



UNC
KENAN-FLAGLER
BUSINESS SCHOOL

Preparation for an Unsparing Global Economy

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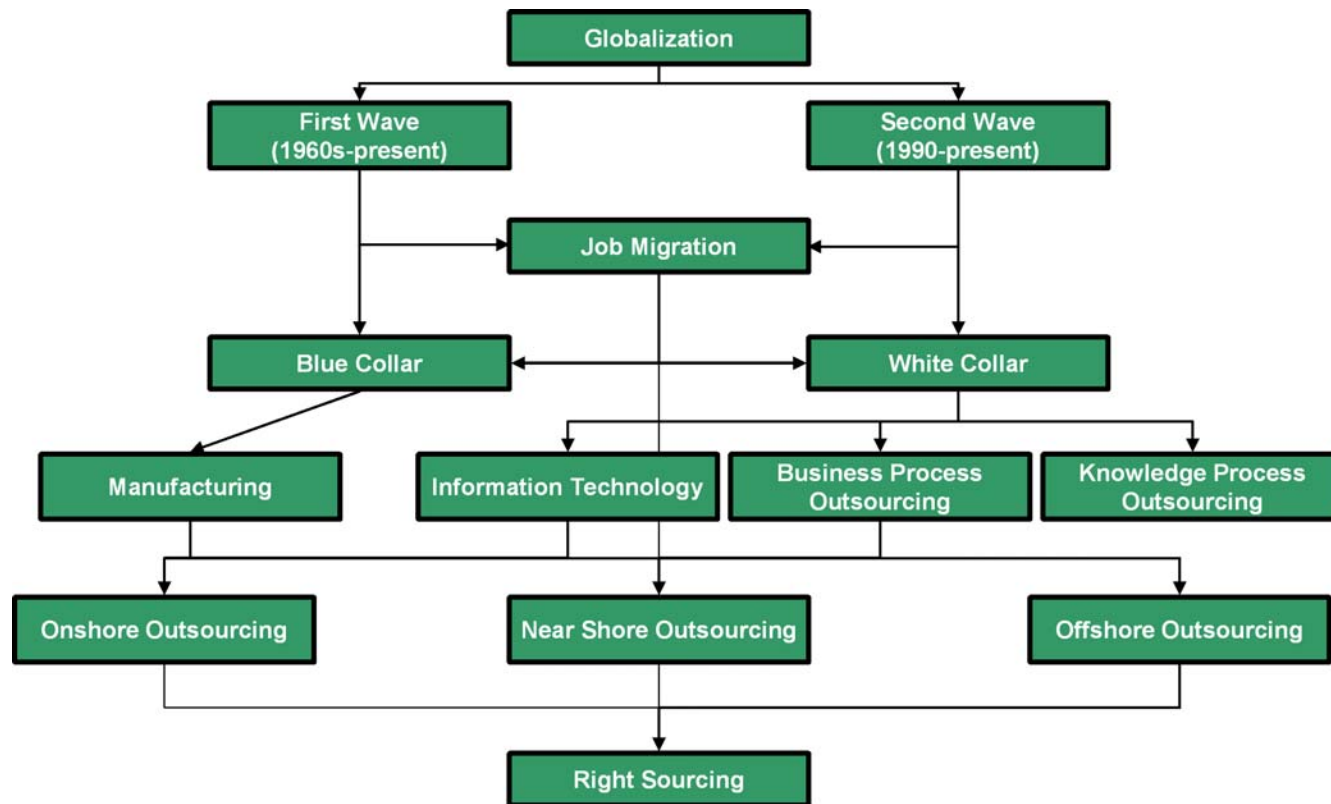


Overview

- I. Two Waves of Economic Globalization
- II. Re-segregation of Public Schools
- III. Responding to the Education Challenges of Disadvantaged Youth
- IV. Discussion



Globalization's Impact on the American Worker





U.S. Employment in Occupations at Risk to Outsourcing

Sector	Employment (2001)
Office Support	8,637,900
Business and Financial Support	2,153,480
Computer and Math Professions	2,825,870
Paralegals and Assistants	183,550
Diagnostic Support Services	168,240
Medical Transcriptions	94,090
Total in Outsourcing Risk Occupations	14,063,130
All Occupations (Total U.S. Employment)	127,980,410
% of All Occupations at Risk	11.0%

Source: Bardhon and Kroll (2003)



Challenges to the Nation's Innovation Capacity

- Competitive landscape is changing
- Immigrants have driven innovation in our economy
- U.S.-based firms are outsourcing innovation



