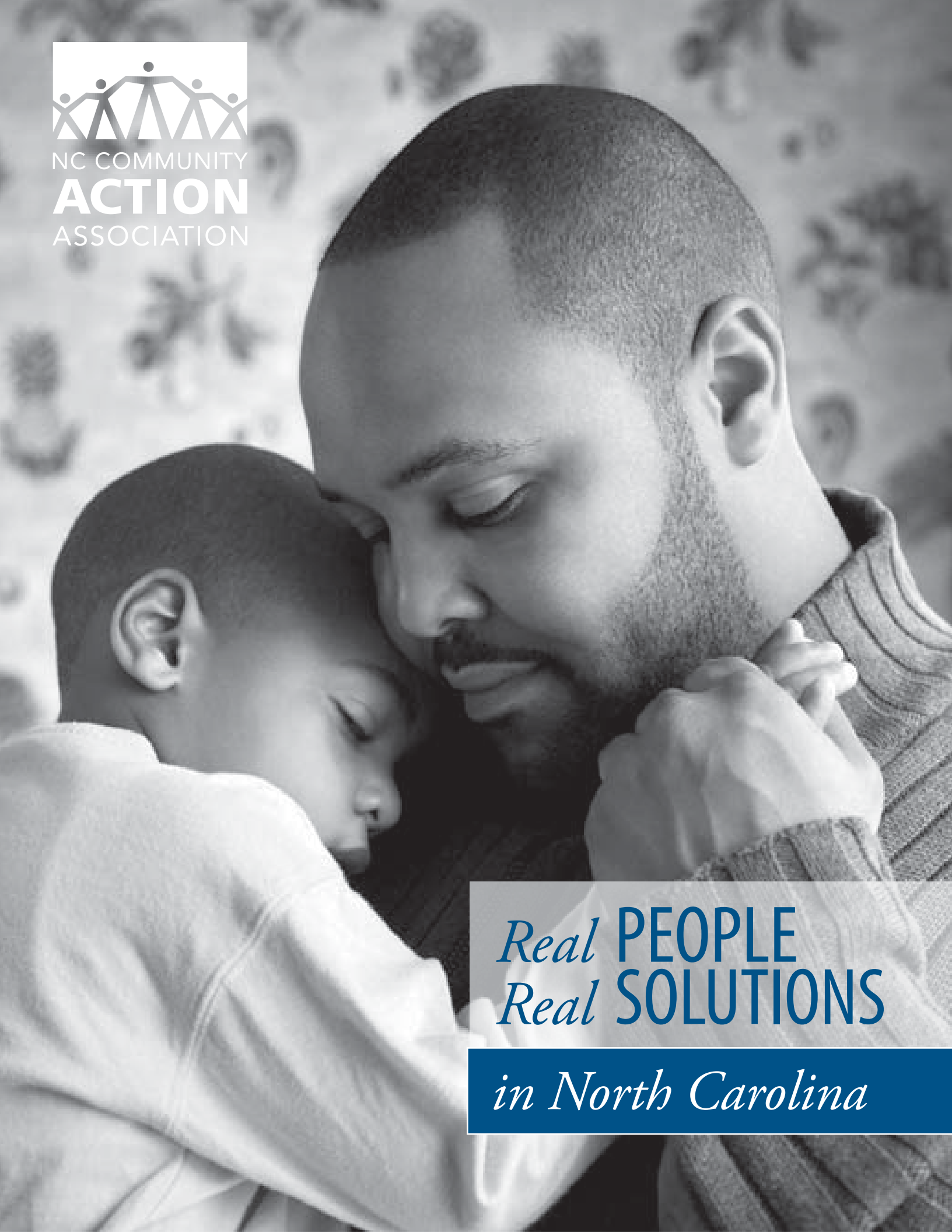




NC COMMUNITY
ACTION
ASSOCIATION



Real PEOPLE
Real SOLUTIONS

in North Carolina

North Carolina Community Action Association leaders are pioneering efforts to implement a comprehensive strategic plan targeting local, state, and federal resources throughout the statewide network of Community Action Agencies to eradicate poverty. This initiative addresses the need for concentrated collaboration on the local, state, and national levels to address the urgent agenda of North Carolina's low-income families and communities—especially in the wake of the Great Recession. This report provides “a road map” to real solutions from the perspective of real people and community action leaders.



