

WORK KNOWLEDGE PASSION

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The 2007 Report on the Future of the South

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A Project of the Council for a New Economy Workforce

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“The United States must make investments in programs and reforms in our education systems that will prepare students to be innovative and competitive in a global economy,” said Governor Matt Blunt. “Our students are no longer competing for jobs against peers from other states but from workers across the globe. In order to keep our economy growing and to provide our students with good family-supporting jobs, we will need to ensure that all students are equipped with advanced skills in math and science. This will require strong partnerships between parents, educators, government and businesses.”

— Governor Matt Blunt, Missouri

Introduction

“We need to move more quickly and deliberately. We are now 30-50 years behind schedule.”

—Community Forum participant,
New Orleans, LA

Historically, the South’s per capita income has been below the nation’s. Less obvious is the region’s failure to close the gap—Southern per capita income in 2005 was no closer to the national average than it was in 1995, and only marginally closer than it was in 1975.¹

Historically, the South’s educational achievement levels have also been below the nation’s. The gap between the South’s and the nation’s percentage of the over-25 population with a bachelor’s degree or higher was greater in 2000 than it was in 1980 (see Chart 1).

Under the weight of the global knowledge economy, the Southern economic engine has sputtered. Both economically and educationally, the South’s achievements are below that of the nation as a whole. Worse, the South is not making significant, sustained progress at closing these gaps. Worse still, the nation is seeing its global knowledge and economic leadership challenged.

For example, since 1990, the Czech Republic, Norway, Canada, the Slovak Republic, Sweden, Japan, and Korea have passed the U.S. in the percent of

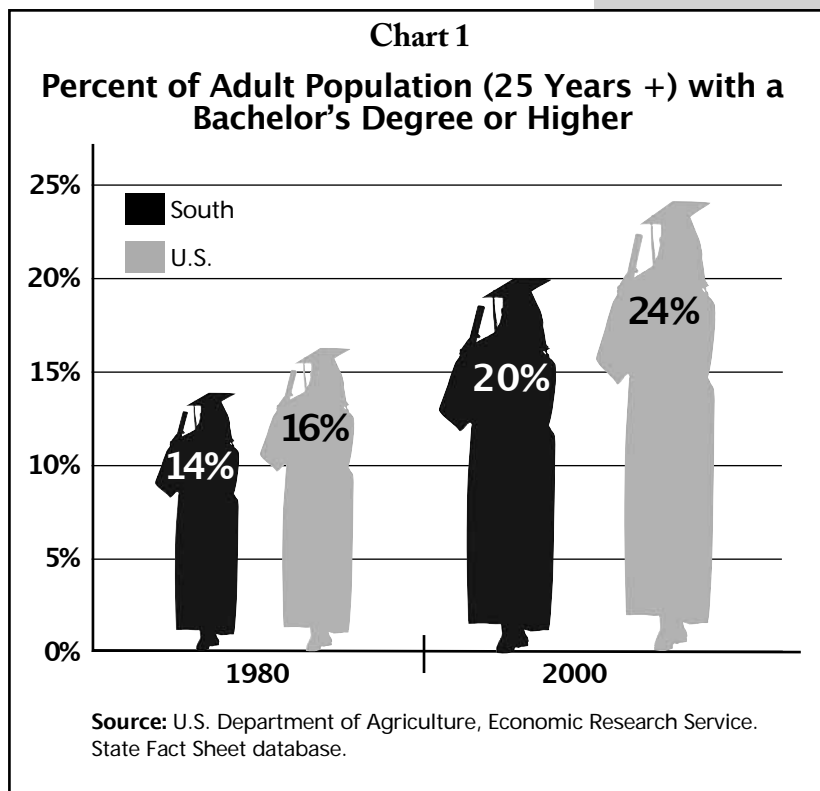
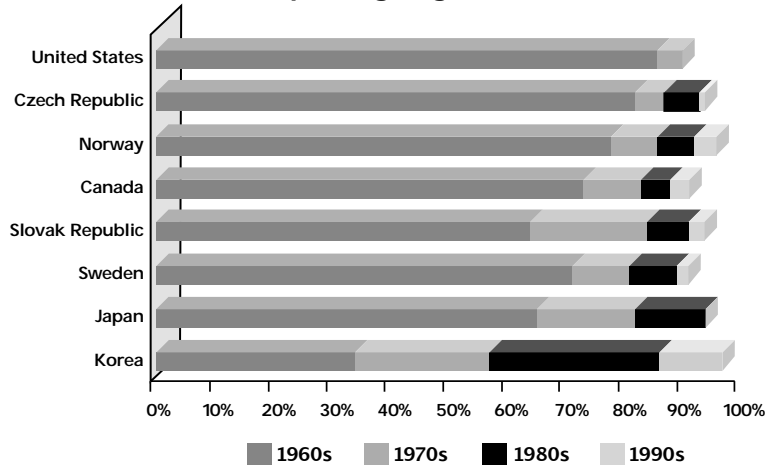


Chart 2

**Percent of Working Age Adults
Completing High School**



Source: Presentation at Southern Growth Policies Board Council Meeting. Tucker, Mark. January 29th, 2007. *Tough Choices or Tough Times*.

working-age adults who have completed high school (see Chart 2). Nations such as Canada, Japan and Korea also have dramatically higher percentages of the 25-34 year old population with associate's degrees or higher than does the U.S. or the South.

