. This will involve identifying and reporting collectively on all public and private sources of funding pulsing through the workforce development system.
- **Policy-setting authority.** Knowledge of funding flows will do little by itself. The collective impact of the various funding streams must be discussed among those who have both the market knowledge and the power to change the mission or operation of the programs supported by the flows, directly or indirectly.
- **Incentives.** Two clear lessons have emerged in our discussions and analysis of the programs described in this report. One is that businesses highly value the freedom to tailor training services to meet their immediate and long-term needs. The other is that industry clusters, alliances, and networks are useful means for developing a dialogue within the business community about their workforce development needs. This is more likely to lead to market-relevant outcomes, and to increased business involvement, investment, and accountability. State and federal legislative changes will be required, but as an interim measure, states could implement programs similar to the ones outlined in this report that maximize business control over the services they use.
- **Benchmarks.** States will be better able to achieve the goal of a seamless, client-centered workforce development system if there are clear, widely agreed-upon performance targets.

This recommendation calls for business involvement on a scale well beyond that intended by the Workforce Investment Act, which increased business representation on advisory councils but provided the councils control over only a few streams of public funding, and connected only a hand-

“There is a decent level of communication among training providers, but they lack relationships with employers.”
— Dave Lieving, Director of Workforce Investment Division, West Virginia Development Office

Business partnerships key in Kentucky

According to Emil Jezek, commissioner of the Kentucky Department of Technical Education, business consortiums are the key to change. In a presentation to the CNEW, he said the Kentucky Manufacturing Skill Standards (KMSS - an entry-level skill assessment tool for manufactures described on page 40) would not exist if business-training consortiums had not already been in place. Ten years ago there were two training consortiums in Kentucky; now there are 30, with anywhere between three and 22 members each. At least 10 others are under development. The consortiums are primarily for manufacturers, but one is in the health care sector. Jezek cautioned that it is an exhausting process since you can't develop standards and then stop; standards must be continually changed.

Jezek also noted that the KMSS Consortium could not have been successful without support from the top - the governor, CEOs, and plant managers. He said that it was initially hard to get the industries to sit in one room together, as they are naturally reluctant to share what they regard as their secrets. After initial buy-in, the Consortium has never had less than 18 out of the 25 members involved.

Jezek also described how the KMSS Consortium helped one part of the state help prepare and place dislocated workers. He said that while Kentucky was experiencing many plant closures, it was also seeing many expansions and new businesses. Kentucky officials were finding that many people losing jobs in plant closures had been working in the same company for 25 years, yet were not able to get into another manufacturing job since they lacked entry-level skills for new manufacturing. As a test of the KMSS standards, assessment test, and training modules, the KMSS Consortium took on a group of 400 displaced workers, saying to the state and workforce development system that if those people went through the KMSS assessment and follow-up training, Kentucky industries would hire all that passed. As a result, 90 percent of the displaced workers passed the test and got new jobs in their local area.

ful of business leaders to the process. This recommendation implies businesses should be primary actors in decisions about the workforce development system at every level, and that new stakeholders, such as community organizations and foundations, should also have a voice in the process, alongside service providers.

Recommendation #2:

Fully utilize all potential sources of workers and identify and develop underutilized sources of workers and talent.

If the demographic crisis of the next 10 to 30 years is as severe as projections indicate, then continued growth and prosperity depends on both reducing demand for labor (e.g., through labor-saving devices, more efficient organization of work, and production sharing) and increasing supply. Markets dominate in determining labor demand; states have more influence on labor supply.

One way the South has done a good job of increasing labor supply has been the attraction of talent from other parts of the U.S. and world. It has also been more successful in recent years at keeping its young people in the region. There are no guarantees that either trend will continue, however, especially as other regions increase their efforts to grow good jobs and retain and attract skilled people. As BellSouth's economist Thomas Schaap has observed, "We can't count any more on people moving in from Michigan or other Northern states."²²

States would therefore do well to focus on recovering lost or underutilized talent from large, key groups such as retirees, minorities, women, immigrants and the disabled. The difference from current efforts to assist these groups is that it would be approached as a workforce and economic development policy, not just a social policy.

Immigrants, for example, are rarely viewed as an economic opportunity. Business, government, academia, and the general public tend to react to their presence — responding to challenges that the immigrant presence creates in their sphere or program silo — rather than plan for their full integration into civic life. Nashville's approach to immigrant integration is a model for dealing with immigrant issues as a combination of workforce, economic development, and social policy. (See box, page 28.)

"This requires educational reform that embraces both applied and academic skills for all students. All means all."

— Don Herriott, Plant Manager, Roche Carolina, South Carolina

The disabled, ex-felons, the children of immigrants, juvenile delinquents, and dozens of other specialized populations also offer potential talent as well as unique challenges.

When significant portions of such groups do not reach their potential in the workforce, these shortfalls injure states and com-

Integrating immigrants in Tennessee

Integrating immigrants into the community is a major workforce and business development issue in Nashville, where an estimated one in six residents is foreign-born. The Nashville Chamber of Commerce, in partnership with 20 organizations representing immigrant interests, is participating in a major initiative to encourage immigrants' successful integration into the economic, political, and social life of the community. Nashville's New American Coalition is one of three nationwide initiatives funded by the U.S. Department of Health and Human Services' Office of Refugee Resettlement. Among the three initiatives, Nashville's approach is unique in its reliance on the private sector to play a leading role in developing the initiative's agenda and delivering resources.

English-as-a-second language and citizenship classes are already underway at schools and community organizations around the community. Plans are in the works to expand this type of training to worksites in the next few months, in conjunction with vocational training. A survey of several hundred employers has been conducted to identify potential sites.

A draft *Coalition Guide for Nashville Business on the International Workforce* has been developed to help employers of foreign-born workers. It provides information on legal issues and available resources, and guidance on issues such as cultural sensitivity and accommodating religion in the workplace. A complementary guide for employees is planned.

The coalition has a number of other initiatives in the planning stages, including:

- A business incubator to encourage immigrants to start businesses that would in-turn further the employment prospects of others in the immigrant community. Businesses that would provide needed transportation services, or culturally and religiously appropriate day care, might be targets, for example.
- An initiative to identify and address barriers to the re-certification or re-credentialing of foreign-born professional workers. This would help tap into a fairly large population of underemployed, skilled workers in occupations such as nursing and engineering.

While business needs are a driving force behind Nashville's initiative, the focus is on taking a holistic approach to integrating immigrants into the community. The initiatives described above are augmented by others that seek to build the capacity of immigrant organizations, and to more fully involve immigrants in civic life.

munities in three distinct ways. First, people who are involuntarily out of work or who are stuck in jobs for which they are overqualified, represent mismanagement of a scarce resource. Second, in many cases there are societal costs associated with lost talent; for instance, the cost of imprisoning a single individual can average \$50,000 per year.²³ Third, skilled workers are siphoned from more productive pursuits to care for those not working.

To develop a strategic approach to increasing labor supply, each state will need:

- **Longitudinal demographic data.** Each states needs to build and maintain a more complete demographic profile of its potential workforce. Such a profile should take into account the sources outlined in this report, how these groups enter and exit the workforce, and how families interact with the workforce over more than one generation. The idea is to view the future workforce as individuals moving through entire careers.
- **Analysis of barriers.** Moving nontraditional workers through the labor market, or moving workers up the skills ladder, will require sustained and integrated efforts to remove barriers to work and learning.
- **Interagency dialogue.** Neither the challenge nor the solutions can be cast exclusively as a social, workforce, or economic development issue. State strategies will need to be developed in collaboration among different sectors and specializations.
- **Public dialogue.** Almost by definition, much of the lost and underutilized talent resides in groups of people that are disconnected from the mainstream. The public may be unaware of a new role for them in the workplace or even resistant to such a role. Understanding why it is necessary to develop all people to their fullest potential, and why special measures may be required, will happen neither quickly nor without significant effort.

“The trick is to change the culture to aggressively take advantage of what is available. Our education/training systems are the holy grail for many motivated immigrants from around the world. We need to start changing the culture to embrace learning and skills training. I fear the South is not collectively ready for that on a large scale.”

— Michael Lapolla, Director, Center for Telemedicine, College of Osteopathic Medicine, Oklahoma State University

Achieving this objective will require outstanding leadership from business, government academic, and nonprofit leaders, to bring neglected groups now at the fringes of the knowledge economy into the mainstream.

Recommendation #3:

Create a self-directed workforce with the attitudes, learning habits, and decision tools necessary for making wise career choices throughout life.

A generation ago, preparing for a career seemed simpler, and keeping a job was easier. It was little changed from the agricultural economy when kids often followed in their parent's career footsteps. However, the rise of the knowledge economy - and perhaps prosperity itself - rewrote the rules for career management. Now the economy is characterized by an unending series of rapid, unforeseeable changes in the job market. The arc from a job's creation to its obsolescence can be frighteningly short, and each new job demands greater skills, more knowledge, more education and training than the one it replaces. Support structures for young people entering the job market have not been adapted sufficiently to the changing situation.

At the same time, attitudes towards work have changed too. Blue-collar jobs are widely regarded as second-class, though they may pay just as well as many white-collar jobs and cost far less to train for. The work ethic has also changed - and not changed - in ways that hinder participation in the knowledge economy. Some businesses say entry-level workers lack important job-readiness skills of the past such as promptness, honesty, and attendance, and lack the new job-readiness skills of teamwork, customer relations, responsibility, safety consciousness, and self-initiative.

“We have for years focused too much on being the production platform. But in the knowledge economy, R&D, and marketing are where the jobs are controlled. Manufacturing facilities tend not to have any say about whether a facility will be closed.”

— Business comments from an Invented Here focus group, May 22, 2001, Puerto Rico

All this suggests that workers, as employees or as entrepreneurs, need more active and direct means for learning how to conduct themselves in job preparation, search, and execution. If workers in the knowledge economy are expected to take more responsibility for their career paths, then states should ensure they have tools and guidance equal to the challenge.

In particular, young adults are less prepared than ever for the real work world. Typically, after years of being told what to study and do (little of it in the context of work) the high school junior or senior is suddenly told he or she is responsible for choosing a life path. With the help of the Internet, many are given a world of options and an overwhelming amount of career information, but insufficient support. Why does this paradox of poor choices amidst massive information happen? To begin with, unlike past eras, parents are not necessarily the primary source of career information. They can no longer serve as much informed advocates for their children as they could in the past when choices were fewer and closer to home. Second, high school guidance counselors are often overwhelmed by the enormity of their task. They are assigned too many kids, must focus too much of their time and energy on behavior problems, lack direct experience in business or knowledge about local job demand, and face burgeoning paperwork and administrative duties.

Displaced workers, too, are often lost when they find that the skills that have served them well for 20-plus years are no longer marketable. These workers face lengthy unemployment, severe cuts in earnings, and the need for significant amounts of retraining or new education. Although recent reforms are designed to improve the quality of career guidance for all incumbent and displaced workers, the system is far from perfect.

Businesses mentor high school students in South Carolina

The goal of the TEAM Partnership program is to give students a head start in training for the high-tech industries while providing employers with qualified employees. The Central Carolina Workforce Development Alliance matches employers with the nine school districts in Lexington, Richland, and Fairfield counties, Midlands Technical College, and the area universities, and provides a seamless learning and career planning process. Through classes, job shadowing, mentoring, on-the-job training, internships and cooperative training arrangements, students learn valuable "real world" experiences and skills that will prepare them for the demands of the emerging high-tech and manufacturing industries. Students in the programs must enter with strong math and communication skills. They must maintain an overall grade point average of at least 2.5 and have passed Algebra I. They also must participate in job interviews and drug screening. Participating businesses include Siemens Diesel Systems Technology, FN Manufacturing, GKN Automotive, Spirax Sarco, Square D, and Westinghouse. These business partners offer paid summer

Incumbent workers are another group lacking career-planning skills or support. The importance of constantly adding to one's reservoir of knowledge and skills has not yet permeated the workforce. Many are simply unaware of the trends, and others do not believe that training will benefit them personally. In a national survey of workers, 69 percent said their employer would help pay for additional training, but only 44 percent thought it was important for them to get training. That view probably reflects another finding from the survey: fewer than half of the workers believed that additional training would lead to advancement or better pay.²⁴ For them, training was viewed as a response to the threat of job loss rather than as something beneficial to both employer and employee.

If planning a career and negotiating one's way through the job market are critically needed skills in an economy where job churning is the norm, states need to give serious attention to how people interact with both the job market and the system for learning. To do this states might:

- **Document how students, workers, and key subgroups interact with the job market.** Question whether job information is reaching them early enough to allow them to make good career choices. The quality of advice reaching them should also be examined. Consider holding schools accountable for the career outcomes of their students.
- **Use technology to improve labor market systems.** The Internet is clearly the emerging, dominant means for conveying information about careers, learning choices, and specific job availability. Comprehensive, Web-based local labor market information systems are not widely available, and lack the detail and timeliness that an active seeker of jobs, training, or workers needs.
- **Encourage businesses to play a larger role in mentoring youth and guidance counselors.** Within any company, mentors have the opportunity to significantly affect the attitudes and accomplishments of younger workers. By stressing the importance of taking personal responsibility for one's career

path and tying both success and stability to the process of lifelong learning, mentors can be important agents of change in the new workforce environment. Businesses can also provide guidance counselors with more real-world knowledge of the job market, and offer a first-hand work experience for kids well before they leave school.

- **Expand transferable skills.** Teach basic job-readiness skills to youth and displaced workers, and use business-developed certifications as a way to establish a person's qualifications for entry-level positions.
- **Teach leadership, economics, and entrepreneurship.** People that understand the economics and civic dynamics of the world around them will be better able to guide themselves and their families in their work and learning choices. These skills will also be useful in the knowledge economy workplace, where self-initiative, teamwork, and independent thinking are expected.

The actions necessary to achieve a successful, self-directed workforce are directly coincident with those necessary to build greater levels of civic engagement and social capital. Taking greater responsibility for one's career is both consistent and compatible with taking one's role in the community more seriously. Communities should seize the opportunity to use grassroots public discourse as both a tool and a natural ally to the self-directed workforce. Workforce challenges and civic engagement challenges both rely on ever-greater knowledge, responsibility, and participation of the human beings involved.

“I think we must market and advertise to our citizens the importance of education, skill attainment, career choices, and life long learning much like Kellogg sells us Corn Flakes or Nike gets us to buy their \$200 tennis shoes.”

— Pete Walley, Director, Bureau for Long Range Economic Development Planning, Mississippi Institutions of Higher Learning

Mixed results

Of respondents to a Southern Growth survey

- Two-thirds believed the quality of the workforce in their area had improved in the last two years. Progress was attributed to many factors, but top among them were better programs, increased business investment in training, and more workers seeking out training.
- Half said that less than 25 percent of local citizens understand the imperative for lifelong learning.

Where do we go from here?

The question that hangs over all reports like this is, “What happens now?” With the completion of the *2002 Report on the Future of the South*, that question is now properly addressed to Southern Growth Policies Board and the Council for a New Economy Workforce. Restated and sharpened, the question might read, “What are you going to do about it?”

The CNEW has begun to deliberate on these questions and is pre-

Lots of work to be done

Of respondents to a Southern Growth survey

- More than a third doubted that, at the present rate of change, their area would have a “smoothly functioning, comprehensive workforce development system by 2010.” About the same proportion characterized the level of cooperation between organizations in the workforce development system as “superficial.”
- More than a third said the level of consensus within the business community about what needs to be done to promote workforce development is “low,” another 50 percent said there was a “medium” level of consensus.
- A third said businesses in their area don't collaborate with each other to meet their workforce needs.

pared to act. Of course, both Southern Growth and the CNEW are constantly aware that real change must occur at the community and state level - that the role of regional organizations is to encourage and support such change. Making real progress will require considerable investment in nontraditional dialogue and a great deal of additional information.

