

This introduction is part of MDC's report, *State of the South: Building an Infrastructure of Opportunity for the Next Generation*. For a list of sources, and to see the full report, which includes an overview and profiles of nine Southern communities, visit stateofthesouth.org.

THE SOUTH: COMPLEX LANDSCAPE, COMMON CHALLENGE

Ferrel Guillory

Five years after the Great Recession, the American South¹ has emerged as a region divided. The great sweep of territory from the Potomac to the Rio Grande offers stark juxtapositions of bright hopes and deep distress and discontent. The South has both powerhouse cities, growing in jobs and population, and depressed towns and neighborhoods, where people seem stuck without prospect of upward mobility.

The South has a contradictory economy, polarized politics, an anxious populace, a divided head and a conflicted heart.

In much of today's South, economic and demographic vibrancy exist side-by-side, as veritable next-door neighbors, with poverty, underemployment, educational disparities, and stagnant social mobility. The time-worn descriptions of Southern dichotomies—Old South vs. New South, affluent urban vs. poor rural—do not fully capture the complex set of challenges now facing Southern policy makers, civic and business leaders, and engaged citizens.

The persistent inequality and economic uncertainties now afflicting the South are not simply Southern phenomena, but rather national, even international, in scope. Still, the South can learn from its own recent history that it need not be paralyzed in the face of big challenges—that Southern communities can go about fashioning local infrastructures of opportunity to provide uplift for stranded people and places, even as the nation engages in unresolved debates over how to hasten the economic recovery and stimulate the expansion of well-paying jobs.

It is the purpose of this *State of the South* report, the eighth in a series dating back to 1996, to apply insights from national data sources and recent scholarly studies to the American South,

complemented by a scan of nine Southern communities, to propel initiatives and innovation to promote economic opportunities, to heighten educational achievement, and to increase our young peoples' chances for upward mobility.

Consider, for example, contrasting rankings indicating that the South has several of the nation's strongest metropolitan areas, yet those places of robust growth contain high poverty and wide income inequality.

In the closely watched Forbes rating of "Best Places for Business and Careers," six Southern metros placed in the top 10 among the 100 largest metropolitan areas in the nation. Raleigh, N.C., placed first, followed by Nashville, Tenn. (6th), Charlotte, N.C. (7th), Dallas, Texas (8th), Atlanta, Ga. (9th), and Houston, Texas (10th). In contrast, Raleigh ranked 92nd in a measurement of inequality, Nashville 67th, Charlotte 36th, Dallas 46th, Atlanta 28th, and Houston 31st.

A United Nations report recently projected that North Carolina's two powerhouse cities—Raleigh and Charlotte—would grow by 70 percent by 2030, leading the list of U.S. cities of more than 500,000. (Southern cities dominated the top 15 in projected rates of growth.) Meanwhile, Census data assembled by the Brookings Institution showed that the poor population of Charlotte grew from 160,000 to 314,000 from 2000 to 2012, and from 66,000 to 130,000 in Raleigh, nearly doubling in each city. Clearly, robust growth has a double-edge—vibrant places attract both high-paid, well-educated citizens and people of low-skills who take low-paying, part-time service work.

In 2014, scholars from Harvard University and the University of California, Berkeley, published a paper titled, "Geography of

¹ For its analyses of economic, demographic and social trends, MDC defines the South as 13 states: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia and West Virginia.

The Paradox of the Metro South: Economic Health Indicators for Southern Metros

	Forbes Best for Business List, rank out of largest 100 metros (#1 is best)	Mobility, rank of 100 largest commuting zones (#100 is least mobile, #1 is most)	Inequality, rank of 100 largest metros (#100 is most unequal, #1 is least unequal)	Percent of people in poverty, 2008–2012	Increase in number of people in poverty, 2000 to 2008–2012
Raleigh, NC	1	94	92	12.0%	96.8%
Nashville, TN	6	78	67	14.0%	66.7%
Charlotte, NC	7	98	36	14.0%	97.4%
Dallas, TX	8	55	46	14.4%	64.4%
Atlanta, GA	9	96	28	14.5%	89.9%
Houston, TX	10	31	31	15.8%	46.3%
San Antonio, TX	11	51	50	16.5%	36.1%
Austin, TX	14	56	66	14.6%	82.3%
Louisville, KY	27	85	35	15.2%	47.5%
Knoxville, TN	28	87	39	14.5%	29.3%
Little Rock, AR	32	81	78	14.8%	41.6%
Richmond, VA	35	83	88	11.8%	45.2%
Greenville, SC	40	93	32	16.3%	62.5%
Charleston, SC	42	n/a	58	15.5%	35.2%
New Orleans, LA	44	80	12	17.7%	-14.3%
Orlando, FL	45	73	79	14.7%	81.5%
Tampa-St. Petersburg, FL	50	72	70	14.8%	53.9%
Jacksonville, FL	52	90	48	13.9%	56.0%
Greensboro, NC	54	95	75	16.9%	77.1%
Cape Coral, FL	55	63	93	14.5%	110.2%
El Paso, TX	61	22	26	24.0%	19.2%
Baton Rouge, LA	62	68	22	16.6%	9.2%
Columbia, SC	64	97	82	15.3%	42.4%
Miami, FL	75	46	6	16.1%	28.7%
Virginia Beach, VA	77	84	64	11.4%	14.0%
Memphis, TN	84	100	19	19.6%	31.8%
Birmingham, AL	95	89	23	15.3%	20.3%

Sources and Notes

Best for Business: Forbes' ranking of the Best Places for Business and Careers looks at the 200 largest metropolitan statistical areas in the U.S. Here, we look at only the largest 100. They consider 12 metrics relating to job growth (1-year, 5-year, and projected 3-year), costs (business and living), income growth over the past five years, educational attainment (college and high school), and projected economic growth through 2016. They also factor in net migration patterns over the past five years, as well as cultural and recreational opportunities. Lastly, they included the number of highly ranked colleges in an area per their annual college rankings. They give the most weighting to business costs and educational attainment in the overall ranking.

Mobility: The Equality of Opportunity Project calculated mobility for U.S. commuting zones. Here, we look at only mobility in the largest 100 commuting zones (which are named for the biggest city in that zone and correspond to

the metros we look at for the other columns). The zones are ranked based on Absolute Upward Mobility, which is a measure of the average economic outcome of a child from a below-median income family. Statistically, they define absolute upward mobility as the average percentile in the national income distribution of a child who is born to parents at the 25th percentile in the national income distribution. In areas with higher absolute upward mobility, children from low-income parents earn higher incomes on average as adults.

