

Mississippi Economic Review and Outlook

Dear Readers,

Predicting the future requires making assumptions. As scientists point out in chaos theory, something as seemingly insignificant as a butterfly can unleash a chain of events that culminates in major change. No esoteric theory is required to show that the course of events in Iraq will affect the timing and strength of the U.S. economic recovery. As creatures of habit, we find the resulting uncertainty in the current economic forecast unsettling. Our best response is to be prepared not only for an economy following the baseline forecast, but also for one that follows an alternative scenario.

The national outlook article includes optimistic and pessimistic alternative forecasts, as well as a baseline forecast. The state outlook article discusses current uncertainties. It also examines both long-term trends, such as the decline of manufacturing, as well as shorter-term trends, that currently are affecting the state.

Guest authors Kenneth Chilton and Matthew Dalbey address the challenges facing the Jackson Metropolitan Area in their contribution to this *Review*. They also explore the qualities that make a city attractive to the “creative class”.

Our regular features, *News Highlights* and *Websites*, touch upon far-ranging topics, from research and technologies to the status of women in Mississippi. Notice the websites for checking out charities. I recently discovered that a nonprofit I had been supporting used less than 10% of its funds for the activities it claimed to be financing!

To subscribe to this *Review*, which is published twice yearly, please fill out the form included in this issue. National projections are based on the forecast of Global Insight, Inc. As always, the views expressed in the *Review* are those of the authors and do not necessarily represent the official position of the Center for Policy Research and Planning or the Mississippi Institutions of Higher Learning. Letters to the editor are welcome, as are suggestions. Email me at mhill@ihl.state.ms.us.

Marianne

T. Hill

Editor and Senior Economist
Center for Policy Research and Planning
Jackson, MS

39211

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Thomas D. Layzell, Commissioner

Philip W. Pepper, State Economist

Deborah D. Bridges, Administrative Assistant
Marianne T. Hill, Sr. Economist
Barbara J. Logue, Sr. Demographer
Robert H. Neal, Economist
Christian D. Pruett, Economist
Darrin M. Webb, Sr. Economist

Guest Authors: Kenneth Chilton and Matthew Dalbey

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THE STATE OF THE JACKSON METRO AREA: A REGIONAL PLANNING PERSPECTIVE¹

*Kenneth M. Chilton, Ph.D., University of North Carolina-Charlotte
Matthew Dalbey, Ph.D., AICP, Jackson State University*

*The decade of 1990-2000 was a time of dynamic economic growth for the United States. Strong income growth, low inflation and technology-driven opportunities characterized the period. Poverty rates hit their lowest point in over 30 years. The Jackson Metropolitan Statistical Area (MSA), however, showed mixed gains during this decade of prosperity. This paper compares recent Census data on population, employment, income and poverty for the Jackson MSA and its component counties with comparable data from other southern MSAs. Data on the **Hattiesburg** and the **Biloxi-Gulfport-Pascagoula** MSAs are also provided in Tables 4 and 6, and the Appendices.*

The trends overall are reminiscent of the transitions that Northeastern and Midwestern cities experienced in the 1970s and 1980s, when urban populations declined as the suburbs grew. The data imply that achieving greater regional coordination is a challenge that will be facing the Jackson MSA over the coming decade. This paper concludes by identifying several regional strengths that can provide the basis for building a healthier, more dynamic region.

HIGHLIGHTS FROM RECENT NEWS ON MISSISSIPPI'S ECONOMY

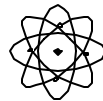
See the website of the Mississippi Development Authority, www.mississippi.org, for more information about recent economic developments in the state, or contact Sherry Vance, Director of Public Information, at 359-3041.

New Businesses and Expanded Facilities



Over \$1.0 billion in new and expanded manufacturing facilities were announced during the first ten months of 2002 by the Mississippi Development Authority—a figure more than \$700 million above the level for the same period last year. Investment in non-manufacturing facilities, however, was down substantially, to \$2.1 billion this year, compared to \$3.8 billion in 2001. The largest single investment announced was a **\$545 million expansion** of the Nissan auto plant currently under construction in Madison. An additional 1,300 jobs are expected as a result of the expansion.

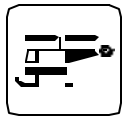
Major **non-manufacturing initiatives** included a \$190 million electric power plant to be built by Cogentrix Energy, Inc. in DeSoto County, a \$79 million expansion of the Isle of Capri Casino in Biloxi, and a \$38 million upgrade to the Tunica County Airport. Keesler Air Force Base also announced a \$74 million expansion and upgrade, and several universities have announced new construction projects.



The **Nissan** expansion will enable the company, which is 44% owned by Renault SA, to produce its mid-sized Altima sedan in the state. This June, the state legislature approved a \$68 million bond package to finance worker training (\$23.5 million), road, water system and infrastructure improvements (\$22.5 million), site preparation (\$12 million) and a vehicle preparation facility (\$10 million) for the plant expansion. A \$295 million incentive package was previously approved for the automaker to lure it to the state. Auto suppliers

continue to move to the state to service the plant. More information can be found at www.mississippiandnissan.com. Nissan is currently on schedule to begin production at the Canton plant in spring 2003.

Howard Industries will add up to 2,300 more jobs in a planned expansion in Ellisville. The company's core business is electrical transformers, and it also makes computers and ballasts. In a special session this July, state lawmakers voted to provide \$31.5 million in incentives to the company for the expansion. The funds will be used for recruiting and training workers, improving roads and water lines and constructing new buildings. Howard will put \$80 million into the expansion. Run by a husband and wife team, the Laurel-based firm now employs more than 3,500 persons. It was started in the late 1960s by Billy Howard as a one-man office.



American Eurocopter will begin construction on its Golden Triangle Regional Airport facility in December. Eurocopter will manufacture helicopter parts and will also be the final assembly site for the AS350 helicopters, which are designed for commercial, law enforcement and emergency services use in the U.S.. The facility will have an initial workforce of 100, with an annual payroll of \$5 million.

