

The State of the South 2011

Looking Ahead: Leadership for Hard Times



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Prologue

We have come to a clear realization of the fact that true individual freedom cannot exist without economic security and independence... We have accepted, so to speak, a second Bill of Rights under which a new basis of security and prosperity can be established for all regardless of station, race, or creed. – Franklin D. Roosevelt

On January 11, 1944, President Roosevelt delivered his State of the Union address from the White House by radio. The nation had not fully recovered from the Great Depression and was engaged in a ferocious war with D-Day still half a year away. After delivering his summons to Congress and the people to take actions he thought necessary to win the war, Roosevelt turned his attention beyond the war and to “the establishment of an American standard of living higher than ever known before.”

“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,” Roosevelt declared.

In the midst of a terrible war with victory not yet assured, Roosevelt outlined what he meant by a second Bill of Rights, economic rights to augment the individual rights guaranteed in the initial amendments to the U.S. Constitution. The right to a useful job. The right to earn enough to provide food, clothing, and recreation. The right of every business, large and small, to trade in an atmosphere of freedom from unfair competition. The right of every family to a decent home. The rights to adequate health care and to protection in old age. The right to an education.

Six decades later, the nation still strives for and struggles with how to carry out Roosevelt’s vision. Today, we have

only begun to recover from a great recession, and our nation is entangled in conflict in far-away countries—and the political system shows no inclination for a new New Deal. So why recall Roosevelt’s 1944 State of the Union?

In the arc of states from the Potomac to the Rio Grande, 2011 is developing into a year of reckoning—a moment of difficult decisions for elected public policy makers, decisions that cry out for leaders focused on equity, opportunity, and competitiveness, on arming the South’s people and their communities for coping with a time of disruption. Most states confront huge budget shortfalls that may well touch off rancorous debates and brutal decisions over what to cut. No one can enter the year 2011 without a sobering sense of progress and equity at risk.

Americans look to their president for what might be called “big leadership.” But they also yearn for their governors, mayors, and elected representatives in legislative bodies to define ultimately what the shouting, power-wielding, and in-fighting are all about.

However difficult the moment, it is an opportunity for leaders who would seize it to chart a course, not for a return to an old “normal,” but for a more prosperous society, even more widely shared.

The Fix We're In

This is the third installment of The State of the South, a year-long project of MDC to document the South's condition in the wake of the two recessions over the past decade.

In the first installment, we found that the luster of the region's "gilded age" after legal desegregation—a time when more people entered the middle class than ever in the region's history—had gotten scrubbed off by a steep drop in employment and a rebounding rise in poverty. In the second installment, we focused on the necessity for the South to increase completion of degrees and job-ready credentials by its young adults in community colleges and universities in order to thrive in the post-recovery economy. In preparing for this installment, we could not ignore how dramatically the fiscal atmosphere of the region had darkened as the year 2011 arrived.

Economists judge that the recession has ended, a recovery has begun (albeit agonizingly slow), and slight growth in public revenues is anticipated. Nevertheless, unemployment remains high, a widespread social stress that also depresses income tax receipts to governments. As consumers, anxious about their earnings and their futures, put off purchases, sales tax receipts have fallen off, too. As a result, state governments continue to feel the effects of the downturn, with serious budget shortfalls forecast across the South. "The recession caused a state fiscal crisis of unprecedented severity," said the Center on Budget and Policy Priorities in a December report.

The Center's report offered a look at predicted budget shortfalls in the states. In the accompanying chart, we

provide the Center's estimates for the 13 states of the Southern region studied by MDC. These figures represent a snapshot in time. Actual shortfalls may change before budgets are enacted in the first half of 2011. What's more, states have different fiscal years and budgeting procedures.

Southern States: FY 2012 Predicted Budget Shortfalls

| State | FY 12 Projected Shortfall | Shortfall as% of FY 11 Budget |
|----------------|---------------------------|-------------------------------|
| Alabama | No shortfall | n/a |
| Arkansas | No shortfall | n/a |
| Florida | \$3.6 billion | 14.9% |
| Georgia | \$1.7 billion | 10.3% |
| Kentucky | \$780 million | 9.1% |
| Louisiana | \$1.7 billion | 22.0% |
| Mississippi | \$634 million | 14.1% |
| North Carolina | \$3.8 billion | 20.0% |
| South Carolina | \$877 million | 17.4% |
| Tennessee | Size Unknown | n/a |
| Texas | \$13.4 billion | 31.5% |
| Virginia | \$2.3 billion | 14.8% |
| West Virginia | \$155 million | 4.1% |

Source: Center for Budget and Policy Priorities

Still, by the end of 2010, nearly all states in the region anticipated a rocky, politically fractious road to balanced budgets for the 2011-12 fiscal year. The only exception to pervasive shortfalls may have been Arkansas, where Gov. Mike Beebe proposed a budget that was 2.5 percent higher than in the previous fiscal year. The Center's list suggests that Alabama may avoid a shortfall, and yet that state's education fund, which is separate from the general fund and relies on sales and income taxes, eroded by about \$1.5 billion over the past four years; state officials told local school authorities to anticipate further cuts of 3-5 percent for 2012. Four states—including previously robust Texas and North Carolina—anticipate shortfalls amounting to 20 percent of current budgets.

