



## Cape Fear Inclusive Economy Report

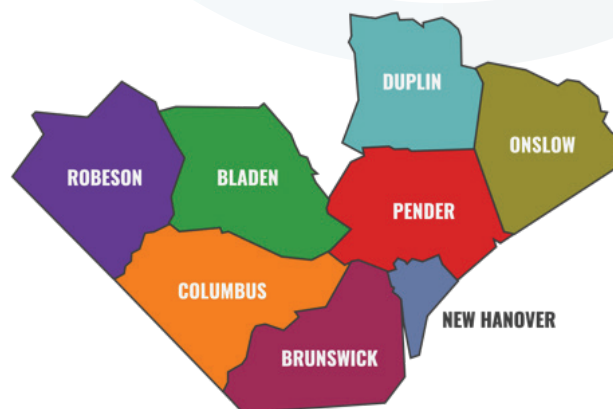


# Cape Fear Collective

**EQUITY FOCUSED. DATA DRIVEN. HUMAN CENTERED.**

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# Letter From CEO

## ***2020 brought a wide array of challenges to the Cape Fear region.***

We've experienced a pandemic and public health crisis, a reckoning with our region's turbulent and oppressive racial history, and an economic downturn coupled with increased migration. If these generational crises have taught us anything, it is that hardships are not equally felt by all our neighbors and that safety nets, built over generations to protect against economic, health, and social privation, are reliable for some and non-existent for others. The events that affect communities, from pandemics to hurricanes, are often acute on chronic. They exacerbate existing disparities and lay bare the underlying systemic problems, demonstrated in both the data and the lived experience.

Our region now sits on a historical precipice. From conference rooms in City Hall and the County Government Center to forums on Facebook to neighborhoods across the community, Cape Fear community members are looking towards the future and wondering: what's next? We're wondering how to build a community resilient against storms and sickness, against recession and racism. We're wondering how to create a place where all people can choose their future — where they can find the information they need to map a course to begin the journey, and access the resources they need to complete it. And we're wondering how we can find our footing again, with so much uncertainty in economic markets, environmental instability, and cultural division.

Economic status and upward mobility are at the heart of solving some of the most perplexing problems we face today. This report serves as a snapshot and compass check for the inclusivity of the Cape Fear region's economy. It sheds light on potential steps our community can take to increase economic activity, widen economic participation in small business ownership and sustainable career paths, and build a more resilient community that can weather storms of all types. It identifies disparities using data-driven insights and academic rigor, while harnessing the power of the lived experience to chart a viable path forward.

The impetus for the creation of this report was the hypothesis that deploying capital in a more inclusive and strategic way while increasing local ownership opportunities is the key to reducing disparities, leveraging existing economic systems, and creating tangible impact in our community. With support from the Kate B. Reynolds Charitable Trust and collaboration among multiple partners at the regional and state level, the CFC set out to better understand economic drivers of health and prosperity to further refine the organization's impact investing programs.

The research and findings in this report originally centered around two primary economic transitions. The first is the transition from unemployment or underemployment to sustainable career paths. The second transition is the leap from employee to employer, recognizing that small businesses are at the heart of the US economy and play a primary role in eliminating disparities and increasing the inclusivity of economic mobility in our community.

Through discussions with community members, industry experts, and nonprofit organizations, additional issue areas came to light around attainable housing, transportation, and healthcare costs. These social determinants can stand in the way of economic growth and are critical barriers that community leaders must address if a holistic approach to building the Cape Fear economy of the 21st century is to be established.

Outputs from this analysis are broken down into three parts. The first, this report, serves as a publicly-available snapshot of economic performance and inclusion in our region. The hope is that it will support policymakers, nonprofit leaders, corporations, and community members as they strive to use data-driven decision making to advance the amazing work they do every day. The second component is a social impact investing feasibility study that will inform CFC's investment strategy, program development, evaluation, and partnership and investment network to ensure that this initiative moves the needle for those who need it most. The third part will be an interactive dashboard that will live on CFC's website and ensures that the insights from this report are continually updated and easily accessed by the community, stakeholders and our partners.

While research and data collection projects like this are arduous undertakings, it is the people who take the insights and translate them into action that truly creates the impact. Data can be a powerful tool. It can help us move from outputs to outcomes, to shift from ambiguity to precision in our interventions, and adjusting course as needed to optimize the opportunity for impact. Data serves as a flashlight, it illuminates the direction of change, but does not itself make the change occur. We hope this report is useful to our partners, our elected officials, employers, and our community members. It is another step in the long journey towards a brighter future.

Thank you to everyone who has supported this work and has allowed us to walk alongside them in this process. We hope this will move us forward into a more sustainable tomorrow.

In solidarity,

A handwritten signature in black ink, appearing to read 'Patrick Brien', with a stylized flourish at the end.

**Patrick Brien**

CEO, Cape Fear Collective



# WHO WE ARE

Cape Fear Collective (CFC) drives towards equitable systemic change in Southeastern North Carolina by collaborating with community partners to leverage local assets, illuminate actionable insights, and catalyze innovative programming. We accomplish this by:

*Collaborating with our community partners and leveraging innovative data science and analytics to generate clear, actionable, hyper-local insights aimed at exposing and programming against inequities.*

*Rallying impact investors around these causes by using this same data to visualize specific opportunities for systemic change, and directing these financial resources where they can generate the greatest social return on investment.*

*Committing to nurture and scale multi-organizational initiatives, in collaboration with leaders from across our community, to drive each project's success in combating poverty, racism, poor health and education outcomes, and social-economic disparities affecting Southeastern North Carolina.*

*Creating a regional impact model that can be shared with other regions across North Carolina and foster opportunities for potential shared learning and collaboration.*

## VALUES



### Equity Focused

We believe that we should do all things through an equity lens. We understand that centuries of oppressive systems have hurt many communities. Our whole society benefits from lifting up all people, especially those who have been most marginalized.



### Data Driven

We believe that accurate and robust data infrastructure can be the great equalizer in the fight for a better tomorrow.



### Human Centered

We believe that the community is the biggest driver and producer of positive outcomes and actionable insights. We follow their lead to drive change.

# PARTNERSHIPS AND ACKNOWLEDGEMENTS

As members of the Southeastern North Carolina community, we are humbled every day by the selfless and thoughtful efforts of the social impact organizations and community leaders we are privileged to work alongside. From parents succeeding against all odds to raise happy, healthy children, to scrappy, diligent nonprofits with impacts that far outreach their funding dollars, the team members of the Cape Fear Collective are honored to accompany this community in building for a better tomorrow.

We'd like to thank Kate B. Reynolds Charitable Trust for their support and willingness to move outside their traditional public health focus area to shed light on how economic outcomes can drive better well-being for all.

The Center for Social Impact at the University of North Carolina at Wilmington was an invaluable partner throughout this process and has been one of Cape Fear Collective's biggest supporters since our inception. Thank you to Dr. Christopher Prentice, Dr. Sabrina Cherry, Dr. Adam Jones, and the Department of Economics and Finance for their diligence, advice, and willingness to support this effort.



## UNCW Center for Social Impact

UNCW's Center for Social Impact was founded in 2020 with faculty dedicated to the pursuit of a healthier and more equitable community through interdisciplinary research, consultation, cross-sector collaboration, and philanthropic, student and faculty engagement.



## Forward Cities

Forward Cities is a national nonprofit organization committed to strengthening equitable entrepreneurship in communities. They do so by comprehensive analysis of local ecosystems and provide place-based strategies for cities and regions to consider in building a more equitable ecosystem of small business growth and development.



## Partners in Equity

Partners In Equity is a Durham-based organization assisting minority-owned businesses in owning the commercial real estate where they operate. In response to the pandemic, they partnered with local organizations, Genesis Block Labs in Southeastern NC, to survey minority-owned businesses on the impacts of the pandemic on their operations.

W I L M I N G T O N



CHAMBER OF COMMERCE  
YOUR ADVOCATE

Kate B. Reynolds  
Charitable Trust  
Investing in Impact

## Greater Wilmington Chamber of Commerce

The Greater Wilmington Chamber of Commerce is a nonprofit organization serving area employers with advocacy and programs to support business growth and job creation in the Cape Fear region. Insights from Cape Fear Talent, a regional skills assessment, launched in partnership with the Wilmington Chamber, RTI International and over 50 local and regional organizations contributed to this report.

Additional nonprofit partners supported the gathering of qualitative data to support this report, including YWCA Lower Cape Fear, Kairos Empowerment Center, StepUp Wilmington, Leading Into New Communities (LINC), and Wilmington Housing Authority.

## Kate B. Reynolds Charitable Trust

This report would not have been possible without the support from Kate B. Reynolds Charitable Trust (KBR). KBR ‘invests in impact’ with a mission to drive health and economic prosperity across North Carolina.

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## SUMMARY OF KEY FINDINGS

By referring to inclusivity and upward mobility, the report seeks to highlight opportunities and challenges in building a regional economy that is prepared for the future and aligned with the perceptions and promises of America. There will always be wage earners up and down the economic continuum, but the dream of American opportunity has always stipulated that those in this generation make more than their parents, that higher earnings be achieved within one's lifetime through hard work and education, and that all people have access to wealth generation. At its core, the promise of American economic prosperity hasn't been wealth, but the mobility and opportunity to achieve wealth through a level playing field.

Unfortunately, the data show that earnings trajectories from generation to generation are flat or in decline. Thousands of Cape Fear residents are bogged down in low-wage jobs, with little access to the tools or new opportunities they need to move up the income ladder. It is clear that there are significant disparities in earnings based on race and gender. Deliberate steps can and should be taken to break down systemic barriers to wealth generation through the support of small business ownership and sustainable career paths. These support systems should address the social determinants of economic prosperity — housing, health, transportation, and childcare.



Regional economic growth can be driven by personal economic growth — access to career paths and jobs that not only increase earnings and wealth generation, but also make the region more attractive for new businesses and industries. The system should be cyclic: an economic escalator that provides upward mobility, starting with jobs that pay entry-level wages, followed by different types of education and upskilling programs, and continuing to sustainable career paths that allow families to build wealth. Program interventions that promote this upward growth through access to capital, affordable housing, and other key factors can create an economy of opportunity for all.



## HERE IS WHAT WE DISCOVERED



*Economic indicators including unemployment and growth are healthy, but many residents working in low-wage, low-opportunity occupations do not share in the region's success.*

*Home ownership is out of reach of most everyday workers, particularly in New Hanover County as housing costs continue to rise.*

*Black, Indigenous and People of Color (BIPOC), particularly females, earn significantly less than their white counterparts for much of our region.*

*COVID-19 continues to have a disproportionate impact on BIPOC and low-wage workers, exacerbating inequality in the area.*

*Overt racism remains a barrier for residents of color. Discrimination was compounded for job seekers with criminal records.*

*A tale of two economies is rapidly emerging for the region - one near the wealthier coast and a shrinking middle class with decreasing purchase power farther inland.*



# STATE OF THE ECONOMY

## *Opportunities and Challenges*

*The Cape Fear region is transforming from a manufacturing, goods-producing economy to a skill-based, service-producing economy.*

*Wages have increased for White workers over the last 20 years and declined by an equal margin for Black workers over the same period.*

*The Cape Fear region is not producing enough professional employment opportunities.*

*Home and business ownership leads to wealth generation. For too long, large groups have been left out of ownership, leading to increasing gaps in generational wealth.*

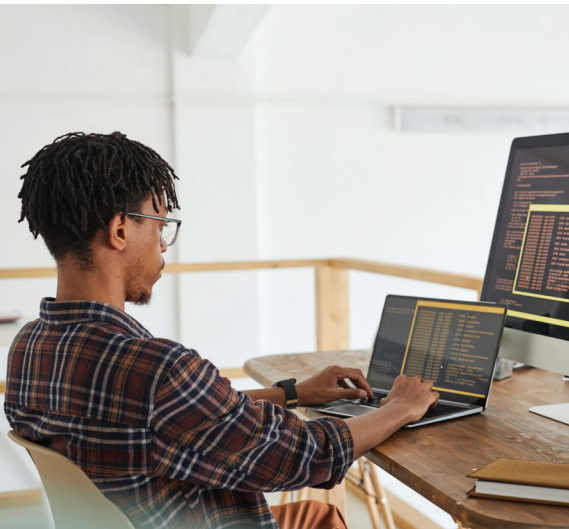
*The region experienced a sharp decline in unemployment over the past decade, but poverty has not changed due to increases in low-wage work and a lack of upward mobility in the labor market. BIPOC in the Cape Fear region experience a dearth of middle-class opportunity.*

*Regional employers projected job growth in health care, IT and software, logistics, and life sciences over the next three years.*

*The Cape Fear region must prioritize creating minority-owned businesses to drive diverse hiring, eliminate disparities in wealth for minority communities, and build a resilient economy of tomorrow.*







*Like the national trend, the Cape Fear regional economy is undergoing a transformation from a goods-producing economy to a service-providing economy.*

The U.S. economy is undergoing a transformation from a manufacturing or goods-producing economy to a skill-based and service-producing economy.<sup>1</sup> High-wage service-providing jobs, such as information technology roles, require a higher level of technical and professional skills not previously emphasized in routine, goods production jobs. Additionally, the US population is increasing in diversity, with a larger share of BIPOC in low-wage work.<sup>2</sup>

Much of the US workforce is finding it hard to get ahead through everyday hard work. In a 2019 survey from the Federal Reserve Board of Governors, an estimated one-third of adults cannot afford an unexpected expense of \$400 or more.<sup>3</sup> Other surveys have shown that anywhere from half<sup>4</sup> to 78%<sup>5</sup> U.S. adults are living paycheck to paycheck. Stagnating wages, increasing home prices, and a cycle of debt present major barriers to financial success across the U.S. The Cape Fear region is not an exception.

Like the national trend, the Cape Fear regional economy is undergoing a transformation from a goods-producing economy to a service-providing economy.<sup>6</sup> At the same time, the White population is expected to remain at about 77% of the total population as the Hispanic population's growth is outpacing overall growth. The Hispanic population is expected to comprise a larger share of the overall population in the future. These trends are projected to continue for the next 30 years.<sup>7</sup>



Key findings from a report from UNCW's Center for Social Impact (CSI) include<sup>7</sup>

*Economic inequality has grown over the last 20 years. The Cape Fear region has experienced a slower widening of the inequality gap than the U.S. as a whole, driven primarily by smaller income losses at the lower end of the income distribution. The bottom 10th percentile of earners across the U.S. saw a 12.5% decrease in real earnings over 20 years, while the Cape Fear region experienced a decrease of only 4.6%.*

*Wages have increased for White workers over the last 20 years and declined by an equal margin for Black workers over the same period. One driver of this trend is the evolution of the labor market causing premium wages going to higher educated workers. In the Cape Fear region, about 42% of White adults have a bachelor's degree or more, whereas only 16% of Black adults and 12% of Hispanic adults have attained the same. On average in the region, a bachelor's degree increases an individual's earning power by about 50% compared to a high school education alone — from \$13 an hour to between \$19 and \$24 an hour.<sup>8</sup>*

*Professional employment (jobs requiring a bachelor's degree or more) is notably lower in Wilmington than the U.S. average, while employment requiring an associate's degree or less is much higher. Professional employment availability affects overall earnings for the region.*

The Cape Fear region must build and maintain pathways to professional employment opportunities. Otherwise, high wage positions will be filled by imported labor, leaving younger residents from all backgrounds and races without a viable career pathway to remain in the region.

*"Failing to ensure those [career] opportunities [for local residents] will lead to brain drain and apply a downward pressure on diverse labor-market participation, both keys to innovation and regional economic prosperity," the Center for Social Impact report concludes.<sup>7</sup>*

For the job seeker, Wilmington's employment market can be difficult to penetrate without some inside help, according to the report.<sup>7</sup> Job seekers reported most jobs were acquired because of referrals from friends or family. Employers signaled this as well, with the majority of recruiting happening from internal networks.<sup>9</sup>

Race was a frequent barrier for job seekers, according to the report. Every focus group pointed to racism as a significant barrier, including discrimination based on an individual's name.<sup>7</sup> Discrimination was compounded for job seekers with criminal records.