Federal Defense Funds



About \$3.3 billion of the \$355 billion national defense bill is earmarked for Mississippi. The money will be channeled mainly through the Navy to industries in south Mississippi: \$2.6 billion is for DDG-51 class destroyers and \$243 million for the amphibious assault ship LHD-8, both of which are built by Northrop Grumman Ship systems. Research and development programs at state universities and industries will receive \$40 million, the Naval Station at Pascagoula will receive \$14 million for a Littoral Surveillance system, and the Naval Oceanographic Office's Hydrographic Center of Excellence will receive \$2.5 million. Besides the funds received through the defense bill, the state will also get about \$110 million through the military construction bill.



The U.S. Coast Guard awarded Integrated Coast Guard Systems (ICGS) a \$11 billion contract to carry out a far-reaching **modernization program** for the agency's Deepwater forces. ICGS is a co-equal partnership of Northrop Grumman Corporation and Lockheed Martin Corporation. Deepwater is the largest recapitalization effort in the history of the Coast Guard and will involve the acquisition of up to 91 ships, 35 fixed-wing aircraft, 34 helicopters, 76 unmanned surveillance aircraft, and upgrade of 49 existing cutter and 93 helicopters, in addition to systems for communications, surveillance and command and control. ICGS will manage over 100 companies from 32 states. Northrop Grumman's Ship Systems sector is headquartered in Pascagoula, Mississippi, where cutter design and production will be performed. More information can be found at www.northropgrumman.com.

Research in Action

Lockheed Martin, the number one defense contractor in the U.S., has decided to locate its new **Space and Technology Center** at the aerospace park at Stennis Space Center in Hancock County. The Lockheed Martin facility will include a propulsion product center, a thermal product center, and an integrated metrology center, and will provide the related engineering, production and research services needed for its commercial and military spacecraft and satellite customers.



Viking Range plans to build a **research and testing facility** for commercial grade

kitchen appliances at the Mississippi State Research and Technology Park in Starkville. Fred Carl, the founder of this Mississippi firm, has hired Richard Meier and Partners as the architects to design the facility. Meier is best known for his design of the Getty Center in Los Angeles and the Barcelona Museum of Contemporary Art in Spain. The facility will open in early 2004. “We intend for MSU’s Ergonomics Center, within the Department of Industrial Engineering, to help us focus on the human interface”, said Jane Crump, a company spokesperson.

Mississippi State University is undertaking a three-year study of the benefits to wildlife of a popular conservation practice, **conservation buffers**. Buffers are narrow strips of vegetated land around cultivated land designed to prevent soil and pesticide runoffs. Mississippi is emerging as a leader in studies of the ecological benefits of buffer practices, according to Wes Burger, the principal investigator. Delta Wildlife Inc, a Greenville-based organization, is funding the current study.

Vision 21 Road Plan Approved

A \$3.6 billion highway construction program, approved this legislative session, updates the state’s long-term road priorities. The bill provides \$100 million in improvements to U.S. 49 from Jackson to the Gulf Coast. The plan also addresses the congestion existing near the new Nissan plant, and will replace substandard bridges. Priorities are set for roads near casinos, and a 40-miles stretch of Mississippi 6 from Clarksdale to Batesville will be widened. The 20-year program is financed by the 3.6 cents per gallon tax on gasoline plus federal funds.

The Mississippi Arts and Entertainment Center, to be built in Meridian, will showcase Mississippi artists and support working artists with residency programs, studios and theaters. Mississippi State University School of Architecture and the Stennis Institute are developing a master plan for the 175-acre, \$35 million center. It will include a hall of fame for Mississippi artists, a 5,000 seat amphitheater, a 500-seat concert hall, an artist-in-residence program and the Choctaw Cultural Center. Members of the honorary committee supporting the center include actor Sela Ward, NSYNC star Lance Bass, musician Jimmy Buffet, actor Morgan Freeman, author John Grisham, singer Faith Hill, blues legend B.B. King, opera great Leontyne Price, country singer Charley Pride, pop star Britney Spears and Jim Henson’s Kermit the Frog. Groundbreaking is planned in 2004.



Tourism

There was a 41% increase in revenues from **golf tourism** between 1999 and 2002, according to the MDA. The growth of the Southern Farm Bureau Golf Classic, a PGA-sanctioned event held each fall at Annandale Golf Course, is attracting more big-name players to the state and contributing to this upswing. The U.S. Women’s Open was also held here in 1999.



The Tupelo Automobile Museum will soon house the 150-car collection of Frank Spain, considered one of the best in the nation. Spain, who is heading the museum, has also bought more than 300 vintage automotive signs for the exhibition area, and eventually plans to add a collection of historic maps dating to the 1500s and vintage broadcasting equipment. The opening is tentatively set for the end of 2002.

“The Glory of Baroque Dresden” exhibit, arranged in cooperation with Dresden officials in Germany, is scheduled to open in Jackson in 2004. A painting by the 17th century Dutch artist Johannes Vermeer, “The Procuress”, will be the highlight of the show, which will feature 300 objects of art dating from the 1600s and 1700s. Old Master paintings by the likes of Rembrandt and Peter Paul Rubens, porcelain, jewelry and armor will be shown. It will be the fourth European art exhibition brought to Mississippi since 1990.

Mississippi in the Nation

Mississippi will become the first state in the nation to have computers and internet access in every classroom when the last 2,000 of a total of 30,000 classrooms receive computers. Governor Musgrove anticipates reaching this goal by the end of 2002. ExplorNet, a nonprofit based in North Carolina, has been assisting in this effort, providing high school students with the training needed to construct computers, which are then distributed throughout the state.

The Southern Technology Council released data this summer showing that Mississippi’s share of R&D done by industry in the South increased by 150% between 1963 and 2000. The only state with a larger percentage increase was Arkansas. Behind this increase was a 149% increase in the share of federally performed R&D. There was also a 14.3% increase in the share of R&D performed at universities.



