



Mississippi: *A Sense of Urgency*

Rural responses to the new economy

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Prepared by Southern Rural Development Center and MDC Inc.

Southern Rural Development Center

The Southern Rural Development Center seeks to strengthen the capacity of the region's 29 land-grant institutions to address critical contemporary rural development issues impacting the well-being of people and communities in the rural South.

SRDC's goals are to:

- Stimulate the formation of multistate research teams;
- Coordinate the development and revision of educational materials and maintain a centralized repository of educational resources;
- Organize and deliver high priority rural development research and educational workshops/conferences;
- Provide leadership for the preparation of science-based rural development policy reports; and
- Build partnerships that link the South's land-grant university system with other key entities committed to rural development activities in the region.

The Southern Rural Development Center (SRDC) has served the 29 Land-grant institutions of the thirteen Southern states, Puerto Rico, and the Virgin Islands since 1974. SRDC is one of four regional rural development centers supporting research and extension efforts to improve the lives of people living in nonmetropolitan areas of the United States.

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MDC Inc.

The mission of MDC is to advance the South through strategies that expand opportunity, reduce poverty, and build inclusive communities. The organization furthers its mission by analyzing economic, workforce, and demographic trends to identify challenges that impede progress for the region and its people. To address those challenges, MDC works from multiple angles, including developing responsive public policies; demonstrating effective programs; building institutional and community capacity for progress; and informing the public dialog on development issues.

Established in 1967 to help North Carolina make the transition from an agricultural to an industrial economy and from a segregated to an integrated workforce, MDC has spent the last 35 years publishing research and developing policies and programs to strengthen the workforce, foster economic development, and remove the barriers between people and jobs. MDC now works to facilitate the South's transition to a high-performing, multiracial society where economic, workforce, and community development work for all people and communities.

MDC is a private, nonprofit supported with grants and contracts from foundations; federal, state, and local governments; and the private sector.

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Mississippi: A Sense of Urgency

Prologue

Shortly after the calendar changed to 2002, Burlington Industries sent a shudder through Mississippi when it announced that it would close its denim-making plant in Stonewall, whose cotton mill dates back to 1868. Closure of the Stonewall plant cost more than 800 jobs in a town of fewer than 1,200 residents. This devastating blow to a small town, one among several such plant shutdowns in recent weeks, serves as a sign of the times for rural Mississippi — and a renewed warning for the future.

Two months earlier, several hundred Mississippians had gathered for three regional forums to consider how their state — as well as their communities — should respond to the challenges of a new economy marked by technological

change and global influences. They met in Hattiesburg, Greenville, and Meridian for daylong gatherings to explore strategies for facing their economic, educational, and social challenges.

The participants didn't know at the time that Burlington would soon close the Stonewall plant. While the news would have distressed them, it would not have surprised them. Repeatedly, the participants in these forums — “Mississippi Leaders: Building Tomorrow...Today” — used a single, blunt phrase to describe what their state needs most:

Mississippi, they said, needs “a sense of urgency.”

Setting the Agenda

The purpose of this report is to convey the findings and the feelings of the three rural forums to the state's opinion leaders and decision-makers. Most of the findings are familiar to the state's agenda-setters, but they bear repeating as a prelude to action.

Many participants in the forums, it is fair to say, worry that their state government in Jackson does not respond, that they see personal and partisan rivalries often erecting barriers to addressing the issues raised by concerned rural citizens. Democracy, of course, involves struggles for power. Debate over differences is inevitable. Still, rural Mississippians want their concerns heard in the halls of power, and this report seeks to place those concerns higher on the state's agenda.

At the forums, data came from *State of the South 2000*, a study of regional trends by MDC Inc., a Chapel Hill, N.C.-based nonprofit research organization, and an

analysis of Mississippi trends by the Southern Rural Development Center of Mississippi State University. MDC and SRDC designed the forums, which were cosponsored by the MidSouth Partnership for Rural Community Colleges, the Stennis Institute, and Mississippi State University Extension Service.

Three Mississippi foundations financed the forums: the Phil Hardin Foundation, Lower Pearl River Valley Foundation, and Maddox Foundation.