POVERTY SNAPSHOT

Historically speaking, the issue of poverty isn't new. In 1964, President Lyndon B. Johnson declared a war on poverty. He said it was a war that had to be won on the fronts of every home and every public office, from the courthouse to the White House. Right now, more than 1.6 million people in North Carolina—disproportionately children and seniors—live in poverty. The recent Great Recession, accented by high unemployment, higher underemployment and an unstable economic climate and recovery has also created the “newly poor”—people who have never used or relied on public programs or assistance in the past. The newly poor, coupled with people living in situational and generational poverty, has caused North Carolina's poverty rate to climb to 17.9%—surpassing the national poverty rate of 15.9%¹.

FACE THE FACTS

From 2006-2010, North Carolina's poverty rate has averaged 15.5%, nearly 2% higher than the national average². The state is one of the only areas in the country in which high poverty rates are found in both rural and suburban metropolitan areas, and faces additional challenges from higher rates found in tribal reservation lands

and counties which are home to federally protected wilderness areas.

In 2012, North Carolinians and their local governments faced a variety of poverty-related problems: 16% lack health insurance, 27% claim an income under \$25,000, and 21% of households are food insecure. Over half of North Carolina households below the poverty line are single-parent households run by female heads of household. Rural areas often face higher levels of poverty (20%) and 21% of rural residents lack a high school education. More than 1.1 million families in North Carolina still earn less than they need to achieve a basic standard of living—just as they did a century ago.

Counties are experiencing growing poverty rates for a variety of reasons: globalization; economic competition; the decline of traditional industries such as manufacturing, textiles, furniture, and tobacco; worker dislocation; natural disasters; and other reasons.³

Responses to the challenges presented—both economically and socially—have varied across geographic regions. The truth remains that effective solutions can only be achieved and sustained through maximal participation from everyone—local, state and federal governments, community members, citizen advocates, business owners, and faith leaders.

POVERTY PROFILES

Population Profile: Poverty

2010 poverty estimates show a total of 1,618,594 persons living below the poverty rate in North Carolina. In 2010, Robeson County, had the highest poverty rate (31.5 percent), while Union County, had the lowest poverty rate (9.2 percent).

The Cost of Poverty

Poverty impacts everybody's bottom-line. For example, 1 in 4 children in North Carolina lives in poverty⁴. Research supports that this statistic leads to a reduction in future workforce productivity, increased criminal activity, and increased health care costs. In a 2007 report, the Center for American Progress asserts investments in poverty alleviation are social investments which generate returns in the form of higher real gross domestic product (GDP), reduced spending on health care and crime. Without the investment in poverty reduction, the estimated costs of lost earnings and productivity, high crime rate and poor health associated with adults who were poor as children, would be 3.8 percent of the U.S. GDP or \$500 billion dollars⁵. Applying this calculation to the 2011 GDP, divestment in poverty eradication amounts to losses of \$573.6 billion a year for the U.S.⁶ and \$16.7 billion for the state of North Carolina.⁷ The impact for a family living in poverty is even more devastating.

