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KENAN-FLAGLER  
BUSINESS SCHOOL

# People and Jobs on the Move: Implications for Economic Development Practitioners & Communities

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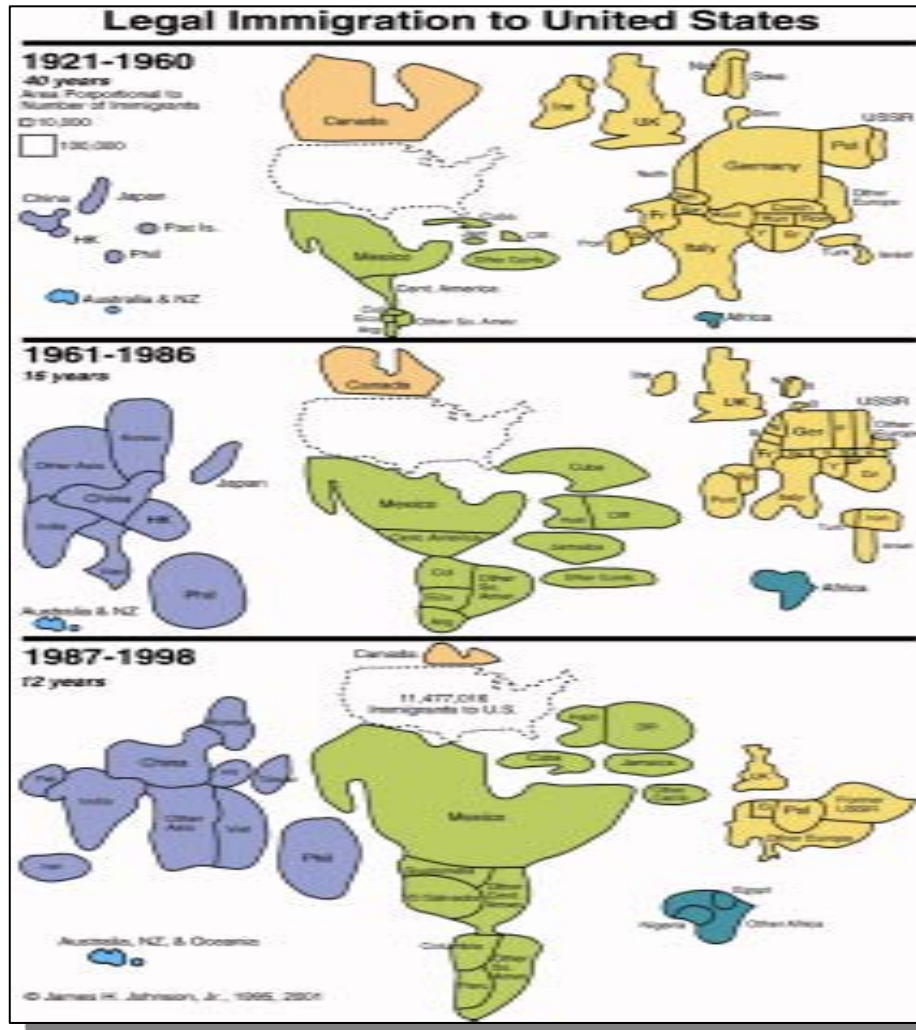
# Overview

- I. The “Browning” and “Greying” of America
- II. “First” and “Second” Waves of Globalization
- III. Implications and Challenges
- IV. Discussion



# Drivers of Future Change

- “Browning” and “Greying” of America





# The Numbers

## **Legal Immigrants:**

- 1920-1961: 206,000 annually
- 1961-1992: 561,000 annually
- 1993-1998: 800,654 annually
- 1999-2004: 879,400 annually

## **Refugees, Parolees, Asylees**

- 1961-1993: 2.1 million  
(65,000 annually)
- 1994-1998: 428,361  
(85,672 annually)
- 1999-2004: 487,386  
(81,231 annually)

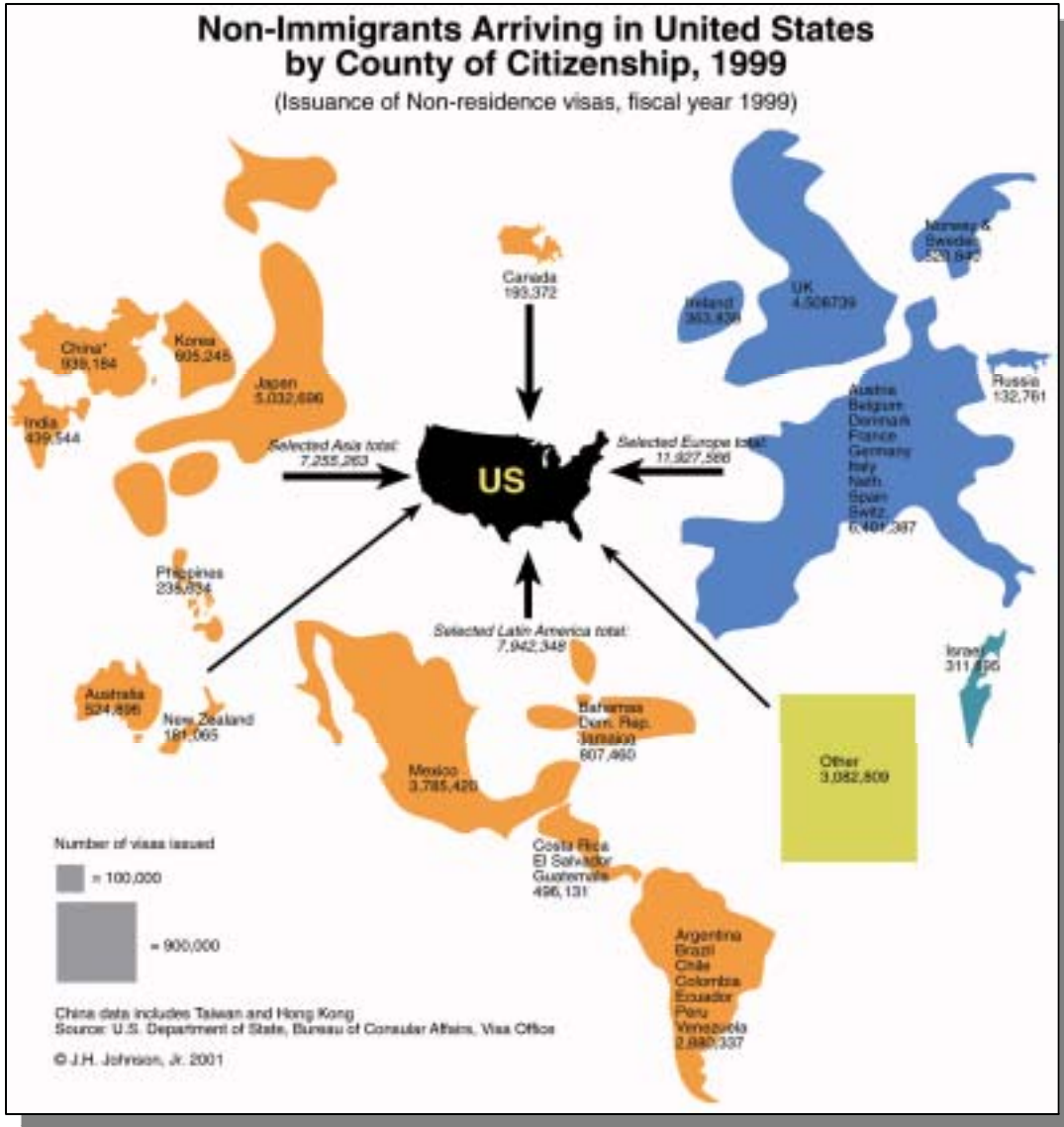
## **Illegal Immigrants:**

- 300,000 to 400,000 annually over the past two decades
- Three million granted amnesty in 1986
- 2.7 million illegal immigrants remained in U.S. after 1986 reforms
- October 1996: INS estimated that there were 5 million illegal immigrants in the U.S.
- April 2005: Illegal population range from 7 to 15 million.

