



# NORTH CAROLINA'S *Economic Imperative*

## Building an Infrastructure of Opportunity

A REPORT FOR THE  
JOHN M. BELK ENDOWMENT

To read the report, go to [stateofthesouth.org/north-carolinas-economic-imperative](http://stateofthesouth.org/north-carolinas-economic-imperative)

### EXECUTIVE SUMMARY

North Carolina prides itself on being a beacon: from creating the nation's first public university and one of its earliest community college systems, to pioneering the concept of research parks that bridge education and industry, to honing a civic culture that stressed foresight and moderation during flashpoints in Southern history, our state has been, at its best, a place that has invested for the future to build platforms of opportunity for wide numbers of residents to thrive. Yet, far too many people in our state are struggling to make ends meet. Even in our most economically dynamic places, people who grow up in low-income families are more likely to stay there as adults than almost anywhere else in the nation, and only small numbers make it to the middle- or upper-income levels despite thriving labor markets that seem full of opportunity. These issues should not just be seen as a challenge facing those who do not have access to economic opportunity. If North Carolina's business and industry is to thrive, it is imperative that our citizenry have the skills and training necessary for them to thrive, too.

In this report, MDC examined patterns of economic mobility and educational progress in North Carolina by demography and geography to determine who is being successfully prepared for entry and success in the most economically rewarding sectors of the state's economy. Our analysis focuses on the education-to-career continuum, a critical piece of an infrastructure of opportunity—the

myriad systems that must be improved and aligned to prepare ever larger numbers of North Carolinians for family-supporting work and a better shot at sustained economic wellbeing. We paired that analysis with a close look at eight localities across the state and sketch out a series of actions that communities are taking to strengthen and align these critical systems.

#### *Statewide Mobility Patterns*

These mobility patterns, paired with the rapidly changing demographics of the workforce, have significant implications for North Carolina. Our state is becoming more diverse and younger: while 81 percent of North Carolinians over the age of 75 are white, only 57 percent of those between 15 and 24 are white. The state's Latino population is quickly growing, especially in younger age groups: 69 percent of Latino residents are younger than 50, while only 50 percent of the white population is. However, educational attainment rates among these populations do not match population growth. Governor Pat McCrory's postsecondary goal is to ensure that by 2025, 67 percent of North Carolinians will have education and training beyond high school. In order to meet this goal and the competitive demands of a 21st century economy with a skilled workforce, we need to reduce disparate outcomes in education along racial and ethnic lines. All of our young people must be seen as assets for the state's future economic prosperity and are well-trained for work in North Carolina so that work doesn't move outside of the state.

### *Building an Infrastructure of Opportunity*

The causes of economic immobility do not exist in a vacuum, but are part of systems that can both ease and impede individuals' access to opportunities. Improved access can often give them more control over economic outcomes for their families and, in many cases, break the cycle of intergenerational poverty. The education-to-career continuum is a linkage of several systems within an infrastructure of opportunity like secondary and postsecondary schools, local workforce agencies, and industry. Many communities are already working toward better alignment. A strong education-to-career continuum connects more people to the necessary postsecondary credentials and family-supporting employment needed for individuals, their communities and the state to thrive.

If North Carolina is to strengthen this education-to-career continuum it first needs to identify the barriers that impede progress toward family-supporting work, the structures and interventions that encourage full participation in the community's economy, and the environmental forces that contribute to and work against postsecondary and economic success. Since this progress has to happen for individuals where they are—in our rural towns and our metropolitan centers—we profiled eight communities across the state, looking for evidence of vision and practices that generate forward motion for individuals and communities. We saw efforts that were inspiring in both aspiration and implementation; there are examples of both progress and opportunity for more deliberate action. The eight communities profiled are: Guilford County; Wilkes County; Fayetteville; Vance, Granville, Franklin, and Warren counties; Monroe; Wilmington; Jackson, Macon, and Swain and the Qualla Boundary; and Pitt County. Within these communities, we saw everything from a rural, four-county region with an intertwined history and economy but limited access to family-supporting work with career potential, to a city in one of North Carolina's fastest growing counties with a diverse manufacturing sector and a growing Hispanic population—and just about everything in-between.

### *Taking Action: Priorities and First Steps*

A strong infrastructure of opportunity is beyond the reach of any single institution to create: discrete pockets of excellence are insufficient for changing the trajectory of broad opportunity and improving education and employment outcomes at scale. To move from discrete programming to an aligned infrastructure of opportunity requires adoption of a guiding framework for communities to assess and create an action plan that is grounded in a common vision of economic productivity and advancement for the community and its people; design and implementation of research-based policies and programs that can be scaled for an entire population, hold high expectations for educators, employers, and the workforce, and maintain momentum through continuous improvement; and commitment to providing adequate resources that support the common vision. The data and community anecdotes in this report support eight action steps for communities across the state:

**1** *Use local data to understand history, analyze current educational and economic outcomes, and identify gaps in the education-to-career continuum.* Good planning requires good data. Communities should begin by disaggregating data, identifying outcome disparities across race, gender, family status, and wealth, and uncover root causes.

**2** *Commit to a common vision for creating pathways to family-supporting work that allow more individuals to build wealth and thrive in the community.* This integrating vision should focus on the intersection of economic competitiveness and equity to create wealth in a way that lifts people up, particularly those stuck—generation-to-generation—at the lower-end of the income distribution.

**3** *Seek out opportunities to participate in and learn from national, regional, or state-level initiatives and learning communities.* There are communities across the region and within the state—including some of those included in this report—that are models of success, suggesting helpful policies and practices communities can adopt and identifying pitfalls they may encounter.

**4** *Embrace planning and implementation practices that engage each part of the system: from individuals to institutions.* Good planning requires attention to and engagement of the whole system; that means every level of the education system, small and large employers, and all municipal governments. Whole system engagement requires deliberate inclusion of historically marginalized communities. The places and people in the most extreme distress reveal system failures most clearly.

**5** *Encourage large institutions and employers to take the lead in innovation and cooperation.* To support a strong education-to-career continuum that aligns with workforce needs, both higher education institutions and employers must be nimble, responsive to local needs, and have the ability to shift focus as economic opportunity shifts.

**6** *Cultivate investment and assume potential in the emergent workforce.* Communities with strong institutions and systems are ones where leaders act on a belief that talent is everywhere in their community and invest in people to develop and unleash that talent.

**7** *Free up resources to address gaps in the education-to-career continuum.* In environments of scarcity, communities and institutions must have the courage to allocate resources to reflect the challenges identified on the education-to-career continuum. Too often, resources are siloed and spent based on historical habits, not aligned to a vision of the future.

**8** *Seek out local capital to create capacity for collaboration.* Risk-taking and innovation require foundational investment. Philanthropy can be catalytic, testing new ideas, building new institutions, and lowering the cost of social innovation by subsidizing risk. Local philanthropy can take the lead to leverage additional local, state, and federal investment. ■