

Vanishing Routine Jobs

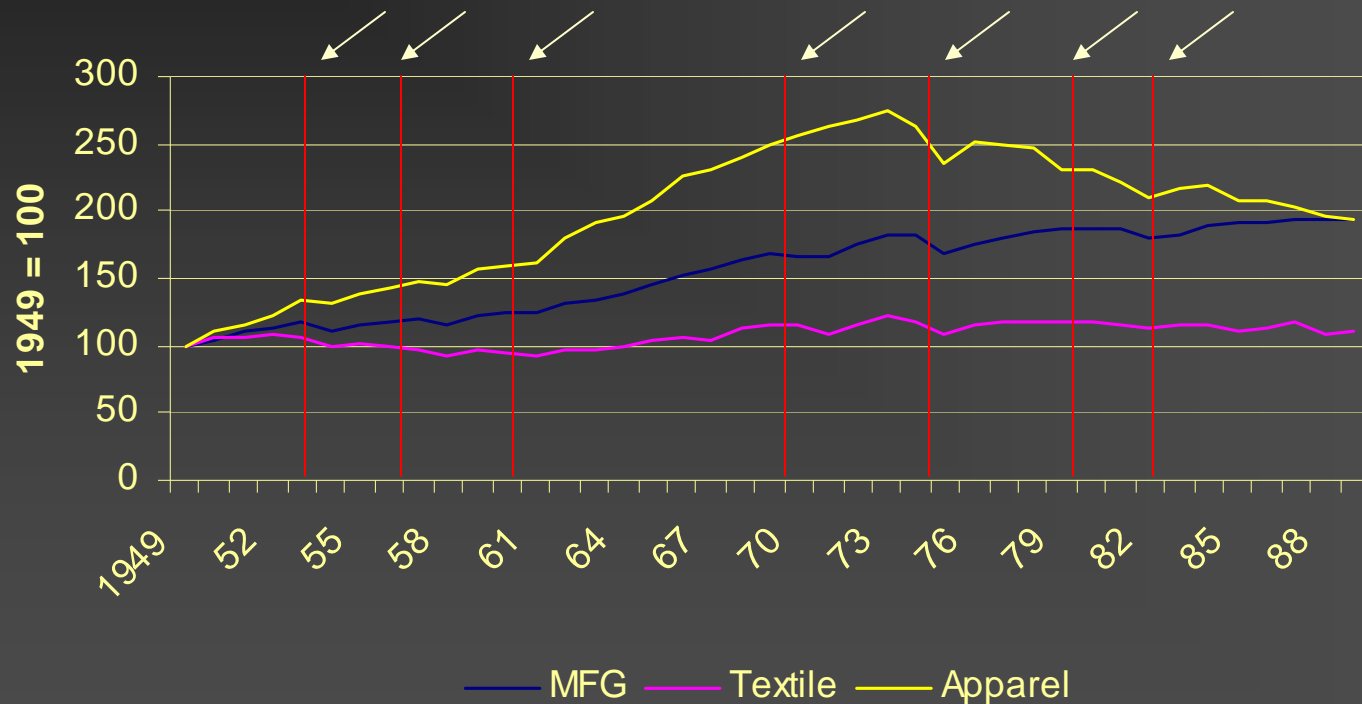
The End of the Apparel and Textile Era



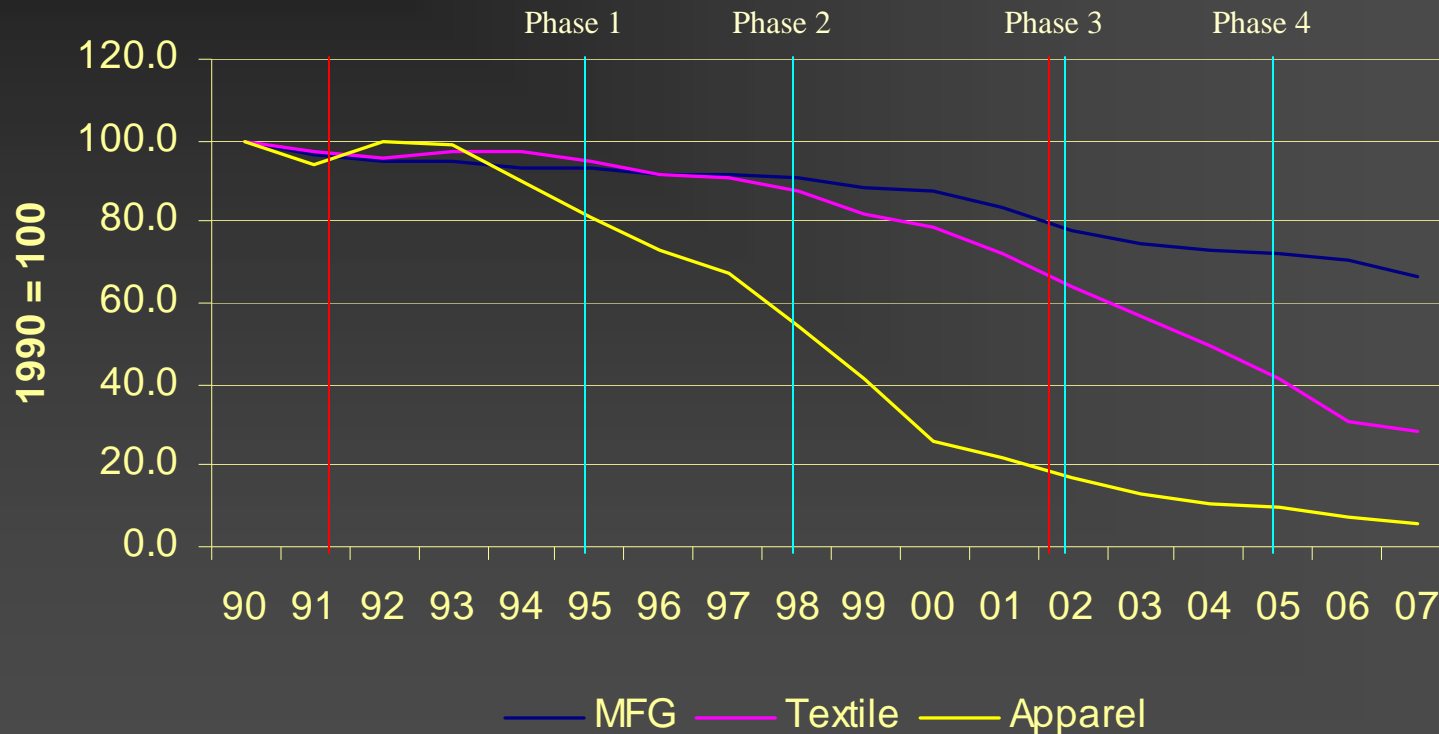