Overall, the region, which includes 13 states, saw its share of R&D performed by industry drop from 8.8% to 7.1%. The region’s share of R&D at universities increased over the 1972-2000 period, however, going from 15% to 19% of the national total. In 1999, the ratio of R&D to gross state product in Mississippi was 0.74%, which gave the state a rank of 43rd in the nation.

Population Trends

The City of Jackson is proclaimed to be the “best of the New South” by its boosters. This compelling slogan conjures up images of growing regions like Atlanta, GA, Charlotte, NC, and Nashville, TN. These regions have attracted businesses, jobs and immigrants at rates that have fueled strong housing and employment markets. Between 1990 and 2000, these states experienced robust growth, with population gains well above the national average of 13.1%—in Georgia 26.4%, North Carolina 21.4% and Tennessee 16.7%. Mississippi’s population growth rate, at 10.5%, was below the national average. The state lost one congressional seat as a result. The Jackson MSA also grew at a slower pace than the national average, unlike many other southern MSAs, as shown in Table 1.²

The growth rate of the Jackson MSA was 11.5%, which brought its total population to 440,801 in 2000. Within the city proper, the population of Jackson declined about 6%, however, to 184,256 residents. The population increase of the MSA was concentrated in suburban Madison and Rankin Counties, which grew from 199,470 residents in 1990 to 256,545 in 2000 – a 29% increase.

Income Growth

Personal income growth in the Jackson MSA compared well with other southern metropolitan regions. As Table 2 shows, personal income in the region grew by 81%, outpacing Baton Rouge, Birmingham, Columbia, Huntsville, Knoxville, Little Rock, Louisville, Memphis, Mobile, and Shreveport. Growth in personal income within Hinds County, on the other hand, was weaker than in the other core counties in Table 2, with the exception of the core counties in the Shreveport and Baton Rouge MSAs. The suburban areas outside of Hinds County experienced the greatest income gains.

Job Growth

Income growth is linked to growth in jobs and employment. The rate of job growth in the Jackson MSA was a moderate 11.5% from 1990 to 2000. While the rate of growth lagged in comparison to fast-growing regions like Nashville and Charlotte, the Jackson MSA outperformed Birmingham, Huntsville and Louisville (see Table 3). The number of jobs created in Hinds

Table 1. **POPULATION GROWTH RATES IN SELECTED SOUTHERN REGIONS, 1990-2000**

MSA	Growth Rate of MSA	Growth Rate of Core County
Raleigh-Durham	45.5	48.3
Atlanta	43.4	25.7
Nashville	39.7	11.6
Biloxi	38.0	14.7
Columbia, SC	32.9	12.2
Baton Rouge	31.1	8.6
Mobile	30.2	5.6
Charlotte	29.0	36.0
Knoxville	28.8	13.8
Hattiesburg	24.6	6.3
Little Rock	24.6	3.4
Louisville	22.6	4.3
Memphis	21.5	8.6
Birmingham	21.0	1.6
Huntsville	18.7	15.8
Jackson	11.5	-1.1
Shreveport	4.20	1.6

SOURCE: U.S. Bureau of the Census, 2002.

County grew at a slower rate than in other core counties presented here, and also at a slower rate than in Madison and Rankin Counties. The population decline in Hinds County explains in part the slow job growth in the core county, while the rapidly rising population in the suburbs fueled new opportunities and new jobs there. The Jackson MSA, then, is experiencing both suburban growth and urban decline—a familiar problem across the nation.

Public Sector Employment

Jackson, as the capital of Mississippi, is highly dependent upon the public sector as an economic engine. Within Hinds County, government provides almost 22% of the jobs. Only the service sector provides more jobs, 25%. Larger capital cities like Atlanta, Nashville and Raleigh have more diverse local economies. Among the comparison cities, only Biloxi, Columbia and Hattiesburg are more dependent upon the public sector for jobs.³

Relatedly, public sector entities disproportionately dominate the list of large local employers. According to the Mississippi Economic Development Authority, the major employers of the Jackson region are as follows:

AM South Bank
Baptist Health Systems
BellSouth

Central Mississippi Medical Center
City of Jackson
Delphi Automotive Systems
Hinds Community College
Jackson Public School District
Jackson State University
LTM Enterprises (McDonalds)
Madison County School District
Mississippi State Hospital
Rankin County School System
River Oaks Health System
St. Dominic Health Services
Saks
State of Mississippi
Trustmark National Bank
United States Government
University of Mississippi Medical Center
Winn-Dixie
WorldCom/Skytel

Table 2. **GROWTH OF PERSONAL INCOME, 1990-2000**
(sorted by % change in core county growth)

	MSA Personal Income (billions)			Core County		
	1990	2000	% Change	1990	2000	% change
Raleigh	17.9	38.9	116.9%	9.7	23.1	139.4%
Charlotte	23.0	46.6	102.3%	12.0	26.4	120.1%
Atlanta	62.7	136.8	118.2%	17.1	36.6	113.8%
Biloxi	4.4	8.4	90.3%	2.4	4.6	94.2%
Nashville	19.1	38.3	99.9%	106	19.4	82.3%
Memphis	18.6	33.3	78.7%	16.0	27.8	73.8%
Hattiesburg	1.3	2.4	79.4%	0.9	1.6	73.6%
Columbia	8.5	14.9	75.6%	5.3	9.1	69.7%
Knoxville	10.4	18.2	74.1%	6.4	10.8	69.5%
Little Rock	9.1	16.0	77.1%	6.7	11.0	65.1%
Louisville	18.2	31.0	70.8%	13.4	22.1	65.1%
Huntsville	5.8	9.5	64.6%	4.9	8.0	64.1%
Birmingham	15.7	26.8	70.1%	12.5	19.8	57.9%
Mobile	7.1	12.3	72.5%	5.6	8.7	56.4%
Jackson	6.4	11.7	81.5%	4.2	6.5	55.1%
Baton Rouge	9.0	15.2	68.6%	6.9	10.7	55.0%
Shreveport	6.1	9.4	55.3%	4.2	6.2	48.1%

SOURCE: U.S. Bureau of Economic Analysis, 2002.

