



Greater Expectations

***The
South's
Workforce
Is the
South's
Future***

Report of MDC, Inc., and Its Advisory Panel
on Southern Workforce Development

Labor Day 1992

MDC
Inc.

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MDC, Inc. is a private, nonprofit corporation created in 1967 to develop workforce and economic development policies and programs, especially for the South. MDC is supported by grants from foundations and corporations and contracts with federal, state, regional, and local government.

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MDC, Inc.
1717 Legion Road
Post Office Box 2226
Chapel Hill, NC 27514
919/968-4531



Report of MDC, Inc., and Its
Advisory Panel on Southern
Workforce Development

Dr. Charles E. Bishop, *Panel Chairman*
MDC, Inc.
Crispel Hill, North Carolina

John L. Clendenin
BellSouth Corporation
Atlanta, Georgia

The Honorable Mike Espy
U.S. House of Representatives
Washington, D.C.

The Honorable A. Linwood Holton
Center for Innovative Technology
Herndon, Virginia

James W. Johnston
R.J. Reynolds Tobacco Company
Winston-Salem, North Carolina

The Honorable Juanita Kreps
Durham, North Carolina

Elridge McMillan
Southern Education Foundation
Atlanta, Georgia

Patricia W. McNeil
McNeil Associates
Alexandria, Virginia

The Honorable William F. Winter
Watkins Ludlam & Stennis
Jackson, Mississippi

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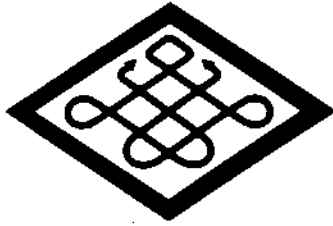
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Preface

"Knowledge, learning, information, and skilled intelligence are the new raw materials of international commerce... If only to keep and improve on the slim competitive edge we still retain in world markets, we must dedicate ourselves to the reform of our educational system for the benefit of all — old and young alike, affluent and poor, majority and minority. Learning is the indispensable investment required for success in the 'information age' we are entering."

Those words are from *A Nation At Risk*, published in 1983 by the National Commission on Excellence in Education. The South heard the call. Beginning in Mississippi, even before the report was released, and rolling across the region, a crusade for school reform swept the South, promising a harvest of excellence.

The harvest has not come in time for the South to preserve — much less extend — a "slim competitive edge" in world markets. This report documents and tells what the South can do about that unhappy fact.

The research for *Greater Expectations* is based on interviews, reports, surveys, case studies, and data from the 1990 U.S. Census, the U.S. Bureau of Economic Analysis, and the U.S. Bureau of Labor Statistics.

MDC has recast the central issues of the American workforce challenge in regional terms. We have developed quantitative and qualitative regional analyses of:

- demographic trends affecting the growth and composition of the workforce;
- characteristics of the workforce;
- current characteristics and projected growth of industry and occupational demand; and
- current public and private sector initiatives and resources for training, retraining, and upgrading.

To test and illustrate aspects of our analysis, we conducted selected site visits and interviews throughout the region. We also had the benefit of related MDC projects that included a region-wide study in 1990-91 of adult literacy, case studies in 1991 of basic skills training at 18 small and medium-sized firms, and a 1992 study of economic development and job creation in the Delta counties of Arkansas, Louisiana, and Mississippi.

In order to relate the study to the region, MDC assembled a panel of distinguished Southern business, academic, and public leaders who have served as an independent source for review and comment and have

shaped the development of this report and its recommendations. They join MDC in its release. MDC is indebted to the panel members who gave generously of their time and expertise, especially Chairman C.E. Bishop, who provided tireless leadership.

We also are indebted to The Pew Charitable Trusts; the national office of the Employment and Training Administration/United States Department of Labor, Washington, D.C.; and the Region IV office of the Employment and Training Administration, Atlanta, Georgia, for their advice, encouragement, and financial support.

In addition to this report, background and related documents are available from MDC. They include:

- *Workforce Development in the South: An Examination of Trends;*
- *Adult Literacy Education in the South: Cinderella Without a Slipper;*
- *Southern Two-Year Colleges: The Unfinished Experiment;*
- *Coming Out of the Shadows: The Changing Face of Rural Development in the South;*
- *Southern Women and the Workforce;*
- *State Workforce Initiatives: A Look Around the South;*
- *Who Has Seen the Wind: Employer Demand Trends in the South;*
- *Toward a State Workforce Development Policy: The North Carolina Initiative;* and
- *Stuart Rosenfeld's Smart Firms in Small Towns, prepared for the Aspen Institute's State Policy Program.*

*George B. Autry, Sr.
President, MDC, Inc.
Chapel Hill, NC*



I. Introduction: The Economic Trap

The South faces an impending workforce crisis — a change in the structure of its economy and society reminiscent of a quarter of a century ago when the region faced the twin phenomena of racial integration and mass exodus from the farm. With the globalization of the region's economy and the shift to automated manufacturing, powerful forces are again buffeting the South. These forces will continue. They will escalate. And they will transform work profoundly and permanently.

The crisis is not the South's alone.* Reports such as *Workforce 2000* and *America's Choice: high skills or low wages!* have documented it for the nation. Each report has a different emphasis, but all support one basic conclusion: that America cannot sustain even its current level of prosperity unless it improves workforce skills and involves women and minority workers more productively.

*It seems unfair
after all of its
recent progress,
but the jaws of
a new economic
trap are clamping
down on the
region.*

The crisis takes a particularly wicked spin in the South, still breathing hard after the social and economic changes that came with the transition to an integrated manufacturing workforce. It seems unfair after all of its recent progress, but the jaws of a new economic trap are clamping down on the region. Only a quick, thoughtful, and concerted response can prevent the trap from snapping shut. This is the nature of the trap:

The new economy will require new workers — people who can read, write, compute, communicate, and think critically. There are not enough of these workers in the South to sustain a healthy economy.

The South can avoid this trap, but it will require a new social contract on education and training for the region. That contract must include employers, workers, and society's training institutions. It begins with higher expectations for the Southern workforce, today's and tomorrow's. More specifically, that contract would be...

- one that broadens education reform to include education and training for adults;
- one that redefines education beyond high school from a privilege available to the motivated to a responsibility that the individual and society owe one another;
- one that warns the private sector to retool the workforce for more technologically sophisticated work sites;
- one that promotes a new wave of integration into the primary labor market for minorities, women, and rural residents.

*This report defines the South as including Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

In other words, Southern schools, people, and employers need a new social contract in which educational excellence for all is guaranteed in exchange for demanding that all become skilled. It is a contract for the next century consisting of greater expectations of every societal sector, a much different contract than the one in force at the turn of the last century.

The South's old economy — a sharecropping, cotton-milling, coal-mining economy — suggested a different social contract on education. That economy depended on a cheap and abundant supply of labor, and society and the individual owed each other little in the way of education.

The South in 1900 was poor, devastated by war and reconstruction, and education was seen as an expensive and economically irrelevant conceit. States made a public policy decision to give blacks and Indians no more training than the federal government demanded. And for whites, public schools were a sometime thing, available to the most motivated and least impoverished.

Over this century, the South's values, culture, and economy entered the American mainstream. Twenty-five years ago, the South began to provide increased education and training opportunities for its minorities and its displaced farm labor. It exported much of its poverty, and it retrained many of its poor. As a result, the gap in per capita income between Southerners and the rest of the nation declined dramatically. But as the nature of work changes, Southern industry is increasingly shackled by the legacy of an underskilled workforce.



II. The Global Economy: Another Demand for Change

Delta Wire is a small manufacturer operating out of Clarksdale, Mississippi, smack in the middle of the nation's poorest, least-educated region — the Mississippi Delta. Yet Delta Wire has invested in its workforce and is competing successfully not only with other companies in the United States but with companies from around the world. And what has happened at Delta Wire is not just an example of how to make a workforce competitive (see Chapter IV), it is an example of where Southern manufacturers need to compete: overseas, undersea, and in space. Delta Wire has won the award from Goodyear as best-of-class world-wide supplier and a similar award from a major Japanese company. Its wire forms the cable that AT&T is laying across the Atlantic for international telecommunications. And NASA has used wire from this Southern company for space exploration.

Opportunity and a Red Alert

The international economy is not something that is coming; it is something that is here.

The international economy is not something that is coming; it is something that is here. And there is reason to be heartened by that fact:

- Rising real incomes throughout the world will create expanded markets for Southern goods and services.
- The South has five of the top exporting states of the country (Florida, Louisiana, North Carolina, Virginia, and Georgia), and in 1990 the region exported \$66 billion worth of everything from its traditional food, fiber, and fossil fuels to electronic components and transportation equipment.
- Foreign investment is increasingly drawn to the South. Over a million Southerners work in foreign-owned firms or firms with significant foreign investment. In fact, in 1989 over one in ten manufacturing jobs in the South were in firms with foreign ownership. And there are 277 Japanese-affiliated businesses in Georgia alone. BMW announced a major operation in mid-1992 for Spartanburg, South Carolina, citing the area's quality labor supply and flexible public education and training system as the reasons for its locational decision.

Unfortunately, not all businesses are like Delta Wire, nor do many places have Spartanburg's combination of a relatively skilled workforce and extensive publicly financed training system. And at the same time the global economy brings opportunity for exports and foreign investment in the South, it also brings a red alert to the South's manufacturing base. The message is to modernize, retrain, and increase productivity, or

If the South were listed separately in an international comparison of wage rates, it would have been 13th, ahead of only Greece and Portugal.

languish. Dramatic changes in the structure of the Southern economy and demands on Southern workers are under way.

The South underwent an equally seismic transformation 25 years ago with the transition from agriculture to manufacturing and the integration of the labor force. The transformation was not pure or total: the Mississippi Delta, Appalachia, and the South Carolina Lowcountry, for instance, have yet to find a solid place in the manufacturing economy. But it was sufficient to close the gap in per capita income from 70 percent of the national average in 1960 to 88 percent in 1988. (Figure 1.)

But today the structure of the South's economy and the condition of its workforce may keep the gap from closing further. Southerners will continue to earn almost \$1,600 less income per capita than other Americans

well into the Twenty-First Century during a time in which American income is falling compared to that of other nations.

Unless the South acts to adopt new technology and upgrade and retrain its workforce, the region may well emerge from the 1990s worse off relative to the nation than it began. And the nation is a poor standard against which to judge Southern progress. *The Wall Street Journal* reported the average wages in the industrialized world this year. Germany was number one, and the U.S.

was number ten, down from sixth place in 1987. If the South were listed separately in an international comparison of wage rates, it would have been 13th, ahead of only Greece and Portugal.

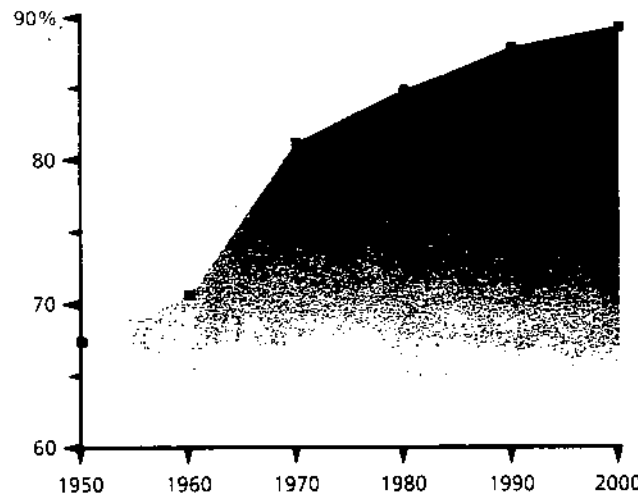


Figure 1
Per Capita Income,
South as a percentage of US,
1950-2000

Sources:
US Statistical Abstract, 1970 & 1988
Bureau of Economic Analysis Press
Release, 1992

Fewer Jobs, Poorer Jobs

The first factor in the South's plight is this: there are not enough jobs, especially good jobs, for the people. That is the ghost of the South's present. In 1988, there were only 52 jobs per 100 people in the South compared with 54.4 in the rest of the nation. The ratio ranged from a low of 40 jobs per 100 residents in West Virginia to a high of 59 jobs per 100 residents in Virginia. (Figure 2.)

