

Child Poverty in North Carolina: Investing in What Works

Nearly 1 million children in North Carolina live in poor or low-income homes.¹ The state is ranked among the lowest in the nation for the ability of a child from the bottom 20% of the income bracket to reach the top 20% in adulthood.² Family financial security is one of the strongest determinants of children's success in life. Fortunately, there is a great deal of evidence about policies and practices that can move families from poverty to economic opportunity. **Promoting what works to break the cycle of family poverty is critical to expanding opportunity for every child in North Carolina.**

The Drivers of Economic Mobility

Economic mobility is the ability for a child born into one income level to move to another. Economic mobility is associated with five primary characteristics of families and communities:

- Racial de-segregation,
- A small income gap between the rich and the poor,
- High-quality schools,
- A high proportion of two-parent households, and
- Social capital, which is indicated by low crime rates and high civic engagement.³



These characteristics of places with high economic mobility provide a roadmap for policy-makers, as both historical and current public policies have created barriers to families getting ahead.

Transportation, Education, and Integration are Critical and Interconnected

Policy interventions to increase economic mobility can fall into three types of strategies: **First, ending discriminatory practices that promote segregation.** Segregation by race and income persists statewide, bolstered by a legacy of racial discrimination in housing, education, and tax policy in North Carolina.⁴ Children of color represent 45% of all children in North Carolina, but 65% of children in poverty.⁵ Policy changes that promote racial and economic integration are central to moving children out of poverty, because they increase access to quality education, higher wage jobs, and invaluable social networks.

Second, investing in under-resourced schools. Research has shown that areas that invest in quality teachers and small student-teacher ratios in public schools reap benefits in student economic mobility.⁶ Policy changes that allow students equal access to high quality education – regardless of income – have the potential to move generations of children from poverty to opportunity.

Finally, ensuring that residents in under-resourced neighborhoods are not limited exclusively to the opportunities available in their area. Upward economic mobility is more common in denser geographic areas – these places have shorter commutes and less urban sprawl.⁷ Reliable and affordable public transportation is integral in connecting lower-income neighborhoods with areas of higher income and greater opportunity.

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Endnotes

- ¹ Population Reference Bureau, analysis of data from the U.S. Census Bureau, Census 2000 Supplementary Survey, 2001 Supplementary Survey, 2017 American Community Survey. These data were derived from American Fact Finder table B17024. Retrieved from <http://datacenter.kidscount.org/NC>.
- ² Chetty, R., Friedman, J. N., Hendren, N., Jones, M. R., & Porter, S. R. (2018). *The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility* (No. w25147). National Bureau of Economic Research.
- ³ Chetty, R., Hendren, N., Kline, P., & Saez, E. (2014). Where is the land of opportunity? The geography of intergenerational mobility in the United States. *The Quarterly Journal of Economics*, 129(4), 1553-1623.; US Department of Housing and Urban Development. *Economic Mobility: Measuring the American Dream*. Office of Policy Development and Research. Retrieved from https://www.huduser.gov/portal/pdredge/pdr_edge_featd_article_071414.html
- ⁴ Henderson, B. (2018, March). CMS Most Racially Segregated School District in North Carolina, Advocacy Group Says. *The Charlotte Observer*. Retrieved from <https://www.charlotteobserver.com/news/local/article205580044.html>; Nordstrom, K. (2018). *Stymied by Segregation: How Integration Can Transform North Carolina Schools and the Lives of Its Students*. NC Justice Center. Retrieved from <https://www.ncjustice.org/publications/stymied-by-segregation-how-integration-can-transform-nc-schools/>
- ⁵ Population Reference Bureau, analysis of data from the U.S. Census Bureau, 2016 American Community Survey; U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates, Tables B01001, B01001B-B01001H, and B17001. Retrieved from <http://datacenter.kidscount.org/NC>.
- ⁶ Chetty, Raj, John N. Friedman and Jonah E. Rockoff. (2014a) "Measuring the Impacts of Teachers I: Evaluating Bias in Teacher Value-Added Estimates." *American Economic Review* 104(9): 2593-2632.
- ⁷ Leonhardt, D. (2013, July). In Climbing Income Ladder, Location Matters. *The New York Times*. Retrieved from https://www.nytimes.com/2013/07/22/business/in-climbing-income-ladder-location-matters.html?pagewanted=all&_r=0; US Department of Housing and Urban Development. *Economic Mobility: Measuring the American Dream*. Office of Policy Development and Research. Retrieved from https://www.huduser.gov/portal/pdredge/pdr_edge_featd_article_071414.html;