

Equitable Growth Profile of the Cape Fear Region Summary



The Cape Fear region is experiencing a demographic transformation characterized by a diversifying younger population and a rapidly growing senior population that is predominantly White. As the region's labor force grows increasingly diverse, closing wide and persistent racial gaps in economic opportunity and outcomes will be key to the region's future growth and prosperity.

Equitable growth is critical for the region's prosperity. By creating pathways to good jobs, connecting younger generations with older ones, building communities of opportunity throughout the region, and ensuring educational and career pathways for all youth, the region's leaders can put all residents on the path toward reaching their full potential, and secure a bright economic future for all.

Foreword

Over the past two years, FOCUS has engaged in a bottom-up approach to understand where we are and where we want to be in the future as our region experiences unprecedented growth. Listening to residents throughout the region, again and again, we heard their aspirations to reach their full potential and contribute to the growth and vitality of their communities. As a region, we must set in place the policy and planning framework to provide these opportunities.

The FOCUS effort is led by a diverse team of community stakeholders working to find solutions to the region's challenges. We believe that developing a shared understanding about how we can leverage the region's demographic transformation to secure a prosperous future for all is a critical first step.

That is why we partnered with PolicyLink and the USC Program for Environmental and Regional Equity (PERE) to produce this Equitable Growth Profile. It provides an excellent starting point for understanding the challenges and opportunities of our region's shifting demographics and the extent to which our region's diverse communities can access the resources and opportunities they need to participate and prosper. We hope that this profile is widely used by public, private, and community leaders working to create a stronger, more just, and more resilient region.

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Overview

Across the country, communities are striving to put plans, policies, and programs in place that build healthier, more prosperous regions that provide opportunities for all of their residents to participate and thrive.

Equity – full inclusion of all residents in the economic, social, and political life of the region, regardless of race, ethnicity, age, gender, neighborhood of residence, or other characteristics – is essential for regional prosperity. As the nation undergoes a profound demographic transformation in which people of color are quickly becoming the majority, ensuring that people of all races and ethnicities can participate and reach their full potential is more than just the right thing to do – it is an absolute economic imperative.

In the past, equity and growth have often been pursued on separate paths, now it is becoming increasingly clear that they must be pursued together. The latest research on national and regional economic growth, from economists working at institutions including the International Monetary Fund and Standard & Poor's, finds that inequality hinders economic growth and prosperity, while greater economic and racial inclusion fosters greater economic mobility and more robust and sustained growth.¹

Embedding equity into local and regional development strategies is particularly important given the history of metropolitan development in the United States. America's regions are highly segregated by race and income, and these patterns of exclusion were created and maintained by public policies at the federal, state, regional, and local levels. In the decades after World War II, housing and transportation policies incentivized the growth of suburbs while redlining practices and racially restrictive covenants systematically prevented African Americans and other people of color from buying homes in new developments while starving older urban neighborhoods of needed reinvestment. Many other factors – continued racial discrimination in housing and employment, exclusionary land use practices that prevent construction of affordable multifamily homes in more affluent neighborhoods, and political fragmentation – have reinforced geographic, race, and class inequities.

Today, America's regions are patchworks of concentrated advantage and disadvantage, with some neighborhoods home to good schools, bustling commercial districts, services, parks, and other crucial ingredients for economic success, and other

neighborhoods providing few of those elements. The goal of regional equity is to ensure that all neighborhoods throughout the region are communities of opportunity that provide their residents with the tools they need to thrive.

The Equitable Growth Profile of the Cape Fear Region examines demographic trends and indicators of equitable growth, highlighting strengths and areas of vulnerability in relation to the goal of building a strong, resilient economy. It was developed by PolicyLink and the Program for Environmental and Regional Equity (PERE) to help FOCUS, advocacy groups, elected officials, planners, business leaders, funders, and others working to build a stronger Cape Fear region.

This summary document highlights key findings from the profile along with policy and planning implications.

