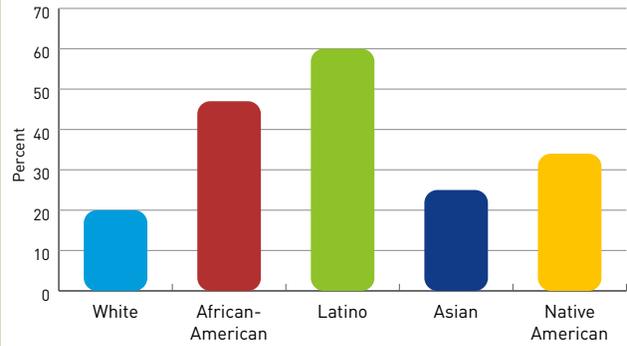


Race Matters

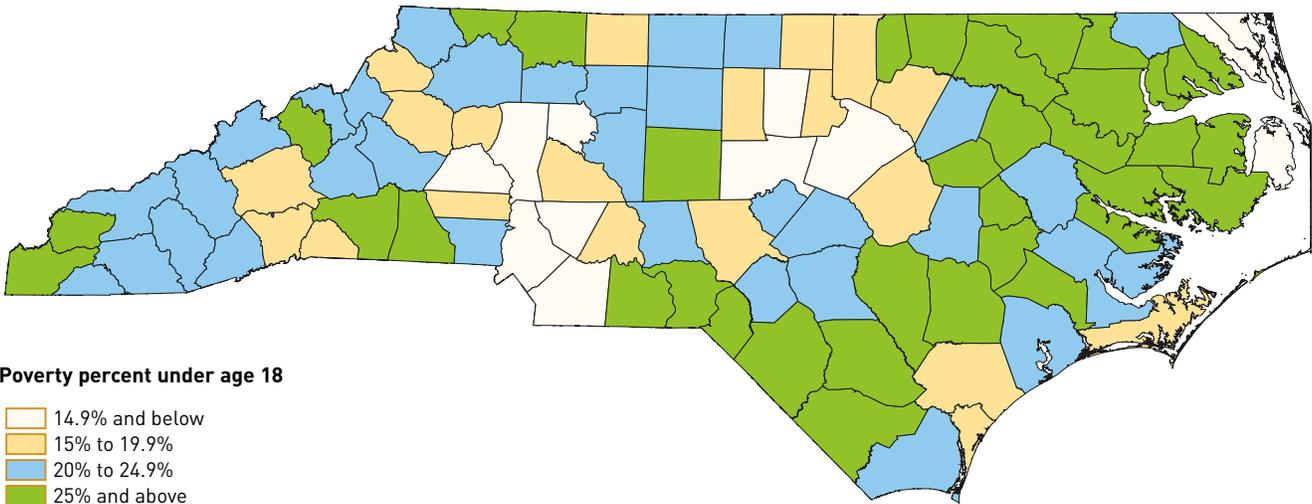
Children of color are more likely to grow up in both income poverty and asset poverty. This double burden creates a difficult barrier for children to overcome. As adults, children of color may see their earnings increase, but an intergenerational lack of savings and assets leaves many vulnerable to economic shocks. Nationally, for every dollar owned by the average white household, the average household of color owns only 13 cents.²⁶

Household Asset Poverty by Race in North Carolina



Source: N.C. Local Asset Poverty Index, Calculations by Steve Wertheim, consultant Asset Policy Initiative of California.

Child Poverty by County



Source: U.S. Census Bureau, Small Area Estimates Branch, 2007 Poverty and Median Income Estimates. Released December 2008.

Goal 4: All Children are Provided the Opportunity and Resources to Succeed in their Education

Education is one critical component to personal financial security and to a community's economic development. To have a comparative advantage in the future global marketplace, North Carolina will need to train more young people for the changing 21st century economy. Educational institutions, from regulated childcare to preschool to K through 12, are the pipeline through which children can take advantage of opportunities and access new resources in pursuit of future success.