Whatever the actual level of revenue shortfall in each state, the policy environment has shifted decisively. Most states have already exhausted the budgetary transfers and “tricks” available to them—drawing down reserve funds, transferring funds from one account to another, and such. More important is the turn in the national conversation from stimulus appropriations to tax cuts and deficit reduction. Thus, 2009 stimulus funding, used by many states to help balance the books, is running out, and states have no assurance of renewed direct assistance from Washington.

Thus, states have to rely on their own spending and taxation strategies. Austerity is no fun. The process of arriving at balanced budgets by apportioning scarcity can result in brutal conflict in public decision-making. As Southern states produce budgets through 2011, governors and legislators will face such choices as whether and at what level to sustain recent gains in early-childhood

enrichment; or to reduce the corps of teachers and raise the number of students in classrooms in a region that has just begun to catch up; or to close prisons and either release inmates or create dangerous over-crowding; or to curtail services to the mentally ill or to the poor under Medicaid; or...the list goes on.

“Simply put, the fiscal stress in the coming years will make state budgets very unforgiving of mistakes,” says John F. Cape, senior fellow at the Rockefeller Institute of Government at the State University of New York at Albany. “Suffice it to say that the next few years will see a greater debate about the fundamental role of government—at all levels—than we have had in 50 years.”

Into such a freighted moment come a host of newly elected officials. The 2010 elections produced new governors in six Southern states: Republicans in Tennessee, South Carolina, Georgia, Alabama, and Florida, plus a Democrat in West Virginia who took over as the former governor won election to the U.S. Senate. By the tally of the National Conference of State Legislatures, 367 seats turned over in the 10 Southern states that held legislative elections in November. Party control of the state legislatures in Alabama and North Carolina switched from Democrats to Republicans. It is not MDC's role, as a nonprofit research organization engaged in community, education, and economic development activities, to offer political commentary, which is plentiful elsewhere. Our point here is simply to note that Southern decision-making will be influenced by a large number of new office holders in key executive and legislative policy-making positions.

Changing Face(s) of the South

Budgetary decisions will come against a backdrop of a South that has changed dramatically in a short span of history.

While for much of the 20th Century the region appeared stuck in racial segregation, embedded poverty, and rural rule in one-party politics, the South entered the 21st Century as a dynamic region, no longer set apart from the rest of America but having led the nation in population and job growth for two decades. To use the time-worn cliché, it is not your grandparents' South anymore.

For one thing, it is not a region etched only in black and white. To be sure, the South still has unfinished business along its fault line of race. Still, the near future will hinge on its ability to negotiate a potentially tension-filled mix of generational and racial/ethnic trends. 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.

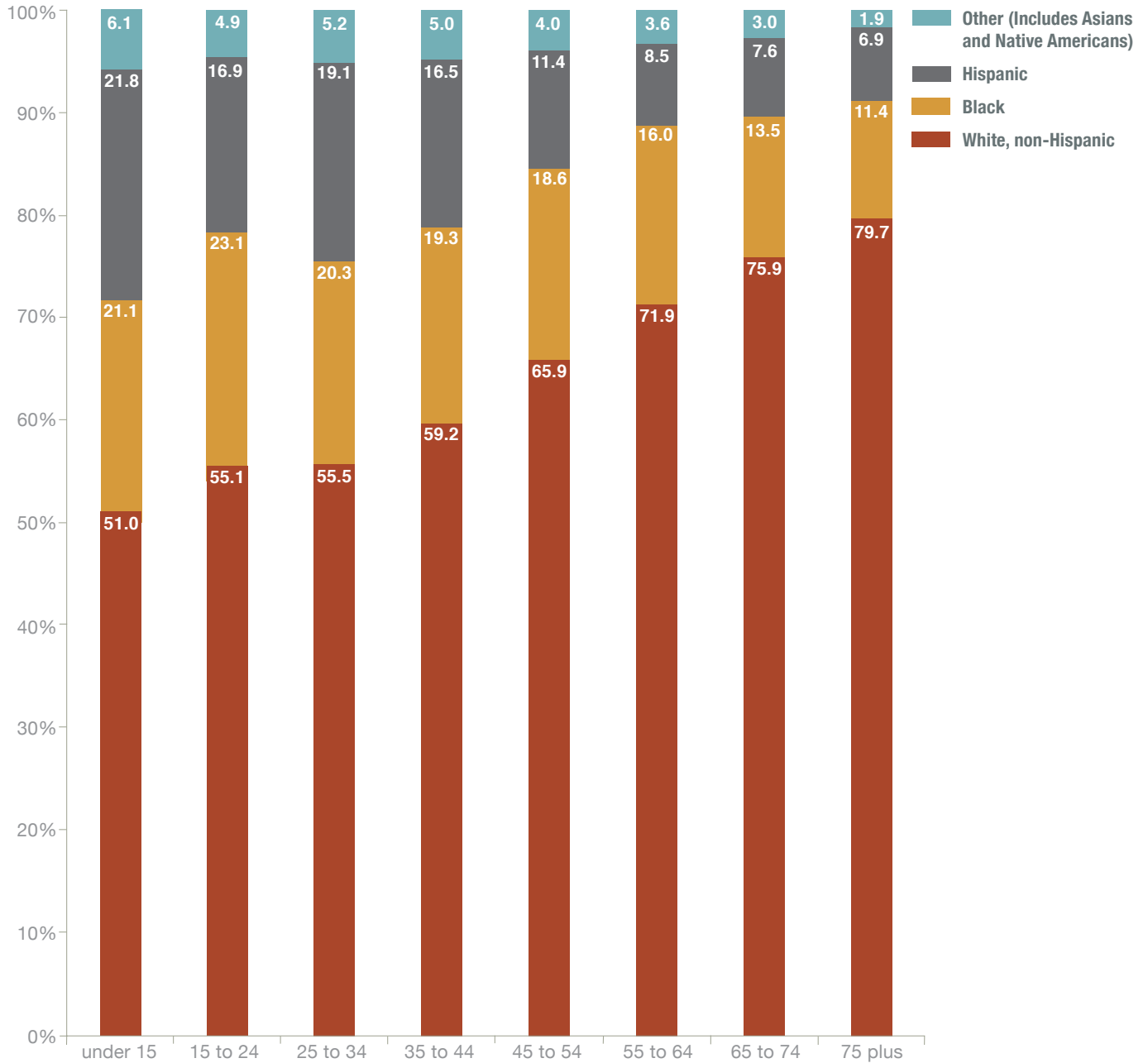
In the accompanying chart, note that white Southerners constitute 70 percent of the region's baby-boom generation, usually defined as people born between 1946 and 1964—thus now 65- to 47-years old. Among older Southerners,

