



Expanding Opportunity, Advancing Equity

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NEWS

For Immediate Release:
Jan. 25, 2011

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***State of the South 2011* report: Region needs leadership for hard times**

CHAPEL HILL—With 2011 shaping up as a year of reckoning and most Southern states facing budget shortfalls that threaten recent economic progress, the region’s leaders must focus on a “North Star” of long-term priorities for a real recovery to take place, a new report says.

The State of the South 2011, the concluding chapter of MDC’s *The State of the South 2010* series, finds that for the region to move forward, Southern leaders must look beyond budget cuts and focus instead on education reform (with an emphasis on postsecondary completion), tax modernization, regional collaboration, improved civic connections, and development of new leadership.

“While cuts appear inevitable, an across-the-board, cut-only ‘strategy’ won’t do; in fact, that’s no real strategy at all,” the report says. “Better is a mix of budget reductions, critical investments and revenue increases, all guided by a “North Star” for setting priorities.” It is a time for “decisions that cry out for leaders focused on equity, opportunity and competitiveness,” the report says.

One key to the region’s long-term economic health will be improving the educational and economic prospects for African-American and Hispanic young people. The U.S. Census reports that 80 percent of Southerners over 75 years old are white, 11 percent are black, and 8 percent are Hispanic. But of Southerners under 15 years old, 50 percent are white, 21 percent are black, and 23 percent are Hispanic. Age groups in between show a steady drop in white percentages of population and steady increases in black, Hispanic, Asian, and Native American populations.

“Put bluntly, a large majority of older adult Southerners are whites, while blacks, Hispanics and other recently arrived ethnic groups form a near majority of younger Southerners,” the report’s research finds. “[I]t is imperative that the South sustain efforts to close educational achievement gaps and assure that tomorrow’s more diverse workforce has the skills to thrive in a high-tech, high-wage, knowledge-centered economy.”

The report reaches back to President Franklin D. Roosevelt's 1944 State of the Union address to point out that America has faced these issues before in a time of war and economic crisis. "[T]rue individual freedom cannot exist without economic security and independence," Roosevelt said in the depths of World War II and the aftermath of the Great Depression.

"We cannot be content, no matter how high that general standard of living may be, if some fraction of our people—whether it be one-third or one-fifth or one-tenth—is ill-fed, ill-clothed, ill-housed, and insecure," he said.

MDC President David Dodson said focusing on public policy and investments that remove the structural barriers that hold people back—such as transportation problems, inadequate schools, health and housing inequities, and a lack of internship opportunities—should be a critical focus of policy in a time of diminished resources.

"While this is a difficult time, we're also at a crossroads," he said. "It is a great opportunity for legislators and policy makers to focus their sights on rethinking systems and programs so they prepare us for the world of work and life in the 21st century. We need to make all of our decisions with an eye on the 'North Star' of broader economic opportunity."

The first chapter of *The State of the South 2010* found that the two recessions of the past decade knocked the region off of an upward trajectory that had broadened the middle class and nearly closed poverty gaps that perennially separated it from the rest of the country. The second chapter found that most Southern states lagged not just the U.S. average but many other developed nations in college completion rates at a time when improving the number of people who get a college certificate or degree is crucial to competing in the global economy.

The State of the South is a project of MDC, a nonprofit based in Chapel Hill, N.C., that has focused for more than 40 years on removing the barriers that separate people from education, jobs and opportunity, particularly in the South. Its work includes: publishing research; developing policies and programs to strengthen the workforce and foster economic development; advising foundations, community colleges and other institutions; and demonstrating and incubating promising strategies to address opportunity and close gaps.

Past *State of the South* reports have looked at the region's economy, its changing demographics, persistent rural poverty, educational systems, and the potential for foundations to accelerate equitable social change.

The State of the South is produced with the financial support of the GlaxoSmithKline Foundation, the Park Foundation, the Ford Foundation, the Bill & Melinda Gates Foundation, the North Carolina Fund Legacy Fund of the Triangle Community Foundation, and individual donors to MDC.

To read or download a PDF of *The State of the South*, visit www.mdcinc.org.