Three sociological and economical forces are changing and threatening the nation's economic future, according to a recent report.

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WASHINGTON - The convergence of inadequate education, changes to the labor force and demographic shifts caused by immigration have created a "perfect storm" that threatens the nation's economic future, according to a report released last week.

The combination of these factors is "imperiling our long-term prosperity, undermining our political cohesion and literally tearing at our social fabric," said Kurt Landgraf, president of Education Testing Service, which conducted the study.

'This `perfect storm' forebodes the death of the middle class as we know it," Landgraf said at a news conference.

The study -- which focused on how the skills of students and adults will interact with demographic forecasts from the U.S. Census Bureau -- concluded that more than half (52 percent) of adults lack the literacy skills they need to compete in the 21st century.

It also noted that high school graduation rates and achievement gaps in reading and math have remained largely unchanged over the last two decades.

LABOR PAINS

Meanwhile, a dramatic restructuring of the labor market, driven by technology and globalization, has sparked greater demand for higher-educated workers and will lead to greater income inequality, the report said.

The study also highlighted the impact of surging immigration rates across the country.

It found that 34 percent of documented and undocumented immigrants arrive without a high school diploma and that 80 percent of immigrants without a diploma cannot speak English well or at all.
Although the workforce will grow at a slower rate over the next 20 years, the study said, none of the growth will come from native-born Americans between the ages of 25 to 54 because their population will remain about the same.

The release of the report comes as the new Democratic-led Congress holds hearings on income inequality and prepares to debate legislation on immigration reform and to reauthorize the No Child Left Behind Act, which aims at holding schools accountable for student performance.

Irwin Kirsch, a coauthor of the study, noted that although the economy is growing, "people are not sharing in the prosperity."

"This is, in many ways, the transition from the American dream to the American tragedy," Kirsch said.

**OTHER FINDINGS**

The report also found:

- The number of people lacking proficient literacy skills is projected to jump from 70 million in 1992 to 119 million in 2030.

- Hispanics are four times as likely as whites to be at the lowest literacy level.

- The United States is not among the world's leaders in any area of educational achievement, ranking 24th in math, 15th in reading and 20th in science among 29 countries.

- The expected lifetime earnings of males with a bachelor's degree in 1979 were 51 percent higher than their peers with only a high school diploma. By 2004, the difference had widened to 96 percent.

The report can be found online: [www.ets.org/storm](http://www.ets.org/storm)