CNEW has already decided to create the *Southern Workforce Index* to mark regional progress on the recommendations of this report. Development of the *Index* will involve a continuation of the strategic discussions that have taken place over the last eight months with a broad cross-section of Southern leaders. CNEW will make recommendations on the best ways to measure and report results on an ongoing basis. As with the *Southern Innovation Index* (developed by Southern Growth and the Southern Technology Council), the *Southern Workforce Index* will include a long-term target-setting process for each state. Southern Growth will then publish periodic updates of each state's progress towards the targets and related initiatives undertaken by the states. Undergirding this work will be efforts to define and track the workforce more accurately, including longitudinal studies that may better illuminate how people and firms interact with the workforce development system.

A major policy report from Southern Growth usually includes examples of how some states have achieved the aims of the report. This report is, in fact, sprinkled with a rich mix of state and community-based initiatives that point in the direction of significant workforce policy reform, and other examples are displayed on the Southern Growth Web site (www.southern.org/2002report/). No state, however, has yet rethought and redesigned its workforce efforts in the ways that are recommended here. In the coming months and years, the CNEW will work to identify and report on innovative initiatives that begin to make progress towards the kind of seamless, client-centered workforce development envisioned here. It is the

CNEW's specific challenge to see workforce policy make the same kind of progress in the next few years that the STC helped to foment in technology policy over the past decade and a half.

In addressing these challenges, the CNEW will promote dialogue among leaders of differing backgrounds, as well as between leaders and the general public. Grassroots initiatives and discussions will be encouraged to keep the workforce conversation grounded in reality and to reinforce the political will to achieve to lofty vision set forth in this report.

Talking about workforce

“I do not see a generic person coming into my office. Every person has special needs.”

— Christine Brightwell, a welfare caseworker from Fulton County, Georgia (As reported by the Atlanta Journal-Constitution, Wednesday, October 24, 2001)

“If we utilize a ‘work first’ philosophy in dealing with displaced workers, requiring them to enter the shortest training programs possible rather than longer-term programs that equip workers with skills necessary to retain employment in today’s workplace, we increase the likelihood that workers will be displaced again in the future.”

— Anonymous academic, Arkansas

“It is easy to move folks into existing training programs. Starting new programs that might be more responsive to immediate needs are more difficult. In too many cases we do not have the ‘start-up’ funds to develop new training needed.”

— Blair Montgomery, Provost, Fairmont State College, West Virginia

“There is often an artificial division in people’s minds between education and training, but we must convey it’s a continuum of education and training experiences throughout life.”

— Chris Weaver, Executive Director, Louisiana Workforce Commission

“We must do more to emphasize adult workers since 80 percent of the 2010 workforce is already working.”

— Ed Franklin, Executive Director, Arkansas Association of Two-year Colleges

“Most of the innovative practices are being fueled from the non-profit sector. This is also the group that tends to be left out of the picture when it comes to planning and designing strategies to address the workforce development needs of a community or the state.”

— Mark A. Sorrells, Vice President, Programs, Golden Leaf Foundation, North Carolina

“The public sector keeps trying to make bureaucrats out of the business volunteers.”

— Andrea Harper, Assistant Commissioner, Job Training Division, Georgia Department of Labor

“Workforce development must link all the way back to kids.”

— Sylvia Elam, Assistant Commissioner, Workforce Development, Georgia Department of Labor

“The problem now is not the fact that we have tax incentives, it’s the fact that we continue to incent for bodies rather than the value of jobs”

— Ken Oilschlager, President, Kentucky Chamber of Commerce

“Small firms like mine are so busy with the daily crush of business that they don’t have time to think about workforce development.”

— Ann Stokes, Chair, Louisiana Workforce Commission

“People don’t lose jobs on a semester basis.”

— Wanza Lee, Director, Workforce Investment, Southwest Tennessee Development District

“If business takes the lead before there is a consensus on goals and plans, they will be accused of pushing self-serving initiatives. There is no consensus. There is great suspicion of the other group's agenda. We need to start over and develop a coalition.”

— Gaines Hutcheson, General Manager,
Teknor Apex Carolina Company, South Carolina

“Entrepreneurial training is important for all individuals regardless of their career aspirations. These are skills that are vital to being a successful as a family, employee or business owner.”

— Mark A. Sorrells, Vice President, Programs,
Golden Leaf Foundation, North Carolina

“[Cooperation] varies from community to community. In some communities hide-bound Employment Security staff refuse to embrace the new vision and it doesn't work; in other communities hide-bound community college staff don't embrace the vision and it doesn't work. When all partners are committed we are making great strides towards seamlessness.”

— Martin Lancaster, President,
North Carolina Community College System

ALABAMA

Program Profile

Focus:	Employers collaborate to organize training on-demand
Program name:	Industry Education Alliances
Organization:	Alabama Industrial Development Training
Contact person:	Emalyn Clark, Industrial Alliance Coordinator
Address:	One Technology Court, Montgomery, AL 36116
Phone number:	(334) 280-4403
Fax number:	(334) 242-0299
E-mail:	e_clark@aidt.edu
Web site:	www.aidt.edu

Industry Education Alliances are local groups of businesses that meet with providers once a month to organize short-term training classes for the area's businesses. The alliances provide a way to meet training needs through cooperation among employers and training providers. Similar training needs usually exist at several businesses and industries in a community. By bundling employer demands, training can be developed to meet those needs, quickly, locally, and affordably.

The alliances are effective for a variety of reasons. They allow local providers to know more about market demand for particular occupations, which allows them to be more effective. Training providers also share resources so the cost of instructors, equipment, facilities, and materials is kept to a minimum. Alliance members set the time, place, and training content to match employers' needs with available resources. Direct communication among employers and training providers allows negotiation of fees and content.

The program received *Business Facilities* magazine's Workforce Development Partnership-Workforce Training Initiative Bronze Award.

“Hyundai brings a \$1 billion investment to Alabama and 2,000 new, high-paying jobs, and the workers of Alabama are to be credited with establishing a reputation that we can build world-class products. In order to meet the workforce demands of the future, the job applicant base will grow increasingly more diversified. The key to future workforce excellence is paying attention to the skill needs of businesses, and empowering our workforce to meet those needs by providing training opportunities for all Alabamians who seek a higher quality of life through these new jobs.”

— Governor Don Siegelman

“We either invest in world-class workforce development or we pay the price with declining wages and benefits.”

— Jim Kellen, Executive Director
Hale Empowerment and Revitalization Organization
Family Resource Center



College enrollment, 1998

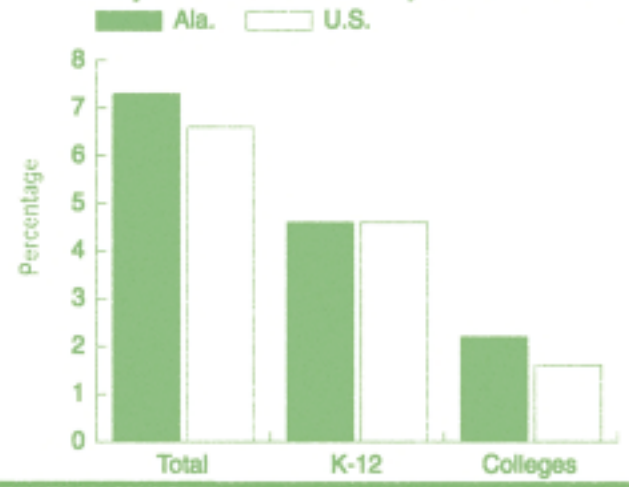
Institution Type	Total	White*	Black*	Hispanic	Asian	American Indian	Nonresident alien
All	216,241	151,054	54,598	1,827	2,561	1,611	4,590
Public 4-year	123,542	88,954	27,026	1,093	1,768	856	3,845
Public 2-year	67,143	48,788	16,337	544	579	673	222
Private non-profit	22,334	11,428	9,975	167	195	66	503
Private for-profit	3,222	1,884	1,260	23	19	16	20

* Non-Hispanic

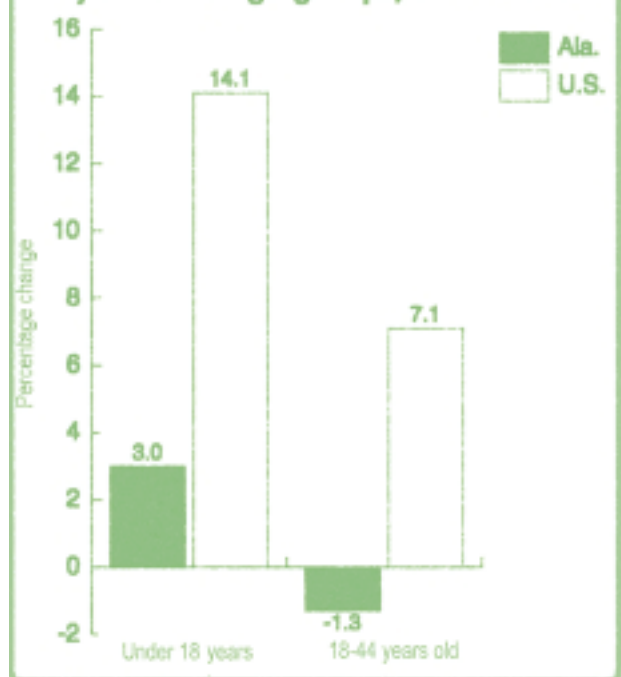
Occupations with the most projected job openings, 1998-2008, that require post-secondary learning

Occupation	1998 employment level	Average annual job opening
General Managers and Top Executives	53,800	1,800
Teachers, Secondary School	18,600	1,280
Registered Nurses	30,000	1,230
Teachers, Elementary School	19,300	920
Systems Analysts, Electronic Data Processing	8,250	660
Automotive Mechanics	14,150	650
Licensed Practical Nurses	15,850	620
Computer Support Specialists	4,100	440
Accountants and Auditors	13,950	390
Physicians and Surgeons	8,150	370

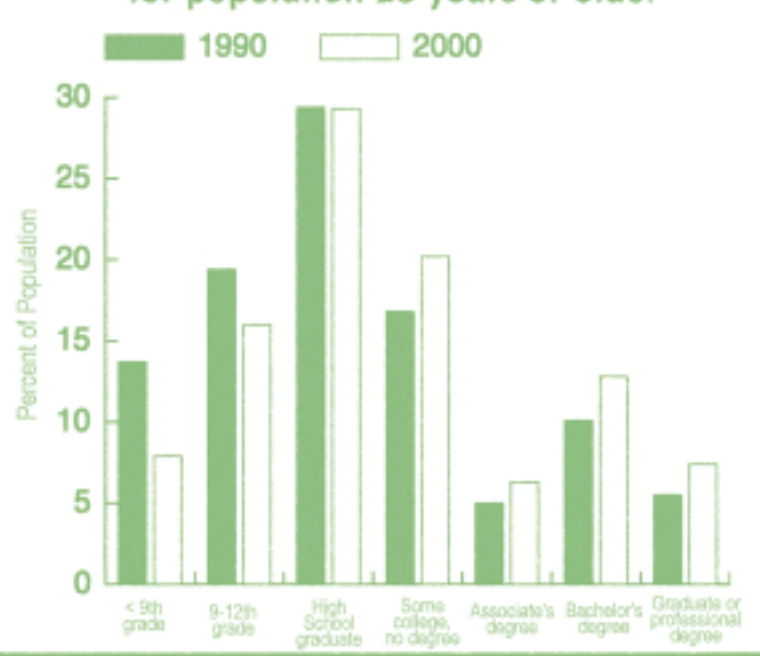
Share of per capita income spent on education, 1997-1998



Projected change in population, by selected age groups, 2000-2025



Highest level of education achieved, for population 25 years or older



ARKANSAS

Program Profile

Focus:	Industry-directed funding to train existing workers
Program name:	Existing Workforce Training Program
Organization:	Arkansas Department of Economic Development
Contact person:	Steve Sparks, Team Leader, Customized Training Incentives
Address:	One Capital Mall, Little Rock, AR 72201
Phone number:	(501) 682-1350
Fax number:	(501) 682-7394
E-mail:	ssparks@1800arkansas.com
Web site:	www.aedc.state.ar.us or www.1800arkansas.com

The state's Existing Workforce Training Program (EWTP) reimburses employers and consortia of businesses for up to 50 percent of total training costs when services are procured from a state-supported training provider. Started in 1995, the EWTP was created to upgrade the skills of the existing workforce as well as increase the quality of state-supported institutions. Training consists of instruction conducted in a classroom environment at a work site, an educational institution, or another location. The purpose of the training is to give existing, full-time employees the necessary skills to enhance productivity, improve performance, and stay employable. Businesses that qualify for this program include manufacturers in SIC codes 20-39, eligible computer firms, and businesses engaged in commercial physical and biological research. There are over 60 EWTP coordinators in Arkansas. These coordinators help companies identify training needs and complete EWTP applications for training reimbursement.

In addition to individual companies receiving financial assistance, there are currently nine formal private sector training consortia that receive financial assistance for their member companies. A training consortium is a formal organization of businesses and industries that have identified common training needs in the community and arranged customized business-specific training to meet those needs. The most common types of training for companies include team building, leadership skills, continuous improvement, supervisor skills, and computer applications.

“The future of the South resides in its people. By developing a workforce that meets the needs of the information age, we have an opportunity to create a better life for all Southerners. This is a critical time for the South. Southern states must be prepared to be full participants in the new economy. The South has always been known for the work ethic and determination of its people. Coupling those traits with proper training for the jobs that will be available in the new century will allow us to compete successfully in the global economy.”

— Governor Mike Huckabee

“The benefits [of workforce development] must be understood by the average worker, grandmother, college student, government worker, teacher, farmer, the single parent, community leaders, etc. . . . not just business leaders. People will have to believe: (1) change is necessary, (2) it is worth changing, and (3) the needed changes can be accomplished.”

— Mark Diggs, CEO

Ontology Works Inc.