It is not just the low number of jobs, but the industrial structure that puts the South at a disadvantage: the region has a preponderance of slow-growth, low-wage industries. In spite of recent diversification of

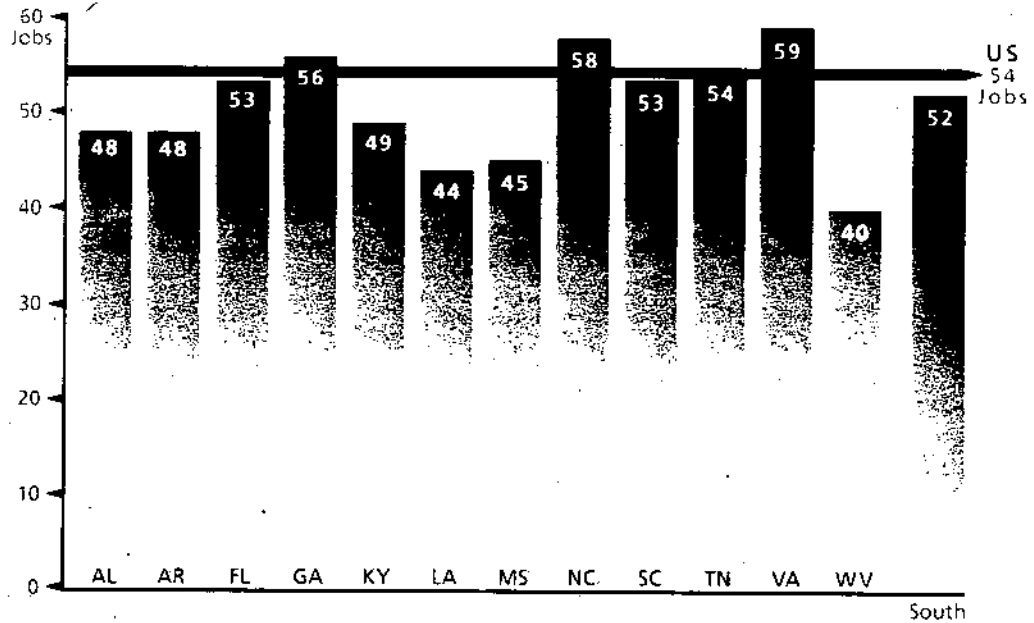


Figure 2
Jobs Per 100 People,
Southern States, 1988

Source:
Bureau of Economic Analysis
Regional Projections

much of the South's economy, it is heavily weighted toward nondurable manufacturing such as textiles and apparel, as well as low-wage construction and government work. Jobs in textile mills, for instance, are 9.5 times as prevalent in the South as in the rest of the country, while apparel and furniture and fixtures are 2.7 times as important and lumber and wood products are twice as important. (Figure 3.) Jobs in

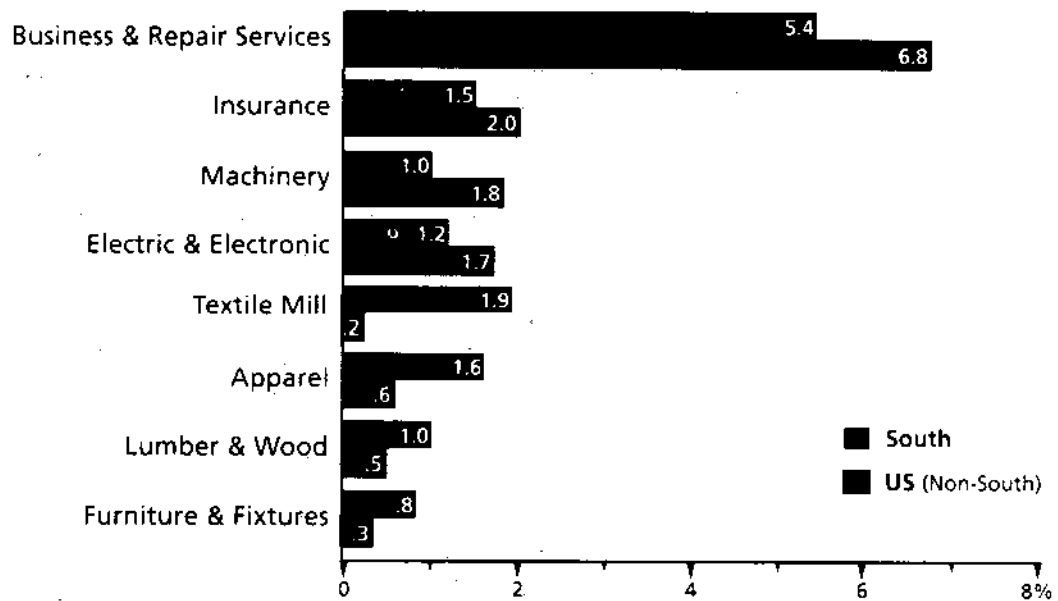


Figure 3
Percent of Employment in Selected
Industries, South and US, 1988

Source:
Bureau of Economic Analysis
Regional Projections

these traditionally labor-intensive industries are precisely the ones most threatened by global competition. Where they are thriving, these industries are replacing workers with new technology. The result: more productive, competitive firms with fewer jobs.

In contrast, the South has a smaller share of employment in the higher-productivity, higher-wage manufacturing industries, particularly "durable goods manufacturing" such as machinery and electronics, and fewer jobs in the higher-end service sectors such as finance, insurance, real estate, and business services.

In sum, the low number of jobs in relation to the population and the industry mix in the South combine to yield lower earnings and lower income per capita.

The Triple Threat

The rate of job creation is slowing dramatically.

In the coming decades, the South's economy faces threats from three directions: industrial restructuring, international competition, and the rate of job growth — the latter threat a function of the first two. Here is the ghost of the South's future...

The rate of job creation is slowing dramatically. From 1973 to 1988, the Sunbelt flourished as the number of jobs grew by 44 percent in the South, compared to 35 percent for the rest of the nation. During that period, the South's employment increased by more than the national average in every major sector except mining.

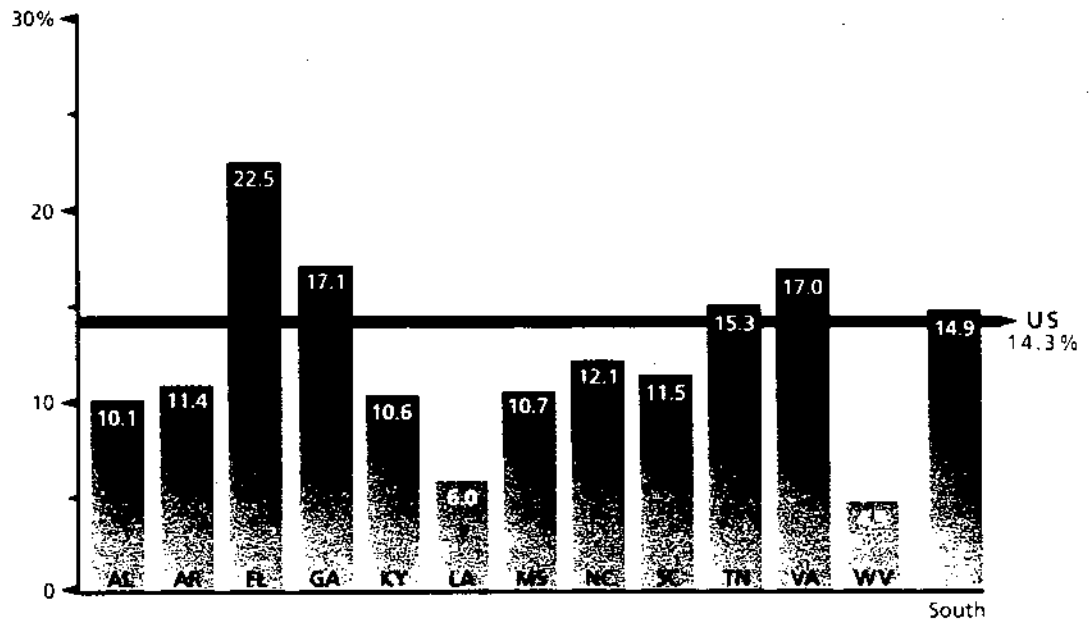


Figure 4
Projected Percentage Change in Employment,
Southern States, 1988-2000

Source:
 Bureau of Economic Analysis
 Regional Projections

Job opportunities will continue to be extremely limited in rural areas.

From 1988 to 2000, job creation for the South and for the country both will slow to around 14 percent — only one-third the South's rate of growth between 1973 and 1988. However, different parts of the South face strikingly different prospects.

The expected winners are Florida, with Georgia and Virginia tying for second place and Tennessee coming in fourth. (Figure 4.) These states will experience a continued flow of in-migration, corresponding to the increase in jobs.

In the other eight Southern states, the rate of job growth is expected to be below the national average in the coming decade. Particularly at risk are Louisiana and West Virginia. Those two states, as well as Mississippi, Alabama, and perhaps others, can expect to see a continuing stream of people migrating out in search of better economic opportunity.

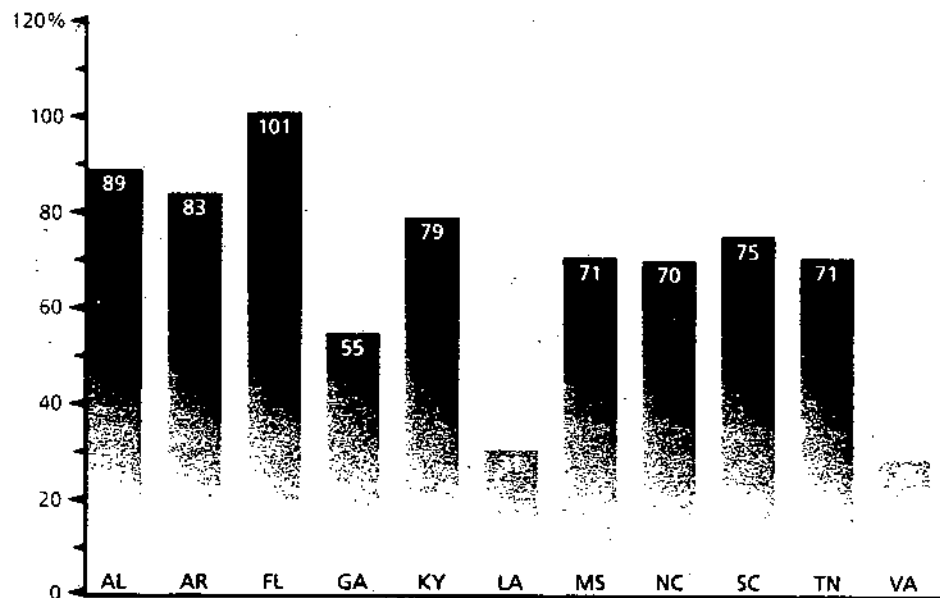


Figure 5
Average Annual Increase in Private Sector Employment, Nonmetro Growth as a Percentage of Metro Growth, 1977-1987

Source:
Southern Growth Policies Board
(Data on West Virginia not available)

Even this scenario of slow growth paints too optimistic a picture for much of the South: job opportunities will continue to be extremely limited in rural areas. Only in Florida did jobs grow as rapidly in nonmetropolitan areas as in the metropolitan centers during the 1980s. In most Southern states, employment in rural areas grew at a rate 25 percent or more below the metropolitan areas. (Figure 5.) This trend will surely continue in the coming decade as economic forces that favor metropolitan areas remain intact.

The same industries that provided most new jobs in the 1980s also will provide them in the 1990s, and chief among them are the service

industries, with a projected increase in employment in the Southeast of 2.1 million. (Figure 6.) Particularly large increases are expected in health services and in business and repair services, followed by retail and finance, insurance, and real estate. On the other hand, employment in manufacturing, transportation, and public utilities will increase slowly, and farm employment will continue to evaporate.

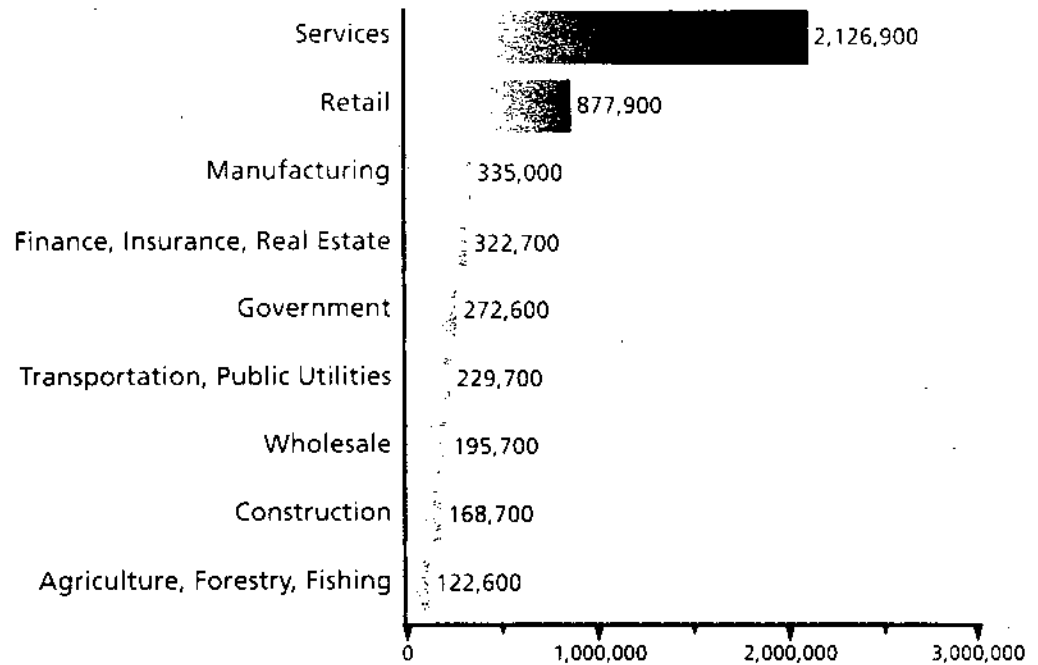


Figure 6
Projected Increase in Employment in the South
by Industry, 1988-2000

Source:
 Bureau of Economic Analysis
 Regional Projections

The South's low-skilled blue-collar workers are particularly at risk.

