



## **Building Economic Opportunity**

*A community discussion about what it takes to promote opportunity and achieve financial security for children and families*

The future of North Carolina has always been as strong as its people. That's why we're at our best when all children grow up in financially secure families and communities where they are more likely to succeed in school, stay healthy, and achieve their full potential.

Unfortunately, families in many communities face deeply entrenched obstacles to success, such as insufficient and low-paying jobs, under-funded schools, and limited access to health care. This is disproportionately true for families of color due to barriers like hiring discrimination and a biased criminal justice system.

When these community-wide barriers to prosperity aren't addressed by effective public policy changes, they perpetuate financial hardship generation after generation. The good news is that we can overcome these barriers and create economic opportunity in communities where it doesn't exist and get young children off to a strong start that prepares them for future college, career, and life success.

### **Event Agenda**

**Winston-Salem September 28, 2016 5-8 PM**

#### **5 pm -- Dinner**

*Dinner is provided by Providence Catering / Second Harvest Food Bank*

#### **5:30 pm -- Welcome**

*Michelle Hughes, executive director of NC Child and Larry Vellani, CEO of Smart Start of Forsyth County will open the event with an overview of why we are here and what we hope to accomplish.*

#### **5:50 pm -- Data Overview & Discussion**

*Laila A. Bell, NC Child's director of research and data, will provide an overview of key data trends regarding the financial security of children and families locally and throughout North Carolina.*

#### **6:15 pm -- Structural Economic Opportunity Solutions & Framework**

*Adam Sotak, public engagement director for NC Child, will discuss NC Child's initial research and analysis leading to proposed policy solutions and will stress the need for community feedback.*

#### **6:25 pm -- Policy Solution Walk**

*The challenges our communities face are significant, but they are also solvable if we implement smart public policies to help striving families overcome barriers to success. Participants will review and discuss eight potential policy solutions, putting them in context of local needs and opportunities.*

#### **7:30 pm -- Wrap up and Next Steps**

*Participants will take a survey to prioritize policy solutions and discuss how we can collaborate to move this work forward.*

## **Building Economic Opportunity Event Partners**

We thank the following local and statewide partners for their support in planning and implementing this community discussion about building economic opportunity for children and families.

In particular, we'd like to extend a special thanks to our local partners, who were our thought partners in developing the agendas for the event and who took the lead in managing event logistics.

### **Local Event Partners:**

#### *Asheville--*

- Children First - Communities in Schools Buncombe County
- The Success Equation

#### *Winston-Salem--*

- H.O.P.E. of Winston-Salem
- Smart Start of Forsyth County

#### *Goldsboro--*

- WAGES
- Goldsboro Pediatrics
- Partnership for Children of Wayne County

#### *Wilmington--*

- UNCW College of Health & Human Sciences
- UNCW Watson College of Education
- New Hanover County NAACP
- Smart Start of New Hanover County
- Dropout Prevention Coalition

### **Statewide Partners:**

- ACLU of North Carolina
- The Budget & Tax Center
- Prevent Child Abuse NC
- MomsRising NC
- NC Child Care Coalition
- NC Public Health Association
- NC Association of Local Health Directors

## **Building Economic Opportunity for North Carolina's Children and Families**

The following is a brief overview of NC Child's analysis of the impact and root causes of financial insecurity and lack of opportunity, and solutions for overcoming barriers to prosperity.

### **Growing Up In Financially Secure Families And Communities Is Critical For Children**

Beginning at conception, children from financially stressed families and communities face challenges in health, education, and development that jeopardize their future success.

- **Physical and Mental Health:**
  - Children and parents from low-income families and communities often lack access to needed health services, adequate and healthy food, and safe public spaces for active play.
  - As a result, poor children are more likely to experience a variety of health challenges, including being born too small or too soon, obesity, mental illness, substance abuse, dental decay, and chronic diseases, like diabetes.
- **Educational Attainment:**
  - In poor communities across our state, structural barriers undermine children's educational success:
    - Schools are underfunded and don't have the necessary resources to provide children with a competitive education.
    - Many communities lack sufficient affordable housing and public transportation, which can disrupt a child's school attendance and learning experience.
    - Children of color are disproportionately pushed out of school as a result of biased school discipline and policing.
  - As a result, children from low-income communities are less likely to meet key learning benchmarks, graduate from high school, or obtain a post-secondary education.
- **Toxic Stress and Brain Architecture:** The chronic stress of a family's financial struggle is a real problem for children. If supportive relationships are not present to help buffer that stress, children can suffer negative consequences for their growing brains and bodies that make it harder for them to learn and result in stress-related health conditions later in life. The good news is that supportive efforts, such as health care for parents, income supplements, home visiting programs, high-quality child care, solid early education opportunities, and safe places to play—can reduce and mitigate this toxic level of stress.
- **Lack of Financial Mobility:** Largely as a result of the health and education challenges listed above, it is significantly more difficult for children growing up in low-income communities to improve their financial circumstances than it is for their middle- and upper-income peers. New

research from the Equality of Opportunity Project out of Harvard University shows that the neighborhoods children grow up in have a causal effect on their future mobility.

### **Children and families struggle when communities struggle**

Unfortunately, many children in North Carolina—in our cities, suburbs, and rural areas—are growing up in communities on the brink. Here are some of the key reasons.