College enrollment, 1998

Institution Type	Total	White*	Black*	Hispanic	Asian	American Indian	Nonresident alien
All	113,751	89,147	18,453	1,206	1,407	1,040	2,498
Public 4-year	68,108	53,529	10,173	673	1,070	750	1,913
Public 2-year	34,156	26,552	6,700	418	242	207	37
Private non-profit	11,271	8,948	1,494	112	88	82	547
Private for-profit	216	118	86	3	7	1	1

* Non-Hispanic

25

Occupations with the most projected job openings, 1998-2008, that require post-secondary learning

Occupation	1998 employment level	Average annual job opening
Registered Nurses	20,200	1,120
General Managers and Top Executives	27,000	1,030
Teachers, Secondary School	15,300	890
Licensed Practical Nurses	12,300	620
Teachers, Elementary School	12,950	490
Automotive Mechanics	7,100	320
Systems Analysts, Electronic Data Processing	2,000	230
Physicians and Surgeons	6,050	210
Computer Support Specialists	1,700	190
Teachers, Preschool	3,050	170

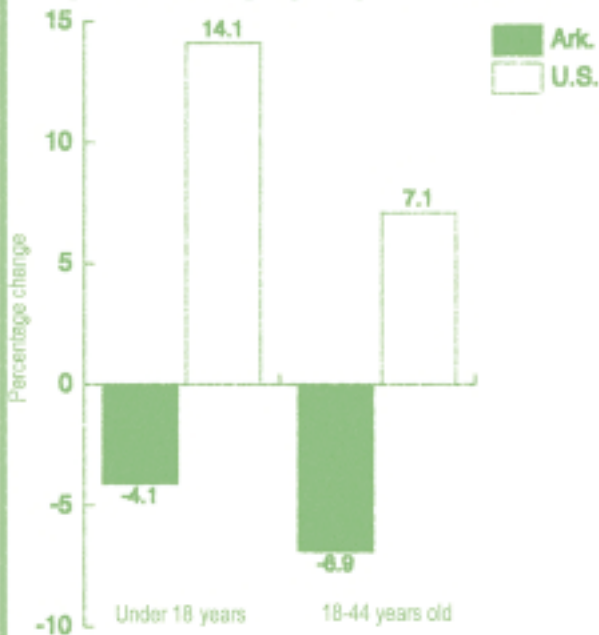
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Share of per capita income spent on education, 1997-1998



27

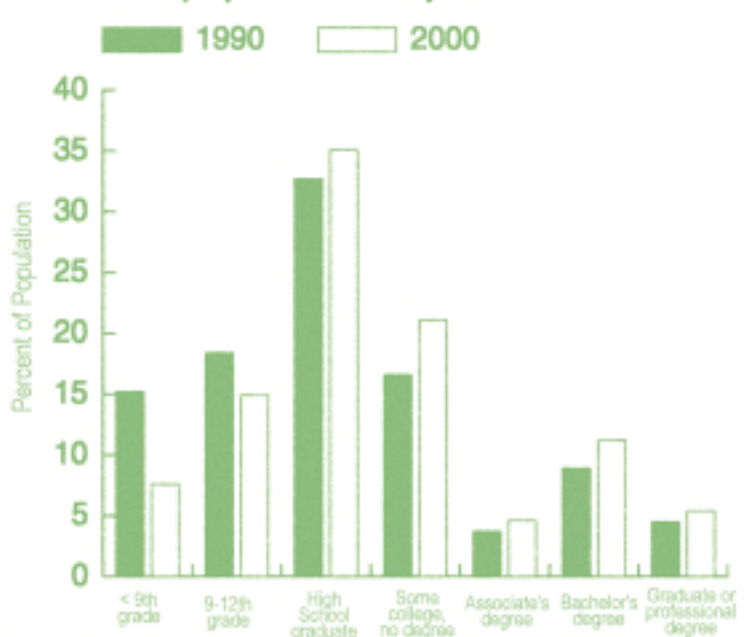
Projected change in population, by selected age groups, 2000-2025



28

Sources on page 62.

Highest level of education achieved, for population 25 years or older



29

GEORGIA

Program Profile

Focus:	Business-led incentive grants for improving school performance
Program name:	Next Generation Schools Project
Organization:	Georgia Partnership for Excellence in Education
Contact person:	Donna O'Neal, Consultant
Address:	235 Peachtree Street, Suite 900, Atlanta GA 30303-1402
Phone number:	(404) 223-2280
Fax number:	(404) 223-2299
E-mail:	doneal@mindspring.com
Web site:	www.gpee.org

The Next Generation School Project promotes improved academic achievement by prompting local school districts to design and implement their own improvement plans and initiatives. The Georgia Partnership for Excellence in Education, a private sector organization, has provided guidance for the development and operation of The Next Generation School Project, but local systems receive complete autonomy to create and manage their own improvement plans.

The Georgia Partnership makes grants of \$50,000 to \$75,000 to implement the activities outlined in the school improvement plans. The grants are provided through a combination of funds from state government, corporations, and foundations, as well as local dollars. Decisions to continue the grants for the second and third years are based on the comprehensiveness of the plans and the results achieved during the previous year.

Over the next three years, the Next Generation School Project will concentrate on changing the school calendar in order to provide catch-up classes for students with performance difficulties. Students who are not achieving will spend additional time in instruction that is specifically designed for them. They will study during vacation breaks, rather than falling further behind and being retained in the same grade for another year. The Georgia Partnership plans to choose four to six school systems as pilot projects. These pilots will create individual education plans based on student achievement levels, set individual achievement goals for each student, individualize student instruction using technology, and increase the amount time and resources devoted to student achievement.

“We are the third-fastest growing state in the nation, and we've experienced unprecedented prosperity in the last 10 years - prosperity that is directly tied to our ability to educate, train, and keep workers.”

— Governor Roy E. Barnes

“We need people who, once they graduate from high school, can learn higher skills on the job or in technical and vocational schools. We need people who can read and comprehend complex material, whether in a novel or in a technical manual. We need people who can communicate clearly through the written and spoken word, people who can work in teams, and people who can clearly analyze a problem and solve it.”

— F. Duane Ackerman, Chairman and CEO
BellSouth Corporation

Founded in 1990 by the Georgia Chamber of Commerce and the Georgia Economic Developers Association, the Georgia Partnership for Excellence in Education is a joint effort to improve the academic achievement of Georgia students through research, advocacy, and communication.



College enrollment, 1998

Institution Type	Total	White*	Black*	Hispanic	Asian	American Indian	Nonresident alien
All	303,685	199,406	79,165	5,446	10,022	831	8,815
Public 4-year	160,679	113,433	33,256	2,693	5,567	398	5,332
Public 2-year	69,249	43,758	21,044	1,321	1,905	219	1,002
Private non-profit	64,703	38,605	20,249	1,218	2,258	175	2,198
Private for-profit	9,054	3,610	4,616	214	292	39	283

* Non-Hispanic

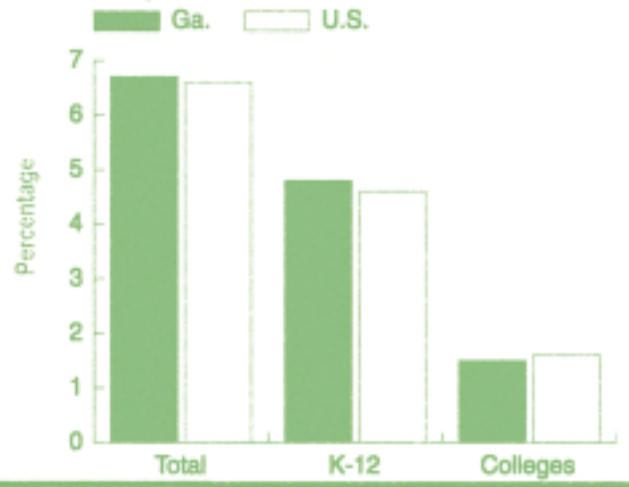
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Occupations with the most projected job openings, 1998-2008, that require post-secondary learning

Occupation	1998 employment level	Average annual job opening
General Managers and Top Executives	138,850	6,480
Registered Nurses	51,700	2,410
Systems Analysts, Electronic Data Processing	14,250	2,300
Teachers, Secondary School	30,050	2,060
Teachers, Elementary School	41,250	1,960
Licensed Practical Nurses	24,100	1,160
Accountants and Auditors	29,800	1,150
Automotive Mechanics	21,150	1,090
Financial Managers	22,100	910
Marketing, Advertising, and Public Relations Managers	16,150	890

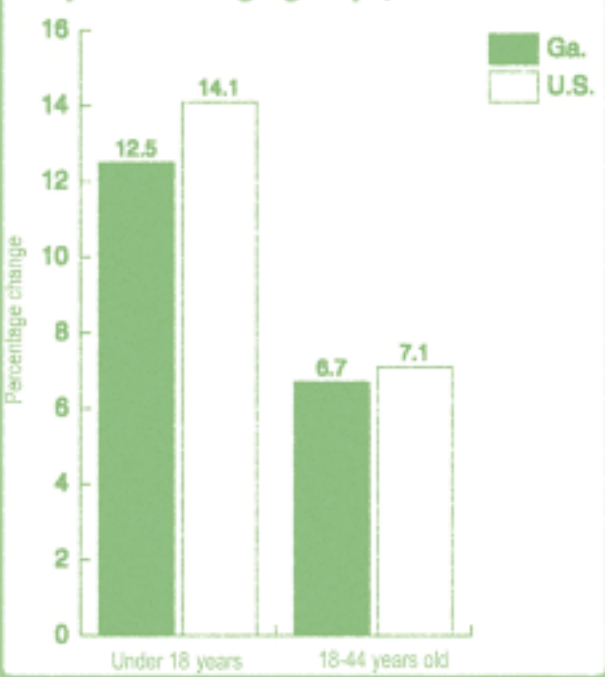
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Share of per capita income spent on education, 1997-1998



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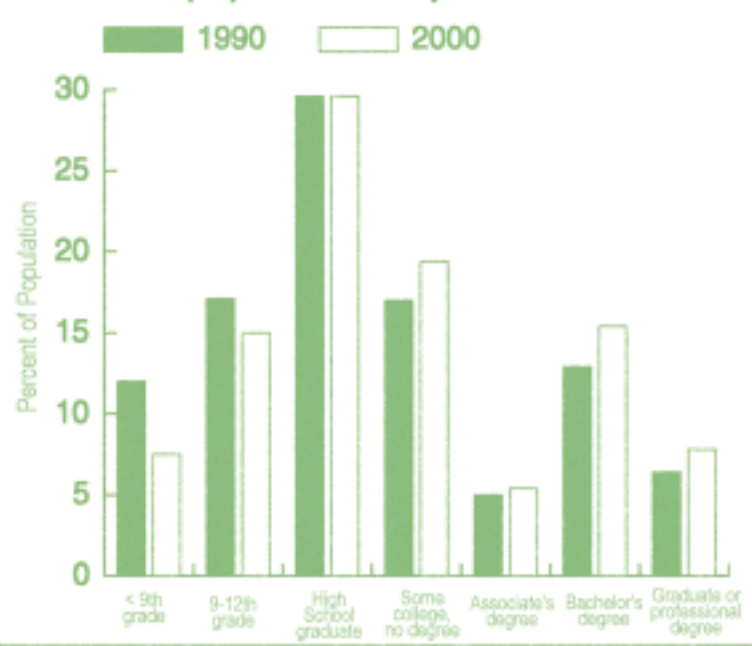
Projected change in population, by selected age groups, 2000-2025



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Sources on page 62.

Highest level of education achieved, for population 25 years or older



29

KENTUCKY

Program Profile

Focus:	Businesses setting skill standards for entry-level workers
Program name:	Kentucky Manufacturing Skill Standards Consortium
Contact person:	Jamie Justice, Director, Technical Education and Workforce Development
Address:	Kentucky Community and Technical College System, 624 Research Park Drive, P.O. Box 14092, Lexington, KY 40512-4092
Phone number:	(859) 246-3146, ext. 1202
Fax number:	(859) 246-3152
E-mail:	jamie.justice@kctcs.net
Web site:	www.kctcs.edu/businessindustry/kmss/

The Kentucky Manufacturing Skill Standards Consortium (KMSSC) is a statewide association of employers whose goal is to develop and use common skill standards and related assessment tools and curricula to create a skilled, entry-level manufacturing workforce.

It began at the behest of Governor Paul Patton and became a joint effort of the Cabinet for Workforce Development, the Department of Education, the Cabinet for Economic Development, and the Kentucky Community and Technical College System (KCTCS). In 1997, 26 representatives from both large and small companies were recruited to form a Manufacturing Skill Standards Task Force. The task force was charged with identifying the basic skills needed to excel in the manufacturing workplace. These formed the basis of the skill standards certification program, officially launched in December 2000. The KMSSC was subsequently formed to do the ongoing work of keeping the skill standards updated.

The certification program has three key components:

- An individual assessment to identify skill gaps.
- Targeted instruction to remedy these gaps.
- A final assessment to certify mastery of the skill standards.

State agencies are now working to integrate the manufacturing skill standards into existing curricula and to create new instructional programs to prepare students and workers to meet those standards. KCTCS is developing 22 sets of training modules keyed right into fixing deficiencies identified by the skills assessment. K-12 schools are also reviewing their curricula.

“Kentucky Tech students now have the opportunity to earn college credit through the Kentucky Community and Technical College System (KCTCS) while still in high school, transfer to any of our 28 community and technical colleges and never miss a beat. This provides them a solid foundation of skills they will need to be successful in the workforce of today's and tomorrow's economy.”

— Governor Paul Patton

“Workforce development is the very foundation of improved productivity in the future. Our investment now in training our current employees and developing programs to assist our future new employees will pass every payback test. To ignore the need for continual education and growth within our workforce is setting the stage for decreased productivity and a staleness within our employees.”

— Tim Mosher, President, Kentucky State Office
American Electric Power Company

When K-12 educators first looked at the skills assessment tool they said it would be easy for students to pass since the test contained nothing that wasn't already being taught. Yet when the assessment tool was used on an initial group of 1,200 graduating senior high school students, only 15 percent passed. This sent a strong message to educators that the existing system was failing the students. As a result, Kentucky is working on integrating the standards into the K-12 school curriculum through summer teacher workshops that include presentations from industry representatives and sessions that examine where students are having difficulty in the testing.



College enrollment, 1998

Institution Type	Total	White*	Black*	Hispanic	Asian	American Indian	Nonresident alien
All	180,550	158,632	13,621	1,587	2,304	857	3,549
Public 4-year	105,381	92,539	7,586	727	1,388	279	2,862
Public 2-year	40,963	36,091	3,478	479	434	409	72
Private non-profit	27,114	24,660	1,246	223	369	75	541
Private for-profit	7,092	5,342	1,311	158	113	94	74

* Non-Hispanic

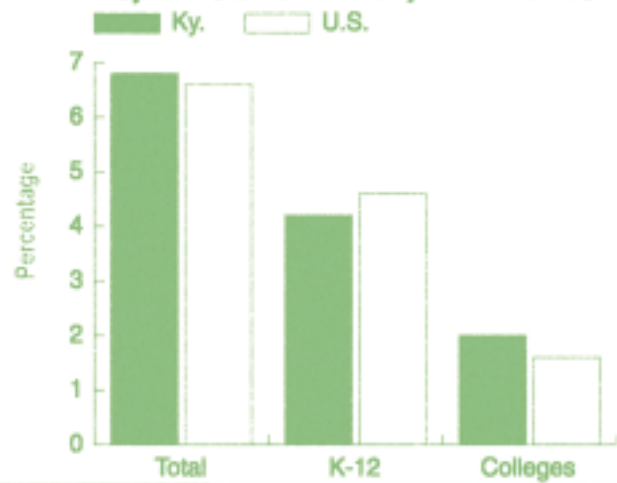
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Occupations with the most projected job openings, 1998-2008, that require post-secondary learning

Occupation	1998 employment level	Average annual job opening
General Managers and Top Executives	46,350	1,730
Registered Nurses	31,600	1,230
Teachers, Secondary School	14,100	770
Teachers, Elementary School	19,650	680
Systems Analysts, Electronic Data Processing	5,400	560
Computer Support Specialists	4,450	460
Automotive Mechanics	10,950	430
Licensed Practical Nurses	10,500	410
Physicians and Surgeons	8,700	370
Engineering, Mathematical, and Natural Sciences Managers	4,300	250

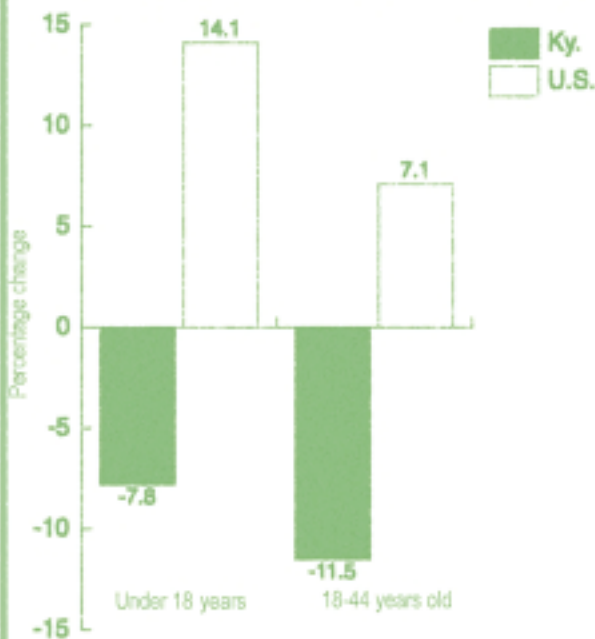
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Share of per capita income spent on education, 1997-1998



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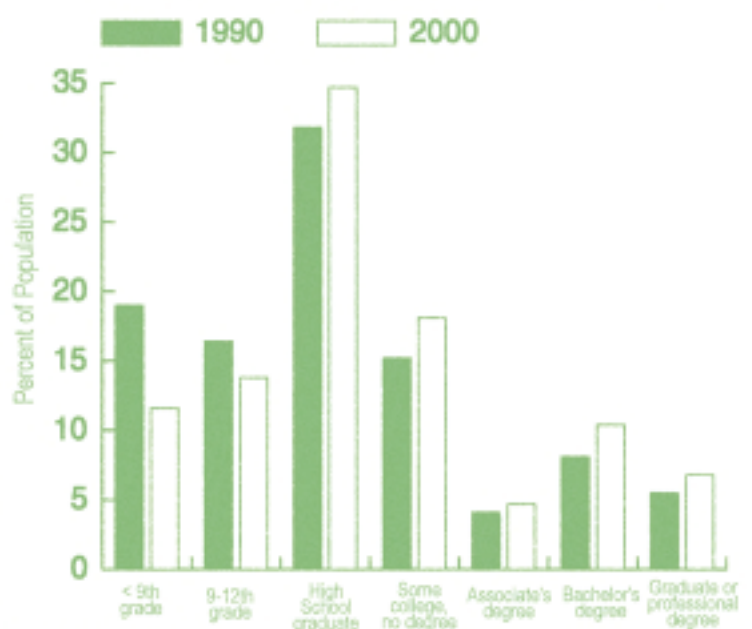
Projected change in population, by selected age groups, 2000-2025



28

Sources on page 62.