*"Participants discussed blatant and overt forms of racism, such as being told to 'stay in your place', while others noted more subtle forms of perceived discrimination, such as being passed over for multiple opportunities only to later see a perhaps less skilled or qualified internal candidate get the job," the CSI report found. "Experiences with racism also extended to internalized oppression. This often showed up as the way community members and clients perceived experiences in the workplace."<sup>7</sup>*



Focus group participants engaged in CSI's qualitative study noted a dearth of diverse representation among nonprofit and municipal leadership positions in New Hanover County. In particular, they noted that leadership often does not mirror the communities these entities serve. Additionally, participants observed that organizational and municipal leaders often have little to no direct connections to the communities they serve. As the CSI report notes, prior academic research supports the notion that more diverse organizations produce novel solutions and are more effective in addressing complex social problems. Nonprofits and public leaders must create pathways for increasing diversity and ensuring organizational leadership matches the demographic composition of the clients they serve.



## EARNINGS & LABOR MARKET TRENDS

Wealth generation is often contingent upon home and business ownership<sup>10</sup> and the region has yet to experience meaningful progress in curtailing the barriers to that ownership. These barriers include low household income, access to more affluent social networks, familial wealth, access to credit, and savings.<sup>11</sup> Without the means to ownership, the poverty cycle exacerbates itself in a continuous cycle. Living in poverty makes it harder to gain access to credit to purchase property or attend workforce training programs which decreases earnings and generational wealth transfer, keeping families in poverty for decades.

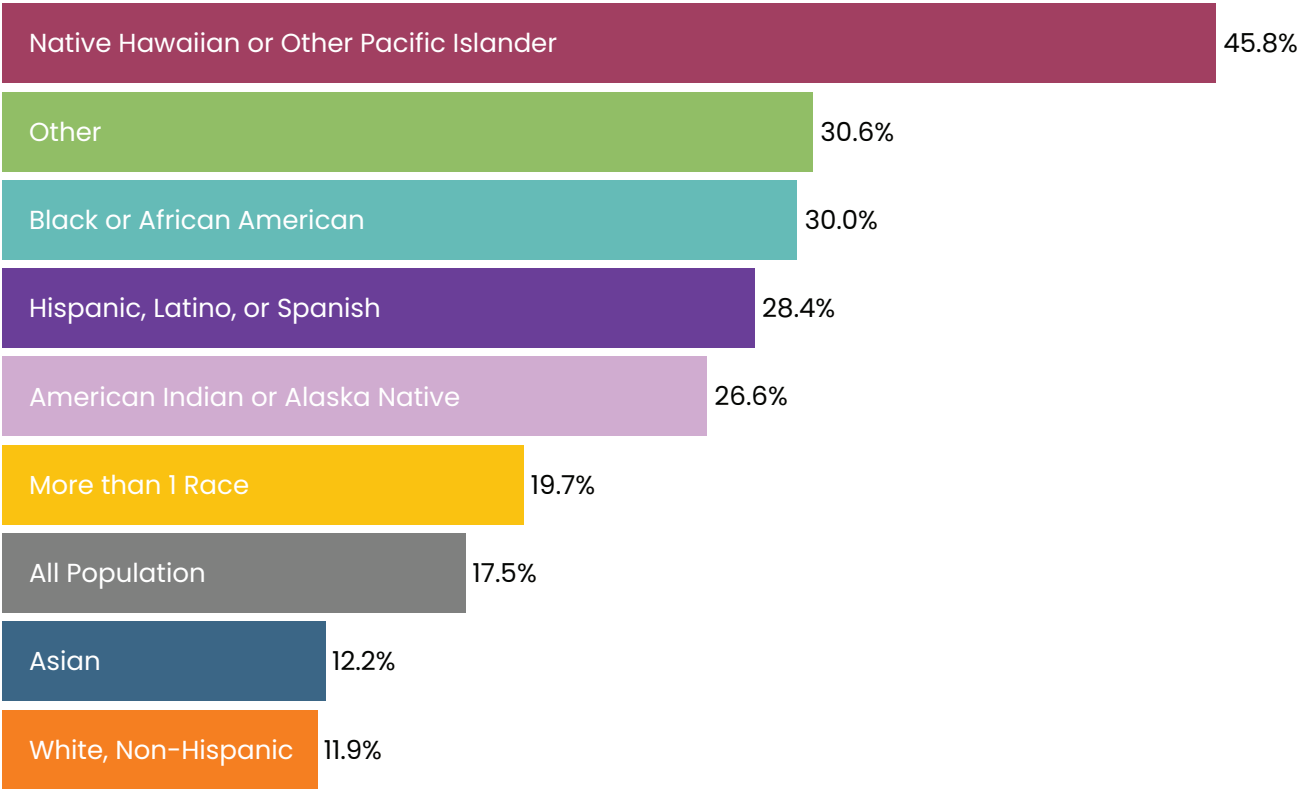
Poverty rates across all counties in the region have not seen statistically significant decreases since before 2010. In fact, New Hanover County has seen an increase in poverty of about 0.6%, or 5,600 more residents living under the federal poverty line. Much of this burden is unfairly shouldered by BIPOC (Figure 1).<sup>13</sup>

New Hanover County’s poverty rate is 15.3%, but among Black residents, it’s 33.26%. Across the Cape Fear region, except for those reporting Asian, White, or more than 1 race, over 1 in 4 residents live in poverty (Figure 1).<sup>13</sup>

Figure 1

*Percentage of Cape Fear Residents Living Below the Federal Poverty Level by Race*

**Explainer:** Metrics must be disaggregated by socioeconomic indicators. This graph demonstrates that official poverty levels differ by race.



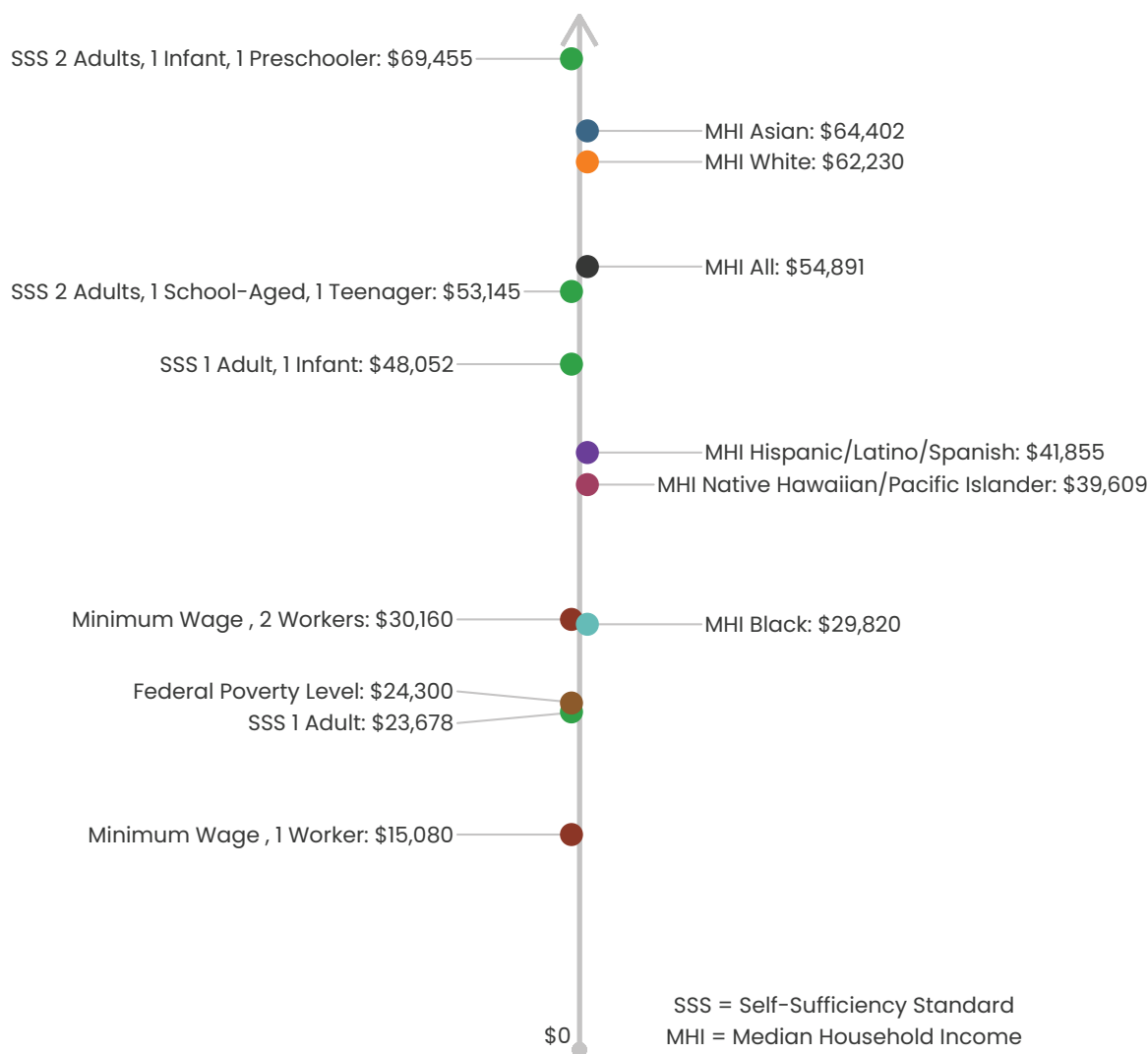
Population Living Under the Federal Poverty Level  
U.S. Census Bureau. (2019). American Community Survey 5-Year Detailed Tables.

While the Federal Poverty Level is an important metric, many hard-working people live paycheck to paycheck without savings to invest in their future. The Self-Sufficiency Standard (SSS), a cost of living metric that accounts for housing, childcare, food, transportation, healthcare, and taxes, demonstrates that many residents in our region are not earning enough, even though they live above the Federal Poverty Level.<sup>13</sup>

Figure 2 | Living Income Levels: New Hanover County

**Explainer:** Graph shows various income levels for New Hanover County on a number scale.<sup>15</sup> It contains median household incomes by race on the right side and Self-Sufficiency Standards, the Federal Poverty Level, and the minimum wages of a two and one worker household on the left side.

Notice that the median household income of White families is double what it is for Black families. Also, the Self-Sufficiency Standard for 2 Adults with 1 infant and 1 Preschooler is 2.3 times more (\$69,455 per year) than the combined salaries of 2 minimum wage workers (\$30,160 per year). That means that parents working minimum wage jobs in a shared household will be woefully underearning and struggle to make ends meet.



U.S. Census Bureau. (2019). American Community Survey 5-Year Detailed Tables.  
University of Washington, Center for Women's Welfare. (2020). Self-Sufficiency Standard.

New Hanover County's 2020 SSS was \$49,124,12 and the 2019 median household income (MHI) for a two-adult, one-infant, one-preschooler family was not enough to cover expenses in many census tracts (Figure 3).<sup>8</sup>

Households in the coastal region of the county are living above the SSS,<sup>8,12</sup> although they are likely to pay more for housing.<sup>8</sup> However, in Wilmington City limits, many households are not earning enough. The median household in the Brooklyn Arts District, for example, earned \$31,310 less than the Self-Sufficiency Standard. While affordable housing is available in the area, many residents have limited to no options for moving to other parts of the county, especially when it requires significant income above the SSS to compete with other homebuyers and renters.<sup>8,12</sup>

This leaves residents vulnerable to gentrification and other market forces that can push them out of their long-time neighborhoods, primarily through an increased cost of living. These forces include inbound moves with more financial resources, changes to public policy such as zoning or park development, housing deterioration which spurs redevelopment, and expensive or increasing housing costs in other neighborhoods. All together, these forces increase the cost of living, strain the budgets of low-income households, and force residents to find a new neighborhood.<sup>14</sup> This is why working towards minimizing the metrics of poverty and unemployment is not enough to foster inclusive growth. Self-sufficiency and wealth defend against these forces.<sup>14</sup>

The shortage of well-paid, quality jobs put families under financial stress and in a state of instability. If families do not earn a self-sufficient income, they still feel the effects of poverty on mental and physical health. Tradeoffs must be made on where money and time go – food or prescriptions, second shift or helping with homework. Many people in the region must develop various strategies to offset costs to make ends meet including having more than one job, living further from their workplaces, using family and social networks for childcare, and increasing debt load for unexpected expenses. Families who played by the rules and worked hard have still lost out. The region needs to create opportunities for wealth, not wages.

*This is why working towards minimizing the metrics of poverty and unemployment is **not enough** to foster inclusive growth.*

Challenges loom larger when considering race. Within New Hanover County, a minimum wage worker is not making enough at \$7.25 an hour or 62% of the Federal Poverty Level. **The Self-Sufficiency Standard calculates that a single working adult with no kids would need at least \$23,678 or \$11.21 per hour to meet basic needs and savings.** Many BIPOC households do not make enough to comfortably put their kids in childcare given the estimate for a household with an infant and a preschooler.<sup>12,8</sup>

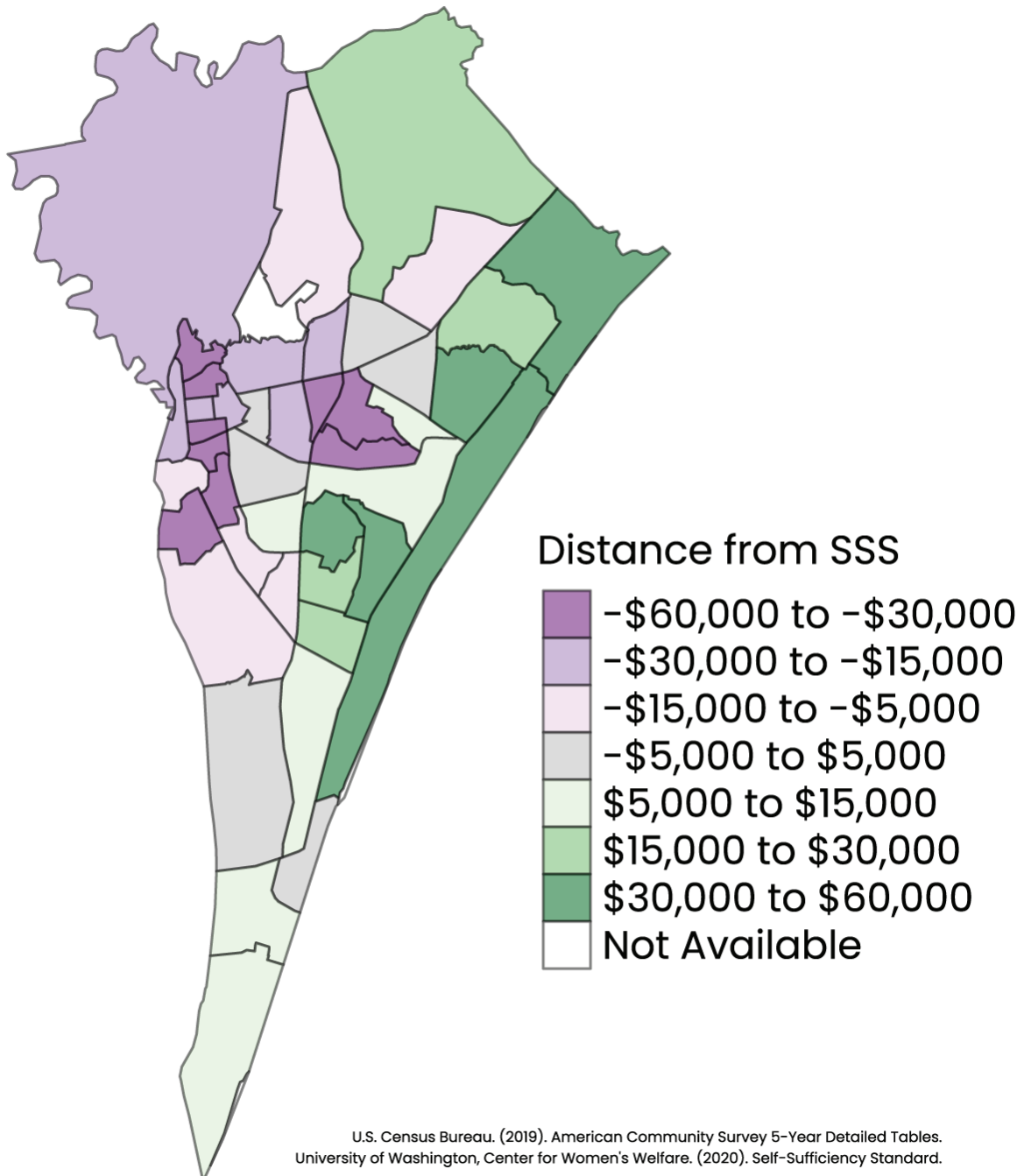
The overall median income is \$54,891 in the county, but it does not properly describe the relationship between race and income. BIPOC make significantly less income than White and Asian households.<sup>8</sup> We cannot afford to remain race-blind if we wish to uphold the notion of the American dream for all people in this region.



