

Child Poverty in North Carolina: Economic Mobility

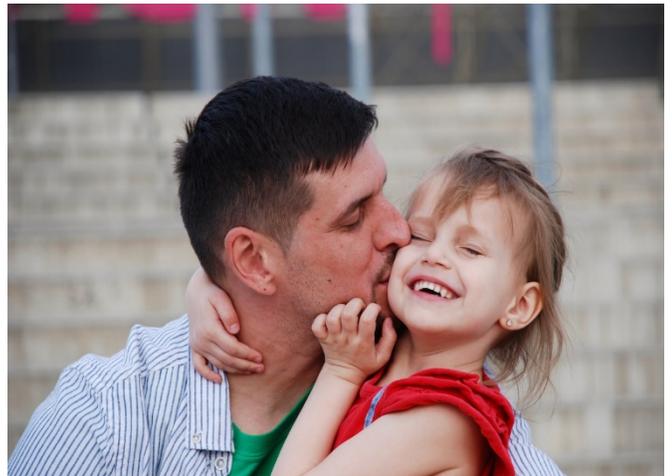
Parents work hard so that their children's futures will offer more opportunity than their own did. Those efforts are increasingly futile in North Carolina, where children born into poverty are more likely than children in other states to remain in poverty as adults. **Promoting family economic mobility is critical to ensuring opportunity for every child in North Carolina.**

Children Born into Poverty are Likely to Remain in Poverty

Economic mobility is the ability for someone to change their economic status. This ability is usually measured in movement between income quintiles – from the bottom 20% of earners to the top 20%, for example. A growing wealth of evidence asserts that it is nearly impossible for a child born into poverty to elevate his/her economic circumstances unless public policies are designed to support their success.¹ This is especially true in North Carolina, where upward mobility lags behind the rest of the nation.² **Most children born into low-income families in North Carolina will lack the resources, opportunity, and education to climb the economic ladder in adulthood.**

Place Matters for Kids in Poverty

While children in higher-income households tend to not be impacted by location, geography matters for children growing up in poverty. New research has ranked many of the South's booming metropolitan centers – including Charlotte – lowest in the country for economic mobility. This comes despite high rates of job and wage growth over the past two decades.³ Economic mobility in Wake County is lower than in 94% of counties nationwide. A child growing up in a low-income family in Wake will earn \$3,000 less at age 26 than a poor child growing up in a US county with average economic mobility, according to recent estimates.⁴



Income and Racial Segregation Often Track Together

More than half (58%) of North Carolina's children in poor or low-income homes are racial or ethnic minorities.⁵ Race has been found to not be a determining factor for economic mobility at the individual level. However, historical segregation by race persists today in many areas as income segregation. Areas of low economic mobility in Southern states, including North Carolina, coincide with those that also have traditionally high African-American populations.⁶ Growing up in a low-income neighborhood can affect a child's chances of succeeding on several levels. High-poverty neighborhoods often have reduced access to health care, nutritious foods, high-quality schools, and social networks.

Income inequality, racial segregation, poor school quality, and low social capital are frequent characteristics of neighborhoods with low economic mobility.⁷ North Carolina should look to public investments that improve these characteristics, to ensure that every child in North Carolina has a chance to live the American Dream.

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Endnotes

- ¹ Ratcliffe, C. & Kalish, E. (2017). *Escaping Poverty: Predictors of Persistently Poor Children's Economic Success*. US Partnership on Mobility from Poverty. Retrieved from <https://www.urban.org/sites/default/files/publication/90321/escaping-poverty.pdf>; White, G. (2017, April). Escaping Poverty Requires Almost 20 Years With Nearly Nothing Going Wrong. *The Atlantic*. Retrieved from <https://www.theatlantic.com/business/archive/2017/04/economic-inequality/524610/>
- ² MDC (2016). *North Carolina's Economic Imperative: Building an Infrastructure of Opportunity*. Report for the John M. Belk Endowment. Retrieved from <http://stateofthesouth.org/north-carolinas-economic-imperative/>
- ³ 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.
- ⁴ The Upshot (2015, May). The Best and Worst Places to Grow Up: How Your Area Compares. *The New York Times*. Retrieved from <https://www.nytimes.com/interactive/2015/05/03/upshot/the-best-and-worst-places-to-grow-up-how-your-area-compares.html>
- ⁵ 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>
- ⁶ 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
- ⁷ 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.; 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