



Texas Workforce Investment Council Policy News Highlights

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Texas Workforce Investment Council – Policy News Highlights is a quarterly review of selected reports relevant to the policy and research functions of the Texas Workforce Investment Council (TWIC). Federal and state agency websites, in addition to public policy and educational databases, are scanned monthly for relevant and emerging issues. Reports are catalogued and stored electronically in TWIC's Information Repository (IR). Topic areas include: adult education; child care; economic development; federal legislation; higher education; K-12 education; local workforce boards; state legislation; TANF; and training.

This quarter, two discernable themes emerged across the IR's various workforce-related research and writing topics: talent development and economic competitiveness and innovation. The first part of *Policy News Highlights* will focus on talent development in the areas of adult education, higher education, K-12 education, economic development and training. One major article and related writings will be featured, followed by brief summaries of other reports. Economic competitiveness and innovation will be the subject of the second half of *Highlights* and will follow the same format.

Talent Development

Reach Higher, America – Overcoming Crisis in the U.S. Workforce, Report of the National Commission on Adult Literacy, June 2008.

That education drives the economy, and that without heightened attention to America's adult literacy and workforce skills, the country's economic viability and standard of living are jeopardized, is the focus of this report.

According to the National Commission on Adult Literacy (Commission), the United States (U.S.) is the only one of 30 free-market countries where children are less educated than their parents. Each year, one in three young people does not graduate from high school. One in four U.S. working families is considered low-income, one in five American children lives in poverty, and heads of these households do not have the adequate education or training to earn enough money to support their families. With one in every one hundred adults in the U.S. in prison, the fact that well over half possess low literacy skills is also significant: about 95 percent return to communities and must reintegrate and find employment with inadequate basic skills and education. Another growing population impacted by low literacy rates is the immigrant population, increasing by two million each year, but with roughly 50 percent lacking the English skills or high school education necessary to obtain jobs, training, higher education, or

citizenship. These population trends are even more alarming when considered in tandem with the aging of the baby boomer generation. The Commission finds that roughly 8,000 people turn 60 years of age each day and that the remaining worker cohort that will replace them is smaller and less well-educated. The American workforce numbers over 150 million people and about 88 million have some kind of educational barrier: no high school diploma, no higher education, or inadequate English language skills. Thus, the necessity of adult education is apparent, yet federal adult education programs serve only three million adults annually.

Spurred by these findings, the Commission has a number of recommendations to Congress to shore up America's competitiveness in the world economy:

- Hone the U.S. adult education and literacy system into an adult education and workforce skills system that can effectively serve 20 million adults each year by 2020.
- Hold postsecondary and workforce readiness should be the mission driving the adult education and workforce system.
- Enact a new Adult Education and Economic Growth Act that is able to keep track of the number of adults achieving GEDs (or equivalents), English language proficiency, workforce certificates credentials and, be enrolled in postsecondary training and/or education. Among other things, the act should:
- Focus on the needs of unemployed persons, low-skilled incumbent workers, immigrants speaking little or no English, parents lacking basic skills, and high school graduates unprepared for college.
- Call for national leadership in developing and launching technology-assisted learning
- Align and coordinate all aspects of the federal Workforce Investment Act within the federal government and with postsecondary education entrance requirements, particularly at community colleges.

AE26

Link: <http://www.nationalcommissiononadultliteracy.org/ReachHigherAmerica/ReachHigher.pdf>

A response to *Reach Higher, America*, was published by the National Council of State Directors of Adult Education (NCSDAE) this same month of June, 2008. *Commendation and Response to the National Commission Adult Literacy Report, Reach Higher America – Overcoming Crisis in the U. S. Workforce*, commends the National Commission on Adult Literacy, but advocates extending Pell grants, re-establishing a “national adult education research center,” and asking states to implement a “matching share” program when allocations for adult education have been reached. It suggests that beyond community colleges and community-based organizations, school districts could allocate funds for adult education through the local tax dollars they receive. The response also points out that *Reach Higher, America* did not give enough attention to the role of adult literacy and education in the health care crises and in education reform.

