

***The two most dramatic demographic trends of the era are the demographic bulge caused by the baby boomers and their offspring, and the graying of America. These two trends have spawned whole new service industries, from child care centers to nursing homes.***

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These two trends have spawned whole new service industries, from child care centers to nurs-

ing homes. As science has helped to cure more diseases and thereby prolong life, so it has dramatically boosted employment in health care—home health aides, nurses, and gerontologists. In 30 years, the number of service-sector jobs in North Carolina has increased almost six-fold, from 127,100 in 1960 to 762,200 in 1995.

**Government.** In 1995, federal, state, and local governments provided 15.9 percent—or 550,600—jobs in North Carolina. This sector had major growth spurts in both the 1960s and 1970s, but began to slow by the mid-1980s. During the 1960s, federal government programs increased dramatically, creating new jobs ranging from Head Start teachers to Farmers Home Administration loan officers. The trend continued in the 1970s, with major new programs coming on line, such as the Environmental Protection Agency facility at the Research Triangle Park. In the early 1980s, federal budget cuts cut the number of employees in this sector.

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## ***Five Trends That Strengthen Economies***

by J. Mac Holladay

**Trend Number 1: The playing field is the world, not the next county or state.** Cost comparisons and competition for firms, states, and communities are global. At the same time, some of the greatest opportunities are in that realization. As an example, exports have great potential as a job creation strategy. Often those in economic development ignore the tedious work of providing meaningful assistance to small and median enterprises in favor of the easier recruitment efforts of larger firms. Globalization is not a passing fad, but the future of every state's economy. It will take a continuing effort to persuade policymakers to invest the necessary resources to take advantage of the world economy. . . .

**Trend Number 2: The new infrastructure is technology and telecommunications.** The days of business decisions being made based on only water and sewer, rail, and four-lane roads are long over. States need to pay attention to

rural areas to assure that they are included. The only communities able to compete in the future will have fiber optic cable, digital switches, and ISDN lines (integrated services digital network lines that allow telephone customers to talk, receive, and send data and transmit video all on one line). The way of conducting economic development recruitment is changing. Technology will allow the customer to inspect everything from sites to tax statistics without ever visiting a location. . . .

**Trend Number 3: Regionalism provides an opportunity for states and others to work together.** The boundaries of cities, counties, and states are falling to practical, useful partnerships across the country. Whether in capacity building, marketing, or serving customers, public-private partnerships are finding ways to overcome the status quo nature of governmental lines. From the Carolinas Partnership to the Kansas City (Missouri and Kansas) Smart Cities

Meanwhile, state government expanded sharply in the 1960s and the 1970s, keeping pace with the population growth and entering such areas as environmental management, job and technical training, expansion of public education, and increased health services like Medicaid. By far, the largest government employer, though, is local government. In the 1970s, local government employment grew rapidly, as counties and municipalities became more active in economic development, the arts, recreation, water and sewer facilities, and social services.

"As the federal government divests itself of responsibilities," said Alice Garland, former research and policy specialist for the State Employees Association of North Carolina, "you'll see the state and local governments talking more about who ought to be providing what. I think you'll see increases in jobs first at the local level and then in state government."

**The Little Three.** What does a banker in pin-

Program, changes are coming in providing regional solutions in everything from work-force preparation to data presentation. These partnerships are in all shapes and sizes, but in almost every case the private sector is playing a key role. Old habits of local competition are being transformed into specific regional programs coming from collaboration and cooperation. . . .

**Trend Number 4: Sustainable development strategies to meet the needs of the present generation without compromising the future.**

A key part of this concept is how to measure success and take a long-term view with quality of life as an important component. People are accepting the interdependence of the economy and the environment and the need for coopera-

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stripes have in common with a construction worker in jeans? Or how about a realtor with a cellular phone in her car and a telephone worker installing fiber-optics technology? All four of these jobs depend on a growing economy, and they are interrelated. Moreover, they depend upon a strong manufacturing base, showing the interrelationships among the sectors. Banks, for example, now offer a full range of investment options as a regular part of business that only a few years ago rarely went beyond checking and savings accounts. Meanwhile, the insurance industry has moved from whole and term life insurance to universal life, long-term investment schemes, mortgage life, and other new products. Together, the little three provide 14 percent—484,100—of all jobs in 1995.

These new offerings by the finance and insurance industry demand sophisticated staff, more computers, the construction of more office space, more business trips, better communications systems, and overnight mail and package service. For

tion and community involvement. The Nature Conservancy has established several successful projects seeking to combine the protection of the natural environment and quality long-term economic development. Corporate giants like Georgia Pacific have made commitments to sustainable development with new technology and land conservation.



**Trend Number 5: The No. 1 economic development issue is the quality of the work force.**

States and communities that do not focus and commit resources to the changing nature of work and the increasingly high education requirements are headed down a dead end street. A full 44 percent of the nearly 12 million college students in America today are over the age of 25. More and more new jobs require not only a high school diploma but at least one or two years of technical training. . . . Nothing is more important when facing welfare reform and other key policy initiatives than rethinking the work force preparation delivery systems. The clock is running, and states can't afford to be handcuffed by the history of the educational establishment. Collaboration and shared authority are a must to provide the necessary solutions.