Economic opportunity: A Charlotte-Mecklenburg Perspective

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Presented by Owen Furuseth, PhD, Associate Provost, Metropolitan Studies and Extended Academic Programs, UNC Charlotte

Prepared by Laura Simmons, UNC Charlotte Urban Institute

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Charlotte-Mecklenburg is a great place to live and work
Land of opportunity? Not by a long shot

Charlotte is nation’s worst big city for climbing out of poverty
• What are the chances for a child succeeding, independently of family status and the environment where she grows up? (inter-generational mobility)

• Sample: children born 1980-1982

• Child and parent pairs coded by 741 commuting zones

• Compared adult children’s positions on the national income distribution with their parents’
How do children from below-median income families fare by adulthood?

Data source: Equality of Opportunity Project, 2014
Upward mobility is especially low across the south and parts of the rust belt.

Average income percentile of children whose parents were in the 25th percentile.
In Charlotte, it’s difficult to move up and harder to stay there

Data source: Equality of Opportunity Project, 2014
In Charlotte, it’s difficult to move up and harder to stay there

Data source: Equality of Opportunity Project, 2014
Nationally, mobility varies by demographics

Percent of Americans who move up from the bottom of the income ladder

<table>
<thead>
<tr>
<th>Category</th>
<th>Any upward mobility from bottom quintile</th>
<th>Upward mobility to at least the middle</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American</td>
<td>45%</td>
<td>25%</td>
</tr>
<tr>
<td>White</td>
<td>68%</td>
<td>35%</td>
</tr>
<tr>
<td>Single-earner family</td>
<td>49%</td>
<td>24%</td>
</tr>
<tr>
<td>Dual-earner family</td>
<td>84%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Land of Opportunity: Community characteristics affect opportunity for all

- Segregation
- Income inequality
- Quality of school system
- Social capital
- Family structure
Segregation

People separated from other people and living far from where they work
Charlotte-Mecklenburg is racially segregated.
...and economically segregated

9th of large metros in segregation of the wealthy, college-educated, and working class

Percent of Households with Income Above $200,000:
- 0% - 3%
- 4% - 7%
- 8% - 14%
- >15%

Percent in Poverty:
- 1% - 9%
- 10% - 19%
- 20% - 29%
- >30%

Data source: U.S. Census Bureau, 2013 American Community Survey
Public schools reflect the social and economic landscape

Schools with high concentrations of poverty and students of color have multiplied

2001

2013

Data source: North Carolina Department of Instruction
Income Inequality

How equally is income distributed across the community
One fifth of households made more than half the income

$30.5\text{ billion}$ of income was generated in Mecklenburg in 2013. How was it divided among the income quintiles?

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Income</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bottom</td>
<td>$24,000</td>
<td>3%</td>
</tr>
<tr>
<td>Second</td>
<td>$43,000</td>
<td>8%</td>
</tr>
<tr>
<td>Middle</td>
<td>$67,000</td>
<td>13%</td>
</tr>
<tr>
<td>Fourth</td>
<td>$115,000</td>
<td>22%</td>
</tr>
<tr>
<td>Top</td>
<td></td>
<td>53%</td>
</tr>
</tbody>
</table>

Data source: U.S. Census Bureau, 2013 American Community Survey
Income gap by race/ethnicity

Median Household Income

- **White**: $70,382
- **African American**: $37,531
- **Hispanic/Latino**: $36,717
- **Asian**: $75,222

Poverty level for family of 4: $23,834

Data source: U.S. Census Bureau, 2013 American Community Survey
Many households would fall into poverty after 3 months without income.

Asset poverty rate

- White: 21%
- African American: 51%
- Hispanic/Latino: 56%
- Asian: 28%

Data source: Estimates calculated by Compass Economics; published in CFED’s Assets & Opportunity Profile, 2012
Quality of School System

Differences in mobility emerge when children are relatively young
62% of CMS 3rd graders were proficient on end of grade reading tests, just above state average (60%).

For economically disadvantaged students, 46% were proficient.
Social Capital

People connected to each other and civic institutions
Social capital in Charlotte-Mecklenburg

58% of Mecklenburg residents voted in 2000 election.
67% voted in 2012.
Single parent households experience greater mobility challenges, which then extend into the community.
### Monthly expenses for a family of 3

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>$793</td>
</tr>
<tr>
<td>Food</td>
<td>$361</td>
</tr>
<tr>
<td>Childcare</td>
<td>$1,339</td>
</tr>
<tr>
<td>Healthcare</td>
<td>$343</td>
</tr>
<tr>
<td>Transportation</td>
<td>$377</td>
</tr>
<tr>
<td>Other necessities</td>
<td>$296</td>
</tr>
<tr>
<td>Taxes (payroll and income)</td>
<td>$547</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,057</strong></td>
</tr>
<tr>
<td><strong>Annual total</strong></td>
<td><strong>$48,680</strong></td>
</tr>
<tr>
<td><strong>Hourly wage needed</strong></td>
<td><strong>$23</strong></td>
</tr>
</tbody>
</table>

Data source: NC Budget and Tax Center, Living Income Standard 2014
47,000 single-parent households in Mecklenburg.

38% of households with children are single-parent, up from 31% in 2000.

Data source: U.S. Census Bureau, 2013 American Community Survey
Charlotte-Mecklenburg is a great place to live and work

- No. 1 Most Entrepreneurial Cities Dec. 2014 Global Trade Magazine of 50 cities
- No. 2 Best Places for Families to Live July 2014 ZipRealty of 23 metro areas
- No. 2 Fastest-Growing Big Cities in the U.S. Dec. 2014 U.S. Census Bureau of 34 cities
- No. 4 U.S. Cities Attracting the Most Families Sept. 2014 Forbes of 52 largest MSAs
- No. 4 Cities Where African-Americans Are Doing the Best Economically Jan. 2015 Forbes of 52 largest metro areas
- No. 19 Best Metro Areas for STEM Professionals Jan. 2015 WalletHub.com of 100 MSAs
- No. 23 Best Performing Cities Jan. 2015 Milken Institute of 200 MSAs
For all or just for some?

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How can we change the headline?

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Charlotte-Mecklenburg: New Land of Opportunity