Highest level of education achieved, for population 25 years or older



29

LOUISIANA

Program Profile

Focus:	Increasing worker skills through industry networks
Program name:	Workforce Development Initiative
Organization:	The Rapides Foundation
Contact person:	Annette Clark, Program/Communications Associate
Address:	P.O. Box 11937, Alexandria LA 71315-1937
Phone number:	(318) 443-3394
Fax number:	(318) 443-8312
E-mail:	info@rapidesfoundation.org
Web site:	www.rapidesfoundation.org

The Rapides Foundation is a philanthropic organization established in 1994 as a result of a joint venture between the Rapides Regional Medical Center and Columbia/HCA. It began a Workforce Development Initiative in order to boost central Louisiana's economic health. The initiative funds nonprofit alliances composed of companies working together to design and deliver employee training or to build technical knowledge within the firms. The foundation expects to award \$4.8 million through the initiative over the next five years.

The program focuses on several areas: new entrants to the workforce, career ladders, and supervisory training. A special component of the program builds capacity and knowledge within the company so that such expertise can be permanently institutionalized within the company. To qualify for funding, the networks must be composed of at least two manufacturers, healthcare organizations, or services businesses - all of which must compete in markets outside central Louisiana. Also, the networks must partner with a training provider, such as a public agency or a nonprofit.

An example of a successful network funded by the foundation is the Central Louisiana Industrial Mobility Booster (CLIMB) Network. CLIMB consists of collaboration among Alliance Compressors, ConAgra, and Northwestern State University's Continuing Education Department. The program improves the skills of prospective and current entry-level workers for both companies. It consists of three separate certification levels that workers use for career advancement in the companies. Instruction occurs at company-provided sites.

“For six years Louisiana has transformed our state with gutsy reforms: a nationally acclaimed K-12 school accountability program with high stakes tests; the overhaul of higher education, adding a community and technical college system, and jumping into the top five states in the rate of growth in investment during my term; creating a \$50 million annual training program for incumbent workers - one of the largest in the nation; and the transformation of economic development using the cluster approach. With support from my Workforce Commission, employers are making impressive investments in industry-based certifications. Next challenges: make sure more Louisianans make the journey into the knowledge economy and link our efforts in education, workforce training, and economic development strategically to move Louisiana forward.”

— Governor M.J. “Mike” Foster, Jr.

“Because of a call for greater contextual learning at all levels, the private-sector companies are being engaged at each level and are therefore able to sense the direction and help shape it. The dialogue has helped each institution understand that it is incapable of delivering the entire solution alone, which has enabled productive discussion on what each is best able to address, and how the seamless transition from one to another might be achieved.”

— John F. Sharp, President

Biomedical Research Foundation of Northwest Louisiana

Opportunities exist for employees to receive their general equivalency diploma. Trained supervisors from both companies conduct most of the first-level certification sessions. The second-level certification program offers more intense, company-specific training at Northwestern State University.



College enrollment, 1998

Institution Type	Total	White*	Black*	Hispanic	Asian	American Indian	Nonresident alien
All	221,110	142,601	61,223	5,258	4,894	1,397	5,737
Public 4-year	148,627	99,158	38,298	2,842	3,088	872	4,369
Public 2-year	41,269	24,734	14,081	1,160	678	400	216
Private non-profit	28,431	17,397	7,493	1,195	1,093	111	1,142
Private for-profit	2,783	1,312	1,351	61	35	14	10

* Non-Hispanic

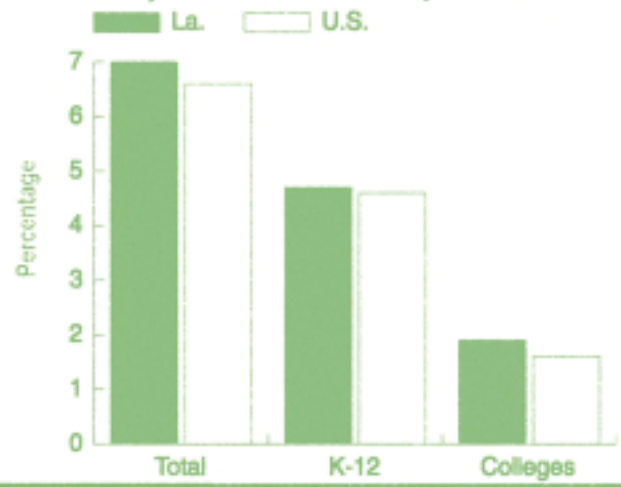
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Occupations with the most projected job openings, 1998-2008, that require post-secondary learning

Occupation	1998 employment level	Average annual job opening
General Managers and Top Executives	51,100	1,940
Registered Nurses	32,700	1,120
Teachers, Elementary School	27,350	860
Teachers, Secondary School	15,150	770
Automotive Mechanics	12,700	670
Licensed Practical Nurses	17,100	630
Systems Analysts, Electronic Data Processing	4,200	440
Teachers, Special Education	8,850	340
Accountants and Auditors	12,900	300
Financial Managers	8,450	270

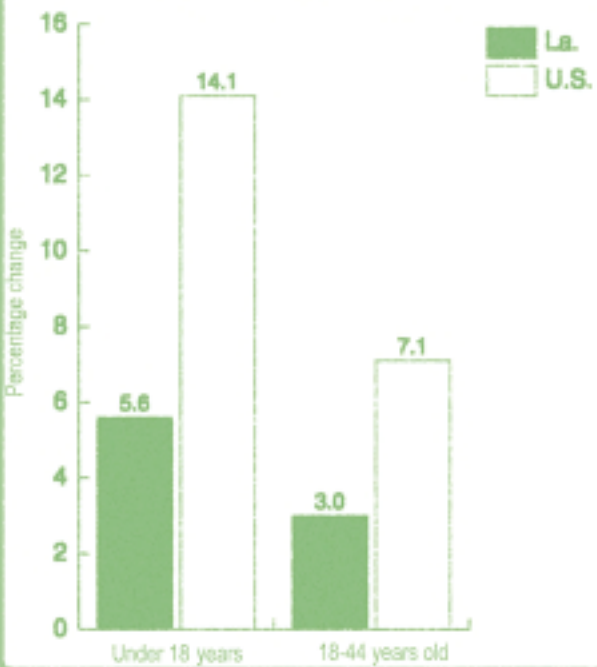
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Share of per capita income spent on education, 1997-1998



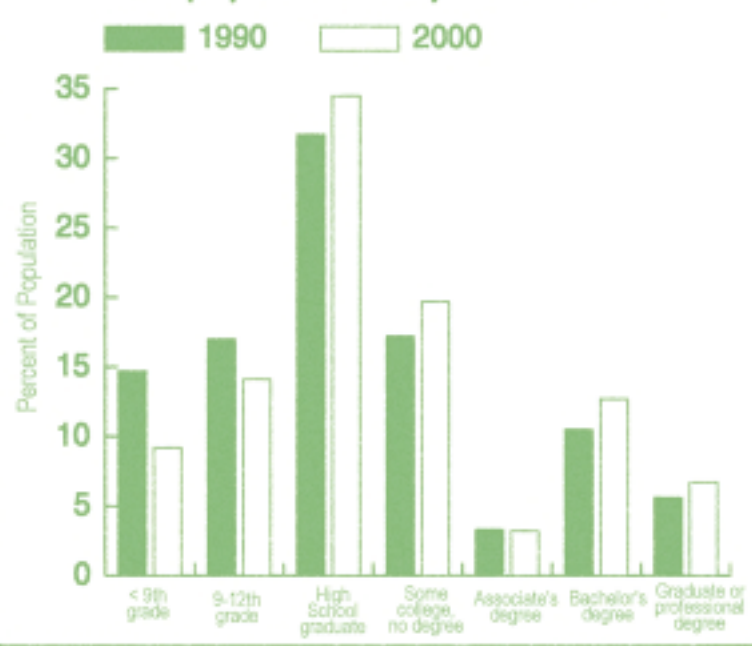
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Projected change in population, by selected age groups, 2000-2025



28

Highest level of education achieved, for population 25 years or older



29

MISSISSIPPI

Program Profile

Focus:	Addressing workforce needs through private sector industry clusters
Program name:	CIT.ms (Communications and Information Technology Organization of Mississippi)
Organization(s):	Mississippi Development Authority (MDA) Mississippi Technology Alliance (MTA)
Contact person:	Clay Lewis, Senior Technology Officer, MDA Angeline Dvorak, President and CEO, MTA
Address:	MDA: P.O. Box 849, Jackson MS 39205-0849 MTA: 700 North State Street, Suite 300-A, Jackson MS 39209
Phone number:	Clay Lewis, (601) 359-3615 Angie Dvorak, (601) 960-3610
Fax number:	Clay Lewis, (601) 359-1971 Angie Dvorak, (601) 960-3605
E-mail:	clewis@mississippi.org dvorak@technologyalliance.ms
Web site:	www.cit.ms

In 2000, private sector leaders underwrote the cost of a Michael Porter study of clusters in Mississippi. A cluster is a group of interconnected companies and associated organizations in a particular industry sector. Following the release of Porter's report, leaders from the communications and information technology industry (CIT) launched CIT.ms to serve as the central voice for the cluster. CIT.ms works closely with public entities to meet its workforce development needs.

Soon after the Porter report, two state economic development organizations, the Mississippi Development Authority (MDA) and the Mississippi Technology Alliance (MTA), received a U.S. Department of Labor grant to fund the Mississippi Cluster Initiative. The goal of the Cluster Initiative is to spur industry growth and address the shortage of qualified workers in four industry clusters: communications and information technology (CIT), polymers, automotives, and forest products. The U.S. Department of Labor grant supports a labor needs and skill assessment for each cluster, and promotes a better definition of the clusters (e.g., identifying and surveying companies).

As part of the labor needs and skills assessment for the CIT cluster, the state formed the CIT Workforce Development Consortium, a voluntary group comprised of leaders

“Our investment in workforce training affects our ability to compete with other states and nations for quality, high-paying jobs. That training plays a key role in the growth of our economy, and the strength and skills of our people are just two of the reasons that, during a national recession, we've been able to create over 21,000 new jobs in the past two years and attract more than \$6 billion in new investments to the state.”

— Governor Ronnie Musgrove

“One key to better performance is higher expectations. We must find a way to get parents to accept part of the responsibility for student performance. Business and industry and the community must be involved in this effort also. It takes total commitment from all areas to make this work.”

— Michael D. Thomas, Manager

Mississippi Lignite Mining Company

from government, academia and the private sector backed with staff support from MDA. The Workforce Development Consortium members assisted in the assessment and helped prioritize recommendations from the study. The Workforce Development Consortium members are now involved in implementing the first priority: to assess and coordinate internship programs for CIT students and externships for faculty. The Workforce Development Consortium is formally recognized by CIT.ms as its workforce development advisory committee, thus forming a tight link between the public and private sector on workforce development issues in this sector. MTA also supports CIT.ms with some staff assistance.



College enrollment, 1998

Institution Type	Total	White*	Black*	Hispanic	Asian	American Indian	Nonresident alien
All	132,438	85,420	42,666	802	1,109	541	1,900
Public 4-year	62,350	39,726	19,619	403	669	192	1,741
Public 2-year	58,481	38,352	19,133	314	337	312	33
Private non-profit	11,287	7,287	3,652	84	103	37	124
Private for-profit	320	55	262	1	0	0	2

* Non-Hispanic

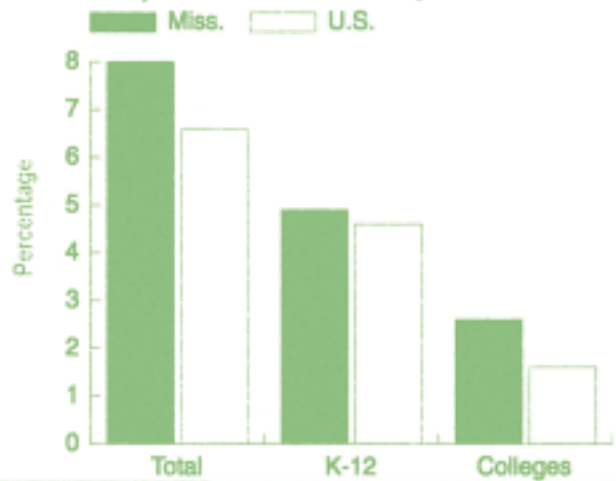
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Occupations with the most projected job openings, 1998-2008, that require post-secondary learning

Occupation	1998 employment level	Average annual job openin
General Managers and Top Executives	22,500	740
Registered Nurses	21,000	720
Teachers, Secondary School	14,050	650
Teachers, Elementary School	17,450	470
Licensed Practical Nurses	9,250	340
Automotive Mechanics	6,100	270
Physicians and Surgeons	4,450	160
Education Administrators	4,750	140
Accountants and Auditors	5,650	120
Teachers, Special Education	3,700	120

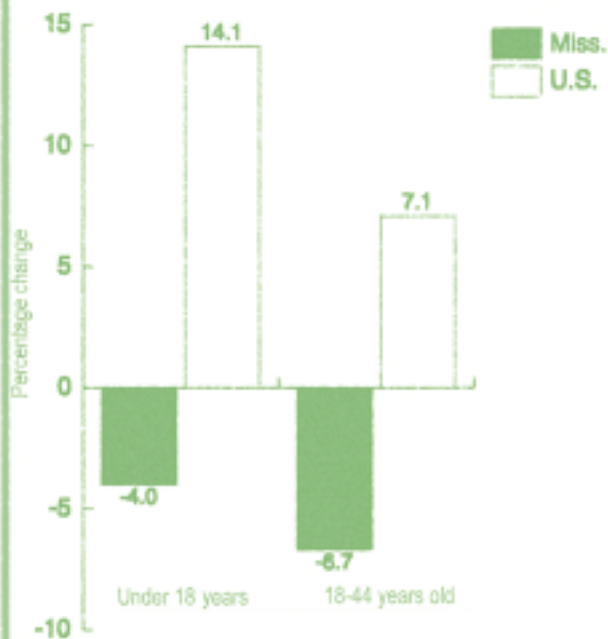
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Share of per capita income spent on education, 1997-1998



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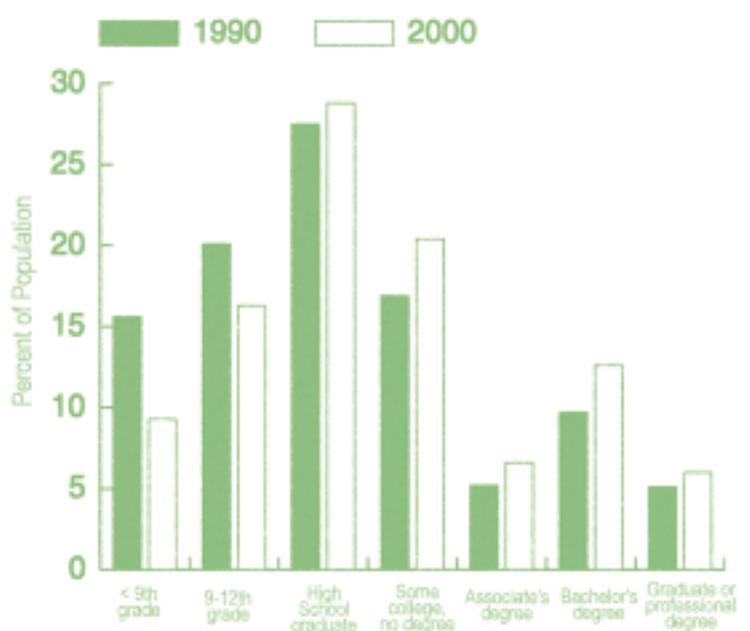
Projected change in population, by selected age groups, 2000-2025



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Sources on page 62.