Timothy O. Kestner
Economist

Virginia Employment Commission

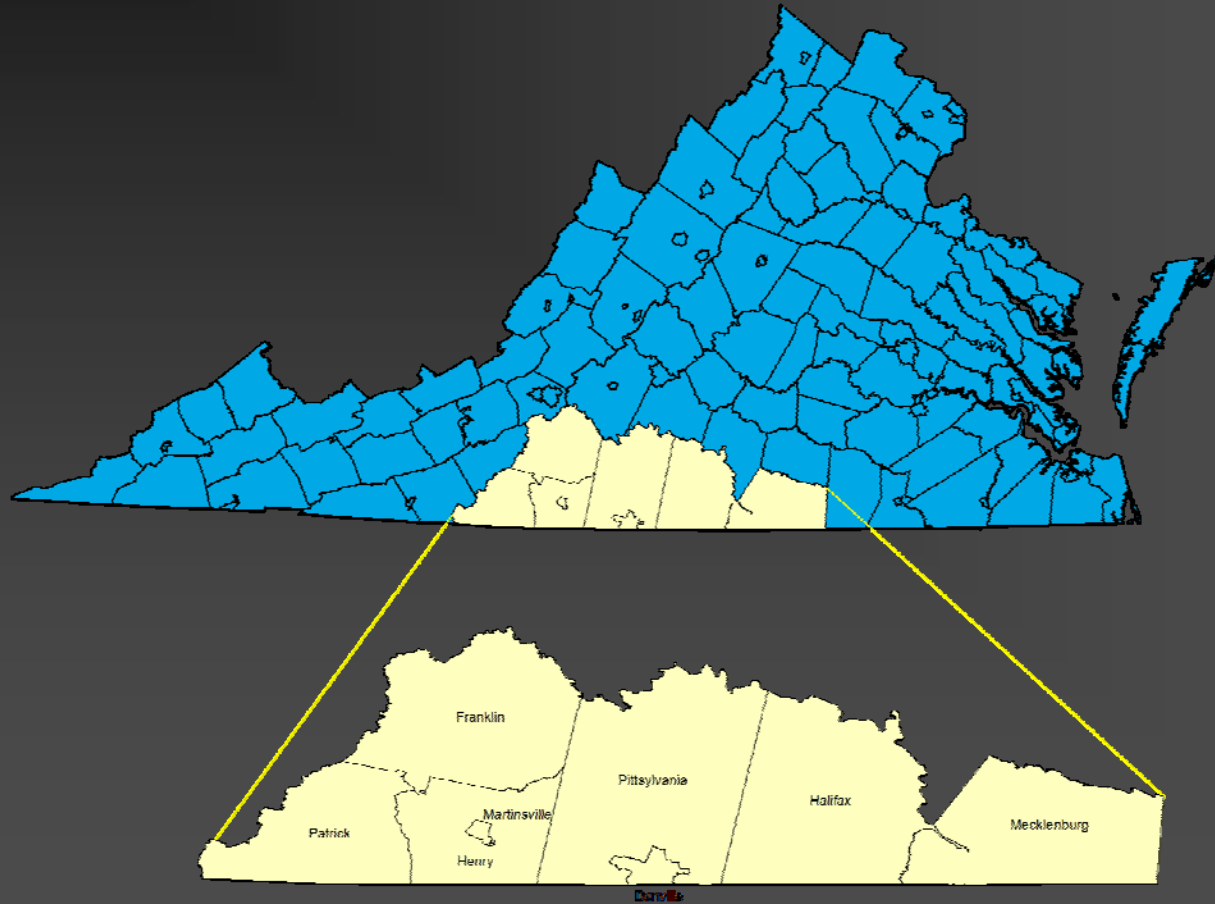
Index of Virginia Apparel and Textile Employment 1949 - 1989