Equitable Growth Indicators

This profile draws from a unique Equitable Growth Indicators Database developed by PolicyLink and PERE. This database incorporates hundreds of data points from public and private data sources such as the U.S. Census Bureau, the U.S. Bureau of Labor Statistics, and Woods & Poole Economics, Inc. The database includes data for the 150 largest metropolitan regions and all 50 states, and includes historical data going back to 1980 for many economic indicators as well as demographic projections through 2040. It enables comparative regional and state analyses as well as tracking change over time.

Defining the Cape Fear Region

For the purposes of the equity profile and data analysis, we define the Cape Fear region as the three-county area of Brunswick, New Hanover, and Pender counties in North Carolina. All data presented in the profile use this regional boundary. Minor exceptions due to lack of data availability are noted in the "Data and methods" section of the complete profile.

Profile Highlights

Diverging demographics among the young and old

The Cape Fear region is undergoing a demographic shift that is characterized by two key trends: a diversifying younger population, and a rapidly growing senior population that is predominantly White.

The region is experiencing rapid population growth. Since 1980, its population has more than doubled from 160,000 to 360,000. But the dynamics of growth differ in Cape Fear compared with

most growing regions. While in most growing regions, communities of color are driving growth as the aging White population shrinks as a share of the population, this is not the case in Cape Fear. Non-Hispanic Whites represented 75 percent of Cape Fear’s population in 1980 and are expected to represent 77 percent of the population in 2040.

While the region’s share of people of color population is projected to remain constant over the next 30 years, their racial and ethnic mix is changing. In 1980, Cape Fear’s people-of-color population was nearly entirely African American. Today, Latinos, people with mixed race backgrounds, and Asians represent over a third of the region’s communities of color. The Latinos population in particular has grown at the fastest rate, increasing by nearly 13,000 residents and expanding by 189 percent in just 10 years. Growth of the African American population has slowed significantly over time, and as a result, the Black population as a share of the total Cape Fear population has shrunk from 24 percent in 1980 to 14 percent in 2010.

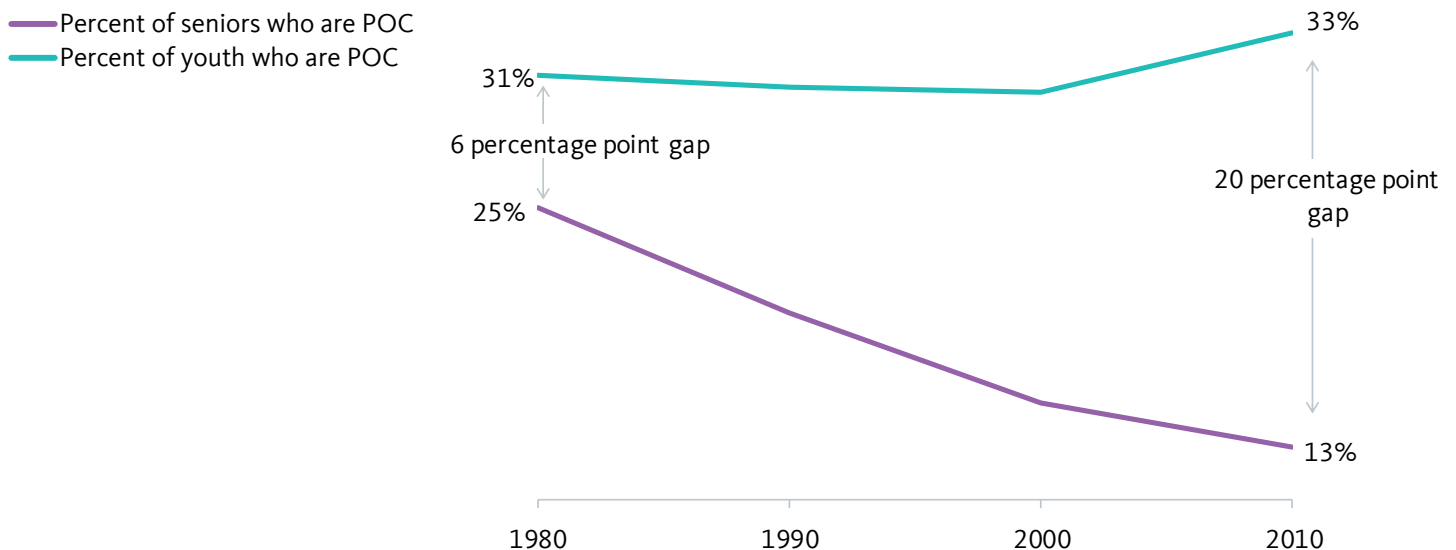
At the same time, the region’s population has aged quickly. Between 2000 and 2010, the 65+ year old population in the region has grown by 56 percent – a rate that is roughly 3.5