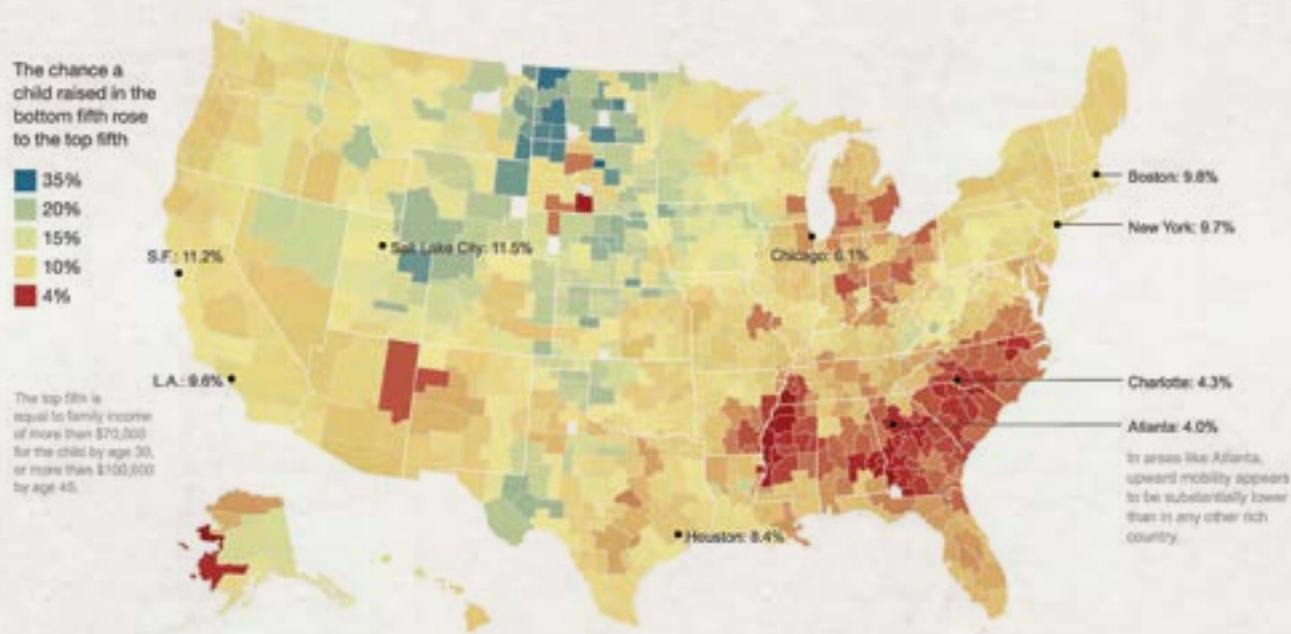
Inequality: Trulia calculated and ranked levels of inequality for the 100 largest U.S. metros using the 90/10 ratio. The 90/10 ratio is the ratio of income at the 90th percentile to income at the 10th percentile, for a given metro. A higher ratio means greater income inequality. Inequality is measured as the ratio of different percentiles of household income at the metro level. All income data come from the U.S. Census Bureau 2012 1-year American Community Survey. Metros were identified based on Public Use Microdata Areas (PUMAs) mapped to consistent

2009 definitions for metro areas and divisions. U.S. Census Bureau data were obtained through Integrated Public Use Microdata Series: Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis: University of Minnesota, 2010.

Poverty: The poverty rate is based on American Community Survey 2008–2012 5-year average data using 2010 definitions for metro areas. Source for growth of number of people in poverty: Brookings Institution analysis of decennial census (2000) and American Community Survey data (2008–2012 5-year average data). This analysis uses 2013 metropolitan statistical area (MSA) definitions delineated by the U.S. Office of Management and Budget and the U.S. Census Bureau. The 100 largest U.S. metro areas are determined by 2013 population estimates. Unlike the other metro-focused columns, the Dallas metro data includes Ft. Worth, and the Miami data includes Ft. Lauderdale.

Lack of Mobility: The South Stands Out

Source: *New York Times*



Intergenerational Mobility.” Along with the study came a stunning interactive map that spotlights which American localities offer slim prospects for young people who live in the lowest fifth of household income to rise to the top fifth. Not surprisingly, several old-industry cities in the North ranked low in mobility. But it is sobering to see on that map an expanse of the darkest coloration sweeping across the Southeast, denoting places, including the region’s shiniest cities, with the least prospects for upward mobility.

“The fact that children who grow up in low-income families in Atlanta and Raleigh fare poorly is perhaps especially striking because these cities are generally considered to be booming cities in the South with relatively high rates of job growth,” the Harvard-Berkeley scholars wrote.

Along with their fellow Americans, Southerners have a strong sense that the American Dream has faded in the early years of the 21st century. Fully 77 percent of Southerners responded “not confident” to this question posed by Hart Research Associates and Public Opinion Strategies for the NBC News/Wall Street Journal in a 2014 poll: “Do you feel confident or not confident that life for our children’s generation will be better than it has been for us?” Only 21 percent of Americans felt confident in upward mobility, while 76 percent were not confident—a 20 percentage-point rise in no-confidence since September 2008.

Southerners who are honest with themselves know that long-held sentiments and predispositions compound the challenges posed by the slow recovery from the Great Recession of 2007–09. Even with renewed in-migration of black citizens and the expansion of the black middle class, the South remains a region divided along the fault line of race. Even as most Southerners say they are happy living where they are, the South remains afflicted with an absence of long-range vision and low expectations for too many of its people—a failure to imagine a future for people and

places beyond the current trajectory. Southern policy often has rested on the assumption that certain people—whites, blacks, and Latinos—will remain stuck at or near the bottom, that mobility is not in their destiny.

THE POST-RECESSION CONTEXT

The United States has engaged in a prolonged, intense debate over income and wealth inequality, over signs of weak social mobility and, indeed, over doubts about sustaining the American Dream. This debate takes place in a context of partisan and societal polarization that the South shares with the rest of the nation.

In his influential 2008 book, *The Big Sort: Why the Clustering of Like-Minded America is Tearing Us Apart*, Bill Bishop, a former writer-in-residence at MDC, described social fractures that impose stresses on U.S. democracy. The 2007–09 recession seems to have done nothing to alleviate, and appears to have exacerbated, conditions and trends that Bishop described six years ago.

In June 2014, the Pew Research Center released a major report—based on its largest-ever survey of more than 10,000 adults—that reinforce and extend the findings of *The Big Sort*. In his outline of the key findings, Carroll Doherty, Pew’s director of political research, declared that “political polarization is the defining feature of 21st century American politics, both among the public and elected officials”—and that “polarization is reflected in the personal lives and lifestyles of those on both the right and left.”

An examination of the Pew findings suggests that the South mostly resembles the nation in political and lifestyle polarization. The survey also provides evidence of the South’s divergence from the nation—a tilt toward a more conservative and hardened posture.

Asked whether they prefer elected officials who make compromises with people with whom they disagree or who stick to their positions, 43 percent of Southerners—more than in any other region—rejected compromisers.

The Pew survey asked, “Would you prefer to live in a community where the houses are larger and farther apart, but schools, stores, and restaurants are several miles away, or a community where the houses are smaller and closer to each other, but schools, stores, and restaurants are within walking distance?” Southerners preferred a spread-out community over a denser community by a 55–43 percent margin, wider than residents of any other region.

These findings contribute to an understanding of the South’s decision-making context and of the region’s political landscape. The policy and attitudinal environments across the South erect barriers to sweeping initiatives to address the complex array of factors that produce widening income inequality, softening of the middle class, and stagnant economic mobility.

State by state, the region has experienced a prolonged period of disinvestment, a pulling back from public services. To some extent, the cause can be attributed to the drop in tax revenues resulting from the recession; the states have legal mandates to operate

Policy and attitudinal environments across the South make it difficult to address widening income inequality, softening of the middle class, and stagnant economic mobility.

within a balanced budget. But disinvestment also stemmed from policy decisions to cut or hold the line on taxes and to reduce services within limited revenues. While private employment has rebounded in several sectors, state and local government cutbacks have contributed to weaker job markets in the states. Of the 19 states that have not moved forward with Medicaid expansion under the Affordable Care Act, nine are in the South—nine that have declined federal funding that would have created jobs and provided healthcare services to people of modest means.