Despite recent diversification in Southern industry, the region's workforce remains lopsidedly in blue-collar occupations, including many low-skilled machine operators, assembly workers, and laborers, as well as higher-skilled precision production workers, maintenance and repair technicians, and tradespeople. In all the Southern states except Florida and Virginia, blue-collar workers comprise at least 30 percent of the labor force, compared to a national proportion of 25.6 percent. What future can these workers expect?

Across the South, the fastest-growing occupations are white collar (especially managerial, professional, technical, and sales) and service. In most states blue-collar jobs represent less than 25 percent of all new jobs projected for the 1990s. (Figures 7 and 8.) The South's low-skilled blue-collar workers are particularly at risk. These low-wage jobs employ over 20 percent of the workforce in six states — Alabama, Arkansas, Mississippi, the Carolinas, and Tennessee — compared to only 14 percent of the U.S. workforce. In the future, fewer and fewer jobs of this type will be created. The workers who hold these jobs today have the lowest literacy and skill levels and are the least able to adapt to new occupations and new technologies.

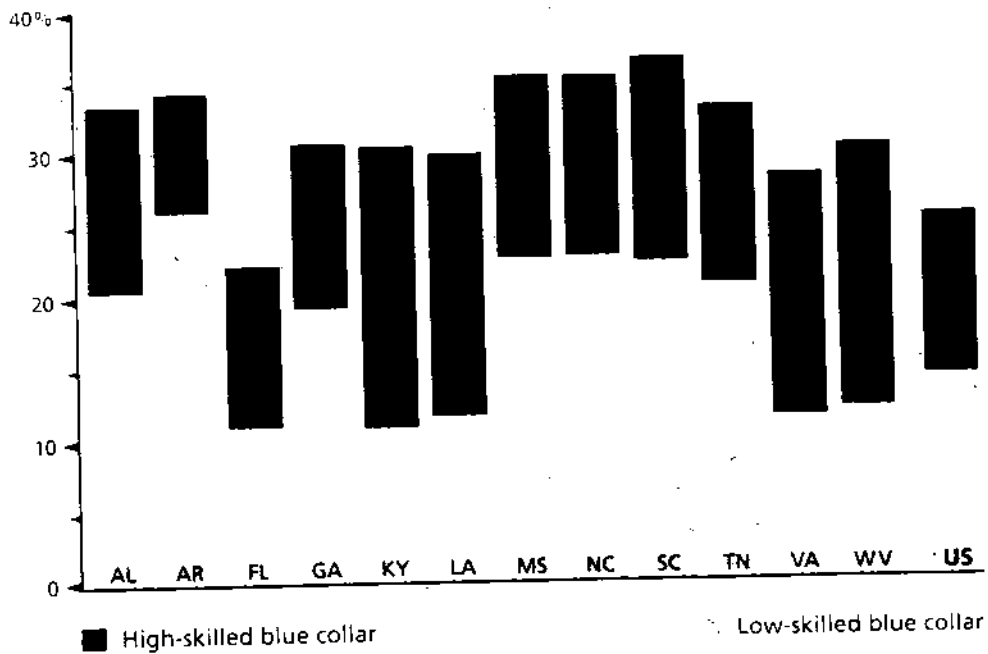


Figure 7
Blue Collar as a Percentage of All Jobs, 1990

Source:
State Employment Security
Commissions

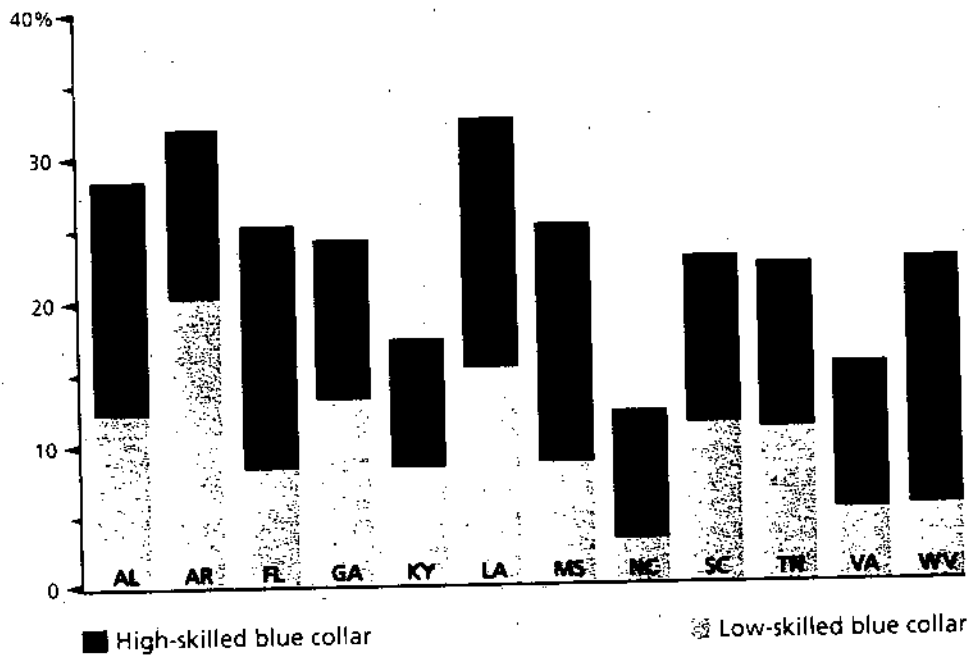


Figure 8
New Blue Collar as a Percentage of All
Projected New Jobs, 1986-2000

Source:
State Employment Security
Commissions

In a sense, the disproportionate number of blue-collar jobs represents for the South the deadweight of past successes. The old economy worked, in its way — labor-intensive industry relocated to the South and provided jobs for the many Southerners with a strong work ethic but low education and skill levels. But it will not work in the future.

National and regional projections show that rapid growth in high-skill professional and technical occupations will be paralleled by growth in low-skill retail trade and personal and health services. On the high end, the economy will require computer programmers and technicians, systems analysts, and registered nurses. On the other end, there will be medical aides and orderlies, receptionists and information clerks, home health aides, and food and beverage handlers and other jobs regarded as low-skilled.

Even in blue-collar and service roles, however, the changing economy is upping the ante for education and skills. For example, the American Association of Truckers has identified computer literacy as one of five basic skills needed by truck drivers. In services, automation is proceeding inexorably: in banks, 40 percent of teller and cashier jobs vanished in the 1980s with the rise of automated teller machines. In 1995, some 20-24 million robots will be doing work once done by people. Even the fast-food chains are working toward automation, eliminating \$5-per-hour jobs and creating \$20-per-hour jobs for technicians to tend the laser cooking system. The South is not exempt from these national trends.

Choices for the South

The South needs more jobs and better jobs. But regional economic transformation cannot occur unless the workforce is transformed.

The South needs more jobs and better jobs. But regional economic transformation cannot occur unless the workforce is transformed.

We are seeing a story that looks new — because it is happening to us now — but is actually very old. Industrialization supplanted handicrafts. Manufacturing and mechanization demolished the agrarian labor force. The silicon chip vanquished the mechanical machine. And now another wave of technology is sweeping the South — with its heavily blue-collar, low-skill, low-wage economy — into the internationally oriented economy where it must go head-to-head with the economies of the nations of the world.

Out there in the global economy, the South is looking at two broad categories of markets: low-wage industries and the ones on the higher-end and requiring well-educated, good-thinking workers.

Choosing the low road would pit the South's economy against those of Mexico, Latin America, and parts of Asia. The struggle would be brutal, and the South would lose. The South is incapable, because of its standard of living, of matching wage rates in Mexico, Thailand, or Ecuador.

Furthermore, coming down the road is the North American Free Trade Agreement, which will banish trade and tariff barriers on the continent.

***Mexican President
Salinas On American
Low-Wage Industry***

"You Americans are going to lose those jobs anyway. The advantage here is that if you lose jobs, [other] jobs will be created in the U.S."

***"A Marriage of U.S.
Capital, Mexican Labor"
Chicago Tribune, 4/8/91***

This will throw Mexico wide open as a production site. The lure will be low capital requirements, high productivity of capital, and a bountiful supply of willing, low-wage labor. Already, within recent months corporate managers have announced the move to Mexico of plants that assemble products as diverse as electronic switching gear and low-cost furniture. To be a winner under the North American Free Trade Agreement and in the global economy in general, Southern states must become producers and exporters of the high-end component that the low-end workers in Mexico will assemble and ship back here or sell elsewhere in the world market.

Clearly, the South's economic future lies in developing an economy that can hold its own in world trade with those of the European Community and the Pacific Rim, but the South's preponderance of low-end industry will work against it in the global market of the 1990s.

Two pieces of the puzzle for the South are relatively easy to put in place: technology and capital are globally mobile, easily accessible in any corner of the industrialized world. But labor is local, and it will be any region's comparative advantage or economic albatross.

Is the Southern workforce up to the challenge?



III. The Southern Workforce: Hobbled by the Past

"Willing, intelligent white male labor is available in a steady supply... And all, men and women, are 99% native born, Americans of old pioneer stock — keen, teachable, and ambitious to work and get ahead... A population marked by racial purity and unusually high character."

*"Piedmont Carolinas: Where Wealth Awaits You,"
1927 industry recruiting pamphlet*

A quarter-century ago, the profound economic and social upheaval changed that quaint and offensive statement forever and created a new Southern economy. But as the statement implied, up until the 1960s, farms, mines, and mills could count on an almost infinite supply of available labor. People were hired and dismissed according to the

rhythms of agriculture and the demand for coal and cotton yarn. They were good workers — hardworking, dependable, and loyal, with strong backs and nimble hands to make the region's industry productive. And there were always more than enough, despite the low pay. Now, conditions in the South have changed, but the region is still a prisoner of the ghost of its past.

"We've been selling the wrong things — cheap labor, cheap land, and low taxes. And we got exactly what we paid for. In short, the rural South is finding that it has mortgaged its future to lure a few jobs..."

**Former Mississippi Governor
William Winter**

The story of "Standard Tool Company" — a true story with names changed — tells it all. In 1981, this Pennsylvania manufacturer built a branch plant in "Pinedale," a rural county of about 15,000 people in the Carolinas. It came South to take advantage

of the inexpensive labor, low land cost, and favorable tax rates. But ten years later it moved back to Pennsylvania. The reason? The plant manager estimated workforce productivity to be "probably twice as high back in Pennsylvania as here, and that may be a conservative estimate."

Increasingly, productivity is tied to workers' education and skills. As Southern businesses struggle to compete in the international economy, their ability to grow, indeed their very survival, depends on the ability of the workforce to read, write, compute, solve problems, and adapt to rapidly changing technology.

The economy has changed dramatically since the days when northern manufacturing plants flocked South in search of low-cost labor; those same firms today look to Third World workers or robots to reduce their labor cost. The Southern workforce also has come a long way toward national education attainment levels. But we have a long way to go to match levels in the European Community and the Pacific Rim.

**Today's Workers,
Tomorrow's Hope**

Over 85 percent of today's workforce will be on the job in 2000, and approximately 70 percent of the South's workers in the year 2010 are already on the job today.

Over 85 percent of today's workforce will be on the job in 2000, and approximately 70 percent of the South's workers in the year 2010 are already on the job today. A look back two decades puts the future in perspective.

In the Sunbelt boom of the 1970s, the South saw its population increase rapidly. High birth rates were complemented by millions of migrants who streamed in, mostly from the Northeast and Midwest, to exploit an expanding economy. In a decade, the region changed from being an exporter of human resources to become the nation's principal recipient of migrants, with newcomers most concentrated in the Atlantic Coast states. The net result: the working-age population (ages 18-64) grew by 26.8 percent in ten years.

