

The State of North Carolina: Jobs, Poverty and Family

Duke



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Jobs, Poverty and Family

- Connection between jobs, poverty well established.
- Families depend on employment for income.
- ↓ employment = ↑ poverty.
- Where are intersections?
- Effects on family?

Today we will:

- Get big picture of NC.
- Review NC history and current conditions.
- Understand repercussions of unemployment/poverty.
- Frame solutions.

NC Strengths and Challenges

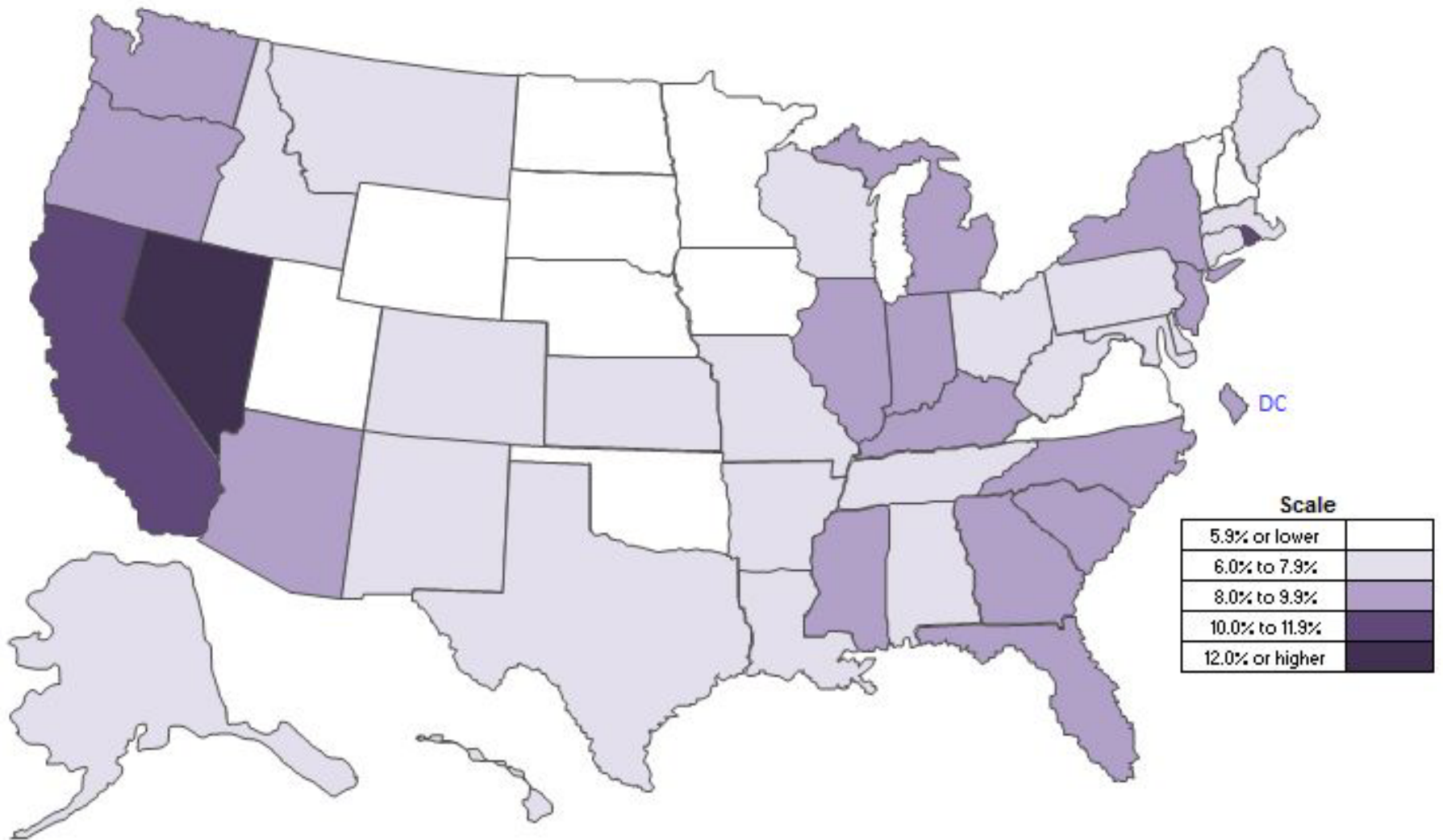
Strengths

- Manufacturing growing*
- Farming exports strong
- Population growing*
- Housing stronger than most