# Non-Immigrants Admitted to United States, Selected Years, 1981-2004

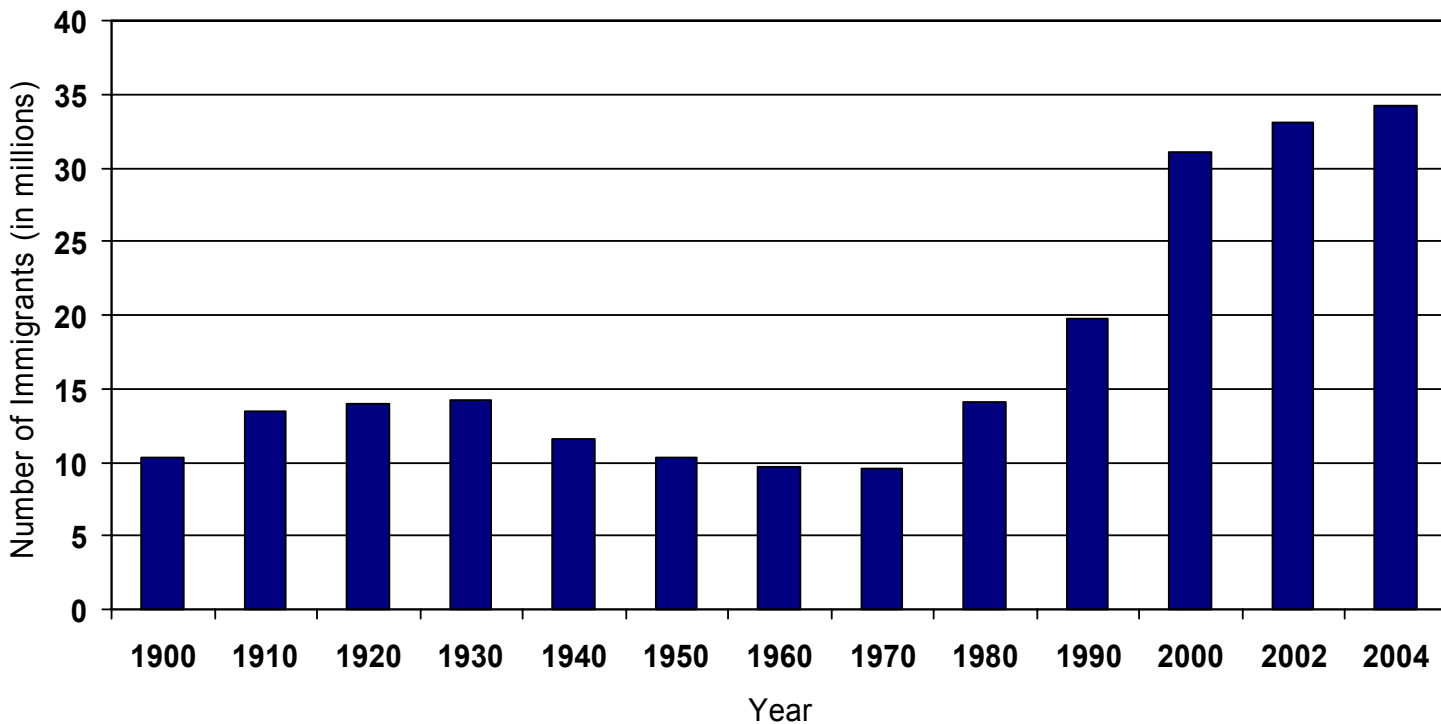
<b>Year</b>	<b>All Classes</b>	<b>Exchange Visitors</b>	<b>Academic &amp; Vocational Students</b>
1981	11,756,903	108,023 (1%)	271,861 (2%)
1985	9,539,880	141,213 (1%)	285,496 (3%)
1990	17,574,055	214,644 (1%)	355,207 (2%)
1995	22,640,540	241,364 (1%)	395,480 (2%)
2000	33,690,082	351,743 (1%)	699,953 (2%)
2001	32,824,088	389,435 (1%)	741,921 (2%)
2002	27,907,139	370,176 (1%)	687,506 (2%)
2004	30,781,330	360,777(1%)	656,373(2%)

**Source:** Statistical Yearbook of the Immigration and Naturalization Service. 2004.





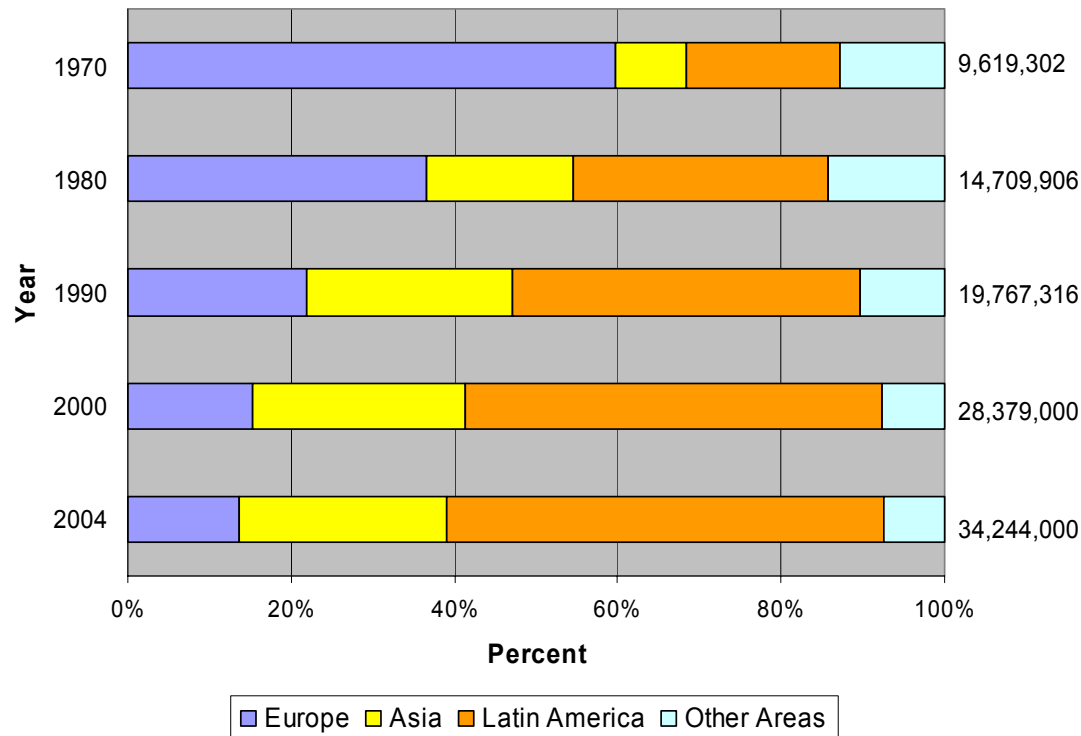
# Immigration Population, 1900-2004



*Source: Center for Immigration Studies; U.S. Census Bureau, Current Population Survey*



# World Region of Birth for U.S. Foreign Born Population, 1970-2004





# Population Estimations by Race/Ethnicity, 1988-2050

Group	Percent Change
All Races	50%
Whites	29%
Blacks	94%
Native Americans	109%
Hispanics	238%
Asians/Pacific Islanders	412%



# America's Color Adjustment

<b>Race/Ethnicity</b>	<b>1995</b>	<b>2050</b>
White	73.6	52.8
Blacks	12.0	13.5
Hispanics	10.2	24.5
Asian	3.3	8.2
American Indian	0.7	0.9



# Median Age by Race and Gender, 2000

Race/Ethnicity	Both	Male	Female
U.S.	35.3	34.0	36.5
White Alone	37.7	36.5	38.9
White, Not Hispanic	38.6	37.4	39.8
Black Alone	30.2	28.5	31.7
Hispanic/Latino	25.8	25.4	26.3
Asian Alone/Native Hawaiian	32.7	31.7	33.8
American Indian/Alaska Native	28.0	27.2	28.9
Other Pacific Islander	27.5	27.0	28.1
Some Other Race	24.6	24.5	24.6
Two or More Races	22.7	22.3	23.1



# Fertility Indicators for Women, 15-44, by Nativity and Hispanic Origin

<b>Nativity</b>	<b>Births Per 1,000 Women</b>
Native-born	61.5
Hispanic (of any race)	79.8
Not Hispanic	59.9
Foreign-born	85.4
Hispanic (of any race)	112.3
Not Hispanic	60.8