**Figure 3**

*Difference Between Median Household Income and Self-Sufficiency Standard: New Hanover County.*

**Explainer:** Purple colors show that the median household in the census tract is living below the SSS for the county, green denotes that the median household is living above, and gray denotes that the median household lives near the SSS.



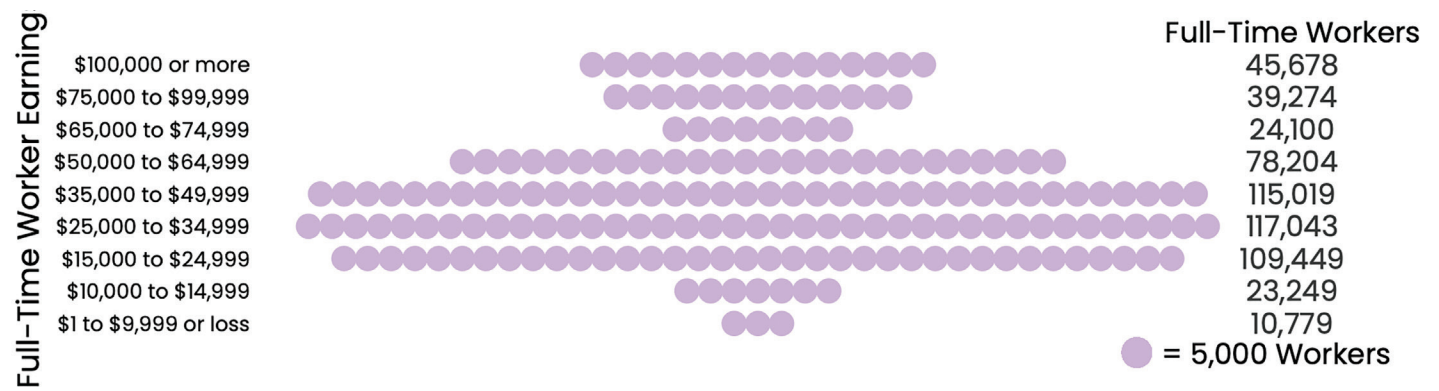
The region has experienced a sharp decline in unemployment over the past decade,<sup>16</sup> but poverty has not changed due to increases in low-wage work and a lack of upward mobility in the labor market.<sup>17</sup> The 2019 median earnings for full-time workers across the region ranged from \$33,000 to \$45,000, and are all below Self-Sufficiency Standards for raising children.<sup>8, 13</sup> For context, the 2019 U.S. median income was \$48,000 and the N.C. median income was \$43,000.<sup>8</sup> Without assistance or another full-time earner in the household, building a family and a place to call home are not sustainable options for many families.

*Ideally, the region needs to attract and build more jobs in the \$50,000 to \$75,000 range.<sup>12,18</sup>*

The average full-time worker can meet the Self-Sufficiency Standard with another earner in the household,<sup>8, 13</sup> but low wages are still an issue. Ideally, the region needs to attract and build more jobs in the \$50,000 to \$75,000 range.<sup>18</sup> Industries that can make up this range include healthcare, construction, and professional services. These industries are examined in more detail later in this report.

**Figure 4** | Full-Time Worker Earnings

**Explainer:** The distribution of full-time worker earnings in the region with each dot corresponding to 5,000 Cape Fear region residents. For each range on the left, the dots represent how many full-time workers earn within that range. For example, about 20,000 workers made between \$65,000 and \$74,999 in 2019.



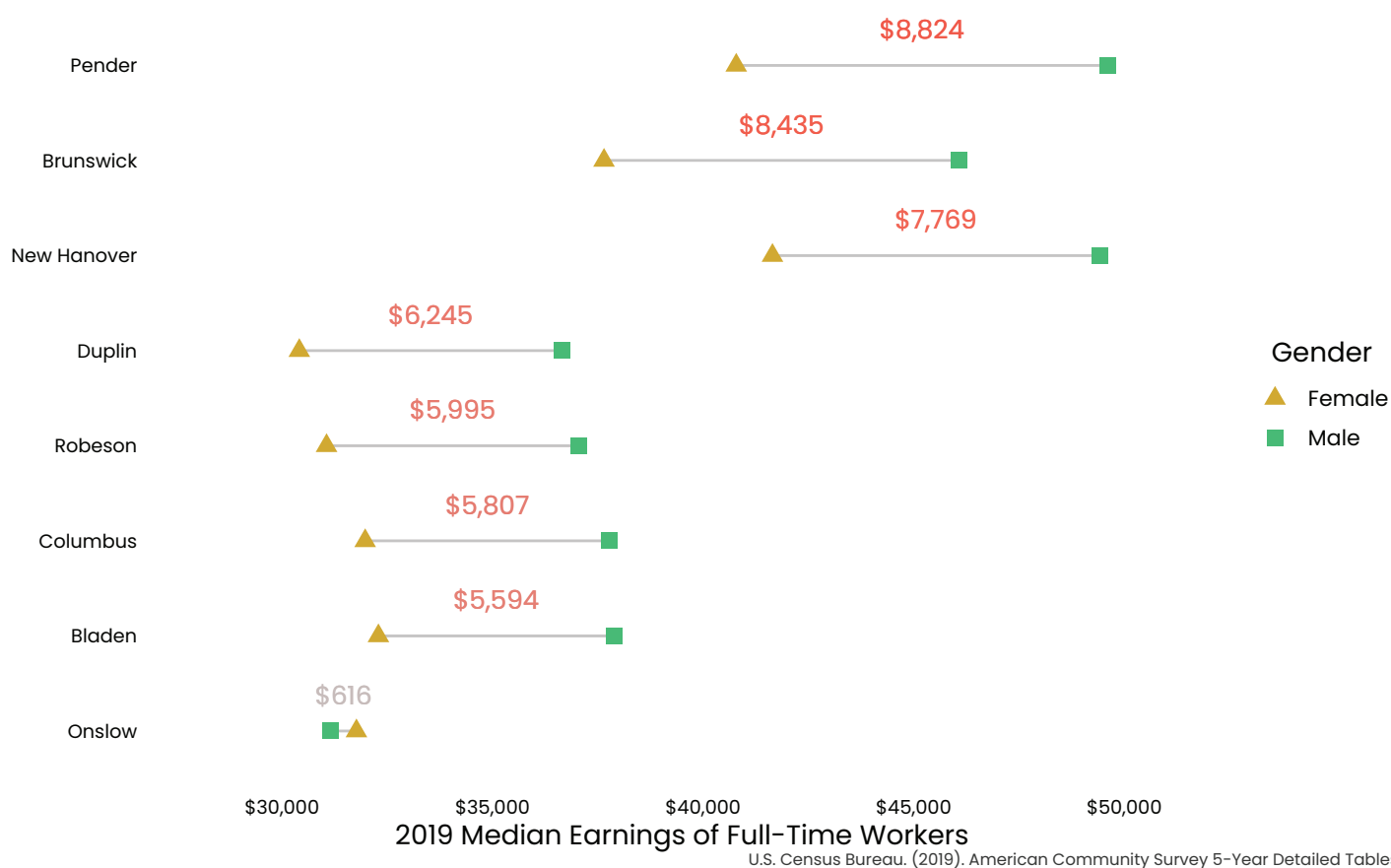
U.S. Census Bureau. (2019). American Community Survey 5-Year Subject Tables.

Even with an additional earner in the household, doubling the household income is not guaranteed. This is especially true when we compare the earnings gap between males and females. All counties within the region, except for Onslow County, which has a large military population because of Camp Lejeune, have a major gender pay gap among full-time workers, with males earning about 20% more than females. In New Hanover County, for example, the median female full-time worker makes almost \$8,000 less than her male counterpart.<sup>8</sup> Throughout this report, we find that Onslow County tends to be an outlier.

**Figure 5**

*Gender Pay Gap by County for Full-Time Workers*

**Explainer:** Earnings of male and female full-time workers by county. Female median earnings are represented by triangles and males by squares. The line connecting the two symbols is the gender pay gap, with the dollar value of the gap above this line. Almost all counties have a gap except for Onslow County, where females earn slightly more than males.

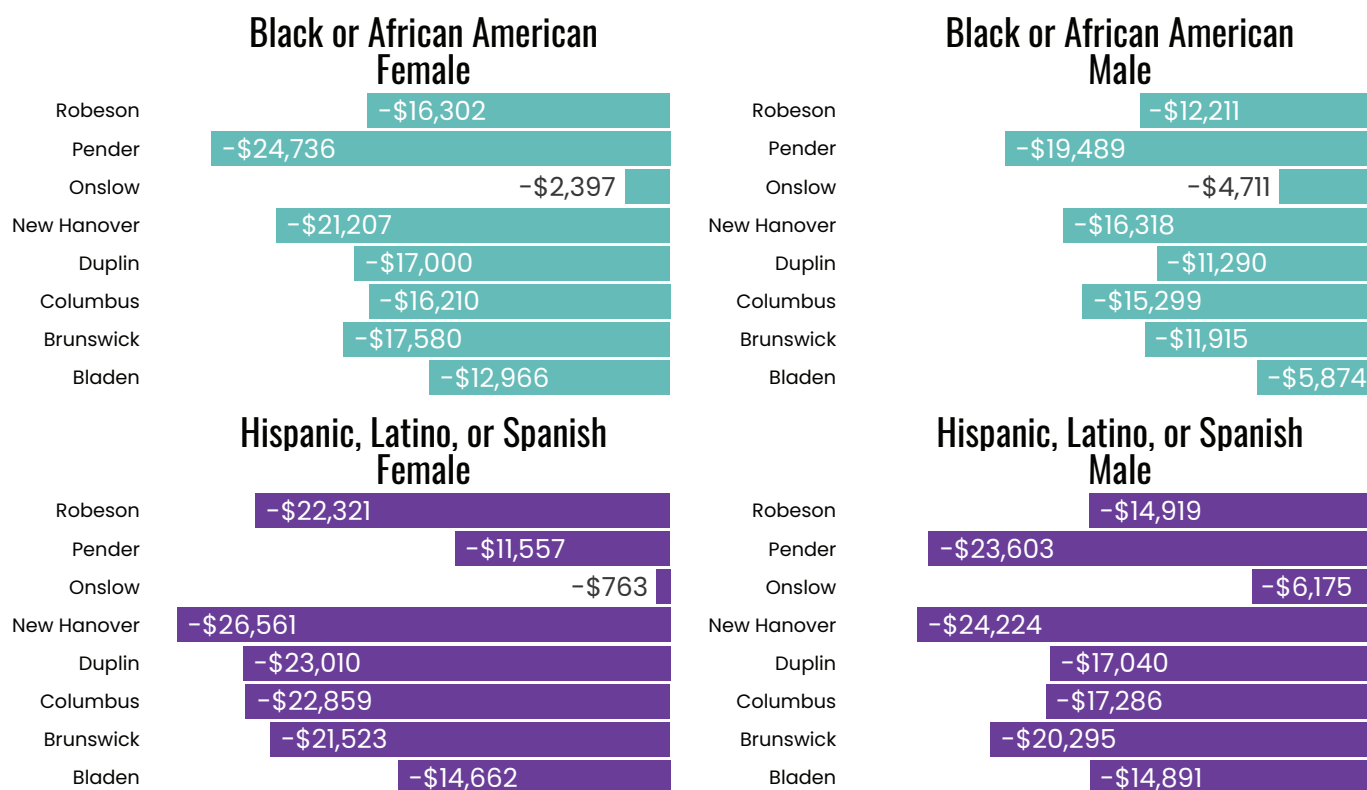


The disparity increases even more when comparing BIPOC to the highest earner: White males. The median female of color is earning nearly \$20,000 less in some counties, and all BIPOC are making significantly less money - often up to only half that of White earners.<sup>8</sup> Opportunity and economic mobility are key to an inclusive economy, but the American dream has always been harder to achieve for some compared to others.

**Figure 6**

*Difference from White, Non-Hispanic Male Median Earnings for Full-Time Workers by County*

**Explainer:** Difference between the median earnings of a Black and Hispanic full-time worker and White, Non-Hispanic males. New Hanover and Pender County have relatively large disparities across nearly all comparisons. For example, in Robeson County, Black or African American females make \$16,302 less per year than White, Non-Hispanic males.



**2019 Median Earnings Gap of Full-Time Workers As Compared to White, Non-Hispanic Males**

U.S. Census Bureau. (2019). American Community Survey 5-Year Detailed Tables.

In many counties, earnings disparities have grown over time. For example, within Duplin County, the earnings gap between females and males grew by over \$5,000 between 2014 and 2019, with the median male earning more than \$9,000 than the median female. The income gap is shrinking in New Hanover County for Black and Hispanic residents as compared to White males, but growing between males and females. It is widening for both groups in Brunswick County. In Onslow County, the gap between White and American Indian or Alaskan Native workers has grown by a factor of 10.<sup>8</sup>



Table 1

*Earnings Gaps for Select Comparisons by County*

**Explainer:** The Comparison column explains how to interpret the Change in Earnings Gap column. “Female & Male” means subtracting the median male earnings from the median female earnings. For example, in Bladen County between 2014 and 2019, the earnings gap decreased by \$1,121 but males still earned \$7,005 more.

County	Comparison	Change in Earnings Gap from 2014 to 2019
Bladen	Female & Male	↓ Decreased by \$1,121 to \$7,005
	Black or African American & White, Non-Hispanic	↓ Decreased by \$3,091 to \$9,874
	Hispanic, Latino, or Spanish & White, Non-Hispanic	↓ Decreased by \$10,892 to \$6,758
Brunswick	Female & Male	↑ Increased by \$1,363 to \$9,043
	Black or African American & White, Non-Hispanic	↑ Increased by \$4,780 to \$7,939
	Hispanic, Latino, or Spanish & White, Non-Hispanic	↑ Increased by \$3,808 to \$8,276
	Asian & White, Non-Hispanic	↑ Increased by \$2,922 to \$3,570
Columbus	Female & Male	↓ Decreased by \$54 to \$4,919
	Black or African American & White, Non-Hispanic	↑ Increased by \$684 to \$10,749
	Hispanic, Latino, or Spanish & White, Non-Hispanic	↓ Decreased by \$2,738 to \$9,468
	American Indian or Alaskan Native & White, Non-Hispanic	↑ Increased by \$4,667 to \$10,533
Duplin	Female & Male	↑ Increased by \$5,237 to \$9,410
	Black or African American & White, Non-Hispanic	↑ Increased by \$2,686 to \$12,015
	Hispanic, Latino, or Spanish & White, Non-Hispanic	↑ Increased by \$4,220 to \$13,014
New Hanover	Female & Male	↑ Increased by \$2,204 to \$9,738
	Black or African American & White, Non-Hispanic	↑ Increased by \$684 to \$10,749
	Hispanic, Latino, or Spanish & White, Non-Hispanic	↓ Decreased by \$1,884 to \$10,704

County	Comparison	Change in Earnings Gap from 2014 to 2019
Onslow	Female & Male	↓ Decreased by \$1,886 to \$5,975
	Black or African American & White, Non-Hispanic	↓ Decreased by \$244 to \$3,316
	Hispanic, Latino, or Spanish & White, Non-Hispanic	↓ Decreased by \$77 to \$2,615
	American Indian or Alaskan Native & White, Non-Hispanic	↑ Increased by \$2,642 to \$2,863
	Asian & White, Non-Hispanic	↑ Increased by \$115 to \$2,220
Pender	Female & Male	↓ Decreased by \$2,957 to \$8,072
	Black or African American & White, Non-Hispanic	↑ Increased by \$374 to \$10,902
	Hispanic, Latino, or Spanish & White, Non-Hispanic	↓ Decreased by \$2,858 to \$5,844
Robeson	Female & Male	↑ Increased by \$1,681 to \$6,559
	Black or African American & White, Non-Hispanic	↑ Increased by \$2,268 to \$9,522
	Hispanic, Latino, or Spanish & White, Non-Hispanic	↑ Increased by \$1,735 to \$10,528
	American Indian or Alaskan Native & White, Non-Hispanic	↓ Decreased by \$1,032 to \$5,175
	Asian & White, Non-Hispanic	↓ Decreased by \$919 to \$5,811

We have the opportunity to place more Cape Fear residents into higher paying jobs. The region is expected to grow by about 10,000 new residents every year or about 1.3% annually<sup>19</sup> (the rest of the state's expected growth rate is 1.1%).<sup>8</sup> As more people enter the regional economy, we want to continue to build pipelines of economic opportunity and mobility. Otherwise, if Cape Fear residents are left out, newer and higher paying jobs will go to incoming residents.