AE28 Link: <http://www.ncsdae.org/NCAL/response.pdf>

A third publication, *Bridges to Opportunity: Adult Education Programs for the 21st Century - Report to the President on Executive Order 13445*, issued by the U.S. Department of Labor, appeared in July, 2008. President Bush signed an Executive Order in September of 2007 called Strengthening Adult Education, establishing a Working Group to identify and study all federal programs supporting adult basic education and their effectiveness. *Bridges to Opportunity* summarizes the findings of the Working Group, and includes recommendations about the programs and an assessment how well they transitioned adults from basic literacy to work, training, workforce or postsecondary education. Recommendations included strengthening the leadership of the National Institute for it exercise its coordination responsibility more effectively and consolidating programs under a single administrative , evaluating the effectiveness of adult education services more broadly to include transitions to further education and training.

AE 27

Link: <http://www.ed.gov/about/offices/list/ovae/eo13445.pdf>

Tomorrow's Workforce: Ready or Not It's a Choice the Business Community Must Make Now, Corporate Voices for Working Families, July 2008

This report draws upon numerous sources to encourage business to take a more active role in shoring up the "talent pipeline." Business can shape education and improve youth development and workforce readiness by partnering with schools for after school programs and internships.

ED74

<http://www.cvworkingfamilies.org/downloads/2008WorkforceReadiness-ReadyorNot.pdf?CFID=47483930&CFTOKEN=46999762>

Gaining Momentum, Losing Ground, Tapping America's Potential, Education for Innovation Initiative, July 2008.

In July of 2005, a group of top business organizations formed "Tapping America's Potential," (TAP) to draw attention to what they felt was America's declining leadership position in global science and technology innovation. TAP published a report and set as a goal, double the rate (400,000) of annual science, technology engineering and mathematics (STEM) bachelor's by 2015. This progress report allows that great strides have been made, but the author's worry that not enough federal follow-through, in the way of matching funds, has been allocated. The article includes an appendix of examples of progress made in the last three years with regard to TAP recommendations. To illustrate, a TAP recommendation was to motivate young Americans (especially minorities and women) to study and enter STEM (science, technology, engineering and math) careers using a variety of incentives. An example of progress related to this recommendation was the President's signing in 2006 of the Deficit Reduction Act establishing SMART (Science, mathematics and Research for Transformation) grants to encourage participation. In 2008, IBM, ExxonMobil, Lockheed Martin and Univision sponsored a summit "America's Competitiveness: Hispanic Participation in Technology," focused on increasing interest in STEM careers and majors among young Hispanics.

ED 77

Link: http://www.tap2015.org/news/tap_2008_progress.pdf

A Matter of Trust: Ten Key Insights from Recent Public Opinion Research on Attitudes About Education Among Hispanic Parents, Students and Young Adults, America's Competitiveness: Hispanic Participation in Technology Careers Summit, May 2008.

Currently, Hispanics make up one-fifth of the school population of the United States. This paper draws upon surveys taken over the last few years and presents data regarding the importance of college in the Hispanic culture, how Hispanic families feel about educators, about resources

available in schools and dropout rates, and how Hispanics view the future of their youth in relationship to educational opportunities.

HE52

Link: <http://www.publicagenda.org/research/pdfs/amatteroftrust.pdf>

Making the Transition to Four-Year Institutions: Academic Preparation and Transfer, Community College Research Center, June 2008.

This paper analyzes Florida's data of first-time community college students. The authors ask not whether community colleges can facilitate transfer, but rather whether they can serve as an avenue to four-year institutions when the student is academically unprepared. They frame the question this way because there is a lack of research about how well and in fact, whether, academically unprepared students can catch up in higher education. The researchers find that many inadequately prepared students do indeed transfer to four-year institutions. Furthermore, the authors determine that successfully completing intermediate outcomes, such as an Associate of Arts degree, does increase the probability of transfer. But, successfully completing the intermediate outcome does not necessarily “alleviate the negative consequences of entering higher education unprepared.” In other words, even in instances where unprepared students do indeed acquire their Associate of Arts degree, they lag behind peers when they continue to four-year institutions. Therefore, while community colleges may serve a democratizing role in our educational system, their ability to make up for inadequate academic preparation prior to entering higher education is limited.