- Unemployment falling

Challenges

- Unemployment high, 5th in U.S.
- Poverty growing, especially among children
- Median income decreasing
- Reliant on manufacturing
- Population is growing
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Map 1. Unemployment Rate Across the United States, March 2012



Source Data: United States Department of Labor, Bureau of Labor Statistics. *Seasonally adjusted

History of NC Unemployment

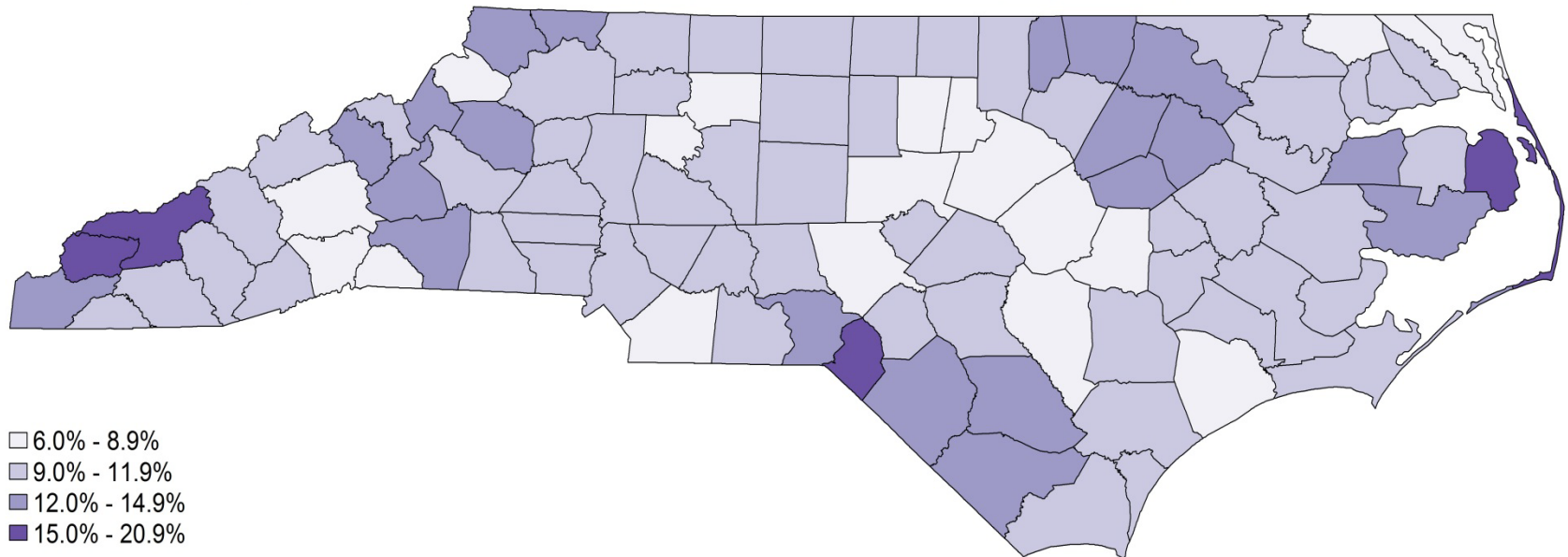
North Carolina Seasonally Adjusted Unemployment Rate(%)
January 1980 to March 2012



NC Unemployment 2012

- Urban counties less effected by unemployment.