Highest level of education achieved, for population 25 years or older



29

MISSOURI

Program Profile

Focus:	Helping the unemployed and underemployed find work by responding to employer needs
Program name:	One-Stop Missouri Career Center, operated by the Full Employment Council
Organization:	Full Employment Council
Contact person:	Clyde McQueen, President and CEO
Address:	1740 Paseo, Suite D, Kansas City MO 64108
Phone number:	(816) 471-2330, ext. 256
Fax number:	(816) 471-0132
E-mail:	cmcqueen@fec.works.state.mo.us
Web site:	www.feckc.org

The Full Employment Council (FEC) is a business-led private nonprofit organization whose mission is to obtain employment for the unemployed and underemployed residents of the greater Kansas City area. The FEC accomplishes this by partnering with businesses, government agencies, educational institutions, labor, and community-based organizations. The FEC helps its clients acquire job-specific skills that result in good-paying jobs.

In 1985, a study, financed by the Hall Family Foundation and the Greater Kansas City Community Foundation and Affiliated Trust, recommended the merger of the six major employment and training programs in the Kansas City area. The study concluded that a merger would, among other things, create better services for clients, reduce employer and service confusion, and create private sector leadership and oversight for these programs. The merger resulted in the creation of the FEC, which is the coordinating and operational arm for all federally funded employment and training initiatives for the area's economically disadvantaged, dislocated workers, and youth. In addition, the FEC is the primary entity that seeks private sector funds for job training programs.

The One-Stop Missouri Career Center, which is managed by FEC, provides numerous services for adults 21 years old and over. These services include self-assessments, job referrals, and financial aid workshops. Intensive services (available to a select group of trainees who qualify) include career planning, skills assessment, job search assistance and job placement. The One-Stop Missouri Career Center also provides clients with things such as housing vouchers, or financial assistance for transportation and similar needs. The center also provides clients with job training

“Even in tough economic times, the key to overcoming the challenges that lie ahead of us is to give our children the good education they deserve. We should not rest until all our schools and all our students are performing at their maximum potential.”

— Governor Bob Holden

“Workforce development in the 21st century is completely different because you have many more nontraditional clients: people already working, dislocated workers, retirees looking for part-time jobs, women off welfare, immigrants. It changes the whole paradigm. Institutions will have to change how they teach, when they teach, what they teach. Employers, too, face a more culturally and ethnically diverse labor pool. And then there's the whole issue of where workers live. Entry-level workers may be more easily found in the urban cores, yet companies tend to locate in the outer suburbs where land is cheaper. Everyone's got to adjust.”

— Clyde McQueen, President and CEO

Full Employment Council

and classroom training, which includes financial aid to take vocational classes at local colleges. Upon completion of vocational classes, the One-Stop Missouri Center assists with job placement. Youth (ages 14-21) receive many of the services available to adults; however, there are some programs that are geared specifically to young people. These services include tutoring, life skills training, community leadership training, ACT and SAT preparation and GED assistance.



College enrollment, 1998

Institution Type	Total	White*	Black*	Hispanic	Asian	American Indian	Nonresident alien
All	310,507	257,254	29,237	6,192	7,448	2,132	8,244
Public 4-year	118,643	100,562	8,950	1,607	2,453	806	4,265
Public 2-year	75,819	63,578	8,958	1,143	1,266	428	446
Private non-profit	106,891	86,756	9,806	2,995	3,291	545	3,498
Private for-profit	9,154	6,358	1,523	447	438	353	35

* Non-Hispanic

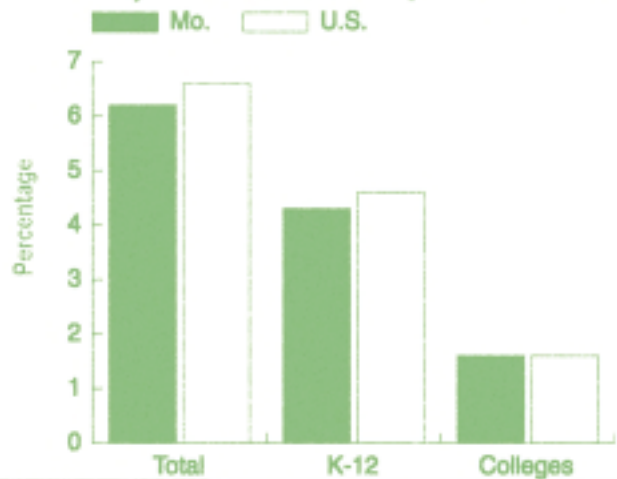
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Occupations with the most projected job openings, 1998-2008, that require post-secondary learning

Occupation	1998 employment level	Average annual job openin
Teachers, Secondary School	30,100	1,620
Registered Nurses	49,350	1,600
General Managers and Top Executives	48,750	1,410
Teachers, Elementary School	35,100	1,200
Systems Analysts, Electronic Data Processing	10,350	720
Automotive Mechanics	17,900	670
Computer Support Specialists	8,050	600
Licensed Practical Nurses	16,100	500
Accountants and Auditors	19,850	430
Physicians and Surgeons	11,850	380

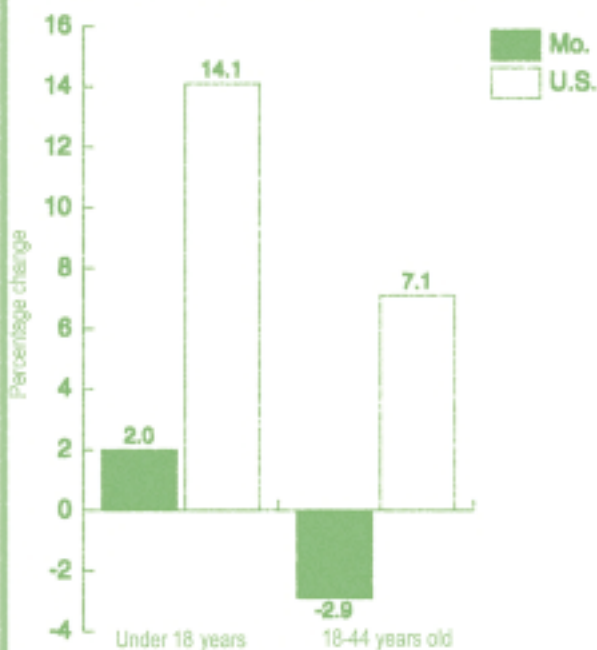
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Share of per capita income spent on education, 1997-1998



27

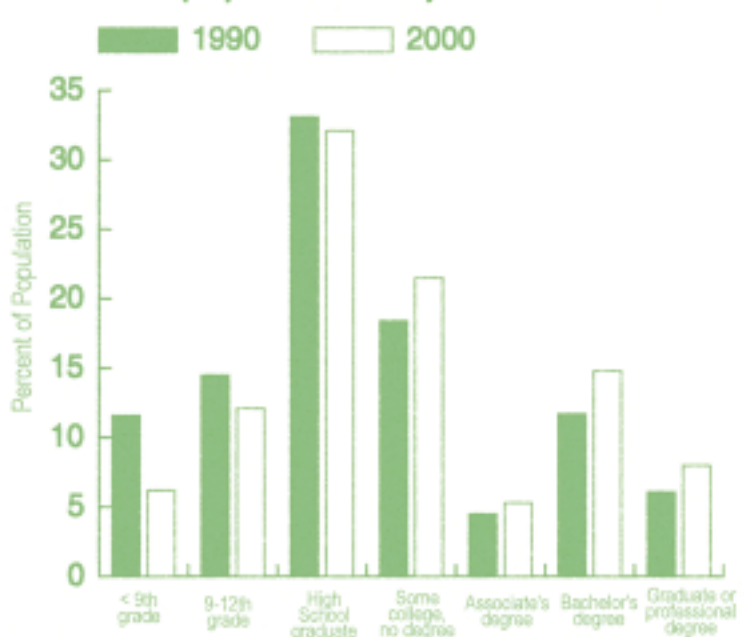
Projected change in population, by selected age groups, 2000-2025



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Sources on page 62.

Highest level of education achieved, for population 25 years or older



29

NORTH CAROLINA

Program Profile

Focus: Using industry standards to boost K-12 school performance

Program name: North Carolina Partnership for Excellence, Inc.

Organization: Same

Contact person: Martin A. Eaddy, Ed.D., Executive Director

Address: Post Office Box 616, Lincolnton NC 28093-0616

Phone number: (704) 735-5120

Fax number: (704) 735-5181

E-mail: eaddyymm@bellsouth.net

Web site: www.ncpe-online.org

The North Carolina Partnership for Excellence, Inc. (NCPE), created in 1997 by North Carolina's leading business CEOs, seeks to improve education by applying the Malcolm Baldrige National Quality Award framework to North Carolina's schools. The highly coveted Baldrige Award is given to U.S. businesses that demonstrate excellence in continually improving internal processes that result in delivering better value to customers. The NCPE adjusted the Baldrige model to fit in the context of a K-12 educational system.

NCPE is a nonprofit public-private partnership that is funded by business and industry, foundation grants, federal and state competitive grants, and the North Carolina General Assembly. In 1999, the NCPE was selected by the National Alliance of Business as a "State School-Business Coalition of the Year."

The NCPE staff helps schools implement a three-year plan based on the Baldrige improvement model. There is no set curriculum; NCPE staff help each school identify where they want to improve and use the Baldrige model accordingly. The mission of the NCPE is to support and coach education systems to meet or exceed customer requirements. The NCPE provides services such as seminars, leadership development, networking, coaching and communications, alignment and coordination services, and classroom applications of high-performance principles. The NCPE partnerships have proven successful. Student achievement in all participating districts has increased in the basic skill areas of English, language arts and mathematics.

"If we're going to have to have higher skills, we're going to have to remember the old adage, 'If you want to earn more you have to learn more.' Our people are going to have to understand that."

— Governor Mike Easley

"Our high school curriculum is currently striving to ensure graduates are enrolled in career pathways rather than nonfocused 'credits;' middle majority graduates in the past have been unprepared to enter the workforce but this is improving measurably."

— Sandra Drum, Vice President

Rocky Mount Chamber of Commerce



College enrollment, 1998

Institution Type	Total	White*	Black*	Hispanic	Asian	American Indian	Nonresident alien
All	387,407	279,169	82,401	5,989	8,539	3,980	7,329
Public 4-year	158,958	115,220	32,181	2,108	4,372	1,661	3,416
Public 2-year	155,152	110,993	35,645	2,519	2,230	2,030	1,735
Private non-profit	73,139	52,820	14,555	1,360	1,937	289	2,178
Private for-profit	158	136	20	2	0	0	0

* Non-Hispanic

25

Occupations with the most projected job openings, 1998-2008, that require post-secondary learning

Occupation	1998 employment level	Average annual job opening
General Managers and Top Executives	106,100	3,960
Registered Nurses	60,000	3,270
Teachers, Elementary School	44,250	2,310
Teachers, Secondary School	30,100	2,220
Systems Analysts, Electronic Data Processing	14,450	1,350
Computer Support Specialists	12,950	1,180
Automotive Mechanics	23,400	1,020
Licensed Practical Nurses	16,400	840
Teachers, Preschool	11,800	730
Computer Engineers	10,300	710

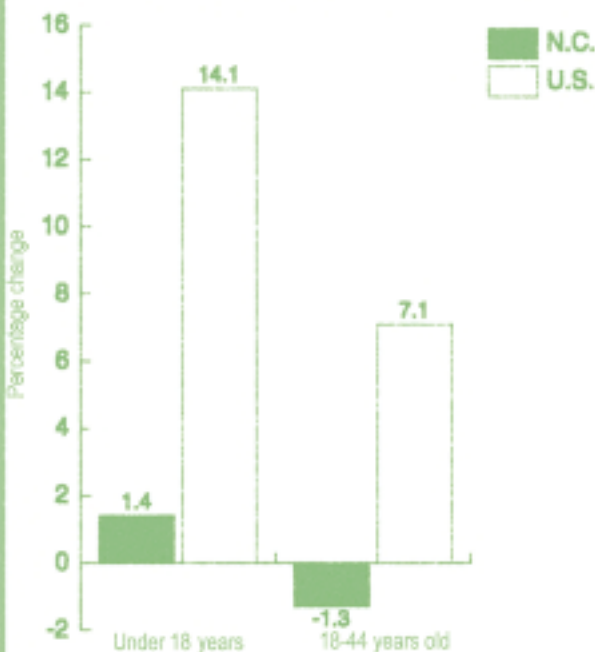
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Share of per capita income spent on education, 1997-1998



27

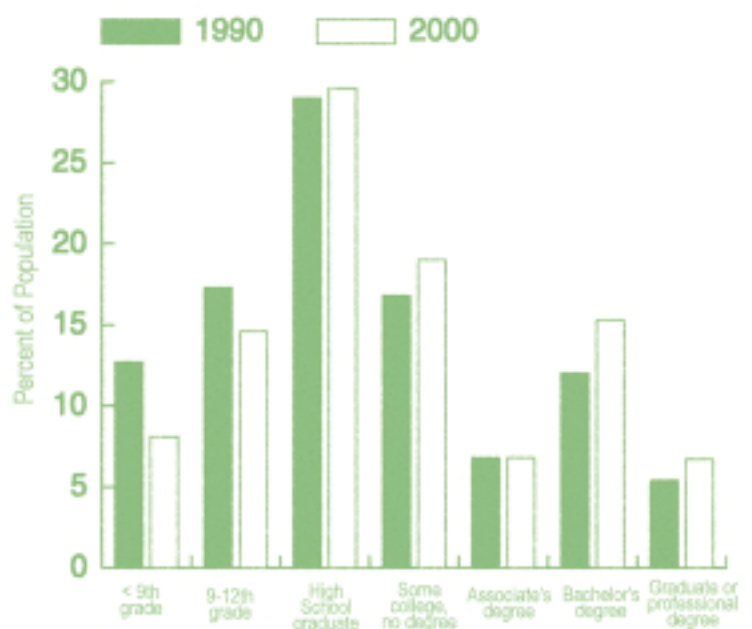
Projected change in population, by selected age groups, 2000-2025



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Sources on page 62.