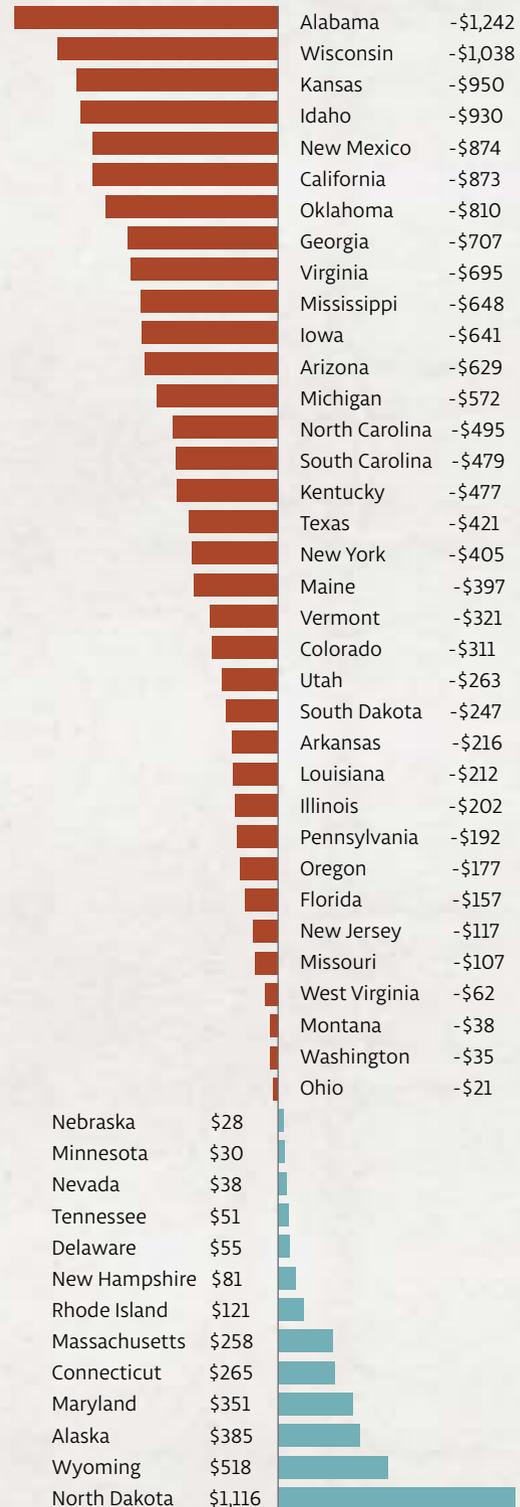
In public education, spending per pupil declined in all Southern states, except Tennessee, from fiscal year 2008 to 2014. Spending fell by as little as \$60 per pupil in West Virginia and \$150 in Florida to as much as \$700 in Georgia and \$1,200 in Alabama. Meanwhile, across the region, racial re-segregation has proceeded in elementary through high schools. And, according to a calculation by the Southern Education Foundation, half or more of public school students qualify for free or reduced-price lunch in all Southern states, except Virginia.

Similarly, in the fiscal 2008–14 period, state spending per student in higher education declined in all but three states: North Carolina and Tennessee had modest gains, while Texas went up by 8 percent. State support fell by 9 percent in Alabama, 8 percent in Kentucky, and a huge 34 percent in Louisiana. Tuition rose by more than 50 percent in Louisiana, Georgia, and Florida.

Disinvestment in Education

Change in state K-12 spending per student, inflation-adjusted, FY08 to FY14

Source: Center on Budget and Policy Priorities calculations based on budget analysis and National Center for Education Statistics enrollment estimates



Disinvestment in Education

State fiscal support for higher education, Southern states

Source: Illinois State University College of Education, Grapevine. Note: Per capita calculation based on July 2012 population estimates from the U.S. Census Bureau

	FY14 Total (\$)	Spending per Capita	5-Year % Change, FY09–FY14
Alabama	1,440,862,304	298.09	-8.9%
Arkansas	851,971,705	287.89	-4.0%
Florida	3,927,204,407	200.85	-4.4%
Georgia	2,787,682,234	278.99	-2.9%
Kentucky	1,180,322,100	268.54	-8.1%
Louisiana	1,119,337,996	241.99	-34.4%
Mississippi	973,846,876	325.57	-0.5%
North Carolina	3,630,334,843	368.63	1.3%
South Carolina	905,324,455	189.60	-7.7%
Tennessee	1,587,786,604	244.43	0.4%
Texas	6,617,330,169	250.20	8.4%
Virginia	1,771,251,361	214.43	-6.7%
West Virginia	515,656,320	278.09	-0.5%
United States	76,238,167,052	241.66	-1.2%

The quest for recovery has generated a fierce debate between Southerners who see tax cuts and a slimmed-down public sector as the stimulus to job growth through private enterprise, and Southerners who believe that economic advancement and a high quality of life flow out of investments in education and job training, health insurance, and environmental regulations. Republicans who advocate the limited-government, depend-on-private-enterprise approach have gained the upper hand in most state governments in the region. In 2014, Republicans occupied nine of the region's governor's offices; Democrats, four. Of the 26 legislative chambers, House and Senate combined, Republicans held a majority in 22, Democrats in four.

With both Washington and state capitals influenced more by self-limiting ideologies than basic pragmatism, there is all the more reason why communities, especially growing metropolitan areas with adequate resources, must initiate efforts to give the rising generation of Southerners experiences and life-tools to pursue a future better than their parents. While improving mobility will create more equitable conditions for individuals, it is also instrumental to making the South more globally competitive: our young people, successful or not, are poised to determine the progress of the region.

FOCUS ON 15- TO 24-YEAR-OLD SOUTHERNERS

The South's teenagers and young adults face an economic future fraught with a lack of upward mobility and greater uncertainty than their parents and grandparents encountered as they completed schooling, formed families, and advanced into working age. At the root of the uncertainty lies a pervasive doubt: whether the South can sustain the American Dream of each generation moving up and doing better than previous generations.

Today's 15- to 24-year-olds, who constitute about 15 percent of the people living in the region, find themselves buffeted by the still-potent effects of the deepest national recession since the Great Depression, as well as by the powerful forces of globalization and technological change. They approach the beginning of their productive lives in a period of sluggish or stagnant wage growth, eroding middle-skills jobs, high rates of poverty, sweeping income inequality, and significant public disinvestment.

Their grandparents and parents also lived through times of conflict, economic turbulence, and social change. Still, most of them could see a nation and region moving forward through both private enterprise and public investment, providing expanded opportunities and offering the prospects of stable employment and, for many, steadily rising middle-class income.

Southerners born during and immediately after World War II came of age in a society segregated by laws that severely limited the freedom and prospects of black citizens. The South had a low-wage farm-and-factory economy. Still, most high school graduates could look forward to long-term employment in the same trade or for the same employer. The GI bill and federal research grants stimulated an expansion of higher education, while states developed vocational-technical schools that evolved into community colleges. Interstate highways and airports connected the South to the national and world economies, further diminishing the region's pre-war, persistent isolation.

The parents of today's 15- to 24-year-olds are products of the South that blossomed in the wake of the Civil Rights and Voting Rights Acts. The lifting of legalized segregation liberated the South economically. Through both public and private investment, the once-laggard region led the nation in population and job growth in the 1980s and '90s. Reversing the Great Migration to the North and West, black Americans moved to the South in greater numbers than to any other region. Simultaneously, Spanish-speakers from Mexico and Central America spread across the region, defining its future as multi-ethnic rather than biracial. Old-economy jobs declined, as newer, higher-wage jobs multiplied. While structural changes left a digital divide and a widening urban-rural gap, public universities and community colleges charged relatively low tuition to prepare Southerners for the newer jobs that required education beyond high school.

Today's youth and young adults face a South transformed by the two recessions since the turn of the century, which exacted a heavy price throughout the region. The 2000-01 recession, though relatively shallow, stifled the South's economic momentum built over the last quarter of the 20th century. Then the Great Recession

of 2007–09 reshaped the national—and Southern—labor market in dramatic fashion. There has not been—and is unlikely to be—a return to “normal.”

For this analysis, MDC chose to focus on the prospects of 15- to 24-year-olds because the young people in this segment of the population range from students entering high school to young adults recently emerging from college and/or training. In the near term—by 2025 they will, of course, be 10 years older—they should be building careers and families, as well as contributing to their communities’ economic and civic lives. They are our next generation workforce and our next generation parents; failure to help them succeed now weakens their long-term prospects for economic security and, for the poorest, increases the chances that their children will grow up in poverty. It serves the South to pay attention to this cohort of people in developing policies to combat intergenerational poverty, as well as to restore confidence that the American Dream lives on.