times faster than the U.S. and two times faster than in the state overall. This trend is particularly salient in Brunswick County where the senior population has grown by 89 percent, nearly doubling in size within a decade. Cape Fear’s growing popularity as a top retirement destination² has likely been the driving force of growth in its White, senior population.

Because of these shifts and the growing presence of a younger Latino population, the region’s youth are more diverse than its seniors. Latino residents in Cape Fear have a median age of 25, compared with 36 for Blacks, and 43 for Whites. Accordingly, 33 percent of youth today are people of color, compared with 13 percent of seniors. The 20-percentage point racial generation gap between young and old represents an economic risk for the region because places that have larger racial gaps between their young and old tend to make smaller investments in the educational systems and community infrastructure that help youth contribute to the region’s economic growth and vitality. With a rapidly growing aging population, Cape Fear will need to ensure future generations are equipped to enter the labor force and sustain the region’s future economic growth.

There is a growing racial generation gap in the region

Racial Generation Gap: Percent People of Color by Age Group, 1980 to 2010



Source: U.S. Census Bureau.
 Note: Youth include persons under age 18 and seniors include those age 65 or older.

Equity is the key to the region’s future economic prosperity

After outperforming the nation in GDP and job growth in the two decades prior to the Great Recession, Cape Fear has struggled to recover from the economic downturn. The regional economy is beginning to bounce back and unemployment has fallen closer to pre-recession levels, even as the labor force continues to grow. Although the recovery is underway, there are racial gaps that exist on indicators of economic opportunity and outcomes that place the region’s economic future at risk:

Gaps in employment, wages, and poverty

Although joblessness in the Cape Fear region is improving, the pains of being out of work are felt more acutely among its communities of color. The unemployment rate of Blacks is substantially higher than that of Whites. Wage discrepancies between workers of color and White workers are also on the rise. While the median hourly wage of both Whites and Blacks have declined since 2000, they declined only 3 percent for Whites compared with 8 percent for Blacks. Latino workers on average earn \$6.80 and \$2.60/hour less than Whites and Blacks in the region, respectively.

Furthermore, while education is an important leveler, racial gaps persist even after controlling for schooling. College-educated people of color still earn \$1.60/hour less than their White counterparts in Cape Fear.

Poverty and working poverty (defined as working full-time with an income below 150 percent of the poverty level) are most severe for communities of color. Nearly one out of every three African Americans and Latinos live below the poverty level, compared with one in eight Whites. And while working poverty has declined since 2000, the share of Latinos who are working poor has jumped from 6.9 percent to 13.5 percent in 2012. Latinos and African Americans are five and three times more likely, respectively, to be working and poor than Whites.