What does this disproportionate reliance on government jobs mean for Jackson's economic growth? The private sector is the driver of the national and state economies. State and local government agencies do not generate the spin-off businesses and entrepreneurial opportunities that are needed for healthy, balanced economic growth. Although public employment tends to be more stable than private sector employment and provides a buffer against further deterioration of downtown Jackson, more is needed to generate a strong regional economy.

Business-government partnerships can be part of the answer. There are examples across the country of such partnerships revitalizing regions and making them a more attractive location for corporate facilities. The national growth of communications, health, and computer-related technologies offer business opportunities that can be nurtured here by utilizing skills and businesses that already exist in the city. In the current economic slowdown, the Jackson MSA could be an attractive choice for businesses seeking high-tech opportunities in a low-cost environment.

A Sectoral Analysis of Employment Growth

Table 5 compares the rate of job growth by industry classification for Mississippi, Hinds County, Madison County and Rankin County. Overall, the number of jobs in Mississippi grew by 25% from 1990 to 2000. Madison and Rankin Counties outperformed the state, while Hinds County failed to keep pace.

Manufacturing jobs in Hinds County have declined since 1990 by 25% (as opposed to 5% for the state), but more manufacturing jobs have opened in the neighboring suburban counties. Some of these jobs are located in greenfield areas where newer facilities and infrastructure were available or could be built on undeveloped properties. The Nissan manufacturing facility in Madison County, which will shortly begin production, will provide higher-paying jobs for residents throughout south-central Mississippi.

Construction jobs grew at slow pace in Hinds County relative to the rest of the state during this decade. By contrast, in Madison and Rankin Counties the growth rates were a sensational 228% and 106% respectively. The fastest-growing sector in the state was the services sector, but again Hinds County lagged dramatically, with a growth rate less than half that of the 58% experienced by the state as a whole. With the largely urban finance, insurance and real estate sector (FIRE) enjoying a 31% growth statewide, the 1.5% growth in Hinds County is particularly disappointing.

Widening gaps in income and poverty

National data on income and poverty show broad economic growth during the 1990s. When the data are examined by region and intra-regionally, results are more mixed. In particular, growth tended to be uneven at the metropolitan level (Berube and Frey, 2002). Although poverty in the central cities declined slightly, and suburban poverty rates increased, a wide gap between urban and suburban poverty rates remained: the poverty rate among the 102 most populous metro area central cities was 18.4%, while the corresponding poverty rate in the adjacent suburbs was 8.3%. Declines in poverty rates were most pronounced in Southern and Midwestern central cities.

The Jackson MSA experienced a widening gap in the poverty rates of its urban and suburban counties, in contrast to these national trends. The poverty rates in the City of Jackson increased by about 1% (see Table 6), while other cities experienced decreases in their poverty rates – Biloxi -3.7%, New Orleans -3.5%, Memphis -0.6%, Birmingham -0.1%, and Little Rock -0.2%. The poverty rate in Jackson's suburbs decreased by 5%, outpacing poverty rate declines in suburban Biloxi-Gulfport-Pascagoula -4.6%, Hattiesburg -3.7%, New Orleans -1.9%, Memphis -3.1%, Birmingham -1.6%, and Little Rock -1.8%.

Median household income in the central cities of the southern MSAs shown in Table 6 generally increased, with Huntsville the exception. Median household income in Jackson was stagnant, however, growing a scant 0.7%, but median income in the suburbs rose 15%. A widening gap between the suburbs and the central city was the result. Many urban and metropolitan scholars correlate such urban/suburban disparities with increased difficulties in financing public education and infrastructure improvements in the central city. Regions with declining populations are often left with an over-burdened tax base. It should be recognized that suburbs as well as urban areas may suffer from outmigration: today's growing suburb will in

some cases become tomorrow's declining suburb.⁴ Declining suburbs are particularly at risk of severe budget pressures, because of their reliance upon residential property taxes as their primary source of local funds.

Table 3. **GROWTH RATES OF EMPLOYMENT, 1990-2000**

MSA	Growth Rate of MSA (%)	Growth Rate of Core County
Atlanta	38.9	28.4
Raleigh-Durham	38.9	51.2
Charlotte	29.0	40.6
Nashville	25.0	27.0
Columbia, SC	18.4	18.2
Shreveport	17.7	18.2
Knoxville	17.3	24.1
Biloxi	16.5	45.4
Baton Rouge	14.1	26.8
Little Rock	13.8	19.0
Mobile	13.3	20.7
Hattiesburg	13.1	19.8
Memphis	12.7	18.6
Jackson	11.5	10.6
Birmingham	9.6	15.9
Louisville	8.1	18.6
Huntsville	6.8	19.6

SOURCE: U.S. Bureau of Economic Analysis, 2002.

Table 4. **PUBLIC SECTOR EMPLOYMENT AS PERCENTAGE OF TOTAL**

EMPLOYMENT

MSA	Public Employment MSA (%)	Public Employment Core County
Columbia, SC	23.4	27.7
Hattiesburg	22.0	26.5
Biloxi	21.8	23.5
Huntsville	18.8	18.8
Jackson	18.8	21.6
Little Rock	17.3	18.1
Shreveport	17.3	15.2
Baton Rouge	17.2	18.5
Raleigh-Durham	15.4	15.1
Mobile	13.7	14.1
Birmingham	12.9	13.2
Knoxville	12.8	13.9
Memphis	12.3	12.3
Louisville	10.7	9.4
Atlanta	10.4	11.4
Charlotte	10.3	8.9
Nashville	9.8	9.3

SOURCE: U.S. Bureau of Economic Analysis, 2002.