Geographic Area	All Ages		Age 0 – 17		Age 5 – 17	
	Number of Persons	Poverty Rate	Number of Persons	Poverty Rate	Number of Persons	Poverty Rate
North Carolina	1,618,597	17.4	554,191	24.6	366,148	22.6
United States	46,215,956	15.3	15,749,129	21.6	10,484,513	19.8

(U.S. Census Bureau, 2010)

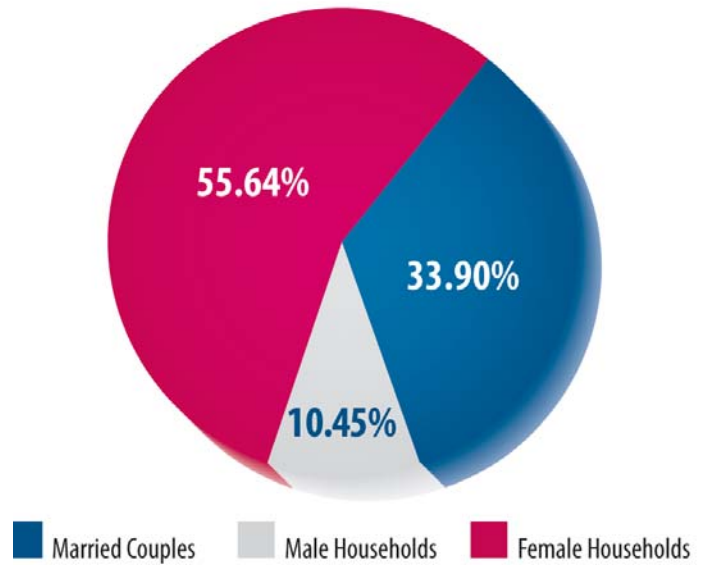
Geographic Area	Total Households, 2006–2010	Households in Poverty			
		Total	Married Couples	Male Householder	Female Householder
North Carolina	2,422,692	275,372	93,359	28,787	153,226
United States	76,254,320	7,685,345	2,773,694	760,085	4,151,566

U.S. Census Bureau, September 2012

Population Profile: Households in Poverty by Family Type

Table 2 shows the number of households in poverty by type in the 100 counties. At 93 households, Polk County, had the lowest number of female-headed households in poverty while Mecklenburg County, had the largest number of female-headed households in poverty. The U.S. Census Bureau estimates that there were 275,372 households living in poverty.

PERCENT OF HOUSEHOLDS IN POVERTY BY TYPE FOR HOUSEHOLDS IN POVERTY, 2006–2010



A Perspective from the Front Lines

In the meantime, almost 50 years of experience of ongoing work to eradicate poverty has taught North Carolina's network of 36 Community Action Agencies and 5 Limited Purpose Agencies that poverty is not a single condition. Given its complexity, there is no straightforward number that separates the poor from everyone else. Increasingly, Community Action recognizes poverty as a continuum—people may be extremely poor, very poor, somewhat poor, working poor, or emerging from poverty. There are different ways to be impoverished. For example, an individual may be working but impoverished because there is no health insurance to assist the family with a catastrophic illness or injury. Someone may own their home but have no income for utilities and basic repairs.⁸

For decades, Community Action Agencies have been on the front lines and have seen first-hand the challenges of fighting and overcoming poverty. North Carolina Community Action agencies serve more than 99 percent of North Carolina's counties, administering a wide range of programs from Head Start to workforce training; from economic development to elder care; from weatherization to self-sufficiency. Community Action Agencies partner with local, state, and national organizations to help low-income people become self-sufficient. Additionally, the North Carolina Community Action Association supports agencies by providing training and fostering collaboration between agencies and other organizations to empower low-wealth North Carolinians. Community Action is a bipartisan effort and its work has been supported across all political, religious, racial, economic, and ethnic groups.



Barefoot Ridge Apartments—A Mountain Projects Development Initiative.

COMMUNITY ACTION WORKS!

Mountain Projects, Inc.