This report, therefore, calls on the South to develop and implement purposeful policies and systemic practices—which we call here the “infrastructure of opportunity”—to bolster the prospects for its 15- to 24-year-olds to achieve economic resilience as adults and a fulfilling social and civic life. It is a call to action to the region’s state and local governments, to its educational institutions, to its business and civic leaders, and to its philanthropies and nonprofit organizations to demonstrate social innovation despite gridlock in Washington.

This population cohort, in effect, combines two “generations” much discussed in journalism and popular surveys. The so-called Millennial Generation is generally defined as including today’s 18- to 33-year-olds, while today’s teenagers do not yet have a commonly agreed upon generation name.

Of the 110 million people who live in the 13 states that constitute the South in this report, more than 15 million are in the 15–24 age range. Just as Southern population growth varies markedly between slow-growing, inner-South states and fast-growing, outer-South states, growth in the youth and young-adult segments of the population is unevenly distributed across the region.

From 2000 to 2012, the fast-growing states had high growth in the 15–24 age bracket—29 percent in Florida, 21 percent in North Carolina, and 20 percent in Georgia and Texas. In contrast, Louisiana and West Virginia experienced a decline in 15- to 24-year-olds of 5 percent and 2.5 percent, respectively, and Mississippi had a mere .4 percent increase in this age bracket.

In terms of race and ethnicity, today’s youth and young adults present a significantly different, more diverse, profile than that of older Southerners. Of people in the 15–24 age bracket, half are white, 22 percent black, 19 percent Hispanic, with the remainder including American Indians, Asians, and people of two or more

racess or ethnicities.² In Texas and Florida, where more than 40 percent of the South’s population lives, the population is even more diverse. In Texas, 34 percent of 15- to -24-year-olds are white, 41 percent are Hispanic or Latino, and 12 percent are black. The same age group in Florida is 45 percent white, 21 percent black, and 26 percent Hispanic or Latino.

In March 2014, the Pew Research Center issued a study, “Millennials in Adulthood,” which sheds light on the implications of economic distress on the life situations and choices of young adults. “Millennials are also the first in the modern era to have higher levels of student loan debt, poverty and unemployment, and lower levels of wealth and personal income than their two immediate predecessor generations (Gen-Xers and Boomers) had at the same stage in their life cycles,” said the Pew researchers. They found that only 26 percent of Millennials are married, and 36 percent of them were living in their parents’ homes in 2012. “Most unmarried Millennials (69 percent) say they would like to marry, but many, especially those with lower levels of income and education, lack what they deem to be a necessary prerequisite—a solid economic foundation,” Pew reported.

THE INFRASTRUCTURE OF OPPORTUNITY

The near-term health of the South’s civil society rests on the urgency with which the region addresses barriers to educational advancement, job creation, and economic mobility. But in addition to removing barriers, the challenge is also to erect an infrastructure of opportunity—that is, the systems and supports to boost young people to higher rungs on the ladder of economic and personal advancement. Those systems and supports reach from quality pre-K programs to retraining options for dislocated workers. Our purpose here is to suggest how communities can connect and design the portion of the infrastructure of opportunity that serves youth and young adults.

In our analysis of the prospects for youth and young adults in the South, guided by national research and regional data, we considered the systems, policies, and practices that need to be in place for economic mobility to grow. In visits to nine communities across the South, we looked not simply for promising programs, but for analysis that acknowledges the particular needs of young people and how local systems address those. Other communities in the South could use a similar frame to look at themselves and make decisions about how to change their policies and practices to strengthen their infrastructure of opportunity. Communities should consider how to:

- **Foster a common strategic vision of aim and outcomes for education and training systems** at the secondary and postsecondary level. They should communicate about and align their curricula, performance measures, and community relationships to devise and promote clear paths for all young people to prepare for, enter, persist in, and complete postsecondary training and credentials that prepare them for good jobs

² Children under 15 years old account for 22.2 million Southerners, and they are even more diverse: 46 percent white, 22 percent Hispanic or Latino, 20 percent black. By contrast, more than 75 percent of Southerners 65 years old and above are white, and more than 60 percent between 45 and 64 are white.

Southern States: Fast Growth, Slow Growth

Percent growth of total population and 15-24 year olds, 2000-2012

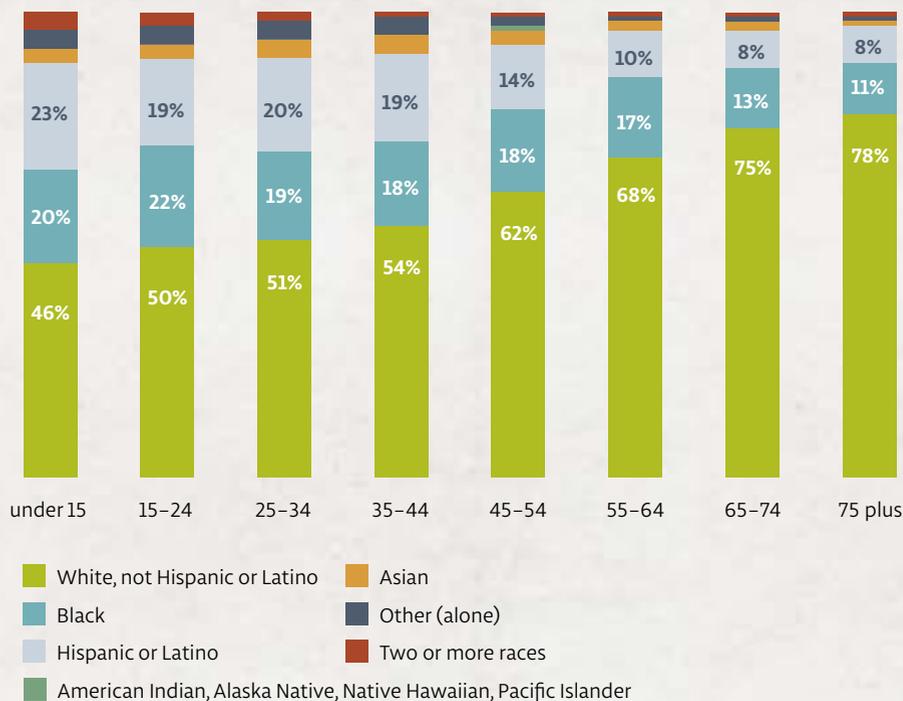
Source: U.S. Census Bureau American Community Survey

	Total population	15 to 24
Alabama	8.43%	7.1%
Arkansas	10.3%	6.4%
Florida	20.9%	29.4%
Georgia	21.2%	20.0%
Kentucky	8.4%	4.1%
Louisiana	3.0%	-5.0%
Mississippi	4.9%	0.4%
North Carolina	21.2%	20.9%
South Carolina	17.7%	15.5%
Tennessee	13.5%	12.6%
Texas	25.0%	20.1%
Virginia	15.6%	18.0%
West Virginia	2.6%	-2.6%

Young People: A More Diverse South

Age groups by race and ethnicity, 2012, South

Source: U.S. Census Bureau American Community Survey



- **Engage young people in work experiences** that enhance their learning and training, preparing them to compete in the workforce. Such engagement requires committed involvement of local employers in the design and provision of work-based learning and job experiences.