Trends in Population by Race: City of Jackson vs. Suburbs

Since 1980, the population of the City of Jackson has declined by more than 16,000 persons (see Table 7). During this period, the racial composition of the population has gone from majority white to majority African American. In 1980, just over 52% of the population was white. Today, whites comprise about 27% of the city population. Although 12,310 African Americans moved into the Jackson suburbs during the 1990s, the percentage of African Americans in the suburbs declined slightly, since the increase in the white population was greater. These migration patterns have resulted in a public school system in Jackson that is in essence re-segregated: nearly 83% of the persons under the age of 18 in Jackson are African American and Jackson Public School enrollment was 94% African American during the 2000-2001 school year. Improving the public schools in the City of Jackson is often suggested as a means of reversing the outmigration of families with school-age children. The ranking of 3 out of a possible 5 given Jackson Public Schools by the Board of Education shows that there is indeed room for improvement. The quality of Jackson public schools affects the viability and competitiveness of the entire metropolitan area.

Schools and Education

As Table 8 shows, higher accreditation scores in suburban school systems may explain in part their higher population growth and rising household incomes. High-quality schools are critical to attracting young professionals, and providing high-quality schools is both a local and state problem. Improved local funding is part of the answer. Critics of property tax increases for school funding claim the increases will further fuel the exodus from Jackson, while proponents argue that better schools lead to stronger communities in the long term. The arguments must be weighed, but an increase in property taxes in Hinds County would be one way to enable better funding of education. Improving the quality of education, of course, is a long-term problem requiring the involvement of families, government, business, and community groups.

There are success stories within the Jackson educational system that can be the basis for further success. For instance, Jackson's Murrah High School was the only public high school in Mississippi ranked among the top 500 high schools in the country by Newsweek (3/13/00). The ranking was based on test scores, graduation rates and the overall rigor of academic courses.⁵

Turning the Tide: Positive Trends in the Jackson Metro Area

The City of Jackson is still the center of employment, culture, and creativity for the region. Suburban residents depend on Jackson for arts and entertainment, fine dining, shopping and employment. Jackson has a thriving, creative population, a number of universities, and the infrastructure to emerge as a dynamic urban center. Both Jackson and its suburbs have a high percentage of college-educated residents, at 27.1% and 28.7% respectively, as Table 9 shows. This is a tremendous asset for attracting economic development and promoting new residential options. Madison County has retained and increased the number of high-income, highly-educated residents.⁶ And the central city of Jackson actually has a higher percentage of college-educated whites than does the region as a whole or the suburbs alone.

At the same time, although the Jackson region hosts numerous colleges and universities, a significant percentage of city residents do not have any post-secondary education. This skills gap is evident throughout the region—including Madison and Rankin County. For workers to share in and create regional economic opportunities, reliable access is needed to transportation services that can move residents to regional education and employment centers, as well both private and public support for workers seeking further education and improved employment options.

Many neighborhoods, organizations and institutions are addressing issues of disinvestment, education, and community revitalization. The efforts are innovative, often aimed at “reinventing” the city.

Three examples of such efforts are: Jackson State University's (JSU) e-City Collaborative, the Montessori Program at Jackson Public Schools (JPS), and the Fondren Renaissance Foundation. The Montessori program, for instance, began in response to a group of Jackson parents dissatisfied with both the private and public school offerings in the region. The Montessori curriculum and approach to education is recognized internationally as an innovative

Table 5. **JOB GROWTH BY INDUSTRY, 1990-2000**

Industry	(Percentage Increase)			
	Mississippi	Hinds	Madison	Rankin
Ag, Mining & Other	31%	-	110%	130%
Construction	54%	16%	228%	106%
Manufacturing	-5%	-26%	16%	22%
Transportation & Public Utilities	32%	30%	139%	46%
Wholesale Trade	15%	2%	107%	103%
Retail Trade	29%	9%	43%	73%
FIRE	31%	1%	181%	105%
Services	58%	23%	106%	88%
Government	14%	12%	54%	33%
Total	25%	11%	81%	65%

SOURCE: U.S. Bureau of Economic Analysis, 2002.

Table 6. JACKSON MSA AND SELECTED SOUTHERN MSAs – POVERTY AND MEDIAN HOUSEHOLD INCOME, 1990-2000

	% Persons Below			Median Household Income (Dollars)		
	1990	2000	% Change	1990	2000	% Change
<u>Jackson, MS MSA</u>						
MSA	19.3	16.2	-3.1%	34,218	38,887	13.6%
Jackson	22.7	23.5	0.8	30,214	30,414	0.7
Suburbs	16.0	11.0	-5.0	39,138	44,893	14.7
<u>Biloxi-Gulfport-Pascagoula, MS MSA</u>						
MSA	18.3	13.9	-4.4%	30,567	36,662	19.9%
Biloxi	20.9	17.2	-3.7	27,639	32,934	19.2
Suburbs	16.4	11.8	-4.6	33,063	38,525	16.5
<u>Hattiesburg, MS MSA</u>						
MSA	24.7	19.1	-5.6%	25,386	30,981	0.2%
Hattiesburg	27.0	28.9	1.9	20,239	24,409	0.2
Suburbs	17.3	13.6	-3.7	28,985	36,015	0.2
<u>Birmingham, AL, MSA</u>						
MSA	15.1	13.1	-2.0%	35,541	39,278	10.0%
Birmingham	24.8	24.7	-0.1	24,881	26,735	7.5
Suburbs	10.6	9.0	-1.6	40,065	44,469	11.0
<u>Huntsville, AL MSA</u>						

MSA	11.4	1.09	-	41,4	43,1	3.9%
	%	%	0.5%	86	04	
Huntsville	11.5	12.8	1.3	41,7	41,0	-1.7
				72	74	
Suburbs	11.4	9.2	-2.2	41,1	44,8	9.0
				27	38	

Little Rock, AR MSA

MSA	13.5	12.1	-	34,3	39,1	13.8
	%	%	1.4%	95	45	%
Little Rock	15.1	14.9	-0.2	33,4	36,6	9.6
				60	65	
Suburbs	11.5	8.8	-2.7	35,6	40,7	14.2
				85	56	

Memphis, TN MSA

MSA	18.5	15.3	-	34,9	39,4	13.0
	%	%	3.2%	11	64	%
Memphis	21.5	20.9	-0.6	31,3	32,0	2.4
				07	69	
Suburbs	11.8	7.3	-4.5	46,0	53,6	16.4
				61	12	

New Orleans

MSA	21.3	18.4	-	31,6	35,3	11.4
	%	%	2.9%	89	17	%
New Orleans	30.6	27.1	-3.5	24,7	27,7	11.9
				75	22	
Suburbs	15.1	13.1	-2.0	36,2	39,5	9.1
				44	56	

SOURCE: Lewis Mumford Institute. See references.