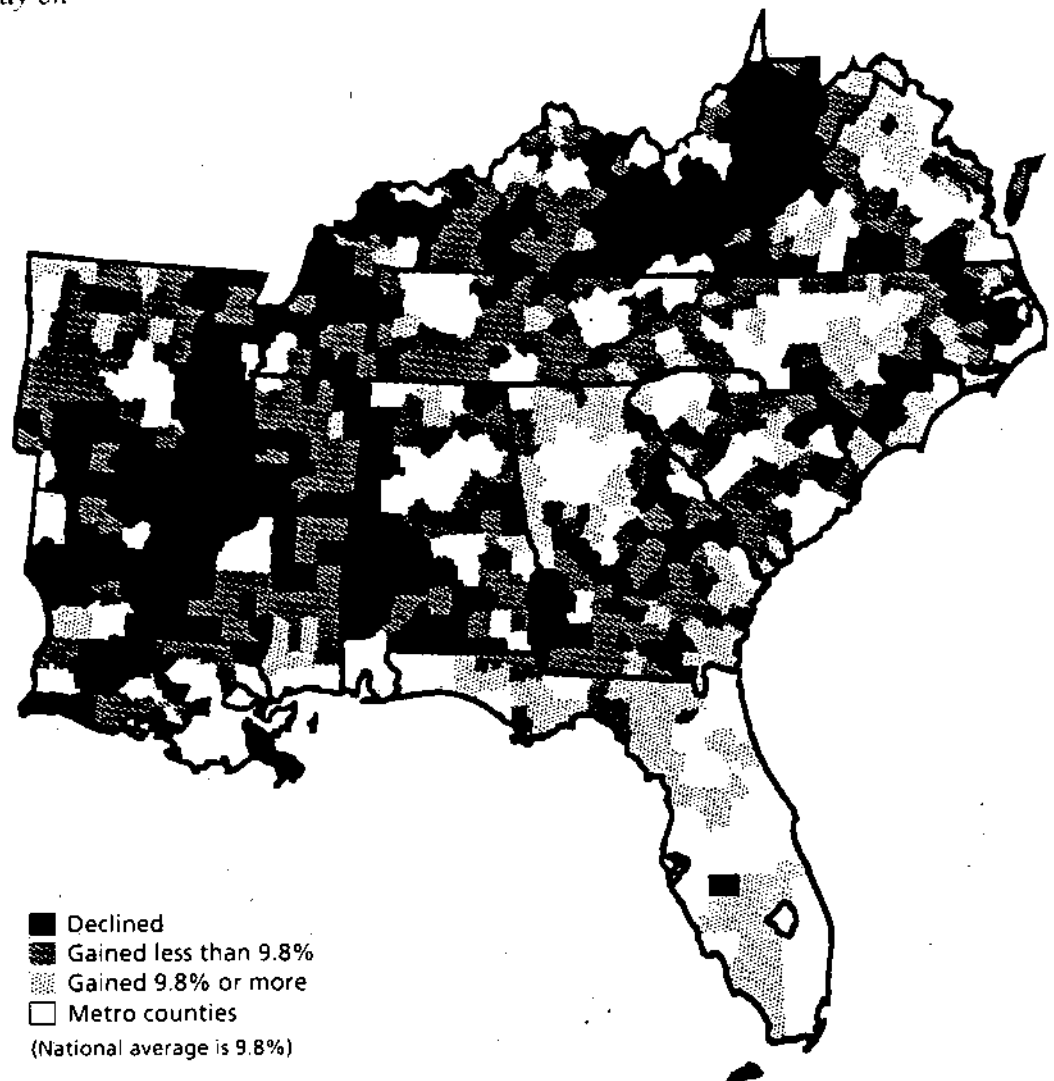


Figure 9
Population Change, 1980-1990

Source:
Economic Research Service,
US Department of Agriculture

The most important population change will be the drop in the number of young people, ages 18 to 24, who represent new entrants to the labor force.

The population boom did not continue in the 1980s, and as a result the South's working-age population increased by only 15.9 percent. Migration to the South slowed down, and growth was concentrated in prospering metropolitan areas. Many rural Southerners left home, mirroring the earlier out-migration, but this time they moved to Southern cities no more able to assimilate the poor and undereducated into the economy than were the cities of the North a generation ago. (Figure 9.)

The South is no exception to the country's slower population growth projected for the '90s. The region's population is projected to grow 8.4 percent between 1990 and 2000, just slightly above the national rate of 7.5 percent.

The most important population change will be the drop in the number of young people, ages 18 to 24, who represent new entrants to the labor force. This age group grew rapidly in the 1970s and helped fuel the rapid growth of the South's economy. But in the 1980s the number of people aged 18-24 declined in the nation and in all Southern states except Florida and Georgia. (Figure 10.) As a result, the South enters the 1990s with substantially fewer entry-level workers than it had a decade earlier, and further declines are projected during this decade.

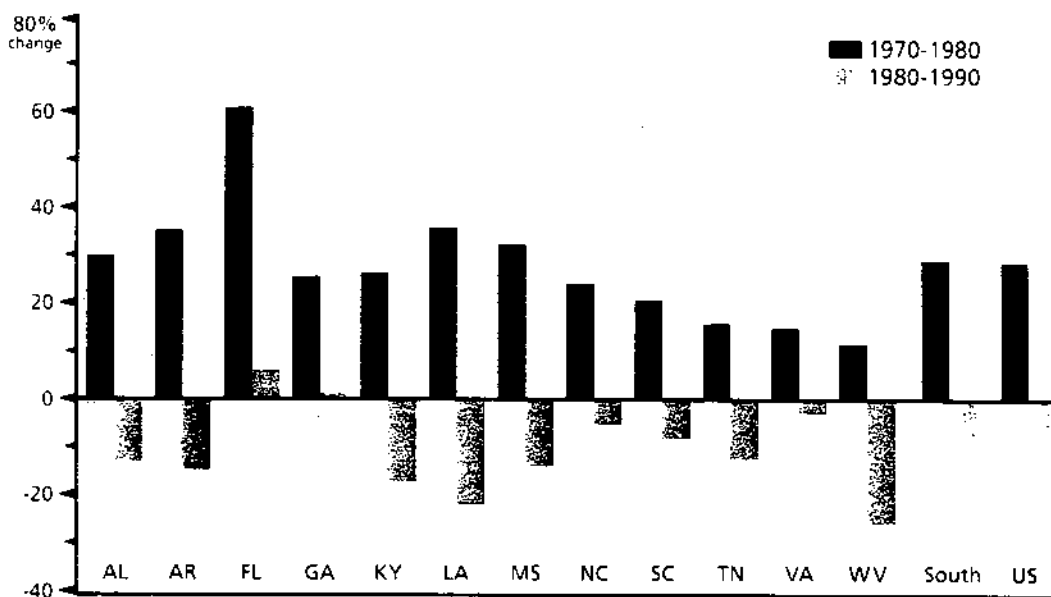


Figure 10
Percent Change in Population, Age 18-24,
1970-1980 & 1980-1990

Sources:
State and Metropolitan Area Data Book;
1990 U.S. Census of Population and Housing

This means that the workforce will age, and a growing percentage will be 45 years old and over. The education and skills of those currently in the workforce and those who are chronically unemployed will therefore assume greater importance in determining the competitive position of the South's economy in the 1990s.

**The People
Still Left
Behind: None
To Spare**

...many Southern adults are neither working nor looking for work. That is a reflection of limited job opportunities in many parts of the region.

As fewer new entrants join the labor market, it becomes more important for the economy to utilize the abilities of all potential workers, and many Southern adults are neither working nor looking for work. That is a reflection of limited job opportunities in many parts of the region.

Labor force participation rates — the percentage of adults either working or seeking work — in the South are below the national average in all states except Georgia, North Carolina, and Virginia. These three states also have the region's highest number of jobs per 100 people. In West Virginia, the state with the lowest number of jobs per 100 people, only 54 percent of the adults are in the labor force. Clearly there is potential to draw more of the South's adults into the job market, but only if the future brings more jobs that offer adequate pay and demand skills that Southern adults can provide.

In the South, as in the nation, black men are underutilized: they participate in the labor force in lower numbers than white men, a result of the more limited opportunity. (Figure 11.) This underutilization is a special problem for the South because more than the rest of the nation the Southern workforce depends on blacks. Blacks comprise over 19 percent of the Southern labor force, compared to only 11 percent nationally, but in much of the South, the black unemployment rate ranges two to nearly four times higher than the rate for whites. In five of the 12 Southern states, black unemployment is at least three times greater than white unemployment. Mississippi tops the list with 3.9 percent average unemployment among whites, compared to 15.2 percent among blacks. (Figure 12.)

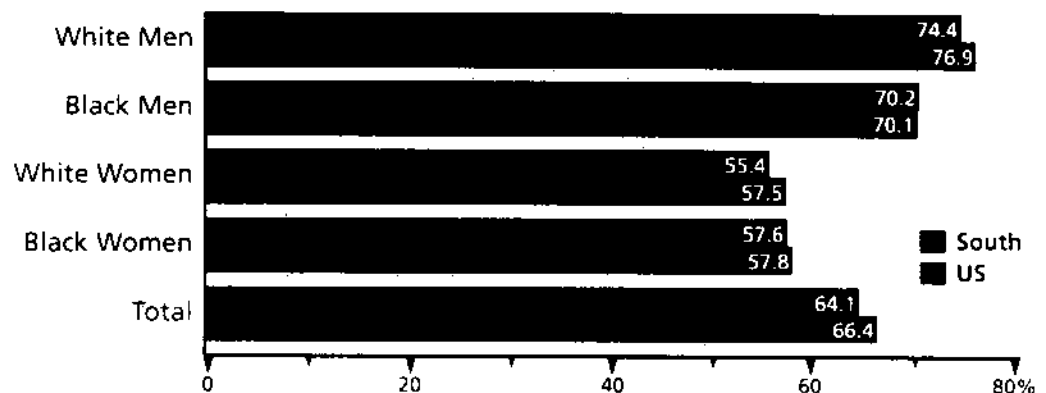


Figure 11
Labor Force Participation Rates by Race & Sex,
South and US, 1990

Source:
Bureau of Labor Statistics, Geographic Profile
of Employment and Unemployment, 1990

Throughout the nation, minorities are concentrated in jobs that hold little hope of promotions or higher wages, and the South is no exception. Blacks are overrepresented in the lower-wage blue-collar jobs and lower-skilled service jobs both nationally and in the South, with the result that in 1990, median earnings for black men were \$12,867 compared to \$21,170 for white men.

Women, who represent over 40 percent of the workforce in most Southern states, are also underutilized, concentrated in clerical and service jobs that in many cases fail to take full advantage of their education and skills. The extent of occupational segregation for women was shown

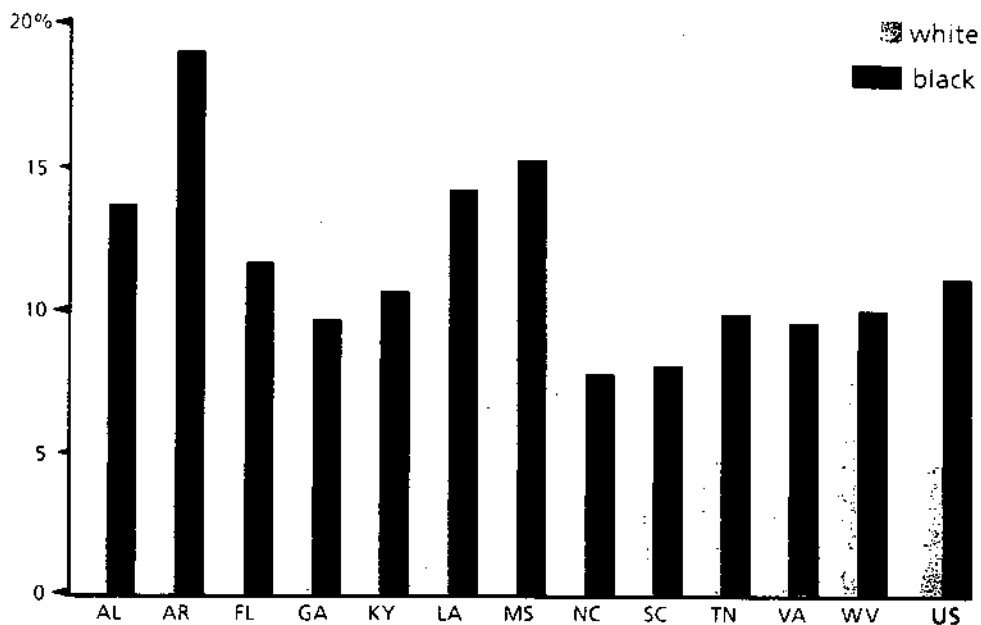


Figure 12
Unemployment Rate by Race, 1990

Source:
Bureau of Labor Statistics, *Geographic Profile of Employment and Unemployment, 1990*

in a recent survey in North Carolina: three-fourths of the respondents indicated that they worked in jobs that were either 95 percent male or 95 percent female. The same survey calculated the pay gap between women and men at \$3.46 an hour or about \$7,000 a year.

"There is a class of workers in the South who have high skills but earn low wages. We call them women."

Juanita Kreps, former U.S. Secretary of Commerce

Education and training programs often tend more to reinforce than ameliorate job stratification. In vocational and postsecondary educational programs, most women take courses leading to clerical or service jobs. Men, in contrast, prepare for work in electronics, repair trades, machine tooling, and other high-wage skilled trades. Similarly, disproportionate numbers of black students are steered into general education tracks that limit their options for either higher education or higher-paying occupations.

Stereotyping of workers by race or sex is costly and inefficient, and it will become increasingly expensive for society as the labor market tightens.

Rural residents are another underutilized group of Southern citizens. Across the South, rural areas suffer higher unemployment rates and lower incomes than metropolitan centers. This is a population that the South cannot afford to ignore because rural areas include a high proportion of the region's population. In 1990, when 25 percent of all Americans lived in rural areas, every Southern state except Florida was above the national average; and in six Southern states more than 45 percent of the population lived in rural areas.

**Education,
Education,
Education**

Historically, the South has had the nation's lowest education levels as well as the lowest per capita income.

The importance of an educated workforce in the new economy is not news. What is news is that the pattern of job growth in the South has shown a striking link between education and economic prosperity for some time. In those Southern counties where less than 40 percent of adults 25 and older in 1980 had high school diplomas, the number of jobs increased by just 2.4 percent annually from 1977 to 1988. Counties where more than 60 percent of adults had graduated from high school grew 5.7 percent annually — more than twice as fast. This discrepancy will only intensify in the future.

There are many other indicators of the correlation between low education and low income. For instance, national studies have documented that as real wages fall, adults with lower education levels fare the worst. Between 1973 and 1986, the real wages of male high school dropouts declined by 42 percent while male college graduates lost only 6 percent. Workers with low education levels today find it harder to find and hold any job, much less a high-paying one. Over the last two decades, employment has plummeted for those with lower levels of education, while employment figures for the highly educated have steadily climbed.