Our current industry snapshot differs by county. The best estimations are available at the Metropolitan Statistical Area (MSA) level. In the Wilmington MSA (which includes New Hanover County and Pender County), healthcare, retail, and accommodation and food services are the largest employing industries.

Both retail and accommodation and food services are highly seasonal and provide some of the lowest average wages across all industries. In fact, the median earner in accommodation and food services is making \$18,493, which is above the minimum wage of \$15,080 but significantly below the federal poverty level of \$24,300.<sup>20</sup> The Self-Sufficiency Standard calculated for a 1 adult, 1 infant family in New Hanover County is \$48,052 and \$43,060 in Pender County.<sup>13</sup> Many industries can meet those standards for their median worker, but two of the largest (retail, and accommodation and food services) do not.<sup>20</sup> This leaves many people in New Hanover and Pender County struggling to make ends meet, especially without an additional earner in the household. However, our core industries provide chances at upward economic mobility for everyone if we build inclusive pipelines.



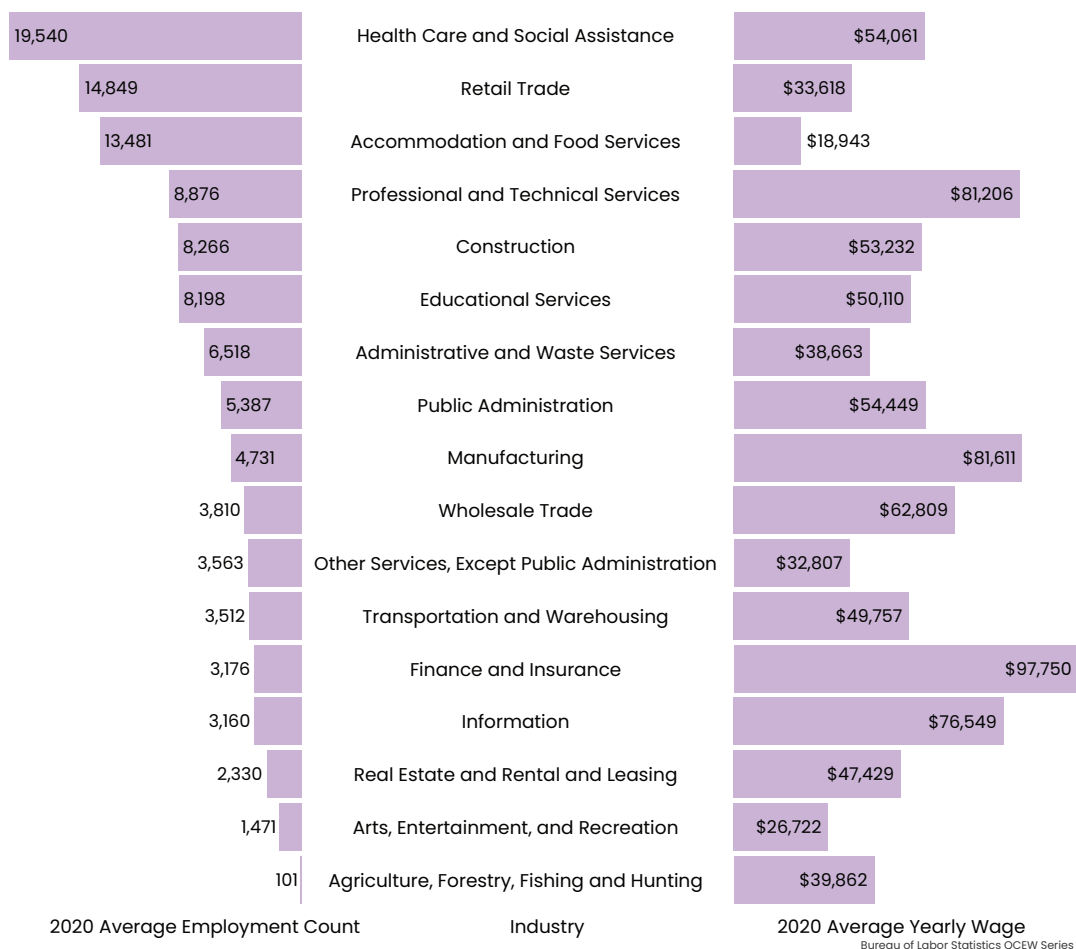
*The median earner in accommodation and food services is making \$18,493, which is above the minimum wage of \$15,080 but **significantly below the federal poverty level of \$24,300.***<sup>20</sup>



Figure 7

Industry Summary: Wilmington MSA

**Explainer:** Bars on the left of the graph represent the average number of employees hired by the industry for the year; bars on the right indicate the average yearly wage. Low-wage industries such as retail and accommodation and food services employ a large share of the workforce.



A recent study from the Brookings Institution found that upward mobility gaps exist across wage level, industry, race, and gender with low-wage industries offering little to no upward mobility.<sup>21</sup> They also found that some occupations act as sandpits where very few transition to a higher paying position. Of all industries, they found that technology, sciences, education, and professional services have the highest upward mobility. Whereas food and customer service, personal appearance, cleaning services, transportation, production, and assemblers and machine operators have the lowest mobility. Public and private intervention is often required to ensure that workers, especially BIPOC stuck in low-wage, low-mobility work, are not left behind.

All of the industries with high mobility occupations listed in the Brookings study will have the largest growth in the Wilmington MSA, according to employment projections from the N.C. Department of Commerce (NCDOC). NCDOC predicts that opportunity industries will add well over one thousand jobs every year (Table 2).



**Table 2** | *Industry Outlook: Wilmington MSA*

**Explainer:** Opportunity industries in the Wilmington MSA provide higher wages on average and have the largest growth.

<b>Opportunity Industries</b> (High Wage, High Growth)	<b>Projected Annualized Growth Rate</b>	<b>Additional Jobs per Year</b>
Professional, Scientific, and Technical Services	2%	203
Health Care and Social Assistance	1.7%	460
Construction	1.6%	187
Education Services	1.4%	547
<b>Low Opportunity Industries</b> (Low Wage, Large Employment)		
Accommodation and Food Services	1.4%	357
Retail Trade	.3%	89

Source: NC Department of Commerce. (2018-2028). Industry Employment Projections.

## EMPLOYER'S PERSPECTIVE

The Cape Fear Talent report provided a snapshot of the employer perspective. In the fall of 2019, CFC and the Wilmington Chamber of Commerce partnered with Wake County Economic Development (a program of the Greater Raleigh Chamber of Commerce), Capital Area Workforce Development Board, and the City of Raleigh to bring their regional skills assessment to the Cape Fear region. In March 2020, Cape Fear Talent launched with RTI International facilitating the data collection.

Replicating the 2017 implementation of the Triangle Talent report and Western North Carolina's efforts in 2018, CFC and the Wilmington Chamber collaborated with over 50 regional organizations to promote the survey. Partners included local chambers of commerce, state and local trade associations, economic development organizations, and media outlets.

Collectively, almost 500 survey responses were generated from employers tallying their most critical skills needed over the next three years. The responses provided the first real-time data on how employers planned to respond to the pandemic. Even amidst the pandemic, employers surveyed projected job growth, with anywhere from 9,600 to 17,500 jobs added to the regional economy over the next three years. Companies in life science, IT, software, and logistics have the most optimistic outlook with employers in healthcare projecting the most hires in the next three years.<sup>9</sup>

In these growing industries (healthcare, IT, software, logistics, and life sciences), skills are becoming increasingly technical, requiring education and training beyond a high school diploma. The future of work is increasingly less routine, more complex, and requires technical specificity and training.

The region's colleges and universities are producing relatively large numbers of health, business, and education degrees to fill in some of the previously mentioned growing industries. However, computer science, IT, math, statistics, and engineering degrees are not produced in nearly the same quantity. These five subjects combined only produce 1 degree for every 5 health degrees earned (Figure 8). This means local pathways to a job in technology are largely missing, leaving those positions to workers trained outside of the region.

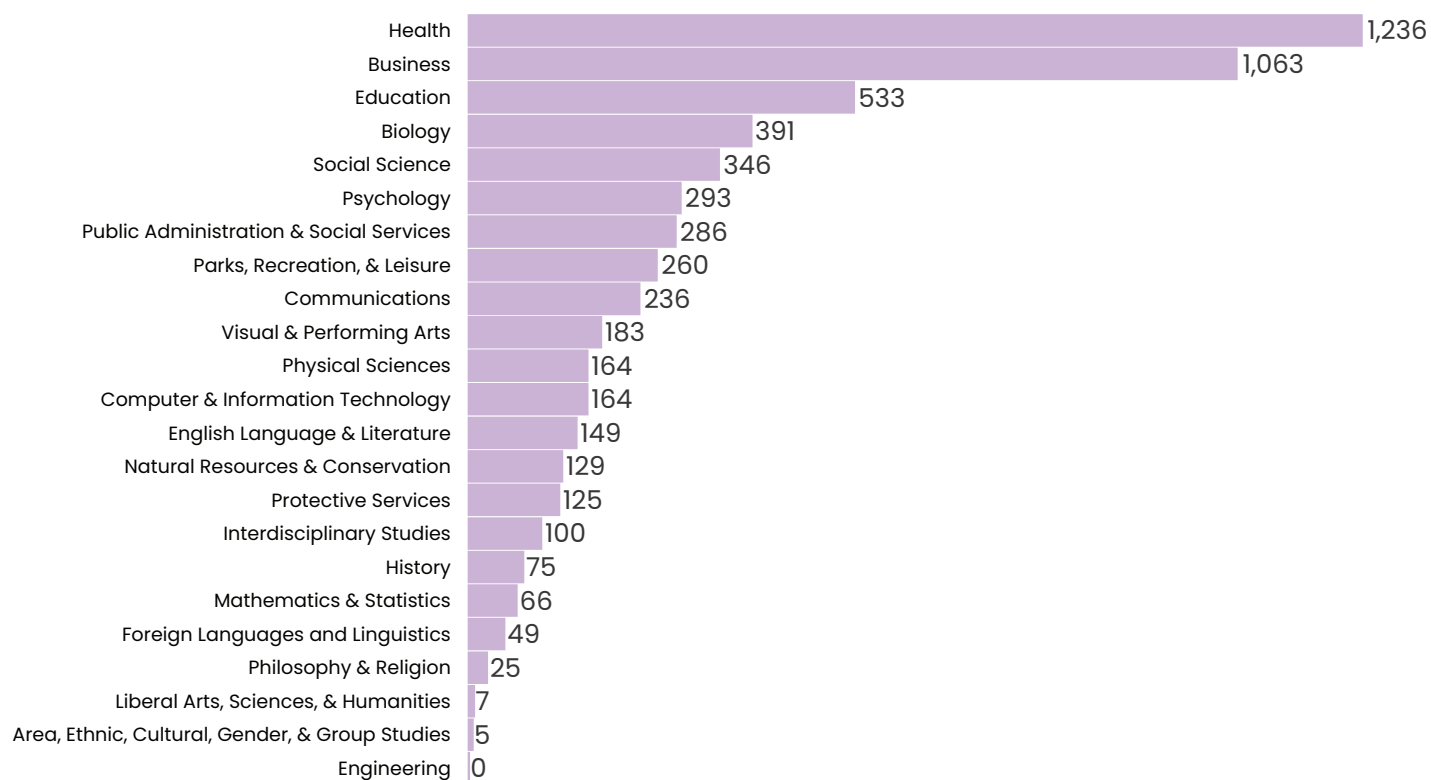
*In these growing industries (healthcare, IT and software, logistics, and life sciences), skills are becoming increasingly technical, requiring **education and training** beyond a high school diploma.*



**Figure 8**

*Degrees Awarded in 2019 By Cape Fear region's Postsecondary Institutions*

**Explainer:** The graph tallies the number of degrees awarded in the region by subject. The tally includes bachelor's, master's, and doctoral degrees. Health and business programs have a strong student body but some key technology sectors are missing.



**2019 Degrees Awarded:  
Bachelor's, Master's, Doctor's**

National Center for Education Statistics. (2019). Integrated Postsecondary Education Data System.

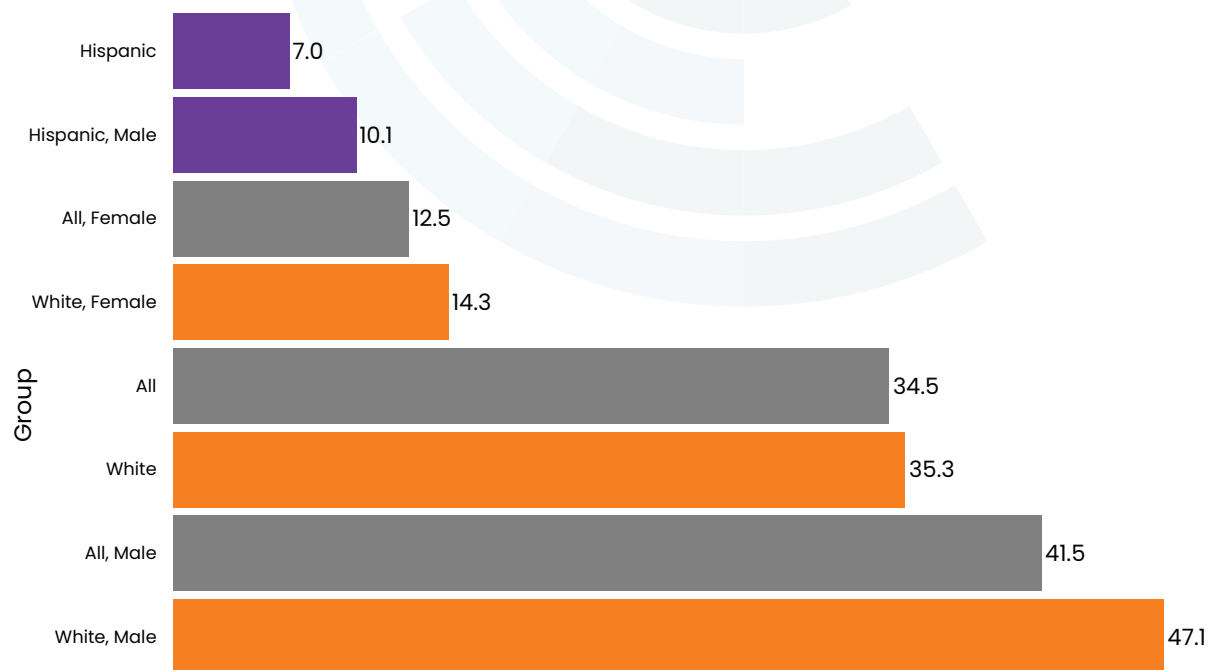
## THE STATE OF INCLUSIVE SMALL BUSINESS OWNERSHIP

The transition from employee to employer and small business ownership not only generates wealth in communities, it creates jobs and provides greater political and community agency.<sup>22</sup> This is a particularly potent topic in the Cape Fear region, where the events of 1898 largely stripped the Black community of its economic ownership and prosperity.<sup>23</sup> This paradigm shift is especially needed in the region, where inequities in business ownership were drastic before and during the pandemic, according to recent data from Forward Cities.