Index of Virginia Apparel and Textile Employment 1990 - 2007



The Impact in South-side Virginia

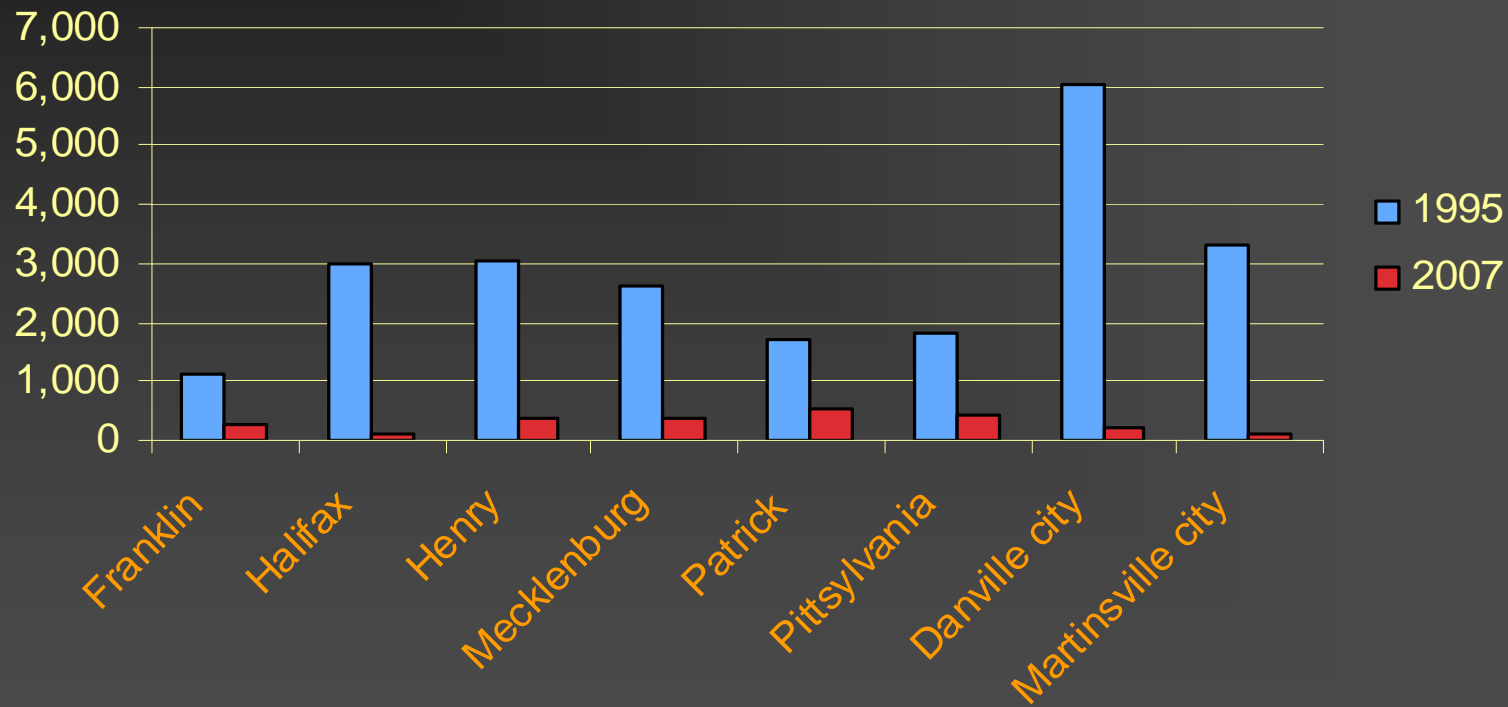


Recent Major Plant Closings

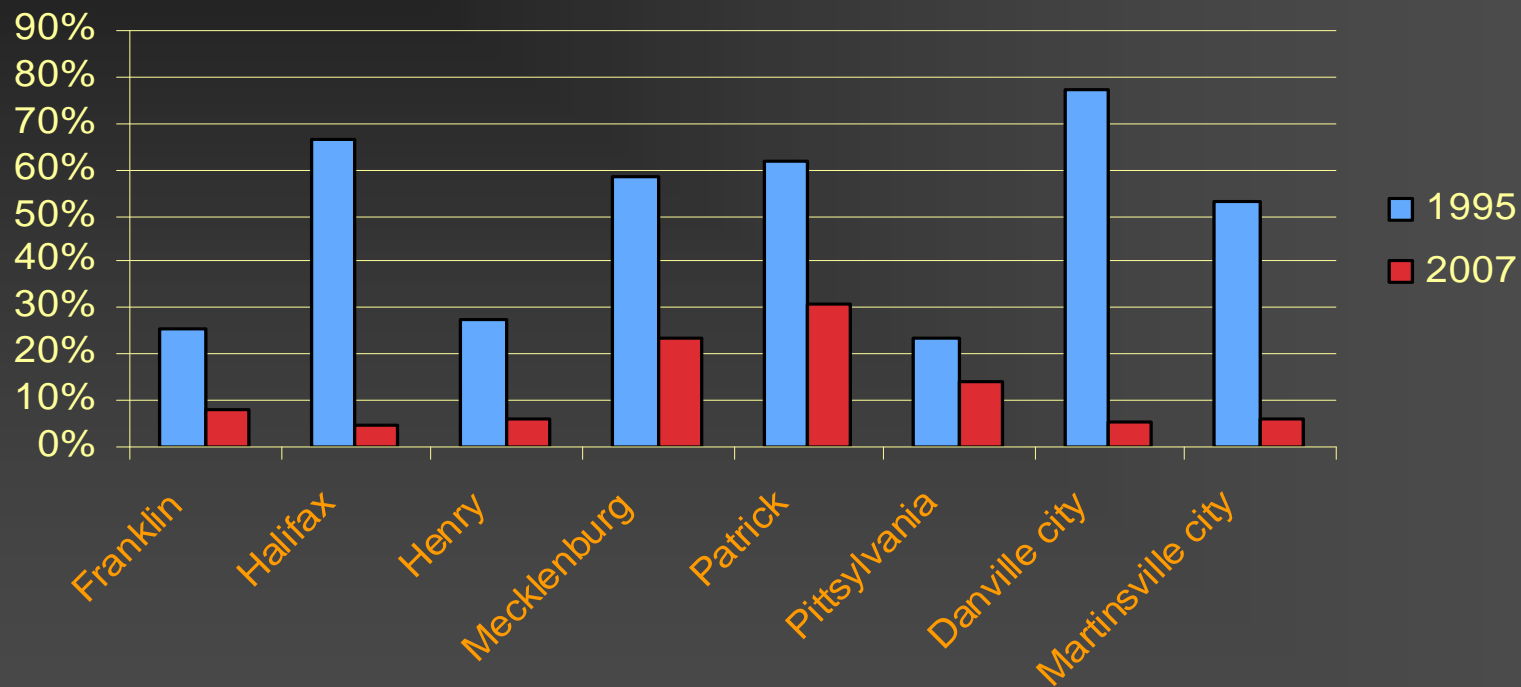
- Dan River Mills – Danville and Brookneal
 - 1,770 jobs from September 2005 – August 2006
 - 23% of Danville MFG
- Pillowtex – Henry County
 - 970 jobs in July 2003
 - 13% of Henry Co. MFG
- Tultex – Martinsville, South Boston & Roanoke
 - 2,045 jobs from December 1999 – January 2000
 - 11% total Emp. & 40% MFG in Martinsville