ATTRACTING THE 'CREATIVE CLASS'

A challenge for Jackson leaders and planners is to create an atmosphere that attracts what Richard Florida terms the "creative class." He argues that about 30% of college-educated professionals in the technology, arts, banking, entrepreneurial and creative fields desire to live downtown. The "creative class" prefers the dynamism of urban living over the more staid suburban lifestyle. Jackson attracts a cadre of professionals in academia and the medical fields (including medical residents) who might be interested in appealing downtown housing. Many cities, both large and small, have been successful in attracting young professionals and lifestyle renters or condominium owners back to downtown. This niche is important because the creative class tends to have more disposable income and their presence in cities enhances neighborhood property values, creates jobs and promotes entrepreneurship (Florida, 2002).

"CREATIVE CLASS" EMPLOYMENT IN MISSISSIPPI, 2001

Information	19,552
Publishing Industries, Except Internet	4,393
Motion Picture and Sound Recording Industries	1,083
Broadcasting, Except Internet	2,547
Internet Broadcasting & Publishing	35
Telecommunications	10,589
ISPs, Search Portals and Data Processing	846
Other Information Services	59
Finance and Insurance	49,373
Credit Intermediation and Related Services	21,885
Securities, Commodity Contracts, and Investments	8,830
Insurance Carriers and Related Activities	17,394
Funds, Trusts, and Other Financial Vehicles	1,264
Professional and Technical Services	48,526
Management of Companies and Enterprises	10,961
Educational Services	17,789
Health Care and Social Assistance	111,761
Ambulatory Healthcare Services	41,227
Hospitals	30,804
Nursing and Residential Care Facilities	20,495
Social Assistance	19,235
Arts, Entertainment, and Recreation	27,382
Performing Arts and Spectator Sports	5,125
Museums, Historical Sites, and Recreation	361
Amusement, Gambling, and Recreation	21,896

Note: For a discussion of Richard Florida's "Creative Class" concept and Jackson, MS, see Todd Stauffer's article "City Limits" at www.jacksonfreepress.com.

SOURCE: U.S. Bureau of Economic Analysis: Regional Accounts Data, Annual State Personal Income. Detailed NAICS series 2001.

Table 7. **POPULATION CHANGE BY RACE, JACKSON, MS MSA**

	Population	NonHispanic White	NonHispanic Black	Hispanic	Asian
Metro Data					
1980	361,973	209,644 57.92%	147,924 40.87%	2,822 0.78%	885 0.24%
1990	395,396	223,932 56.63%	167,445 42.35%	1,944 0.49%	1,754 0.44%
2000	440,801	229,969 52.17%	201,470 45.71%	4,240 0.96%	3,692 0.84%
City of Jackson					
1980	202,890	105,756 52.12%	94,480 46.57%	1,508 0.74%	621 0.31%
1990	195,926	85,232 43.50%	108,672 55.47%	877 0.45%	978 0.50%
2000	184,256	50,679 27.50%	130,387 70.76%	1,451 0.79%	1,187 0.64%
Suburban Data					
1980	159,083	103,888 65.30%	53,444 33.60%	1,314 0.83%	264 0.17%
1990	199,470	138,700 69.53%	58,773 29.46%	1,067 0.53%	776 0.39%
2000	256,545	179,290 69.89%	71,083 27.71%	2,789 1.09%	2,505 0.98%

Note: See Appendix A for data on Biloxi-Gulfport-Pascagoula and Hattiesburg MSAs.

SOURCE: Lewis Mumford Center.

and effective method of teaching. JPS implemented this educational option in 2001-2002, and enrollment in the program almost doubled by this school year. The Montessori program currently serves 153 students from ages 3 to 9. The student population in the program is diverse by race and income, coming from nearly all the elementary school districts in Jackson.

Regional Challenges and Opportunities

The trends occurring in the Jackson region are similar to processes that affected other urban areas in the 1970s and 1980s. If history is a guide, the demographic transition and the political changes it engendered may be nearly over. The shift from a white-majority to an African American majority city is complete. A new political elite has attained power and has gained valuable experience in managing complex urban problems. The critical issue for Jackson is to marshal the forces of regional growth, and deepening regional-level dialogues is a critical part of that process.

Table 8. 2001 PUBLIC SCHOOL ACCREDITATION LEVELS, JACKSON MSA

Accreditation Levels 1 through 5. 5 is highest.
Levels determined by State Department of Education.

	Score
Central City Jackson Public Schools	3
Suburbs (selected school systems)	
Madison County	5
Rankin County	5
Clinton City	5
Pearl City	4
Hinds County (Jackson Public Schools excluded)	3
Canton City	2

SOURCE: Mississippi Department of Education, 2002.

The outward migration of both population and wealth from the core community of Jackson to outlying suburbs mean that Jackson and the Jackson MSA will face a series of challenges over the coming decade. Current trends work against an economically thriving region, according to many urban planning scholars. Regional divisions by income, race, and educational opportunity and attainment are often exacerbated by such trends, leading to regional fragmentation. An unbalanced tax base, as well as a mismatch between job location and employee residences, become part of the problem.

Experience has shown, however, that cities and suburbs can both prosper when political leadership, corporate citizens and grassroots organizations work together cohesively and cooperatively for the benefit of the entire region. The basis for such cooperation is a shared understanding that the quality of life of the region is inextricably tied to the health of the core city. In the Jackson MSA, nascent efforts to think and plan regionally need to be strengthened.

Cooperative regional strategies need to be explored in the areas of education, governance, tax-base, and land use regulation.