CFC partnered with Forward Cities to analyze BIPOC business ownership data – including both employer and non-employer businesses – across the two Metropolitan Statistical Areas (MSAs) which encompass the six county Cape Fear region: the Wilmington MSA and the Jacksonville MSA. From Figure 10, only 1,900 Black non-employer businesses were identified representing 64.8 of every 1,000 individuals in that subgroup (Black). Black employer businesses did not register at all in the Wilmington MSA. Hispanic owners were slightly more representative with 1,000 non-employers or 108.3 per 1,000 in the subgroup (Figure 10). Only 65 Hispanic employer businesses exist though at 7 per 1,000 (Figure 9). For comparison, there were 21,500 White non-employer businesses (Figure 10) or 122.3 per 1,000 and 6,199 employer firms or 35.3 per 1,000 (Figure 9).

**Figure 9** | *Rate of Employing Business Ownership by Race and Gender: Wilmington MSA*

**Explainer:** Business ownership broken down by race and gender. White males in the Wilmington MSA skew the rate of employer business ownership. Females and Hispanic residents have ownership rates 2 to 5 times lower. Asian and Black estimates are withheld by the census.



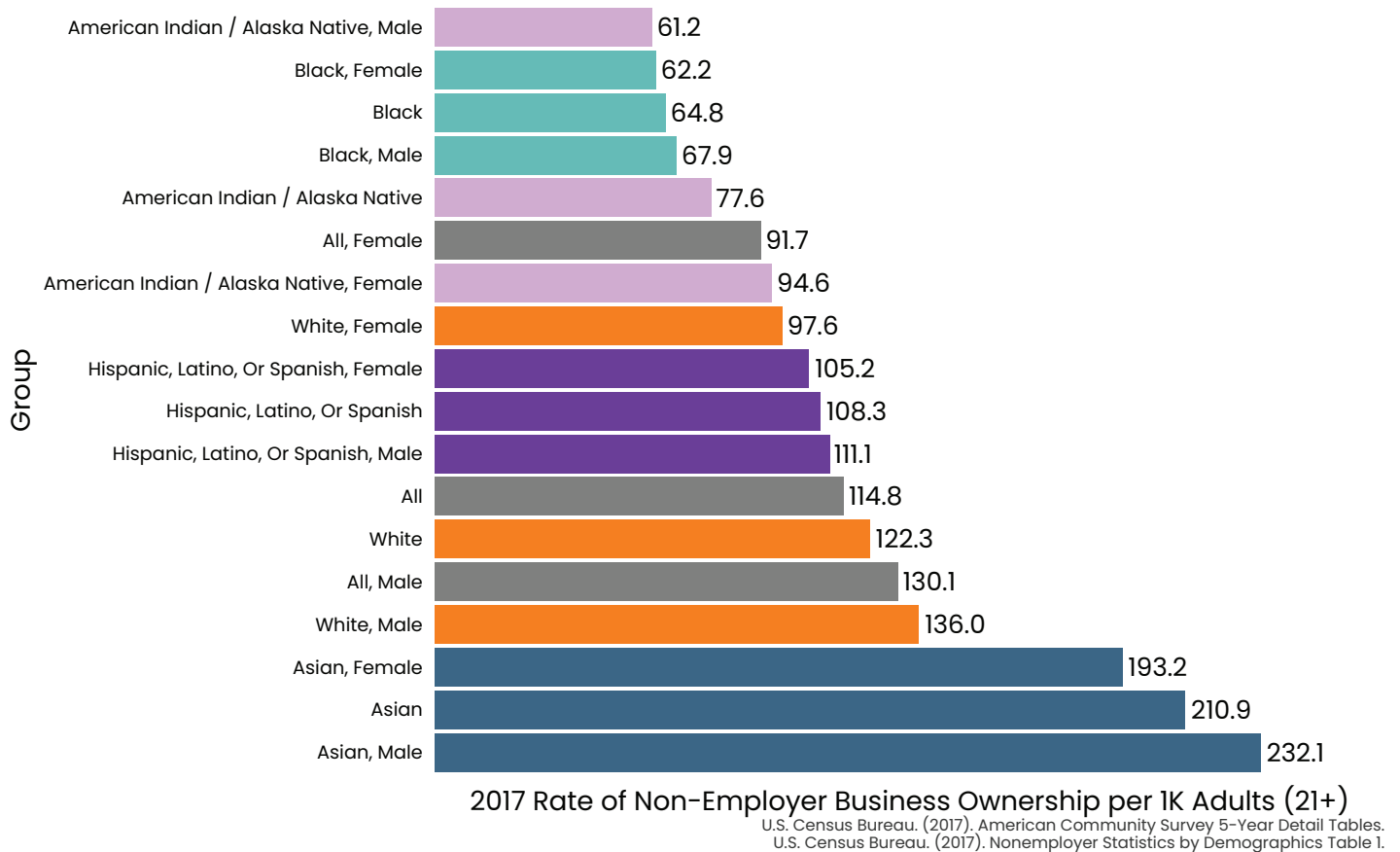
2017 Rate of Business Ownership per 1K Adults (21+)

U.S. Census Bureau. (2017). American Community Survey 5-Year Detail Tables.  
U.S. Census Bureau. (2017). Annual Business Survey.

**Figure 10**

*Rate of Business Ownership for Non-Employer Businesses by Race and Gender. **Wilmington MSA***

**Explainer:** Non-employer businesses are typically sole-proprietors or self-employed contractors. Asian residents in the Wilmington MSA have the highest rates of non-employer businesses, followed by White residents.

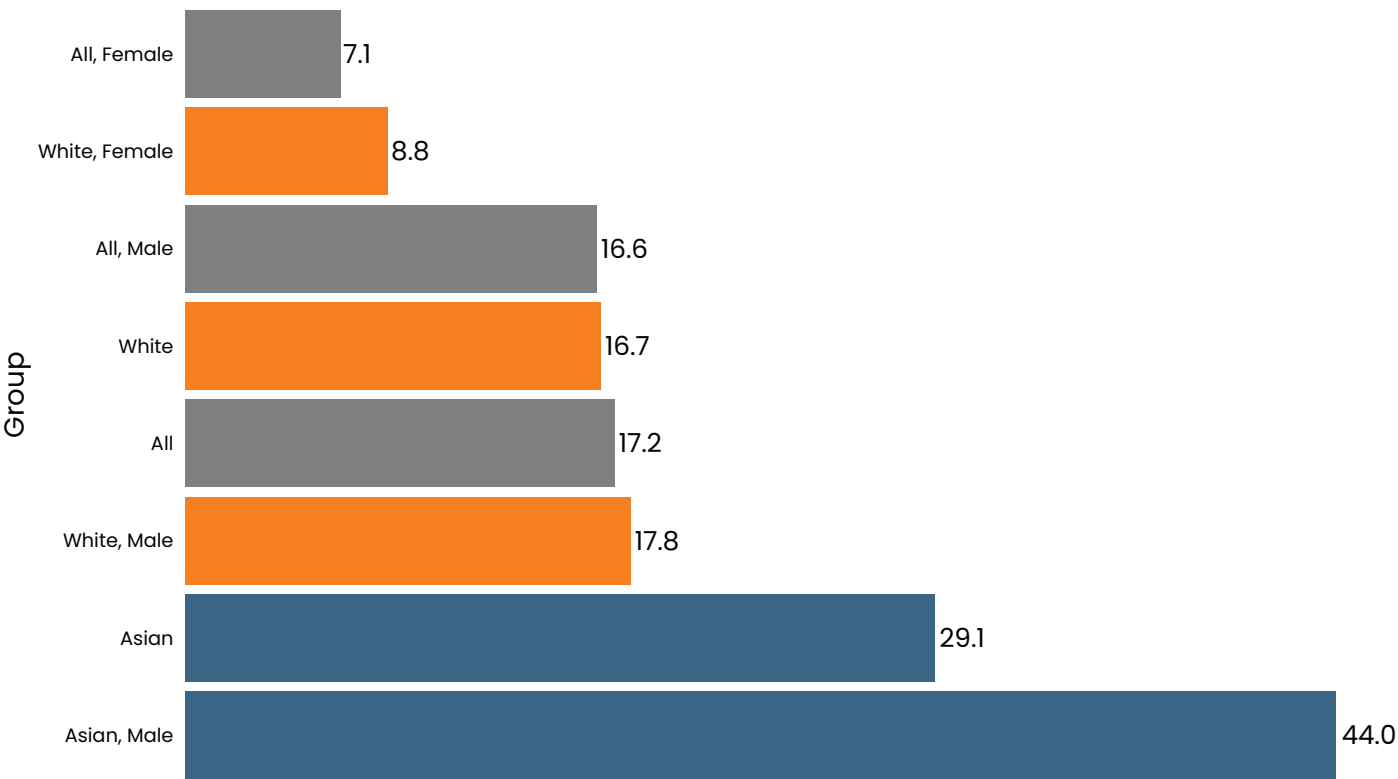


Jacksonville MSA has room to grow with only 1,400 non-employer businesses owned by Black individuals, or only 68.9 per 1,000 in the subgroup (Figure 12). Jacksonville has 650 Hispanic non-employer businesses, 43.7 per 1,000 in the subgroup (Figure 12); 8,300 White non-employer businesses (Figure 12), 79.3 per 1,000 and 1,752 employer businesses (Figure 11) or 16.7 per 1,000 in the subgroup.



**Figure 11** | *Rate of Business Ownership for Employing Businesses by Race and Gender. Jacksonville MSA*

**Explainer:** This is the same graph as in Figure 9 except for the Jacksonville MSA.

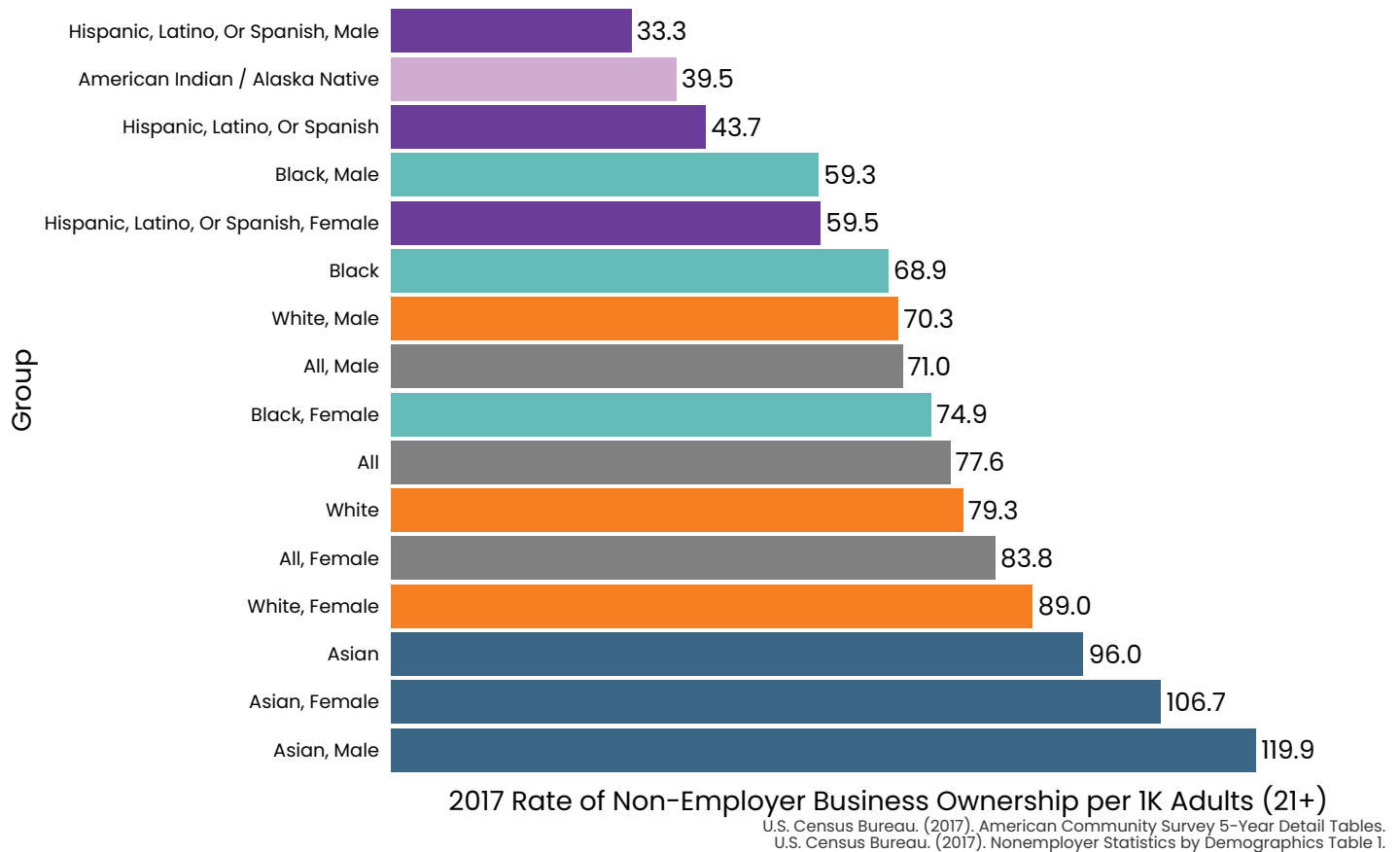


2017 Rate of Business Ownership per 1K Adults (21+)  
U.S. Census Bureau. (2017). American Community Survey 5-Year Detail Tables.  
U.S. Census Bureau. (2017). Annual Business Survey.

**Figure 12**

*Rate and Business Ownership for Non-Employer Businesses by Race and Gender. Jacksonville MSA*

**Explainer:** This is the same graph as in Figure 10 except for the Jacksonville MSA.



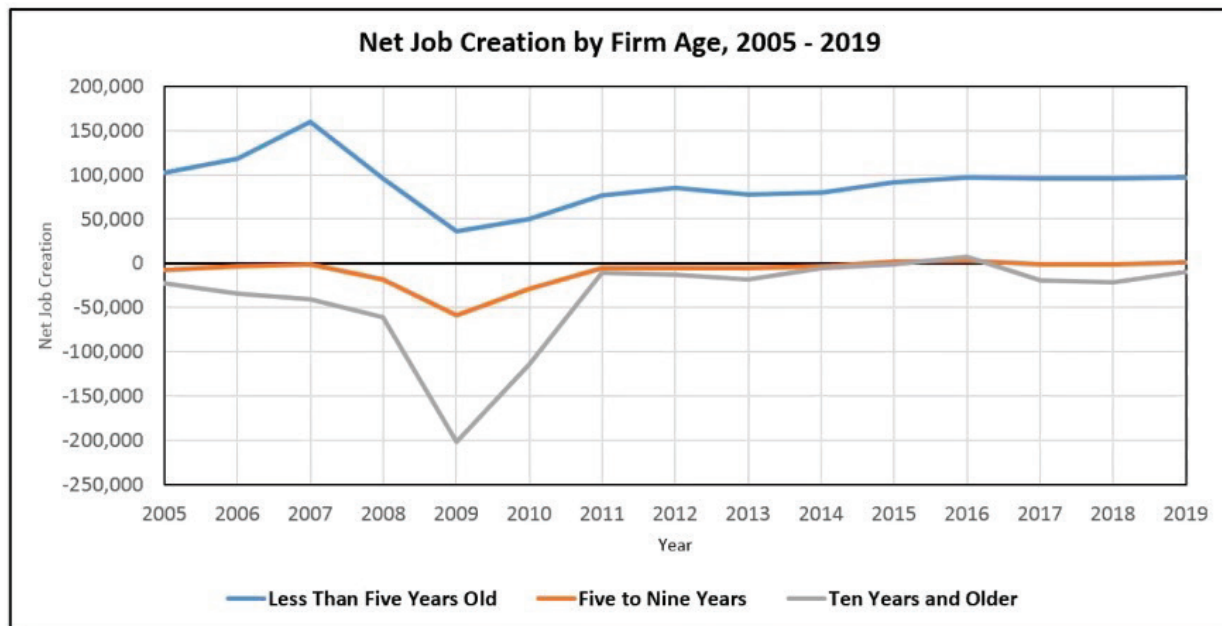
Job creation is led by new firms. Almost all new jobs within the state are created by businesses less than five years old.<sup>24</sup> Businesses older than five years may hire many employees, but often create a net zero impact on job growth. Creating minority-owned businesses will drive diverse hiring, eliminate disparities in wealth for minority communities, and build a resilient economy of tomorrow.