Economics of Offshore Outsourcing

Job	US Worker	Offshore Worker
Architect	\$3,000+/month	\$250/month
Accountant	\$5,000+/month	\$300/month
Financial Analyst	\$7,000+/month	\$1,000/month
Chip Designer	\$7,000/month	\$1,000/month
Aerospace Engineer	\$6,000/month	\$650/month
Info-Tech Support	\$10,000/month	\$500/month



Qualified Workers Available, per year, and Hourly Wages, Selected Offshore Locations

Mumbai India	Manila Philippines	Kuala Lumpur Malaysia	Shanghai China
CUSTOMER CALL CENTER			
35,000-45,000 \$1.50/hr	9,000-11,000 \$1.47/hr	6,000-7,000 \$2.19/hr	6,000-7,000 \$2.50/hr
BACK-OFFICE FINANCE AND ACCOUNTING			
14,000-17,000 \$1.35/hr	9,000-11,000 \$1.73/hr	7,000-9,000 \$1.86/hr	12,000-15,000 \$2.03/hr
ELECTRONIC DOCUMENT CONVERSION			
111,000-140,000 70 cents - \$1/hr	11,000-14,000 \$1.07/hr	20,000-25,000 \$1.47/hr	18,000-23,000 \$1.50/hr



Anticipated Impact of White Collar Job Shifts on American Society

- In the years ahead, sizable numbers of skilled reasonably well-educated middle-income workers in service-sector jobs long considered safe from foreign trade—accounting, law, financial and risk management, health care and information technology, to name a few—could be facing layoffs or serious wage pressure as developing nations perform increasingly dramatic realignment of wealth over the next couple of generations—valued ... at “hundreds of billions of dollars.”

Ernsberger (2005).



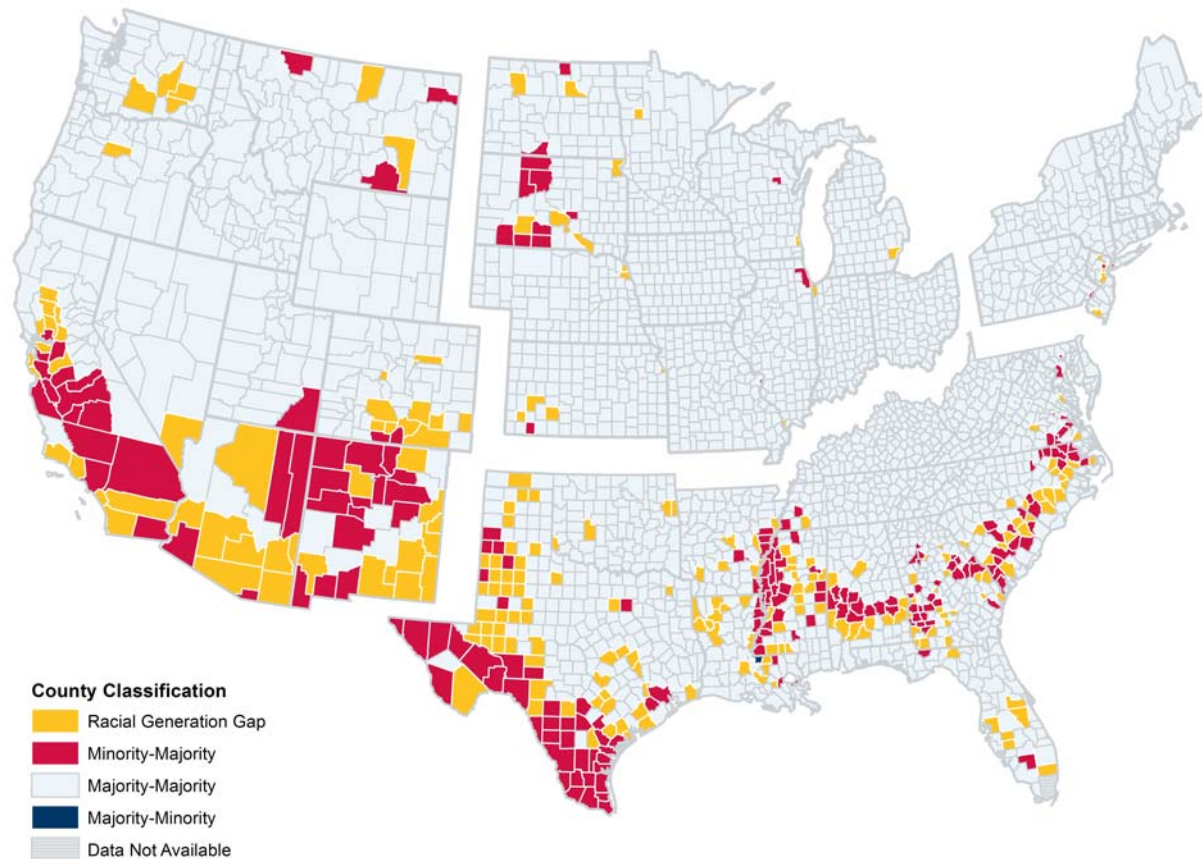
Percent Nonwhite Population, Adult and Youth, by County Type, 2004

