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- **The rapid flow of people into the South is changing the social fabric of our communities.** The region must continue to mend its historic black/white divide, while also resolving the new tensions that arise from immigration.
  - Positive community relations and broad-based civic participation by members of all racial and ethnic groups are part of what makes communities and local economies strong. Former Mississippi Governor Winter recently noted that the economic triumphs of effective communities have been “rooted in the attention they have given to the development of human relationships, to the building of a sense of community. Those exemplary communities have been made up of people who have dedicated themselves to working together rather than pulling the community in opposite directions.”

### Challenges for Mississippi’s Leaders

Among the important questions that deserve careful consideration by key community leaders across the state include the following:

- How can Mississippi’s small towns and cities enhance their capacity to compete in the new economy?
- How can Mississippi create a world-class workforce?
- How can communities realize broad-based civic involvement?
- How can communities work to build stronger racial and cultural harmony?

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## Creating Prosperity in Rural Mississippi: Responding to the Challenges of the New Economy<sup>1</sup>

“As the South enters a new century, it faces both old challenges enduring from its days as a low-wage, low-skill region and new issues emerging from the new economy. The South built its education, economic development, and civic institutions to function in a different economic and cultural context. Today, these institutions must change to help the region thrive in an era of new, constantly evolving technological and global influences.”  
(MDC, *State of the South 2000*)

The global economy is bringing unprecedented growth and prosperity to some of the South’s people and places, while other areas – particularly rural communities – risk falling further behind. MDC’s *State of the South 2000* report highlighted several trends that have bearing on Mississippi’s future.

- **New technologies are changing the foundations of our economy.** Mississippi has an opportunity to leapfrog ahead in its development and flourish in the new digital economy. But this will happen only if we prepare our workforce, encourage innovation and provide the necessary infrastructure.
  - While Jackson is home to an international telecommunications giant and the Stennis Space Center in South Mississippi attracts leading scientists from around the country, Mississippi ranks low on several measures of preparedness for a technology-driven economy. It lags in high-tech workers, information sector workers and professional-scientific-technical services workers.

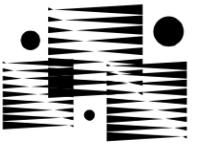


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*Expanding The Economy • Developing The Workforce*

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- Schools play a critical role in preparing tomorrow's workers for the digital economy. As of 2000, Mississippi ranked last among the Southern states in instructional computers and Internet-connected computers in the classroom. However, there are promising signs of change – for example, the Classroom Technology Initiative is establishing public-private sector partnerships that aim to place an Internet-accessible computer in every classroom by 2002.
- **Places that remain disconnected from the new economy will become increasingly stagnant.** Rural communities that forge connections with thriving economic centers or burgeoning sectors of the new economy have the best shot at a successful transition from a natural resource and low-end manufacturing economy to the digital age.
  - Like much of rural America, Mississippi's economy depends heavily on agriculture and manufacturing. Today, those sectors are slow-growth or declining sources of jobs. Farm jobs declined even faster in Mississippi than in the U.S. between 1989-99, while the state's manufacturing sector had a net gain of just 116 jobs over this time period.
  - In Mississippi and the nation, most job growth is in the service and retail sectors, and higher-wage, higher-skilled service jobs are concentrated in metropolitan areas. Mississippi's economy has been fueled by the gaming industry, with one in five new jobs over the past 20 years in amusements, eating and drinking businesses, or hotels.
- **Political boundaries and economic reality do not match.** The South must help its pacesetter cities stay on the leading edge of knowledge development, innovation, and entrepreneurship while positioning more communities for success in the global economy. We must not let city, county and state boundaries interfere with collaborative planning and decision-making, which is increasingly essential to economic competitiveness.
  - Mississippi is the sixth most rural state in the nation, with more than 64 percent of its people residing in nonmetro counties. Individually, small communities lack the resources to become full players in the global economy. Local government jurisdictions must work together, forming strong and innovative partnerships to muster the resources needed for economic progress.

- **The traditional "beginning" and "ending" to education no longer apply.** The South must change how it thinks about education. We must invest more in people, providing opportunities for continuous learning that enables people of all ages and walks of life to navigate the changing world of work.
  - Mississippi has long been characterized by low levels of education. Over the past decade the state's educational attainment has risen, but it still lags behind the South and the nation. By 1999, 19.2 percent of Mississippi's adults (25 years old and over) had a bachelor's degree or higher, compared to 23.4 percent of Southern adults and 25.2 percent of U.S. adults.
  - In nonmetro areas, education levels are considerably lower. Among rural Southern adults of working age, 25 to 64 years old, there are more high school dropouts (22 percent) than college graduates (15 percent). In metro areas, it is just the opposite – only 14 percent of adults have less than high school education, while 28 percent have completed college.
- **Economic progress is not fully reaching African-Americans and Latinos.** Blacks and Latinos are a growing share of the South's labor force. Despite a healthy and growing middle class, blacks and Latinos still face severe inequities in educational attainment, job opportunities and income.
  - Nearly 56 percent of Mississippi's population growth between 1990-2000 was due to the expansion of the state's African-American and Latino populations. This trend is expected to continue over the next 25 years.
  - As these population groups become a larger portion of the workforce, their low educational attainment poses a challenge to the state in developing higher wage, higher skilled jobs. In 1990, over half of African Americans and nearly one in three Hispanic adults in Mississippi had less than a high school diploma. Fewer than 9 percent of Black adults had a college degree. Increasingly, the state's economic development prospects will depend on raising education levels of racial and ethnic minorities.

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