Highest level of education achieved, for population 25 years or older



29

OKLAHOMA

Program Profile

Focus:	Business dialogue with educators
Program name:	Oklahoma Business and Education Coalition
Contact person:	Dr. Phyllis Hudecki, Executive Director
Address:	123 Robert S. Kerr Ave., Oklahoma City OK 73125
Phone number:	(405) 270-4499
Fax number:	(405) 270-4496
E-mail:	pahudecki@earthlink.net
Web site:	www.obecinfo.com

The Oklahoma Business and Education Coalition was formed in 2000 in response to business leaders' recognition of the critical connections between education and economic development. The coalition grew out of the work of the Tri-Chamber Group, a task force composed of representatives from the State Chamber, the Metropolitan Tulsa Chamber of Commerce, and the Oklahoma City Chamber of Commerce. Rather than establish an adversarial relationship with educators, business leaders invited educators to work on consensus building, with a focus on improving the quality of K-12 public education in the state. Founding organizations included 17 corporations and the three chambers represented in the Tri-Chamber Group. Business membership has since expanded to include 28 corporations. The coalition is governed by an Educational Policy Board, composed of 20 business representatives and 20 educators.

The coalition meets monthly, and is currently engaged in three major activities:

- Benchmarking the state's curriculum standards against national and international standards
- Reviewing the state's policies for educational accountability
- Promoting the creation of a task force to identify the structure and design for a uniform student record system to enable more accurate analysis of dropouts, student achievement, and other important measures

“The goals of our public education system should be very simple. First, every child should know how to read and to enjoy reading. Secondly, every child should have a solid foundation in literature, the social sciences, the biological and physical sciences, history, and the arts. Third, that every child should be able to use and to understand math; that every child should know about other cultures and be able to speak a foreign language.”

— Governor Frank Keating

“There remains, despite our workforce development efforts and successes, a serious imbalance between workplace needs and workforce skills. Many of our local businesses, across the major employment clusters, continue to face difficulties in hiring and retaining workers with needed skills. Improving the process of convening and collaboration, between the business and educational systems, is essential to addressing this skills imbalance.”

— David Ferren, Plant Manager, Kansas City Operations
Xerox Corporation



College enrollment, 1998

Institution Type	Total	White*	Black*	Hispanic	Asian	American Indian	Nonresident alien
All	178,507	131,611	13,927	4,898	4,605	14,898	8,568
Public 4-year	95,563	69,643	7,354	2,355	2,539	8,203	5,469
Public 2-year	60,233	46,090	4,746	1,708	1,581	5,660	448
Private non-profit	20,796	14,732	1,624	653	413	953	2,421
Private for-profit	1,915	1,146	203	182	72	82	230

* Non-Hispanic

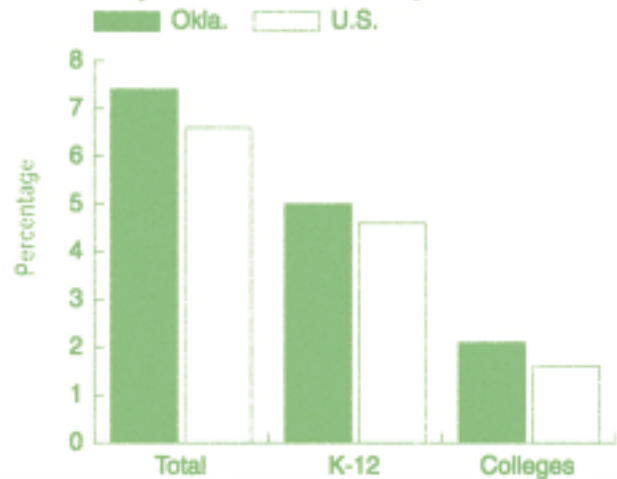
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Occupations with the most projected job openings, 1998-2008, that require post-secondary learning

Occupation	1998 employment level	Average annual job openings
General Managers and Top Executives	42,550	1,540
Registered Nurses	24,150	1,070
Teachers, Secondary School	19,150	1,010
Teachers, Elementary School	20,500	670
Licensed Practical Nurses	12,600	590
Computer Support Specialists	3,500	450
Automotive Mechanics	8,300	340
Systems Analysts, Electronic Data Processing	3,250	320
Physicians and Surgeons	6,250	270
Accountants and Auditors	9,750	260

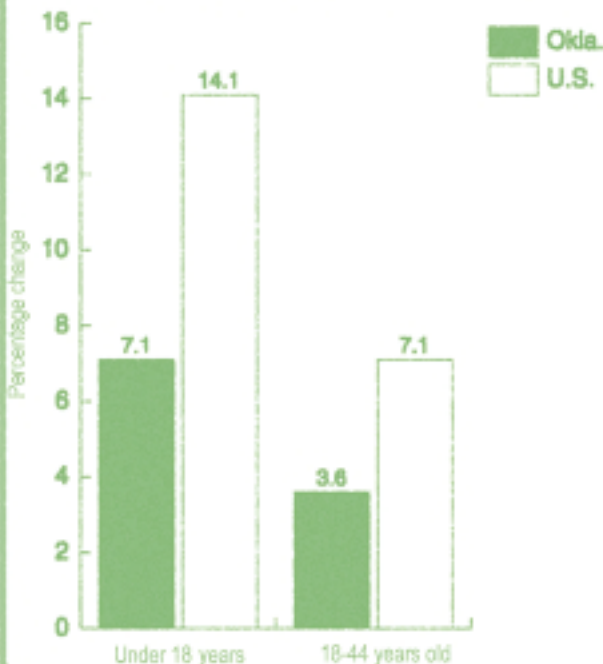
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Share of per capita income spent on education, 1997-1998



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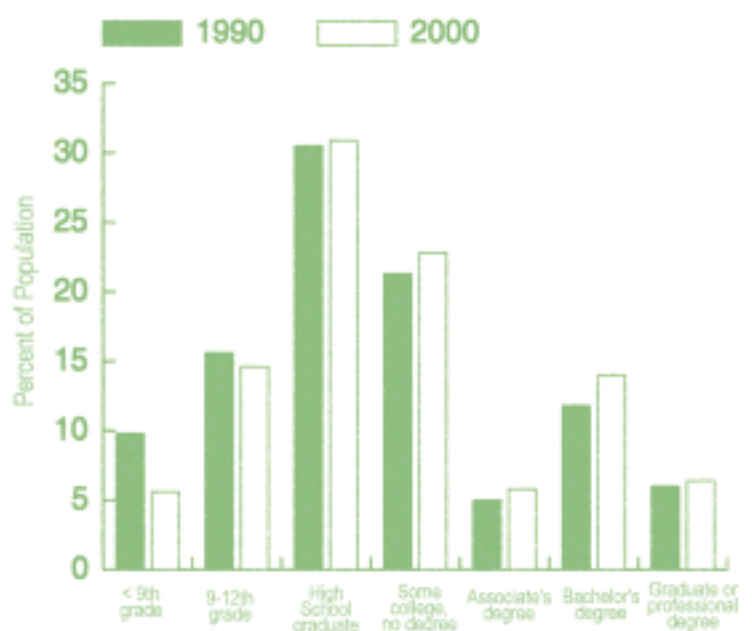
Projected change in population, by selected age groups, 2000-2025



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Sources on page 62.

Highest level of education achieved, for population 25 years or older



29

PUERTO RICO

Program Profile

Focus:	Teacher preparation through partnerships
Program name:	Puerto Rico Collaborative for Excellence in Teacher Preparation
Contact person:	Dr. Josefina Arce
Address:	PR-CETP, Box 23334, University Station, San Juan PR 00931-3334
Phone number:	(787) 765-5170, ext. 2046
Fax number:	(787) 756-7717
E-mail:	j_arce@upr1.upr.clu.edu
Web site:	cetp.crci.uprr.pr/cetweb/

The Puerto Rico Collaborative for Excellence in Teacher Preparation (PR-CETP), is a broad-based effort to transform K-12 math and science teacher preparation programs in Puerto Rico. The collaborative brings together universities, the Puerto Rico Department of Education, K-12 schools, the Puerto Rico Associations of Science Teachers and Mathematics Teachers, the Arecibo Observatory, the International Institute of Tropical Forestry, and the National Laboratories of the U.S. Department of Energy. Local industries are also key partners in the alliance, including Bristol Myers Squibb (BMS), AMGEN, and GlaxoSmithKline.

PR-CETP, which was launched in 1998, is one of approximately 30 state, local, and/or institutional teacher preparation initiatives funded by the National Science Foundation through its Division of Undergraduate Programs. Key components of Puerto Rico's initiative include revision of university-level teacher preparation courses; professional development activities for university faculty in science, mathematics, and education; and student academic support. The collaborative also brings together key players to plan strategies that will help institutionalize changes in teacher preparation programs.

Industry involvement in the collaborative has included sponsorship of training workshops for intermediate science and math teachers and summer camps in math and science for students; provision of summer internship experiences for teachers; the incorporation of science and math examples from local industry into the educational curricula in order to make the topics more relevant to real world experiences; and sponsorship of an Annual Award for Excellence in Science Education in the elementary, intermediate, and secondary levels.

“Rapidly changing technology, demographics, and institutions bring radical changes to the workplace and increase the mismatch between existing educational resources and the needs of the workforce and our society at large. Changes in both the structure and content of the educational system are imperative. We must build a revitalized school system developed through innovation, experimentation, and objective evaluation of outcomes. Our schools and universities must be the core of a more extensive lifelong learning network that will support our demand for productive, fulfilling employment, and counteract social, family, and community fragmentation.”

— Governor Sila Maria Calderón

“After 15 years in business I have realized that the best software programmers I have worked with have been those who have had a holistic education’ people who can understand a problem and create a technological solution. This goes against what some leaders in technology are screaming for (i.e. give more people who can program in C++ and JavaScript and forget about all those other people with liberal arts degrees). The leaders of the future as well as their employees will have to conceptualize in abstracts.”

— Stefan Antonmattei, Vice President
Avant Technologies



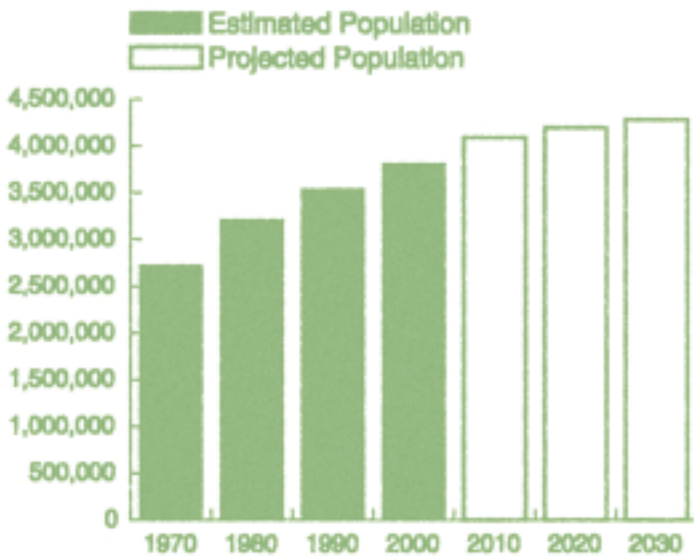
College enrollment, 1998

Institution Type	Total	White*	Black*	Hispanic	Asian	American Indian	Nonresident alien
All	187,719	2,816	#	184,903	#	#	#
Public 4-year	69,718	NA	NA	NA	NA	NA	NA
Public 2-year	947	NA	NA	NA	NA	NA	NA
Private non-profit	104,161	NA	NA	NA	NA	NA	NA
Private for-profit	12,893	NA	NA	NA	NA	NA	NA

* Non-Hispanic, # Less than 100

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Estimated and Projected Population of Puerto Rico



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Estimated and Projected Population of Puerto Rico

	Number	Percent change
1970	2,722,000	-
1980	3,210,000	17.9
1990	3,537,000	10.2
2000	3,809,000	7.7
2010	4,088,000*	7.3*
2020	4,196,000*	2.6*
2030	4,279,000*	2.0*

* Projected

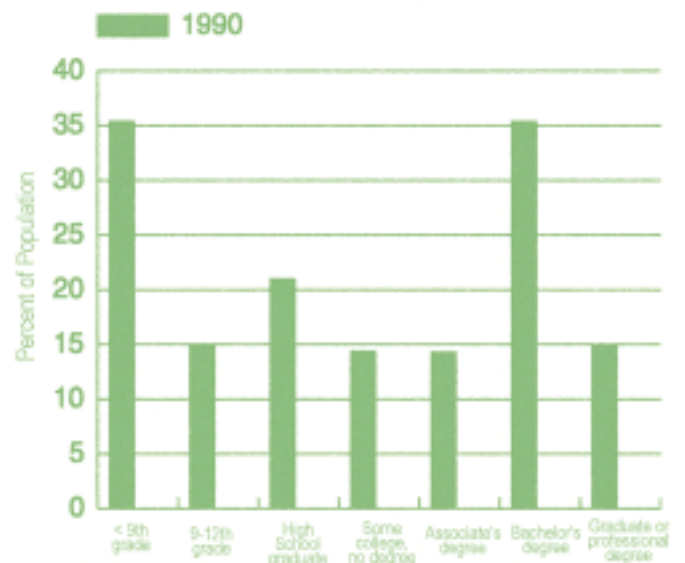
Source <http://www.census.gov/prod/2002pubs/01statab/outlying.pdf>
Statistical Abstract of the US, 2001

Profile of Puerto Rico's Labor Force, 1980-2000 (thousands of workers)

	1980	1990	2000	Percent Change	
				1980-90	1990-00
Total	907	1,124	1,303	23.9	15.9
Employed	753	963	1,159	27.9	20.4
Agriculture	38	36	24	-5.3	-33.3
Manufacturing	143	168	159	17.5	-5.4
Trade	138	185	239	34.1	29.2
Government	184	222	249	20.7	12.2
Unemployed	154	161	143	4.5	-11.2
Unemployment Rate	17	14	11	-17.6	-21.4
Average Compensation of Employees	\$9,563	\$14,854	\$20,064	55.3	35.1

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Sources on page 62.

Highest level of education achieved, for population 25 years or older



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SOUTH CAROLINA

Program Profile

Focus:	Business helping high schools develop career tracks
Program name:	The Education Foundation
Organization:	Charleston Metro Chamber of Commerce
Contact person:	Stacey Denaux, Executive Director
Address:	P.O. Box 975, Charleston SC 29402-0975
Phone number:	(843) 805-3058
Fax number:	(843) 723-4853
E-mail:	sdenaux@charlestonchamber.org
Web site:	www.theeducationfoundation.org

Created by the Charleston Metro Chamber, The Education Foundation is a nonprofit organization that organizes business and community leaders to advocate for change within public education. The foundation's mission is to prepare all students in the Charleston area for the demands of college and their future careers. Funded primarily by business, but with additional funding from school districts, other foundations, and government, the foundation is spearheading the community's efforts to improve public education in Berkeley, Charleston, and Dorchester counties.