- North Carolina's economy has undergone wrenching permanent change during the last 20 years, and thousands of good-paying jobs have been lost in the transition to a global economy. Work that was once done nearby is outsourced around the world, and low-skill jobs that once afforded families a middle-class lifestyle are few and far between. The nature of work has changed, and many of today's middle-income jobs require advanced degrees or technical training. The Great Recession made this transition even more painful, and many communities have not recovered from that downturn. When entire communities have high unemployment, it is difficult to restart the local economy.
- Available jobs are often service-based, like retail and hospitality, which typically don't pay enough to raise a family, and likely don't provide health insurance.
- Affordable transportation, housing, child care and health care are critical. When those systems are inadequate community-wide, families have real difficulty working and succeeding. Inadequate public investment in these core programs and infrastructure have made it more difficult for North Carolinians to stay employed and make ends meet.
- Deeply rooted racial barriers like hiring discrimination, underfunded schools in communities of color, and a biased criminal justice system keep many members of a community from building educational and economic success.

### **What we can do to create opportunity for children and families**

The good news is that we can overcome these barriers and create opportunity in communities where it doesn't exist and get young children off to a strong start that prepares them for future college, career, and life success.

There are many policy options to improve opportunity for children and families. These include boosting the minimum wage, increasing affordable housing, strengthening public transportation, adequately funding our public schools, and much more.

NC Child focuses on the following three areas to expand opportunity for children and families because of their proven effectiveness and because of our own organizational capacity and positioning:

- **Enable children to develop skills that prepare them to be college, career, and community-ready** by investing in high-quality child care, universal Pre-K, and Children's Savings Accounts.
- **Help parents enter the workforce and stay on the job** through expanded child care subsidies, paid family leave, and restored access to a state Earned Income Tax Credit for working families.
- **Ensure families and communities have adequate resources to support healthy child development in their homes and neighborhoods** by expanding access to home visiting programs, closing the health insurance coverage gap, and removing the costly administrative red tape that leaves public program enrollment inefficient and unnecessarily difficult for families to navigate.

North Carolina can take action now and implement the following eight state policy solutions and investments, which would greatly improve opportunity for all children and families in the state.

1. **Child Care Subsidies:** Child care assistance plays a dual role of helping to keep parents working while allowing their children to receive safe, reliable early instruction that improves their social and academic readiness. In North Carolina high-quality child care is unaffordable for low-income families. While North Carolina has a child care assistance program, the program is underfunded leaving over 20,000 children on a waiting list. We must ensure that the child care subsidy program is adequately funded and available to the hard-working parents who need it.
2. **Paid Family Leave:** North Carolina children need their parents to have the ability to earn a living and take care of themselves and their children. Unfortunately, 1.46 million private-sector workers in North Carolina are not entitled to any earned paid sick or family leave. That's 44.7 percent of the private-sector workforce that must give up needed wages and possibly risk their jobs so they can care for their own health needs or the health needs of family members. North Carolina should adopt policies that require employers to offer paid leave or provide employees with the option to pay into a family leave insurance program.
3. **Restore Access to the State Earned Income Tax Credit (EITC):** The EITC is one of the most effective tools for lifting children and families out of poverty. In 2013, the federal EITC lifted 3.2 million children above the poverty line. The EITC is a refundable tax credit, which means that it rewards working parents with extra money each year. The state can and should implement an EITC (and has done so in the past) to supplement the federal EITC and lift even more children out of poverty.
4. **Close the Health Insurance Coverage Gap:** We know that children are healthier and more successful if their families are healthy--physically, mentally, and financially. That's why making sure parents have access to health insurance, which can prevent catastrophic medical debt and chronic illness, is critical for the health and well-being of our state's children. Unfortunately, over 100,000 parents in North Carolina are caught in the coverage gap--they earn too much to qualify for Medicaid and too little to afford health insurance in the private marketplace. North Carolina can use available federal funds to close the health insurance coverage gap.
5. **Universal Pre-K:** The research is in--the earlier we start to educate children the better they do in the long run, not just academically, but in other aspects of life as well. Thousands of four-

year-olds in North Carolina do not have the ability to attend pre-k either because of cost or lack of available programs. To ensure all our children are ready for Kindergarten, North Carolina should implement a universal pre-k program.

6. **Home Visiting:** Voluntary home-visiting programs are a proven strategy for helping families ensure their children are born healthy, stay healthy, and stay on track for school success. By matching families with professionals such as nurses or social workers, families receive the support they need to care for their children, in their own home. Research shows that home-visiting improves a wide variety of outcomes for children and their parents.
7. **Children's Savings Accounts:** College access and affordability create barriers that can prevent children--particularly low- and moderate- income and children of color--from achieving their postsecondary goals. By providing seed money and a mechanism for saving, Children's Savings Accounts are an effective tool for increasing college enrollment.
8. **Consumer-Friendly Public Benefits:** The rules governing the enrollment and administration of many child and family programs in North Carolina often undermine their purpose. Streamlining enrollment and reenrollment for programs like Medicaid and SNAP would save the state money while helping families access needed services. Additionally, addressing the Cliff Effect, the abrupt cutoff for social supports that penalize modest increases in income, would help more North Carolina families work their way toward economic self-sufficiency.

## Help Us Build the Economic Opportunity Agenda

You can have a tremendous impact for children and families. By attending today's community discussion and taking our policy survey you have already added your voice on key issues related to family economic security. Working together, we can overcome systemic barriers and create opportunity in communities where it doesn't exist and get children off to a strong start that prepares them for future life success. Here's a few steps that we are asking everyone to take:

- **Connect**--Join NC Child's online network of individuals and organizations interested in promoting child well-being and the NC Child Advocacy Network.
- **Share**--Forward today's materials to others in your organization or community and urge them to take the policy priority survey (*will be made available via email and on the NC Child website soon*).
- **Inquire**--Between now and Election Day, use our sample questions and ask at least one candidate where they stand on issues related to opportunity for children and families.
- **Engage**--Register for the webinar in November to hear what we learned about economic opportunity in North Carolina from conversations in local communities across the state and priority issues moving forward.