A child's brain begins developing early and is heavily influenced by his or her experiences and environment. The first five years are a critical period of development and determine whether a child is ready to start school with his or her peers. In turn, school readiness has implications for school achievement and ultimately graduation.

Goal 4: All Children are Provided the Opportunity and Resources to Succeed in their Education

	2007	2003	Change (%)
Children in regulated childcare (age 0-5)	193,600	n/a	n/a
Children enrolled in high quality childcare (age 0-5)	103,682	n/a	n/a
Children receiving subsidies in regulated childcare (age 0-5)	115,338	119,256	-3.3%
Children receiving subsidies in high quality childcare (age 0-5)	64,582	41,308	56.3%
Children who are eligible and approved but not receiving subsidies (age 0-5)	32,199 (2008)	n/a	n/a
Total state per pupil expenditure for K-12	\$8,017	\$6,741	18.9%
Four-year cohort graduation rate	69.5%	n/a	n/a
Long-term suspension rate (per 1,000)	3.3	3.0	10%

Please see "Indicator notes, definitions and sources" for more information on each of these indicators.

Nearly 200,000 children ages 0 to 5 are enrolled in regulated childcare. Regulated childcare provides communities with institutional support for working families and children's development while also stimulating the economy by creating childcare jobs.

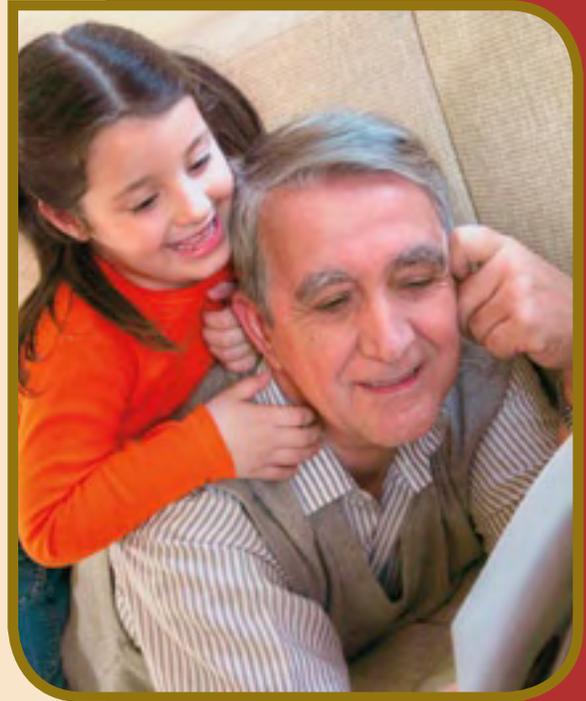
Children receiving subsidies are slightly more likely to be enrolled in high quality care. In 2007, 55.9 percent of children receiving subsidies were enrolled in high quality care whereas only 53.5 percent of the total enrolled children were in high quality childcare, defined as 4- and 5-star centers. Childcare subsidies are an important tool to support low-income working families and help ensure all children access to high quality childcare.

The waiting list for childcare subsidies has increased, reflecting the strain of the economic downturn on working families. More than 30,000 children who are eligible for childcare subsidies are on a waiting list. This number fluctuates in relation to the unemployment rate and available subsidy funds. A function of the need for greater state investment and the economic downturn, these waiting lists represent children without services and parents without support to work.

The combined federal, state and local K-12 per pupil expenditure in North Carolina was \$8,017 in 2007. Per pupil expenditure often reflects the relative wealth of a community, if the relative contributions of local, state and federal monies are considered.