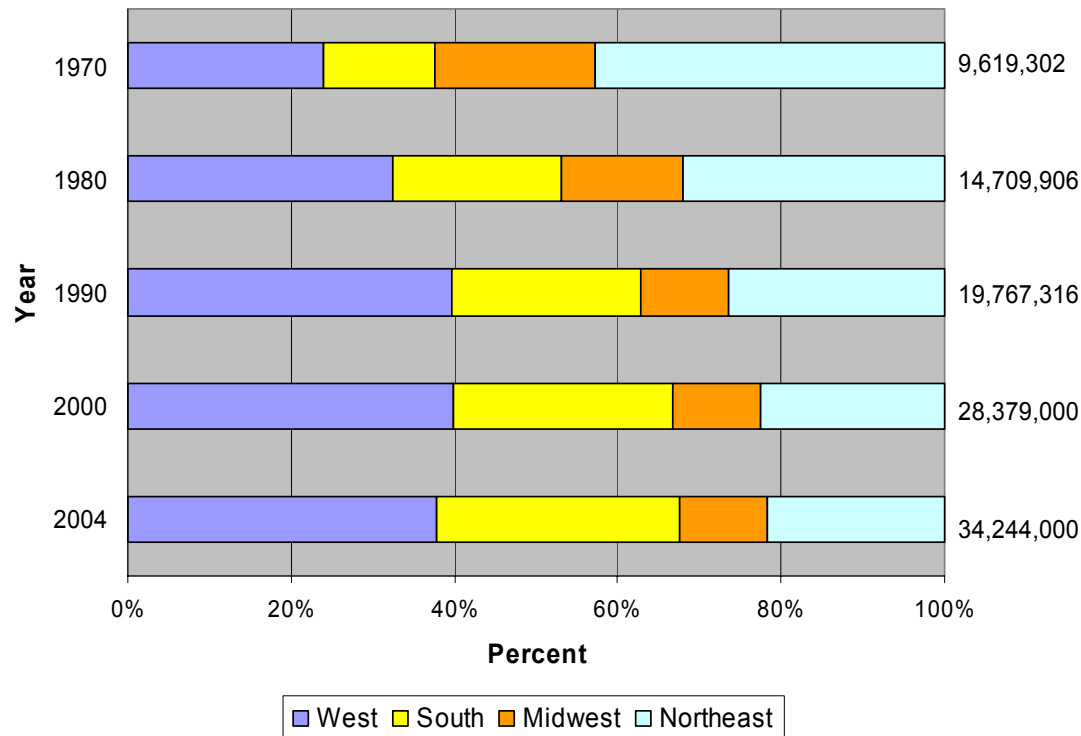


# U.S. Total and Foreign Born Population Change, 1990-2000

	2000 Population	Absolute Change 1990-2000	% Change 1990-2000
Total	281,243,499	33,323,643	13.4%
Foreign Born	32,989,429	11,472,676	53.3%
Hispanic (Foreign Born)	14,410,703	6,331,264	78.4%
Hispanic (Native Born)	20,760,734	7,057,303	51.5%
<b>Source:</b> Public Use Microdata Samples, 1990 and 2000 (5% samples)			

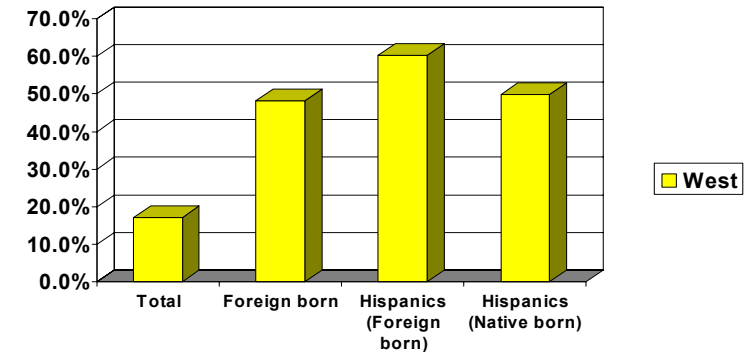
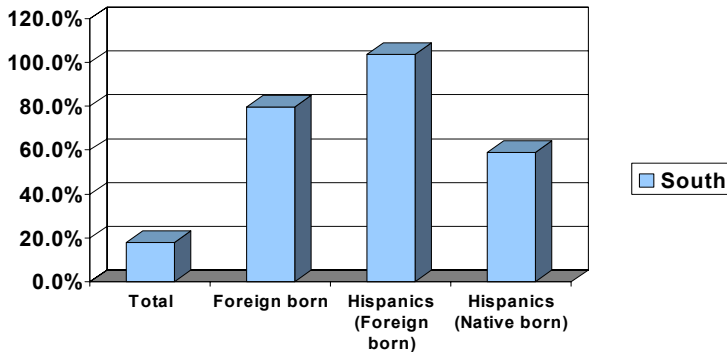
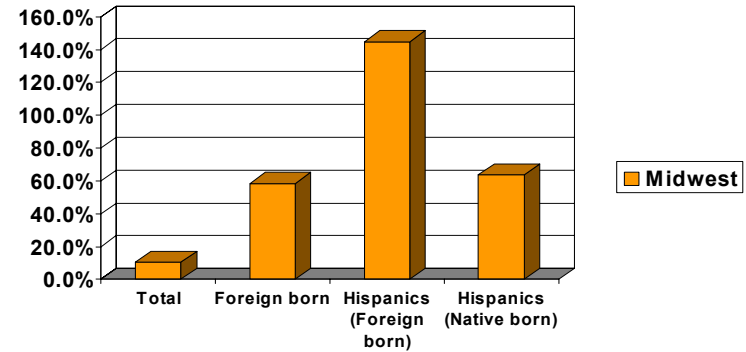
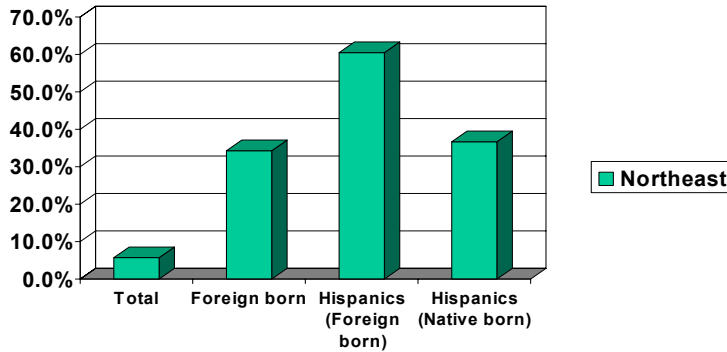