HE53

Link: <http://ccrc.tc.columbia.edu/Publication.asp?UID=618>

Career and Technical Education in the United States: 1990 to 2005 Statistical Analysis Report, National Center for Education Statistics, July 2008

This lengthy report takes an in-depth look at Career Technical Education (CTE) over the past 10 years by reviewing CTE providers, course offerings, participants, faculty, associated outcomes, and at CTE in secondary, postsecondary, and adult education. At the secondary level, CTE enrollment has remained flat. However, at the postsecondary level, the number of students enrolled in “career fields” increased by about half a million over this period, with health care and computer science the most favored specialties.

HE54

Link: <http://nces.ed.gov/pubs2008/2008035.pdf>

Special Supplement to the Condition of Education 2008, National Center for Education Studies (NCES), August 2008

This is a statistical report by the NCES analyzing and comparing community colleges to other public and private four-year institutions. Some of the questions addressed are:

- Have community colleges increased in number over time?
- How have their enrollments changed?
- How do community college systems differ from state to state?
- What are tuition and fees at community colleges?
- Who are community college teachers?

Data indicates that between 1974 and 2005, there are 17 percent more community colleges in the U.S., up from 896 to 1,045. However, four-year colleges increased by 20 percent for the same time period, and private 4-year colleges increased by 49 percent.

HE55

Link: <http://nces.ed.gov/pubs2008/2008033.pdf>

Closing the Gaps by 2015-2008 Progress Report, Texas Higher Education Coordinating Board, July 2008

This summer's progress report for the *Closing the Gaps by 2015: The Texas Higher Education Plan*, has a summary and a detailed breakdown for each of the plan's four goals, participation, success, excellence and research. For example, for the statewide participation in higher education the July 2008 measure indicates the state is "somewhat below target," as opposed to the July 2007 measure, when it was "on target." After the initial summary, the body of the report shows graphs and charts with precise numbers and figures. For example, in statewide participation, the report shows that participation grew at 15.2 percent from 2000 to 2003, but that from 2003 to 2007, it only grew 6.8 percent, indicating that enrollment must increase about 13.4 percent for it to remain on target between 2007 and 2010. The report explains that for statewide participation, some of the slowdown is due to lower enrollment of first-time freshmen at public universities. The report continues with information of this nature, presented for all of the *Closing the Gaps* targets.

IR no. HE 56

Link: <http://www.theccb.state.tx.us/reports/PDF/1555.PDF>

Policy Alert – Is College Opportunity Slipping Away? National Center for Public Policy and Higher Education, August 2008.

More and more Americans believe higher education is essential for their children to secure good jobs, yet they see the cost of education to be rising just as fast as, or even faster, than the cost of health care. Thus, while most Americans see higher education as a necessity, many are critical that colleges are being run like businesses, with not enough attention to education and too much emphasis on the bottom line.

IR no. HE 57

Link: http://www.highereducation.org/pa_college_opp/College_Opportunity.pdf

Promoting STEM Education: A Communications Toolkit, NGA Best Practices, June 2008

Governors and high-level state officials understand that STEM fields play an increasingly critical role in ensuring states economic security. Part of the Innovation America initiative and patterned after specific state initiatives, this paper is a toolkit showing leaders how to communicate and launch STEM awareness.

K80

Link: <http://www.nga.org/Files/pdf/0804STEMTOOLKIT.PDF>

Secondary Completion and Dropouts in Texas Public Schools 2006-2007, Texas Education Agency, August 2008.

This is an annual report with summaries of the high school dropout rate in Texas, longitudinal completion and dropout rates for this year, as well as the state attrition rates. Methods of measuring student progress are included, along with information about how TEA collects and reports data.

