

UNDER EMBARGO until
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North Carolina Children Left Behind in Economic Recovery, New *KIDS COUNT Data Book* Rankings

RALEIGH, North Carolina-- A new report shows North Carolina's children are being left behind in the state's modest economic recovery, placing them at greater risk for academic, health and social difficulties later in life.

The 2015 *KIDS COUNT*[®] *Data Book*, released today by the Annie E. Casey Foundation, finds North Carolina children and families are losing ground in key measures of financial security, while making moderate gains in several education and health indicators. The *Data Book* provides state-to-state comparisons in four areas: economic well-being, education, health, and family and community. The report ranks North Carolina 35th in the country for overall child well-being, 21 places below its neighbor Virginia (14th).

"The gap between states with the best and worst child well-being is stark—and North Carolina sits on the wrong side of that divide," said Michelle Hughes, executive director of NC Child, a state advocacy group that works to improve child well-being. "In order for our children to thrive and our state to excel now and in the future, North Carolina needs to work on the fundamentals of healthy child development: support strong and stable families, build safe and nurturing communities and promote high-quality schools."

Key NC Economic Indicators Falling

The *Data Book* offers a sobering picture of financial hardship for North Carolina families. Although North Carolina rose four places in rankings of economic well-being, it still ranks at the bottom half at 34th in the country. This rise in rank is largely due other states falling behind. A closer look at the data shows three out of four indicators of financial health have worsened since 2008:

- One in four children lives in poverty (25 percent), up 25 percent. North Carolina now ties Texas and Kentucky for the 11th highest child poverty rate in the country.
- One in three children lives in a family where the parents lack secure employment (32 percent), up 14 percent.
- One in three children lives in a family that struggles to afford the cost of housing (33 percent).
- One in 11 teens (9 percent) is out of school and not working, disconnected from education and employment pathways to success, up 13 percent.

Poverty poses a significant threat to child development that leaves children at risk for long-term challenges including poor physical and mental health, teenage childbearing and lower earnings. Children of color, the fastest growing segment of North Carolina's child population, are two to three times as likely to live in poverty as their non-Hispanic white peers.

The worsening economic situation for children and families is exacerbated by recent actions by the North Carolina General Assembly. In 2014, the legislature allowed the state Earned Income Tax Credit to expire and voted to limit access to child care assistance for school-age children, which will take more than 6,000 children

out of child care by October 2015. (The proposed state House budget would reinstate child care for some of these children, but the Senate budget is different.)

Not only individual families but entire NC communities are experiencing economic difficulty. The percent of North Carolina children living in high poverty communities (14 percent) has grown 56 percent since 2006-10—twice as fast as the national average. This means a greater percentage of North Carolina children are growing up in neighborhoods that lack access to critical resources like fresh, nutritious foods, high-quality schools and safe, walkable spaces that encourage exercise and play.

Laila A. Bell, director of research and data at NC Child, said this surge in the percentage of children living in areas of concentrated poverty should be a cause for concern for the state.

“Where children grow up matters. The environments in which our children live, learn and play—their homes, neighborhoods and schools—have a significant impact on their future earnings, learning, health and well-being,” said Bell.

“The best evidence indicates that policies that help parents pursue economic self-sufficiency like child care subsidies, expanding access to high-quality early childhood education and targeted investments to reduce health disparities produce the biggest improvements in child well-being.”

Bright Spots Amid Otherwise Sobering Data

North Carolina ranks highest in the education (28) and health (32) domains, where children improved in seven out of eight indicators. Bell notes these gains reflect returns on previous investments implemented through evidence-based public policies and programs like infant mortality prevention and tougher seatbelt regulations. Since 2008:

- The percentage of children without health insurance declined 40 percent to 6 percent of all children—the lowest rate in state history.
- The percent of high school students not graduating on time dropped to 21 percent, a 22 percent improvement.
- North Carolina experienced the fifth largest drop in the percent of fourth graders not proficient in reading falling to 65 percent, an 8 percent decline.

“While we still have a long way to travel to join the best-performing states in these domains, improvements in these areas show it is possible to move the needle on tough issues affecting child well-being using evidence-based policymaking and strategic investments,” Bell said.

The 2015 Data Book will be available July 21 at 12:01 a.m. EDT at www.aecf.org. KIDS COUNT® is a registered trademark of the Annie E. Casey Foundation.

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About NC Child

NC Child is a nonpartisan, nonprofit advocacy organization committed to improving public policies to benefit children’s lives. Learn more about NC Child at nchild.org.

North Carolina Children in the 2015 KIDS COUNT Data Book

Rank by Domain:

- 34th in Economic Well-Being
- 28th in Education

- 32nd in Health
- 36th in Family and Community

Indicators that improved:

- Fourth graders not proficient in reading (65 percent)
- Eighth graders not proficient in math (64 percent)
- High school students not graduating on time (21 percent)
- Low-birthweight babies (8.8 percent)
- Children without health insurance (6 percent)
- Child and teen deaths per 100,000 (26 per 100,000)
- Teens who abuse alcohol or drugs (6 percent)
- Children in families where the household head lacks a high school diploma (14 percent)
- Teen births per 1,000 (28 per 1,000)

Indicators that worsened:

- Children in poverty (25 percent)
- Children whose parents lack secure employment (32 percent)
- Teens not in school and not working (9 percent)
- Children not attending preschool (58 percent)
- Children in single-parent families (38 percent)
- Children living in high poverty areas (14 percent)

Indicators that stayed the same:

- Children living in households with a high housing cost burden (33 percent)