Since its inception in 1995, the foundation has established programs and initiatives that have changed the way students learn and teachers teach. A high school restructuring model developed by the foundation is the College and Career Pathways initiative. This whole-school reform initiative includes a Ninth Grade Academy, which exists separately from the rest of the high school, with its own dedicated teachers and management. In the academy, ninth graders are immersed in career information and provided the necessary skills for a successful high school experience. Upon completion of the ninth grade, students specify a College & Career Pathway and select their remaining coursework accordingly. Evidence shows that the College & Career Pathways initiative contributes to overall student achievement and has a positive impact on student attendance, discipline, and completion rates, as well as teacher morale, attendance, and professional development. The critical elements of the College & Career Pathways initiative are smaller learning communities, curriculum integration, and intense involvement from the business community.

“The economic future of South Carolina depends on being able to compete in the global marketplace. It is crucial, therefore, that we grow and develop a skilled, committed, and technically competent workforce that will attract new businesses to our state as well as help our current businesses thrive.”

— Governor Jim Hodges

“[Businesses need to] work closely with the technical or community colleges. Human resources folks should be involved as well as operations and maintenance folks. We cannot leave this to others. It is too important for business to not be involved regularly.”

— Paul Campbell Jr., Vice President
Alcoa Primary Metals

Another foundation program, the Workplace InStitute for Educators (WISE), exposes educators to business experiences through site visits and internships at local companies. Afterwards, foundation staff works with the educators to incorporate their business experiences into their curricula. This initiative is linked to a six-hour graduate credit course offered through the University of Charleston. Finally, the foundation hosts the Annual Business Education Summit where leaders in education and business come together to discuss solutions for educational challenges. Each year at the Summit, the foundation presents the results of a community survey that gauges the public's attitudes towards, expectations for, and satisfaction with, local public education.



College enrollment, 1998

Institution Type	Total	White*	Black*	Hispanic	Asian	American Indian	Nonresident alien
All	181,353	129,081	44,299	1,874	2,370	546	3,183
Public 4-year	88,290	67,110	16,040	905	1,332	223	2,680
Public 2-year	64,252	43,900	18,267	768	804	268	245
Private non-profit	27,748	17,618	9,395	199	226	54	256
Private for-profit	1,063	453	597	2	8	1	2

* Non-Hispanic

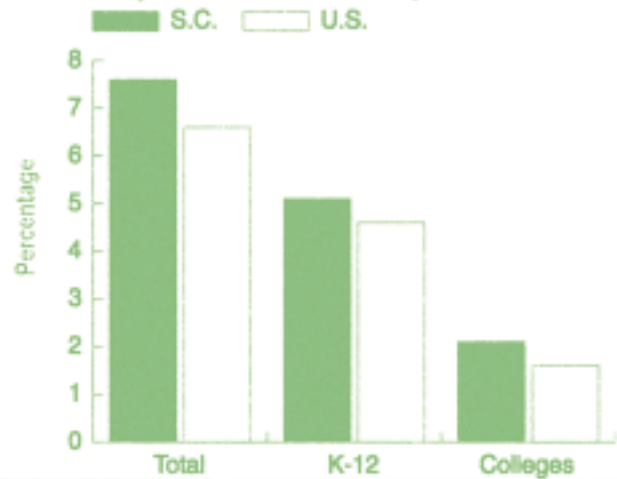
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Occupations with the most projected job openings, 1998-2008, that require post-secondary learning

Occupation	1998 employment level	Average annual job opening
General Managers and Top Executives	45,400	1,640
Registered Nurses	31,400	1,310
Teachers, Secondary School	19,150	1,130
Teachers, Elementary School	23,350	910
Automotive Mechanics	11,050	450
Systems Analysts, Electronic Data Processing	3,750	410
Licensed Practical Nurses	8,500	350
Computer Support Specialists	3,000	300
Accountants and Auditors	8,700	250
All Other Computer Scientists	2,900	230

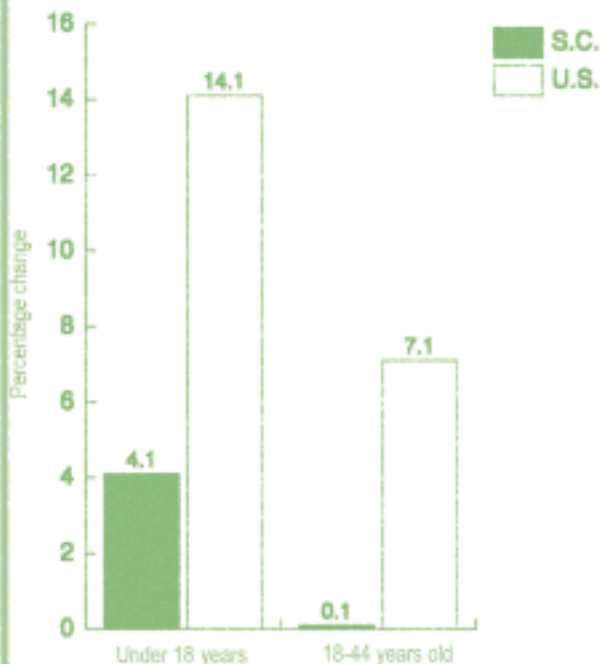
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Share of per capita income spent on education, 1997-1998



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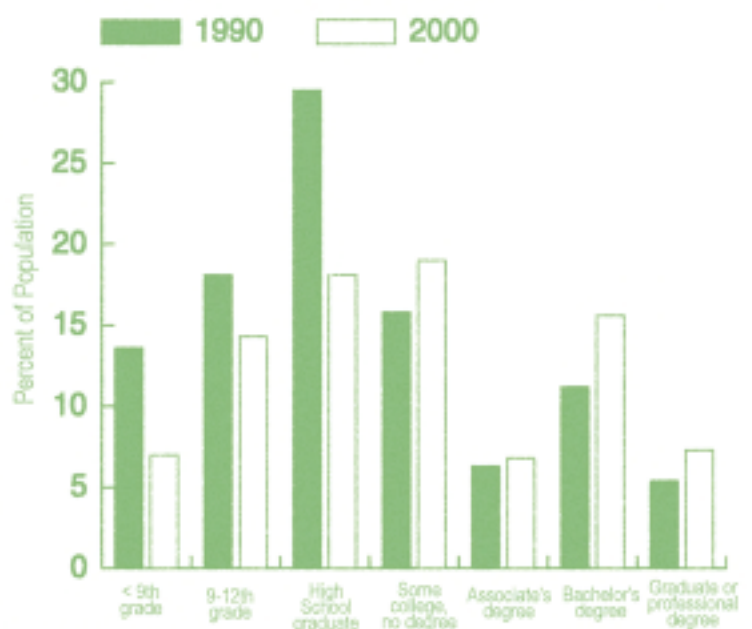
Projected change in population, by selected age groups, 2000-2025



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Sources on page 62.

Highest level of education achieved, for population 25 years or older



29

TENNESSEE

Program Profile

Focus:	Business consortia to address worker shortages
Program name:	Health Care Employment Consortium
Contact person:	Winnie Wilson, Assistant Director
Address:	Workforce Connections, P.O. Box 51650, Knoxville TN 37950-1650
Phone number:	(865) 544-5200
Fax number:	(865) 544-5269
E-mail:	wwilson@knxcac.org
Web site:	N/A

Mirroring the experience of communities across the nation, health care employers in Knoxville, Tenn., are struggling with a shortage of nurses and other health care professionals. Workforce Connections, Knox County's Local Workforce Investment Agency, helped bring health care employers together to find a cure. The Health Care Employment Consortium grew out of conversations with two of the county's largest health care employers: Covenant Health and Baptist Health System. These employers then recruited other health care providers, including hospitals, nursing homes, home health care providers and other health organizations.

The consortium met for the first time in February 2002 with a goal of identifying, and looking for collaborative solutions to, the common shortages that each of the employers was facing. The skilled nursing shortage quickly emerged as a priority. Employers were particularly interested in developing ways for less-skilled employees, such as certified nursing assistants or those working in areas such as housekeeping, to move up the career ladder in order to fill shortages. As a first step, Workforce Connections teamed up with the Tennessee Technology Center at Knoxville to gain approval of an evening training program for licensed practical nurses (LPNs). Complimenting this is a pre-skills training program that will help prepare employees for the rigorous LPN program. Both of these programs are scheduled to begin in the fall, and will supplement programs that are already available during the day. Other activities that the Consortium is exploring include a recognition event or other initiative to increase the perceived status of certified nursing assistants and similar health care employees, and management training for health care professionals being promoted to supervisory roles.

Although Workforce Connections focuses on Knox County, it is clear that a larger, regional approach will be most effective over

“This is an exciting time in Tennessee as we grow and evolve from a manufacturing work force, involving low-skill jobs, to professional technical specialties and service-producing sectors with a more highly skilled and educated workforce. The centerpieces of Tennessee's seamless workforce development system are our local career centers. The one-stop career center concept supports our initiative to offer all of the resources of local, state, and federal job-training agencies at a single location. It also helps build partnerships with business and labor, adding value to the private sector. For Tennessee business and job seekers, this means better and more comprehensive job services, delivered faster and more efficiently. Our future is private sector driven and the Career Center concept enables us to earn credibility by streamlining the employer's search for qualified workers and the employee's hunt for a job or additional training.”
— Governor Don Sundquist

“In order for business leadership to be increased, there must be a common understanding and shared vision of workforce development. Business should truly lead the effort, and today it continually runs into the road blocks set up in each of the required partners' legislation.”
— Ross Jackson, President and CEO
Workforce Essentials Inc.

the long-term. Many of the employers involved in the consortium provide services outside Knox County. One of the participating hospitals is actually based in a neighboring county. The region around Knoxville has experienced rather extensive layoffs in the past year, particularly in the manufacturing sector. The consortium has discussed ways to link those dislocated workers with opportunities in the health care industry, such as providing short-term training options to facilitate quick re-entry.



College enrollment, 1998

Institution Type	Total	White*	Black*	Hispanic	Asian	American Indian	Nonresident alien
All	251,319	198,977	39,193	3,006	4,205	854	5,084
Public 4-year	117,429	91,010	19,772	1,367	2,144	421	2,715
Public 2-year	75,964	61,763	11,840	697	1,013	272	379
Private non-profit	52,630	42,295	6,390	859	986	127	1,973
Private for-profit	5,296	3,909	1,191	83	62	34	17

* Non-Hispanic

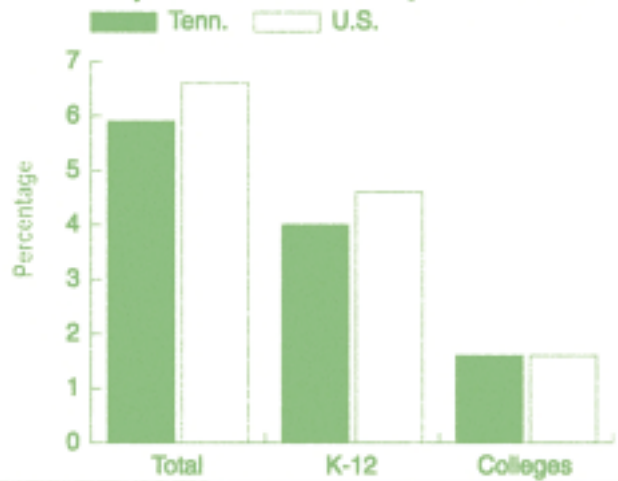
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Occupations with the most projected job openings, 1998-2008, that require post-secondary learning

Occupation	1998 employment level	Average annual job openin
General Managers and Top Executives	66,150	2,680
Teachers, Elementary School	34,600	1,780
Registered Nurses	44,500	1,560
Teachers, Secondary School	20,350	1,480
Clergy	26,550	870
Licensed Practical Nurses	19,450	740
Automotive Mechanics	14,150	680
Systems Analysts, Electronic	8,400	670
Data Processing		
Accountants and Auditors	20,600	630
Financial Managers	12,450	470

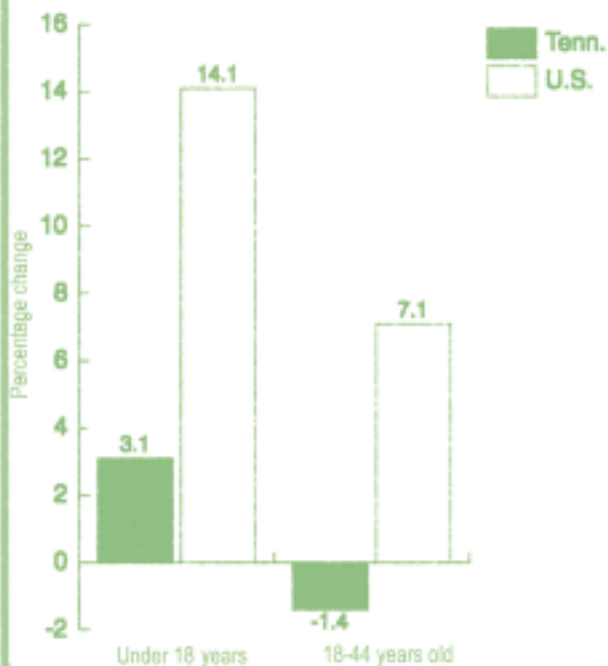
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Share of per capita income spent on education, 1997-1998



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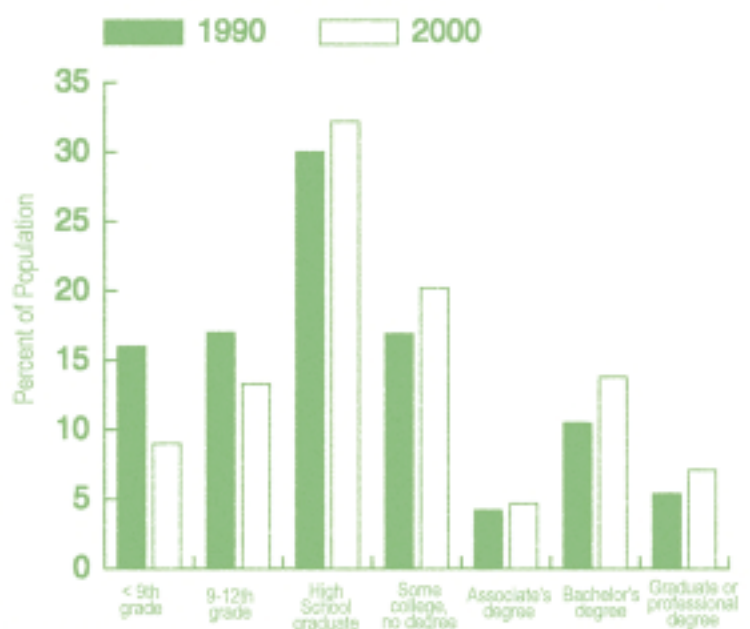
Projected change in population, by selected age groups, 2000-2025



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Sources on page 62.

Highest level of education achieved, for population 25 years or older



29

VIRGINIA

Program Profile

Focus:	Bringing the world of work to high school students and teachers
Program name:	Charlottesville Area School Business Alliance (CASBA)
Organization:	CASBA
Contact person:	Linda Seaman, Executive Director
Address:	999 Grove Street Suite 207, Charlottesville VA 22903
Phone number:	(434) 973-3193
Fax number:	(434) 973-1568
E-mail:	info@casba.net
Web site:	www.casba.net

The Charlottesville Area School Business Alliance (CASBA) is a nonprofit funded by businesses and schools to support high academic standards and promote career preparation for students. It is a community partnership of Charlottesville City, Albemarle and Fluvanna County Schools, the Charlottesville Regional Chamber of Commerce, Piedmont Virginia Community College, the University of Virginia, and regional businesses. CASBA received two Creating Excellence Awards from the Virginia Council for Career and Technical Education.