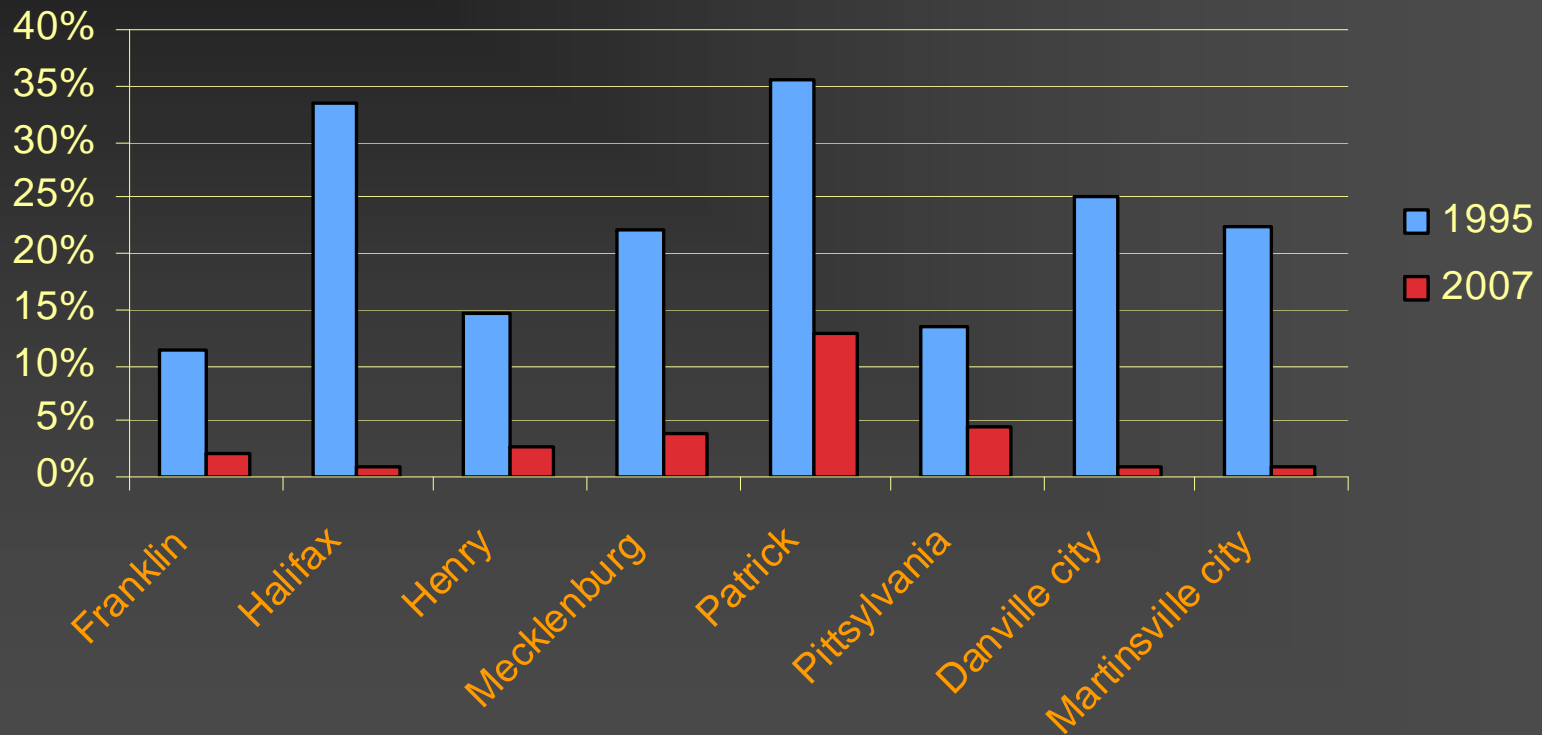
Apparel and Textile Employment Levels



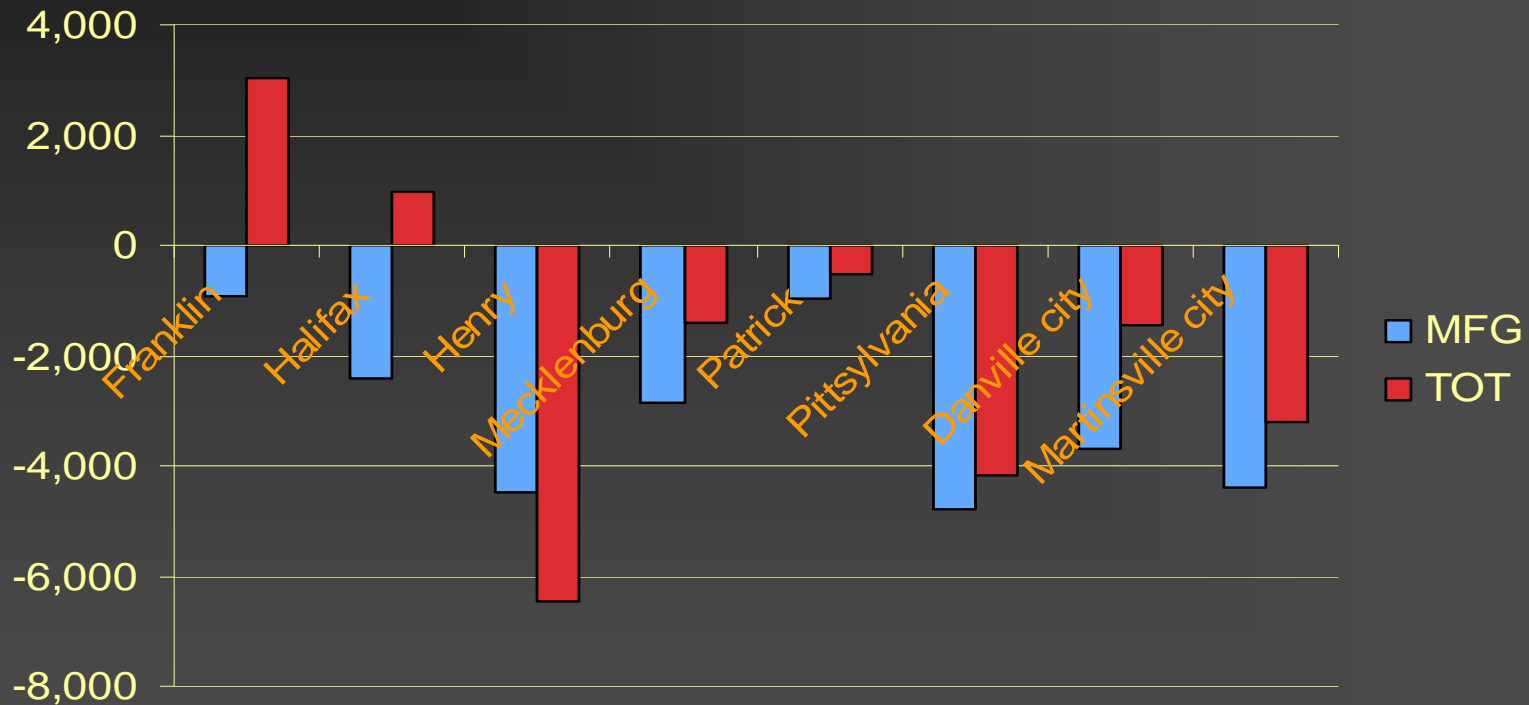
Apparel and Textile % of Manufacturing Employment