# Change in Regional Distribution of Foreign Born Population, 1970-2004

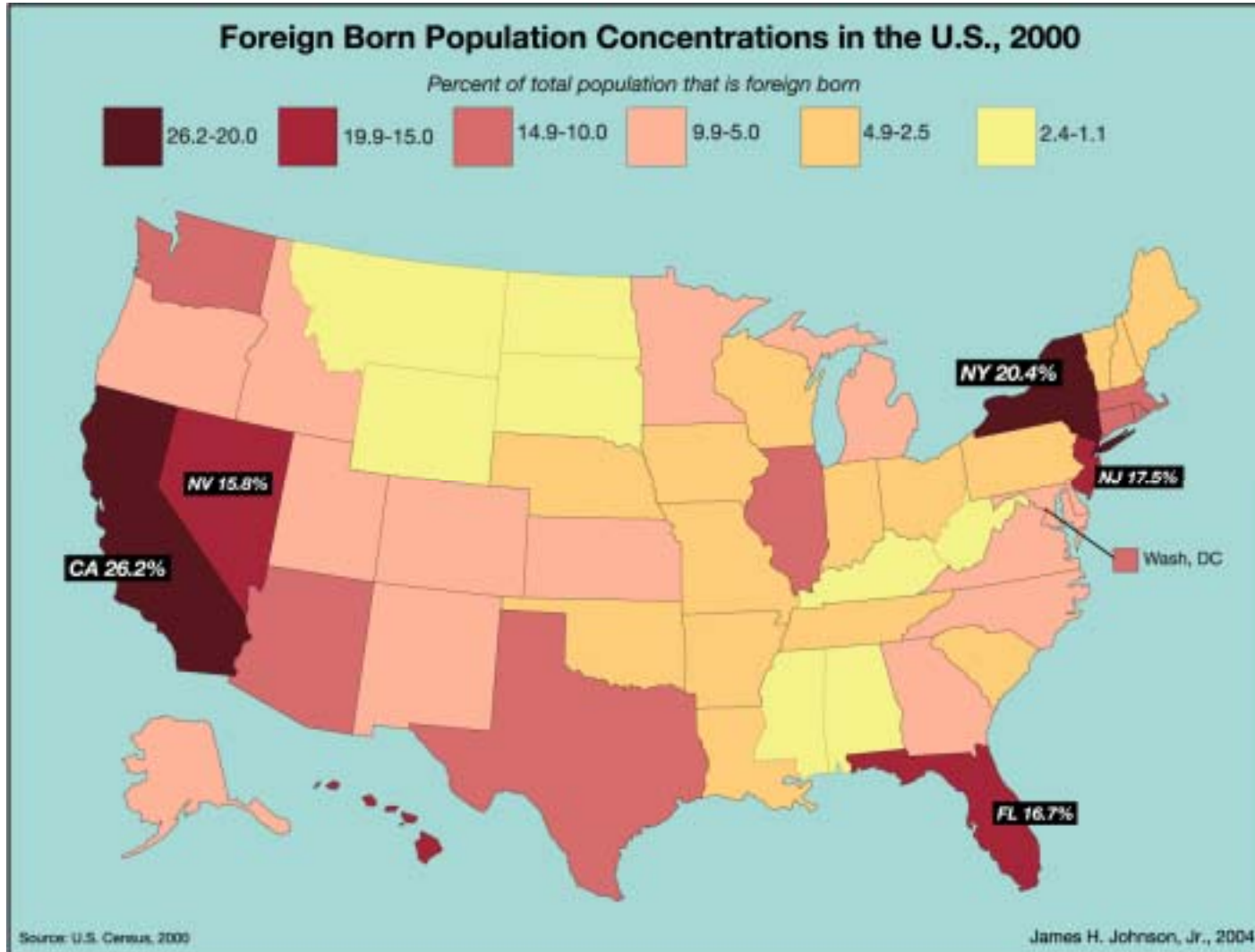


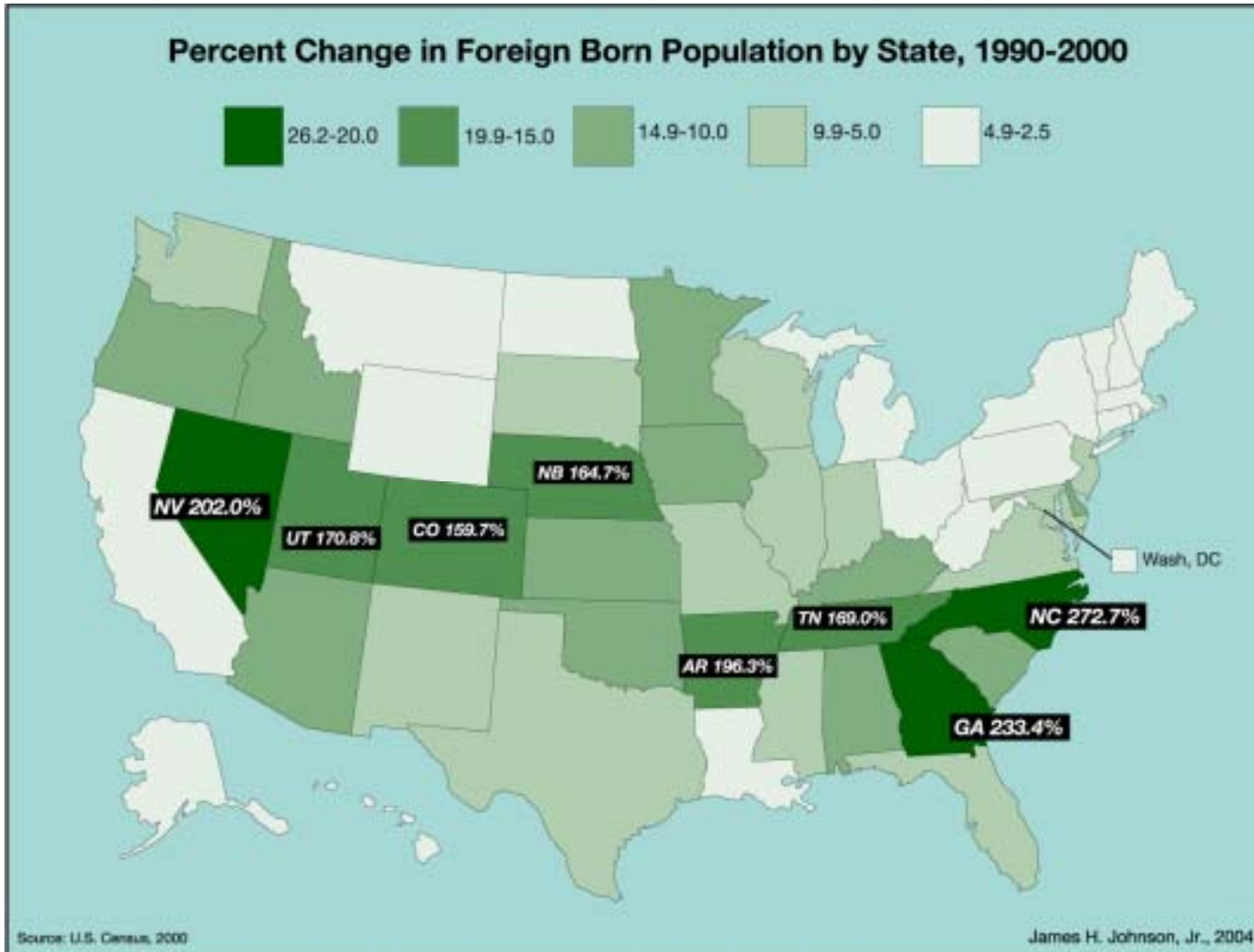


# Percent Change in Total and Foreign Born Population, by Region, 1990-2000



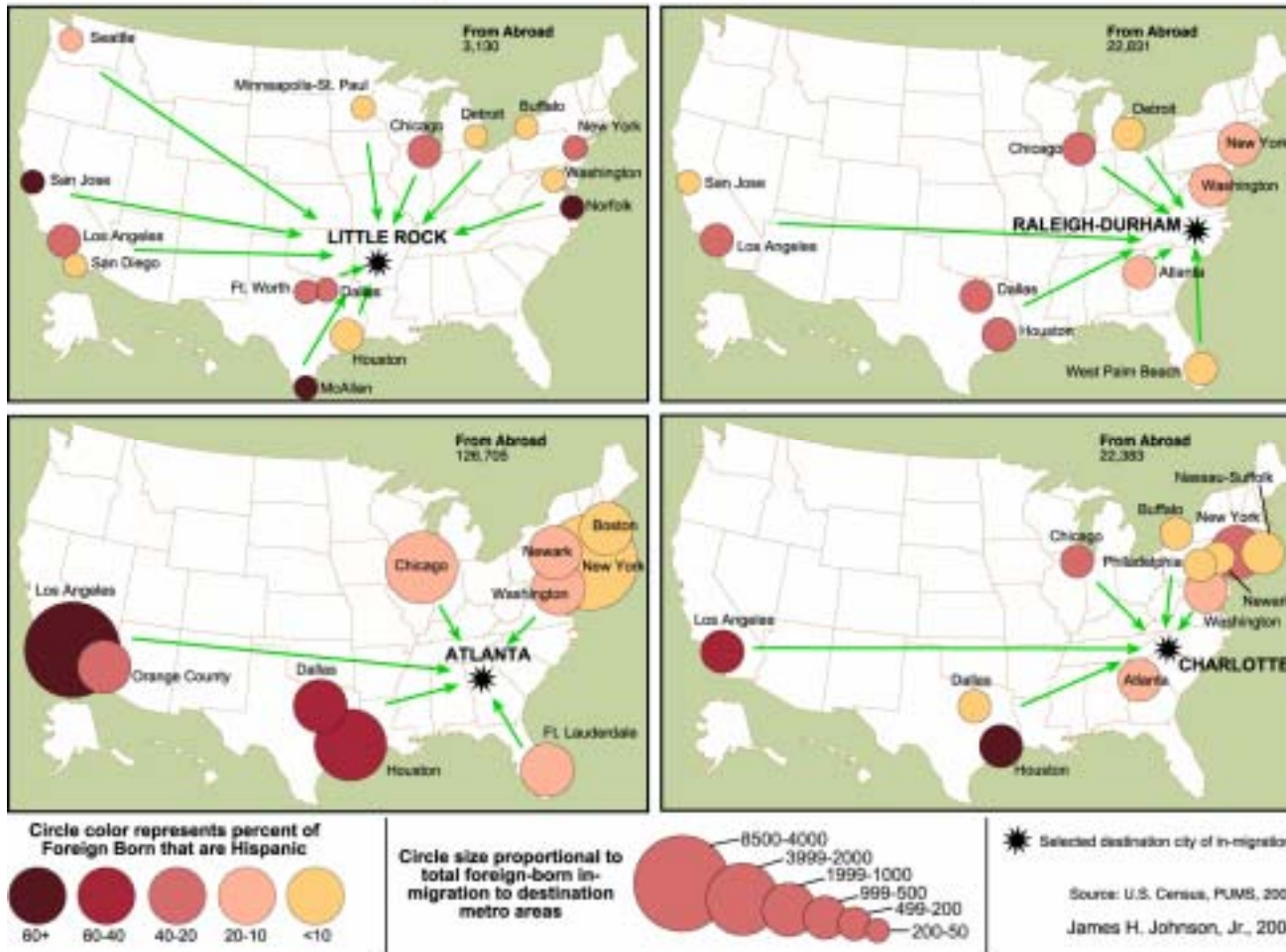
Source: U.S. Census Bureau, Public-Use Microdata Samples (PUMS), 5-Percent Public Use Microdata Sample Files, Washington, DC, 2000; Census of Population and Housing, 1990: Public Use Microdata Samples, Washington, DC, 1992.







