

Child Poverty in North Carolina: The Scope of the Problem

Children living in financially secure families are more likely to succeed in school, stay healthy, and to become economically self-sufficient as adults.¹ Unfortunately, nearly half of North Carolina's children (43%) live in poor or low-income homes.² Growing up in poverty increases the likelihood that a child will be exposed to factors that can harm brain development, making success in school and life harder to achieve. **Promoting financial health is critical to making sure every child in North Carolina has the opportunity to succeed.**

Understanding Poverty

The United States measures poverty by a standard known as the federal poverty line (FPL). The FPL uses food costs from 1962 to estimate basic income levels for families of various sizes.³ The same standard from the 1960s is still in use today. Research suggests that most families now need an income approximately twice the FPL to meet their basic needs.⁴ Children living in families with incomes below that level are referred to as "low income".⁵ In 2018, twice the FPL was \$50,200 for a family of four with two children. Approximately 1 million children in North Carolina live in poor or low-income households.⁶



Disparities Exist by Race, Place, and Age

Historic barriers to family financial security and economic mobility still persist today. These barriers have resulted in child poverty rates that vary across race and ethnicity, geography, and age statewide.

- Young children are more likely than older children to live below the poverty line. In 2016, nearly one in four children ages 0-5 lived in poverty, compared to one in five older children in the state⁷;
- American Indian, Black, and Hispanic children are more likely to live in low-income families. Despite making up only 41 percent of the child population, Black and Hispanic children account for 63 percent of North Carolina's children in poverty⁸;
- Among all 100 counties in 2014, the 20 highest poverty rates in the state were all in rural counties.⁹

The Effects of Childhood Poverty Can Last a Lifetime

Growing up in poverty is one of the greatest threats to healthy child development. Research shows that children living in poverty are more likely than their peers to be exposed to events that can harm healthy brain development. Without protective factors to soften the blow, childhood poverty has been strongly linked to a variety of negative outcomes across a child's life: reduced success in school, more exposure to violence, hunger, parents in the justice system, as well as abuse and neglect.¹⁰

Ultimately, children thrive when their families are financially secure. Children's lifelong economics are deeply tied to those of their families and communities. To ensure opportunity for every child, North Carolina should make family financial health a top policy priority.

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Endnotes

- ¹ Duncan, G. J., Yeung, W. J., Brooks-Gunn, J., & Smith, J. R. (1998). How much does childhood poverty affect the life chances of children?. *American Sociological Review*, 406-423; Duncan, G. J., Ziol-Guest, K. M., & Kalil, A. (2010). Early-childhood poverty and adult attainment, behavior, and health. *Child Development*, 81(1), 306-325; Ratcliffe, C. (2015). Child poverty and adult success. *Brief, Urban Institute*.
- ² Population Reference Bureau, analysis of data from the U.S. Census Bureau, Census 2000 Supplementary Survey, 2001 Supplementary Survey, 2002 through 2017 American Community Survey. These data were derived from American Fact Finder table B17024 (factfinder2.census.gov/). Retrieved from <http://datacenter.kidscount.org/NC>.
- ³ US Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. *Frequently Asked Questions Related to the Poverty Guidelines and Poverty*. Retrieved from <https://aspe.hhs.gov/frequently-asked-questions-related-poverty-guidelines-and-poverty#developed>.
- ⁴ Greenberg, M. H. (2009). It's time for a better poverty measure. *Counterpoise*, 13(3/4), 21.
- ⁵ US Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. *Poverty Guidelines*. Retrieved from <https://aspe.hhs.gov/poverty-guidelines>.
- ⁶ Population Reference Bureau, analysis of data from the U.S. Census Bureau, Census 2000 Supplementary Survey, 2001 Supplementary Survey, 2002 through 2017 American Community Survey. These data were derived from American Fact Finder table B17024 (factfinder2.census.gov/). Retrieved from <http://datacenter.kidscount.org/NC>.
- ⁷ Population Reference Bureau, analysis of data from the U.S. Census Bureau, 2005, 2008, 2010, 2013, 2014, 2015, 2016, and 2017 American Community Survey. These were derived from American Fact Finder table B17001 (factfinder2.census.gov/). Retrieved from <http://datacenter.kidscount.org/NC>.
- ⁸ 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>.
- ⁹ Kennedy, Brian. *2017 Poverty Report: How North Carolina Should Be Taking Advantage of the Recovery*. NC Justice Center. Retrieved from <https://www.ncjustice.org/sites/default/files/POVERTY%20REPORT%202017.pdf>.
- ¹⁰ Cook, J. T., & Frank, D. A. (2008). Food security, poverty, and human development in the United States. *Annals of the New York Academy of Sciences*, 1136(1), 193-209.; Drake, B., & Pandey, S. (1996). Understanding the relationship between neighborhood poverty and specific types of child maltreatment. *Child abuse & neglect*, 20(11), 1003-1018.; Duncan, G. J., Yeung, W. J., Brooks-Gunn, J., & Smith, J. R. (1998). How much does childhood poverty affect the life chances of children?. *American sociological review*, 406-423.; Johnson, R. (2009). Ever-increasing levels of parental incarceration and the consequences for children. *Do prisons make us safer? The benefits and costs of the prison boom*, 177-206.