more than 75 percent are whites. By contrast, whites represent barely 50 percent of Southerners younger than 15.

Among Southern children, Hispanics make up somewhat more than 20 percent, with blacks nearly 20 percent. Among adolescents and young adults, whites are barely more than half of the region's residents, while blacks, Hispanics and members of other ethnic groups add up to nearly half.

These cross-cutting demographic trends have sweeping implications—for social services, for education, and for the future of the Southern economy. As aging baby-boomers exit the workforce over this decade and the next, today's minority students will surely emerge as a stronger presence in job sectors now dominated by white Southerners. Thus, younger minority workers will pay taxes to support the health-care and other public services upon which older citizens will rely. In the transition, it 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.

Population by Race/Ethnicity and Age Group, South Region, 2009



Source: US Census Bureau, American Community Survey, 2009

Metropolitan Muscle

As The Brookings Institution has pointed out in its massive “State of Metropolitan America” report in mid-2010, metro areas have become the major fields upon which destiny-setting demographic trends play out.

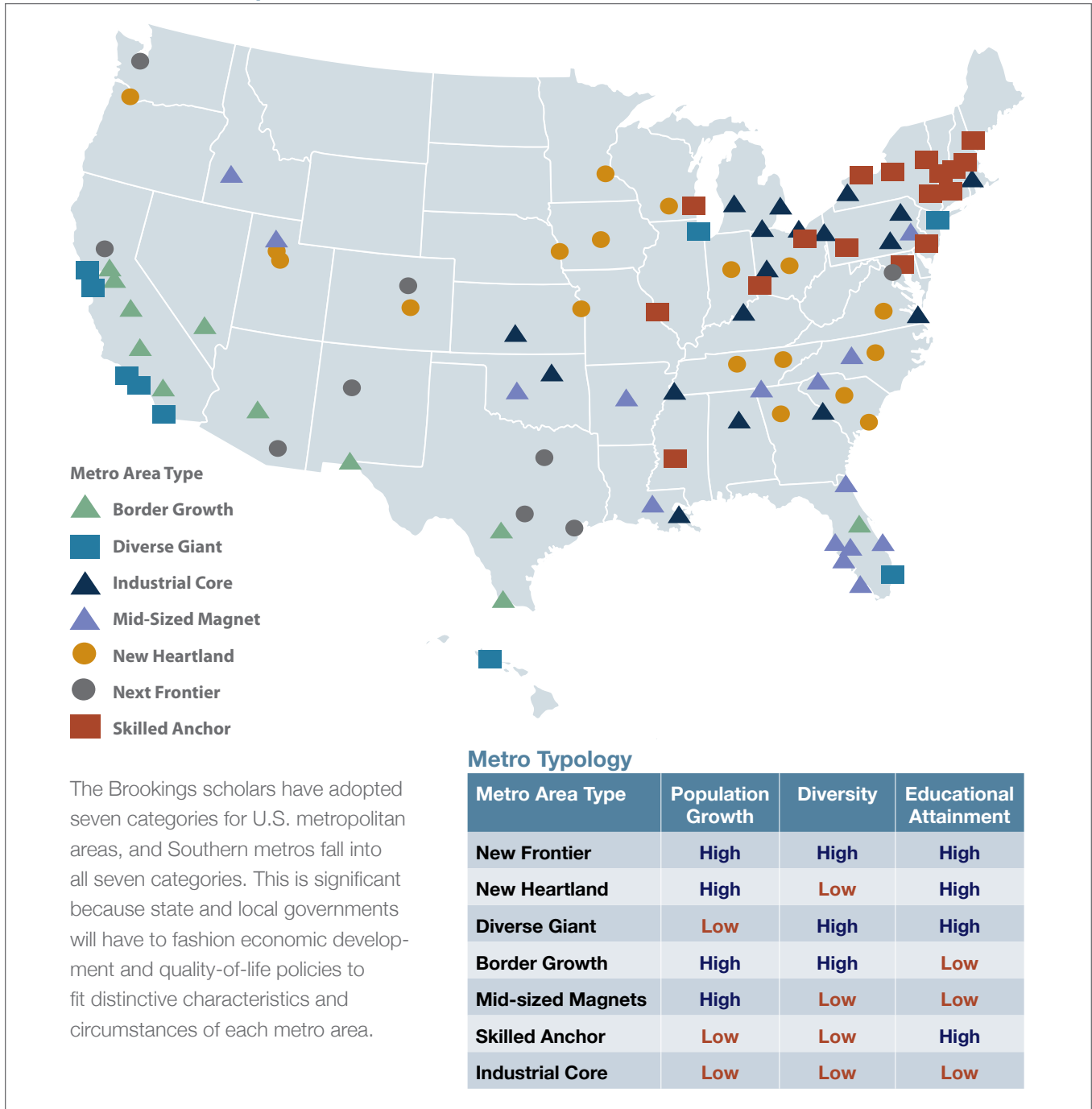
And today’s South is predominantly a metropolitan South. The region contains one-third of the nation’s top 100 metro areas, including five of the top 10: Dallas-Fort Worth, Houston, Miami, Northern Virginia as part of the nation’s capital metro, and Atlanta.