Voices have been raised regarding this challenge many times in the past forty years. Every one of Southern Growth Policies Board's Reports on the Future of the South has recognized the need for higher levels of educational achievement. In fact, the very first Report on the Future of the South said, in 1976, "...human knowledge and technical skills, exercised by people with purpose, are the indispensable catalysts for continued economic growth in the region." Thirty years later the 2006 Report, *Innovation with a Southern Accent*, linked the South's ability to perform in the emerging global economy directly to the region's ability to create, accumulate and apply knowledge.

Voices are still being raised regarding this challenge and are documented in the "Listening to the South" section of this report. More than 4100 Southerners contributed to this report by participating in a community forum, a retreat, a state policy dialogue, or Southern Growth's online survey. Those contributors said that the South needs to:

1. Create a culture of learning
2. Get parents more involved
3. Strengthen soft skills and work ethic
4. Expand knowledge of career and college options
5. Facilitate collaboration

The overall mood of frustration that permeated these discussions shows up clearly in quotes from the listening process that provide both seasoning and leavening to this report.

Voices continue to be raised in formal reports from other experts as well, documented here in the "What the Experts Say" section of this report. Among the major themes that show up repeatedly in other reports are the following:

1. The American workforce is increasingly uncompetitive with other nations, which could negatively affect the nation's standard of living.
2. The effectiveness of education and training programs can be improved through the participation of institutions outside the educational establishment, particularly from business, but also economic development, non-profit, government and faith-based institutions.
3. Education and training should reach all people all the time, regardless of a student's age, location, race, income or background.
4. Effective standardized tests and test data for educators, students, and parents is critical to evaluate student and school success.
5. Teachers need substantially more professional development.
6. The U.S. economy needs workers with rigorous science and mathematics skills, and more college graduates in these fields.

If the U.S. is increasingly challenged in competing globally, and the South is not educationally competitive with the U.S. as a whole, then a fair assessment of the state of the Southern workforce is that of crisis.

Why is this true? Clearly, Southern leaders and institutions have been diligently addressing the problems for decades. Five years ago, Southern Growth addressed many of these same concerns with its 2002 Report on the Future of the South, *The Mercedes and the Magnolia*.

That report called for creating greater institutional seamlessness, better utilization of human capital, and a self-directed workforce. The “What’s Happened Since the Mercedes and the Magnolia” section of this report documents some of the progress that has been made towards those objectives.

Alabama’s public-private Workforce Planning Council, Oklahoma’s “Growing Our Own” initiative and North Carolina’s efforts to map funding streams and inventory workforce efforts are indicative of the commitments being made around the South. Federal WIRED grants are fueling visionary workforce efforts at the economic development region level around the South. Georgia’s use of “graduation coaches” in high schools, Midland Middle College’s public charter high school in South Carolina, and Kentucky’s redirection of its career and technical education programs to include rigorous academic concepts further reinforce the case that many people are working very hard to address this crisis. All of these initiatives and more reveal that the South is rich in quality, energetic work being performed by people and institutions dedicated to workforce reform.

What then, is missing?

If the region is generally aware of its challenges, and if leaders have been devoted to addressing those challenges for decades, why does the South still lag behind? Participants in Southern Growth’s community forums in 2007 had a lot to say on the subject:

“...we talk and talk, reach the same conclusions, work and work, and progress is so slow or inconsistently pursued that nothing noticeable really happens.”

—Community Forum participant, Dalton, GA

“Resources are being misdirected, solving yesterday’s problems while tomorrow’s problems go unaddressed.”

—Community Forum participant, Fort Smith, AR

“Every system is doing good work, but aren’t communicating with each other to become more effective and responsive to the changing community.”

—Community Forum participant, Monroe, LA

“Too often it seems like we are operating in a silo with no awareness of other activities.”

—Community Forum participant, Columbia, MO

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American Diploma Project Network

Achieve, Inc.

