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## NEWS

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### **State of the South 2010 report finds recessions nearly erased Gilded Age**

CHAPEL HILL – A new analysis of the Southern economy shows that the two recent recessions knocked the South off an upward trajectory that had broadened the middle class and nearly closed the poverty gaps that perennially separated it from the rest of the country.

In the first chapter of *The State of the South 2010*, researchers at MDC found that the boom of the 1980s and '90s amounted to a “gilded age” for the region, reducing poverty at a rate faster than the rest of the U.S. But the 2000s were a lost decade in the region as well as the nation. Over the past ten years, median household income declined more in the South than in any other region, and the South returned to the poverty rates of a decade ago.

“The economic crisis has exposed structural weaknesses in the South—for all the progress the region has made over the last 30 years, issues obscured during the pursuit of economic growth have reemerged,” says the report, the seventh in a series of State of the South reports dating back to 1996. “Millions of Southerners felt economic pain as the region got knocked off its fast track toward progress.”

The pain has not been equally shared, the report finds. Hardest hit were rural counties with persistent poverty, metropolitan areas with a growing population of poor or near-poor people, and locales burdened with massive job losses.

“The message of this chapter is clear—the South enjoyed a high tide of economic well-being that, when it receded, revealed many of our persistent problems hadn’t gone away,” said David Dodson, president of MDC. “Barriers to educational opportunity and economic stability are still with us. But now, in a global economy and with a changing population, removing those barriers and fostering equity—a level playing field of opportunity—is an economic imperative.”

Getting back on track will not be easy. The report points out that the millions of low-skill, low-wage jobs lost in manufacturing probably have disappeared for good, so the South will have to put itself on a new track, creating jobs that pay a middle-class wage or better.

The South, says the report, must move beyond coping with the immediate problems and look for the new ideas and policies that will sustain the region beyond recovery.

“The impending recovery will not be driven by reassembling the pieces of a shattered economy,” the report says. “Rather, the recovery should be driven by ideas—ideas that emerge from civic discussions and purposeful, organized thinking that looks beyond current difficulties and addresses the inequities and disparities that will hold people back even when the current low economic tide rises again.”

Future chapters of *The State of the South 2010* will look at five transformative strategies to put the region back on its powerful economic track.

- **Learning:** Capitalize on innovative initiatives now under way in the region and expand a focus on high school dropouts to include disconnected youth.
- **Earning:** In light of the damage to the traditional Southern economy in this recession, the region must bolster postsecondary education so more Southerners are prepared to excel in the post-recession economy.
- **Living:** As the urban-rural gap widened over the last few decades, the South took steps to bolster towns, small cities, and the countryside. But it also needs metro strategies for the areas that serve as the region’s strongest economic engines.
- **Connecting:** In an environment that fosters ideological clashes and a polarized political system, the South needs renewed efforts to build stronger communities.
- **Leading:** It is imperative that the South identify, educate, and sustain a new generation of political, professional, and civic leaders to replace aging baby-boomers.

*The State of the South 2010* 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 2010* is produced with the financial support of the GlaxoSmithKline Foundation, the Park Foundation, the Ford Foundation, and the Bill & Melinda Gates Foundation.

To read or download a PDF of *The State of the South 2010*, visit <http://mdcinc.org/knowledge/sos-2010.aspx>.