CASBA coordinates two career fairs annually, one each for seventh and 10th graders, where students learn about potential careers. Project RE-SEED places retired engineers and scientists into middle school classrooms where they assist with science classes. CASBA supports student development by having business representative teams in each high school. The teams also help students hone interview skills and learn about workplace competencies. The Business Educator Exchange Program, in conjunction with Central Virginia Tech Prep Consortium, teams teachers with private sector scientists for a five-day observation and research experience at the business site, increasing the teacher's understanding of the skills, knowledge, and attitudes needed by students for successful employment. CASBA also provides an Internet database of business partners that volunteer for activities such as job shadowing, career fairs, classroom presenters, field trips, and other work-based learning activities.

“We know that children who are developmentally delayed or disabled have the potential to achieve greater skills if somebody identifies the need and provides the help. Only half of the 7,200 infants and toddlers eligible for services are currently receiving them. Our goal is to reach all of Virginia's infants and toddlers who need help.”
— Governor Mark Warner

“In today's digital world, where knowledge is the currency for success, workers must have the skills necessary to transform information into competitive advantage.”
— Jack Pellicci, Vice President, Business Development & Global Support
Oracle



College enrollment, 1998

Institution Type	Total	White*	Black*	Hispanic	Asian	American Indian	Nonresident alien
All	370,142	267,321	63,362	9,808	18,919	2,045	8,687
Public 4-year	172,924	126,508	25,778	3,900	10,333	733	5,672
Public 2-year	132,531	96,554	22,592	4,488	6,632	884	1,381
Private non-profit	50,232	36,175	10,619	829	1,075	319	1,215
Private for-profit	14,455	8,084	4,373	591	879	109	419

* Non-Hispanic

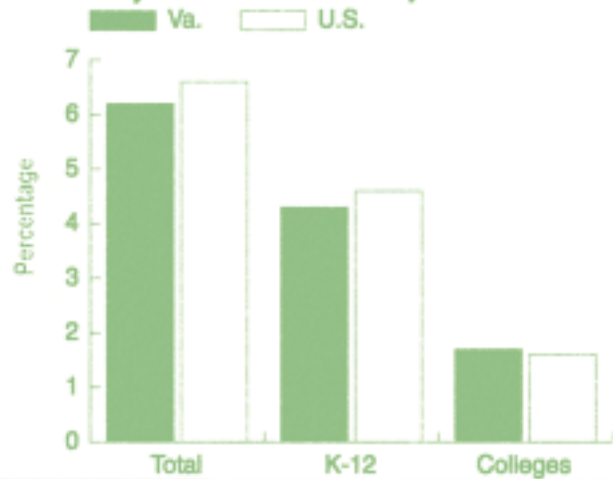
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Occupations with the most projected job openings, 1998-2008, that require post-secondary learning

Occupation	1998 employment level	Average annual job openin
General Managers and Top Executives	92,200	3,870
Systems Analysts, Electronic Data Processing	26,450	3,080
Teachers, Secondary School	33,200	2,200
Computer Support Specialists	15,000	2,180
Computer Engineers	14,250	2,140
Registered Nurses	45,550	1,980
Teachers, Elementary School	36,550	1,660
Accountants and Auditors	22,850	910
Licensed Practical Nurses	17,900	900
Engineering, Mathematical, and Natural Sciences Managers	11,400	800

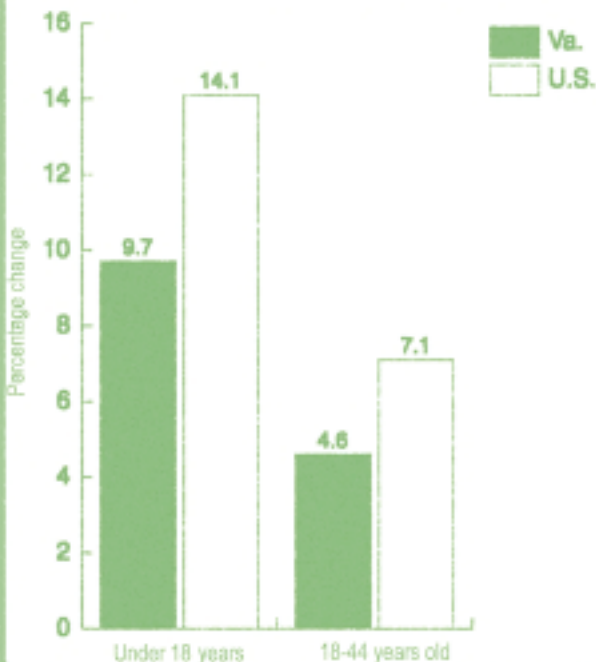
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Share of per capita income spent on education, 1997-1998



27

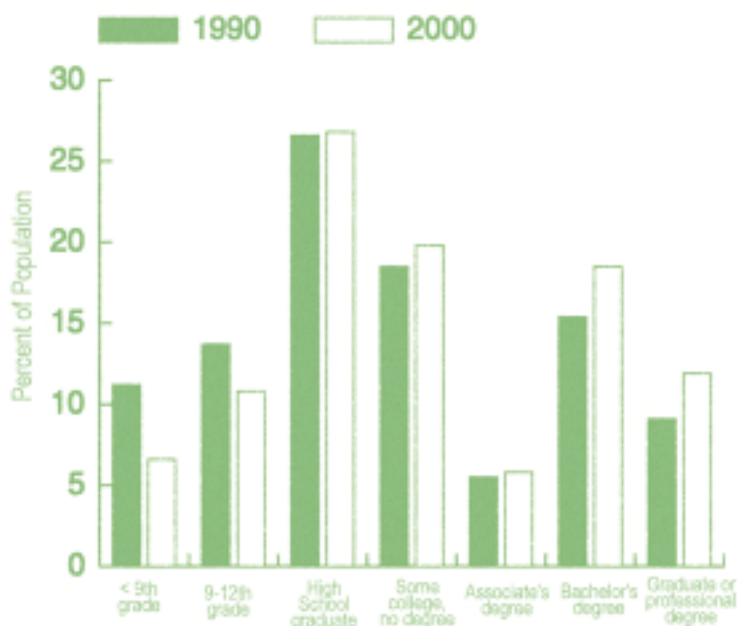
Projected change in population, by selected age groups, 2000-2025



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Sources on page 62.

Highest level of education achieved, for population 25 years or older



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WEST VIRGINIA

Program Profile

Focus: A private-driven initiative to increase employment in the printing trade

Program name: Regional Printing Institute

Organization: Shepherd Community & Technical College, James Rumsey Technical Institute

Contact person: Charles “Chuck” McClain, Director

Address: 3274 Hedgesville Road, Martinsburg WV 25401

Phone number: (877) 208-5171

Fax number: (304) 754-3664

E-mail: printdirector@rpionline.net

Web site: www.rpionline.net

Printing is the No. 1 industry in eastern West Virginia, employing more than 8,000 people at more than 200 printing and allied industries along the I-85 corridor. Yet few young people in the area have seemed interested in printing careers. Therefore, in 1998, several of the largest printers sat down with economic developers to ask for assistance in finding workers. Together they decided to approach two public colleges in Martinsburg: Shepherd Community College and the James Rumsey Technical Institute. Officials from both colleges subsequently met with printers from the four-state area around the I-85 corridor, which resulted in the formation of the Regional Print Industry Advisory Group (RPIAG). RPIAG is an association of businesses, government officials, and educators dedicated to training current and future employees for the printing industry. RPIAG, in turn, created the Regional Printing Institute (RPI) to carry out customized training for incumbent and future workers, and to market the field to high school kids and other potential employees.

RPI is supported by grants and in-kind donations from members of RPIAG. It is physically located at the James Rumsey Technical Institute, and both colleges cover the cost of its director, hired from industry in early 1999. Other RPIAG members provide marketing resources, classrooms, meeting rooms, adjunct instructors, equipment, and materials. The plan is for RPI to be self-sufficient by the end of its first five years.

The director meets monthly with the board of RPIAG to decide what kind of training is needed, and how it is to be delivered. RPI is extremely flexible and focuses on “strengthening the industry one student at a time.”

“In today's economy, jobs and job skills constantly face obsolescence from emerging technologies, new competitors, and shifting demographics. We therefore need to cultivate a culture of continuous learning and recognize it as a value necessary to deal with dynamic labor markets. We should also consider the training needs of not only new workers, but of existing and transitional workers. Our workforce development system has got to find new ways to serve these nontraditional clients.”

— Governor Bob Wise

“Get more labor union involvement to improve employee understandings of company loyalty, attendance, work ethic, business economics, profit and loss, quality focus, customer focus, and being a true partner in the business.”

— Al Toothman, Director
Pechiney Rolled Products



College enrollment, 1998

Institution Type	Total	White*	Black*	Hispanic	Asian	American Indian	Nonresident alien
All	88,107	80,662	3,692	582	973	325	1,873
Public 4-year	69,741	63,843	2,997	463	816	275	1,347
Public 2-year	6,581	6,344	177	19	26	12	3
Private non-profit	10,062	8,809	473	96	128	38	518
Private for-profit	1,723	1,666	45	4	3	0	5

* Non-Hispanic

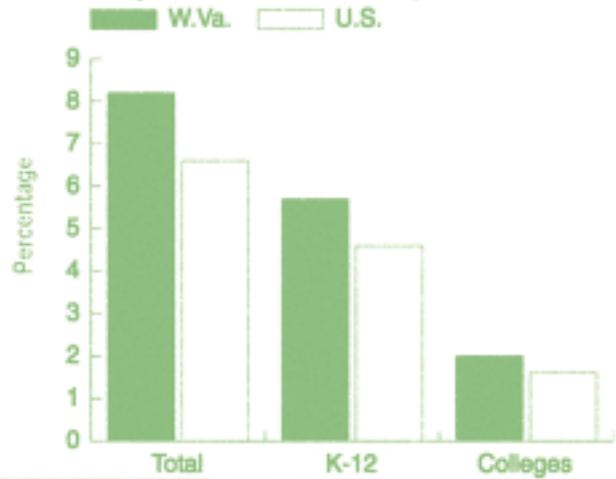
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Occupations with the most projected job openings, 1998-2008, that require post-secondary learning

Occupation	1998 employment level	Average annual job openings
General Managers and Top Executives	20,450	750
Registered Nurses	13,550	450
Teachers, Secondary School	7,450	320
Teachers, Elementary School	8,950	220
Automotive Mechanics	4,450	190
Licensed Practical Nurses	6,150	170
Systems Analysts, Electronic	1,750	150
Data Processing		
Personnel, Training, and Labor Relations Specialists	3,150	140
Accountants and Auditors	4,200	110
Financial Managers	3,650	110

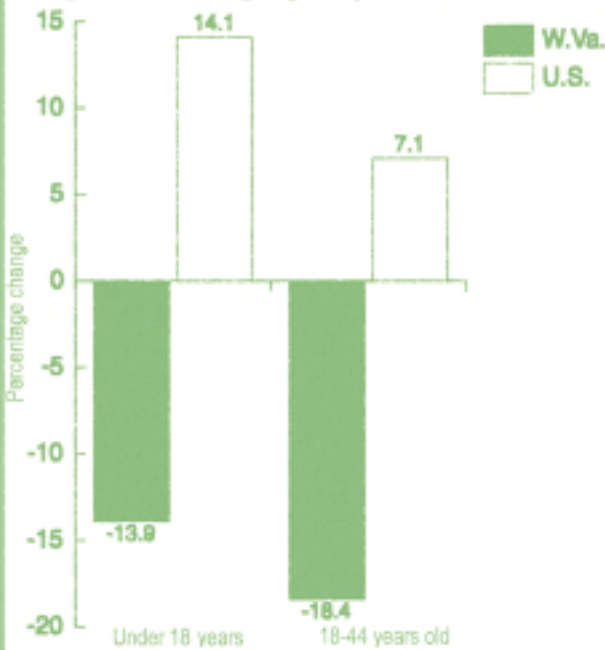
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Share of per capita income spent on education, 1997-1998



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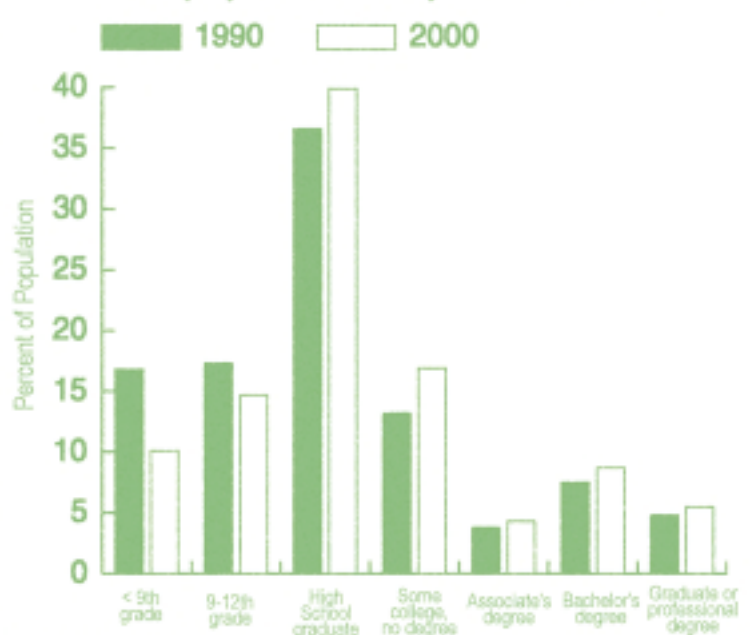
Projected change in population, by selected age groups, 2000-2025



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Sources on page 62.

Highest level of education achieved, for population 25 years or older



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- 1 Dr. Lori G. Kletzer “Job Loss from Imports: Measuring the Costs,” Institute for International Economics, 2001.
 - 2 1998 U.S. Statistical Abstract, “Annual Immigration, Outmigration, and Net Migration for Regions: 1980 to 1997,” Table No. 31, page 32. Note their definition of the Southern region includes Florida and Texas, states not part of the Southern Growth region.
 - 3 The demographic data do not include Puerto Rico since the Census Bureau tracks it separately and in a noncomparable format.
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 - 25 “Fall Enrollment in Title IV Degree-Granting Postsecondary Institutions, 1998.# U.S. Dept. of Education, Office of Educational research and Improvement, report # NCES 2002-162. (<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2002162>)
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 - 28 U.S. Census Bureau
 - 29 Census, American Factfinder, QT-02 Profile of Selected Social Characteristics, 2000
 - 30 Statistical Abstract of the U.S., 2001
 - 31 Statistical Abstract of the U.S., 2001
- Source data for these charts and others are available as Excel spreadsheet files on the Southern Growth Web site at <http://www.southern.org/2002report>.

Endnotes

Acknowledgments

This report was prepared under the guidance of the Council for a New Economy Workforce - its chairman, West Virginia Governor Bob Wise - and the Southern Growth Policies Board and its chairman, South Carolina Governor Jim Hodges.

Southern Growth Executive Director Jim Clinton provided overall supervision; Deputy Director Carol Conway was the principal investigator and managed the development of the report.

The report was written by Carol Conway and Jim Clinton, with contributions from Southern Growth staff members Keecia James, Scott Doron, and Linda Hoke, plus intern Jeffrey Warren. The report was edited by Mark Tosczak and was designed and laid out by Dan Helias. Extensive administrative support was provided by Connie Hansen and Paula Baker.

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