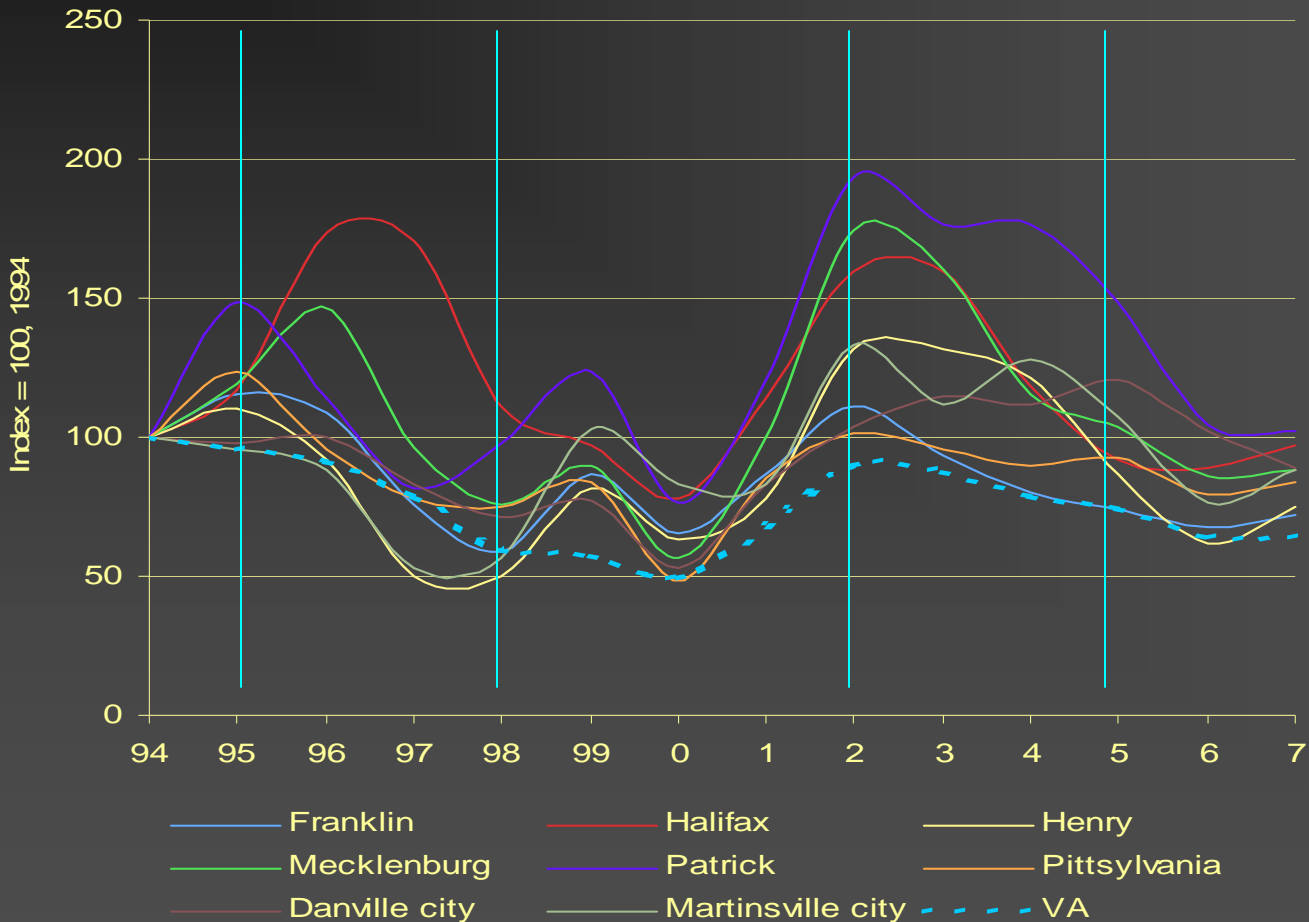
Apparel and Textile % of Total Non-Ag Employment



Employment Level chg from 95 to 07



Index of SSV and State Unemployment Rates 1994 – 2007



Response to Global Shifts -- Compete in the Innovation Economy

With all the rural challenges?