Long-term suspensions of children from school remain high at 4,682 (or 3.3 suspensions per 1,000 students) in the last academic year. Children in long-term suspension (i.e., more than 11 days) do not always have community supports for their educational needs and are at risk of getting into further trouble on their own. Students who are suspended tend to receive lower grades and are much more likely to drop out of school.²⁷

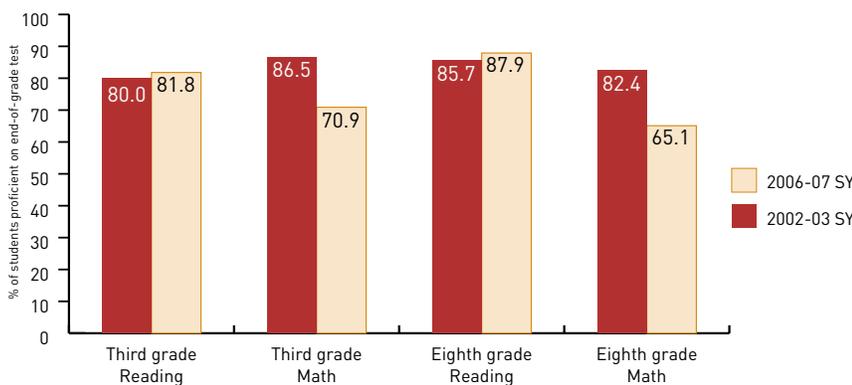
One of every four high school freshmen did not graduate in four years by 2007. Graduating from high school provides on average an additional \$6,613 in earnings annually for North Carolinians.²⁸ Young people without a high school degree are more likely to live in poverty and have negative health and social outcomes.



North Carolina should build upon its existing reputation as a national innovator in early childhood education by continuing to improve the quality of early care and education in all counties, increasing subsidies to enable more low-income children to attend high-quality early care and moving closer toward pre-K for all 4-year-olds. The state should expand funding for the early care and education system to improve childcare quality for babies and toddlers, who fall behind preschoolers in access to high-quality care. North Carolina's existing early education programs and infrastructure—particularly Smart Start and More at Four—are valuable assets that the state should intentionally support and grow. Investment in early education is an immediate economic stimulus through jobs created for both childcare workers and parents, but it is also a long-term investment in the state's future workforce and economy.

North Carolina's public education system is at a crossroads. With the state's economy leaping into the 21st century, our education leaders and policymakers need to value and encourage innovation at the classroom, school, district and state levels. Too many of our future workers are currently being lost to suspensions, drop-out, or failure to continue their education after high school. Career and technical education—particularly focused on high-tech careers—should be expanded, and

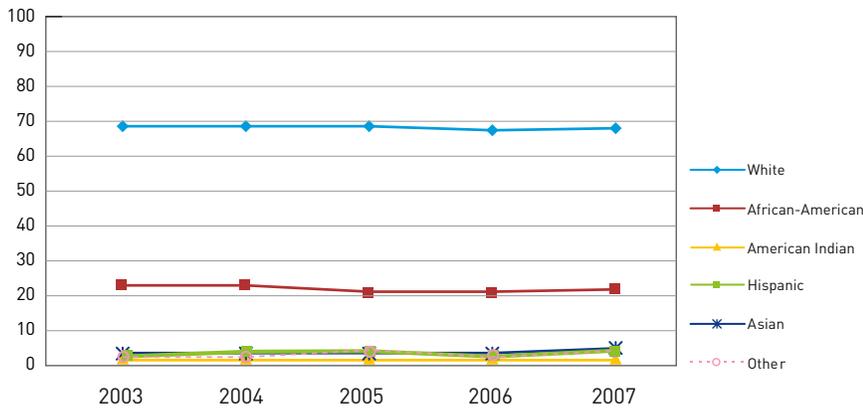
Student Proficiency on End-of-Grade Testing



Source: North Carolina Department of Public Instruction, Division of Accountability Services.

Proficiency in reading and math are critical to the development of academic competencies and life skills. From 2003 to 2007, achievement at third-grade assessments in reading slightly improved while math dropped off. Over the same period, eighth-grade assessments in reading improved and declined in math. However, from third grade to eighth grade, students generally became less proficient in math, suggesting perhaps a need for academic intervention between assessments.