### Total Foreign-Born In-Migration and Percent Foreign Born Hispanic In migration to Four Metros in the South, 1995-2000





# The New Melting Pot

State	Growth
1. North Carolina	73%
2. Nevada	60%
3. Kansas	54%
4. Indiana	50%
5. Minnesota	43%
6. Virginia	40%
7. Maryland	39%
8. Arizona	35%
9. Utah	31%
10. Oregon	26%

For states with a foreign-born population of at least 50,000 in 1995. States ranked by percentage increase of immigrants from 1995 to 1999.



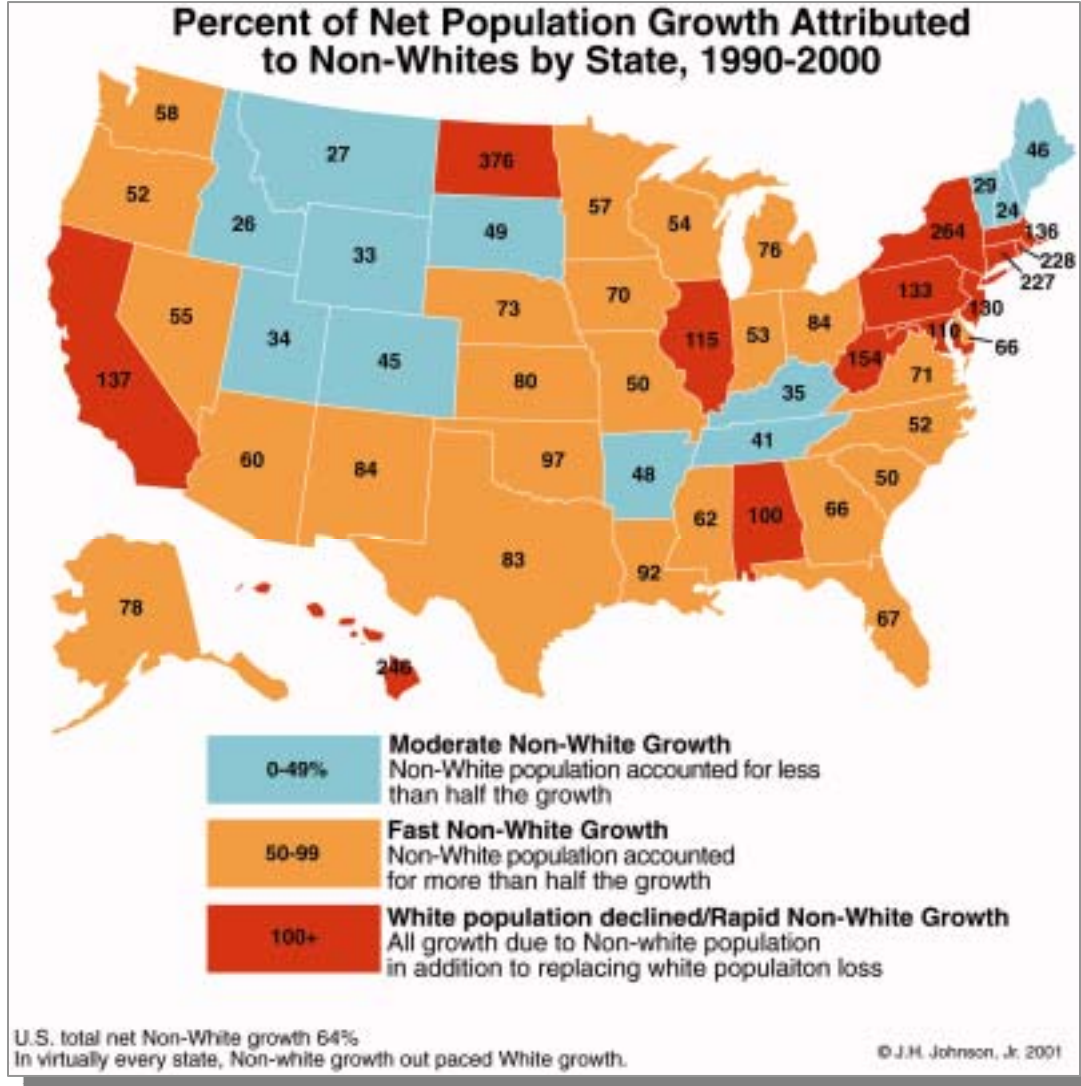
# Net Population Change Attributable to Non-White Population Growth, 1990- 2000

Region	2000 Population	Net Change 1990-2000	% of Net Change Due to Nonwhite Population Growth
United States	281,421,906	32,712,033	65%
Northeast	53,594,378	2,785,149	100%
Midwest	64,392,776	4,724,144	62%
<i>South</i>	100,236,820	14,790,890	52%
West	63,197,932	10,411,850	69%



# Net Population Change Attributable to Non-White Population Growth, 2000- 2004

<b>Region</b>	<b>2004 Population</b>	<b>Net Change 2000-2004</b>	<b>% of Net Change Due to Nonwhite Population Growth</b>
United States	293,655,404	12,233,498	81.5%
Northeast	54,571,147	976,769	100.0%
Midwest	65,729,852	1,337,076	82.5%
<i>South</i>	105,944,965	5,708,145	74.4%
West	67,409,440	4,211,508	81.0%





# Net Population Change in the United States by Race and Hispanic or Latino Origin, 1990-2000

Race and Hispanic or Latino	2000 Population	Net Gain 1990-2000	Percent Change
Total	281,421,906	32,712,033	13.2%
White	211,460,626	11,774,556	5.9%
Black or African American	34,658,190	4,672,130	15.6%
American Indian or Alaska Native	2,475,956	2,475,956	131.8%
<i>Asian</i>	<i>10,242,998</i>	<i>3,334,360</i>	<i>48.3%</i>
Native Hawaiian or other Pacific Islander	398,835	33,811	9.3%
Some other race	15,359,073	5,554,226	56.6%
<i>Hispanic or Latino (of any race)</i>	<i>35,305,818</i>	<i>12,951,759</i>	<i>57.9%</i>