This alignment is undergirded by policies that move people along the education and employment infrastructure, like an interconnected highway system. Such policies:

- **support demand-side strategies** in the labor market to stimulate job creation and economic growth, not only with major employers, but also support and promotion of small business development that encourages local entrepreneurs through financing and incubators. This also includes an active role for employers in defining and developing the skills individuals need to be successful in the workforce
- **reform criminal and juvenile justice practices**, including policing and probation systems, that drastically limit employment opportunities and have a disparate impact on communities of color, particularly young men
- **expand access to financial supports** that help individuals and families meet basic needs, build

financial stability, offer opportunities for saving and wealth creation, and prevent against predatory pay and lending practices

- **improve job quality**, including family-sustaining wages, flexible work environments and stable scheduling, and quality dependent care

This infrastructure is place-based, taking advantage of local assets and addressing a community's distinctive challenges while acknowledging regional and even national policies and pressures that influence local conditions. To be effective and sustainable, it also relies on a community's *physical* infrastructure. The maintenance and construction of public works and utilities present job opportunities for young people; public transit connects individuals to school and work and has the potential to reduce isolation of marginalized neighborhoods and populations. There also are policies related to physical infrastructure—like affordable housing and broadband access—that, historically and currently, have blocked access to and full participation in the infrastructure of opportunity. Modifying these policies has the potential to reverse or at least mitigate some of the consequences of exclusion.

Aligning and maintaining an infrastructure of opportunity requires pragmatic leadership, and in some cases may require new ways of organizing partnerships and institutions to build strong

pathways to progress for all young people, both those who are connected to the education and employment systems as well as those who are radically disconnected.

Currently, across the South, there are gaps in workforce preparation along with a job market that doesn't provide enough good jobs. At the same time, the social supports and education systems that undergird the infrastructure of opportunity are facing historic disinvestment. (There are federal and state initiatives that could strengthen this infrastructure, like expanding the availability of low-interest student loans and increasing the minimum wage and other efforts to improve job quality.) Instead of disappearing, this infrastructure should be as pervasive and reliable as the physical infrastructure of roads and water lines. It needs to be as integrated and dynamic as any network of power lines and the electric grid to restore what was lost in the Great Recession and to provide a way up for young Southerners with limited prospects for a livelihood.

WHAT RESEARCH AND DATA SAY

Key Research

The following scan of recent studies outlines the dimensions of the economic mobility challenge facing 15- to 24-year-olds in the South, pointing to gaps in the opportunity infrastructure:

“Geography of Intergenerational Mobility,” the massive study from a team of researchers at Harvard and the University of California at Berkeley, examines children born in the United States between 1980 and 1982 and looked at their income in 2011–12, when they were approximately 30 years old. The national cohort was divided into commuting zones, which are groups of counties defined by commuting patterns.³ Study authors looked at low-income individuals and tracked where they ended up in that income distribution, on average, 30 years later. A higher mobility ranking means that, on average, individuals born in that particular place have moved higher up the income ladder than peers born in other places. Of the nation's 100 largest commuting zones, no Southern city ranked in the top 20 in this measurement of upward mobility, while eight ranked in the bottom 10, including Raleigh and Charlotte, N.C., Jacksonville, Fla., and Atlanta, Ga. These findings call into question whether the American Dream is in good health in the South.

This paper generated considerable attention in the national press. The scholars are careful to say that their study does not show causation for the differences in mobility among U.S. locales. Nevertheless, the Harvard-Berkeley scholars identified five factors as strongly correlated with variations in intergenerational mobility:

- Communities characterized by low mobility tend to feature more residential segregation,
- wider income inequality,
- weaker public schools,
- less social capital, and
- more broken family structures than communities of high mobility.

The Federal Reserve Bank of Chicago issued a subsequent report that looked at education and family structure. It generally reaffirms and adds context to the Harvard-Berkeley study. Conducted by Senior Economist Bhashkar Mazumder, the Chicago Fed analysis offers a hopeful finding in that “among those with 16 years of schooling, the racial gap in upward mobility is essentially closed”—a clear signal that efforts to close the college-attainment gap would have a significant pay-off. While recognizing progress in the recent past in reducing racial segregation, the Chicago Fed finds that if current patterns of intergenerational mobility persist “blacks on average would not make any relative progress” in the income distribution—academic language that contains a clear warning.

An analysis of the Survey of Consumer Finances data by Demos found that when controlling for income, the median wealth of a white household is three times that of a black household. In other words, a white family has, on average, substantially more wealth than a black family at the same income level. The racial wealth gap, or the difference between the net worth of the median white household (\$134,000) to that of the median black (\$11,000) or Latino (\$14,000) household, shows no signs of narrowing. Wealth building is critical to improving intergenerational mobility. Families with wealth are better able to remain economically stable during unexpected events, such as a layoff or a health crisis, and they have enhanced opportunities to prepare their children for education and employment. As the costs of higher education increase, a family's ability to financially support a student is even more important for his or her success in completing a postsecondary credential.

Key Indicators

To help keep the American Dream alive in the region, Southern leaders should examine data in their own communities to identify policy changes and points of intervention, by both public and private sectors, that hold promise to strengthen the infrastructure of opportunity serving youth and young adults. The following indicators suggest where repair and renewal of the opportunity infrastructure are required to improve the life-chances of 15- to 24-year-olds.

- **Extreme income inequality**, says Standard and Poor's, the credit rating agency, can exert a “drag on long-run economic growth.” In an August 2014 report, S&P pointed out that a market economy will inevitably produce differences in income and wealth—and that such differences provide incentives to investment and expansion. But S&P notes that “too much inequality can undermine growth,” and warns that the U.S. is approaching extreme levels.
- **Underemployment** is substantially higher among workers under age 25 than among all workers in every Southern state. In 2013–14, unemployment rates went down in most states, and yet underemployment was higher in 2013 than in 2000. Underemployed people include a combination of jobless people actively seeking work, people working part-time who want full-time jobs, and people who have given up after

³ Study authors created 741 Commuting Zones. As described in the report, “For example, if people in neighboring counties work in the same city, then those counties are likely to belong to the same Commuting Zone. Commuting [Z]ones are similar to metro areas, but have the advantage of covering rural areas as well. Note that each Commuting Zone is typically named after the biggest city in that zone. Hence, our statistics reflect average outcomes in a broad area around that city and not just that one city itself.” <http://www.equality-of-opportunity.org/index.php/faq-s>

Not Enough Full-Time Work *Underemployment rates, Southern states*

Source: Economic Policy Institute Briefing Paper #377. Authors' analysis of Current Population Survey Outgoing Rotation Group microdata

	Workers Under Age 25				All workers			
	2000	2007	2012	2013	2000	2007	2012	2013
Alabama	19.5%	17.2%	24.2%	26.9%	8.2%	7.1%	13.5%	12.2%
Arkansas	17.7%	16.7%	27.2%	30.3%	7.5%	9.5%	13.0%	13.7%
Florida	14.4%	16.0%	28.4%	23.8%	6.5%	8.0%	16.0%	14.2%
Georgia	13.1%	17.7%	31.6%	30.7%	6.0%	8.1%	15.7%	14.8%
Kentucky	15.0%	19.6%	27.8%	30.5%	6.9%	9.3%	13.8%	15.0%
Louisiana	20.4%	13.3%	25.6%	24.2%	9.2%	7.2%	11.9%	12.7%
Mississippi	22.7%	22.9%	35.3%	33.0%	9.5%	10.8%	15.1%	14.6%
North Carolina	14.3%	18.1%	33.1%	31.9%	6.2%	8.5%	16.2%	14.7%
South Carolina	16.3%	21.3%	34.3%	27.6%	6.7%	9.5%	15.8%	14.0%
Tennessee	14.9%	19.8%	23.1%	31.1%	7.5%	8.0%	13.3%	14.7%
Texas	16.3%	15.9%	23.1%	22.6%	7.4%	7.7%	12.1%	11.3%
Virginia	11.1%	13.6%	28.8%	25.9%	4.2%	6.1%	11.7%	11.5%
West Virginia	20.6%	22.6%	28.5%	26.2%	10.2%	9.2%	13.1%	12.0%
United States	14.9%	17.3%	27.9%	27.0%	7.0%	8.3%	14.7%	13.8%

Includes all workers 16 and older. This measure includes the unemployed (jobless workers who are actively seeking work), and it also includes those who work part-time but want full-time work ("involuntary part-timers) and those who want a job and have looked for work in the last year but have given up seeking work ("marginally attached workers"). This is the U-6 measure of labor underutilization.

seeking work in the past year. Seven states—Arkansas, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee—had underemployment rates higher than the national rate of 27 percent in 2013. National data produced by the Center for Economic and Policy Research show an unemployment rate for recent black college graduates⁴ higher than 12 percent, double the unemployment rate for all graduates. More than 55 percent of recent black college graduates work in jobs that do not require a bachelor's degree, compared to 45 percent of all recent college graduates.