The City of Jackson is on the right track in its efforts to further reduce the crime rate, improve infrastructure, and build its urban diversity into a creative center that attracts more professionals. Its efforts to attract businesses to inner-city locations would be enhanced through provision of updated infrastructure and services—for example, the city could use its powers of eminent domain more aggressively to acquire and redevelop derelict sites throughout the city. And the city is also on track in its efforts to build a business-friendly environment, which is always critical to retaining existing enterprises and to nurturing new ones. Efforts to attract the “creative class” to the city are also promising (see box).

Diversity by race and income is a hallmark of a vibrant urban community. Such efforts as the Fondren Renaissance Foundation, Jackson State’s e-City Collaborative, and the JPS Montessori program are examples of successfully building on diversity. Grassroots neighborhood organizations also make a difference: through working with local police in addressing security issues, a number of Jackson’s core neighborhoods have seen significant increases in property values over the past five years.

Table 9. JACKSON MSA – COLLEGE-EDUCATED POPULATION, 1990-2000

	College-Educated (%)										
	Total Population		Non-Hispanic		Black		Hispanic		Asian		
	1990	2000	White	2000	1990	2000	1990	2000	1990	2000	
Jackson											
MSA	25.1	28.1	30.2	33.5	17.7	20.9	28	27.4	34.7	40.6	
Central City	26.9	27.1	35.5	39.8	18.2	20.2	29.8	25.5	36.4	39.2	
Suburbs	23.3	28.7	26.4	31.4	16.8	22.5	26.3	28.5	32.2	41.4	

SOURCE: Lewis Mumford Center.

Improvements in public educational opportunities rightly continue to be a central focus of Jackson’s development efforts. Quality educational options for every child will provide businesses access to a quality workforce. It is possible to end the marked inequalities between urban and suburban public schools. Regional tax-base sharing options can address funding disparities, while innovative programming and parental involvement can address school quality from within.

In the end, Jackson, as the center for employment and culture in the area, must provide leadership for the renaissance of the region, building on community-based talents and entrepreneurship, and reaching out and finding common ground with the region’s component jurisdictions. A deepening of the current regional dialogue, at the minimum, is an urgent requirement.

Endnotes

¹The authors would like to thank Marianne Hill for her editorial assistance with this article.

²The 17 MSAs were selected at random for purposes of comparison from the southern states of AL, LA, AK, TN, GA, NC, SC, MS and KY. For purposes of this paper, the term *region* is synonymous with Metropolitan Statistical Area. *Core county* refers to the most populous county in an MSA. *Central city* refers to the geographic boundaries of the city proper.

³The majority of public sector employment in Biloxi is military-related. Columbia is home to South Carolina’s capital and the University of South Carolina (4,200 employees). Similarly, Huntsville, Alabama has a large number of government jobs, but 46% of them are federal jobs, many related to the space program, including research and development positions. In Jackson, the majority of public sector jobs are in state and local government (84%), and include jobs at the University of Mississippi Medical Center and at Jackson State University.

⁴Myron Orfield documents this in his book *Metropolitcs*.

⁵Murrah High School ranked 229th in the *Newsweek* study.

⁶In Madison County, 65% of the 20 census tracts have median household incomes in excess of \$40,000 annually. Nine tracts have median household incomes in excess of \$60,000. Residents of these tracts are highly educated professionals who generally work outside of Madison County—most likely in Jackson. The housing and infrastructure close to Jackson are fairly new, and the quality of the local schools makes near-by Madison County an attractive residential choice for those who can afford it. While the racial balance is different than Jackson, most of the Madison tracts near Jackson are integrated and include a significant number of African American professionals.

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APPENDIX

Table A. POPULATION CHANGE BY RACE: BILOXI-GULFPORT-PASCAGOULA AND HATTIESBURG MSAs

		Biloxi-Gulfport-Pascagoula, MS MSA				
		Population	White (Non Hispanic)	Black (Non Hispanic)	Hispanic	Asian
Metro Data	1980	300,162	237,150 79.0%	54,448 18.1%	4,952 1.7%	2,472 0.8%
	1990	312,368	243,122 77.8%	58,353 18.7%	4,548 1.5%	5,610 1.8%
	2000	363,988	271,782 74.7%	71,361 19.6%	8,492 2.3%	8,787 2.4%
Biloxi-Gulfport-Pascagoula	1980	136,345	102,054 74.9%	29,430 21.6%	2,684 2.0%	1,608 1.2%
	1990	136,746	98,381 71.9%	32,045 23.4%	2,448 1.8%	3,571 2.6%
	2000	147,971	95,713 64.7%	41,620 28.1%	4,681 3.2%	4,525 3.1%
Suburban Data	1980	163,817	135,096 82.5%	25,018 15.3%	2,268 1.4%	864 0.5%
	1990	175,622	144,741 82.4%	26,308 15.0%	2,100 1.2%	2,039 1.2%
	2000	216,017	176,069 81.5%	29,741 13.8%	3,811 1.8%	4,262 2.0%

		Hattiesburg, MS MSA				
		Population	White (Non Hispanic)	Black (Non Hispanic)	Hispanic	Asian
Metro Data	1980	89,805	68,256	20,070	989	320
			76%	22.35%	1.1%	0.4%
	1990	98,738	72,792	24,575	667	572
			73.72%	24.89%	0.7%	0.6%
	2000	111,674	79,315	29,528	1,338	919
			71.02%	26.44%	1.2%	0.8%
City of Hattiesburg	1980	41,130	26,158	13,980	632	245
			63.60%	33.99%	1.5%	0.6%
	1990	42,177	24,254	17,023	410	444
			57.51%	40.36%	1.0%	1.1%
	2000	44,779	22,060	21,260	630	606
			49.26%	47.48%	1.4%	1.4%
Suburban Data	1980	48,675	42,098	6,090	357	75
			86.49%	12.51%	0.7%	0.2%
	1990	56,561	48,538	7,552	257	128
			85.82%	13.35%	0.5%	0.2%
	2000	66,895	57,255	8,268	708	313
			85.59%	12.36%	1.1%	0.5%

SOURCE: U. S. Bureau of the Census, 2002.

