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THE CHALLENGE OF PERVASIVE POVERTY

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The last two years have been tough ones for North Carolina: skyrocketing unemployment, foreclosure nightmares, a steep rise in the uninsured, a breakdown in mental health care, a chasm of revenue shortfalls, excruciating budget cuts. Here, also, daunting recessionary fallout has followed challenging economic transformations already under way - as we have shifted from traditional manufacturing and agricultural bases to newer industrial frontiers. Inequalities have become harrowing.

Our charge is not only to rebuild an economy, but also to do so in ways that secure opportunity and dignity for all.

To that end, our organizations have, in recent months, attempted to explore and investigate economic distress and challenge in North Carolina. Some of our conclusions matched expectation. Others surprised. They reflect both meaningful progress and imposing need. We've accomplished much. We've left too much undone.

Our lodestar, thankfully, has been education. A century ago, North Carolina had the highest illiteracy rate and the lowest per-pupil expenditures in the South. Even in 1970, we ranked 48th among the states in percentage of high school graduates. Four decades later, we've moved closer to the middle of the pack and seen the second highest relative increase in graduation rates in the country. Sustained investment can pay off.

Still, we lag on crucial fronts. Only 72 percent of our students graduate in four years. We trail national averages in the percentage of residents with college degrees - a vital measure of economic opportunity. Our attainments are plagued by both regional and racial disparity. Some counties, particularly in the east, post alarmingly diminished graduation rates. While 87 percent of white North Carolinians have high school degrees, only 79 percent of African-Americans and 51 percent of Latinos do. We are but part way home.

North Carolina's poverty has proven more stubborn. It has risen over the past decade - even when the economy was growing. Now it mushrooms. Roughly 15 percent of us live below the stingy federal poverty standard, about \$22,000 per annum for a family of four. Under more meaningful "living wage" measures - tracking what it takes to pay for the basic of necessities of life - one-third of our families can't realistically make ends meet.

Here, too, disparity is pronounced. The youngest, tragically, are the most vulnerable. One in five of our kids lives in wrenching poverty. Disadvantage is also marked by geography. Robeson, Bladen, Scotland, Halifax and Bertie counties - to name but a few - struggle with dramatically higher rates of economic distress. Poverty also reflects family structure. Female-headed households are far more likely to be poor.

To our shame, economic disparity is also profoundly driven by race. North Carolina's black families are three times as likely as whites to live below the federal poverty threshold; Hispanics almost four times. Wealth measures - more telling in the struggle for economic security - are worse. Nationally, African-Americans earn, on average, 62 percent as much as whites. But they have only 10 percent to 14 percent as much amassed wealth. This measure is not improving.

Nor is North Carolina's poverty only rural. Urban census tracts in Raleigh, Durham, Charlotte, Greensboro and Winston-Salem - where huge numbers reside - experience higher poverty and unemployment rates and lower per capita incomes, home ownership and graduation rates than even highly distressed rural counties. Our rural poverty is chronic and broad. Our urban poverty is chronic and deep.

Deep recession, now added to the blows of economic dislocation, has hit some parts of North Carolina remarkably hard. The Catawba Valley provides acute and distressing illustration. The Hickory-Lenoir-Morganton unemployment rate rose from 6.3 percent in March, 2008 to 15.4 percent a year later - the third-highest metropolitan increase in the nation. It's often impossible to separate individual economic prospects from community ones.

William Winter wrote, famously, that "the road to prosperity inevitably leads past the schoolhouse door." For us, though, educational advancement is a necessary but not a sufficient tool in the fight against economic distress and marginalization. We're required to invest in our people and our places.

Our efforts should focus not only on chronically poor rural counties, but also on the highly distressed neighborhoods of our urban centers and on communities plagued by the devastation of industrial displacement. Only then will working people, no matter where they live or what their race, have a realistic chance to sustain their families.

Our command is to open the doors of possibility for every North Carolinian. As we move to bolster our economy, it's vital to recall that many of our neighbors faced severe distress long before the recent traumas of recession. We should recall, as well, we're all in this together.

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