

“No longer can we consider the problems and needs of low income students simply a matter of fairness... Their success or failure in the public schools will determine the entire body of human capital and educational potential that the nation will possess in the future. Without improving the educational support that the nation provides its low-income students – students with the largest needs and usually with the least support – the trends of the last decade will be prologue for a nation not at risk, but a nation in decline.”

Southern Education Foundation,
A New Majority - Low Income Students in the South and Nation, October 2013

What is poverty?

In a 1997 Princeton study, Jeanne Brooks Gunn and Greg J. Duncan defined poverty as “the condition of not having enough income to meet basic needs for *food, clothing, and shelter*.”ⁱ There are three basic types of poverty:

- Generational poverty: families remain poor across generations.
- Situational poverty: caused by unemployment, disease, or catastrophe.
- Place-based poverty: loss of population, economic sources, and/or civic engagement.ⁱⁱ

The United States has the second highest child poverty rate among 35 industrialized nations. Only Romania ranks lower; the U.S. rate is six times that of Finland, which boasts the lowest child poverty rate.ⁱⁱⁱ

While urban areas often have the highest rates of concentrated poverty nationally, it is important to acknowledge that poverty exists across the landscape.

- Impoverished families in rural areas have less access to **essential services**, such as education programs for students with disabilities.^{iv}
- **Chronic underfunding** of rural public schools contributes to low salaries, benefits, and lack of access to professional development. In addition, having to prepare multiple subjects for various grade-levels means that teachers cannot provide as much **individual attention**.^v

What does child poverty look like in North Carolina?

- **One in five** North Carolinians live in poverty.
- Single mother-households are most likely to fall into poverty.
- Children are disproportionately affected by poverty. Data from 2013 shows:
 - **0-5 age group**: 28% in poverty
 - **6-17 age group**: 24% in poverty^{vi}
- North Carolina’s **low-income students** by area: 54% city, 43% suburban, 57% town and 49% rural.^{vii}
- Child poverty levels range from a low of 14.5% in Camden County, to a high of 47.8% in Robison County.^{viii}
- A poor child born in one of the most affluent counties only has a **6% chance** of moving up the income ladder by adulthood.^{ix}
- According to a February 2015 report, without major interventions by the government, North Carolina's child poverty rate would be more than double—from 17 to 35 percent. Among the recommendations for placing low-income children on the path to opportunity: access to high-quality early education programs.^x

How does poverty impact education in North Carolina?

In 2013, the United States crossed a threshold: low-income students comprised 51 percent of the children attending public schools. In North Carolina, **53 percent of public school students** live in poverty—the 15th highest among the 50 states.^{xi}

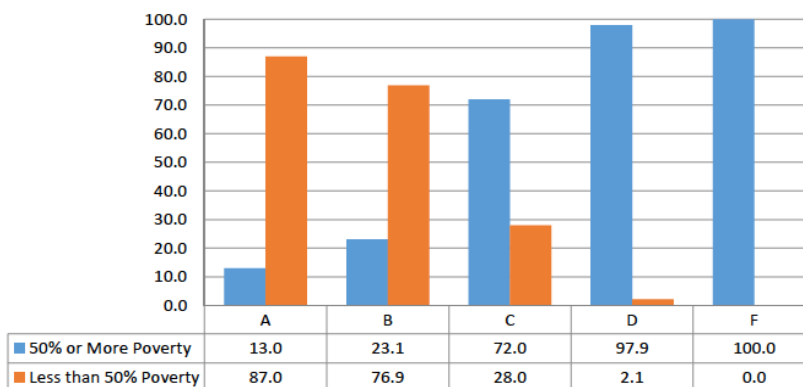
NC General Assembly passed the Excellent Public Schools Act as part IX of its [Appropriations Act of 2013](#). Section 9.4 of this Act calls for the annual awarding of individual A – F school performance grades based on:

- 80% of the weight of the grade is based on test results (end-of-grade, end-of-course, graduation rate, college/workplace readiness measures)
- 20% of the weight of the grade is based on school growth as measured by SAS EVAAS (Education Value-Added Assessment System).