A solid middle class becoming less diverse

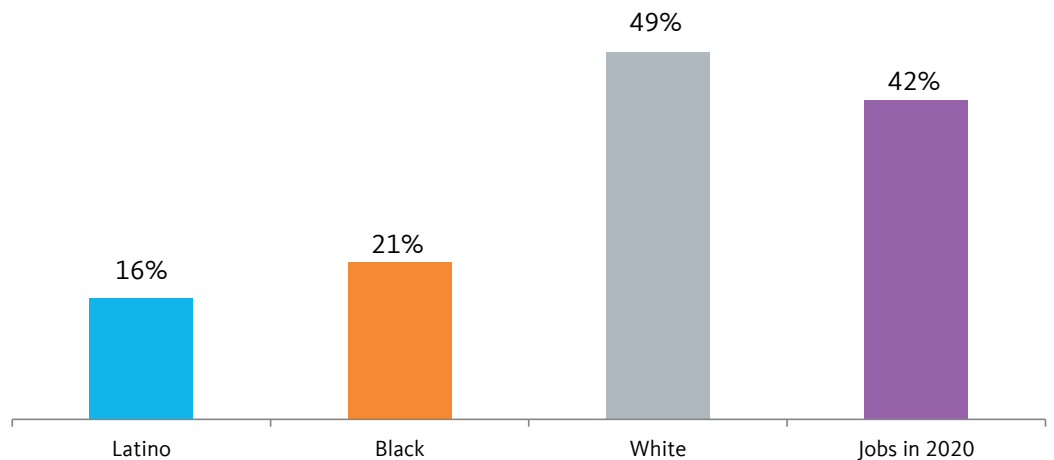
The share of middle-income households in the region has remained stable since 1980, while the share of lower-income households has grown. While the region has lost some jobs that typically pay middle wages, like those in manufacturing and construction, it has experienced gains in others, like health care. In fact, middle-wage jobs were created more quickly than all others from 1990 to 2010. This growth is promising given the loss of middle-wage jobs across the country, but not everyone in the region has benefited: today only 15 percent of people-of-color households are middle class compared with 22 percent in 1979.

A skills gap between the emerging workforce and future jobs

The Cape Fear region will need a skilled workforce to remain competitive in the future but growing segments of the region’s workforce lack the education needed for tomorrow’s jobs.

The region will face a skills gap unless educational levels improve for Latinos and African Americans

Share of Working-Age Population with an Associate’s Degree or Higher by Race/Ethnicity, 2012 and Projected Share of Jobs that Require an Associate’s Degree or Higher, 2020



Source: Georgetown Center for Education and the Workforce; IPUMS. Universe for education levels of workers includes all persons ages 25 through 64. Note: Data for 2012 by race/ethnicity/nativity represent a 2008 through 2012 average and is at the regional level; data on jobs in 2020 represents state-level projections for North Carolina.

According to the Georgetown Center for Education and the Workforce, 42 percent of all jobs in North Carolina will require an associate’s degree or higher by 2020. Today, only 21 percent of Blacks and 16 percent of Latinos in the region have that level of education. There is also a notable difference in the educational attainment of Cape Fear’s “home-grown” population: fewer Whites and people of color who are native North Carolinians have an associate’s degree or higher compared with their counterparts born out of state. People of color born in-state have the lowest levels of educational attainment, with only 20 percent holding an associate’s degree compared with 45 percent of Whites who were born in North Carolina. Closing the wide racial gaps in educational attainment will be key to building the strong workforce that is the foundation of the state’s economy, particularly as a growing number of older, more-educated Whites enter retirement.

Disconnected youth

The success of Cape Fear’s youth – the backbone of its future labor force – will be critical to building a strong and competitive regional workforce. While more youth are obtaining high school degrees, the number of “disconnected youth” who are neither in school nor working is on the rise. Approximately 5,700 youth are disconnected (13 percent of the total youth population), and a disproportionate share of them are youth of color.

Racial economic inclusion would strengthen the economy

The Cape Fear region’s rising inequality and its racial gaps in income, wages, education and poverty are not only bad for communities of color but have negative impacts for the local economy as a whole. The region stands to gain a great deal from addressing racial inequities. The regional economy could have been \$1.3 billion stronger in 2012 if its racial gaps in income had been closed: a 9 percent increase.