Waynesville, North Carolina

In 2004, remnants of Hurricanes Francis and Ivan hit the rural mountains of Western North Carolina within eight days of one another and wiped out more than 350 homes in Haywood County. Mountain Projects helped victims of the hurricanes rebuild their lives, renew hope and build equity by giving them relocation options out of the flood zone once and for all. Of the homes completed, 25 homeowners were low income. Additionally, Mountain Projects helped the Town of Clyde, which was the hardest hit municipality in the county, to survive the devastation and rebuild its tax base. As a result of this collaborative project, a total of 44 homes were constructed outside of the flood zone with resources that include the U.S. Department of Housing and Urban Development, the U.S. Department of Agriculture, Habitat for Humanity, the NC Housing Finance Agency, the faith-based community, the NC Department of Commerce, Haywood County, the Town of Clyde, and private donations. Mountain Projects served as the developer, coordinator, and project manager. Today, this development is valued at more than \$4.5 million, the average homeowner has more than \$35,000 of equity, and more than \$3 million has been added to the tax base for the Town of Clyde.

Johnston-Lee-Harnett Community Action, Inc.

Smithfield, North Carolina

The most vulnerable population of Johnston, Lee and Harnett Counties was faced with foreclosures. In response Johnston-Lee-Harnett Community Action, Inc. facilitated a Foreclosure Prevention Program that prevented 66 foreclosures, administered numerous loan modifications, and retained millions of dollars in the local community. Additionally, 90% of these families received financial literacy counseling to sustain their financial stability. As

a result of the efforts to prevent foreclosure on 66 homes in the Johnston-Lee-Harnett region, the community savings totaled more than \$5,925,148.

Blue Ridge Community Action, Inc.

Morganton, North Carolina

Blue Ridge Community Action, Inc. understands the challenge that the community members experience due to lack of affordable, quality child care. In general, this obstacle has limited employment and educational opportunities for families. In an effort to address community needs, Blue Ridge Community Action Agency facilitates high-quality daycare and Head Start programs to support low-income parents of children ages birth to five. As a result, the child care program enables families to obtain and/or maintain jobs, finish their education (high school and college) and secure an enhanced quality of life. Additionally, access to early childhood education helps to strengthen the children's ability to be viable citizens and contribute to North Carolina's future economy.



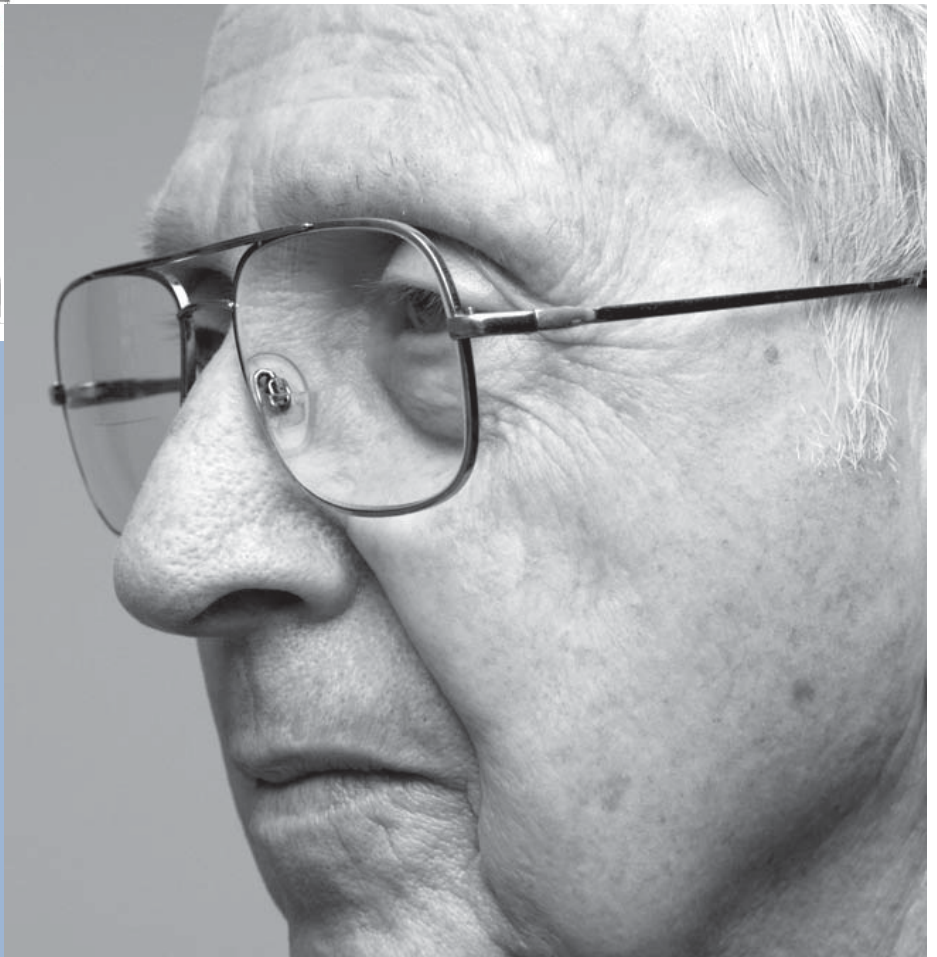
Blue Ridge Community Action Head Start/Childcare Center. Photo by: Billy Barnes