In February 2015, the first school performance grades were published.

- Schools with greater poverty had more Cs, Ds, and Fs than schools with less poverty.
- All schools that received an F grade had 50% or more poverty.

Grades by School Poverty Percent



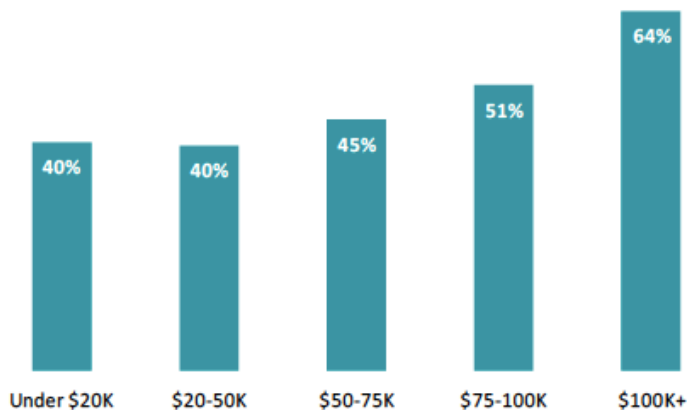
Source: 2013–14 School Performance Grades (A–F) for North Carolina Public Schools Executive Summary, NC DPI

Can high-quality pre-K make a difference for children who live in poverty?

Evidence overwhelmingly supports high-quality pre-kindergarten programs as a means of preparing the highest-risk children for success in grades K -12. There are numerous benefits to high-quality pre-K; 123 studies across four decades of research found that by third grade, one-third of the achievement gap can be closed by early education.^{xii}

According to Education Week’s Quality Counts 2015, “preschool participation is heavily influenced by a range of socioeconomic factors, including household income, parental education levels, and race and ethnicity. The state where a child lives also has an impact.”^{xiii}

Children from the most affluent households have the highest rates of preschool participation. Sixty-four percent of 3- and 4-year-olds in households earning \$100,000 or more participate in preschool programs. At the other end of the spectrum, where household income is below \$20,000, only 4 in 10 children are enrolled.



SOURCE: Education Week Research Center, 2015

Today, only 40 percent of eligible children receive funding to attend an NC pre-K program; nearly 40,000 eligible children are not being served.

How does poverty affect school funding?

While low-wealth counties receive supplemental school funding, it is woefully inadequate in meeting the challenges of poverty's impact on learning. The complex funding formula for North Carolina's public schools demonstrates the disparity in county revenue across the state. While some counties, like Wake and Mecklenburg exceed the state's average wealth, other counties, like Edgecombe and Bertie, fall far below.^{xiv}

In an attempt to close the gap between counties, North Carolina enacted the Low Wealth Counties Supplemental Fund in the early 1990s, but did not fully fund it until 2006. Lawmakers based the formula for funding on the state's average wealth. If a county falls below the state average, they are eligible to receive supplemental funding. However, the number of low-income students living in the county is *not* a factor. Rather, the formula primarily considers the county's **property tax** as an indication of wealth.^{xv}

Other allotments, like the Disadvantaged Student Supplement Fund (DSSF), endeavor to provide extra funding for the state's neediest students. However, these funding formulas are often **overly complicated** and fail to appropriately assess a county's need.^{xvi}

How does poverty affect students?

While it manifests itself in all age groups, poverty disproportionately affects children. In North Carolina, **a quarter** of children live in poverty.^{xvii} While a number of challenges accompany low-income households, here are some of the most glaring physical problems:

- Substandard housing
- Inadequate nutrition
- Unsafe neighborhoods
- Lack of access to health care^{xviii}

Physical issues that directly affect a child’s performance in school:

- Researchers have linked **housing instability** with poor educational achievement, caused by prolonged absenteeism and disruption of a child’s environment.^{xix}
- A 2005 Cornell University study demonstrated that **food insecurity** “is associated with impaired reading performance” and poor social skills.^{xx}
- Studies have demonstrated that increased **neighborhood violence** directly correlate with lower school attendance.^{xxi}
- Students with the least **access to health care** are 2.2 times less likely to achieve education goals than their more affluent peers.^{xxii}