At each forum, participants were asked to consider the data and to discuss, in both small-group settings and plenary sessions, the ramifications for their state and communities. No votes were taken, no formal resolutions adopted, but, when called upon to do so, dozens of participants volunteered to come together to follow up by turning their discussions into action in their own towns and counties.

Progress to Build Upon

At the Meridian forum, Vaughan Grisham of the University of Mississippi's McLean Institute, said that "we used to...dwell on weakness." Now, he said, it was time to "build on assets" and reach for excellence.

Over the past two decades, signs of progress and of increasing strength have emerged:

- Through the 1980s and '90s, Mississippi gained 325,000 jobs and grew in population by 10 percent. It went from 45 jobs per 100 people to 53 jobs per 100.
- While farm employment dropped by 27,000 in the 1980s and '90s and manufacturing grew by a mere 7,700, services and retail added about a quarter of a million jobs.
- Through the 1990s, Mississippi made progress in educational attainment. The proportion of adults with less than a high school education dropped by 13 percentage points, and adults with a college degree rose by nearly 5 percentage points.

- Mississippi's high-poverty and high-minority schools match or exceed their peers across the U.S. in Internet access.

The state's assets include its location along both the Mississippi River and the Gulf of Mexico, as well as an array of sites of natural beauty and historic value. The state is more accessible than ever as a result of expanded airport facilities and its network of interstate highways.

The recent siting of an automobile manufacturing plant north of Jackson will undoubtedly have an economic ripple effect. Jackson is home to an international telecommunications giant, and South Mississippi has an advantage in the Stennis Space Center.

Not to be overlooked is the state's investment in an array of community colleges and universities that are surely assets to build upon.

Miles Yet to Travel

Despite recent progress, the state has far to go. Mississippi is the fifth most rural state in America. During an era in which people and jobs increasingly are concentrated in metropolitan areas, it stands to reason that a deeply and traditionally rural state would find itself weighed down by adverse trends and lingering social maladies. The nation's recent economic slowdown has only intensified the sense of urgency felt by thoughtful rural Mississippians.

Here are some of the trends that opinion leaders and decision-makers cannot afford to ignore:

- Even as the state has strived, with some success, to recruit new plants and to encourage existing manufacturers to expand, Mississippi has lost 27,000 manufacturing jobs in the past three years. Mississippi is not isolated from the transformation wrought by the new economy. There are simply fewer manufacturing "buffaloes" to bag to rescue towns like Stonewall, or Flowood, or Morton.
- Despite job growth, Mississippi is losing ground in earnings. Mississippi's average earnings per job dropped from 79 percent of the U.S. average in 1979 to 74 percent of the national average in 1999. Mississippi's per capita income remains at only 72 percent of

national per capita income, and its poverty rate, while having declined, remains the third worst in the nation.

- The state's demography is changing. Currently, African-Americans comprise 36 percent of the population, the highest percentage in the nation. Over the next quarter of a century, the state's workforce will increasingly depend on African-American workers — and on a growing population of Hispanics. While the white population is expected to grow by 8.5 percent over the next 25 years, Mississippi is projected to have nearly 15 percent growth in African-American and 86 percent growth in Hispanic populations.
- Despite some shrinkage in the educational gaps between Mississippi and the U.S., about half of the state's 4th and 8th graders rated "below basic" in math on the National Assessment of Education Progress. In reading, 8th graders did somewhat better — less than 40 percent scored "below basic." In an economy that increasingly requires education beyond high school, only 36 percent of high school freshman in Mississippi enroll in college within four years. While 41 percent of the state's white 18- to 24-year-olds enroll in college, only 26 percent of blacks and Latinos do.

Mississippi's opinion leaders and policymakers know these data, and more. They know that, however much advancement has taken place in recent years, their state still lags in key indicators of economic, civic, and personal well-being. They know, too, that tensions rooted in history linger. George Penick, president of the Foundation for the Mid South, listed the tensions with which Mississippi must cope: "haves versus have-nots, developed versus underdeveloped communities, race and class divisions."