Metropolitan areas—economic units that combine city cores and sprawling suburbs, plus outlying exurbs and patches of rural land—continued to provide the region with economic muscle, even as they got a jolting reminder that they did not become recession-proof. From 1987 to 2007, the metro South accounted for nearly 89 percent of regional job growth, while rural areas accounted for 11 percent. Over the past three decades, the region’s metro population rose by 45 percent, so that now three out of four Southerners live in a metropolitan social and economic environment.

In making a historic shift from a largely rural to a metropolitan region, the South has fully participated in what is both a national and world-wide development in human living. “The world goes to town,” said The Economist headline on a special report marking the demographic milestone that a majority of people now live in cities.

And yet, sometimes, even Southerners don’t fully recognize what has happened around them. In a recent roundtable conversation at the Triangle Community Foundation in the Research Triangle region of North Carolina, an employee of Raleigh city government, newly arrived from another larger city, observed, “Raleigh is trying to be a small city when it’s not anymore.” Indeed, the question is whether Southern metros will act as the mature, muscular regions they have become. *continued on page 8*

A New Metro Landscape



Source: *The Brookings Institution*
 Note: Map created by Brookings using 2000 Census and 2008 ACS data

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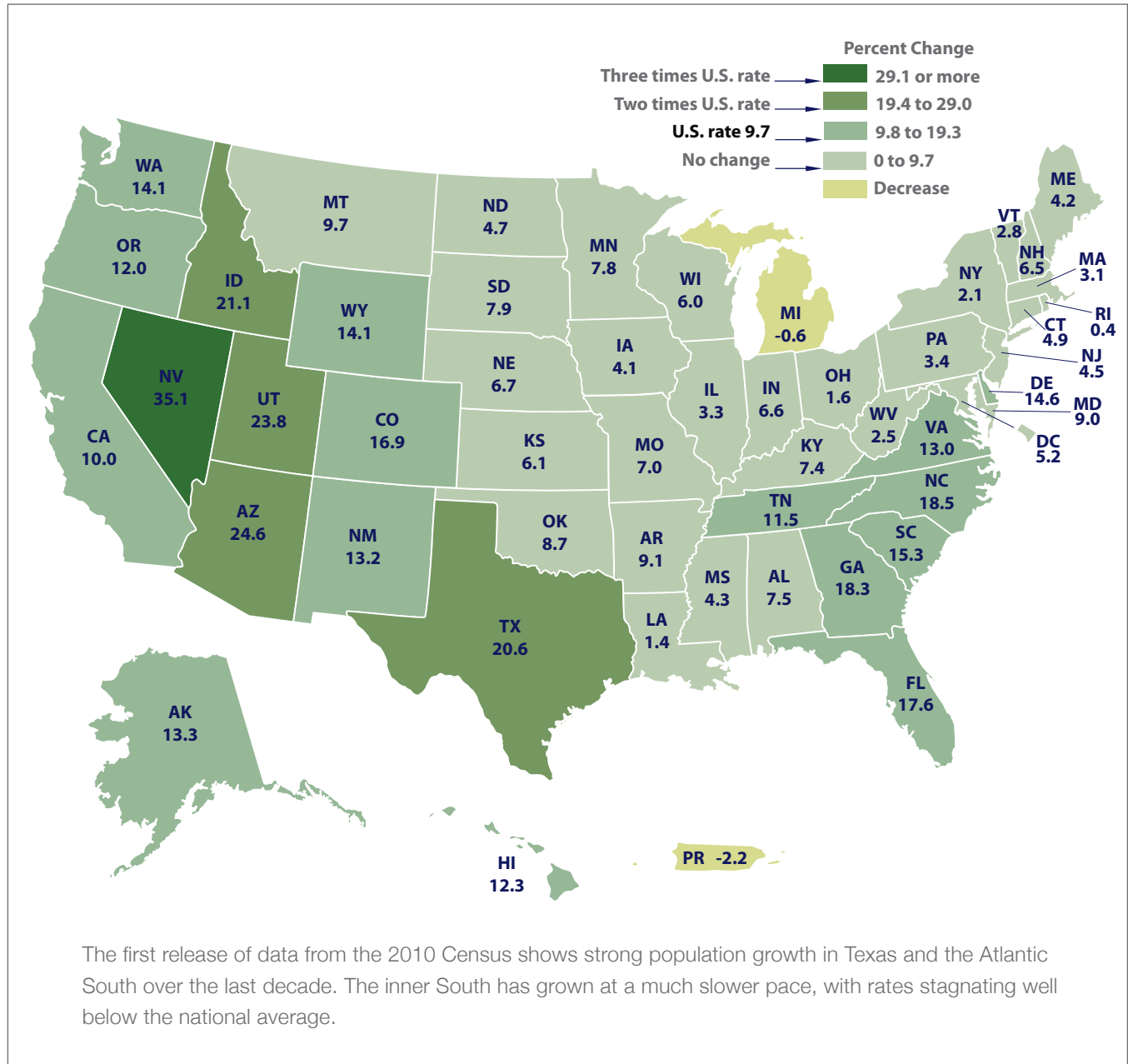
The civic landscapes of major metros are full of tensions, paradoxes, and cross-currents. In them, strong universities and community colleges thrive just down the road from public schools that have re-segregated along racial and economic lines. Metro areas serve as home for vibrant, stable middle-class families of blacks and whites, but Southern metros also illustrate the recent propensity of people to array themselves in like-minded neighborhood clusters, a process described by