Figure 13

*N.C. Net Job Creation by Firm Age<sup>24</sup>*

**Explainer:** Figure 13 measures Net Job Creation by small businesses based on the age of the business – either less than 5 years old (Blue), five to nine years old (orange) or ten years or older (grey). The newer the firm the more likely it is to contribute to net job creation (Source: NC Rural Center).

## A North Carolina Perspective: Young Firms Lead



Data Source: Bureau of Labor Statistics



## COVID-19 WIDENING INEQUITIES

Pre-pandemic, the Cape Fear region was consistently performing on par with other large metropolitan areas in North Carolina in terms of economic growth and development. However, because our region's economy is dependent on hospitality and tourism, COVID-19 had a stronger impact on unemployment and poverty here.<sup>7</sup> 48% of North Carolina's small businesses reported a "moderate negative impact on their business" since COVID, with 26% were still reporting a "large negative impact" on their business.<sup>25</sup>

Early data indicates COVID-19 had a disparate impact on racial-minority-owned businesses. In fact, nationwide over 40% of Black-owned businesses have permanently shuttered as a result of the pandemic.<sup>26</sup>

"The data, research and insights clearly show a need for NC to move on from the old ways of thinking when it comes to providing support for Black-owned businesses," reads a report from Partners in Equity (PIE), summarizing the findings of their small business survey. "To generate a Black business community that is growing and thriving, we must embrace a new paradigm for investing, supporting, and advising Black-owned businesses across our state."<sup>27</sup>

Black and Hispanic residents experienced challenges with not only maintaining businesses but also maintaining income over the pandemic. More than half of the state's Black and Hispanic residents reported a loss of income during the pandemic's height. These numbers have reduced dramatically to around 20%, according to the most recent data. However, recent White and Asian reports of lost income are in the single digits.<sup>28</sup>

In summary, Black and Hispanic residents have broken through relatively larger pandemic obstacles to their businesses and income when compared to the White and Asian populations. An equitable road to recovery must consider this pandemic's racially disproportionate effects on capital and financial stability.

*More than half of the state's Black and Hispanic residents reported a loss of income during the pandemic's height.*

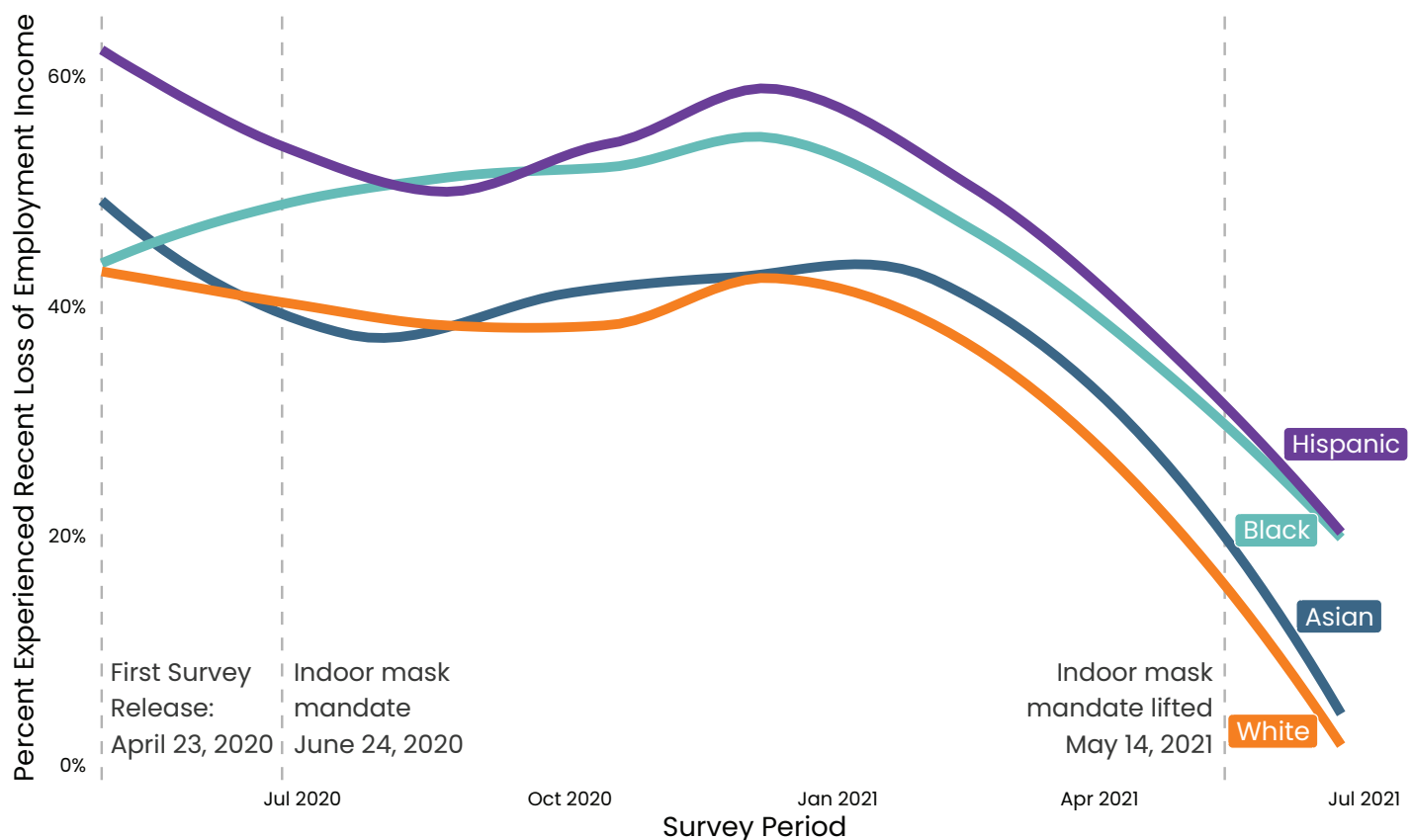




**Figure 14**

*N.C. Residents Experiencing Recent Loss of Employment Income by Race*

**Explainer:** This graph examines the recent loss of income relative to the COVID-19 timeline. The state's implementation of the indoor mask mandate and its removal is added for reference. The Census Bureau started collecting these data in the middle of the pandemic in April of 2020. Reports of White and Asian losses of income are markedly fewer than Black and Hispanic



U.S. Census Bureau. (2020-2021). Household Pulse Survey Employment Table 1.  
Note: Trends estimated with LOESS (k=80, alpha=0.75).

## SOCIAL DETERMINANTS OF EMPLOYMENT AND EDUCATION

Several social determinants to employment and education serve as significant barriers for Cape Fear residents. These barriers may represent opportunities for coordinated interventions by municipalities and funders. Surveyed job seekers pointed to long commute times and high healthcare costs. Families feel forced to negotiate “the cost of going to work in comparison to simply staying at home and bypassing excessive childcare costs,” according to a report by the Center for Social Impact of UNCW.<sup>7</sup> These social determinants of work and education may not be obvious from an economic analysis perspective, but play a critical role in upward mobility.

### TRANSPORTATION

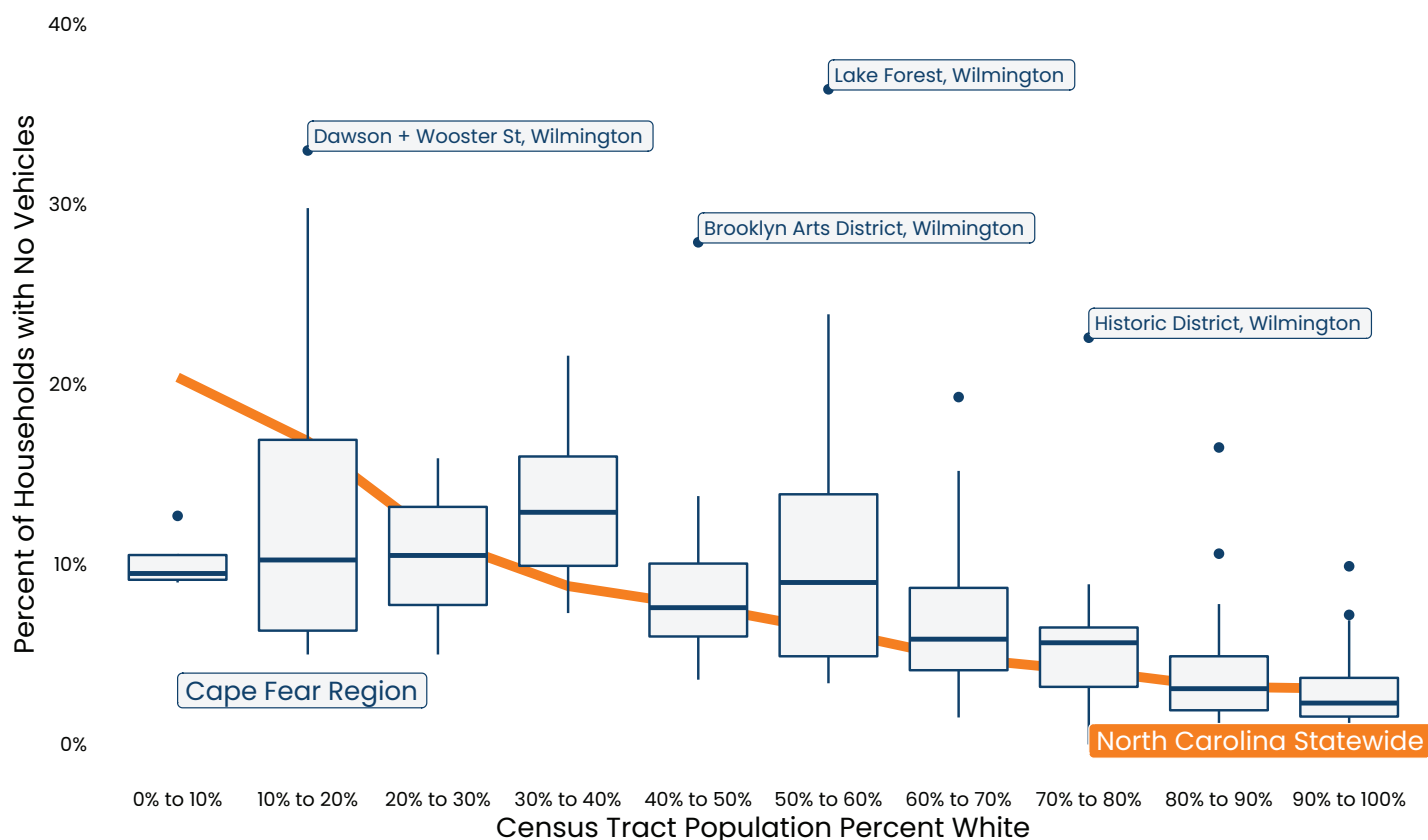
Access to a vehicle is still a problem for some households, limiting access to jobs and food. In this region, problems with vehicle access decrease as an area’s population is more White,<sup>8</sup> in part due to differences in earnings, wealth, and urbanicity of the neighborhood (Figure 15).



**Figure 15**

*Household Vehicle Access versus Share of White Population by Census Tract*

**Explainer:** Box and whisker plot of households without vehicle access by percent of White population in a census tract. The plot separates every census tract in the region by their percentage of White population (0% to 10%, etc.). A single tract exists in only one of the deciles found along the bottom of the graph. The ten boxes represent the distribution of access to a vehicle across census tracts with the given White population range. Outliers of interest are marked. For example, the population in the Brooklyn Arts District in Wilmington is 40% to 50% White, Non-Hispanic but it has a relatively high proportion of households without access to a vehicle compared to other tracts with an equivalent proportion of White, Non-Hispanic residents.





## HOMEOWNERSHIP

*“Owning a home is an undeniable part of the American dream — and of American citizenship. It is also the key to building intergenerational wealth.”<sup>29</sup>*

The Center for Social Impact report’s first recommendation is to “create, invest in, and advocate for affordable housing.”<sup>7</sup> The Cape Fear region, like most of the state and nation, is experiencing an affordable housing crisis. While home prices have increased in New Hanover, median household income in the county remains the same, after accounting for inflation, at about \$55,000 per year.<sup>8</sup> Figure 16 demonstrates the changes in house price index by county from the Federal Housing Finance Agency.





Figure 16

## House Price Index by County over Time

**Explainer:** The house price index by county is plotted between 2010 and 2019 with the state's median county in black. New Hanover County's index has surpassed 2010 levels after taking a dip at the beginning of the decade. All other counties in the region have had relatively stable prices under the county median. It is reasonable to assume that New Hanover County's home prices have continued to increase.

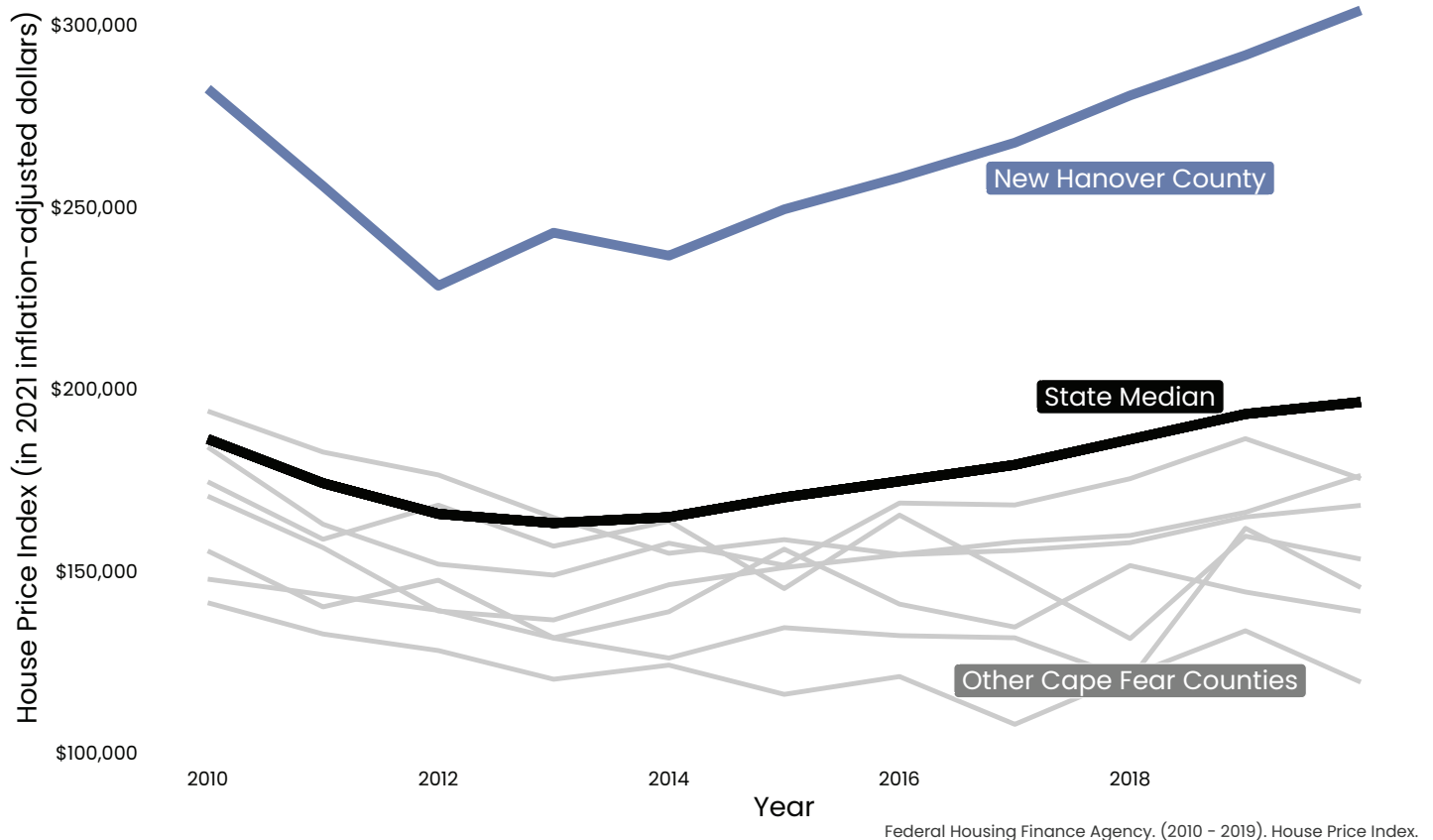


Table 3 walks through key price points for earners within the region. In North Carolina, 47.4% of renter households are cost-burdened, meaning over 30% of their income goes towards rent and utilities.<sup>30</sup> For this analysis, households with a mortgage are considered to be cost-burdened if they pay 35% or more on housing, utilities, taxes, and insurance.