Listen carefully, and you could hear some of these tensions — or differences in perception — in the rural forums. But there is also an emerging understanding that Mississippi cannot shield itself from national and global social and economic forces, that state and community leaders must act with a sense of urgency to position Mississippi for a strong rebound from the current economic slowdown.

Reaching Across Old Boundaries

Political boundaries established in the 19th and 20th centuries do not match economic realities at the outset of the 21st Century. People, goods, and electronic transactions speed across city limits, county and state lines, and national borders with hardly a glancing notice of the "welcome to" signs.

Mississippi cannot let city, county, and state boundaries interfere with collaborative planning and decision-making, which are increasingly essential to economic competitiveness. Even as they raised questions about how to determine "regions," participants in the rural forums spoke often of their desire for "regional collaborative effort" in education, business development, and community advancement.

One part of the challenge is to fashion instruments through which rural towns and counties can come together to address common problems. Another challenge is to link

rural communities more closely to robust metro areas, including Jackson, Memphis, and the Gulf Coast. This won't be done easily, but Mississippi state government must forge connections between distressed rural communities and thriving urban centers to give the state a greater chance at a successful economic transition.

Old boundaries are not only geographic but also cultural and sometimes deeply personal. Mississippians of different races and classes still have to work hard at working with each other. A prerequisite for sustained economic and community advancement is getting all relevant voices around a common table.

Getting Mississippians working across old boundaries is a major challenge to those who would lead the state — and it is a challenge that must be met with a sense of urgency.

More Jobs, but Better Jobs, Too

The Mississippi economy gained 325,000 jobs during the 1980s and '90s. And it is expected to gain another 60,000 or so jobs during this decade. At issue, however, is whether Mississippi can change the employment mix in the interest of moving more of its people to a higher standard of living.

To a large extent, Mississippi has exchanged low-wage farm and factory jobs for low-wage retail and service jobs. Where is the state headed in the near future?

According to current projections, the largest number of job slots likely to be created in this decade will come in such occupations as cashier, salesperson, truck driver, and

nursing aide. Two-thirds of the jobs in the top-20 occupations — those projected to expand the most in numbers of jobs — will require a high school education or a modest amount of on-the-job training. Meanwhile, the 20 fastest-growing occupations are projected to add only about 7,000 jobs, most of them requiring community-college training or a bachelor's degree.

It is critical that Mississippi understand the import of these projections. Unless the state changes its employment mix, the next decade will not produce gains in income for Mississippians as a whole.

It would be a vast mistake for Mississippi to look at these numbers and say, why invest in education since most jobs don't require much? In truth, without progress in education, Mississippi sentences thousands of its young adults to a life of low-wage work without much upward mobility.

Doing the same thing, educationally speaking, will result in the same thing, economically speaking.

It is urgent that Mississippi leaders not only seek out new jobs but also that they build a base for better jobs, jobs that require higher skills and produce higher wages.

Retooling Workers — and Communities

“All education is career education,” Angeline Dvorak of the Mississippi Technology Alliance, told participants in the rural forums. It is through education that Mississippi prepares its workforce for an improved mix of jobs. It is through education that the state enhances the ability of its citizens and their communities to adapt to global economic forces and societal change.

This year marks the 20th anniversary of the Education Reform Act of 1982, an initiative for which Mississippi received much national attention and acclaim. That law, passed in the wake of hearings across the state that marshaled citizen support, broadened compulsory attendance, brought on kindergartens statewide, and upgraded public school funding.

There is no better way for Mississippi to honor its achievement of two decades ago than by summoning up another broad education initiative. Such an initiative would involve stitching together a seamless educational garment — a garment that covers learning from preschool through the university. The recent report, *Building Opportunity in Mississippi Through Higher Education*, from the Steering Committee for the Mississippi Leadership Summit on Higher Education points the state in the right direction.

- As other Southern states have already begun to do, Mississippi must expand early childhood programs, including health care, so that students enter elementary schools ready to learn.

- Mississippi must have higher expectations and standards for its elementary, middle, and high schools — boosting the quality of teaching as well as administrative leadership and increasing graduation rates, especially in rural counties.
- Mississippi must persist in developing its system of two-year colleges to become the centers of worker training and lifelong learning expected of modern community colleges.
- In the new economy, universities have emerged as more important than ever, both as the producers of new knowledge that drives the new economy and as the producers of highly skilled professionals, executives, scientists, and engineers.