Map 3. North Carolina Unemployment Rates, County-by-County, March 2012

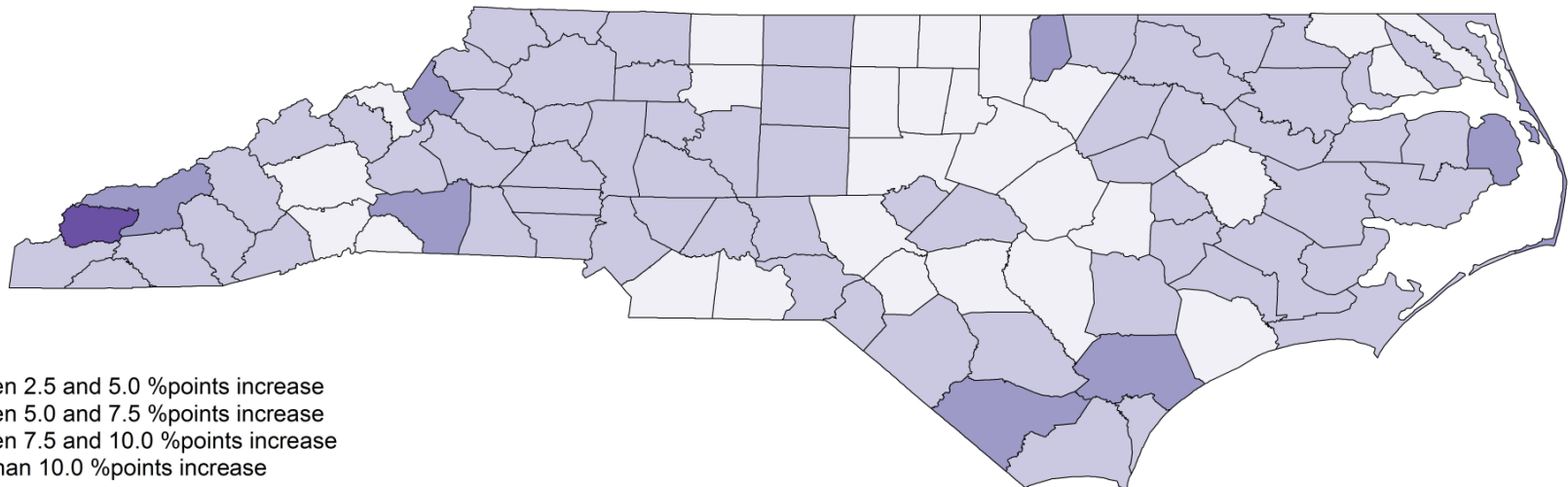


Data Source: Employment Security Commission of North Carolina. *Unadjusted data

NC Changes in Unemployment

- 2007-2012 Unemployment increased in all NC Counties
- Rural counties saw greater increases, 5 points or higher
- Pockets of high unemployment in rural NE, South and Western counties.

Map 2. Comparison of North Carolina Unemployment Rates; March 2007 Compared to March 2012, County-by-County