Further, a UCLA study of educational opportunities in California high schools noted, “teachers reported that 3-4 times more students in High Poverty Schools than in Low Poverty Schools experience a variety of economic and social stressors that impact learning time, such as unstable housing, hunger, and lack of access to medical or dental care. On any given day, there is a 39% chance that these stressors affect learning time in a High Poverty School classroom compared to a 13% chance in a Low Poverty School classroom.”^{xxiii}

Solving the problem of child poverty

Public education cannot alone solve the problem of poverty. But clearly, schools have a significant role to play in helping children living in low-income families to excel—in school and in life.

In the report, *Ending Child Poverty Now*, the Children’s Defense Fund suggests that it is possible to reduce child poverty by as much as 60 percent by investing in programs “that increase employment, make work pay, and ensure children’s basic needs are met.”^{xxiv}

Research suggests that it is critical to mitigate the effects of child poverty as early in life as possible. Income-related gaps in cognitive skills can be seen in children as young as nine months of age, and without intervention, will persist for a lifetime. By age four, children living in low-income households are less likely to recognize letters, count, or write their name than their wealthier counterparts.^{xxv} As previously mentioned, ensuring that all children have access to **high-quality NC pre-K** is one piece of the solution.

In grades K – 12, **adequate funding for teacher assistants**—particularly in the lower grades—is needed to provide critical one-on-one instruction time to ensure that at-risk children are reading by third grade. In addition, schools that serve low-income students should be staffed with **critical support personnel**, including guidance counselors, psychologists, social workers and literacy specialists who are experts in helping children deal with the challenges of poverty that impact their success in school. Finally, many children living in low-income households do not have access to technology and other support structures at home. It is therefore imperative that **textbooks and other instructional resources** be made available to low-income students.

It is also important to fund programs that address the needs of children who live in poverty at all levels of K-12 education. In 2014, the NC General Assembly cut \$9.3 million in funds used for specialized programs designed for **students who are at risk** of failing or dropping out. Funding for programs at-risk students should be restored. A 2012 study by the Urban Institute notes,

“Compared with people never poor as a child, those poor for half their childhoods are nearly 90 percent more likely to enter their 20s without completing high school and are four times more likely to have a teen premarital birth (controlling for race, parents’ education at birth, family characteristics, and other factors).”^{xxvi}

Summary

Nearly half of the children born into poverty remain persistently poor; we have a great responsibility and a wonderful opportunity to fund the programs and resources that are demonstrated to help all children realize their fullest potential.

- Poverty has been increasing in both rural and suburban areas
- Poverty’s impact in rural areas is even greater, due to lower local tax revenue
- 53 percent of public school students live in poverty
- Overall, schools with higher poverty had the lowest school achievement grades
- Participation in high-quality pre-K significantly improves a child’s chance of success in school; currently 40,000 children are on a waiting list for pre-K
- Physical factors including substandard housing and inadequate nutrition directly affect a child’s performance in school
- A quality public education can make a significant, positive impact on children living in poverty

ⁱ Jeanne Brooks Gunn and Greg J. Duncan, “The Future of Children,” *Children and Poverty*, Vol. 7, No. 2 (1997), 55.

ⁱⁱ Rural Health Task Force, “Rural Poverty in North Carolina,” *The Rural Center*.

ⁱⁱⁱ “Child Well-being in Rich Countries: A Comparative Review,” *UNICEF Office of Research, 2013* <http://www.unicef-irc.org/Report-Card-11>

^{iv} Eric Jensen, *Teaching with Poverty in Mind* (Virginia: ASCD, 2009).

^v “Rural Schools,” *National Education Association*, <http://www.nea.org/home/16358.htm>.

^{vi} “Children in Poverty by Age Group,” *National KIDS Count*, <http://www.datacenter.aecf.org/data/tables/5650-children-in-poverty-by-age-group?loc=35&loc2=2#detailed/2/35/false/36,868,867,133,38/17,18,36/12263,12264>.