IR no. K82

Link: http://www.tea.state.tx.us/research/pdfs/dropcomp_2006-07.pdf

Career and Technical Education in the United States: 1990-2005, U.S. Department of Education National Center for Education Statistics, July 2008

The 2006 Carl D. Perkins Career and Technical Education Improvement Act requires the NCES to conduct and publish this reports. Information for this 287-page report includes data on the following: institutional providers, scope of participation, common occupational programs, characteristics of participants, faculty, academic attainment, postsecondary education outcomes, and employment outcomes and earnings.

IR no. K83

Link: <http://nces.ed.gov/pubs2008/2008035.pdf>

Public School Dropouts from the Common Core of Data School Year 2005-2006 First Look, National Center for Education Statistics Institute of Education Sciences (NCEIES), August 2008

The NCES is the designated federal entity for collecting and analyzing data related to education in the United States. This report includes information about the number of high school graduates and the number of drop outs from the “Averaged Freshman Graduation Rate (AFGR),” from public schools in America. It indicates that for the 48 reporting states, approximately 2,650,000 students graduated, resulting in an average rate of 73.4 percent. This is 4 percentage points higher when compared with data for the four years prior, from 2002-2003 through 2005-2006.

IR no. K84

Link: <http://nces.ed.gov/pubs2008/2008353.pdf>

Dropout and Completion Rates in the United States: 2006, Center for Education Statistics within the Institute of Education Sciences (IES), September 2008.

The negative impacts of dropping out of high school range from very low salary and poverty issues to poor health and to greater statistical probability of a life in prison or on death row. This report includes estimates of rates in 2006, presents information about dropout trends over the last 30 years, and looks at the characteristics of high school dropouts and completers.

IR no. K85

Link: <http://nces.ed.gov/pubs2008/2008053.pdf>

Preparing High School Students for Successful Transitions to Postsecondary Education and Employment, National High School Center, August 2008.

This well-researched issue brief lays out successful approaches to improving the preparedness of high school students for postsecondary education or entry into the workforce. Its central finding is that these approaches must be implemented with care, with sustained financial support, and accompanied by technical assistance and a focus on professional development for instructors. At the state level, the author makes suggestions to policy makers to align high school curricula and graduation standards with the expectations of postsecondary institutions and employers. At the district and school levels, suggestions include intervening early (research indicates that students must pass core ninth-grade courses to stay on track for graduation from high school), combine rigor and high expectations with appropriate counseling for all students, and collaborate with postsecondary institutions, economic development agencies and employers to construct smooth transitions for students from college to the workforce.

IR no. K86

Link: http://www.betterhighschools.org/docs/PreparingHSSStudentsforTransition_073108.pdf

Evaluating the Impact of Interventions That Promote Successful Transitions from High School, National High School Center, August 2008.

This is a companion piece to *Preparing High School Students for Successful Transitions to Postsecondary Education and Employment*. While the first brief focused mainly on the operation and implementation of programs or “interventions,” this paper focuses on challenges and opportunities encountered while evaluating whether the interventions designed to improve students’ attainment achieve these goals.

IR no. K87

Link: http://www.betterhighschools.org/docs/ResearchBrief_ImpactofInterventions_073108.pdf

Postsecondary Career/Technical Education: Changes in the Number of Offering Institutions and Awarded Credentials from 1997 to 2006, National Center for Education Statistics (NCIES), September 2008.

This four-page issue brief concentrates on career/technical education at the sub-baccalaureate sector. It looks at trends within less-than-four-year Title IV postsecondary institutions, noting that the number of such institutions increased by 3 percent over the 9-year period, while the total number of CTE credentials awarded increased by 24 percent. For-profit institutions, both two-year and less-than-two-year, experienced an increase in CTE activity. Regarding public two-year institutions, the number of them offering and awarding CTE decreased, but the number of CTE credentials awarded by these institutions itself increased.

IR. no. K88

Link: <http://nces.ed.gov/pubs2008/2008001.pdf>

Evaluation of the Prisoner Re-Entry Initiative Interim Report and Summary and Implications, U.S. Department of Labor and Employment and Training Administration, June 2008.