Historically, the South has had the nation's lowest education levels as well as the lowest per capita income. The South funds its public schools at lower levels than the rest of the nation, and it leads the nation in illiteracy. The result: much of the Southern workforce is ill-prepared for the new workplace.

During the past decade the Southern states have emphasized improving public education, and the region has inched closer to national education levels. In 1980, only 58.5 percent of Southern adults had graduated from high school, compared with 66.5 percent of all U.S. adults. By 1990, more than 70 percent of the adults in the South were high school graduates compared with 75 percent for the United States as a whole. (Figure 13.)

The gap has also closed in the proportion of adults with less than ninth-grade schooling, as this most-disadvantaged group decreased from 23.9 percent to 13 percent of all Southern adults. (Figure 14.) The percentage of college graduates increased substantially in the South in the 1980s but continues to lag behind the national rate. In sum, the South has narrowed the educational gap and, thus, the income gap. But the gap in

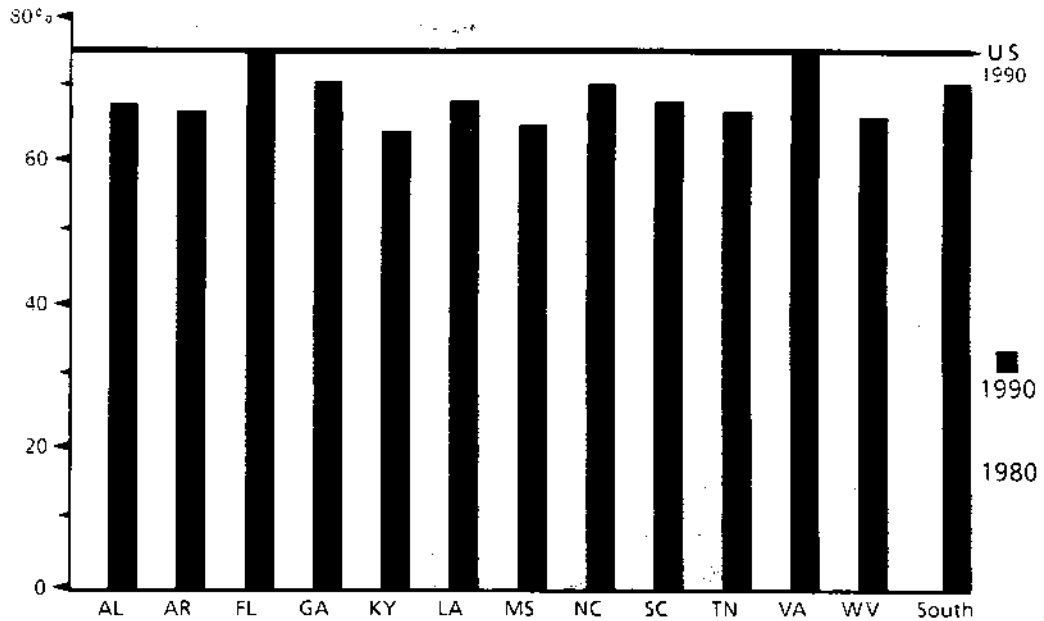


Figure 13
Persons 25+ With at Least a High School Diploma,
1980 & 1990

Source:
1980 & 1990 US Census of
Population and Housing

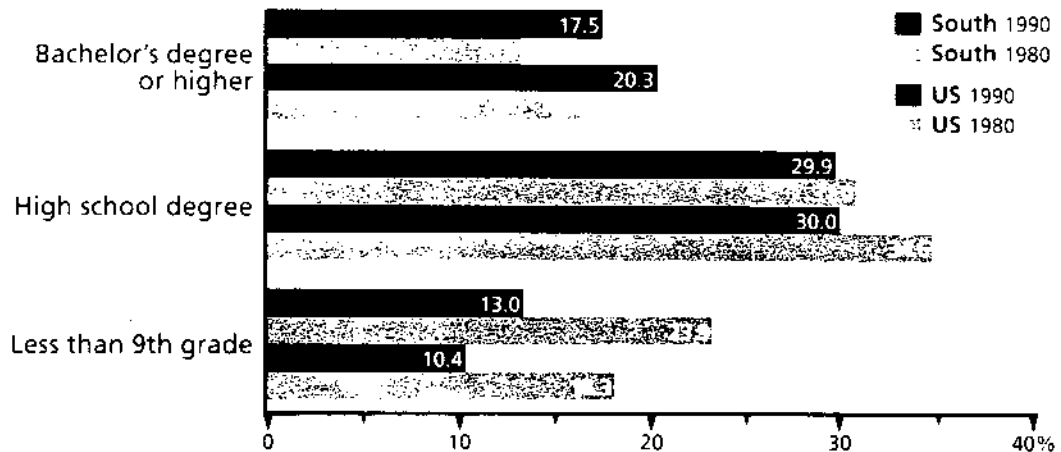


Figure 14
Educational Attainment, South and US,
1980 & 1990

Source:
1980 & 1990 US Census of
Population and Housing

both remains. Until we catch up to the nation, we cannot expect to compete on an even playing field with Japan and Germany.

Within the South, there are important geographic and racial twists to the education story. Rural and black Southerners have consistently lagged behind their white and urban counterparts in educational attainment. In 1990, 15.6 percent of the South's black adults had completed less than nine years of school, compared to 10.6 percent of white adults, and 19.1 percent of white adults had a college degree, compared with 9.7 percent of blacks.

Rural and black Southerners have consistently lagged behind their white and urban counterparts in educational attainment.

High Skills or No Wages

Without decisive action...the Southern workforce will carry deeply embedded deficiencies into the next century.

Historically, rural Southerners suffer an educational disadvantage as well, reflected both in the number of years of formal schooling and in the quality of education available to them. Many rural schools lack the laboratory facilities and equipment necessary to offer the same range of educational opportunities as their urban counterparts. At a time when the economy places a premium on literacy, numeracy, and critical thinking, such deficiencies carry a heavy toll.

Thus black and rural Southerners are particularly vulnerable in an economy that demands higher literacy and skill levels. And, their educational deficiencies pose a serious threat to the entire regional economy in the future.

Here, then, is the ghost of the South's future, a coming workforce crisis:

- First, there will be slow growth in the workforce. The vast majority of workers in the year 2000 — even in 2010 — are already on the job today, and the battle for the South's place in the global economy will be decided based on their skills and productivity.
- Second, at a time when the labor market places a premium on literacy, numeracy, and critical thinking, the current workforce is hobbled by educational deficiencies. The pace of educational reform has been too slow to keep up with the increasing skills demanded by the market. Particularly at risk are blacks and rural Southerners.
- Third, blacks suffer from educational tracking and low expectations; women in the South also continue to suffer from stereotyping in job opportunities and in education.

Without decisive action to upgrade current workers and prepare young people, minorities, and women more rigorously for the workplace, the Southern workforce will carry deeply embedded deficiencies into the next century. These deficiencies will hobble the South's capacity to upgrade its industrial structure and to create more jobs in high-skilled occupations. Indeed, unless it takes action, the South will face a condition of both unfilled jobs and unemployed people.

There is already evidence of a skilled-worker shortage. A 1991 survey by the National Association of Manufacturers found 10 percent to 24 percent (depending on differing needs in different parts of the South) of Southern firms reporting shortages of skilled craft workers, technicians, and technical professionals.

The Commission on the Skills of the American Workforce issued a report in 1990 subtitled, "high skills or low wages!" If the report were issued for the South in 2000, the more apt title would be "high skills or no wages!" In a region noted for its working poor, work can become an antidote to poverty. But better education is the precondition to work.



IV. Southern Employers: Gearing Up or Digging In

"You can't get good people today — people don't want to work."

— South Carolina sawmill owner. 1991

"Anything you can do elsewhere in the world, you can do in the Delta if you do it right."

— Mississippi metal fabrication plant owner. 1991

Business is increasingly, sometimes painfully, aware of the rising skill demands of the workplace — especially the basic skills of reading, computing, and communicating, but also more technical skills like computer literacy and analytical problem-solving. Employers traditionally have invested in professional training for management; the greater need now is to upgrade the skills of hourly workers.

The flurry of upgrading and retraining now taking place in firms across the South offers encouraging examples of what can be done. But those efforts affect relatively few of the tens of thousands of employers across the South. And they are more prevalent among large corporations than among the small and medium-sized enterprises that provide the bulk of the jobs.

Lessons from the Giants...

Major Southern corporations, such as R.J. Reynolds Tobacco, BellSouth, Entergy, and Federal Express, are already internationally competitive, high-productivity performers. The bulk of Southern employment is in smaller manufacturing and service firms that are focused on day-to-day operations with limited time and resources to devote to imprecise demands for change in a changing economy.

Although these smaller firms have neither the research and development capacity nor the human resource departments of Fortune 500 companies, there is much they can learn from the experience of firms such as BellSouth and R.J. Reynolds that have already worked through automation and workforce retooling.

By Southern industry standards, BellSouth's operations are massive, indeed. There are 471 people responsible for training, and half devote their attention to hourly workers, not to management personnel. Much of their instruction is computerized; they have a mobile lab to take instruction to dispersed employees; and they will soon have a satellite TV network.

Frontline workers were transformed from manual machine tenders and materials handlers to participants in a world-class computerized manufacturing system.

But beneath the Twenty-First Century communications technology that few employers can match are applications that can be applied almost anywhere. BellSouth has demonstrated both the way and the value of transforming familiar "adult education" classes into "just-in-time training" in math and communications skills that workers can apply on the job immediately. The company is working with community colleges in nine states to identify and certify curricula that produce the specific skills that BellSouth has identified as critical in meeting basic job requirements. Successful completion of certified courses of study enables employees to transfer basic skills as job demands change.

R.J. Reynolds' experience speaks both to the skill potential of the workforce common to Southern industry and to ways of developing that potential. Reynolds' traditional workforce included hundreds of produc-

tion workers with reading and math skills on the margins of functional illiteracy. As it began transforming the traditional mass production process that these workers had operated well, Reynolds established a policy that none would be laid off for lack of basic literacy skills.

In the 1980s, Reynolds opened a new plant where computerization and robotics dictated a restructured approach to manufacturing that required higher and more technically demanding skills. Reynolds made the retraining of workers with less than sixth-grade reading skills an integral part of its restructuring. It

offered others with less than a high school education the chance to develop and expand their basic skills, and more than 1,000 men and women took part in this training.

Frontline workers were transformed from manual machine tenders and materials handlers to participants in a world-class computerized manufacturing system. Now Reynolds is preparing to build on that foundation, to boost the basic educational skills of all workers toward high school level. The goal is a workforce that can make even more produc-

Why BMW Chose Spartanburg

Before deciding on Spartanburg, South Carolina, for its new plant — one of only two outside Germany — BMW looked at 250 sites around the world. Financing, tax incentives, and infrastructure were among the factors. But a consultant to BMW in the process wrote this in the July 6, 1992, Wall Street Journal: "...clearly one of the main factors influencing the decision was the state's intense preemployment worker training program. This program supports a work force already possessing basic skills. BMW found qualified workers and a flexible educational structure ready and waiting — a system fully oriented toward meeting the demand for both service and industrial workers."

tive use of complicated software and that can better anticipate problems in the system and reduce downtime on equipment when problems arise.

Despite the scale of Reynolds' original effort, its fundamental approach to training is simple. Top management set the tone by demonstrating its belief that upgrading employee skills is critical to the competitive future of the company and to the job future of individual employees. It committed senior managers to make the training effort work, provided release time for basic skills training in classes, and offered tuition assistance to those workers who "learned to learn" and wanted to move on ahead.

Can the approach exemplified at Reynolds, the types of training techniques developed by BellSouth, and exemplary developments in other major corporations be matched by average Southern employers — those with fewer resources who are more isolated from technical assistance in training? Can they take similar steps to upgrade their workforces and their corporate competitiveness?

...Lessons from the Far Reaches

Senator Sam Ervin used to tell about the conversation he overheard on the porch of a country store where one elderly man asked another, "Do you believe in infant baptism?"

"Believe in it?" the other replied, "Hell, I've seen it done!"

So it is with small companies across the South. MDC has seen it done in operations like Delta Wire in the Mississippi Delta and Phoenix Specialty Manufacturing Company on the edge of the South Carolina Lowcountry.

With only the planning and training resources typical of small manufacturers who have fewer employees than BellSouth has trainers, each of these companies decided to operate at the world-class, high-performance end of the industrial spectrum. And, like Reynolds and BellSouth, each decided it could become a world-class competitor with local Southern workers.

"Believe in it?..."

Hell, I've seen it done!"

Delta Wire in Clarksdale, Mississippi, competes internationally and successfully with a workforce entirely the product of the poor schools in the nation's poorest region. Its workers are using statistical process control they learned from a curriculum designed by Mississippi State University, taught by Coahoma Community College, and tailored to the needs of Delta Wire.

Phoenix is a closely held corporation that does \$10 million a year in sales of metal and plastic washers, gaskets, and shims to a national market from its plant near Bamberg, South Carolina. Through the 1980s the company had managed steady growth and profitability following a traditional manufacturing approach.

The company assumed a responsibility to take employees "as far as they can go."