Area	Number of Counties	Total Population (% Nonwhite)	Adult Population (% Nonwhite ≥ 15 years)	Youth Population (% Nonwhite < 15 years)
All Counties	3,141	33%	30%	42%
Racial Generation Gap	242	46%	42%	58%
Minority-Majority	235	65%	62%	75%
Majority-Majority	2,663	19%	17%	25%
Other	1	50%	52%	43%

Source: U.S. Census Bureau, Population Division (2004)

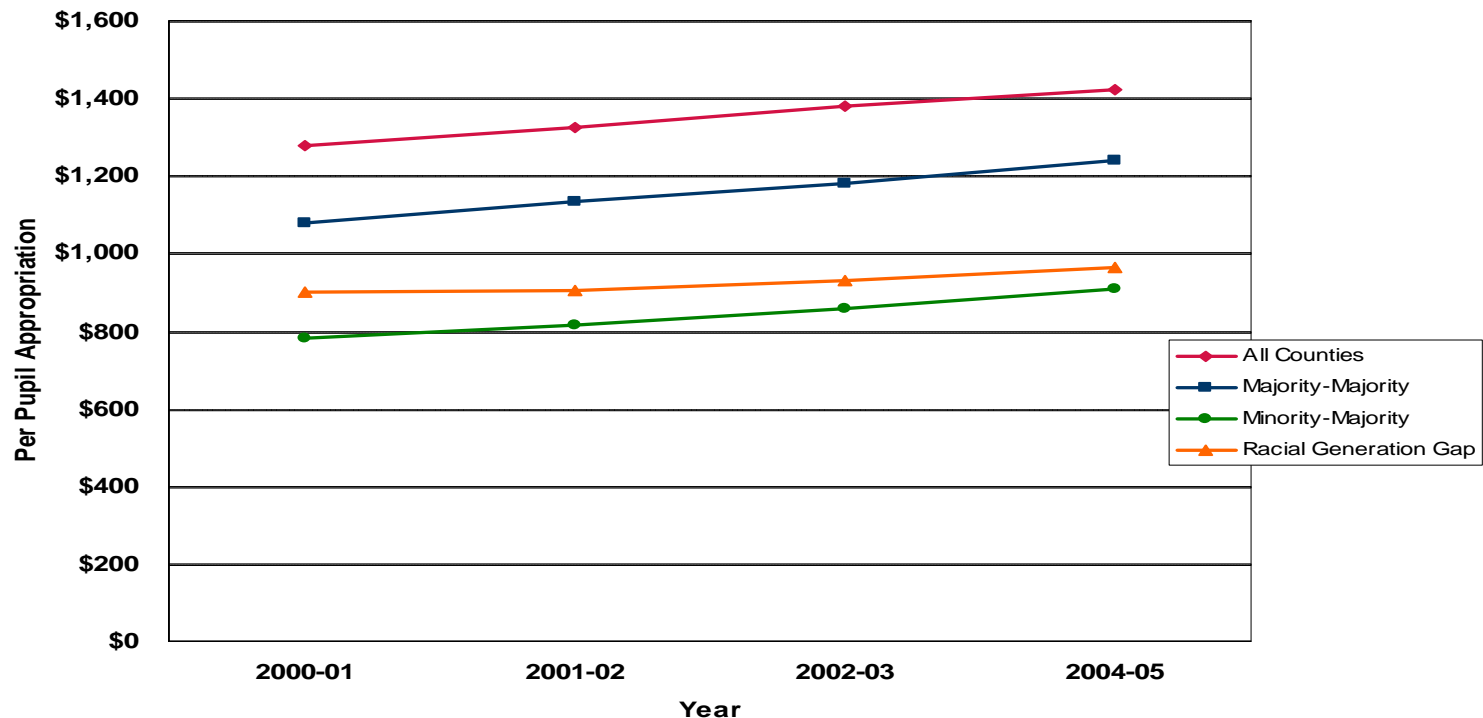


A Racial/Ethnic Typology of U.S. Counties, 2004





County Appropriations and Supplemental Taxes for Education (Current Expenses), Year 2004-05