Typical Rural Gaps

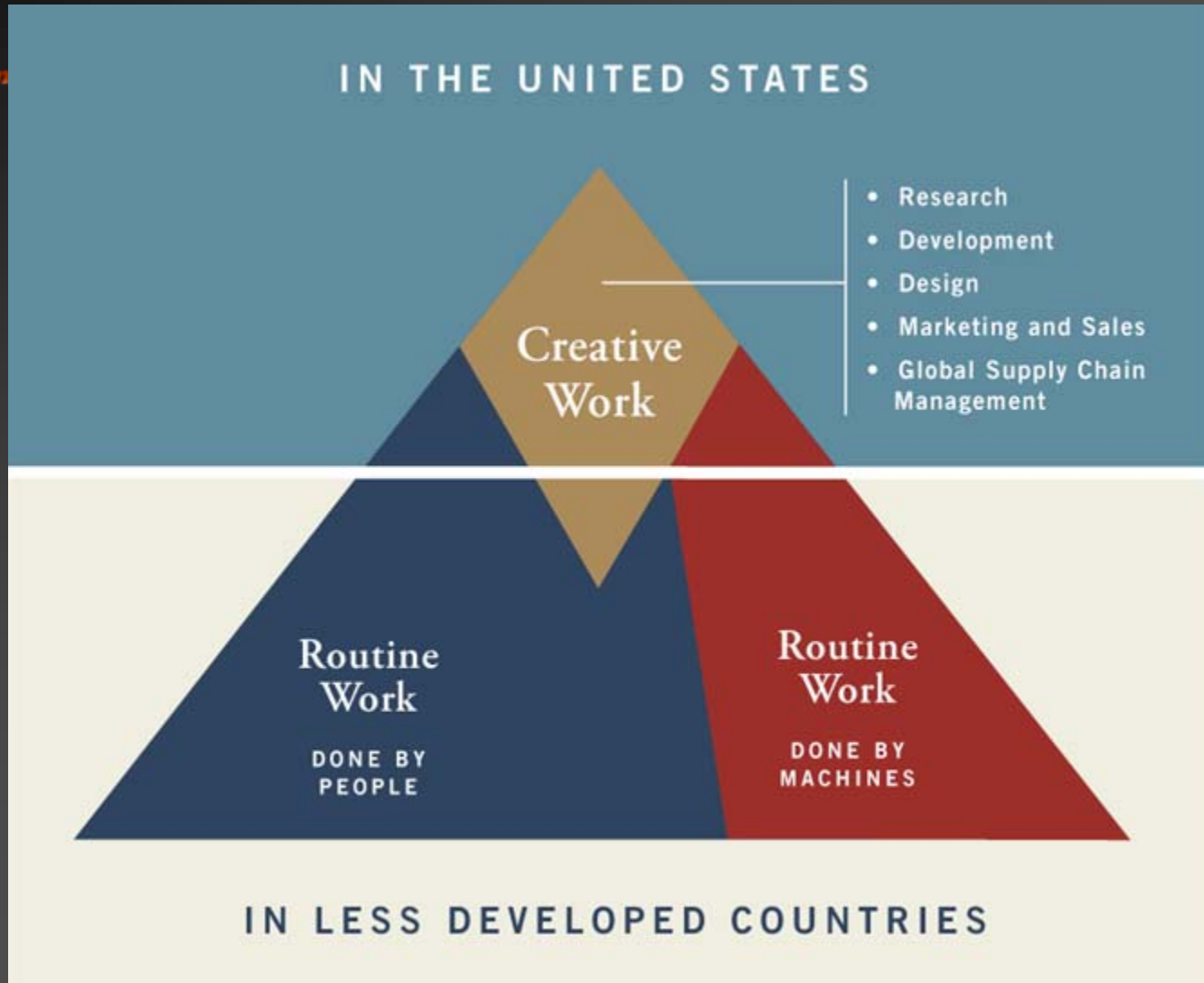
- Brain Drain – Loss of Talent Base Generally
- Small Science and Engineering Talent Base
- Lacking or Trailing in Innovation Infrastructure
- Lagging in Communications Infrastructure
- Weak Schools
- Quality of Life Lacks Distinction