- **Disconnected youths** consist of teenagers not in school, not working, and disconnected from societal anchors, thus vulnerable to an array of impediments to achievement. The 2014 Kids Count data book of the Annie E. Casey Foundation reported that every Southern state, except Virginia, had a higher percentage of disconnected youths than the national rate of 8 percent.

Two-thirds of 16- to 19-year-olds are not in the labor force; most, of course, are in school. Among those in this age group who are in the labor force—meaning they actively seek work—young African-American Southerners have an especially high unemployment rate—46 percent. That's compared to unemployment rates of 29 percent for

Hispanics and 26 percent for whites.

Among the seven out of 10 young adults (20 to 24 years old) in the labor force, unemployment is substantially lower. Still, a major gap exists: Whites and Hispanics have a 14 percent unemployment rate, far below the 27 percent unemployment rate among young black adults.

- **Income data by quintiles** provide insight into the uneasy economic standing of millions of Southerners. Despite the recovery, poverty rates have remained stubbornly high, and a Brookings Institution report recently showed that several Southern metros—North Port, Fla., Greensboro, N.C., Orlando, Fla., Winston-Salem, N.C., Austin, Texas, Atlanta, Ga., Raleigh, N.C., Charlotte, N.C., and Cape Coral, Fla.—ranked among the 15 metros nationally in increase of poor people from 2000 to 2012.

And yet, the economic profile of Southerners is not complete in looking only at people in poverty. A data-set of households by quintiles—that is, divided into fifths—makes clear that, even if they remain above the poverty line, millions of Southerners live on the economic margins, vulnerable to a loss of job, an illness, or accident that saps a household's income. This is so despite the

⁴ CEPR defines recent college graduates as those between the ages of 22 and 27.

fact that the middle class expanded across the region during the expansion years of the late 20th century.

Adding together households in the lowest fifth of income and the second lowest fifth shows that four out of 10 households in the South have incomes below \$40,000. Only Virginia stands apart, with its second fifth reaching up to \$49,000. Mississippi's second fifth goes up to a mere \$28,600 in income. The second fifth in the remaining Southern states fall between \$39,700 (Texas) and \$30,800 (West Virginia). The federal poverty line is drawn at roughly \$23,500 for a family of four.

For most lower-income Southerners, the challenge is not so much to vault into the top fifth in income (the measurement spotlighted in the Harvard-Berkeley study) as to reach the middle or even upper-middle class. In most Southern states, the third quintile of households—the middle-middle class—has incomes between \$50,000 and \$60,000, somewhat higher in Texas and Virginia. Upper-middle class households in the fourth quintile have top annual incomes ranging from \$125,000 in Virginia, to \$103,000 in Texas, to \$96,000 in Georgia, to a low of \$77,000 in Mississippi.

For more Southerners to reach into the middle-class requires growth in middle-level jobs, increased educational attainment beyond high school, and better alignment of credentialing options and labor market demand. Alan Krueger, a former chair of the president's Council of Economic Advisers, has pointed out that from 1947 to 1979, households in all five quintiles experienced income growth, but from 1979 to 2010, the top fifth grew, the middle fifths barely grew, and incomes in the bottom fifth declined.

Unemployment Hits Young and People of Color

Unemployment rates by age group and race and ethnicity, 2010–2012 average, South

Source: U.S. Census Bureau American Community Survey

	16 to 19 years	20 to 24 years	25 to 54 years
White alone, not Hispanic or Latino	26%	14%	7%
Black	46%	27%	13%
Hispanic or Latino	29%	14%	9%
Asian	22%	13%	5%
American Indian, Native Hawaiian, Pacific Islander, Alaska Native	36%	18%	12%
Other	31%	14%	9%
Two or more	32%	19%	11%

Modest Means: Household Income in the South

Household income quintile upper limits, 2012, by state

Source: U.S. Census Bureau American Community Survey; MIT Living Wage Calculator, 2004

	Alabama	Arkansas	Florida	Georgia	Kentucky	Louisiana	Mississippi	North Carolina	South Carolina
Lowest Quintile	\$16,231	\$16,489	\$19,421	\$18,815	\$16,406	\$16,348	\$14,610	\$18,795	\$17,703
Second Quintile	\$32,254	\$31,081	\$35,637	\$36,610	\$32,135	\$32,432	\$28,599	\$35,412	\$33,949
Third Quintile	\$52,756	\$50,404	\$56,324	\$59,852	\$52,793	\$55,023	\$47,205	\$56,147	\$54,091
Fourth Quintile	\$86,395	\$80,402	\$91,192	\$96,280	\$85,232	\$91,414	\$77,027	\$89,874	\$86,819
Lower Limit of Top 5 Percent	\$152,470	\$141,688	\$172,176	\$180,800	\$146,015	\$164,865	\$141,479	\$164,247	\$157,052
MIT Living Wage, Estimated Minimum Income for Covering Expenses, One parent with one child	\$36,091	\$34,056	\$43,012	\$37,534	\$34,922	\$37,570	\$35,120	\$39,363	\$35,325

- **Educational attainment** remains a key determinant of who is employed and who is not, and who earns a good living and who does not. Yes, the Great Recession made it more difficult for college graduates to find the jobs they wanted, and many graduates have taken jobs that do not require a degree, probably displacing people without degrees. Still, as the Economic Policy Institute has reported, the earnings gap has widened between people with a four-year degree and everyone without a degree.

For more Southerners to reach into the middle-class requires growth in middle-level jobs, increased educational attainment beyond high school, and better alignment of credentialing options and labor market demand.

In the South, the median income of high school graduates is \$26,500; for people with some college, \$32,299; and for four-year graduates, \$48,317. Across all educational attainment levels, a distinct gender pay gap remains in the region, with median income for men higher than for women.

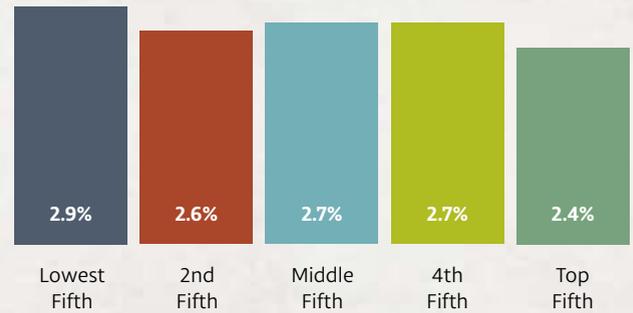
All across the region, students fall out of the leaky pipeline that runs from ninth grade to college completion, depriving Southern communities of the lift that would result from having more of its young people prepared for higher-skill, higher-wage jobs and connected to those through work experiences like mentorships, on-the-job training, and apprenticeships. It's important for states and communities to sustain easy access to education, even when state budget cuts put upward pressure on tuition at universities

A Widening Income Gap

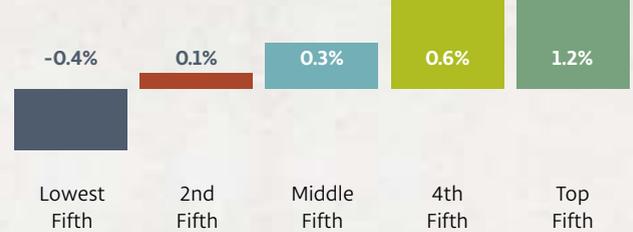
Annual growth rate of real income across the family income distribution, National