Source: U.S. Bureau of the Census, American Fact Finder



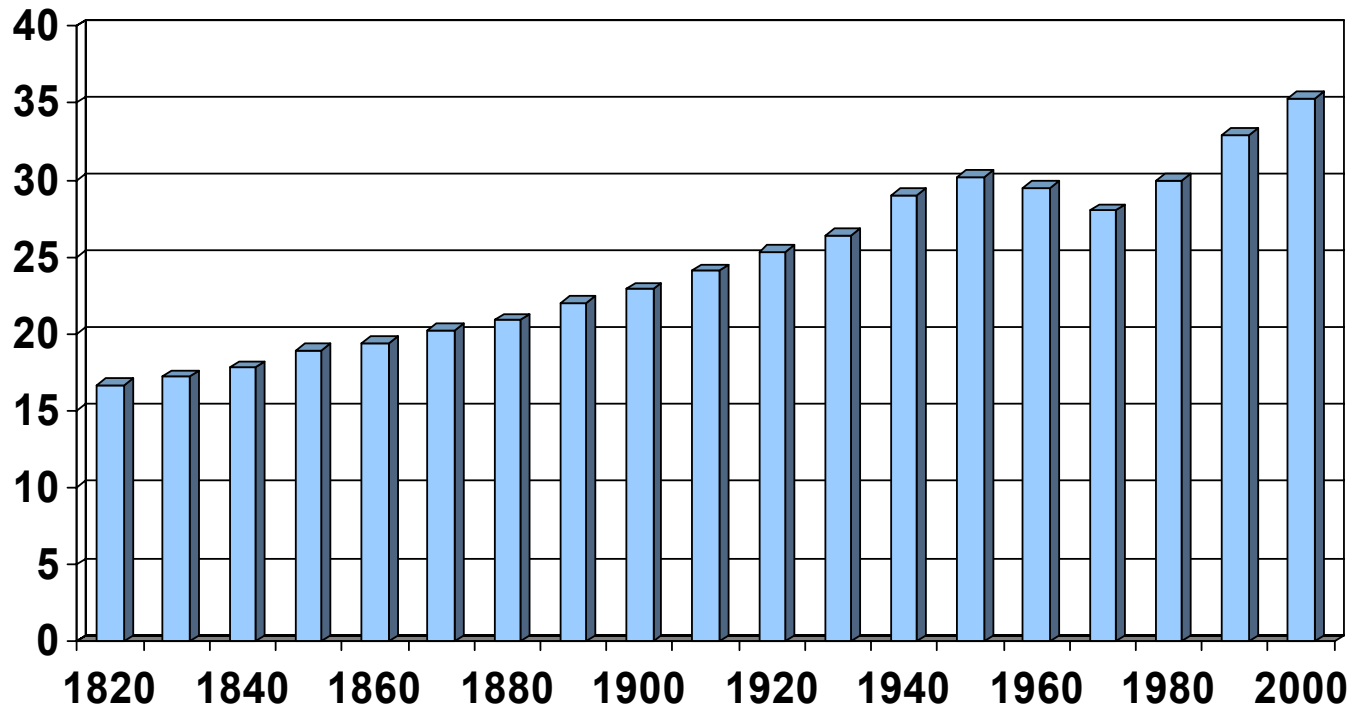
# Net Population Change in United States by Race and Hispanic or Latino Origin, 2000-2004

<b>Race and Hispanic or Latino</b>	<b>2004 Population</b>	<b>Net Gain 2000-2004</b>	<b>Percent Change</b>
Total	285,691,501	4,269,595	1.5%
White	216,036,244	4,575,618	2.2%
Black or African American	34,772,381	114,191	0.3%
American Indian or Alaska Native	2,151,322	-324,634	-13.1%
Asian	12,097,281	1,854,283	18.1%
Native Hawaiian and other Pacific Islander	403,832	4,997	1.3%
Some Other Race	14,824,724	-534,349	-3.5%
<i>Hispanic or Latino (of any race)</i>	<i>40,450,920</i>	<i>5,153,378</i>	<i>14.6%</i>

Source: US Census Bureau, 2004 American Community Survey; 2000 US Census  
September 2006



# Aging America: U.S. Median Age, 1820-2000



Source: U.S. Census Bureau, San Francisco Chronicle



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

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

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



# Absolute and Relative Change in the Gender/Age Composition of the U.S. Population, 2000-2004

Gender/Age	2004 Population	Net Change 2000-2004	% Change 2000-2004
Total	293,655,404	12,233,498	4.3%
Male	144,537,408	6,483,845	4.7%
Female	149,177,996	5,749,653	4.0%
Age 18-34	69,277,040	2,241,862	3.3%
<i>Age 35-54</i>	<i>85,727,457</i>	<i>2,900,978</i>	<i>3.5%</i>
Age 55-64	29,078,924	4,804,240	19.8%
Age 65+	36,293,985	1,302,232	3.7%

**Source:** 2000 U.S. Census; U.S. Census Bureau, Population Division (2004)



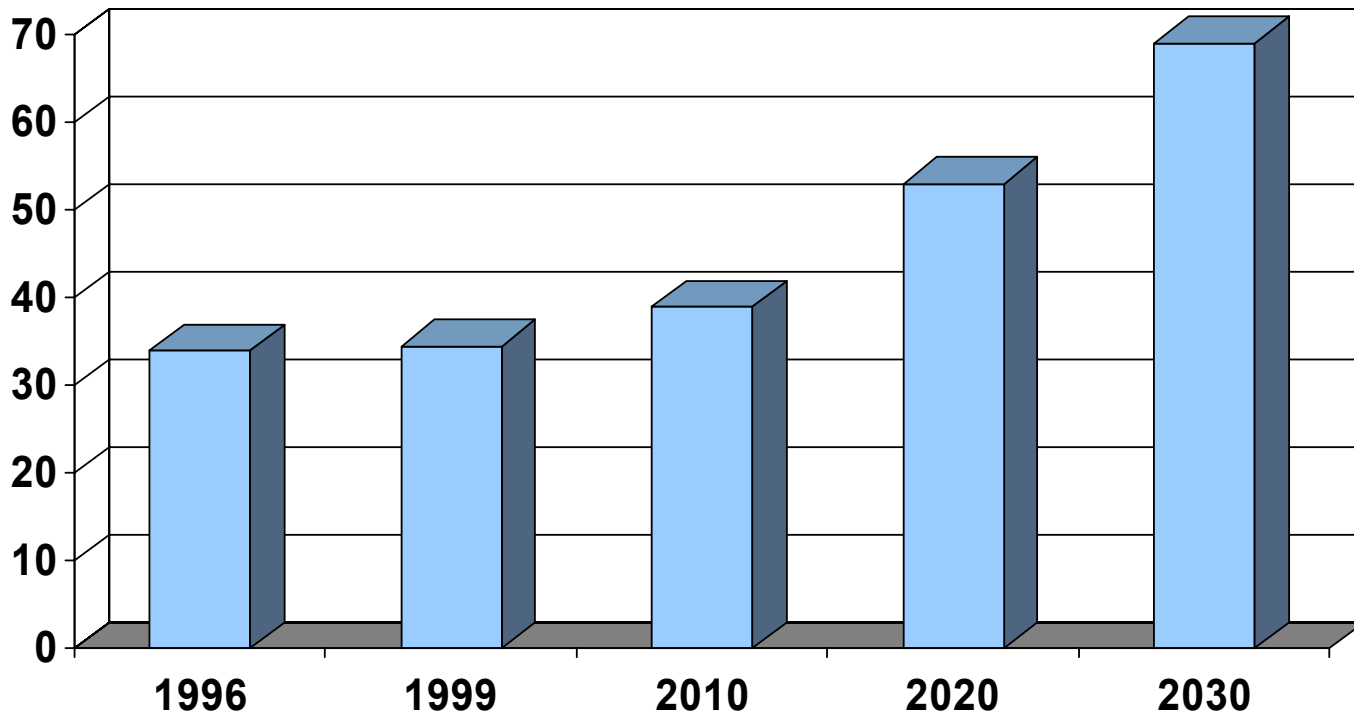
# Age Profile of UNC-CH Faculty, 2002

Employee Type	Number	< 40	40-59	60+	Average Age
Tenured/Tenure Track	1,821	310	1,213	298	50.4
(%)	(100)	(17)	(67)	(16)	
Fixed Term	870	254	570	46	45.5
(%)	(100)	(29)	(66)	(5)	
Total	2,691	564	1,783	344	48.8
(%)	(100)	(21)	(66)	(13)	