Adapted from IARL presentation at the Philadelphia Regional ED

Roundtable Symposium March 13, 2007

Innovation Matters



Regions Matter in Creating & Accumulating Knowledge

- **Innovation is regionally bound**; U.S. and European research suggests functional region of innovation of 75 miles or less
- According to a new (March 29, 2006) Kauffman Foundation study: **Scientist location can influence the decision to commercialize** ... as Jaffe (1989), Audretsch and Feldman (1996), Jaffe, Trajtenberg and Henderson (1993), and Glaeser, Kallal, Sheinkman and Shleifer (2002) show, **knowledge tends to spill over within geographically bounded regions.** (Audretsch, 2006: 29)
- To impact regional innovation requires a thoughtful policy linking regional potential, regional competence, and investments in infrastructure, regional facilities, and regional education institutions



How Can Innovation Happen in Rural America?

- If robust innovation economies happen near existing hubs of talent, innovation, critical infrastructure, and quality of life....
- Then the critical question for rural innovation:

How Do We Make an Innovation Economy Happen Where There is no Existing Innovation Hub?



Engage a Research University Virginia Polytechnic Institute and State University

- Existing, Highly Credible Public Assets
- University Produces Competitive Rx
 - *Talented People* in faculty and students
 - *New Ideas/Critical Technologies* = Innovation Capacity
 - Expertise in Nation's *Technology Infrastructure* (i.e., National LambdaRail)
 - Magnet for High Tech Firms and *Entrepreneurs*
 - Creative Climate attracts *Quality of Life* which Attracts Talented People



Institute for Advanced Learning and Research

Danville

Public Seed to Private Enterprise



THE INSTITUTE FOR
ADVANCED LEARNING
AND RESEARCH



Institute for Advanced Learning and Research: Brief History

Concept formulated	2000
Initial staff hired through VT	2001
IALR Established as sub-division of the Commonwealth	2002
IALR Building inaugurated	2004
State funding appropriated	2004
Research wing opened	2005
State funding for 20+ faculty	2006
Additional research facilities come on-line	2007



Southside Higher Education Coalition

South Boston

A partnership mandated by the Virginia legislature to attract students to programs leading to secondary degrees.

- Institute for Advanced Research and Learning – Danville/Pittsylvania Co.
- New College Institute – Martinsville/Henry Co.
- Southern Virginia Higher Ed Center – South Boston/Halifax Co.



In The Future

- Will this lead to another state supported institution of high learning in South-side Virginia?
 - Some tend to believe so



Economic Development Efforts

- At the state level
 - Informal leaning towards areas impacted by apparel, textile and furniture job loss
- Local and regional levels
 - Diligently pursuing companies
 - Yet – everyone is!



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