FACE TO FACE

WITH POVERTY

Community-driven and grass roots participation allowed the NCCAA “Face to Face With Poverty” initiative to identify Real Solutions for Real People. The statewide town hall meetings and civic engagement events provided a forum and platform for people from all walks of life to share insight and perspective on the solutions to the challenges that have confronted many of North Carolina’s poor for decades.

Each of the five areas—**Education, Employment, Healthcare, Housing and Transportation**—is critical to building the strong support system the poverty stricken and newly poor need to grow and prosper as healthy, productive North Carolinians.



healthcare

Solutions

Challenges

- Lack of doctors or specialized care in rural communities
 - Lack of mental health services for the uninsured
 - High costs of dental care
 - Access to affordable healthcare and insurance
 - Access to multilingual health care providers
 - Awareness of available resources
 - Lack of specialty care for men
- To provide access to medical treatment and specialized care particularly in rural communities, we must look for creative collaboration with county health departments, community colleges, universities, area hospitals, faith communities and other entities that own a stake in the community.
 - Communities with limited access to health care providers should explore innovative opportunities for virtual health-care. For example, “Telemedicine,” which provides medical treatment via high-speed telecommunications technology, allows medical care to be provided remotely, thus linking a patient at one location to a healthcare provider in another.
 - Access to dental care can be provided through collaboration with one of North Carolina’s Dental Schools, area dental service providers, or through a partnership with the county’s health department and a transportation service provider who then transports individuals with limited or no access to transportation for dental treatment.
 - Information and referral assistance will provide access to services and other assistance low-income individuals need to lead healthy lifestyles.



employment

Challenges

- Ex-offenders re-entering the community are not trained with the basic skills needed to secure employment
- Criminal records of ex-offenders hinder their employability
- Limited job openings
- Not enough good paying jobs
- Limited or no access to transportation
- Costs associated with childcare
- Lack of agency collaboration
- Costs of job training
- Limited job openings
- Uneducated decision-makers

Solutions

- Communities across North Carolina must communicate and collaborate on developing a strong workforce development infrastructure that seizes jobs and opportunities for economic growth.
- Elected officials must realize that an investment in the growth and development of a strong workforce is a step in the right direction for building a strong economy for all people. This includes creating and sustaining living wage jobs with benefits and public transportation, which will contribute significantly to reducing North Carolina's 9.7 percent unemployment rate while generating tax revenue and leading vulnerable persons to self-sufficiency.
- With growing numbers of ex-offenders re-entering communities each year, North Carolina must be open to alternatives that provide the formerly incarcerated with a bridge to somewhere—a bridge that leads to productive lives with opportunities through job training, entrepreneurship, access to housing, education and health care. This strategy lends itself to cultivating taxpaying citizens, healthier families and safer communities.⁹