But as its president and chief executive officer, Robert Hurst, explains, Phoenix was having growing pains. Too many day-to-day production problems were landing on his desk. Increasingly, the company was trying to override snags in the production process by "throwing more people at them."

"We were going in the wrong direction and something had to be done," Mr. Hurst says. "If you're not improving, customer response will eventually kill you."

To position Phoenix for long-term competitiveness, he put Phoenix in a "de-hiring mode." In effect, he closed the gates and told the workforce that Phoenix was taking a "people-driven" approach where the future was as much in their hands as in the hands of management.

The company assumed a responsibility to take employees "as far as they can go." But it placed on them the obligation to take advantage of basic skills and further training or jeopardize their future — a reward system of mutual obligation.

After three years, Phoenix has evolved its own three-tiered training operation that deals with basic skills and helps individuals "learn to learn," that can be focused on developing job-specific skills, and that provides for higher-order "thinking" and "problem solving" for the company's workforce of 135-150.

As of mid-1991, Phoenix's customer rejections were running at a rate of only seven items in 2,000, material usage had been cut by more than 3 percent, and the on-time delivery rate had climbed to "around 95 percent."

"This is still not as good as we want," Mr. Hurst says. "But we're getting there."

Unfortunately, Phoenix is one of a relatively few "average" Southern firms that have paralleled the kind of effort made by Reynolds and developed applied training resembling that at BellSouth.

And from the Service Sector

There are few working examples of a movement toward wide-scale upgrading and retraining in the service sector. This may reflect, in part, the relatively slow growth in productivity in the service sector, which service businesses have so far found tolerable.

A Southern regional manager of one of the major fast-food chains can describe how current technology could replace today's squads of workers with an automated process that almost literally requires only someone to put the raw materials in one end, someone to collect the finished product at the other end, and a highly trained manager and maintenance person to preside over the operation. Although he couldn't point to a

Workforce
preparedness is
not simply a
challenge to
traditional
Southern
manufacturing...

Southern site where market pressures might work such a sweeping change in the near future, the *Harvard Business Review* describes how Taco Bell has begun the process by reorganizing management and investing in worker training to increase quality and cut costs.

Where pressure for change is apparent and where change can have far-reaching effects is in medical treatment and care. The pressure by government, insurance companies, and a concerned public to damp down rising medical costs has hospitals looking carefully and, in some cases, frantically for ways to reduce the labor-intensive phase of patient care.

A major Southern teaching hospital has been struggling to deal with both this problem of trimming low-skill jobs and a parallel problem of filling skilled jobs such as medical secretary (a job that used to be filled by educated doctors' wives who have now become real estate agents, stockbrokers, or doctors themselves). Those jobs are now being filled by recruiting from outside the area or by intensive basic skills training of clerks from within. This is but one example of the restructuring that is shaking up the health industry. Others involve orderlies and other entry-level workers taking on technical duties to relieve pressure on trained health professionals.

Workforce preparedness is not simply a challenge to traditional Southern manufacturing; it is a factor that will shape the future of virtually all major industries.

"It's All So Different"

...few have a clear
idea of how or when
these structural
changes will
specifically affect
their operations.

Employer concern about the traditional low level of educational attainment in the Southern workforce has produced an exponential increase in the number of adult literacy programs operating at the workplace. From 1987 to 1991, the number has grown from fewer than 25 to more than 300 in South Carolina; it has multiplied by a factor of ten in Georgia and quadrupled in both Florida and North Carolina. But even this growth relates to no more than 5 percent of firms in the region.

More discouraging is the research which shows that the increasing numbers are not being matched by increasing quality in most instances. Most adult literacy programs — both in and out of the workplace — are taught by part-time instructors trained to teach young people. Even at the workplace, curricula rarely relate to specific job skill demands. Rather, reading and computation skills are taught with the vague hope that they will somehow play out to the benefit of employee and employer, and this bread-on-the-water approach reflects a widespread uncertainty about what to do next.

Many, perhaps most, employers across the South are well aware of the changes at work in the economy and resulting demands for higher skills. But beyond general complaints about hiring problems, few have a clear idea of how or when these structural changes will specifically affect their

operations. Most employers aren't making and implementing the kinds of strategic calculations that triggered decisions at Phoenix and Delta Wire because they haven't yet confronted a Monday-morning-on-the-shop-floor problem which can define the higher skills needed in their workforce. Most have introduced some technology piecemeal, stuck with traditional approaches to manufacturing and service delivery, and worked around any immediate skill problems.

Like management of the hosiery firm (see example below), they know there are problems in the workforce. But they tend to see them in day-to-day operating terms — the increasing difficulties and costs in hiring new or replacement workers or the need to channel special production jobs

to selected frontline workers because others can't handle the demands of quality controls well enough or fast enough. So, like the hosiery firm, they can't know "how big a problem" they have.

The result is that large manufacturing and service industries in the South and a scattering of smaller firms are gearing up to compete in the Twenty-First Century. Many of the others are digging in to hold their ground with low-cost labor. This is a problem for the South, not just the private sector, and the private sector can't supply the solution alone. Most firms that are addressing the problem are correctly enlisting the help of public education agencies. Only a broad-based public/private partnership can make the South competitive.

Too Much, Too Soon

A profitable, progressive men's and children's hosiery firm made a major commitment to the technology for state-of-the-art quality control and just-in-time delivery without special training for the workers. After a heavy investment, management discovered that the system made skill demands that its frontline workforce couldn't meet.

The company's chief executive officer explained, "We just blew it. We knew we had a problem, but we didn't know how big it was." An experienced knitting machine operator put it in a different perspective as he commented, "It's all so different."

This hosiery firm is now hard at work developing and implementing an ongoing basic skills training program with the help of a local community college which does have the capacity to assist in making basic skills training respond to new demands on undereducated personnel. Meanwhile, its system waits to be fully implemented.

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V. The Public Sector: Resources in Search of a Plan

"Human history becomes more and more a race between education and catastrophe." — H.G. Wells

"And the race is on." — George Jones and Buck Owens

The solution is not mysterious or elusive. It is more about changing the way the South thinks about training and educating its citizens — expecting more of them — than it is about creating new programs or spending vast amounts of new money.

Developing a world-class workforce for the South is a challenge, but it is not an impossible dream. The solution is not mysterious or elusive. It is more about changing the way the South thinks about training and educating its citizens — expecting more of them — than it is about creating new programs or spending vast amounts of new money. Much of the public sector institutional and programmatic base is already in place, and the refinements and new initiatives necessary to develop that base are known.

For the long term, this means carrying on the public school reform movement that Southern governors and corporate leaders created and have sustained. Equally important, however, it means extending education reform to out-of-school youth and to adults who will constitute the bulk of the Southern workforce for years to come.

The Southern states are hardly new to the business of workforce development. For example, Southern states pioneered customized training programs for new and expanding businesses and are offering them increasingly to existing businesses as well. And virtually all the states have taken steps over the last five years to enhance their attack on functional illiteracy.

Yet, the South is operating with institutions and programs that were independently designed and implemented. Many are random, fragmented responses to problems that at one time or another were on the political front burner. Operating independently, most are too narrowly focused, too modestly funded, and often too hobbled by old institutional constraints to have more than a marginal impact on workforce preparedness. And in too many places in the South, employers see workforce development as a crazy-quilt pattern with a muddled mission parceled out among rival systems.

**Community
Colleges:
The Cutting
Edge Needs
Sharpening**

These education and training resources can be melded into a coordinated system that will not only serve the South well in the current catch-up phase of workforce development, but will also establish the ongoing postsecondary training and retraining systems demanded by our changing economy. Operating in conjunction with greater state emphasis on promoting and assisting employers in adopting new technologies, these state systems can reshape the economy of the South.

For ten years, the debate about workforce development has begun and ended with discussions of elementary and secondary school reform, while the bulk of the future workforce is on the job today.

beyond the reach of the public schools.

Customized Service for Youth and Adults

Catawba Valley Community College is located in an area of North Carolina's foothills that is one of the most manufacturing-intensive in the nation. Programming at the college reflects the furniture and textile flavor of the economy it serves. The college has long operated a furniture center offering a range of options from one-time courses to associate degree programs for those seeking more comprehensive skills. More recently, the college instituted a hosiery technology center, an Environmental Policy and Studies center to help business deal with rapidly changing environmental regulations, and a Deming Quality Center to assist employers interested in reorganizing work. It operates literacy training in churches and at work sites; it trains machine operators in a county prison.

And the community college is continually innovating. For instance, there is the new "Mid-Tech" program, developed by the college and the local schools, to give students a heavy dose of academics linked to careers. They become competent on computers and get a taste of campus life. The shining difference of Mid-Tech is that students are lifted from schools where they are expected to fail and placed in a classroom where success is expected.

Southern states are blessed with an abundance of post-secondary institutions, many offering the accessible and flexible education increasingly required for working adults. Short courses, certificate programs, or associate degree programs are offered by community colleges, technical colleges, vocational centers, and regional universities.

The model particularly well-suited to the workforce development needs of adults is the comprehensive community college.* It is difficult, however, to generalize about the South's community colleges. More than universities or public schools, they look and act differently from state to state, reflecting differences in origin. Mississippi's colleges, for instance, had their roots in the junior college movement, while those in the Carolinas sprang full-blown from economic development challenges posed by the transition from agriculture to manufacturing. In Louisiana,

community colleges barely exist, their traditional functions shared by regional universities and vocational centers.

*In this report, the term "community college" is used to describe Southern postsecondary systems providing one- and two-year educational programs, including technical colleges and institutes.

It is already common for baccalaureate graduates to augment technical skills at community colleges.

Despite their variety, one generalization describes community colleges: they are the South's most flexible public institutions. And at their best — and many in the South are at their best — they are institutions that serve the ever-widening needs of adults:

- They teach calculus and environmental science and physics and computer-aided manufacturing as well as workplace literacy and welding.
- They can make education portable — take it from the classrooms and put it in factories, housing projects, prisons.
- They are located near the people who most need academic and technical training to get a job.

Enrollments are growing in all 12 states, partly because of their relative affordability and access during recessionary times, but also because more young people see them as a path from high school to work and higher education and because adults see them increasingly as stepping stones to higher skills and new careers.

As more demanding jobs devalue the high school diploma, market forces will hasten the day when a community college associate degree will be the new entry-level standard for a decent career. Those forces will also hasten the day when "higher education" includes the pursuit of an associate degree within its accepted definition. It is already common for baccalaureate graduates to augment technical skills at community colleges.

In a current employer survey by the Southport Institute for Policy Analysis, 85 percent of respondents named community and technical colleges as their first choice for help with workforce training. Most of these schools have become adept at working day-in-and-day-out with both employers and workers and at providing new and expanded workplaces with customized training. Some are now running high-technology training centers for local firms, and a few are operating as outposts to link small and medium-sized manufacturers to university research centers.

Still, with all their success and promise, most are a long way from reaching the performance of world-class urban institutions such as those in Miami or Charlotte or their more rural cousins such as Itawamba Community College in Mississippi or Catawba Valley in North Carolina. Most are recession-ridden, struggling in the backwater of education reform with little attention. Even North Carolina's system, often seen as a national model, labors with the lowest-paid faculty in the nation and escalating tuition and has had to eliminate training programs for students and business just at the moment of greatest need.

The training director of one major Deep South service industry said that because of the budget crunch and enrollment caps, some colleges have

lost their drive for innovation: "They are tending more toward 'business as usual' and have less time for the needs of business." The struggle to support operations inhibits their capacity to design new programs and services for the local economy. This is especially true of smaller institutions that typically serve rural areas — the very places where educational attainment is weakest and the need greatest.

Raised Expectations Must Be Met

In Birmingham, some 75 angry students showed up when Lawson State Community College canceled its summer evening classes. "We work! You do classes for day students, but not us!" ran the students' complaint. President Dr. Perry Ward agreed, but he didn't have the budget for the evening classes. Nor the money to increase enrollments in drafting and nursing. "We could easily double enrollments in both," he said, "but there is no money to pay the faculty."

Lawson State holds a warm place in its mostly black community. It educates the community's young women and men, some 85 percent of whom arrive at Lawson needing remedial education, and some 90 percent of whom require financial aid. However, Lawson State is caught in the bind of rising expectations, rising enrollments, higher operating costs, and tighter budgets.

Expectations are running high at Lawson — but a new mission and adequate, flexible funding will be required to meet these expectations. The same is increasingly true of all Southern community colleges as they become the focal point of workforce training. All will need the things mentioned by one community leader with five Lawson graduates in his family: "Grace, grits, and greenbacks."

Funding caps and tuition increases serve as barriers to access at a time of protracted recession when people typically seek to upgrade their skills. Today the passive "open door" system that relies on serving those who are motivated enough to walk through the door needs to be replaced by a more aggressive, targeted approach of recruiting and retaining students. Ironically and unfortunately, however, colleges are facing more demand than they can meet and have little incentive to raise their profile and seek those most in need of their services.

Even so, most employers and many college presidents say that it is not the amount of money so much as the rigidity of funding that inhibits creativity and service. This is ultimately the result of state legislators thinking in terms of the number of students enrolled rather than the numbers who are successfully trained and placed. By valuing student head count rather than what's put in students' heads,

they expect too little and get too little. Although community colleges routinely do more assessment and evaluation than most public agencies.

there is nevertheless too much attention to inputs (the quantity of their students) and too little attention to outputs (the quality of their graduates).

