two years of training in a skill with a specific application to the economy.

"The only relevance a high school degree has today is as a ticket to more education," says George Autry, president of MDC and one of the report's authors. "We need more people with associate degrees, more people with bachelor's degrees.

In the 1980s, the study shows, average real earnings grew 1.6 percent for workers in the Southeast with only a high school diploma, compared to 4.7 percent for those with some college education grew and 16.6 percent for those with a bachelor's degree or higher.

The study estimates that in 1993 the average annual earnings of a person with only a high school degree was \$21,381, compared to nearly \$40,000 for someone with a bachelor's degree or more.

"Education appears to be the anti-

dote to poverty," Autry says.
"What is clear to us is that the level of critical thinking that is required for the average starting job keeps going up."

For too long, Autry says, college education has been viewed as a privilege, and society needs to realize that the fast-changing structure of the economy means 12 years of schooling is no longer sufficient to guarantee admittance to America's middle class. "Education beyond high school is an obligation that society and the individual owe each other. The challenge is to construct a social contract that recognizes that.'

Autry says he hopes the report is taken up by business, civic and non-profit leaders so that the universal post-secondary education is put on the public's agenda immediately. The data are so clear, he says, that business, civic and nonprofit leaders should begin pressing political leaders for immediate change.

"It's been 50 years since we added 12th grade to the minimum education continuum," he says. "A lot of new information has been created and a lot of it is integral to functioning as both citizens and workers. We've got an old model and it needs to be retooled.'

Autry suggests that all graduates of high school be guaranteed a voucher equivalent to two years of tuition at a community college. Paying for such a program, he says, should cause no greater strain on the state's coffers than when universal kindergarten and 12th grade were added to the cur-

Promoting universal education beyond high school already has supporters in North Carolina and other places in the South:

· In Johnston County, the Life-Long Learning program started a pilot project in 1992 aimed at providing college scholarship incentives for students to stay in school, get good grades, complete community service, remain drug-free and promote parental involvement in the school place. For each successful year in the program, students were rewarded with a promise of \$1,500 in scholarship money. Enrollment in the experimental program has been closed because it was too successful and the program could not meet the scholarship fundraising necessary to meet student demand.

"We just know that a high school degree is no longer good enough," says Susan Lassiter, director of development for the Johnston County school system.

• In Charlotte, the Cities In Schools program has started a program similar to the Johnston County project. Students who otherwise might not finish high school and go to college are enrolled in an incentive program that if successfully completed will earn the student tuition for two years at Central Piedmont Community College. The program's founders started the project because they no longer believe high school is sufficient education to get a good

• In Georgia, statefinanced HOPE scholarship program, begun in 1993, has paid for post-secondary schooling of high school stu-

George Autry

dents using proceeds from the state lottery. The state launched the program because it realized that its high school students needed specialized schooling before entering the workplace.

SHORTAGE LOOMING

A key prediction by MDC is that the South will experience a serious shortage of young workers and a huge increase of older workers during the next 15 years.

By 2010, the region is expected to have 813,000 fewer workers ages 20 to 45, and 7.93 million more workers age 45 to 64. Autry says such a dramatic shift will have several implications for education.

The decrease in younger workers means that those entering the work force will need higher skill levels to meet the increased needs of the workplace. The bulge in older workers means that colleges and universities need to consider better ways to accommodate older, accomplished workers who need new skills.

Given the rapidly changing skill requirements of the southern economy - expected to be dominated by high-skilled, white collar jobs - young workers will need better training to assume the responsibilities of entrylevel jobs, and universities and colleges will need to serve older workers returning to the

for retraining. Colleges and universities need to consider a more flexible enrollment model similar to many communi-





increasingly, will need to return to the campus to gain expertise in a specific skill area. The colleges and universities need to create open entry and open exit plans that allow the workerstudents to come to the campus to get only the training they need. "We are going to have to provide incentives for our colleges and regional universities to respond to the needs of students who need instruction, who need training on their schedule, whether it's at night or on the weekend," Autry says.
STRONG SUPPORT

Early responses to the MDC report have been positive. William Friday, president emeritus of the University of North Carolina system and executive director of the William R. Kenan Jr. Charitable Trust, says the report is a landmark study that should grab the attention of North Carolina's leaders.