Implications

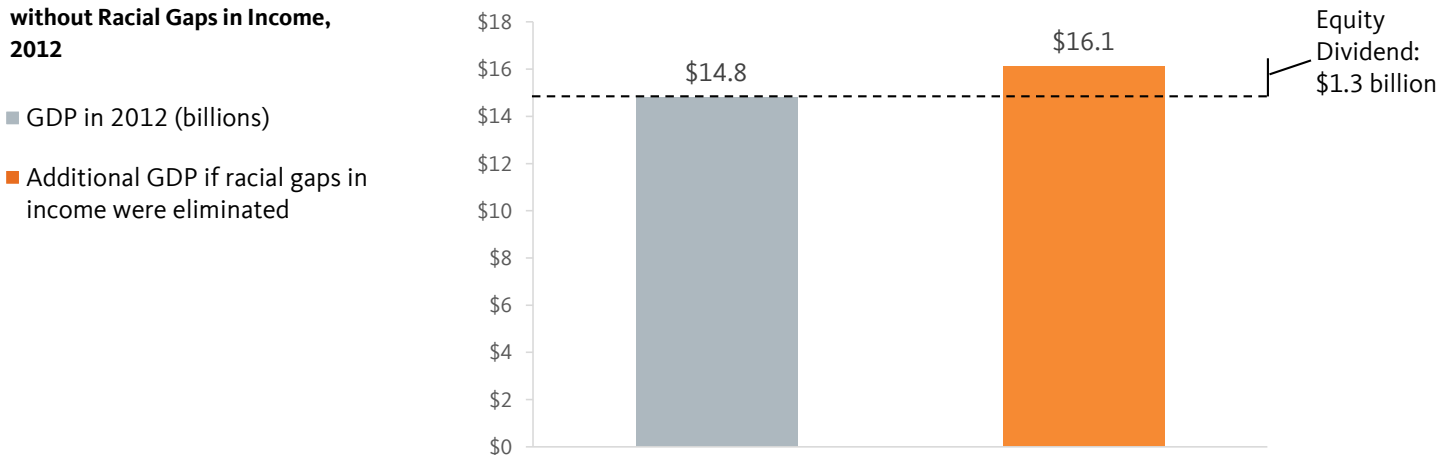
Cape Fear’s growing, diverse population is a major economic asset that will help the region compete in the global economy, if the region’s leaders invest in ensuring all of its residents can connect to good jobs and contribute their talent and creativity to building a strong next economy. Our data analysis suggests focusing on five priority goals to spur more equitable growth in the region. Below we describe each goal and share strategies that regional leaders might pursue to advance these goals.

Create pathways to good jobs for workers facing barriers to employment

The region’s higher levels of unemployment and lower levels of educational attainment for people of color, calls for a strong focus on creating on-ramps to good, family-supporting careers for these populations. There are several promising approaches to building these pathways:

The Cape Fear region’s GDP would have been \$1.3 billion higher in 2012 if there were no racial disparities in income

Actual GDP and Estimated GDP without Racial Gaps in Income, 2012



Source: Bureau of Economic Analysis; IPUMS.
 Note: Data for 2012 represent a 2008 through 2012 average.

- Implement sectoral workforce strategies that connect workers with low education levels to high-quality training programs that lead to gainful employment in growing sectors of the economy, such as life/marine sciences research and development, high-value office operations, or precision manufacturing, as identified by the Garner Economics report on New Hanover County's Plan for Jobs and Investment.³ Sectoral employment strategies that prepare workers to fill jobs in growing industries are a win-win strategy for Cape Fear's workers and businesses – workers improve their employment prospects, work more consistently, and earn more, while employers benefit from increased productivity and competitiveness.⁴
- Target public spending and investments. Every year, local governments spend millions to build and renew their public infrastructure (schools, roads, bridges, transit, healthcare, water systems, and more) and to purchase the goods and services that make the government run. By directing funds to underinvested areas, the region's government bodies can ensure their spending creates economic opportunities for its low-income communities, communities of color, and rural communities.
- Connect underrepresented workers to good jobs and careers through targeted local hiring strategies, community workforce agreements, and construction careers pathways programs.

Baltimore's Biotech Training Program connects high school grads to high-growth careers.

