

## **REMARKS BY GEORGE B. AUTRY**

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Welcome to the South's Gilded Age. That's one message of our reports on the state-of-the-South. The South is not what it ought to be, not what it can be, but thank God, it ain't what it used to be. We are better off by every economic measure than we have ever been. (Note that I am not talking about crime or teen pregnancy or spiritual life -- but the economy. That's our sandbox.)

Per capita income has steadily increased until we are in shouting distance of the national average.

The jobs available per hundred people have mushroomed.

And the poverty rate in North Carolina is now lower than the national average.

We did that by eliminating Jim Crow, thus liberating the economy itself to new investment even as we liberated the African-American opportunities to participate in the economy.

And MDC's research showed we also did it because of the investments we made in higher education, especially in community and technical colleges.

The states that are doing the best today are those that integrated with the least trauma and invested in higher education the most strategically.

But although it's our Golden Age, *State of the South '98* notes that we're All Shook Up. We're a long way from the old sharecropping, cotton-milling, coal-mining, tree-cutting economy that still defined the South 30 years ago. Jobs in traditional industries have evaporated. (A county agricultural extension agent told my granddaddy, "Diversify." Almost 100 years later, we've diversified everything -- not only our crops, but our jobs, the economy, even the people.)

And we have reversed the Brain Drain.

For the first time, in the '90s there has been a net increase in African Americans and of whites from all sections of the country. And the in-migrants of both races are on average better educated than the blacks and whites already here.

That would have pleased Governor Luther Hodges, son of a sharecropper and graduate of Carolina, who was distressed that we were losing both our poorest and our most advantaged. The playmates of his childhood and the classmates of his youth moved north and west.

But African Americans and European Americans are not the story of the '90s. The story of the '90s is everybody else.

Here's the percent change in population growth by race and ethnicity in North Carolina from 1990-1997: White 9%, black, 13%, American Indian 18%, Asian 60%, Hispanic 72%. In Georgia the increase from 1990 to 1997 is 9.7% for whites, 22% for blacks, 72% for Asians, and 7.7% for Hispanics.

Of the counties with fastest-growing Hispanic population, 17 of 30 are in the South.

Of the counties with fastest-growing Asian population, 22 of 30 are in the South.

The old black/white, mostly Protestant, native-born region is no longer insulated from immigration by its poverty, ignorance, and discrimination. It now leads the nation.

That immigration has greatly enriched us, culturally and economically, but there are bound to be new tensions. The South is not used to waves of new folks locating here. In 1970 North Carolina was still the most Protestant, native-born state in the union. But the whole region is becoming Technicolor.

Net in-migration to the South has held steady at one million folks a year from other states and abroad. But I'm especially concerned with the way the composition of this stream has seemed to change since '93. We are still receiving German engineers and Chinese mathematicians, but a greater

portion in the last four years are unskilled. And these undereducated newcomers -- many from California and Texas -- are competing with native black and white unskilled workers for a declining number of blue-collar jobs.

It is not news that the population is aging. From 1995-2015, there will be 8.5 million more adults 45-64 years of age; 4 million more over 64; 1 million more kids; 300,000 fewer younger workers.

That's like the rest of the country, except the older boomers are much less educated than those in the rest of the country, while our fewer young workers are about as well educated as their counterparts nationally. These are the people most vulnerable to labor market competition from in-migrants. The hospitality workforce in Nashville is Puerto Rican; the construction industry in Charlotte is Hispanic. Hmong tribesmen are doing furniture upholstery (trained by one of your community colleges).

Now, more on who's not doing well. As you know, single-parent, female-headed households are thrice cursed.

First, women still earn less than men, although they are catching up.

Second, a large percentage of female-headed households in the South are seriously undereducated in an economy that discriminates against the uneducated.

Third, by definition they comprise single-income families in a two-income economy.

There are more of these families, and they are no better off than they were 30 years ago under Jim Crow.

On the other hand, educated women are doing well. There has been amazing progress by them in the labor market. Although they haven't caught up in earnings, educated women are moving quickly, breaking down the walls of occupational gender segregation and catching up in earnings. And the good news is that, controlling for education, black and Hispanic women are doing as well as white. They are doing about as well as white women at every educational level -- the discrimination factor has virtually disappeared.

There's a subchapter in *State of the South '98*: "Son, you're in a world of trouble."

White males with no more than a high school diploma earn less than 30 years ago. Younger white males have fewer B.A.'s per capita than those over 40 -- the only demographic group slipping rather than gaining.

Three of 100 black male Southerners living today are living behind bars. And the bad news is that even though undereducated white and black males are both lagging, whites have a premium. Black and Hispanic males are suffering discrimination in the labor market at every educational level.

For males, the content of one's education is now economically more important than the color of one's skin, but race still matters.

There are simply not enough jobs in the South for low-skill, blue-collar males, and not enough males are going to school beyond high school.

Women passed men in college enrollment in the early '80s and are now 57% of the South's university and community college student body; and the gap is widening. I just got back from a UNCW board meeting, and the ratio in this year's freshmen class is 61%/39%.

In graduation rates, men have always lagged and the gap is increasing.

