

# Southern governors in Asheville learn South lags in middle-skills workers

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**ASHEVILLE** — The South has largely shaken the stereotype of poor, illiterate backwater.

But if the region wants to truly rev up its economic engine, it must overcome problems such as a lack of venture capital, lagging industrial [investment](#) in research and too few workers trained in “middle skills,” business leaders and others told governors of several Southern states.

The Southern Governors Association, representing the top executives of 16 states and two U.S. territories, wrapped up Sunday the third and final day of the group’s annual meeting at the Grove Park Inn.

The focus was creating jobs at the same time states struggle to close budget gaps because of high unemployment and dwindling tax revenues.

N.C. Gov. Bev Perdue, association chairwoman, said the states need to continue to remind corporations and others of the region’s successes.

“There is a lot of bright, creative work going on in a region of the country that has affordable labor, the cheapest power and electricity in the country, and the largest quadrant of really highly educated people,” Perdue said.

At Sunday’s session, the National Skills Coalition released a new study saying the south has a shortage in workers qualified for so-called “middle skills” jobs, such as electricians, nursing aides and computer support specialists.

In North Carolina, for example, 51 percent of available jobs fall into the middle skills category, while only 43 percent of job seekers are qualified, said the report by the coalition of employers, unions, educators and others.

[Toyota Motors](#) Group Vice President James Wiseman said that contrary to popular belief, manufacturing is not dying in this country and his company is struggling to find people with skills to build new types of machinery.

“How many people want their kids to grow up and be a tool and dye maker or a skilled electrician in a factory? Not many. But if you asked how many wanted their kids to be doctors, bankers or lawyers, of course everybody raises their hand,” he said.

Wiseman said many of the manufacturing jobs pay between \$50,000- \$75,000, without requiring a 4-year degree.

The answer, he said, is working more closely with employers and educators to make sure students have needed skills and that they are flexible enough to learn new ones.

“The opportunity is huge if federal government and the states can set policy and encourage people to go into these fields,” he said.

Meanwhile, new maps showing states’ academic [assets](#), business assets and other assets produced by association staff showed the South behind when it comes to money available for business investment.

“In 1998, the South had 22 percent of the country’s venture capital,” said Diane Duff, association executive director. “That declined to 13 percent in 2008. So we are just dropping off.”

In terms of research and development, the region has 73 of the top 200 educational institutions recognized for such work. But compared to the rest of the country, there is a lag in industry-sponsored initiatives, she said.

To change that in North Carolina, Perdue said the state must identify clusters of industry and focus on developing them for the next 10 years.

Community colleges must also offer expedited training in areas such as advanced manufacturing and medical services.

“We just need to make it possible for people who are out of work to find an immediate training module that allows them to seek employment quickly in something that has long-term ramifications for their lives,” she said.

With research and development, North Carolina does better than most Southern states because of its agricultural extension service set up in the early 20th century.

“So, every county in North Carolina has a backbone in place for industrial training and industrial recruitment. We do get lots of research dollars in our state around industrial development. That is why the textile industry has been transformed around North Carolina,” she said.