Bill Bishop, a former writer-in-residence at MDC, in his acclaimed book, “The Big Sort.” At the same time, metro areas have been magnets for Spanish-speaking and non-white immigrants, who arrive in search of the jobs in construction and transportation, food preparation and hospitality, and other services that support an affluent clientele. The rise of metro areas has come accompanied by a widening of income inequality across the region.

Still, if we have grown more dependent on metro areas, how do we make them support the Southern future? Metros present political, civic, and business leaders with a daunting array of policy challenges: How will we deal with a growing population of elderly residents living in automobile-

dependent suburbs? Can Southern metros develop mass transit systems to forestall economy-choking gridlock and bridge the distance between jobs and the people who need them? In our most mature cities, can we finance modernization of water, sewer, and energy infrastructures—and in doing so produce jobs? Are the ladders to the middle class, especially community colleges, sturdy and versatile? What steps do we take to foster civic cohesion threatened by the growth in the divide between rich and poor?

In essence, metro areas are economic and social organisms that do not contain themselves within municipal, county, or even state boundaries. How, then, do we govern metros that sprawl across time-honored jurisdictional lines? A related question has to do with how to promote a stronger “civic culture” in hard-charging metros filled with a mixture of recent arrivals and long-time residents? The South needs universities and research organizations working on the challenge spelled out by the Brookings scholars: “Especially in light of the deep fiscal crisis facing states and local governments, the lines between cities and suburbs—and the long, fruitless history of battles and mistrust between them—must be transcended, in all types of metropolitan areas.”

Percent Change in Resident Population for the 50 States, the District of Columbia, and Puerto Rico: 2000 to 2010



