



THE SOUTH IS A DECADE BEHIND THE REST OF THE COUNTRY IN THE PROPORTION OF HIGH-WAGE HIGH-SKILL, HIGH-DEMAND JOBS THAT REQUIRE POSTSECONDARY EDUCATION

(Washington, D.C., July 31, 2012) – By 2020, 65 percent of all jobs in the United States will require some form of postsecondary education and training, while the South will require 57 percent, according to the new Georgetown study released today. Virginia, Maryland, North Carolina, and the District of Columbia are the only exceptions.

Postsecondary demand for jobs in the South ranges from 72 percent in Washington DC to 43 percent in West Virginia.

While job growth in the South (20 percent) is relatively strong compared to the nation (17 percent), many parts of the region are trapped in economic cycle known as a low-wage/low-skill equilibrium. In this equilibrium, high-skill, high-wage industry lacks the incentive to locate in the region and incentives for workers to pursue postsecondary education and training are weakened commensurately.

Once an economy falls behind in producing high-wage, high skill jobs, it can be difficult to catch up, and the South will need to invest in education and postsecondary training in order to break the cycle.

Educational attainment levels are improving in the South, but the rate of growth is declining.

- Between 1970 and 2010, the demand for postsecondary education within occupations for the South grew at an average annualized rate of 4 percent (compared to 3 percent for the nation).
- Between 2010 and 2020 the demand for postsecondary education within occupations is forecast to grow at an average annualized rate of 0.6 percent for the South (compared to 1 percent for the nation).

Jobs in the South requiring high school or less were lost in the recession and are not coming back.

- The southern employment profile in construction and in retail was artificially inflated prior to 2007 due to the financial bubble.
- The South is unlikely to see a full recovery in blue collar construction jobs and retail. This is because the more conservative credit market will ensure that construction and other credit-driven industries will not return to their former employment levels until after 2017. As employment and earnings growth in these industries slow, there will be a commensurate slow growth in consumer-led industries like retail trade.
- Jobs in many southern states are also concentrated in old-line industries like manufacturing and natural resources, where productivity gains will continue to slow job creation. North Carolina appears to be an exception where old line manufacturing is being displaced by more modern technology intensive firms.

Government, retail and healthcare will continue to be the biggest employers in the South unless there is greater postsecondary attainment matched with increasing demand for postsecondary educated workers.

- The region is home to more than 41 percent (nearly one million) of the jobs in coal mining, natural gas and petroleum extraction. Analysts predict these areas to be the fastest growing job-creators, but they only represent 3 percent of the jobs in the South in the coming decade.
- Government is the region's top job provider, projected to grow 16 percent by 2020.
- Second highest is retail trade, expected to grow by 13 percent by 2020, followed by the healthcare services industry, which will employ seven million people by 2020.

In many cases inadequate demand will ensure continued brain drain of postsecondary talent to neighboring states, especially from Western Virginia and Louisiana.

Though states are diverse and many are buoyed with natural resource advantages, a large share of the region will need an aggressive multidimensional strategy that mixes educational improvements with economic development. This multi-faceted approach is necessary because if a state emphasizes education without an emphasis on creating or attracting high-paying and high-skill jobs, brain drain intensifies.

A Decade Behind: Breaking Out of the Low-Skill Trap in the Southern Economy is comprised of a full report which includes a state-by-state analysis and an executive summary. Both of these are available online at <http://cew.georgetown.edu/report/a-decade-behind/>.

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