The table also includes the average renter wage, the affordable monthly rent at the average renter wage, and fair market rents (FMR) for a two bedroom apartment. Comparing these columns, the average renter cannot afford a two bedroom apartment at the FMR in any of the eight Cape Fear counties.<sup>31</sup> When households are cost-burdened, less is available for daily needs, savings, and activities. These challenges are more pronounced for BIPOC, creating a barrier to self-sufficiency, equity, and homeownership.

Homeowners with a mortgage are less cost-burdened across the board. However, we speculate this population could see an increase in cost burden with recent market developments, the pandemic, and a lack of affordable housing, particularly in New Hanover County.

**Table 3** | *Selected Housing Characteristics by County and North Carolina*

**Explainer:** This table demonstrates the housing cost burden and key wage targets to make housing affordable. In North Carolina, 47.5% of renter households are housing cost-burdened. The fair market rent (FMR) in the state for a two-bedroom apartment is \$960 which requires an hourly wage of \$18.46 to remain affordable. The minimum wage in the state is \$7.25 and the average renter makes \$16.37. Both of these earnings are not sufficient to make the FMR apartment affordable.

State	% Cost Burdened Homeowners with Mortgage <sup>1</sup>	% Renters Cost Burdened <sup>1</sup>	2 BR FMR <sup>2</sup>	Hourly Wage Necessary to Afford 2 BR FMR <sup>2</sup>	Estimated Hourly Mean Renter Wage <sup>2</sup>	Monthly Rent Affordable at Mean Renter Wage <sup>2</sup>
North Carolina	23.3%	47.4%	\$960	\$18.46	\$16.37	\$851
<b>County</b>						
Bladen	30.7%	45.9%	\$693	\$13.33	\$11.66	\$606
Brunswick	25.8%	50.3%	\$841	\$16.17	\$11.67	\$607
Columbus	27.8%	57.3%	\$693	\$13.33	\$9.57	\$498
Duplin	23.9%	48.5%	\$699	\$13.44	\$11.08	\$576
New Hanover	23.5%	53.3%	\$1,069	\$20.56	\$13.95	\$726
Onslow	24.0%	47.2%	\$894	\$17.19	\$12.70	\$661
Pender	22.6%	49.4%	\$843	\$16.21	\$9.48	\$493
Robeson	24.0%	48.8%	\$693	\$13.33	\$10.75	\$559

Sources:

1. U.S. Census Bureau. (2019). American Community Survey Profile Tables.
2. National Low Income Housing Coalition. (2021). Out of Reach: The High Cost of Housing.

New Hanover County and the City of Wilmington commissioned an affordable housing study in 2020 performed by Bowen National Research. Findings relevant to this report include:

- (1) renter households are expected to grow, increasing demand for studio to two-bedroom units
- (2) demand for higher-end (\$300,000+) housing is expected to increase the most but all home demand will increase
- (3) home cost burden is an issue as found in Table 3
- (4) low-income housing supply is already behind demand where some buildings even have waitlists several years long
- (5) household income has not kept pace with home prices and rent as explained with Figure 17
- (6) velocity of homes priced below \$200,000 hitting the market is very low, signalling a shortage
- (7) special needs populations, particularly the elderly and those needing assistance with daily activities, do not have adequate housing for their needs.<sup>32</sup>

The region is at a turning point when it comes to housing. Lower-income households and BIPOC are at serious risk of losing their ability to sustain current housing in New Hanover County. Pender County and Brunswick County are natural places lower-income residents will seek affordable housing. Residents from other counties within the region will also be more limited on where they can live and work as Wilmington's footprint expands. Residents with essential occupations are losing their ability to live within the communities they service.

*Lower-income households and BIPOC are at serious risk of losing their ability to sustain current housing in New Hanover County.*

Figure 17 lists yearly wage profiles for selected occupations within the Wilmington MSA (New Hanover County and Pender County). Around half of elementary school teachers do not make enough to be self-sufficient raising their own child. Police, carpenters, and firefighters are examples of additional occupations which do not meet the Self-Sufficiency Standard at their median incomes.<sup>13, 20</sup>

Many occupations and people that serve the community every day cannot find affordable housing. Cashiers, restaurant cooks, general laborers, waiters and waitresses, and fast food workers are not paid a living wage.<sup>20, 33</sup> Figure 18 assumes a full-time 40-hour workweek, which is often not available with low-wage work. Low-wage part-time workers often cannot afford health insurance, leading to disparities in health outcomes.

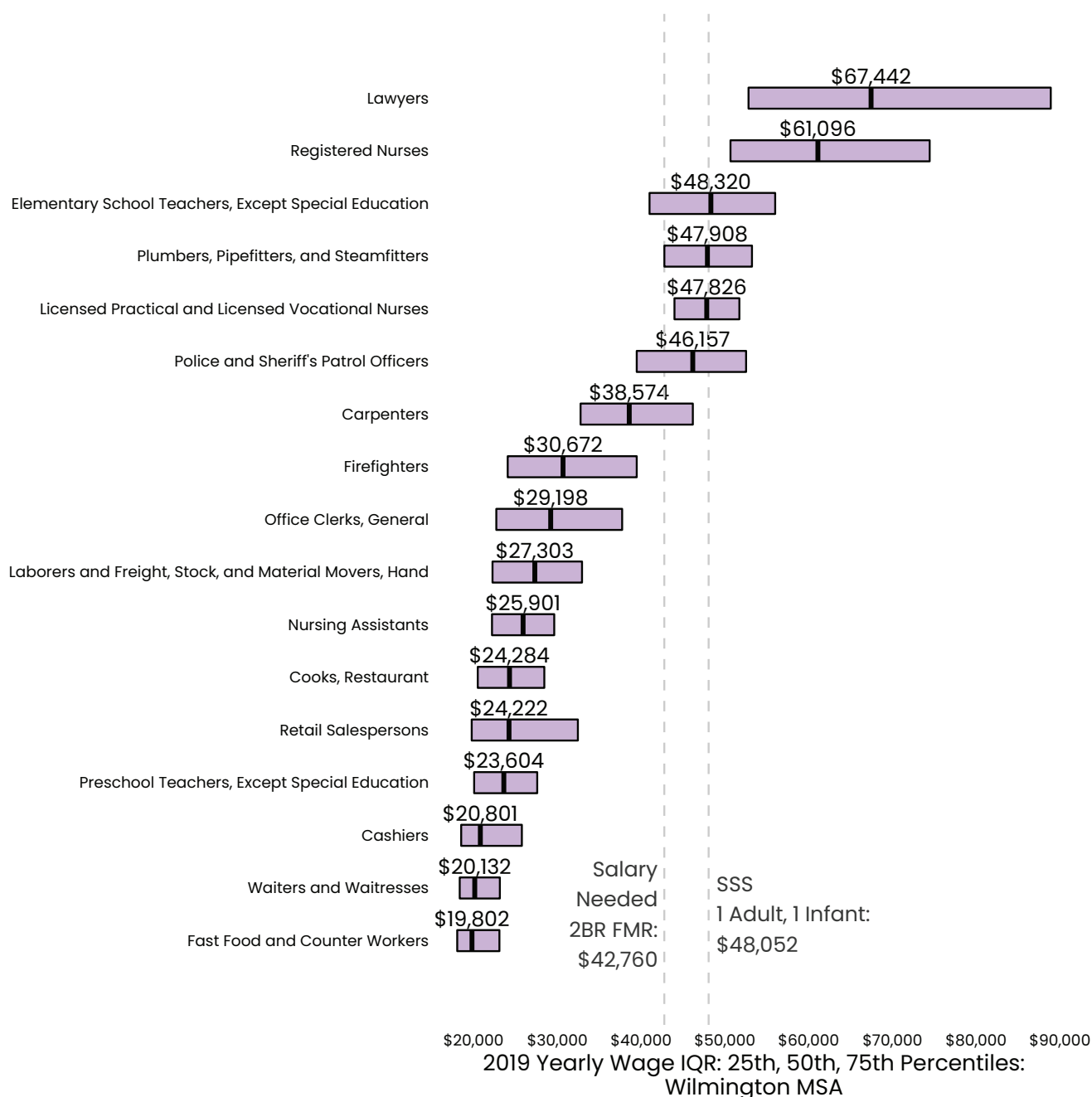
Occupations usually considered key to a well-functioning city are not making enough money to comfortably afford housing, especially in New Hanover County.



Figure 17

Occupational Wages for Select Occupations: *Wilmington MSA*

**Explainer:** The graph shows the distribution of wages within the purple bars for each occupation on the left. Some occupations have a wider salary range than others, such as lawyers. Key income standards are listed in the dotted reference lines. Many occupations do not provide enough to meet the Self-Sufficiency Index (SSI) or a two-bedroom apartment at fair market rent (FMR).



North Carolina Department of Commerce. (2019). OEWS Series.  
N.C. Justice Center. (2019). Living Income Standards.  
SSS: Self-Sufficiency Standard (New Hanover County)



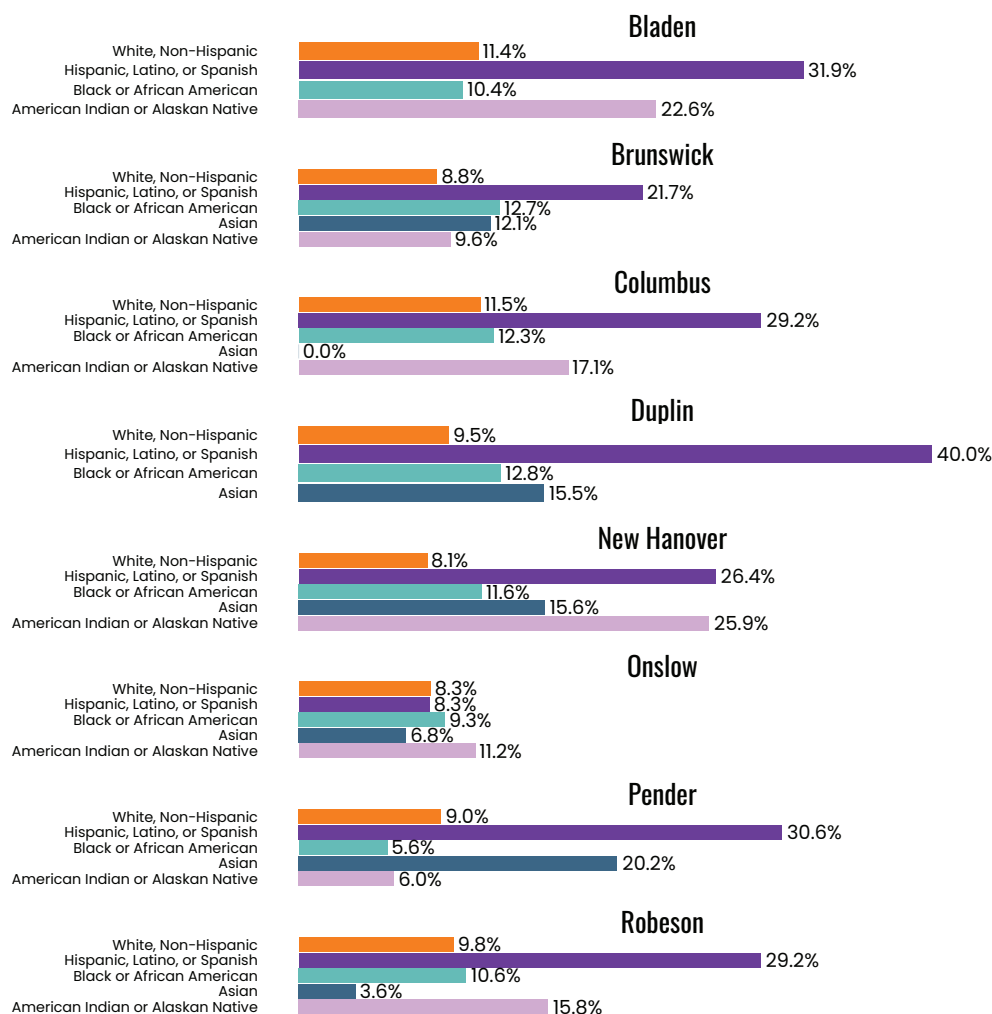
## HEALTH INSURANCE

Healthcare costs – especially because of a lack of health insurance – continues to be a burden for families and citizens, especially for communities of color. Hispanic citizens in the Cape Fear region make up the highest uninsured population.

Figure 18 demonstrates that Onslow County has relatively small uninsured rates compared to other counties in the region and minimal disparity across race. The highest uninsured rate for the White population is in Bladen County which simultaneously has the third lowest uninsured rate for the Black population.<sup>8</sup>

**Figure 18** | *Uninsured Rate by County and Race*

**Explainer:** The graph displays percentages of the population within a county and race that do not have health insurance. Hispanic residents have high uninsured rates across all counties in the region while a majority of Asian communities have relatively low uninsured rates, where an estimate is available.



2019 Uninsured Rate

U.S. Census Bureau, (2019). American Community Survey 5-Year Detailed Tables.