**Source:** Institutional Research - University of North Carolina at Chapel Hill



## Aging America: U.S. Population 65 and older, selected years, 1996-2030 *(in millions)*



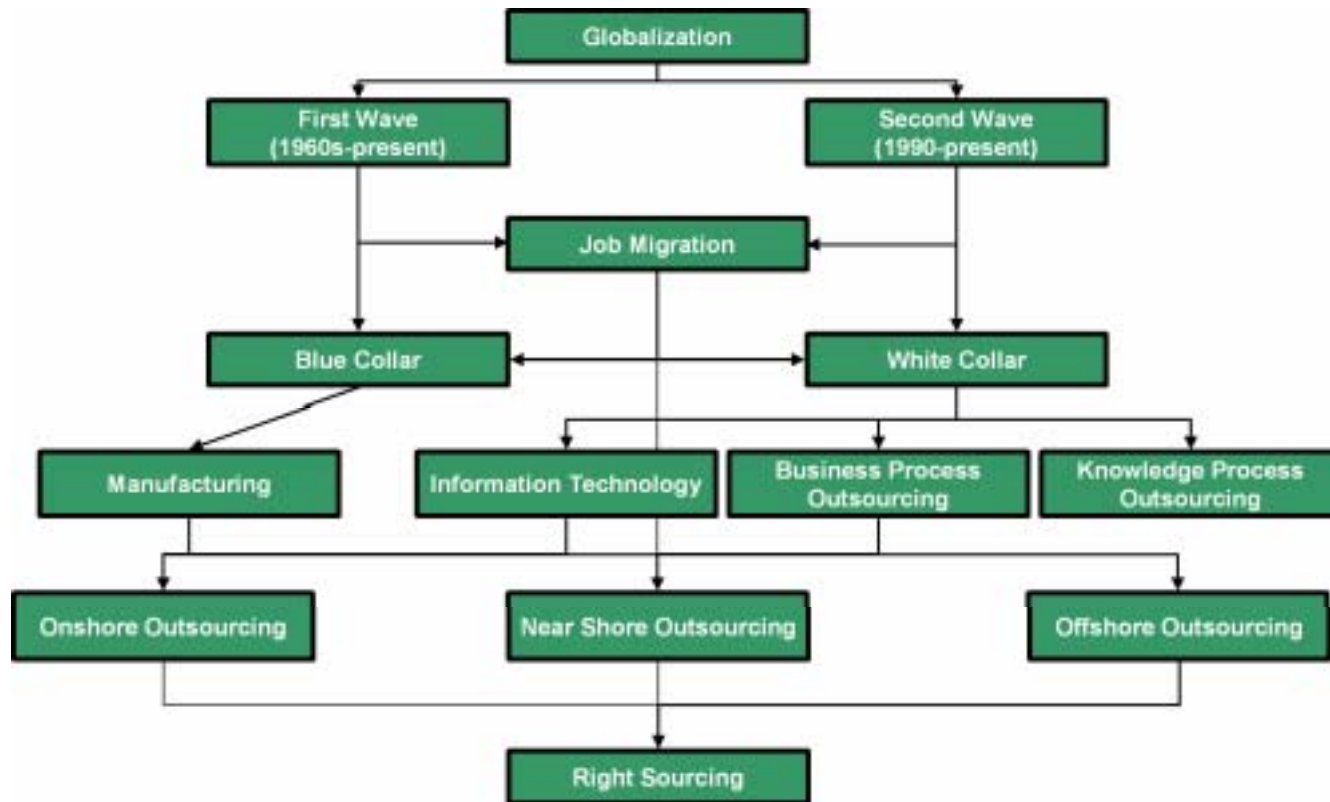


# Drivers of Future Change *(cont'd)*

- “First” and “Second” Waves of Globalization

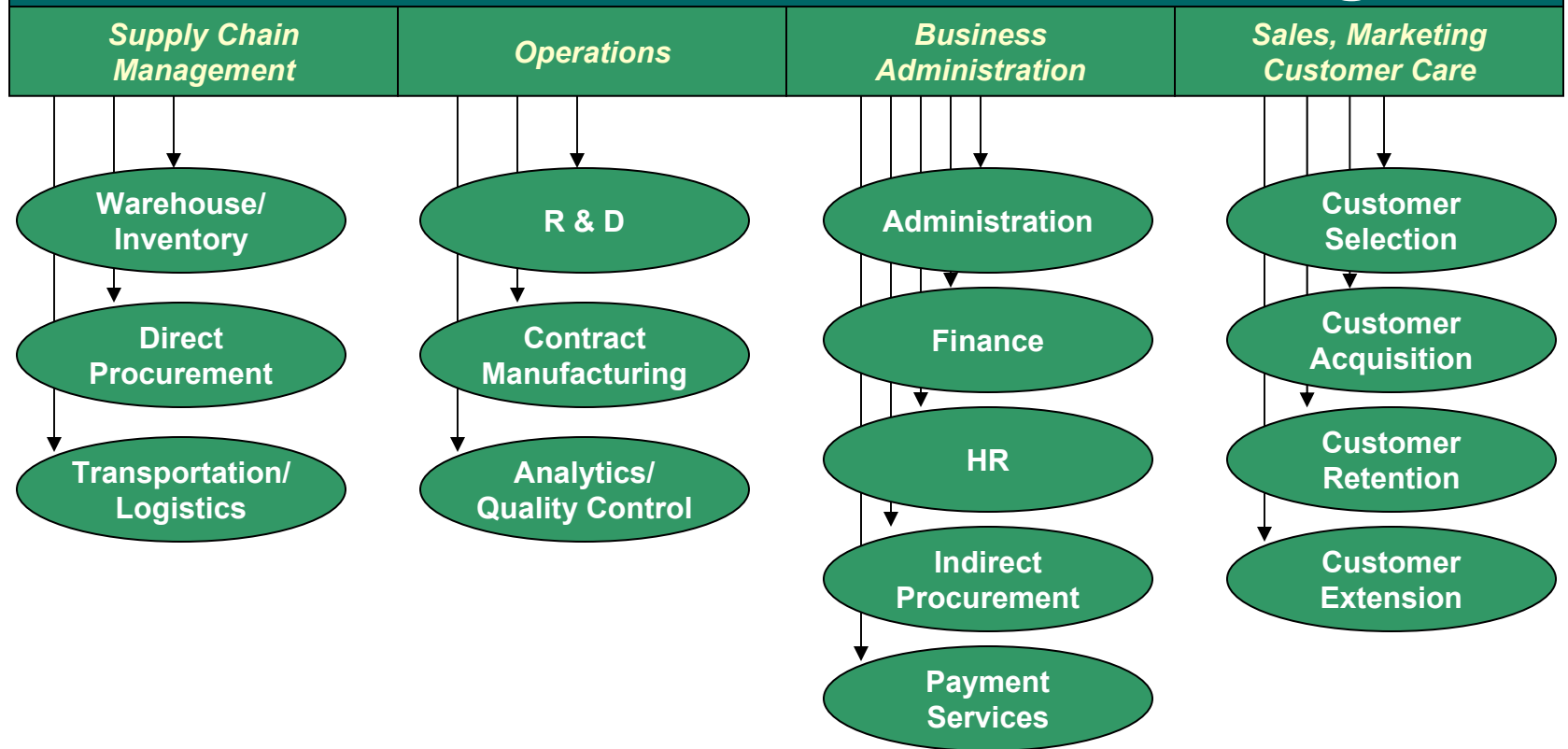


# Globalization's Impact on the American Worker



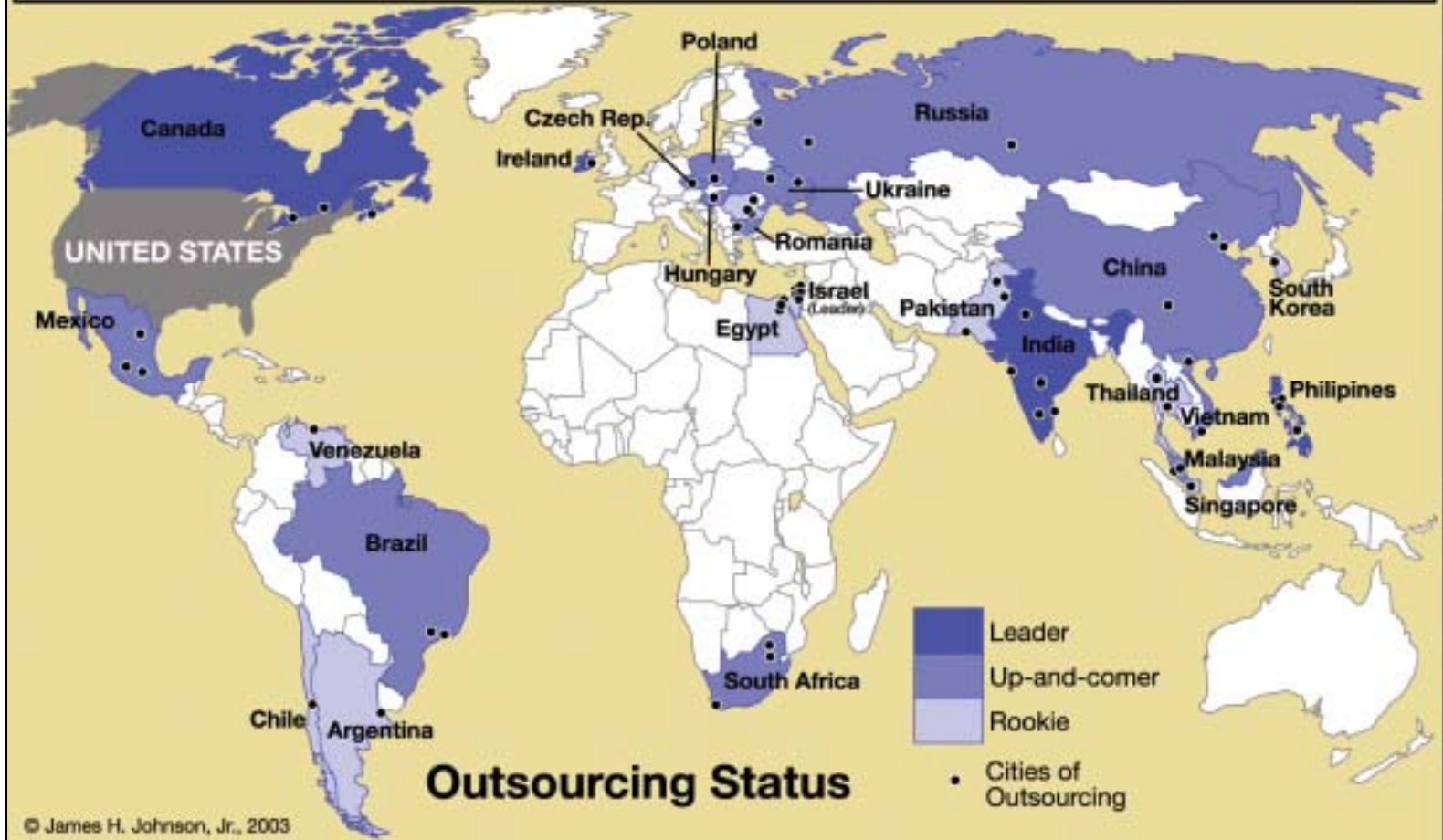


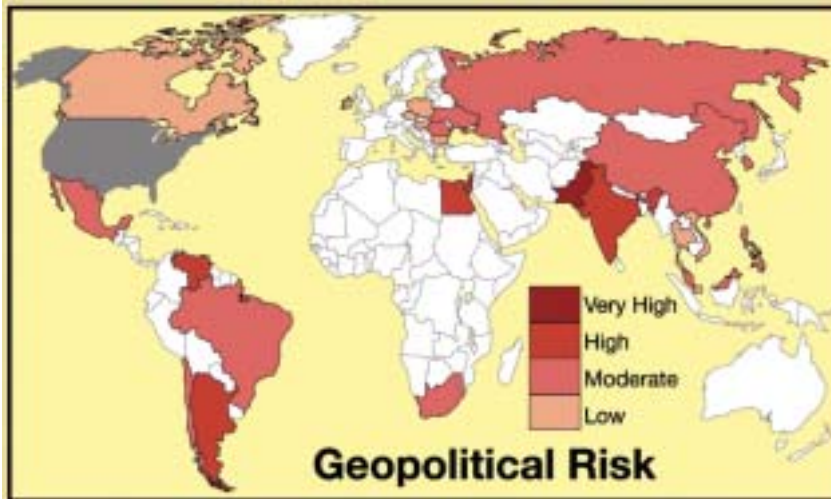
# Business Process Outsourcing





## The Geography of Offshore Outsourcing of White Collar Jobs





**Major Corporations Engaged in Offshore Outsourcing, 2001-2003**

- |                 |                       |                    |
|-----------------|-----------------------|--------------------|
| Aetna           | FedEx                 | Morgan Stanley     |
| Aglient         | FleetBoston Financial | Motorola           |
| Amazon.com      | General Electric      | Nortel Networks    |
| AT&T            | GE Access             | Northwest Airlines |
| AT&T Broadband  | GE Transportation     | Proctor and Gamble |
| Bank of America | Systems               | Solectron          |
| Bank of America | NBC                   | Sprint             |
| Securities      | NBCi                  | Sprint PCS         |
| Bank One        | General Motors        | Sun Microsystems   |
| Boeing          | Goodyear              | Texas Instruments  |
| Charles Schwab  | Hewlett-Packard       | Walt Disney        |
| Cigna           | IBM                   | World Bank         |
| Citigroup       | Lehman Brothers       | Xerox              |
| Coca-Cola       | Lockheed Martin       |                    |
| Dell Computers  | Merrill Lynch         |                    |



### Office Location of Selected India-based Firms in the United States





# White-Collar Jobs Projected to Move Offshore

Profession	# by 2005	# by 2010	# by 2015
Architecture	32,000	83,000	184,000
Business Operations	61,000	162,000	348,000
Computer sciences	109,000	277,000	473,000
Law	14,000	35,000	75,000
Life Sciences	3,700	14,000	37,000
Management	37,000	118,000	288,000
Total	256,700	689,000	1,405,000

**Source:** Forrester Research, cited by Institute of Electrical and Electronics Engineers-USA



# U.S. Employment in Occupations at Risk to Outsourcing

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

