



ECONOMIC HARDSHIP

Background

Families in North Carolina are still reeling from the Great Recession, which pushed thousands of people into poverty and deepened the hardships of those already struggling to afford the basics. Prolonged economic insecurity comes on top of decades of growing income inequality and a weak economy during the 2000s.

- In 2014, **17.2 percent of North Carolinians** (or nearly 1.7 million people) lived below the federal poverty line. This meager threshold was \$23,850 for a family of four in 2014.¹
- The **poverty rate is 20 percent higher** compared to 2007, when the Great Recession began.
- In 2014, more than 712,000 North Carolinians lived in deep poverty, defined as an annual income of roughly **\$11,900 for a family of four**.
- In 2014, North Carolina's **poverty and child poverty rates are among the worst**, ranking at the 12th and 13th highest levels in the nation, respectively.
- **Children, women, and people of color experience poverty at higher levels**—on average—compared to the average North Carolinian.

Although these poverty statistics are bleak, they dramatically underestimate the depth and breadth of economic hardship because the federal poverty line is widely recognized as a flawed measure.

The **Living Income Standard (LIS)** is a better benchmark because it looks at how much income a family in North Carolina needs to afford the basic necessities of life. The 2014 LIS is \$52,275 for the average North Carolina family of two adults and two children. But the state's median household income is considerably below the LIS. In fact, **median household income fell by nearly \$2,000** from 2007 to 2014, to \$46,556.

More than 41 percent of households of color in North Carolina live in **asset poverty**—meaning they have fewer savings than would be needed to stay out of poverty if they had no income for three months—compared to 17.6 percent of white households.² Poverty and economic hardship put North Carolina's families and children at risk, reduce their ability to access opportunities, and impact their educational, health and labor-force outcomes.

Questions for Candidates

- ***How will you address the immediate challenges that face North Carolinians who struggle to afford the basics?***
- ***How will you ensure that economic hardship does not grow and remain resistant to the economic recovery?***

1. All poverty and income estimates are derived from the US Census Bureau's American Community Survey, 2014.

2. Corporation for Enterprise Development Assets & Opportunity Scorecard, 2016.