Much of Mississippi, especially its rural regions, has become caught up in an unfortunate cycle: an absence of good jobs has led to a lack of ambition among teenagers and young adults, who in turn see little incentive to get an education beyond what is required by compulsory attendance, which means that the low-skill level of the workforce makes it more difficult to recruit good jobs. And it also means that the ambitious, the potential leaders of the future, flee small towns in search of better opportunity.

It is a difficult cycle to break, but Mississippi must work at it at every point in the cycle — with strategies for producing jobs, for upgrading education, and for raising horizons for young people and their families.

Overcoming Old Mind-sets

As indicated by presentations and conversations at the rural forums, Mississippi at times holds itself back by clinging to certain mind-sets. In an agricultural and low-skill industrial economy, it wasn't necessary for every young

person to get a high school education to find work nearby. But in a global, high-tech society, Mississippi cannot afford having thousands of its citizens dropping out of school or otherwise approaching education without motivation.

In identifying trends that affect economic opportunity, rural Mississippians spoke of how a high dropout rate weakens communities, how a high rate of teenage pregnancy acts to diminish students' persisting through high school, how difficult it is for single mothers, often working multiple jobs, to prepare their children to enter kindergarten ready to learn. There was a recognition that Mississippi needs something beyond economic development strategies — the state needs family-oriented strategies, too.

Schools cannot bear the full burden of promoting the development of young people. Families, along with the communities in which children and families function, have a critical role to play in shaping the academic and occupational aspirations of children and teenagers. And yet, families are often left out of the mix of proposed strategies for strengthening human capital, in Mississippi and elsewhere in the U.S.

Mississippi, as a state and in its local communities, must invest in families, build a support system, to enable them to help children flourish.

Another mind-set holds that many Mississippians lack the work ethic essential to succeed in the industrial as well as postindustrial sectors of the economy. Two speakers at the rural forums confronted that mind-set head-on. Brian Waldrop of Greenwood-based Viking Range and

George Walker of Clarksdale-based Delta Wire spoke with vigor and confidence about their companies' experiences in producing high-quality products with their Mississippi workforce.

Walker explored his company's relationship with Coahoma and Mississippi Delta Community Colleges, and he said that "if you invest in workers, treat them with respect, pay them well," it is possible to do a thriving business in Mississippi. "We never had a work ethic or absentee problem," he added.

Waldrop also said that his company has experienced "low turnover," and he said that Viking helps recruit other companies to the Greenwood area. "As Greenwood advances," he said, "so does our company."

Counteracting negative mind-sets and bolstering the aspirations of young rural Mississippians require additional steps by both the state and local governments. Rural communities, for example, need recreation facilities as well as clubs and activities that foster a wholesome social life in the Delta and other rural sections of the state. Incentives will be required to attract well-qualified principals and teachers to devote themselves to rural schools. And efforts must be made to develop a new generation of political leaders and governmental managers for small towns and rural counties.

Epilogue: Leadership

Mississippi, to be sure, has daunting challenges — but, over the long run, they are not insurmountable. The 2001 recession sapped revenue growth in Mississippi and most other states, draining Mississippi of resources that could have been devoted to building educational and community assets.

Still, the state has sources of financing at its disposal, which, if well deployed, can keep the state moving forward in addressing some of its long-standing issues. For example, the new Delta Regional Authority has approved a formula for distributing its initial \$28.3 million in federal assistance. The Workforce Investment Act provides another stream of federal funding that, if well-targeted,

can bolster Mississippi's ability to provide essential worker training. And the newly enacted federal education legislation will send additional money to Mississippi to help the state meet the law's testing requirements.

But, of course, Mississippi ultimately cannot rely on the federal government to pay for all that needs to be done. In the course of their own exercise of democracy, Mississippians will ultimately decide how much to tax themselves and what priorities to set in their state and in their communities.

It is with a sense of urgency that rural Mississippians look for leadership.

For supporting data and more information, see MDC's web site, <http://www.mdcinc.org>.

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