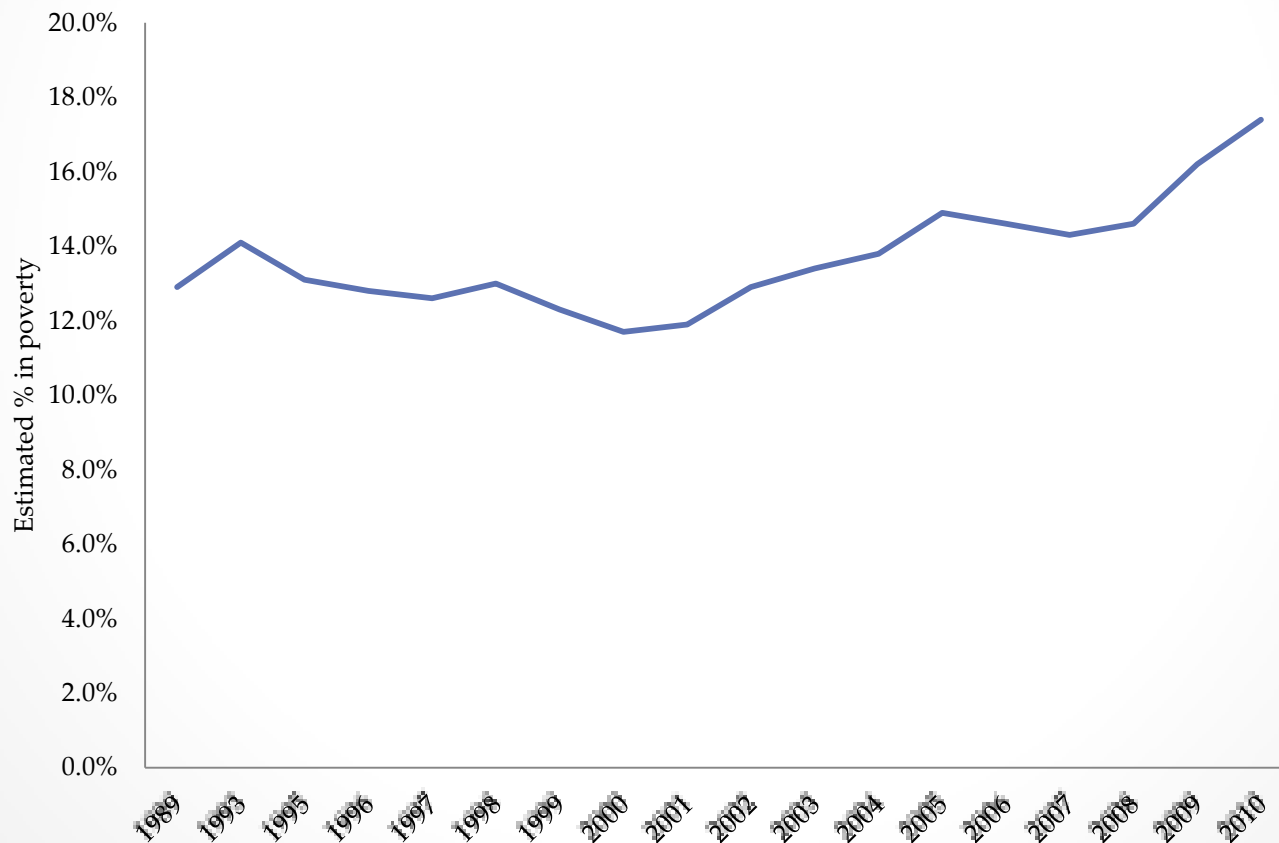
Data Source: Employment Security Commission of North Carolina. *Unadjusted data

Long Term Unemployment

- Long term unemployment (27weeks or more).
- 2011 Current Population Survey (CPS) extended tracking to 5 years from 2.
- 11 percent of all unemployed without job for 2+ years.