Percent of SAT Test Takers by Race & Ethnicity



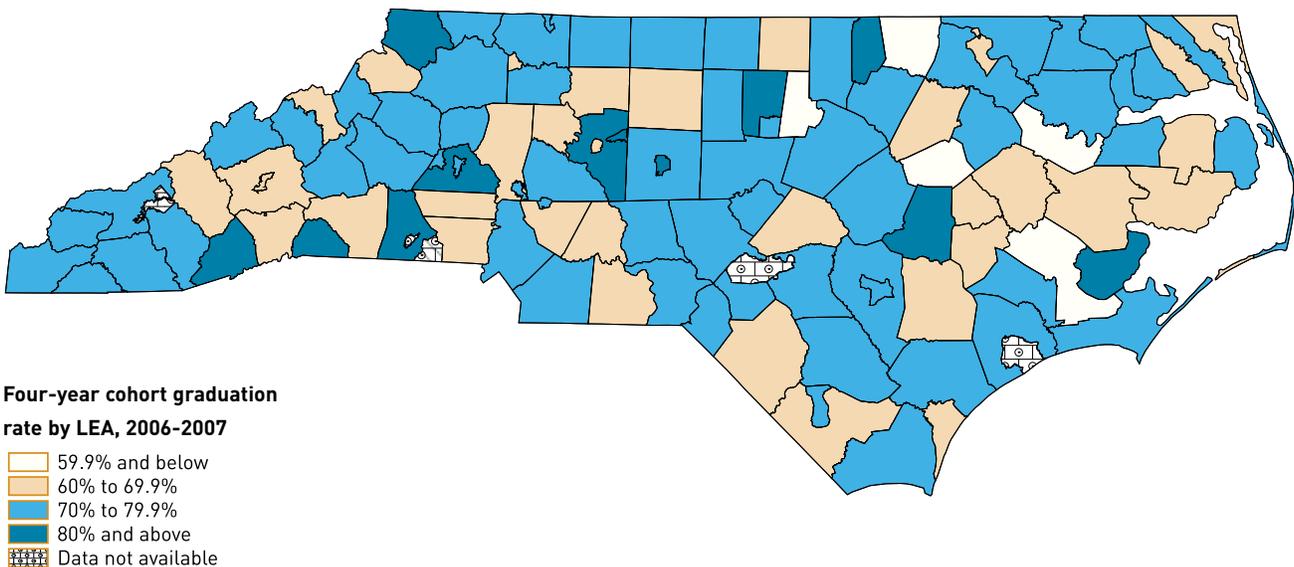
Source: The North Carolina SAT Report 2003, 2004, 2005, 2006, 2007

high school graduates should be encouraged to take advantage of the state's extensive community college and nationally ranked university systems. North Carolina is experiencing rapid population growth, and determining how education resources should be divided among counties, districts and sub-populations of students will be increasingly difficult. Continually increasing innovation and financial investment in the state's education system is vital and requires ensuring that teaching and school practices keep up with the latest research on what works.

Race Matters

In 2007, 71 percent of students scheduled to graduate took the SAT exam.²⁹ White and African-American students represented the majority of SAT takers. The percent of SAT takers is one indicator of young North Carolinians aspirations for higher education. The expectation of graduating seniors to continue at institutions of higher learning is further complicated, however, by the lower high school graduation rate of students of color and the higher student debt incurred by college graduates of color.³⁰ North Carolina must continue to make every attempt to open the doors to higher education to students who seek it, and support the completion of their higher education once students begin.

Four-Year Cohort Graduation Rate by County



Source: Department of Public Instruction, LEA and Cohort Graduation Rate, Data as of July 2008.