Community colleges in the South have the core of a state-based, comprehensive training, retraining, and upgrading effort. They also have the means to reinforce their own efforts and reach out to those most in need

of training through programs of the Job Training Partnership Act, the Adult Education Act, the Job Opportunities and Basic Skills legislation, and the Carl Perkins Vocational Education Act. But there are too many places in the South where there are no comprehensive community colleges or where they are education's stepchild — underfunded, undervalued, and disconnected from human service agencies and resources. Further, most community colleges lack the resources to address today's needs, much less tomorrow's. That's a difficult perch from which to serve as the salvation of the Southern workforce.

Education Accountability

The North Carolina Community College System's HRD program was instituted 20 years ago to help economically disadvantaged people gain "job readiness" skills. A major reason for the program's longevity is accountability: since its inception, the program has had to prove its value to the state to secure funding through an "earnback" index. This index compares graduates' increased income and decreased public assistance against the program's operating costs. From 1975 through 1989, program graduates had a total increased income of \$120,080,389 and a decrease in public assistance payments of \$17,685,182, compared to a state investment of \$42,031,958. In other words, taxpayers get over a 30 percent return on their investment.

New Path from School to Work

The message these students hear is that not much is expected of them and they are on their own to chart a career path without either a compass or the tools to clear the way.

States today are mounting impressive efforts to deal with the long-neglected problem of the unmarked path from school to work.

The highway from high school to the university has always been smooth and clearly marked. Secondary schools, however, have failed a big chunk of those young men and women who do not pursue a four-year degree. Likewise, employers — especially the more modern manufacturing and service operations — are unprepared to absorb young people straight out of high school. The message these students hear is that not much is expected of them and they are on their own to chart a career path without either a compass or the tools to clear the way.

Expectations Lead to Excellence in Arkansas Delta

In the Arkansas Delta, Lee County is one of the nation's poorest: it lost 16.5 percent of its population during the 1980s; unemployment runs in double digits; transfer payments account for one-third of the income of local people. But Lee County's high school exemplifies the power of expectations. This predominantly black local high school, in a 57 percent black county, sends over 60 percent of its graduates to college and has the fourth-lowest dropout rate in the state. The reason? Everyone, from superintendent Dr. Beverly Divers-White down to teachers' aides, cares for the students and, as part of that care, challenges them and expects more of them.

Recently, Tech Prep and Youth Apprenticeship, two state initiatives, have emerged to help noncollege-bound graduates make a successful school-to-work transition.

Tech Prep, attractive to employers and students alike, is catching on fast. The program enriches the high school curriculum by building in links with postsecondary technical education. These linkages then provide a path for the student to travel from high school to postsecondary school to the workplace. In little more than five years, Tech Prep has moved from demonstration to implementation, and Tech Prep systems in the Carolinas

have become national models. Richmond County, North Carolina, is the site of an early Tech Prep model, and in the past six years the dropout rate there has declined from 29 percent to 12 percent. The college-going rate has increased, both to Richmond Community College and to four-year institutions — a total improvement from 50 percent to 70 percent. Success has been such that programs in every state are now assisted by incentive money from the 1990 Vocational Education Act.

Yet, Tech Prep is not a magic pill. Strong partnerships between high schools and community and technical schools are needed to make the fundamental shifts in curricula and methods Tech Prep requires. Access to quality secondary and postsecondary instruction is critical, as is employer support. This can prove especially challenging in rural areas where educational institutions historically have struggled with lower funding bases.

Youth Apprenticeship is another strategy enjoying a measure of current fame because it is market-driven and gives high school students substantive work-study arrangements designed to develop skills for specific industries. Initial demonstrations have shown that the program can prepare young people for specific high-skill jobs. The Arkansas legislature enacted a Youth Apprenticeship Initiative in 1991, and that state is currently sponsoring several demonstration programs.

Arkansas Youth Apprenticeship

With the enactment of legislation in 1991, Arkansas became the first Southern state to embrace youth apprenticeship, and in 1992-93, programs will be up and running in six sites. The programs will enroll students at the end of the tenth grade for three to four years of education and structured on-the-job training, leading to either an associate degree or Bureau of Apprenticeship Training-recognized certification. All six sites involve consortia of high schools, postsecondary schools, employers, and (if relevant) labor unions.

Most sites are offering programs in allied health (leading to certification as an LPN, radiologic technician, respiratory therapist, or other technical occupation); other fields offered include industrial maintenance, retail management, and machine tool technology. These occupations were selected based on the findings of a statewide feasibility study and a legal requirement that occupations "offer entry-level jobs with good opportunities for career advancement into high-skill, high-wage jobs."

Acceptance of the Youth Apprenticeship model is coming slowly in many places because it offends egalitarian American preconceptions. In the South and elsewhere, apprenticeship is typically — and mistakenly — seen as a way of funneling young people directly into jobs while cutting off their options for higher education. Most Southern states also have large rural areas where there are few apprenticeable trades. At this point in its development, one promising approach is to offer Youth Apprenticeship as a component of Tech Prep, as is being done with success in Pickens County, South Carolina. The South should welcome models of technical or work-based learning tied to certifiable competencies.

JTPA and Those in Need

As a process, the Job Training Partnership Act (JTPA) is the best example of both partnership between the public and private sectors and partnership among federal, state, and local government — a ready-made framework for planning and coordinating broad comprehensive workforce development efforts.

As a program, however, JTPA's potential is less clear. It is the federal government's primary response to structural unemployment, the source of job training funding for poor youth and adults. But the funding has been too spare, and it will remain too spare to contend with the problem of structural unemployment. And given the extent of undereducation and poverty in the South, it is grossly overmatched in trying to erase unemployment among those most in need. Nevertheless, JTPA has flexibility and leveraging potential that can make it a potent partner in workforce development.

Flexibility, Leverage, and Filling Gaps: JTPA

The St. Bernard Parish JTPA office in Southern Louisiana initiated a program in the middle of the area's worst recession since the 1930s for out-of-school, unemployed youth. The Youth Community Service Program puts youth to work on community service projects while training them in construction trades and basic education skills. Lana Griffin, St. Bernard's JTPA administrator, uses the area's limited JTPA dollars to leverage necessary building supplies and other training resources from area agencies and local government. It's a prime example of JTPA flexibility being used to help fill a community's education and training gaps.

It has the capacity to fill gaps in the mix of local education and training programs — to reach and provide specialized help for youth and adults whose needs would otherwise go unserved. It can operate programs and provide funding that complement and reinforce other education and training programs — to make them more accessible and effective for youth and adults who are economically or educationally disadvantaged. This is where JTPA has its greatest unrealized potential.

JTPA's leveraging record has been spotty in the South, but it has the demonstrated potential to bend the states' mainline schools and community colleges to the task of training those who need their services the most.

Other Federal Support

Similarly, other federal programs can be used to deal with selected elements of workforce development. JTPA has a younger sister, the Job Opportunities and Basic Skills (JOBS) program, which was designed to help women move from welfare dependency to self-sufficient employment. JOBS offers little new funding to states, but it does allow flexibility in using current funding for education, training, and support services. Although there are successes, they are relatively few.

In Orange County, Florida, women receiving Aid to Families with Dependent Children have been trained and placed in relatively high-wage jobs as truck drivers, fire fighters, and corrections officers. In Dyersburg, Tennessee, 20 women are pursuing four-year college degrees through an approach that combines JOBS with JTPA and other programs. Alabama has begun promising preemployment training programs for JOBS participants.

Although JOBS will never erase welfare dependency in the South, it is an effective means for reaching the neediest and most-difficult-to-serve segments in workforce development efforts.

There have been other intermittently significant federal efforts to expand job opportunities — especially the introduction of women to nontraditional occupations, which can be a sure route to higher pay. And from the employer's point of view, as the labor market tightens and a growing proportion of available workers are female, more and more jobs will be filled by women.

The Carl Perkins Act, which funds state vocational education, encourages enrollment of women in nontraditional curricula. With Perkins Act funds, several Southern community colleges, especially in Florida, have

small but successful programs to recruit, counsel, and support women in nontraditional vocational and technical training.

Kissing Cousins: JTPA and JOBS

In Selma, Alabama, Project Genesis is showing how JTPA and JOBS can work together to effectively move women from welfare to work. The program combines JTPA basic education and work skills training with JOBS supportive services such as child care and case management to form a service nucleus. But the road from welfare to work is filled with other hazards, and to help meet them the Alabama program staff uses its JTPA/JOBS funding base to work with other agencies providing needed services: the Employment Service for job placement help, boards of education for basic education assistance, the Family Guidance Center for parenting skills, and the list goes on. It incorporates innovations to deal with special problems including the use of successful program graduates to mentor participants. The result is a job placement rate of 70 percent and a clear example of a potential partnership in workforce development.

The Nontraditional Employment for Women Act recently passed by Congress requires state and local JTPA plans to set goals for the training and placement of women in nontraditional jobs and encourages JTPA programs to join forces with other federal and state programs to accomplish these goals. This initiative should provide impetus for JTPA programs to pay more attention to the preparation of women for high-paying jobs.

Nonprofit women's organizations operate additional programs in Tennessee, West Virginia, and elsewhere in the South. However, funding for these programs is

extremely limited, and throughout the region, vocational education enrollment mirrors the sex stereotypes established in the workplace.

Fighting for Functional Literacy

The Adult Education Act has a more direct impact on the workforce in the South, and without it, there would be no literacy effort in several Southern states.

MDC's 1991 survey of literacy programs in the South found that the Act has produced "the bare bones of a system" for dealing with the historic problem of functional illiteracy. It has been a primary stimulus to increased state funding for literacy training and for the growing number of workplace literacy and basic skills programs across the region.

Especially among smaller employers, training initially aimed at improving basic reading, writing, and math skills has been the prelude to more ambitious programs to develop job competencies. Even with their accomplishments, however, adult education programs remain in the South's educational backwater; and few programs are staffed, equipped, or organized to mount a concerted attack on functional illiteracy among adults in the areas they serve.

A great irony is that the South has been a center of creative efforts by researchers, public commissions, and nonprofit corporations to develop effective responses to problems of functional illiteracy. But the region simply has not done what it has the knowledge to do. That is because the knowledge is scattered across the region, and no state has the money or the mission to aggregate and disseminate it.

Again, however, here is a resource with the potential to make a far more significant contribution to the development of the Southern workforce.

Technology Development

It will not be enough to have a trained workforce if the South does not have industrial modernization among the thousands of small firms that do not yet see a crisis coming and continue to operate according to outmoded principles of mass production. This means promoting management interest and training in new technology, new ways of organizing the workplace, new ways of doing business.

...we still spend \$1.1 billion a year in federal and state funds on our Agricultural Extension Service to see that farmers stay on top of new technology. That is a war that has been largely won...

Too often American industries develop new products and improved methods only to watch industries in other nations implement and profit from them. How well we fare in the South will depend on technology deployment to the small manufacturer and service industry.

Early in this century, America launched a partnership with farmers that produced the world's most productive agriculture; we still spend \$1.1 billion a year in federal and state funds on our Agricultural Extension Service to see that farmers stay on top of new technology. That is a war that has been largely won.

Much more recently, only 30 years ago, Georgia and North Carolina launched the Industrial Extension Service to provide parallel services for industry. Industrial Extension Services remain small, operating with only \$70 million a year in funding nationally and operating in only four Southern states. Yet the war for industrial productivity is one we seem to be losing.

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The Industrial Extension Service provides technical assistance and in-plant training on new technology. It prepares plant layout plans and feasibility studies for expanding firms, helps firms reduce waste and deal with disposal of hazardous waste, provides information to help firms adopt new technology for all aspects of their operations. The strength of the Extension Service model is its capacity to reach employers throughout the state with backup support by research universities and local marketplace assistance from community colleges.

There has been a growing effort in the South — led by groups such as the Southern Technology Council (STC) — to help smaller manufacturers move into high-performance technology. One of STC's offspring, the Consortium for Manufacturing Competitiveness, is an organization of leading two-year colleges dedicated to reaching industry and helping to modernize. One member, Gadsden State College in Alabama, has initiated that state's first Center of Excellence in conjunction with the University of Alabama. The Center combines state-of-the-art workforce training in manufacturing technology with demonstrations of new technology for manufacturing firms. The Center also has extension agents who work directly with industry to spread technological innovation.

The former director of the Southern Technology Council observes that "small manufacturers, like the yeoman farmers of old, tend to be fiercely independent, hesitant to seek advice and reluctant to accept it" on this type of issue. But just as the South did with the original yeoman farmers, the region needs to teach small manufacturers not only to accept but to seek advice on increasing productivity. Unlike agricultural extension that depends on research and assistance of land grant institutions, this time we need direct lines of communication from industrial consumers to all the region's research universities and independent research centers.

**What's Missing/
What's Needed**

The programs noted above only begin to suggest the number of public initiatives related to workforce development in the South. State-by-state inventories include a bewildering array of programs, services, and agencies dealing with everything from career exploration for children in school to literacy training for prison inmates. A typical state can count more than 40 separate statewide programs that are tied in some way to

30 federal initiatives and operate locally subject to uncounted numbers of boards, councils, and commissions.