Source: Alan Krueger, Chairman of the Council of Economic Advisers, remarks on January 12, 2012. <http://www.whitehouse.gov/blog/2012/01/12/chairman-alan-krueger-discusses-rise-and-consequences-inequality-center-american-pro>

1947 to 1979



1979 to 2010



Tennessee	Texas	Virginia	West Virginia	United States
\$17,946	\$20,945	\$25,745	\$16,235	\$20,968
\$33,512	\$39,740	\$49,005	\$30,813	\$40,352
\$53,613	\$63,439	\$77,161	\$50,779	\$64,536
\$85,694	\$102,455	\$124,582	\$80,576	\$103,093
\$156,762	\$190,679	\$227,801	\$138,344	\$191,770
\$36,252	\$38,292	\$43,200	\$34,965	n/a

College Still Pays; Gender Gap Remains

Median annual earnings for the population 25 years and over by educational attainment, 2008–2012 average, South Region

Source: U.S. Census Bureau American Community Survey; Note: For this chart, the South region refers to the Census definition, which is MDC's 13 states plus Oklahoma, Maryland, Delaware, and the District of Columbia.



and community colleges. It's also crucial for the region's future prosperity that more Southerners attain degrees and credentials beyond high school.

The chart on page 19 gives a statistical portrait of the leaky educational pipeline of ninth graders to university graduates. In general, of a cohort of 100 ninth graders:

- 25 to 40 would not graduate from high school in four years
- Roughly 25 would graduate from high school but not go directly to college
- 15 out of the 100 would enroll in college but not make it through their second year
- Fewer than 20 out of those 100 once-9th graders would end up with an associate's or bachelor's degree in three to six years, depending on program type, in most Southern states

Outcomes and exit points vary from state to state. Some states lose too many young people in high school; others have a stronger high school graduation rate but a not-so-strong college completion rate. Constructing an infrastructure of opportunity entails plugging the leaks at transition points.

MOVING FORWARD

As a region

As we know from our inquiries around the region, Southern communities abound with pilot projects, demonstrations, models, start-ups—some generated by private enterprises, some by nonprofits. A major challenge facing community leaders has to do with converting successful initiatives into policies and practices that are systemic and sustainable. Just as private businesses thrive when they adopt fresh ideas, so too should city, county and state governments, school systems, higher education, the justice system of police, courts, and prisons, and the complex of arrangements that make up the workforce system. In the last decade—and in some cases, just since the end of the Great Recession—there are national and statewide efforts to change these outcomes for youth and young adults at a large scale. With national philanthropic support, organizations, states, and collaboratives have placed big bets on elements of the opportunity infrastructure to improve educational achievement and employment options. A few examples:

- Achieving the Dream, the nation's largest community college reform effort, has combined new institutional practices with state policy changes to improve instruction, retention, and completion outcomes for community colleges across the country—with a significant footprint in Arkansas, Florida, North Carolina, Texas, and Virginia, and expanding into Georgia and Alabama.

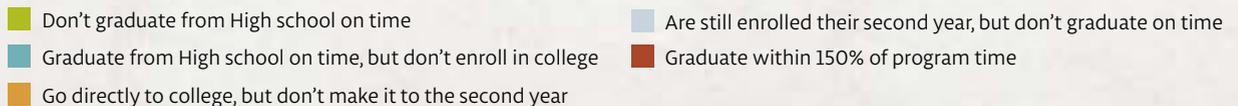
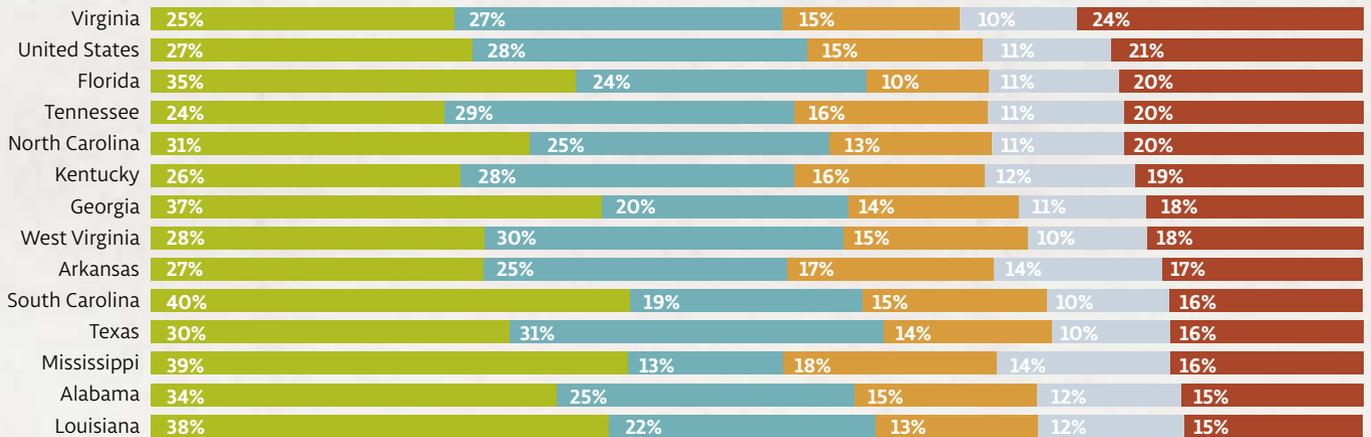
- Gov. Bill Haslam’s Tennessee Promise lays out a plan to cover the full cost of two-year college for every high school graduate beginning in fall 2015.⁵ Participants also will be paired with a mentor to navigate the college admissions process.
- Regional workforce development efforts like the National Fund for Workforce Solutions (NFWS), funded by a group of local and national funders, are supporting employer engagement and innovations to help low-wage workers develop new skills that lead to better career opportunities—and a better prepared workforce for regional industries. NFWS has collaboratives in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, South Carolina, Texas, and Virginia.
- New Orleans’ Economic Opportunity Strategy, spearheaded by Mayor Mitch Landrieu, will connect several anchor institutions—from government, private employers, and education sectors—with philanthropic support to remove barriers for disadvantaged job seekers. Another mayor-led effort is under way in Richmond, Va.; Mayor Dwight Jones created the Office of Community Wealth Building, a response—backed by \$3.4 million in city funds—to several community task force efforts focused on lowering Richmond’s 27 percent poverty rate.



For Every 100 9th Graders

Estimated educational completion and persistence by state, 2010

Source: NCHES Information Center estimate using data from Tom Mortenson—Public high school graduation rates and College-going rates of students directly from HS, ACT Institutional Survey—Freshmen to sophomore retention rates, NCES-IPEDS Graduation Rate Survey—Graduation Rates; Note: Both two- and four-year college programs are considered. Chart sorted by percent graduating college on time.



⁵ (any portion not covered by other Federal and state grants)

- Arkansas Gov. Mike Beebe and Kentucky Gov. Steve Beshear bucked a trend in the region by leading efforts to approve Medicaid expansion under the Affordable Care Act. Discussing his commitment to the expansion, Beshear said, “You’re not going to have a productive workforce unless they’re also a healthy workforce.”

As communities

In addition to drawing on studies and analyzing data, MDC sent teams of its staff to diverse communities across the region to explore the potential of—and barriers to—erecting local infrastructures of opportunity to boost young Southerners up the ladders of economic and social advancement. Profile writers interviewed local leaders to learn whether and how communities are increasing the likelihood of successful transitions in secondary and postsecondary education, linking learning and work, and addressing weak job markets.

These profiles offer illustrations of what communities can try to accomplish amid fractious politics and economic anxieties. As the essays that follow illustrate, leaders in Southern communities—as huge as Houston, Texas, and as compact as Port St. Joe, Fla.—are striving, and often struggling, to erect institutional structures for people to climb out of economic distress. Indeed, communities can build their own infrastructures of opportunity with a special focus on youth and young adults who need more to hold onto in an era of a sluggish labor market.