^{vii} A New Majority: Low Income Students in the South and Nation’s Public Schools,” *Southern Education Foundation, January 2013*,

<http://www.southerneducation.org/getattachment/817a35f1-abb9-4d6a-8c2e-5514d4a6d7d9/Test-Publication-4.aspx>

^{viii} 2012 Poverty and Income Estimates for North Carolina’s 100 Counties, *NC Justice Center, Budget and Tax Center*, <http://www.ncjustice.org/sites/default/files/Chart%2C%20SAIPE%20County-Level%20Data%2C%202012.pdf>

^{ix} “Poverty and People in North Carolina,” *Budget and Tax Center, NC Justice Center*, <http://www.ncjustice.org/?q=budget-and-tax/infographic-poverty-and-people-north-carolina>.

^x “Measuring Access to Opportunity in the United States,” *Annie E. Casey Foundation, February 2015*, <http://www.aecf.org/resources/measuring-access-to-opportunity-in-the-united-states/>

^{xi} A New Majority: Low Income Students Now a Majority In the Nation’s Public Schools,” *Southern Education Foundation, January 2015*,

<http://www.southerneducation.org/getattachment/4ac62e27-5260-47a5-9d02-14896ec3a531/A-New-Majority-2015-Update-Low-Income-Students-Now.aspx>

^{xii} Quick Facts: Benefits of Pre-K *Public Schools First NC, February 2015*, <http://www.publicschoolsfirstnc.org/wp-content/uploads/2013/10/2-17-15-NC-Quick-Facts-Pre-K.pdf>

^{xiii} Preparing to Launch Early Childhood’s Academic Countdown – Quality Counts NC State Highlights 2015, *Education Week Research Center*, <http://www.edweek.org/media/ew/qc/2015/shr/16shr.nc.h34.pdf>

^{xiv} “Highlights of the North Carolina Public School Budget,” *North Carolina Department of Public Instruction, February, 2014*, <http://www.ncpublicschools.org/docs/fbs/resources/data/highlights/2014highlights.pdf>.

- ^{xv} “Low Wealth Counties Supplemental Funding,” *North Carolina Legislature*, December 13, 2007.
- ^{xvi} “North Carolina’s Public School Funding System: Underfunded, Unclear, and Unfair,” *North Carolina Education & Law Project*, November 2010, http://www.ncjustice.org/sites/default/files/EPP_Public_School_Funding.pdf.
- ^{xvii} “In the Spotlight,” *Center on Poverty, Work & Opportunity*, UNC School of Law, <http://www.law.unc.edu/centers/poverty/>.
- ^{xviii} “Effects of Poverty, Hunger, and Homelessness of Children and Youth,” *American Psychological Association*, <http://www.apa.org/pi/families/poverty.aspx>; see also, “Early Child Development,” *The World Bank*.
- ^{xix} Maya Brennan, “The Impacts of Affordable Housing on Education: A Research Summary,” *Center for Housing Policy* (May 2011).
- ^{xx} Diana Jyoti, Edward A. Frongillo, and Sonya J. Jones, “Food Insecurity Affects School Children’s Academic Performance, Weight Gain, and Social Skills,” *Journal of Nutrition* (December 2005).
- ^{xxi} Natasha K. Bowen and Gary L. Bowen, “Effects of Crime and Violence in Neighborhoods and Schools on the School Behavior and Performance of Adolescents,” *University of North Carolina at Chapel Hill*.
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- ^{xxiii} John Rogers and Nicole Mirra, “It’s About Time: Learning Time and Educational Opportunity in California High Schools,” *UCLA/IDEA* <http://idea.gseis.ucla.edu/projects/its-about-time>
- ^{xxiv} Ending Child Poverty Now, *Children’s Defense Fund, January 2015*
<http://www.childrensdefense.org/library/PovertyReport/EndingChildPovertyNow.html>
- ^{xxv} Ibid.
- ^{xxvi} Caroline Ratcliffe and Signe-Mary McKernan, “Child Poverty and Its Lasting Consequence,” The Urban Institute, September 2012, <http://www.urban.org/UploadedPDF/412659-Child-Poverty-and-Its-Lasting-Consequence-Paper.pdf>