This interim report is the first major study of a comprehensive prisoner re-entry initiative (PRI) involving participation of not only the US Department of Labor, but also the US Department of Justice, Housing and Urban Development and Health and Human Services. With over 650,000 prison inmates returning to their communities each year, the reintegration of ex-offenders is a concern to everyone. Many ex-offenders face shattered relationships and deteriorated ties to their communities, along with limited educational skills and their recidivism rates near 67 percent. The PRI draws upon the position and strength that faith-based organizations and community-based organizations have with regard to providing social services to the hardest-to-serve populations. The study’s Summary and Implications piece is also attached.

TR81

Link: http://wdr.doleta.gov/research/FullText_Documents/PRI-Eval%20Interim%20Report%20-%206-11-08.pdf

Going to Work with a Criminal Record—Lessons from the Fathers at Work Initiative, Public/Private Ventures, July 2008.

Bureau of Justice statistics show that 650,000 adults are released from prison each year in the United States. Most of them are male, usually poorly educated, and often plagued with substance abuse problems. They have difficulty finding jobs and housing and since many are non-custodial parents, they have large child support obligations. This report draws from information given by six different organizations and details “lessons” that workforce organizations will find useful as they assist this particular demographic reintegrate into the workforce. Suggestions range from

learning teaching job applicants to refer to their pasts using positive language, to recommending job placement personnel make contact with parole officers.

TR82

Link: http://www.ppv.org/ppv/publications/assets/238_publication.pdf

Using the Workforce Investment Act to Develop and Foster Innovative State Workforce Policies and Programs, The Working Poor Families Project, Spring 2008

The Workforce Investment Act (WIA) is the primary federal support for job training and employment services in the country. It allows each state governor to determine “statewide activities” using up to 15 percent of the state’s allocation for this. The Working Poor Families Project helps states decide how the discretionary monies are spent, focusing on improving the skills and earning strength of low-income working adults. This paper tracks how some states have invested their WIA discretionary funds toward economic development by simultaneously meeting labor market needs and creating new opportunities for working adults. Two factors that affect how states allocate discretionary WIA money are the level of the governor’s interest and the existence of well-organized community workforce advocacy. The paper concludes that while the WIA has fallen short of many hopes, the discretionary aspect available to governors has worked well in many states.

T83

Link: http://www.workingpoorfamilies.org/pdfs/WFPFpolicybrief_spring08.pdf

Workforce Readiness Principles, Corporate Voices for Working Families, July 2008

The import of this article is that businesses must take a leadership role in improving the workforce readiness of America’s youth. With ongoing changes in the global economy, American competitiveness is dependent on a solid talent pipeline of skilled workers. The authors write that business has already made a significant contribution to heightening the awareness of workforce stakeholders “by defining workforce readiness skills to include not only basic academic skills, but also critical applied workplace skills.” This compact article offers a good overview of the stress points in the U.S. workforce, with updated statistics and definitions of issues related to changing jobs, educational attainment, and slowing workforce growth. The authors lay out suggestions for policy-makers, with emphasis on the notion that an integrated and comprehensive system will include changes to what transpires at schools during the school day. For example, afterschool programs and youth development organizations are important delivery systems for many of the applied skills (professionalism, timeliness, etc.) employers most need.

IR no. 88

Link: http://www.cvworkingfamilies.org/downloads/2008workready_princip_print.pdf?CFID=50557307&CFTOKEN=40086672

