

Looking At The ISSUES

August 3, 2007



Federal Reserve Bank Annual Report Finds High School Graduation Critical

County poverty rates can be predicted very accurately by knowing one important fact about the residents: educational attainment... places where more people lack a high-school diploma have higher poverty rates... – Federal Reserve Bank of Cleveland

The importance of a high school diploma can't be ignored. That's the finding of an essay on *Understanding the Persistence of Poverty* in the 2006 Annual Report of the Federal Reserve Bank of Cleveland which serves the Fourth Federal Reserve District (Ohio, western Pennsylvania, the northern panhandle of West Virginia, and eastern Kentucky).

While many results remain preliminary, essay authors Mark Schweitzer, Assistant Vice President and Economist Peter Rupert, Senior Economic Advisor, indicate that as a determinant of county poverty, "...the effect of high-school completion is approximately twice as large as the effect of labor force participation rates and is statistically more reliable." Another factor centers around what the authors term "skill-based" technological change. *Workers who acquire the appropriate skills can take advantage of new technologies and increase their wages, while unskilled workers cannot.*

The essay concludes with a call for new approaches: *A careful rethinking of the weapons used in the battle against poverty can help the nation devise new strategies... further success, we argue, might be achieved through programs that bolster high-school completion, higher education levels, and the greater acquisition of skills.*

With most districts nearing 100% high school graduation rate and substantial gains in its urban districts, many of those approaches might be found in Stark County.

Looking At The Week

Canton-Massillon Listed as Top Metro

Expansion Management Magazine has listed Canton-Massillon as the top mid-size metropolitan area in the nation for business expansion and relocation. The article, *2007 Top Cities for Business Attraction: These Communities Are Literally Magnets for Business* may be found at: <http://www.expansionmanagement.com/>

Stark Schools Professional Development Day

On August 1, at the Stark County School Administrator Professional Development day, Dr. Adrienne O'Neill chaired a panel of local businessmen sharing their thoughts about 21st Century skills required for student success in lifetime careers.

¹The 2006 Annual Report of the Federal Reserve Bank of Cleveland and the essay on poverty may be downloaded from: <http://www.clevelandfed.org/Annual06/index.cfm>