Table B. **BILOXI-GULFPORT-PASCAGOULA AND HATTIESBURG METRO AREAS –
COLLEGE EDUCATED POPULATION, 1990-2000**

(% College Educated)

	Total Population		Non-Hispanic White		Non-Hispanic Black		Hispanic		Asian	
	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000
<u>Biloxi-Gulfport-Pascagoula, MSA</u>										
Metro Area	15.4	17.6	16.1	18.4	12	14.6	16.9	18.7	12.6	17
Central City	16.6	18.5	18.9	20.4	11.6	14	17.6	18.3	10.3	15.1
Suburbs	14.5	16.9	14.4	17.2	12.6	15.5	16.2	19.1	16.7	19.3
<u>Hattiesburg, MSA</u>										
Metro Area	20.1	24.3	22.9	26.7	14.2	19.7	28.9	28.6	38.5	38.6
Central City	27	28.9	34.8	37.1	14.1	19.5	34.1	32.9	40.3	40.1
Suburbs	15.6	21.6	15.9	21.9	14.4	20	19.8	23.9	28.1	32.7

SOURCE: U. S. Bureau of the Census, 2002.

WEBSITES TECHNOLOGIES, STATUS OF WOMEN , CHARITY RATINGS

Websites contains descriptions of a few websites that are especially useful to persons seeking information and data on policy questions affecting Mississippians. The main gateway to federal statistics is www.Fedstats.gov, which was described in the 12/01 *Review*. The Economics Department of the Institutions of Higher Learning has a website with links to several sources of data on Mississippi. Go to <http://net1.ihl.state.ms.us/planning/datalink.htm>. Also, see earlier issues of the *Review* for more website information. Please send in your suggestions for *Websites* to Marianne Hill at mhill@ihl.state.ms.us.

Mississippi and the New Technologies



The Conference on High Technology sponsored by the Communication Information Technology Organization of Mississippi (www.cit.ms) this November provided a wealth of websites with information on new technologies. Begin with www.technologyalliance.ms, the site of the Mississippi Technology Alliance, to get an overview of the state's technology resources, as well as information specifically geared to the technology – related questions of businesses, communities and individuals. A listing of the Fortune 1000 Companies operating in Mississippi can be found by going to www.state.ms.us, the state website, and searching on the term Northrop Grumman (I couldn't find another way to access this listing). Armed with this information, use your preferred search engine to find the homepage of the company of interest to you. The state website also links to other websites providing information on the state's technology resources, such as the Stennis Space Center (www.ssc.nasa.gov) with its remote sensing and rocket propulsion programs.

Open Source Software

If IBM and the National Security Agency are believers in open-source software, there must be a reason. Open-source software is software that is freely distributable and extensible, so that users can build upon the knowledge embedded in a program and develop new applications. The Open-Source Software Institute, headquartered in Mississippi, explains this and more at www.oss-institute.org. Most scientific knowledge is not proprietary—it was developed years ago and is freely accessible to researchers. This enables more rapid scientific progress. Such accessibility is also important in software: the worldwide web as we know it would not exist, if it weren't for open-source software.

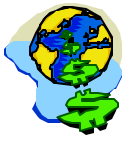


The largest distributor of open-source on the web is www.sourceforge.net, which offers over 50,000 different programs. Apache, the number one webserver, is open-source, as Linux, the number two operating system. There are top-quality competitors to brand-name software available as open-source software, such as Open Office, which is an alternative to Power Point. Similarly, software for spread-sheets and other applications can be found. The OSSI is particularly concerned with getting word out about this low-cost software to educational institutions, which are perennially squeezed for funds.

Mississippi was ranked number one by the business magazine, *The Register*, on its software piracy roll of shame, due to the percentage of businesses in the state which reported pirated software (48.7%). While the accuracy of the survey, financed by the Business Software Alliance, may be questioned, there is no doubt that piracy is a problem (catch the article at www.theregister.co.uk by searching on Mississippi).

Maybe greater use of open-source software is part of the solution to the piracy problem.

Status of Women in Mississippi



The Institute for Women’s Policy Research in D.C. released a report in November ranking the status of women in the 50 states and D.C. Mississippi ranked 51st overall. The state improved in one of five categories, political participation, where the ranking moved up from 47 to 42 over the 2000-2002 period. Rankings of each state are provided at www.iwpr.org, and the full report can be ordered. The greatest drop here was in the health and well-being index, where much of the fall from 39th to 49th place was apparently due to the availability of improved statistics. Also notable was an increase in the wage gap between men and women. The earnings ratio between fulltime, year-round employed women and men dropped from 71.5% to 68.5%.

Mississippi ranked number one in the rate of women murdered by men in 2000, with a rate of 2.72 homicides per 100,000, according to the annual report of the Violence Policy Center, at www.vpc.org. This report was released in October, Domestic Violence Awareness Month. Search on Mississippi to find the press release. Data related to these and other issues can be accessed through the Institute for Women’s Leadership at Rutgers University, <http://iwl.rutgers.edu>. More statistics on violent crime can also be found at the Department of Justice, which offers extensive data through its Bureau of Justice Statistics at www.ojp.usdoj.gov/bjs.

Check Out Those Charities

Calls and letters from charities are common during the holiday season, but a glossy brochure giving the group’s state registration number and toll-free telephone numbers to call for financial statements does not ensure that even 10% of the donations collected will actually fund the activities listed. This year, be especially aware of groups mentioning the words “firefighter” or “police”. Visit www.guidestar.org to get the basic data filed by a nonprofit. Another site, www.charitynavigator.org provides a ranking based on a few criteria, but be aware of some of the shortcomings of those criteria. One variable considered, for example, is percentage of the budget taken up by overhead costs. Some activities require more overhead than others, and this is not taken into account by the ranking. More detailed information on the percentage of funds going to actual program activities, as opposed to fund-raising and overhead, can be obtained from the Mississippi Secretary of State’s Office, where all nonprofits soliciting funds in the state must register. Call 888-236-6167 or 601-359-1371 for this information.



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