Economic Development

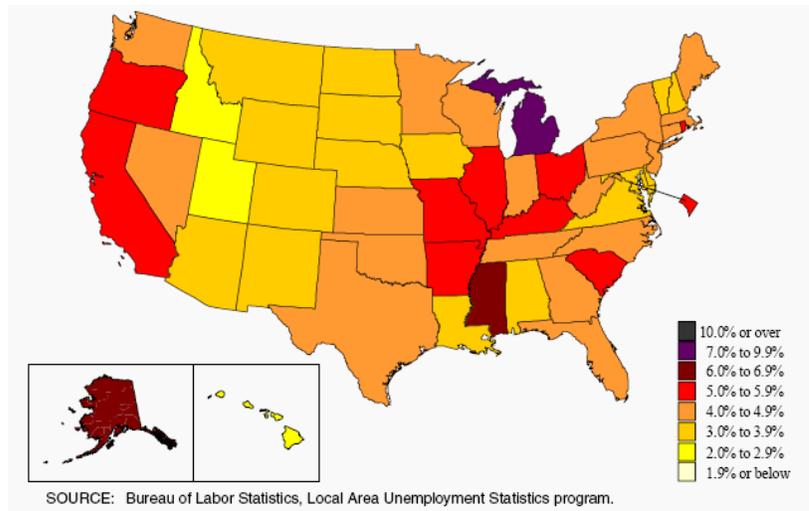
America’s Dynamic Workforce: 2008, U.S. Department of Labor, August 2008.

This overview details current economic conditions and highlights trends impacting the U.S. labor market and the economy. Data on labor force participation, unemployment, compensation, gross domestic product and productivity growth are current through July 31, 2008. The report emphasizes the resiliency of the American labor market in light of the fast pace of technological changes that are rapidly transforming the U.S. economy into a knowledge-based economy. In line with other reports, *America’s Dynamic Workforce: 2008* states that most projected future

jobs will require some amount of postsecondary education, and education toward the knowledge and skills that are in current demand is essential for the country's economic success. There are six chapters, including a summary of current economic trends in employment and productivity, a global contextual view of the U.S. labor market, trends and expectations for education and demographics, and ending with a look at work opportunities in 2016.

Chapter 1 reports current levels and trends in payroll jobs, total unemployment, job openings, turnover, unemployment and GDP.

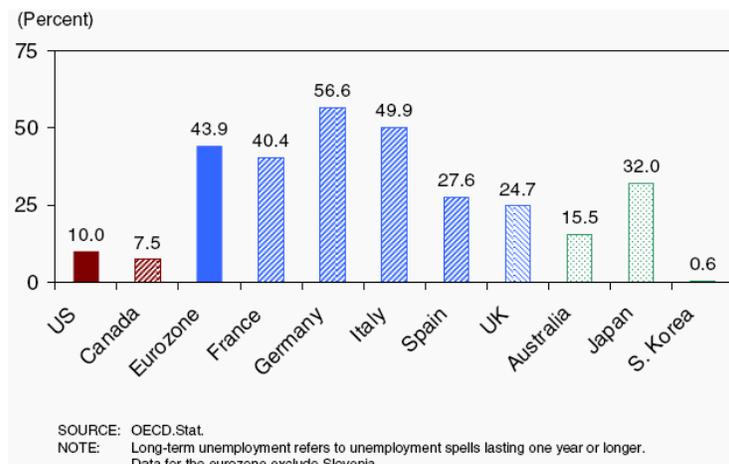
Figure 1 Unemployment rates by state, 2007



Chapter 2 is an overview of trends in labor productivity and worker compensation. Labor productivity is the ratio of real output to the number of labor hours required as input.

Chapter 3 uses labor market indicators such as GDP per capita and worker productivity to provide a picture of the U.S. labor market in a global context. While other nations may lead in particular indicators, the U.S. is consistently high across numerous measures.

Figure 2 Incidence of long-term unemployment in 2007, U.S. and selected countries



Chapter 4 focuses on the educational attainment of the American labor force and acknowledges that higher educational attainment is a significant factor in a worker's capacity to acquire new skills and knowledge.

Chapter 5 looks at two major trends expected to affect the U.S. labor force significantly over the next fifty years: the aging population and increasing ethnic and racial diversity.

Chapter 6 looks at projected job opportunities within a time frame to 2016 and examines what Americans will need to hold those types of jobs.

IR no. Tr87

Link: <http://www.dol.gov/asp/media/reports/Workforce2008/ADW2008.pdf>

State Technology and Science Index: Enduring Lessons for the Intangible Economy, Milken Institute, June 2008.