Meanwhile, from 1970 to 1995, the percentage of dropouts in the labor force declined from 90% to 72%; those with only a high school diploma from 96% to 86%.

Where are these guys if they are not in jobs or looking for jobs? Many are in jail. *The Economist* in 1997 reported that the U.S. incarceration rate for males increased by 103% from '85-'95; 130% for Hispanics; 143% for blacks. The figure is higher for the South, the region with the highest incarceration rate in the nation.

There is a sentence in the same issue of *The Economist*: "Apart from being more violent, more prone to disease, more likely to succumb to drugs,

bad diet or suicide -- more socially undesirable from almost every point of view, in fact -- men, it seems, are also slightly more stupid than women." I don't know about that; but I do know that if we don't educate them, they will be.

Lest I be accused of Bubba bashing, a friend notes with unassailable logic: "Women will never be equal to men until they can walk down the street with a bald head and a beer gut and still think they are beautiful."

Now what is a modest Southern research firm to make of these trends? Where do we look for the leadership to exploit the opportunities, overcome the barriers, ease the trauma that the trends portend?

Not to government -- at least in the first instance. Machiavelli noted 500 years ago that creativity and innovation do not come easily to government, and Congress and our legislatures confirm his prophecy even as we speak.

In addition, the Reagan Revolution worked, and there is <sup>little</sup> ~~no~~ money for economic and social research and demonstration left in the federal budget.

States are doing better at reactive leadership. State Attorney Generals, led by <sup>my own</sup> ~~Mississippi~~, brought big tobacco to its knees while the executive and legislative branches of the national government were frozen in the headlights.

Welfare reform didn't get reformed in Washington: <sup>Congress</sup> ~~The feds~~ simply abolished welfare and left it to the states to reform or not.

But the state-of-the-art in the science of electioneering is such that politicians are not going to address naturally the enduring, boring economic and demographic trends such as those in *State of the South* as Governors Hodges, Sanford, Holshouser, or Winter once did.

To get elected today, our politicians have to listen to their focus groups and polls, and the people who pay for them; and they must speak in sound bites rather than on reflection.

Politicians at the state and national level seldom set the agenda anymore: They react; they implement; they pontificate.

It is up to the rest of us: the press, business, civic and academic leadership to assert the agenda. *The State of the South* concludes on this note:

The South's economic energy does not seem matched these days by equal energy in civic and public service. In the South, as in America at large, there is a pervasive cynicism about the political system and a turn from public to private pursuits. If democracy and the economy are to continue flourishing, the South needs a massive infusion of creative leadership in

addressing the challenges, opportunities, and trends outlined in this report.

How do we build and expand that leadership? MDC's answer is to build on and expand and exploit three assets of ours: Our higher education, our philanthropy, and our civic leadership.

Higher education is the South's competitive advantage, and we're using it well to train future leaders in the press, the professions, and business. We only need to increase the numbers being trained, especially single moms and minority males.

Higher education research and service have made us the most productive agricultural economy in world history; it has brought 21st century medical technology and techniques in the 20th century. And higher education has given North Carolina the Research Triangle Park.

Higher education has done less well in moving the values and knowledge of the humanities into the larger society. We once built our universities in distant rural areas with walls around them to protect against the intrusion of the outside world. Now we need to break those walls down and intrude on the outside world as Howard Odum and Albert Coates once did -- as Jim Johnson is doing -- delivering information, wisdom, truth, beauty, and technology to and beyond the borders of North Carolina.

How do we do that? Where are the incentives for a busy faculty?

Over the course of the 20th century, the Reynolds and Babcock Foundations, the Kenan Trusts, and Duke Endowment have built great universities and accessible hospitals.

We don't need more hospitals and universities today -- but we need ever-more health care. And knowledge. And the capacity to apply it.

Today philanthropy is society's venture capital for social research and development. It needs to help us find the incentives for applying our intellectual resources and building the civic leadership and defining the public agenda.

Take just one problem -- race -- our oldest, thorniest, trickiest, most explosive.

The problem today is not the same one it was a generation ago: Government-imposed and licensed discrimination is gone.

Today, it is not so much the dictionary definition of racism -- one race believing it is entitled to more legal and social privileges because of its inherent superiority -- that is the problem.

Rather, today's larger, more insidious problem is that society is increasingly fractured and fragmented into cultural enclaves, huddling together, harboring suspicion, biases, and stereotypical notions each of the other. While those attitudes are not the exclusive province of one group and are offensive in all, they are dangerous in the group that holds the economic power.

Those cultural enclaves are our new communities. We find them in our segregated churches, our professional associations, civic clubs, and chat rooms. We don't live in the old community that de Tocqueville wrote about anymore. We just sleep there. The old community has been undermined by the automobile which carried us away, TV and air-conditioning which drove us inside, the two-earner family that wears us out, and now the computer that connects us to the next country and isolates us from next door.

This is a provocation worthy of high intellectual and philanthropic focus.

I leave you with three thoughts:

- Education is the antidote to poverty.
- Communication is the antidote to prejudice.
- It is for leadership in the 21st century to figure out how to educate and communicate in whole new ways.