Source: <http://www.ncpublicschools.org/docs/fbs/resources/data/financialdata/2004-05data.pdf>



North Carolina Low-Performing School Demographics and Teacher Quality, 2004-2005

NC Schools	Enrollment	Percent Black	Fully Licensed Teachers	Emergency/Provisional License/Lateral Entry	Teacher Turnover
All Schools (HS)	399,261	31% (123,779)	85%	15%	19%
Racial Generation Gap					
E.E. Smith	1,479	86% (1,286)	64%	29%	29%
Bertie	1,062	83% (883)	75%	17%	23%



North Carolina Low-Performing School Demographics and Teacher Quality, 2004-2005

NC Schools	Enrollment	Percent Black	Fully Licensed Teachers	Emergency/Provisional License/Lateral Entry	Teacher Turnover
Majority-Majority					
Hugh M. Cummings	929	57% (526)	62%	36%	32%
Carver	1,112	69% (769)	73%	25%	12%
Dudley	1,383	95% (1,315)	72%	24%	28%
Ben L. Smith	1,709	75% (1,278)	71%	27%	29%
E.E. Waddell	1,139	58% (657)	69%	26%	32%



North Carolina Low-Performing School Demographics and Teacher Quality, 2004-2005

NC Schools	Enrollment	Percent Black	Fully Licensed Teachers	Emergency/Provisional License/Lateral Entry	Teacher Turnover
Majority-Majority (cont'd)					
Garinger	1,673	69% (1,153)	76%	23%	24%
West Charlotte	1,686	89% (1,506)	76%	18%	27%
West Mecklenburg	1,556	61% (950)	68%	26%	25%



North Carolina Low-Performing School Demographics and Teacher Quality, 2004-2005

NC Schools	Enrollment	Percent Black	Fully Licensed Teachers	Emergency/Provisional License/Lateral Entry	Teacher Turnover
Minority-Majority					
Hillside	1,576	92% (1,450)	61%	32%	25%
Southern	1,509	74% (1,121)	73%	16%	23%
Northwest (Halifax)	905	85% (768)	54%	43%	33%
Northampton- West	460	95% (437)	57%	37%	39%
Plymouth	541	82% (442)	90%	8%	19%



North Carolina Low-Performing School Demographics and Teacher Quality, 2004-2005

NC Schools	Enrollment	Percent Black	Fully Licensed Teachers	Emergency/Provisional License/Lateral Entry	Teacher Turnover
Minority-Majority (cont'd)					
Goldsboro	751	99% (742)	80%	21%	28%
Southeast Halifax	653	98% (641)	55%	43%	28%



Selected Indicators of North Carolina Student Preparedness and Performance on...

End of Course Test

State	74.8
District	58.0
P/LP	46.0
Black Students	43.0

Average SAT Score

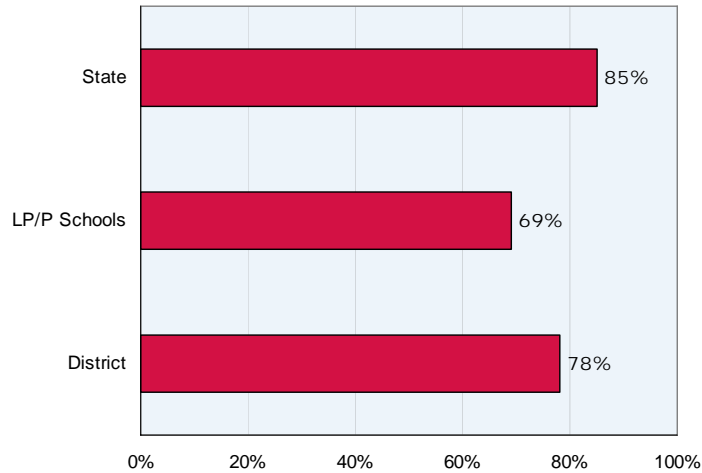
Nation	1,028
State	1,010
District	941
P/LP	829