The State Technology and Science Index was first published in 2002, in an effort to recognize the growing importance of intangibles in the nation's economy. The index takes an inventory of technology and science assets commonly leveraged to promote economic development within states. The index factors 77 indicators comprising five equally weighted composites. This year's index begins its analysis by looking at research and development and innovation capacities, "the new raw materials of technology-based economic development." Massachusetts comes in first for 2008, followed by Maryland, Colorado, California and Washington State. Texas ranks 20th. In their concluding remarks, the authors describe one of the clearest trends across the nation, a concentration of state scores near the mean, as indicating increased competition for funding and capital. They further remark that major threats to any state's position in the intangible economy come from abroad, especially China, India and Singapore. The paper also notes that the fall-off in international graduate student enrollment at US universities as a result of restrictions stemming from the 9/11 catastrophe mean states must compete with one another and with foreign countries for human and financial capital.

IR no. ED 69

Link: <http://www.milkeninstitute.org/pdf/StateTechScienceIndex.pdf>

State Revenue Report, Nelson A. Rockefeller Institute of Government, July 2008.

State tax collections were weak in the first quarter of 2008, rising only 1.7 percent over the calendar year, which is the lowest since the first quarter of 2003. National economic trends are showing state revenue growth at their lowest levels in five years and all three major state taxes were weak in the first quarter of 2008:

- Personal income tax revenue was up slightly from 2007, but termed "tepid."
- Corporate income tax declined for the third consecutive quarter
- Sales tax collections were flat

IR no. ED 70

Link: <http://www.rockinst.org/WorkArea/showcontent.aspx?id=15100>

U.S. Competitiveness in Science and Technology, RAND National Defense Research Institute, June 2008

This report looks at whether the claims concerning the extent to which the U.S. is lagging in terms of its leadership role in science and technology have merit. The report suggests that the nation is retaining its competitive edge with approximately 40 percent of what the world spends on research and development, the number of prize-winning scholars, and the great number of

highly ranked universities. However, the report indicates the country does need to work at maintaining its competitive edge and suggests a special organization be established to monitor this issue, that more be put into improving K-12 education with an emphasis on science and technology, encourage foreign students in the US obtaining science and engineering degrees to stay by making it easier for them, and to make it easier for foreign scientists to immigrate to the U.S.

IR no. ED 71

Link: http://www.rand.org/pubs/monographs/2008/RAND_MG674.pdf

Where Do Innovations Come From? Transformations in the US National Innovation System, 1970-2006, Information Technology & Innovation Foundation, July 2008.

Over the last 35 years, award-winning innovations developed by large private firms have occurred with less frequency, while federally-funded innovations have sharply increased. The authors of this report suggest that the innovation occurs in a much more collaborative system than it did decades ago in the U.S. They advocate federal support of innovation, yet point out that the federal system of support has major weaknesses. It is overly decentralized (as many as five government agencies may support 30 separate teams working on the same problem), does not have enough public support because its role is not very well-known, and federal financial support for the current system is inadequate. The paper is written with the hopes of spawning a lively debate on the changing role of the U.S. government in U.S. innovation.

IR no ED 72

Link: http://www.itif.org/files/Where_do_innovations_come_from.pdf

Promoting Film and Media to Enhance State Economic Development, NGA Center for Best Practices, July 2008

Media arts, including film and television offer significant economic benefits to states and localities. Over 1.3 million Americans worked in the motion picture industry in 2005, with a total pay roll that same year of over \$30 billion. With direct payments of \$30 billion for goods and services by the industry, direct economic benefits of the industry in the US in 2005 were approximately \$60 billion, a significant figure. According to the brief, the lure of better production workforces out of the country has contributed significantly to “runaway production” and states are competing to recapture these dollars using a number of strategies to facilitate production and distribution of films. Despite the burgeoning film industry, Texas is not one of the top ten film producing states.