Source: Bardhon and Kroll (2003)



# Economics of Offshore Outsourcing

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



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

<b>Mumbai India</b>	<b>Manila Philippines</b>	<b>Kuala Lumpur Malaysia</b>	<b>Shanghai China</b>
Customer call center			
35,000-45,000 \$1.50/hr	9,000-11,000 \$1.47/hr	6,000-7,000 \$2.19/hr	6,000-7,000 \$2.50/hr
Back-office finance and accounting			
14,000-17,000 \$1.35/hr	9,000-11,000 \$1.73/hr	7,000-9,000 \$1.86/hr	12,000-15,000 \$2.03/hr
Electronic document conversion			
111,000-140,000 70 cents - \$1/hr	11,000-14,000 \$1.07/hr	20,000-25,000 \$1.47/hr	18,000-23,000 \$1.50/hr



# Straddling Two Continents and Cultures: Indian Call Center Workers

Indian Name	American Name
Jayanti	Jessie
Madhuri	Nicole
Mahesh	Murphy
Randhir	Randy

**Source:** [http://knowledge.wharton.upenn.edu/100902\\_ss4.html](http://knowledge.wharton.upenn.edu/100902_ss4.html)



# Drivers of Future Change *(cont'd)*

- Logistics as engines of economic growth and development.
- Entrepreneurial government
- Communities must strategically position themselves to compete for business and talent.



# Drivers of Future Change *(cont'd)*

- New Economy workers are consumers of place.
- Quality of life factors are more important than traditional drivers of economic development.
- Branding increasingly used as an economic development marketing tool.



# Implications for Communities

- Change is the only constant.
- Competitive intelligence gathering is paramount
- Speed
- Agility
- Flexibility



# Implications for Economic Development Practitioners

- Competitive drive
- Voracious consumer of competitive intelligence
- Tenacity
- Persistence
- Entrepreneurial spirit
- Soft skills
- Hard work



# Foresight Analysis Framework

<b>Step 1:</b>	Thinking about the past: Analysis of where the community has come from.
<b>Step 2:</b>	Thinking about the present: Analysis of current competitive position of the community – Analysis of strengths, weaknesses, opportunities, and threats (SWOT)
<b>Step 3:</b>	Thinking about drivers of future change: Analysis of forces or trends that are likely to affect your community in the years ahead.
<b>Step 4:</b>	Constructing scenarios for your community's future.
<b>Step 5:</b>	Developing critical benchmarks for evaluating performance.