SAT Participation

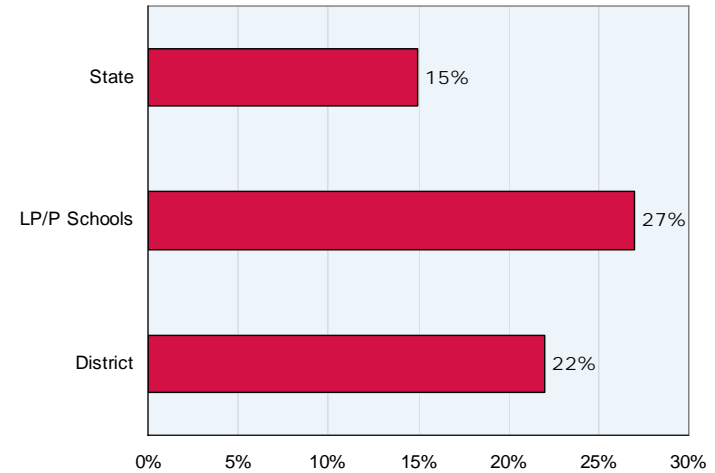
Nation	49%
State	74%
P/LP	59%

North Carolina Indicators of Teacher Quality, 2004-2005

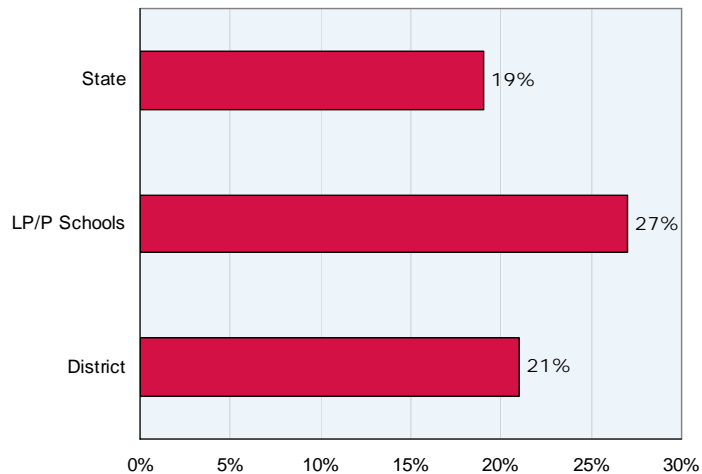
Fully Licensed Teachers



Emergency/Provisional License/Lateral Entry Tech



Teacher Turnover



Source: North Carolina Department of Public Instruction



Responding to the Challenges

- Assume leadership role in K-12 education reform.
- Create innovative scholarship and financial aid packages to underwrite the education of economically disadvantaged youth, including undocumented Hispanic students.



Responding to the Challenges (cont'd)

- Provide the requisite mentoring and academic supports to maximize academic success.
- Revise higher education curriculum to better prepare 21st century students for 21st century realities.



Population of U.S. children under 18 years by race/ethnicity, income, and other social characteristics, 2004

	All	White	Non-white	Hispanic
All Children Under 18 Years	72,879,035	42,845,704	16,142,067	13,891,264
Families w/ less than \$30,000	29.1%	19.5%	43.1%	42.6%
Householders or Parents w/ no college experience	47.7%	41.6%	46.4%	68.2%
Householders or Parents w/ no college experience and low income (<\$30,000/yr)	18.8%	10.6%	25.9%	35.7%
Non-Homeowner Families	33.2%	15.9%	50.8%	66.2%
Foreign-born Head of Household with no college experience	12.9%	2.8%	10.4%	46.9%



Absolute and Relative Change in the Gender/Age Composition of the U.S. Population, 1990-2000

Gender/Age	2000 Population	Net Change 1990-2000	% Change 1990-2000
Total	281,421,906	32,712,033	13.2%
Male	138,053,563	16,814,145	13.9%
Female	143,368,343	15,897,888	12.5%
Age 18-34	67,035,178	-2,878,520	-4.1%
Age 35-54	82,826,479	20,024,490	31.9%
Age 55-64	24,274,684	3,126,761	14.8%
Age 65+	34,991,753	3,749,922	12.0%

Source: U.S. Bureau of Census (2000)



Intellectual Entrepreneurship

...creating synergistic relations among academic disciplines and intellectuals on and off campus to make seamless connections among disciplines and between the academy and the public and private sectors. Intellectual entrepreneurship is about harnessing and productively utilizing intellectual energy and talent wherever it is located in order to promote academic, cultural, political, social, and economic change (*Cherwitz, 2004*).