Since the 1960s, there have been almost as many federal/state efforts to "link," "maximize impact," "interconnect," and otherwise "coordinate" education and training programs as there have been programs. Without

exception, every new national administration since the Great Society has proposed some new approach.

Tupelo Defies the Odds, Prospers

There is no interstate highway leading to Tupelo, Mississippi. There is no research university in the town of 25,000, no international airport, no seaport. Isolated in the red hills of northeastern Mississippi, the conventional wisdom would have Tupelo languishing in the global economy. Instead, it prospers: fifteen Fortune 500 companies operate in Tupelo; Itawamba Junior College's high-tech training center runs courses in robotics and automated manufacturing; a literacy program called Blueprint for Hope is providing \$1.1 million in education and family services; the town's community foundation, CREATE, has a history of promoting and expecting high educational performance.

These efforts have had some success among selected programs. But, in general, coordination has remained passive. It has tended to be an exchange of information at the policy and planning level that has had a minimal impact on programs. Rather, what is needed are clear, agreed-upon, and unifying goals for the workforce — what states expect of it and its competencies and how workforce development relates to state economic development policy.

What has been missing in Southern workforce preparedness are the clear consensus to pursue a high-wage economic strategy and the means to coordinate and focus disparate program operations. The lack of a visible system cripples the development of a workforce preparedness strategy that depends on involving employers and workers.

Since the 1960s, there have been almost as many federal/state efforts to "link," "maximize impact," "interconnect," and otherwise "coordinate" education and training programs as there have been programs.

Much of the potential value of workforce development programs is lost if employers and workers don't know they exist. And if employers and workers don't know how these programs could help them respond to technological change, program operators can't be sure what the demand for education and training is or should be in a dynamic economy.

The JTPA system provides a working model for broader workforce development, but the state JTPA systems are empty vessels until states

fill them with substance. North Carolina and Oregon, for example, have strengthened and expanded the planning and coordination roles of their JTPA state-level councils by giving them oversight responsibility for all

their federal education and training programs and review responsibilities for related state programs. South Carolina has clearly charged its community colleges with a workforce development mission.

New legislation provides for establishing systems that can produce the strategic state and local plans which identify demand, provide benchmarks for determining if and how programs respond to that need, and meld workforce education and training operations into a visible system.

But this is all just a start. Nowhere in the South, nowhere in the country, do we have the system, the plan, the comprehensive

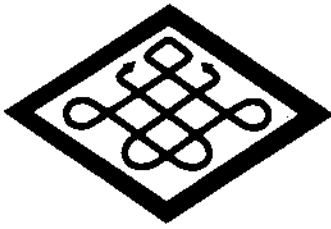
strategy for retooling and training that the new economy demands. Nowhere in the South is there a public consensus to rethink the education systems we will need for the economy of the next century.

The Invisible System

The personnel director for a small metal fabricating company described her frustrations in looking for help in retraining older workers whose basic skills weren't equal to the demands of the firm's changing technology.

"Frankly," she said, "I didn't have a clue on where to start."

After getting no useful help from business or public school contacts, she called the office of her governor and demanded to know what the state had to offer. Eventually she was directed to a nearby technical college. But, as she put it in reflecting on her experience, "How many companies like ours don't think to call the governor?"



VI. Greater Expectations: Findings and Recommendations

For the first time, the economic well-being of the South's workers and the strength of its economic base are contingent on a common fact: higher workforce skills are essential to a higher standard of living and the development of an internationally competitive economy.

This report told three tales of two Souths... Each South, however, has one thing in common: a workforce in disrepair.

There is a parallel: in the '60s and '70s, the labor market needed and got ex-sharecroppers with a strong work ethic and strong backs for the region's burgeoning industry. Tomorrow the South will again need Southerners who have been left out of the primary labor market, but this time they will need strong minds to fuel the economy. Preparing them will be more arduous than turning farmhands into mill hands. It will require the constant retraining of the workforce; and it will include those adults who are outside the labor market because they lack the skills to participate in it as well as those currently in low-skill, low-productivity jobs. The focus of education reform now needs to expand beyond the public schools to include radically improved basic and technical training for adults.

This report told three tales of two Souths...

- One rural and languishing, one urban and prospering.
- One Atlantic Seaboard South doing pretty well, with sister states to the west doing poorly.
- One white and better off than another, black, still lagging..

Each South, however, has one thing in common: a workforce in disrepair. Both business and government are increasingly aware of rising expectations in the workplace, especially the demand for higher basic skills. That awareness is manifested in a growing number of exemplary efforts to upgrade and retrain those already in the workforce and to retrieve and educate the chronically unemployed and marginally employed.

Following are recommendations to enable the region to compete consistently and successfully with any nation in the industrialized world. Taken together, they comprise a new social contract on education and training.

Recommendation 1

That the South dramatically increase the quality and quantity of training it provides the current workforce, expanding the focus of education reform to include education for adults.

The time is past when the South could be content with an education continuum that ends with a high school diploma. A major segment of the Southern workforce already faces a dilemma that poses a general economic threat to the region: new technologies are raising the skill requirements of frontline production and service jobs beyond the educational attainment levels of literally tens of thousands of workers.

To maintain a trained and trainable workforce in the face of continuing technological change, education must extend beyond high school and provide for constant retraining of adults. Just as select groups, such as medical and legal professionals, routinely participate in professional development, technological innovations will require continuing education for production and service workers.

An effective emphasis on adult education requires a concentrated attack on functional illiteracy to correct for past failings in the educational system. Although the South has been the center of creative and pioneering literacy initiatives, it has lacked the organizational base to apply these initiatives broadly.

At first, the South needs new programs less than it needs to develop the potential of existing programs — to set goals and coordinate, upgrade, and spread existing programs to make them more responsive to the changing needs of employers and workers. Job Training Partnership Act councils offer one potential place to get started.

The South's economic security requires that it expand the scope of educational reform to include workforce education and training. This in turn will require that:

- States strengthen and expand programs to develop basic workplace literacy.
- The public and private sectors join in developing adult education and training programs that respond to new demands of current and emerging jobs.
- States set standards for program performance or certification that relate training to the demands of specific jobs and provide a basis for program evaluation.
- Governors bring workforce-related education and training programs into a coordinated system responsive to the mutual needs of employers and workers.
- Governors, state chambers of commerce, and industrial associations galvanize public and private sector support for this extension of education reform.

The South's economic security requires that it expand the scope of educational reform to include workforce education and training.

Recommendation 2

That states place a high priority on their historically underfunded and undervalued technical and community colleges and place them at the center of the new workforce development system.

Community colleges are our best hope for retooling the current workforce. They can translate employers' changing needs into effective training for workers, whether that means learning basic reading and computation skills or implementing a new statistical process control system.

And, for young people, community colleges have a central role to play in the school-to-work transition. As the two-year degree replaces the high school diploma as the ticket to entry-level jobs, linkages between community colleges and secondary schools become increasingly important.

...the usual phrases by which community colleges define themselves — "open door," "easy access," and "equal opportunity" — are inadequate and too passive as descriptors to meet the challenges of the Twenty-First Century.

Given their geographic distribution, accessibility, and flexibility, technical and community colleges are also the best hope for reaching those the South will increasingly depend on to run our factories, pay the taxes, and reduce the bills for public dependency: women, minorities, and the rural poor. But the usual phrases by which community colleges define themselves — "open door," "easy access," and "equal opportunity" — are inadequate and too passive as descriptors to meet the challenges of the Twenty-First Century. It is not enough for community colleges to be cafeterias to which any adult can come and choose whatever skill or area of knowledge a citizen could want or need. The South needs institutions that will aggressively recruit, assess, counsel, educate, and place in jobs or further education those for whom "college" has been an alien idea and a forbidding institution. In other words, funding should go beyond one-teacher-in-a-classroom formulas to support services such as outreach, vocational counseling, and individual computer-based tutoring.

To implement this recommendation, states will need to:

- Adopt policies for providing fourteen years of education, including vouchers to high school graduates for tuition to the college or university of their choice in the amount of tuition charged by public technical and community colleges.
- Establish a clear consensus on the mission of community and technical colleges and other associate degree-granting institutions. That mission is composed of a comprehensive array of education and training experiences including quality technical instruction for adults, implementation of the Tech Prep model in cooperation with local secondary schools, as well as quality instruction in science and humanities.
- Fund community colleges to reach out for increased enrollments with special emphasis on recruiting minority, female, and rural students and base annual institutional funding on meeting recruitment goals and on placement and service performance.

Recommendation 3

That the South's secondary schools be regeared to provide a challenging curriculum for graduates who do not pursue a university education.

...a culture of low expectations continues to shape the curricular offerings and career preparation that the majority of students receive.

Despite nearly a decade of school reform efforts, a culture of low expectations continues to shape the curricular offerings and career preparation that the majority of students receive. For too many Southern youth, the "general education" track remains an intellectual dumping ground that demands little in the way of academic achievement and leaves students unprepared for jobs with career potential. For others, current vocational and commercial courses bear little relation to the actual skills demanded in the workplace and lead to few genuine work opportunities.

Weak curricula and instruction for these students are compounded by poor linkages between learning and work and by weak academic and career counseling. And all of the above are further compounded by and reinforce low employer expectations of young people coming into the labor market.

Providing technical education for all students and abolishing general education tracking is a modest and effective first step in helping students escape the wasteland of educational mediocrity and low expectations, as well as the best preparation for postsecondary technical education. To succeed, Tech Prep requires a commitment to fundamental change at the secondary level, access to quality technical education at the postsecondary level, and employers committed to working out effective ways for young people to make the school-to-work transition.

Youth Apprenticeship training, with provisions for work-based learning leading to a certificate of technical mastery, offers a rigorous means for carrying out school reforms that will directly improve the preparation of young people for productive and rewarding jobs. It shows special promise as a component of Tech Prep in Southern cities and in those rural areas with sufficient apprenticeable trades.

Finally, school guidance and counseling systems should be overhauled to introduce all students to a full array of career and postsecondary training options and help them set challenging career goals and appropriate courses of study.

Recommendation 4

That the South establish new and improved support systems to enable Southern industries to compete in the international arena.

The South has a preponderance of small and medium-sized firms, many located in rural areas. The efficiency of these firms is critical to the ability of Southern industry to be competitive in the future. Yet, the support systems to enable them to keep current on production technology, work organization, and manpower development are deficient. For example, the Congressional Office of Technology Assessment recently reported that technology extension services for manufacturing reach fewer than two percent of the nation's firms each year.

States, as part of their economic development policy, will need to promote modernization of firms in the ways that they process material, organize work, use information, and refine and integrate systems. Extension Services should be established or expanded in each state to provide technology development and plant modernization services to firms, especially smaller firms and those in rural areas. Governors can be the catalysts to develop networks of small and mid-sized manufacturers to share information on increasing productivity and improving technology.

In the end, the burden is on the South's private sector, especially top management, to emphasize the mutual importance of workforce education to their companies and their workers.

Recommendation 5

That the South break the grip of cultural bias that continues to channel women and minorities into inferior education programs and that directs them into low-wage, low-skill jobs.

...the consequence of the South's historic underinvestment in human resources is slower economic growth.

The legacy of the old Southern policy of providing substandard education for blacks and the traditional policy of providing stereotyped education for women has had far-reaching consequences. Substandard education means failure to develop human resource potential, which in turn leads to low productivity, high unemployment, low incomes, and heavy incidence of poverty and its attendant pathologies.

The costs of discrimination weigh heavily on the region. Since those who have been discriminated against have lower productivity and incomes, the gross domestic product of the region lags. Lower incomes and lower gross domestic product in turn lead to lower regional savings, capital formation, and investment. Thus, the consequence of the South's historic underinvestment in human resources is slower economic growth.

Over time, the economic growth of the nation depends increasingly upon the productivity of minorities, women, and the rural poor. This is especially true in the South, where a greater proportion of new entrants into the labor force are minorities and women.

States need to exploit the leveraging opportunity in the Job Training Partnership Act and the special provisions of the Carl Perkins Act for women and minorities. They need to ensure that rural schools are adequately funded and that minorities and women — in schools from junior high through college — are encouraged to pursue technical training and high-wage courses that have traditionally been filled by white males.

The South cannot reach its economic potential until it eliminates all legacy from its old habits of discrimination and stereotyping — its habit of expecting too little of its people.



Epilogue

For generations, Southerners have come from the fields, mills, and mines and successfully made their way as engineers, entrepreneurs, writers, financiers, teachers, musicians, statesmen, and business leaders. There is no doubt about their capacity. The South has more Nobel Laureates than most countries. It has more first-rate universities than any country other than our own. Several of its community college systems serve as international models.

But the South's economy is at risk because of its legacy of functional illiteracy and undereducation and under-expectation. Our salvation lies in a new social contract on education and training. The South must tend to a workforce that will either be the engine that drives its economy or will be the brakes that halt it.



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Advisory Panel on Southern
Workforce Development

Dr. Charles E. Bishop, *Panel Chairman*
Chapel Hill, North Carolina

John L. Clendenin
Atlanta, Georgia

The Honorable Mike Espy
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MDC
Inc.

MDC, Inc.
1717 Legion Road
Post Office Box 2226
Chapel Hill, NC 27514
919/968-4531