Sponsored by a consortium of private foundations and blue chip companies, the American Diploma Project (ADP) Network represents the commitment of governors, education officials and business leaders in 29 states to restore, increase and preserve the value of a high school diploma. The ADP Network, formed by Achieve, Inc. in 2005, aligns high school curriculum, accountability models and assessments with the demands of college and work. Each of the member states commit to revising their diploma requirements to attain four explicit goals:

- Aligning assessments and standards with the skills needed after high school
- Requiring all students to take challenging coursework
- Streamlining assessments so that success in high school equivocates to success in college and work
- Holding high schools and post-secondary institutions accountable for educating and equipping all students for success

More detail on Achieve, Inc. and the American Diploma Project Network is available at: <http://www.achieve.org/node/604>.

Visit the Southern Growth Idea Bank at
<http://www.southernideabank.org/>
for more program profiles and best practices.



Bill Malone's classic work, *Don't get Above your Raisin: Country music and the southern working class*, provides a vivid portrait of the Southern workforce. Southerners hold, as Malone put it, "a belief that life cannot be changed and that one should guard against the disappointment that might come from unreal expectations."

A corollary to this is the view that history for Southerners is "something that happens to us," not as "something we can change or make happen." Still another is that it's okay for us not to be as educated or as well off financially as other regions.

In many ways, it is collective assumptions that define culture. If it is widely accepted in the South that life cannot change, that history happens to us, or that it is okay for us to be not as well-educated as others, then those assumptions define the South in a manner that is all too self-limiting.

However, if there is one thing that chafes almost every Southerner, it's being told that he or she cannot do something. And that "Yes, I can" attitude is the cultural bedrock on which the next Southern economy and the Next Southern Workforce will be built.

Besides, the South has done it before — changed, that is. The South did grow substantially faster than the nation from 1950 to 1980, and it did this because it was willing to change from an economy dominated by agriculture to an economy dominated by manufacturing. All over the South, people changed what they did for a living. All over the South, sons and daughters did things for a living that their parents could not have imagined doing.

It is (past) time for another change, this time to an *enterprise* economy.

"Enterprise" is a word of French origin that shares its root form with the word "entrepreneur." What is proposed here is a Southern economy rich in entrepreneurship and entrepreneurs. *Webster's New World Dictionary* defines "enterprise" as "...a bold, difficult, dangerous, or important undertaking." Perfect. Exactly the kind of undertaking that can excite, unify and motivate Southerners.

A recent paper on the political relationship between education, enterprise, culture and the individual describes a shift to an enterprise culture as "a shift characterised as moving from a 'culture of dependency' to one of 'self-reliance'."²

Personal Characteristics for an Enterprise Culture

- Curiosity, exploration and experimentation
- Imagination
- A willingness to identify and take advantage of opportunities
- High levels of motivation, drive and persistence
- Flexibility and a capacity to deal with change
- Empowerment and decisiveness

Source: IEC Project Scoping Brief. (2002). Curriculum Corporation and education. au limited

Individuals in a Southern enterprise economy would exhibit characteristics including boldness, an adventurous spirit, ingenuity, openness, and a willingness to try new lines of action — not to mention self-reliance. They would be exactly the sort of individuals crucial to making Southern Growth's 2006 Report on the Future of the South, *Innovation with a Southern Accent*, a reality.

"Seven Characteristics of Highly Effective Entrepreneurial Employees"

1. Ability to Deal with Risk
2. Results oriented
3. Energy
4. Growth Potential
5. Team Player
6. Multi-tasking Ability
7. Improvement Oriented

Source: MIT Enterprise Forum, <http://enterpriseforum.mit.edu>

In one of his most famous quotes, economist and philosopher John Maynard Keynes speaks of the consequence of culture's complicating impact on change. He said, "The difficulty lies not in the new ideas, but in escaping from the old ones, which ramify, for those brought up as most of us have been, into every corner of our minds."³

What will it take to motivate Southerners of all stripes to "escape old ideas" and make the move to an enterprise economy? What needs to change?

The South has, of course, many good schools and many good school systems. It has excellent individual community colleges and some excellent community college systems as well. It has some wonderful colleges and universities, and some governing boards that are worthy of emulation.

The South has many good systems, but—to use an information systems analogy—they are not connected to the same server. And, ultimately, that means no one is in charge.

Consider funding streams. The different sources of funding that pay for K-12, community colleges, technical institutes, colleges, universities and adult learning and training initiatives are legion. They include dedicated state and local taxes, state general fund appropriations, bond issues, gifts, tuition and fees, grants and contracts, Workforce Investment Act and other federal funds. Each of them carries its own obligations and restrictions.

Consider state appropriations and regulations. A wide variety of public and private interests seek funding, often in competition with each other. Who speaks for the entire learning enterprise?

None of this is to suggest a new superboard or any other one-size-fits-all kind of solution. What is needed is not a new set of laws, but a new way of responding to each other—institutionally and individually. What is needed is a new way of talking to each other and, much more importantly, listening to each other.