IR ED no 73

Link: <http://www.nga.org/Files/pdf/0807PROMOTINGFILMMEDIA.PDF>

Florida's Innovation Benchmark Study, Boyette Levy, June 2008

Florida is a large and diverse state whose economy grew based on agriculture, tourism, retirement services, defense contracting and real estate development. Florida policy makers are concerned with designing a long-term policy to make the state a 21st century economic leader. Focused on innovation, the report relies on three components for its informational overview: an in-state snapshot; out-of-state benchmarks; and state benchmarked rankings. The study is heavily based on interviews of university-based technology officials, traditional economic developers and private sector innovation-based companies, asking their perception of Florida's competitiveness in the innovation economy. Research into innovation policies, programs, and incentives of other

states was another important component of the study. Third, seven other states (one of which is Texas) were studied using over a dozen different metrics to analyze their innovation economic development. The study offers a good example of how a research project of this magnitude can be structured to measure progress, perspective and success of states interested in expanding their innovation economies.

IR no ED 75

Link: [http://www.enaplesflorida.com/pdf/FL's Innovation Benchmark Study - Full Report - June 2008.pdf](http://www.enaplesflorida.com/pdf/FL's_Innovation_Benchmark_Study_-_Full_Report_-_June_2008.pdf)

High-Impact Firms: Gazelles Revisited, Small Business Administration Office of Advocacy, June 2008

This white paper uses research dating from the 1980s as a starting point. David Birch, an expert in small business research identified rapidly growing firms responsible for the majority of economic growth in the US as “gazelles.” This paper looks at firms with very significant revenue growth and expanding employment, terming them as “high-impact firms,” and summarizes the scope of their impact on the US economy. High-impact firms are typically about 25 years old, are about three percent of all firms, but account for “almost all of the private sector employment and revenue growth in the economy.” Therefore, while very small firms account for most of the job placement in the U.S., they are not brand new companies, but rather, are companies that have been in existence for over two decades.

IR no ED 78

Link: <http://www.sba.gov/advo/research/rs328tot.pdf>

The China Trade Toll - Widespread Wage Suppression, 2 Million Jobs Lost in the U.S., Economic Policy Institute, July 2008

According to this paper, the trade between the U.S. and China had grown tremendously since China joined the World Trade Organization in 2001, and has had a detrimental effect on U.S. jobs and the country’s domestic economy. The author writes that between 2001 and 2007, over 2.3 million American jobs were either lost or displaced, and he underscores his point by noting that 366,000 jobs were lost or displaced in 2007 alone. The paper explains that the balance of trade is significant, and that while exports can stimulate and support jobs, the composition of exports, for example currently more commodities are sent to China than manufactured goods, which require the support of fewer American jobs. Similarly, imports can stimulate the American economy, but when goods imported are items that were formerly produced here, such as advanced technology products, jobs are also necessarily lost or displaced. The author includes discussion of U.S. trade with China as it impacts trade, wages, and labor force demographics. The author is careful to conclude however, that despite losing export capacity, mounting foreign debt, and a delicate macroeconomic environment, America’s loss is not China’s gain. China is critically dependent upon the U.S. consumer market, and an analysis of exchange rate policies and labor practice issues in the Chinese economy are important policy areas the U.S. must address.

IR no. ED 79

Link: <http://www.epi.org/briefingpapers/219/bp219.pdf>

Assessing Trends and Policies of Foreign Direct Investment in the United States, U.S. Department of Commerce, International Trade Administration, July 2008

For years the U.S. has been the premier destination for foreign direct investment (FDI) because it has provided a stable and open economy for foreign investors. However, as is the case with so many other aspects of the American economy, this is changing due to globalization and the

emergence of such markets as India, Russia, China, South Korea and Brazil. FDI plays an important role in the US economy because it creates new jobs, boosts wages, increases U.S. exports, strengthens U.S. manufacturing and services, brings new technology, research and skills to the country, and spurs U.S. productivity. This paper examines trends and policies affecting FDI in the United States and ways for the country to maintain its competitive status with its well-educated and productive work force. Opportunities to strengthen American competitiveness lie in improving international perception of investing in the U.S., facilitating business visas, dispelling fears about the complexity of the litigious U.S. legal system, the high cost of health care, and the cost of corporate taxation.

IR no. ED 81

Link: <http://www.ita.doc.gov/media/Publications/pdf/fdi2008.pdf>