Rural Renewal in Doubt

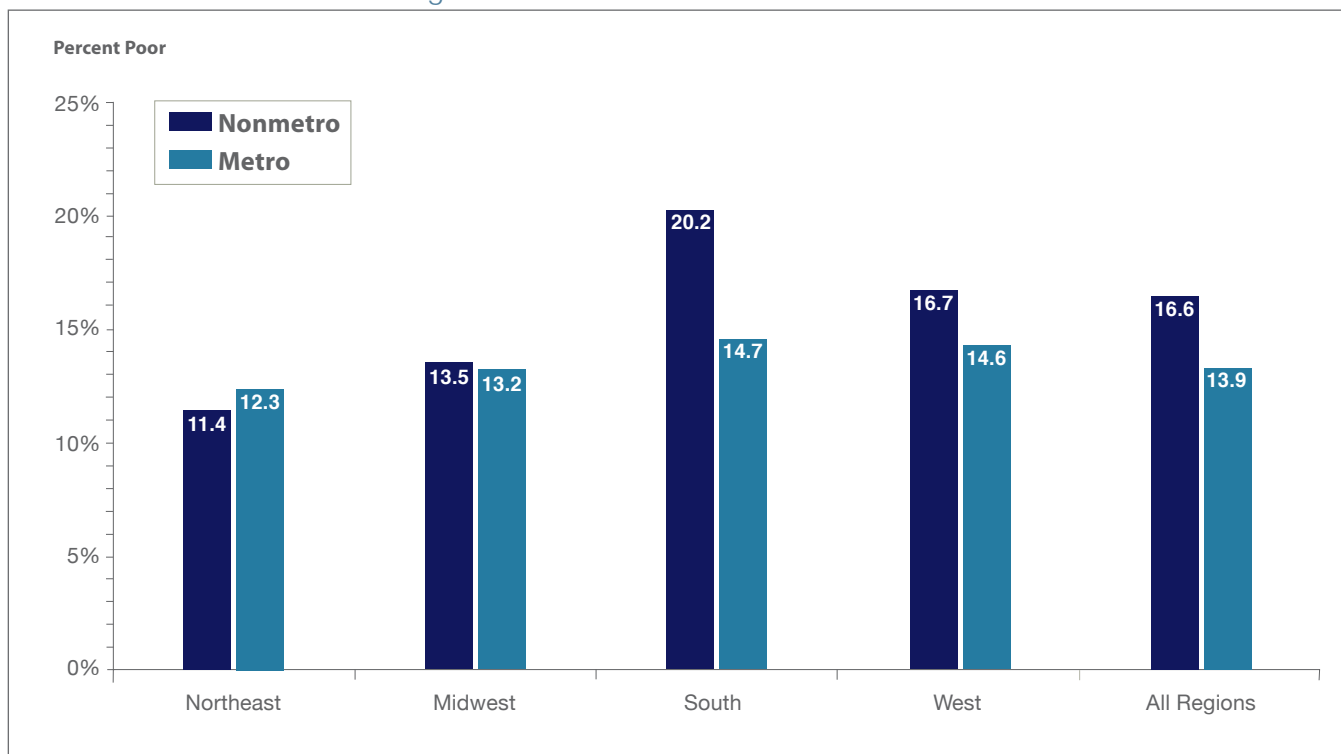
Even in an era of metropolitan muscle, the small-town South has not gone away. The U.S. Economic Research Service points out that four out of ten U.S. non-metro residents live in the South.

Some rural areas have experienced population and employment growth, albeit much less robust than metro areas. And yet, with near-term job-growth prospects soft and the flow of government assistance in jeopardy, rural communities face daunting prospects in gearing themselves for a recovery.

As the accompanying Economic Research Service chart shows, the South's non-metro poverty rate far exceeds rural poverty in other U.S. regions. In addition, says the ERS report, "The non-metro and metro poverty rate gap for the South has historically been the largest. This trend continued in 2009 (5.5 percentage points) with a 1.1 percentage

Percent Poor by Region and Residence, 2009

Nonmetro-metro Difference is Largest in the South



Source: Prepared by the Economic Research Service (ERS) using data from the U.S. Census Bureau's 2010 Current Population Survey, March Supplement.

point increase from 2008 (4.4 percentage points).” With government transfer payments accounting for more than 22 percent of rural residents’ income, cuts in medical and social services will come as a knock-the-wind-out blow to poor rural communities in the South.

For towns within relatively short commuting distance to metropolitan areas, the recessions of the past decade have intensified the imperative to build stronger connections to the metro job markets. For some rural regions, the future may well revolve around a purposeful strategy—assisted by

state governments—of focusing on small cities, especially those with universities, such as Greenville, N.C., and Lafayette, La., as hubs for regional development.

Time-worn barriers to community collaborations remain throughout our rural regions. And yet, in a period of massive budget-cutting, small towns and counties will find themselves needing to forge regional partnerships across old lines of rivalry to address economic, educational, and social inequalities and inequities.

Guidance by a ‘North Star’

The metaphor of “iron triangles” has long been used to explain the making of public policy and government budgets. It describes the three-sided interplay of 1) government agencies that identify needs and run programs to address them, 2) advocacy and lobbying organizations that bring information and analysis to the table in representing corporate and societal groups, and 3) legislative committees with legislators and staffs who specialize in particular topics and segments of government.

No doubt, as governments across the South complete their 2010-11 fiscal years and prepare budgets for 2011-12, we will witness intense struggles over recession-drained resources, with trade-offs, brokered-deals, and power-plays in the agency-legislative-advocacy triangles of our states and communities.

Before brutal budgeting breaks out, we offer an alternative metaphor to guide policy makers as they engage in the setting of priorities—that is, the unavoidable tasks of determining where and how much to cut, where and how much to spend, where and how much to tax. We propose that the South’s governments set for themselves a “North Star” on which to fix their sights in budgeting. In other words, drive budgeting not simply by this trade-off or that deal, but even more by a set of broad standards and on-the-horizon goals.

Drawing on MDC’s experience in working with philanthropic foundations, community organizations, and educational institutions, we would define a “North Star” for the South as the fostering of thriving states and communities committed to an alternative triangle: equity, opportunity, and economic competitiveness. Let’s be clear: This isn’t a call for some sort of pure equality of outcomes; a democratic, capitalist

society doesn’t produce such results. Still, guidance by this definition of a “North Star” would impel governors, legislators, and other policy makers to assess budgetary decisions by whether they would narrow inequities, create opportunities, enhance mutual regard, and generally widen the circle of success and wellbeing.