Blue Ridge Community Action Head Start/Childcare Center. Photo by: Billy Barnes

education

Challenges

- Disconnection between Head Start, one of our country's most successful early child care programs and the public school system
- Lack of effective communication between parents and teachers
- Over-zealous act of suspending students from school
- Increased rate of high school dropouts
- Poor student/teacher ratios in the classroom
- Lack of motivation to learn (students)
- Children being promoted without being prepared for the next grade level
- Parents not being supportive of teachers and the learning environment
- Lack of funding and resources for education
- Language barriers
- Out of date textbooks
- Limited access to balanced and nutritious meals for students
- Barriers as a result of generational poverty which limit parental involvement
- Lack of financial literacy and interviewing skills
- Limited awareness regarding collaboration opportunities
- Lack of response to community needs from some schools
- Limited opportunities for students outside the public school age margin
- Lack of job readiness programs

Solutions

- To improve the educational standards that have kept people in poverty across North Carolina, we must educate parents on the importance of parental involvement in our schools and communities while simultaneously developing and expanding partnerships that strengthen families and make our communities better places to live, work, play, and learn.
- We must work hand-in-hand with elected officials on the local, state, and national levels to increase funding for education and workforce development programs. This increased funding will be an investment in the future development of a skilled and globally competitive workforce.
- Additionally, our schools must be led by the best and brightest if we are to grow North Carolina's future leaders today. We must demand better pay for our teachers and our workforce as they work to re-build a strong North Carolina economy.
- An investment in Education in North Carolina is surely an investment in its people, and that includes the 17.9 percent who struggle each day to make ends meet.
- The Workforce Investment Act was identified as a success. Therefore, ongoing resources are needed that focus on vocational and workforce development initiatives involving community organizations, high schools, community colleges and universities.
- Resources and incentives must be provided for higher education institutions that provide a "door of opportunity" for economically vulnerable persons.

housing



Community Action Opportunities. Photo by: Billy Barnes

Challenges

- Lack of decent, safe and affordable housing
- Credit issues that prevent low-income individuals from acquiring affordable housing
- Lack of resources for the homeless
- Shrinking federal subsidies
- High costs of utility bills, especially for Eastern North Carolina residents
- Lack of employment
- Lack of information about available resources
- Criminal records that keep people out of affordable housing

Solutions

- Financial literacy and legal aid assistance is needed for families navigating the foreclosure process.
- Community organizations must educate citizens about credit repair, the loan modification process and other interventions to ensure housing stability and affordability.
- Ongoing investment is needed in the North Carolina Weatherization Assistance Program, which helps families to sustain healthy homes that are both safe and energy efficient.
- Provide incentives for landlords who provide housing for veterans, formerly incarcerated persons, seniors and other vulnerable populations.
- Explore the possibility of a public benefit fund to assist the economically vulnerable with energy costs.
- North Carolina's energy providers should invest in the state's Weatherization Assistance Program. An investment in the program would reduce a family's energy costs burden while providing a safe energy efficient home.
- Reward the good behavior of individuals with criminal records and ex-offenders by allowing access to public/affordable housing.



Apple County Transit. A Western Carolina Community Action Initiative. Photo by: Billy Barnes