Poverty in NC

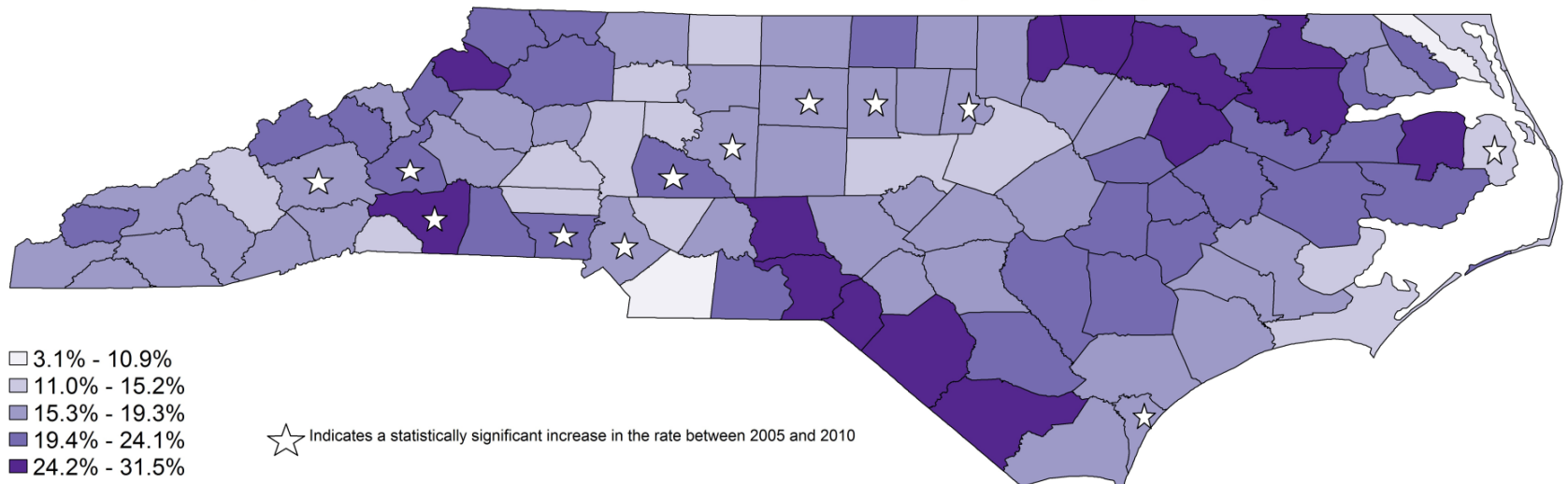
**Estimated Percent of People of All Ages in Poverty
in North Carolina, 1989 to 2010**



County by County Poverty

- Urban poverty lower than rural counties.
- Highest concentrations in south and northeastern counties.
- Starred counties have significant (5 points or more) increase in poverty since 2005.
- In 14 counties, **at least quarter** of population is in poverty.

Map 4. Percent of All North Carolinians in Poverty, County-by-County, 2010



Data Source: U.S. Census Bureau, Small Area Income and Poverty Estimates (SAIPE).

Who is at Risk for Poverty?

- Unemployment 7x more likely than inflation to cause poverty.
- Low wage earners are most at risk of falling into poverty during job loss.
- Duration of unemployment longer, leading to more poverty (30% of long-term unemployed in poverty.)
- NC median household income fell 12% in 2010 (\$43,326).

Effects of Unemployment

Challenges:

- Increased poverty statewide.
- Child poverty rate 24.9% statewide.
- 15.7% of North Carolinians “food insecure”.
- Behavioral health implications.
- Child achievement outcomes negatively impacted.

Solutions: Evidence-Based Programs and Policies

- Successful national programs and policies that can be replicated statewide.
- Successful local programs than can be expanded statewide.

Highlights:

- Sectoral training
- Manufacturing partnerships
- Career academies
- Early childhood education

Solutions: Existing Policy Recommendations

- 2010, Report of the Joint Legislative Study Commission on Poverty Reduction and Economic Recovery
- 22 policy recommendations. Highlights:
 - Increase charter schools.
 - Increase child care subsidy.
 - Increase Earned Income Tax Credit(EITC).
 - Restore Medicaid cuts to restore 40,000 jobs.
 - Expand prison education programs.
 - Expand Work Opportunity Tax Credits.
 - Improve transportation and housing.
 - Expand financial and parenting education in schools.

Conclusion

- Unemployment is still high in NC.
- Poverty is increasing.
- The two are linked.
- Both are detrimental to NC prosperity.
- Evidence-based policy and programs can alleviate unemployment and poverty.
- Existing policy recommendations can be considered.
- Things are improving and can improve faster by using proven methods.