No less an analyst of our economic state of affairs than Ben Bernanke, chair of the Federal Reserve Board, addressed himself to the deleterious effects of income inequality in a recent network TV interview. Asked to comment on what it says about America that the nation has the “biggest income disparity gap of any industrialized country in the world,” Bernanke, a native of rural South Carolina, responded, “It’s a very bad development. It’s creating two societies. And it’s based very much, I think, on educational differences... If you’re a college graduate, unemployment is 5 percent. If you’re a high school graduate, it’s 10 percent or more. It’s a very big difference. It leads to an unequal society, and a society which doesn’t have the cohesion that we’d like to see.”

Of course, much of the responsibility for mitigating “an unequal society” falls to the national government, and its powerful tax and fiscal policies. Still, in our federal system, states and local governments have their own powers and

responsibilities that can be exercised to narrow gaps, widen opportunities, enhance competitiveness and promote equity.

In the wake of an economic downturn as well as natural disasters, a natural impulse emerges: to strive to get back to “normal” as quickly as possible. And yet, even in today’s dynamic South, “normal” means too many people out of work, under-employed, and trying to make ends meet in occupations that afford little upward mobility. “Normal” hasn’t been working for too many of us. The concept of guidance by a “North Star” allows for the posing of pointed questions that stimulate conversation beyond the immediate impulse:

- ▶ Toward what outcomes are we aiming, and what outcomes are fundamental to the post-recession health of our society? As they wrestle with difficult choices, policy makers should decide on the basis of clear analysis of outcomes: competitiveness of people and places, closing debilitating performance gaps, keeping open opportunities for career advancement.
- ▶ What do we need to create? The nation put people to work and built lasting things—scenic roads, landmark buildings—during the Great Depression. Even amid today’s austerity, could not states dedicate a pot of money with a dual purpose of creating jobs and improving our physical public assets?
- ▶ What “seed corn” do we need to plant today? Policy makers can learn from history what actions of an earlier generation—for example, creation of community colleges, development of Research Triangle Park in North Carolina—produced pay-offs and how those lessons might apply today. The challenge is not to return to an unsatisfactory “normal” but to set in motion policies and plans for transformation as recovery proceeds.
- ▶ What past gains can we not afford to sacrifice as we build for the future?
- ▶ Also, how do we not simply salvage what we can, but reset our course? Just as forward-looking private companies are thinking and acting in new ways to attract talent, so can government agencies and education institutions use this period to develop strategies for both recruiting talent and home-growing talent.
- ▶ As lawmakers consider both tax and budget policies, ask not only who wins and who loses, but also does this provision or that item widen gaps or close gaps. Does this budget or that tax plan respond to the changing faces and economic landscape of the South?

Looking Back, Looking Forward

The steep 2007-09 recession that cost the jobs of millions of Southerners has left its painful marks across the region: a rise in poverty in both rural and metropolitan communities, a weakening of the middle class, a fracturing in the fiscal condition of states and localities, a sapping of hope for a better future.

Under legal requirements to operate with balanced budgets, the South's states and localities will confront in 2011 unpleasant decisions that may well spread pain further by reductions in funding for education, mental health and other services, and by layoffs of government employees. While cuts appear inevitable, an across-the-board, cut-only "strategy" won't do; in fact, that's no real strategy at all. Better is a mix of budget reductions, critical investments and revenue increases, all guided by a "North Star" for setting priorities.

This is the fifth State of the South report since 2000. Looking back over the findings and recommendations of previous reports offers some observations that would assist policymakers in looking forward. Some of the findings, to be sure, require continued and adequate funding; on the other hand, some require sensitive leadership and an openness to new ways to doing the South's public affairs. A decade's worth of study of the South's demography, economy, education, philanthropy, and community-building leads to these crucial findings for the decisions of 2011:

1. **Both globalization and new technologies continue to change the foundations of our economy.** The South has to adapt and prepare its people and communities to run in a faster race.
2. **The traditional beginnings and endings of education no longer apply.** Southern states can learn from each other about effective initiatives in early childhood education, in linking high schools and communities colleges, and in drop-out reduction. The challenges now include building more connections between adults and young people, preventing a drift toward more high-poverty schools, and raising the completion rates in our community colleges and universities.
3. **A rapidly changing economy has made our tax systems increasingly out of sync and unresponsive to today's dynamics.** The South has to move beyond the stale argument of tax vs. no-tax. Judicious borrowing may provide funds for long-term infrastructure investments. Tax modernization would provide a vehicle for making our systems foster the twin goals of competitiveness and equity.
4. **Regionalism has become more imperative.** The South needs rural and metropolitan strategies that drive communities to collaborate rather than to pull apart.
5. **While a democratic system will naturally feature competition of ideas and personalities, the South can take steps to build civic connectedness and offset fragmentation.** There is a role, of course, for government in operating with transparency—open records, open meetings—and in offering citizens full opportunities to discuss critical issues. There is also a role for nonprofit civic groups, religious institutions, and philanthropies in carving out "common ground" for citizen engagement.

Passing the Leadership Torch

The 2010 elections set loose a round of political commentary about the implications of the partisan shifts—the rise of Republicans, the decline of Democrats—in Southern state governments. And there are, of course, important implications.