Challenges

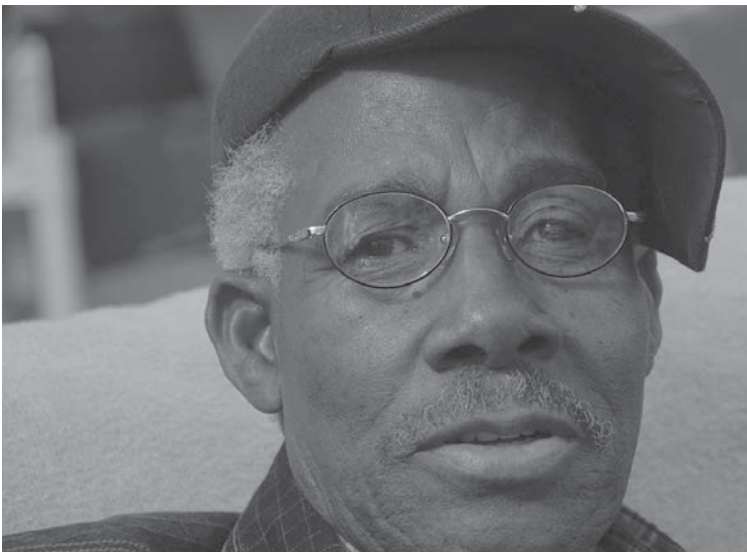
- Limited public transportation in rural communities
- Lack of investment in rural road conditions which is a disincentive to transportation companies
- Lack of municipal/local funding for transportation infrastructure
- Lack of partners to support and advocate for cohesive transportation
- Limited 24-hour transportation services
- Disconnect between transportation services and places of employment

Solutions

- Provide incentives for community-based initiatives—local entrepreneurs or community-based organizations to provide transportation services.
- Enlist area employers to invest in local transportation systems to support employees; i.e., volunteers, ride share programs, healthcare perks for walkers, public transportation passes, etc.
- Develop local vehicle donation programs to local nonprofits which target vehicles no longer in use and in need of minor repairs. Once repairs are made, the local nonprofit can give it to an individual that needs reliable transportation to work.

Community Action Changes People's Lives, Embodies The Spirit Of Hope, Improves Communities, And Makes America A Better Place To Live. We Care About The Entire Community, And We Are Dedicated To Helping People Help Themselves And Each Other.

—The Promise of Community Action



NCCAA RECOMMENDATIONS

- North Carolina needs to invest in a short- and long-term poverty alleviation plan that is community-driven, results-oriented, comprehensive, and partnership-oriented.
- The N.C. General Assembly should create a bipartisan North Carolina Poverty Eradication Council to ensure state funds are used strategically and collaboratively in local communities that engage in innovative poverty alleviation strategies.
- A Public Benefit Fund is needed to provide energy efficient measures to help relieve the burden of high energy costs experienced by low-income families.
- The state's network of 36 community action agencies and five limited purpose agencies should be included in the state's general fund. For every dollar that the state invests in local communities through this network, it can anticipate a return on investment of \$16.90.¹⁰
- Community Service Block Grant and Weatherization Assistance Program dollars need to be managed under one administrative unit and given more flexibility, similar to peer states, to address the complex needs impacting North Carolina's citizens.
- The Community Services Block Grant program should be housed in a state department where job training, job creation and entrepreneurship are valued.

LESSONS LEARNED

- Collaboration on the local level must be strengthened between community-based organizations that receive local, state or federal funds.
- We believe a consistent, concentrated and coordinated effort that targets the same families and communities will have the greatest impact in moving families from dependence to self-sufficiency.
- People experience poverty along a continuum, and incremental change—whether up or down—must be measured and accounted for.
- North Carolina must invest in her youth. Preventive strategies like youth leadership development, mentorship, job training, entrepreneurship, and other evidence-based programs would leverage millions of dollars in local communities, save state funds, and strengthen the local economy's revenue base through job creation and entrepreneurship.



CADA, Coastal Community Action & Blue Ridge Community Action. Photo by: Billy Barnes

FACTS

- Every dollar invested in North Carolina's communities through Community Action Agencies provides a Return on Investment (ROI) of more than \$16.90.¹¹
- A federal investment of \$17.7 million in North Carolina's community action network through the Community Service Block Grant program leveraged more than \$264 million in communities across the state.¹²
- Eighty-one percent of the families served by community action agencies were in poverty and 36% of the families served were in severe poverty.¹³
- Nationally, Community Service Block Grant agencies provided services to 7.6 million families or 18.7 million individuals in 7.6 million families. In North Carolina 114,033 individuals in 53,642 families were served.¹⁴
- Head Start programs partner with local health departments, divisions of social service, educational agencies, libraries, civic groups and other community service providers to ensure high quality, comprehensive services to children and families. Over 13,516 at-risk preschool children and more than 1,373 at-risk infants and their families are served in NC Head Start programs, an important investment to North Carolina's future economy.¹⁵