Our Findings

The foundation of an infrastructure of opportunity can be seen in these regional and local efforts, but it is weak and uneven across the South. The conversation, then, begins with what we have to build on. As a starting point for these discussions across the region, here are key findings from MDC’s scan of studies and soundings in communities:

- 1. Across the region as a whole, the South does not have enough jobs, and not enough middle-income jobs.** The national economy has indeed made a long climb up from the depths of the Great Recession. But Southern states and most communities have not rebounded to produce the quantity of jobs needed to keep up with population growth and to afford young people a mobility boost at the outset of their careers. *The profile of Danville, Va., illustrates how a former milltown is trying to diversify its economy by building an entrepreneurial ecosystem that draws new investment and provides employment options for local talent.*
- 2. Job growth, of course, is driven by private investment but depends heavily on federal policies. And, no doubt, the region’s governments will continue to deploy industry hunters and tax-funded incentives to lure job-producing companies.** But, as evidence from the Harvard-Berkeley study and others have shown, those efforts are not sufficient to give upward mobility to thousands of young Southerners. *The profiles of Northern Neck, Va., and Port St. Joe, Fla., explore the unique challenges rural, Southern communities face when it comes to expanding the job market.*

3. There is a need for state and local governments to expand the supply of jobs through public works projects—building parks, schools, roads; repairing bridges and old sewer systems—with special provisions for hiring out-of-work or underemployed young people. The Brookings Institution computes that 14.2 million Americans are employed in building or operating infrastructure, with one quarter expected to retire or leave their jobs by 2022. With interest rates remaining exceptionally low, governments could borrow money for public works, putting people to work now at a relatively modest cost for the future. Another alternative would entail subsidized jobs for connecting young people left behind to the world of work.

4. Most Southern cities are less dense than most old, industrial cities of the Midwest and Northeast. In sprawling metropolitanization, a disconnect often exists between low- and moderate-income neighborhoods and the location of good jobs. Further, even in cities with relatively robust job growth, there remains a struggle to communicate job opportunities—and the skills needed—to young people growing up in an environment of little hope. *Greenville, S.C., is starting in middle school—and involving employers—to change attitudes about career readiness and work experience.*

5. There is no mobility strategy that does not include education. Even in an era of heightened federal involvement in education, public schools, colleges, and universities remain in the domains of local and state governance. The South’s future depends on state and local policies and funding to assure near-universal high school graduation, to elevate completion rates in community colleges and universities, and to narrow achievement gaps along lines of race and ethnicity. *With a statewide lens, the Arkansas profile highlights initiatives that aim to improve education and employment outcomes at the regional and state level.*

6. An education agenda has multiple components: giving children a strong start with pre-kindergarten enrichment; strengthening middle schools as a means for stifling the propensity of many to drop out around the ninth grade; continuing and expanding the movement to meld high schools and community colleges for young people in need of a job-ready credential but not inclined to pursue a four-year degree; restraining tuition creep and enlarging need-based financial aid to assure access to higher education and contain the debt burden. *The Charlotte, N.C., profile details work among K-12, two-year, and four-year systems, in partnership with community-based organizations, employers, and philanthropy, to support young people who face significant barriers to achievement.*

7. The recent enactment of new federal workforce law provides an opportunity for the South to strength its training strategies and systems. WIOA replaces WIA. The new Workforce Innovation and Opportunity Act requires states to come up with a single, strategic plan for training, employment services, adult education, and vocational rehabilitation, and it emphasizes real-world training. It’s a moment for Southern states and cities to add their

own policies and funding to the federal initiative in order to blend work and learning to prepare and connect youth. *In Durham, N.C., there are efforts to unite neighborhoods, educational and training institutions, and employers into a coherent system to prepare youth and young adults for careers.*

8. A true infrastructure of opportunity gives reliable options to all young people regardless of race and ethnicity, gender, class, or neighborhood. As data show, however, that is not currently the case, and race specifically remains a significant factor in the economic outcomes of individuals across the South. Blacks raised in low-income homes are less likely to move up the income distribution than low-income whites. A national study from The Pew Charitable Trusts on intergenerational mobility found that more than half of black adults raised in the bottom quintile remain there as adults, and only a third of whites do. The South also has a large population of undocumented students, many of whom are high achievers in our secondary school systems. Undocumented students are ineligible for federal financial aid, and in all Southern states except Texas, they are ineligible for state financial aid and must pay out-of-state tuition (in Alabama and South Carolina, they are not admitted to public postsecondary institutions). If these young people are unable to pursue further education, the region stands to lose a promising talent pool and instead see increasing rates of poverty and immobility. To eliminate racial and ethnic disparities in social and economic outcomes, Southern leaders must continue work to remove structural and institutional racism. One of the first steps toward this challenging goal is acknowledging that racial discrimination persists in practice. In our interviews across the South, we asked people to tell us who, of their community's youth and young adults, is getting ahead and who isn't. We noted a widespread reluctance to discuss racial and ethnic disparities. Communities can begin by examining data on educational attainment, income, wealth, and health to identify racial and ethnic gaps in well-being. They also can explore their history critically, asking who has benefited from past change and growth and who has the ability to make decisions about the community's future. As long as patterns of exclusion and segregation match with inadequate economic outcomes, as they do across much of the South, then structural racism persists.

9. The South has a component of radically disconnected youth who need an array of services and initiatives to tap their potential for education, employment, and civic participation. Southern states incarcerate 45 percent of all state-held inmates in the nation. African-Americans represent more than one-third of local inmates and state prisoners, well above their share of the population. Four out of 10 prisoners are between the ages of 18 and 29. Incarceration disrupts the educational trajectory of young men and women, and erects barriers to employment. Among the steps to be taken is reconsidering sentencing policies—especially for nonviolent offenders; punishment shouldn't erect an even higher barrier to a useful career.

10. Now is the time for municipal and county officeholders to join with business leaders and demonstrate their ability to lead and rejuvenate American pragmatism. Because the region's major cities have emerged as the principal engines of the economy, the South especially needs a broad spectrum of leaders to renew engagement in civic uplift. In today's polarized politics, mayors have an opportunity to join with leaders in the business community to work across lines of party, class, and race to construct a physical and social infrastructure that gives their residents a boost toward the American Dream.

11. As long ago as the 1830s, Alexis de Tocqueville hailed the importance of the American inclination to form voluntary associations that enrich civic life. **Today, the South benefits from the efforts of philanthropies and nonprofits, though they need to work in coordination to be complementary, not redundant.** Also, the forging of place-based leadership units—formal coalitions of government, business, nonprofits, and education—can become powerful forces for targeting initiatives toward youth and young adults. *The profiles of two very different Texas cities—Brownsville and Houston—outline the potential and pitfalls of private/public partnership.*

In calling on Southern citizens, as well as leaders in the public and private sectors, to attend to the economic prospects of youth and young adults, this report seeks to contribute to the enhancement of individual lives and the prospects of communities, from metropolitan regions to rural towns. But just as important is that the South renew its sense of, and commitment to, the common good.

It was, after all, a leader of one of what are now the Southern states—Thomas Jefferson of Virginia—who wrote words that remain embedded as guiding principles: that all men are created equal, endowed by their creator with unalienable rights protected by government deriving its powers from the people. As a slave owner, Jefferson did not fully embody the words he wrote. And yet, after serving as governor of Virginia and president of the United States, Jefferson founded the University of Virginia, a public educational institution, which he said was to be based on the “illimitable freedom of the human mind.”

In the South, a tension remains between what's good for an individual and what's good for the community and nation as a whole.

Still, as the opening of the Declaration of Independence suggests, the pursuit of happiness only fully comes alive in a community, region, and nation where citizens work toward the common good.