But another “shift” in leadership is in sight, a shift from one generation to another, as the baby-boom generation ages and so-called Generations X and Y emerge—uncertainly, unsteadily—to take its place, not only in corporate suites and the workforce, but also in government bureaucracies and elected offices.

In preparing for this “leadership” section of *The State of the South*, MDC assembled its own special focus group. We gathered the young adults who have served MDC as Autry Fellows in the 10 years of that program. Each year, an Autry Fellowship—named for George Autry, MDC’s founding president, who died in 1999—is awarded to a recent bachelor’s degree recipient to spend a year on staff at MDC. Autry alumni have gone on to Teach for America, to earning a Ph.D, to involvement in presidential campaigns, and, in one case, to the Episcopal priesthood.

From our conversation with Autry Fellows, we know that young potential leaders perceive a disconnection between the leadership-and-service structures of colleges and universities and entry into civic and political leadership. We heard a thirst for leadership that rises to the occasion and that meets the challenges of the time. We heard enthusiasm for community involvement, but less so for direct engagement in electoral politics.

In conversations both with Autry Fellows and with other emerging leaders, it is not uncommon to hear about barriers to entry into public leadership. There are, they say, costs

to public service—in an atmosphere of partisan strife and lack of privacy, in the interruption to building careers and raising a family, in the financial sacrifices required. To many potential leaders, the political system appears broken while community service seems more satisfying.

And yet, we know that public leadership matters in a democratic society. In his case studies of small-town community development, Will Lambe of the School of Government at the University of North Carolina at Chapel Hill identifies leadership as a critical ingredient in separating towns that work from towns that don’t. Successful communities have two-three-four “sparkplugs”—some in public office, some in the private sector—who make things happen, who have a vision and take risks in pursuit of the vision. His findings also apply to city neighborhoods, to metropolitan civic enterprises, and to state governments.

We know the South has a proliferation of state and community “leadership” programs, many of which serve more as networking for young business executives than as generators of public leaders. We know that alumni of Teach for America, the Peace Corps, and other young-adult volunteer enterprises provide a pool of potential leaders, but they are so dispersed that it is difficult to forge them into an emerging leadership corps unless formidable funding were available to marshal them.

Who, then, is in charge of new leadership? From where will come leaders who can learn to bridge the fault lines that still

confound the region and impede progress? The answer: a range of people and institutions.

From the business sector, we need not only management training for rising executives but also a renewal of an ethic of public service, an openness to having young talent take part in community, political, and institutional leadership without risk to career. From philanthropy and nonprofits, we need young voices on governing boards and investment in enriching leadership development. From universities, we need teaching and encouragement of students with an appetite for public leadership—and we need the delivery of knowledge, rooted in research, to current civic and political leadership.

From incumbent office holders and political party leaders, we need attention to the barriers to participation in the democratic life of our states and communities.

Across the South, we have to make it possible for the next generation of leaders to emerge. This is not simply a task of “training,” but rather of creating the conditions that nurture leadership—that bring people together to forge alliances, to discuss issues, and to instill a set of values. This is a moment, then, to prepare for an intergenerational shift in leadership. It is a moment during which mature leaders can serve as mentors and pass the torch.

Epilogue

In his magisterial book, *Leadership*, James MacGregor Burns, a professor of government and Pulitzer Prize winner, identifies, defines, and explores the types of leadership required in public life, politics, and government.

As he distinguishes between legislative leaders and executive leaders, and as he examines reform, intellectual, party, and opinion leadership, he insists that leaders must serve as something more than brute power-wielders. Burns doesn't flinch from the reality of power and from competition and conflict. Still, he seeks a leadership with moral underpinnings—leadership with purpose and values.

Above all, he draws insightful distinctions between “transactional” leadership and “transformational” leadership. Transactional leadership features trade-offs and exchanges, and requires bargaining, persuading, and reciprocating. Transformational leadership, as Burns sees it, occurs when “leaders and followers raise one another to higher levels of motivation and morality.”

“The ultimate test of practical leadership is the realization of intended, real change that meets people’s enduring needs...” Burns wrote. “That people can be lifted into their better selves is the secret of transforming leadership.”

At the outset of this paper, we quoted President Roosevelt’s 1944 State of the Union address. We did so because the speech serves as an example of a leader guided by a “North Star,” even in a period of strife and austerity. It serves to illustrate how an elected political officeholder can attend to the day-to-day decisions to transact the public’s business and do so within the context of a transformative vision for the future.

Over the course of 2011, it will require the skillful exercise of transactional leadership to fashion public budgets in the face of revenue shortfalls expected in most Southern states. At the same time, an anxious region that has suffered recession-inflicted blows to its economic momentum and civic confidence needs a burst of forward-looking, visionary leadership. Is it not too much to hope that at least a few leaders of states and localities will strive for transformational leadership?

About MDC

MDC is a nonprofit organization that has been publishing research and developing programs focused on expanding opportunity, reducing poverty, and addressing structural inequity for more than 40 years. MDC's focus is on: defining gaps and mobilizing leaders at all levels to create a will for change; demonstrating sustainable solutions and developing them into effective models; and then incubating them so they can be replicated at scale for maximum impact.

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For more information, visit www.mdcinc.org.

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INTERVIEWS

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