Quality Communities for Children

Children’s outcomes are related to the quality of communities where they grow up—the availability of services, resources and even the outcomes of their neighbors. North Carolina’s neighborhoods and communities are rapidly becoming more densely populated and more suburban. At the same time, communities—from neighborhoods to towns to counties—are increasingly working together to link the systems that serve children and orient institutions and individuals to the needs of children. In Hickory, the Department of Social Services has partnered with the city schools to ensure children in foster care are supported in their education by receiving transportation and additional academic tutoring. In Durham, the Department of Social Services has partnered with Volunteer Income Tax Assistance providers to ensure that eligible families apply for tax credits and public benefits. These efforts should be supported and expanded across the state. A caring environment where learning, relationships and opportunity are around every corner can be built block by block through investment, engagement and leadership.



Community Participation

Voter turnout (2008 Presidential Election)	70%
Residence stability of children (2007)	81.6%
Library visits per capita (2005)	4.0
Median hours of annual volunteer activity by 16- to 25-year olds (2003)	24 hours/year

Please see "Indicator notes, definitions, and sources," for more information on each of these indicators.

Each community has its own strengths and faces its own challenges when it comes to caring for its children. Conducting an honest needs assessment is essential for communities to develop the strategies that will make the greatest difference in the lives of children. Just as no two children are alike, no two communities are alike; counties that excel in some areas, such as in child health, may struggle in education or juvenile justice. Local-level data help policymakers, community leaders and child advocates better understand how children in their communities are doing and help to create more effective policy and community action.

Action for Children North Carolina provides a full array of data at the local level on its website at www.ncchild.org, where the Annie E. Casey Foundation’s Kids Count Data Center website may also be accessed. This is a great resource for local data that can be graphed and mapped over time and across the state. Beyond the indicators included in this publication, **Action for Children** monitors and posts local data on this website. **Action for Children North Carolina** is available to provide technical assistance in accessing these data, making presentations to community groups and facilitating results-based planning processes that can use data to drive program and policy change locally.

Conclusion

As a society, we take most seriously those things that we measure. In compiling this index of child well-being, Action for Children North Carolina identifies a need to better collect and analyze data on the conditions and issues facing children. While North Carolina has invested in monitoring some child indicators, many data remain missing or flawed. More significantly, many of these data points remain disconnected from their context and thus only allow for limited interpretation. The number of parents in the state who are not working can point to the availability of jobs, but it requires an understanding as well of availability of childcare, reliability of transportation and the pervasiveness of health concerns. Similarly, knowing the number of children who receive food stamps alone is not sufficient to gain an understanding of how many children go to bed hungry at night, have limited healthy food choices in their neighborhoods or have limited access to preventive care and nutrition information.

In addition to collecting better data, North Carolina also needs to invest in asking the right questions. Not only do we need to know how many young people are engaged in delinquency, but we also need to know how and why they arrived at that point. An understanding of the data in relationship to the services and systems that work with children is essential for developing policies that can work.

There is a growing effort on the part of government agencies, nonprofit organizations, research institutions and others to develop innovative data collection systems that can inform practice and policy. These efforts should be further encouraged and supported with the resources necessary to develop uniform data collection systems across counties and integrate data sources from multiple agencies. It is critical that data also be made available by demographic characteristics—gender, race, ethnicity, age—as these factors are important for assessing North Carolina’s ability to serve all children.

From this preliminary analysis of child well-being in North Carolina, it is clear that changes in children’s services have occurred since the publication of the previous Index. But the systems serving children must continue to incorporate the latest research on child development and effective practices to ensure that North Carolina spends limited resources in the most effective way possible.

There are particular areas on which North Carolina can focus in the coming years. Key indicators show significant disparities in North Carolina by geography and race or ethnicity. These disparities should be further analyzed with expanded data collection and investment in policies and programs that work to reduce the disproportionate impact on certain children. Collecting data on the positive development of children could also serve to reinforce where investments have worked.

North Carolina will be better served today and in the long term by policies and programs that are developed with a foundation in the data and research available. Monitoring and improving children’s well-being as they develop is essential to our continued shared prosperity.