The Baltimore region is a national leader in biotechnology and medical research, which accounted for one third of new jobs over the last decade. But these jobs are oftentimes out of reach for people with less than a college degree. The BioTechnical Institute of Maryland, based in Baltimore, prepares low-income, mostly African American high school graduates for competitive careers in leading labs in the region. More than 75 percent of its 300 graduates have gotten jobs in laboratory settings, and roughly 40 percent of graduates have gone on to pursue advanced degrees. Learn more at <http://www.biotechmd.org/participants/bti-biostart-to-laboratory-associates-program/>.

Bridge the racial generation gap

Bridging the racial generation gap between youth of color and a predominantly White senior population will be critical to the region's economy, because support for strong public schools for all children and workforce training are needed to prepare the region's emerging workforce for the jobs of tomorrow. As the

region's aging population continues to grow quickly (both from aging and migration), there will be a growing demand for skilled health-care workers. Focusing on preparing the younger workforce for jobs within this sector could be one way to build bridges between the generations. Another way to build bridges is to plan for multigenerational communities, which allow the elderly to age in place while providing safe and healthy environments for families to raise children. Investments in multigenerational community facilities and public spaces in Cape Fear (for example, schools that include facilities for seniors) can encourage social interaction between residents of all ages.

Build communities of opportunity throughout the region

All neighborhoods throughout the region should provide their residents with the ingredients they need to thrive, and also open up opportunities for low-income people and people of color to live in neighborhoods that are rich in opportunity (and from which they've historically been excluded). Coordinating transportation, housing, and economic development investments is critical to foster more equitable development patterns and healthy opportunity-rich neighborhoods across the region will be an important strategy to address the growing disparity between affluent coast communities and inland rural areas.

Caring Across Generations Campaign. The Caring Across Generations campaign is a national movement to bring together families, workers, and others to transform the care industry and ensure seniors and care workers can live with dignity. In Illinois, Missouri, Ohio, and elsewhere, the campaign builds broad coalitions to make care work visible, highlighting its value to the overall economy and the support it provides families. Caring Across Generations' policy reforms include increasing access to in-home care for Medicaid recipients and ensuring care jobs pay a living wage and provide benefits, training opportunities, and a pathway to citizenship. Learn more at www.caringacross.org.

Build education and career pathways for all youth

Ensuring that all youth in the region, including African American, Latino, Asian, Native American, and other/mixed race can access a good education that leads to a career is critical to developing the human capital to power Cape Fear's economy in the future. The growing number of youth disconnected from work and school and the region's challenge with "brain drain," where young educated adults leave the region to seek quality

jobs and opportunity outside of Cape Fear,⁵ signals the need for intentional strategies to ensure young people have the supports they need to successfully complete high school and enter college or another training program that leads to employment in the region's growth sectors. Increasing the availability of apprenticeships, career academies, and other education and training supports that provide work experience and connections can keep more youth on the track to graduation, college and careers. Strengthening the K-12 public school system by ensuring sufficient and equitable funding for schools attended by lower income students is also essential to build a vital workforce.

Promise Neighborhoods help youth beat the odds. Promise Neighborhoods is an interdisciplinary, place-based initiative modeled after the Harlem Children's Zone that works with more than 50 communities to ensure that all children receive the educational, health, and community supports needed to successfully transition from cradle to college and career. Using a disciplined approach, Promise Neighborhoods critically assess how to use cross-sector partnerships to not only build programs, but rebuild systems. The Youth Enrichment Zone (YEZ) in the City of Wilmington, for example, aims to reduce youth violence by coordinating a continuum of support and services for children and families and facilitating an increased availability of after-school programs, summer programs, and life-skills and parenting programs. Learn more at <http://www.brcyez.org>.

Ensure diverse civic participation and leadership

Given the region's rapid demographic shifts, public sector leaders should continue to take steps to ensure active engagement by all racial and ethnic communities in local and regional planning processes and create pathways to government jobs and leadership positions. The public, private, and philanthropic sectors should increase their support to help neighborhood, organizational and civic leaders build their leadership and capacity. Youth leadership development is particularly important. Building strong multicultural and multiracial regional leadership is critical to the region's future. One step to do this is to create a durable regional equity network that can work together to advance a multi-issue agenda for equitable growth.