"I hope this report gets read far and wide," he says. "We ignore these issues at our peril. It's just absolutely necessary that we focus our thinking

Friday says the study points up the beneficial effect that government spending on education has had on the economy of North Carolina and the South. North Carolina's leaders, he says, should recognize that the state's continued well-being will depend on the strength of the state's colleges and universities and that continued erosion of state support for higher education ultimately will hurt the state, the economy and its citi-

"I believe that higher education is more critical to the future of this state now than ever before," he says. "We're faced with a very serious problem...We've got work to do and this report says that in very clear, precise language."

Vic Hackley, president of the



need to recognize the crucial role the community college sys-William Friday tem is already playing on the

strates

state

North Carolina

Community

College System,

says the MDC report demon-

officials

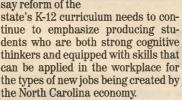
state's economy. Eighty percent to 90 percent of the new jobs being created in North Carolina require the type of training now available at the state's community colleges, Hackley says. And the return to campus that MDC predicts for older workers seeking training to remain competitive already is happening at the state's community colleges. Many students have realized that their four-year degree did not leave them with the specific skills to compete in the current job market.

Indeed, Hackley says, in 1994 more students who already had bachelor's and master's degrees were studying at community colleges in the state than were students in the college transfer program - those seeking their two-year degrees so they could finish at a four-year college or univer-

sity.
"There still is a mindset that community colleges are high schools with ashtrays," he says. "The programs at these colleges are producing the peo-ple who are vital to the economic development of the state. The public in general and the policymakers and the four-year colleges need to gain a greater appreciation for the critical linkage of what the community colleges do.'

Hackley says North Carolina community colleges are not being granted the resources need to they the chalmeet lenges posed by the MDC report.

In addition, Vic Hackley he and others say reform of the



Tom Lambeth, executive director of the Z. Smith Reynolds Foundation in Winston-Salem, says he supports the idea of extending universal education beyond high school.

"It's important to understand that education is not an expense," he says. "It's an asset."

Foundations, nonprofits and the private sector could play a similar role as they did in the 1960s when kindergarten was added to the mandatory curriculum in North Carolina, Lambeth says. Such a role would include helping develop models, forums and research that could show the state how best to accomplish such a change in the education continuum.

"I think it's a matter of very strategically and very intelligently deciding what our role is," he says. "Clearly we cannot be funders of that massive effort."

Tom Houlihan, senior education adviser to Gov. Jim Hunt, generally supports the report's recommendations.

"I would agree that 12 years of formal education is not going to be enough for the worker to be competitive in the future," he says.

How the state should respond, he says, is another matter.

'That would be something that the General Assembly, State Board of Education and the governor would have to look at very carefully."

RACE, GENDER The MDC study also makes these observations:

· Blacks made dramatic strides in educational attainment between 1970 and 1990. The percentage of blacks with high school diplomas nearly doubled in that period to 27.4 percent, up from 13.8 percent.

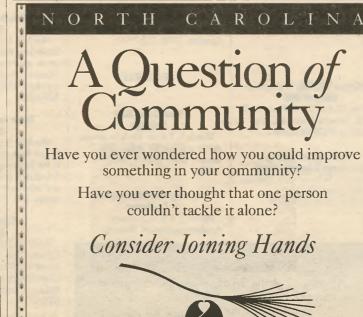
The percentage of blacks with some college education rose to 19.1 percent from 3.5 percent. The percentage of blacks with bachelor's degrees or higher rose to 9.6 percent from 4 percent.

During that same period, education levels of the white population also rose. The percentage of whites with only a high school diploma rose to 30.6 percent from 27.6 percent. The percentage of whites with some college rose to 23.5 percent up from 10.1 percent. Whites with bachelor's degrees or more rose to 19 percent, up from 10 percent.

· While education clearly boosts earning levels across race and gender, there continues to be a gap

between white and black salaries and male and female salaries. The average yearly salary of a southern white male with a bachelor's degree or higher was \$46,398, 31.5 percent higher than for blacks from the same group. Those same white males earned 31.8 percent more than did white females from the same education group.

The income gap between races grows with education. White males with less than a high school diploma earn 6.4 percent more than their black counterparts. The gap quickly widens up the education ladder. White males with a high school degree earn 21 percent more than their black counterparts; those white males with some college earn 24 percent more than blacks of the same educational background.



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