In an economy that increasingly values knowledge, every dollar that flows through any of the sources



“The fiercely competitive nature of doing business in a global economy mandates that we commit to long-range financial and political support for sustainable educational initiatives that produce a quality workforce. It’s as simple—and as complicated—as that.”

— Governor Haley Barbour, Mississippi

mentioned previously into the education enterprise has a single, overriding purpose. It exists to increase the amount of knowledge that is created, accumulated or applied.

In recent years, the 2001, 2002, and 2006 Reports on the Future of the South (*Invented Here*, *The Mercedes and the Magnolia*, and *Innovation with a Southern Accent*) all provided groundwork for these 2007 recommendations. The Goals adopted by the Board in response to those reports remain relevant and appropriate.

Past goals have advocated for cultural change and responsiveness to market changes:

- Create a culture of learning throughout the South, in which the acquisition, creation and application of knowledge is viewed as central to our health, happiness and prosperity. (2001)

- Create the talent pool needed to meet the ongoing market needs and opportunities for the emerging, knowledge-based economy. (2002)
- Establish a singular commitment to building and maximizing the flow of knowledge to and among citizens, businesses and institutions of the South...by increasing the creation, accumulation and application of knowledge in the South. (2006)

The 2007 Report on the Future of the South is dedicated not to a new goal but to a new process that will allow us to reach these goals. After listening to the more than 4100 Southerners who took time to contribute to this work, Southern Growth Policies Board recommends a three-step strategy for making the cultural shift towards an enterprise economy.

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OBJECTIVE 1:

Governors and other Southern leaders from the business, government, non-profit and education communities will **CONVENE** a series of conversations with all those with a stake in the future of the Southern workforce.

OBJECTIVE 2:

Those involved in the conversations will create strategies to **CONNECT** the disparate elements of existing education and workforce training systems (including K-12 and post-secondary) to maximize effectiveness, minimize overlaps and conflicts, and reward behavior that is visionary, entrepreneurial and innovative.

OBJECTIVE 3:

Parties to the conversations will **COMMIT** to the creation and success of EnterpriseSouth.biz, a non-partisan compact to build a Southern workforce that is knowledgeable, entrepreneurial and innovative.

Although this process can certainly play out at a community, county or economic region level, the recommendations in this report are focused on state action because so much of the funding and governance is focused at the state level.

The CONVENE objective is intended to make sure that all stakeholders are communicating. It builds on the 2002 Report's recommendations regarding parents, students and businesses as "clients" of the education enterprise. In the current report, however, the stakeholder group is expanded to include all people.

Although the business community, the education community, and any number of other players could be the convening party, Southern Growth believes that governors are ideally suited to this task. A governor should convene in a non-controlling, non-partisan way, using the power of his or her office to see that all stakeholders are fully and fairly represented.

The CONNECT objective speaks to what stakeholders should be looking for once they have convened. They should be looking for connections, for ways to work with other interests to improve the education enterprise. They should be looking to minimize overlaps and redundancies and maximize efficiencies. They should constantly be seeking to connect in a win-win environment.

The COMMIT section means that all of the stakeholders should commit to the greater good. The entire conversation should move from "what good will this do for me?" to "what good will this do for us?" And the commitments should be recorded and accounted for. The commit section means that all of the people and institutions who convened and connected must now stand responsible for the results.

The Convene-Connect-Commit section of this report addresses this process in detail. It also announces the launch of the website where Southern progress towards these objectives will be documented: EnterpriseSouth.biz.

EnterpriseSouth.biz is intended to keep the conversation that began in the development of this report alive.

It will include workforce war stories, best practices, frustrations and victories. It will change regularly, and it will report on those states that convene, connect and commit to the pursuit of knowledge and the knowledge economy.

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National Work Readiness Credential

U.S. Chamber of Commerce, Institute for a Competitive Workforce

The U.S. Chamber of Commerce's Institute for a Competitive Workforce represents more than three million businesses and serves as one of America's largest liaisons between the workforce, education and economic development communities. In November 2006, the Institute launched a portable certificate designed to assist companies in measuring entry-level job applicants' workplace readiness skills, the National Work Readiness Credential (NWRC). Fifty pilot sites across the U.S., including one-stop centers, community colleges and community and faith based organizations now use the NWRC computer-based exam to measure the applied math, reading, judgment and oral communication skills of entry-level job applicants. More than 1,000 people have taken the exam and the Tennessee-based, Dollar General Literacy Foundation committed resources to examine the long-term outcomes of those who earn the credential.

For more information on the NWRC and other Institute for a Competitive Workforce initiatives visit: <http://www.uschamber.com/icw/default>.

Visit the Southern Growth Idea Bank at
<http://www.southernideabank.org/>
for more program profiles and best practices.

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