Conclusion

Across the region, leaders in the public, private, and nonprofit sectors, such as the United Way, the Blue Ribbon Commission, the community college system, and others, are already taking steps to connect its more vulnerable communities to educational and economic opportunities. To secure a bright future, the Cape Fear region needs to implement a growth model that is driven by equity – just and fair inclusion into a society in which everyone can participate and prosper. Through concerted investments and proactive policies, the region can leverage its rising diversity as an economic asset, and prepare all of its workers to lead it into the next economy.

¹ Andrew G. Berg and Jonathan D. Ostry, *Inequality and Unsustainable Growth: Two Sides of the Same Coin?*, Staff Discussion Note (Washington, DC: International Monetary Fund, 2011) <http://www.imf.org/external/pubs/ft/sdn/2011/sdn1108.pdf>; Jonathan D. Ostry, Andrew Berg, and Charalambos G. Tsangarides, *Redistribution, Inequality, and Growth*, Staff Discussion Note (Washington, DC: International Monetary Fund, 2014) <http://www.imf.org/external/pubs/ft/sdn/2014/sdn1402.pdf>; Joe Maguire, *How Increasing Inequality is Dampening U.S. Economic Growth, and Possible Ways to Change the Tide* (New York, NY: Standard & Poor's Financial Services LLC, 2014) https://www.globalcreditportal.com/ratingsdirect/renderArticle.do?articleId=1351366&SctArtId=255732&from=CM&nsI_code=LIME&sourceObjectId=8741033&sourceRevId=1&fee_ind=N&exp_date=20240804-19:41:13; Manuel Pastor, *Cohesion and Competitiveness: Business Leadership for Regional Growth and Social Equity*, OECD Territorial Reviews, Competitive Cities in the Global Economy, Organisation For Economic Co-Operation And Development (OECD), 2006; Manuel Pastor and Chris Benner, "Been Down So Long: Weak-Market Cities and Regional Equity," in *Retooling for Growth: Building a 21st Century Economy in America's Older Industrial Areas* (New York, NY: American Assembly and Columbia University, 2008); Randall Eberts, George Erickcek, and Jack Kleinhenz, *Dashboard Indicators for the Northeast Ohio Economy*, prepared for the Fund for Our Economic Future (Cleveland, OH: Federal Reserve Bank of Cleveland, 2006), <http://www.clevelandfed.org/Research/workpaper/2006/wp06-05.pdf>.

² WWAY TV3, "Wilmington featured in "Where to Retire" Magazine (2013), <http://www.wwaytv3.com/2013/10/09/wilmington-featured-where-to-retire-magazine>.

³ Garner Economics, *Pathways to Prosperity: New Hanover County's Plan for Jobs and Investment*, 2014, <http://wilmingtonbiz.s3.amazonaws.com/ED-Garner-Report-Draft.pdf>

⁴ Sheila Maguire, Joshua Freely, Carol Clymer, Maureen Conway, and Deena Schwartz, *Tuning in to Local Labor Markets: Findings from the Sectoral Employment Impact Study* (New York, NY: Public/ Private Ventures, 2010), http://www.issuelab.org/resource/tuning_in_to_local_labor_markets_findings_from_the_sectoral_employment_impact_study; Lea Cathryn, *BEST Benefits: Employer Perspectives Research and Evaluation Brief* (Boston, MA: Commonwealth Corporation, 2004), <http://www.insightcced.org/uploads/nnsf/BEST%20Benefits%20%20Employer%20Perspectives.pdf>; Industry Partnerships in Pennsylvania, "Industry Partnership" (booklet, Pennsylvania Workforce Development, April, 2009) <http://www.portal.state.pa.us/portal/server.pt?open=514&objID=575072&mode=2>.

⁵ City of Wilmington, *Wilmington Vision 2020: A Waterfront Downtown*, Chapter 3: Downtown Framework, http://www.wilmingtonnc.gov/planning_development_and_transportation/plans_documents/small_area_plans/wilmington_vision_2020_a_waterfront_downtown.

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