- Nationally, the Weatherization Assistance Program ranked fifth highest in Recovery Act job creation/retention (as noted in September 2012 DOE presentation), completing over 1 million units. Since 2009, the NC Weatherization assistance program has completed 16,455 units.¹⁶ According to a study by a U.S. Department of Energy national laboratory, for every federal dollar invested in the State Energy Program, \$7.22 in annual energy savings is achieved and almost \$11 is leveraged.

This report was published by the North Carolina Community Action Association. For more information, visit our website at www.nccaa.net. Please share this information with others to help provide Real Solutions for Real People.

NOTES

1. U.S. Census Bureau. (September 2012). Poverty: 2010 and 2011, *American Community Survey Briefs*. Retrieved from <http://www.census.gov/acs/www/>.
2. U.S. Census Bureau, 2011.
3. WCU Public Policy Institute. (2012). POVERTY IN NORTH CAROLINA: *How North Carolina's Counties are Addressing Poverty in a Difficult Economic Era*. Cullowhee: WCU Public Policy Institute. Retrieved from http://www.wcu.edu/WebFiles/2012_LoGoS_Summary_Final_6252012_%282%629color%281%29.pdf.
4. U.S. Census Bureau. (September 2012). Poverty: 2010 and 2011, *American Community Survey Briefs*. Retrieved from <http://www.census.gov/acs/www/>.
5. Harry, J. H., Schanzenbach, D. W., Duncan, G. J., & Ludwig, J. (2007). *The Economic Costs of Poverty in the United States: Subsequent Effects of Children Growing Up Poor*. Washington, DC: Center for American Progress. Retrieved from http://www.americanprogress.org/wp-content/uploads/issues/2007/01/pdf/poverty_report.pdf.
6. U.S. Census Bureau, 2011.
7. Statista. (2012). *Gross Domestic Product (GDP) of the Federal State of North Carolina from 1997 to 2011 (in US Dollars)*. US Department of Commerce. Retrieved from <http://www.statista.com/statistics/188097/gdp-of-the-us-federal-state-of-north-carolina-since-1997/>.
8. Community Action Partnership. (2008). *Rooting Out Poverty: A Campaign by America's Community Action Network*. Washington. Retrieved from <http://compa.nonprofitsoapbox.com/storage/cap/documents/rop.pdf>.
9. Justice Policy Institute. (2009). *Pruning Prisons: How Cutting Corrections Can Save Money and Protect Public Safety*. Washington. Retrieved from http://www.justicepolicy.org/images/upload/09_05_REP_PruningPrisons_AC_PS.pdf.
10. National Association For State Community Services Programs. (2012). *State Fact Sheets 2012: Community Services Block Grant*. Washington. Retrieved from http://www.nascs.org/data/files/csbg_publications/2012-statefactsheets-final.pdf.
11. Ibid.
12. Ibid.
13. Ibid.
14. Ibid.
15. North Carolina Head Start Association Report. (2012).
16. North Carolina Department of Commerce, Weatherization Assistance Program. (2012). *North Carolina Weatherization Assistance Program Highlights and Accomplishments*. Raleigh.

www.nccaa.net

The North Carolina Community Action Association Empowers Agencies To Help Communities Thrive.



North Carolina Community Action Association
4428 Louisburg Road, Suite 101
Raleigh, NC 27616
Phone: 919.790.5757 Email: info@nccaa.net



©2012 North Carolina Community Action Association on behalf of itself. Permission is given to reproduce in whole or in part provided it is not for resale and is used for public policy purposes, not for partisan political purposes.