## CHILDCARE

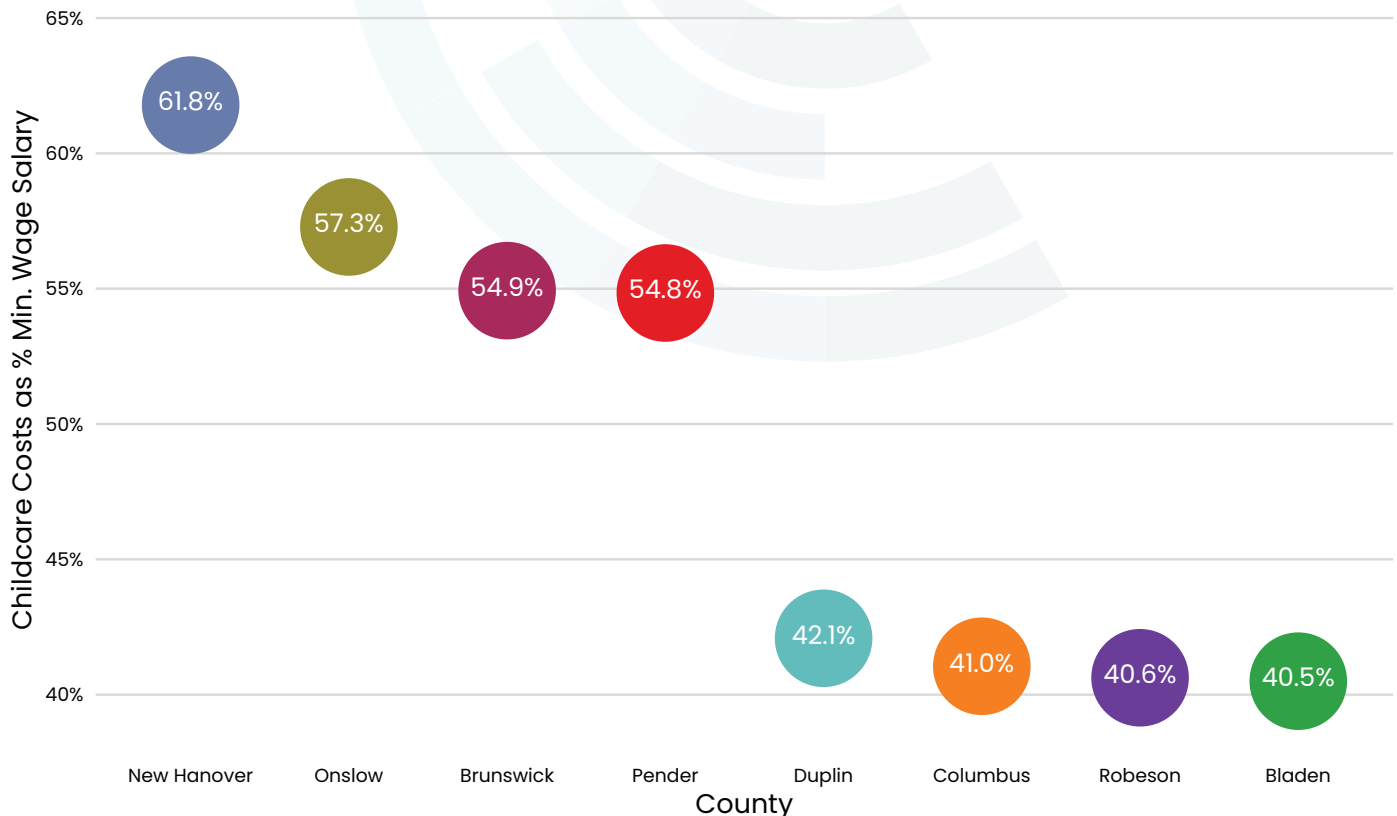
Far too often, parents are left with the choice between working and paying for childcare, or not working at all due to the high cost of childcare. Families feel forced to negotiate “the cost of going to work in comparison to simply staying at home and bypassing excessive childcare costs,” according to a report by the Center for Social Impact of UNCW.<sup>7</sup> Figure 19 uses estimated childcare costs built by the Economic Policy Institute (EPI) to understand this choice that parents face. EPI estimates that in New Hanover County a minimum wage worker would need to pay 61.8% (\$9,137 total in 2017) for adequate childcare.<sup>34</sup>

If half of your income goes to childcare, is there a reason to work? If that household is already cost-burdened paying more than 30% of income towards housing, there is no way to make ends meet without subsidized childcare or help from friends and family.



**Figure 19** | *Childcare Costs as a Percentage of Minimum Wage Salary by County (1 Child)*

**Explainer:** Childcare costs vary by county. New Hanover County is estimated to have the highest with about 61.8% of wages going toward childcare, if enrolled. Costs are represented by the percentage of minimum wage income (\$7.25 /hour) to demonstrate the challenge of affording childcare with low wages.



Economic Policy Institute. (2017). Family Budget Calculator.

## UPWARD ECONOMIC MOBILITY

Opportunity Insights's landmark study gathered and analyzed billions of tax records of children and parents across the U.S. Their findings show that across the nation, intergenerational mobility varies, with high mobility areas having, "(1) less residential segregation, (2) less income inequality, (3) better primary schools, (4) greater social capital, and (5) greater family stability."<sup>35</sup>

Figure 20 examines the average household income percentile for adults who grew up with low-income parents (25th income percentile and lower). This plot looks at how well people of different races have historically escaped poverty in our state. Each dot is a county and the colored dots are counties within the Cape Fear region. For example, the average household income percentile for adults who grew up in Duplin County with parents of low income is 39%. This means that the average Duplin resident was able to escape poverty and do better than their parents with regards to household income.

*Robeson County has the worst upward mobility in the region. Duplin County had the best, on average, rising from the 25th income percentile to the 39th income percentile in one generation*

However, looking across racial outcomes, we see a different story. Across race, the average Duplin resident performed worse than White residents and better than Black residents. Within New Hanover County, the average Black residents from a low-income family did not experience the same American opportunity as their Hispanic and White neighbors. The average Black child from a low-income family moved up to the 30th income percentile, meaning those children indeed made more than their parents. However, White and Hispanic residents moved much closer to the median household income and middle class by reaching the 42nd and 41st income percentiles, respectively.

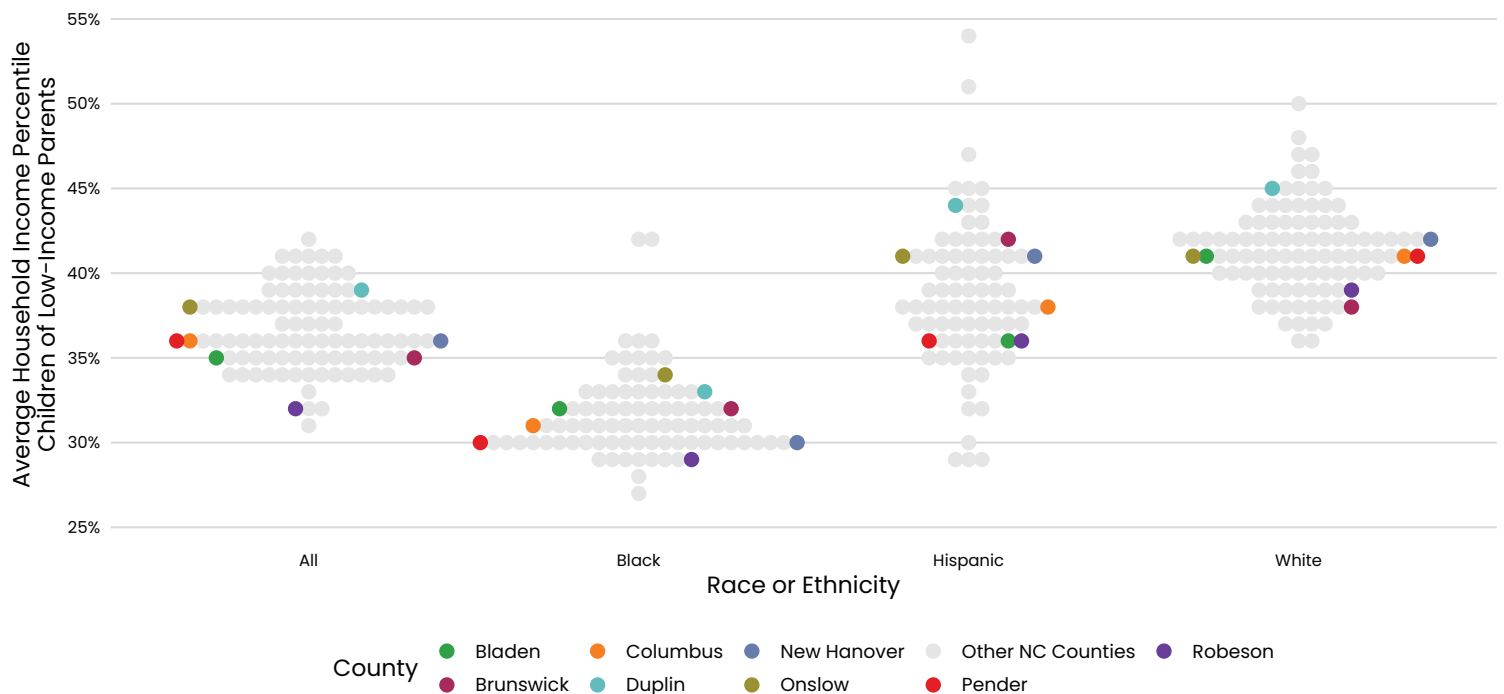
Duplin County provided relatively high economic mobility across each race. More research needs to be done to understand this effect.<sup>35</sup>



Figure 20

Economic Upward Mobility by Race

**Explainer:** This plot examines if children from low-income households are able to make more than their parents. Each dot represents the average outcome by race. For example, low-income children in Robeson County were able to make more than their parents in adulthood, moving from the 25th income percentile to 32nd income percentile. But even with the increase, Robeson County has the worst upward mobility in the region. Duplin County had the best, on average, rising from the 25th income percentile to the 39th income percentile in one generation.



Opportunity Insights. The Opportunity Atlas Data Library.

Residents' economic opportunities and outcomes are vastly segregated by race and location. Black residents have, on average, escaped lower incomes in most areas of the region. However, where a Black resident may move 5% up the income ladder, White residents move up 15%.

The CSI report recommends developing pathways to equitable opportunity through moving to opportunity and place-based interventions. These needs are also reflected in the report's qualitative findings. This requires a mutually reinforcing strategy that (1) facilitates the movement from less upwardly mobile neighborhoods to neighborhoods with greater upward mobility while (2) making place based investments in marginalized neighborhoods to expand the geographies that have strong upward mobility.

This two-pronged approach emphasizes both community development (meeting people where they are) and upward economic mobility (providing pathways for where they want to go) is critical to achieving inclusive growth. Additionally, targeted programs to support youth employment, career exposure, and social networks must be fostered across demographic groups and neighborhoods.

## Conclusion

Without an inclusive lens, standard economic indicators do not paint a clear picture of life in the Cape Fear region. Economic inequality and low wages are not providing the means for everyday people to thrive and enjoy everything the region has to offer. Tucked away in our corner of North Carolina are resilient people who have battled natural disasters, racism, and recessions. Data has shown us that American opportunity is here, but we must remain cognizant of how to seize it. We at Cape Fear Collective have enclosed a list of commitments to address these challenges and recommendations for the broader community.





# RECOMMENDATIONS



*Digital literacy  
technology training  
across all sectors **should  
be prioritized***



## 1. Build Pipelines for Sustainable Career Paths

Expanding access and availability for jobs across the wage spectrum will continue to be a critical component of the region's inclusive economic growth. Special attention should be paid to building pipelines for sustainable, high-wage career paths in key industries that have future growth potential. This pipeline should leverage the existing network of education and workforce development organizations in the region. Minimum wage jobs should be a floor, not a ceiling, in the trajectory of a person's career path. Upward mobility for earnings and job type should be prioritized to allow for Cape Fear workers to be employed, receive training, and move up the income ladder. These types of sustainable career paths not only pay a living wage, but also often provide benefits like health insurance and retirement savings programs, critical to building generational wealth and near-term safety nets in the event of economic downturns or health emergencies.

The region should continue to develop multiple entry points into growing, high-demand industries, including short-term skills training and boot-camp-style formats alongside more traditional degree programs. Digital literacy and technology training across all sectors should be prioritized. These programs should provide special consideration to the needs of those currently trying to move out of poverty and include wrap-around services like case management and funding support for housing, childcare, and transportation.

Local corporations must continue to focus on hiring diverse workforces and invest time, talent, and resources in supporting community-focused workforce development and training pipelines. Investments made in these programs will be offset by lowered acquisition costs of top-tier talent and create a great connection to the regional labor market.

## 2. Break Down Barriers for Inclusive Small Business Growth and Support Entrepreneurial Support Organizations (ESO)

Promote small business ownership, particularly in BIPOC communities, by providing technical assistance, access to contracting, and, most importantly, access to flexible capital. Support the buildout and refinement of the small business capital continuum, providing financing opportunities from ideation to startup to revenue generation. This could include small startup grants, microlending up to \$25,000, and more traditional SBA and small business lending. Encourage Community Development Financial Institutions to play a more active role in the Cape Fear region. Community banks like Thread Capital, Self-Help Credit Union, and the Carolina Small Business Development Fund play crucial roles in flexible financing, credit repair, and catalytic capital. Sustain small business grant and retention programs during times of crisis and economic downturn.



Strengthening the region's entrepreneurial support ecosystem is also critical. This includes increasing the technical assistance capacity of existing local entrepreneurial support organizations (ESOs), fostering a strong referral network between the ESOs, and making their services much more visible and accessible. This form of advocacy and technical assistance can be a critical component for new or growing small businesses to thrive and reach sustainability. They can support networking and create an easy pipeline for large corporations and municipalities to diversify their contracting pipelines. Efforts should be made to connect these incubators and accelerators with capital flows. Coaching is critical, but capital is required to get a business off the ground. The combination of ESOs and more accessible, flexible financing can be a game-changer for small businesses in the Cape Fear region.

*Coaching is critical,  
but capital is required  
to get a business off  
the ground.*





### 3. Invest in the Social Determinants of Employment and Education, Especially Housing and Childcare



One of the most effective community interventions is creating and preserving attainable housing. Reducing housing costs not only allow families to stretch their salaries farther while wages catch up to the cost of living, it also catalyzes economic growth through increased revenue for small businesses up and down the construction supply chain and creates more jobs for local labor. It is also a measurable intervention that municipalities, healthcare institutions, impact investors, private businesses, and philanthropic funders can all take part in. This type of community collaboration and financing is critical for making attainable housing deals work in the first place. A focus on housing also improves community health and reduces healthcare costs.

The other intervention that has the dual impact of growing the economy while providing supportive services is expanding access to affordable and quality childcare. Expanding childcare will create jobs and small business ownership opportunities while providing children the supportive services they need to be successful in school and sustaining their parents in the workforce. It will also help lessen the burden on single parents and could support closing the gender pay gap. Childcare providers need to be well compensated to ensure an expansion in the field, increases in standards, and reduced turnover in employment.



*Expanding childcare will  
**create jobs** and small  
business ownership  
opportunities*

## 4. Continue to Analyze Disparities in Community Capital Flows

Nonprofit and public services are required to provide for immediate needs in communities. These services help to weather the personal and regional disasters that affect the lives of community members every day. This work is a critical component of community triage. In order to align that triage with long-term transformation, the Cape Fear region should continue to analyze capital flows across the community and determine ways to spur new investment in marginalized communities. The data clearly show that there are demographics and neighborhoods where capital disparities exist, whether they come in the form of wages and earnings, economic investment, business ownership, or infrastructure. Regularly assessing these disparities, and who is harmed or who benefits from those conditions, is a critical step in understanding persistent poverty and allocating resources in a way that supports all people.



## 5. Amplify Community Voices in Policy Making and Program Development Processes

It is critical that community voices and the views of frontline practitioners are in leading roles in policy-making and program development processes. It is also critical to compensate community members for their time and expertise whenever possible. Too often, the same community leaders are tapped over and over again to lend their voice to a program with little consideration of the value of their time, experience, and the other professional and personal responsibilities they have. While every single interaction does not need to be compensated, formal engagements, committees, etc. should consider some sort of stipend structure.

Additional considerations for community engagement and meetings could be multiple meeting times, including evening time slots that would allow those with jobs outside the social impact sector to attend. Childcare services should be provided whenever possible. Recording meetings, adding captions, publicly-posting meeting minutes, and translating material can also increase access and help to engage community members.







## 6. Continue this Conversation by Convening Additional Stakeholders and Community Leaders to Define Programming and Outcomes

CFC encourages local organizations, governments, corporations, and advocates to use the data and insights from this report to refine programming and innovate new interventions that will support upward economic mobility. CFC and its partners stand ready to support new and existing efforts with data science and investment infrastructure. Existing partnerships through the Wilmington Chamber of Commerce, Workforce Development Boards, the Coalition, and others can serve as excellent conduits for collaboration and action.





# CAPE FEAR COLLECTIVE COMMITMENTS

While this report is meant to inform our broader region's leaders, policymakers, nonprofits, philanthropic funders, and community members, there are clear action items that the Cape Fear Collective can and should address. In addition to making broad, regional recommendations, it was important to the organization to also make internal commitments and blaze a trail for turning insight into action. In addition to the items listed below, CFC stands ready to continue this work alongside our partners in the months and years ahead.

**Expand Data Analysis and Align with HealthyNC 2030:** CFC's data infrastructure is centered around the state's 21 Healthy NC 2030 indicator targets. Several of those indicators align with the data collection and analysis in this report including:

Indicator 1 – Individuals Below 200% FPL

Indicator 2 – Unemployment

Indicator 9 – Severe Housing Problems

Indicator 16 – Uninsured

CFC will add transportation issues to this list and determine metrics to support transportation improvements. CFC will also continue to disaggregate all data to ensure that disparities along racial, socio-economic, and other factors are clearly demonstrated.

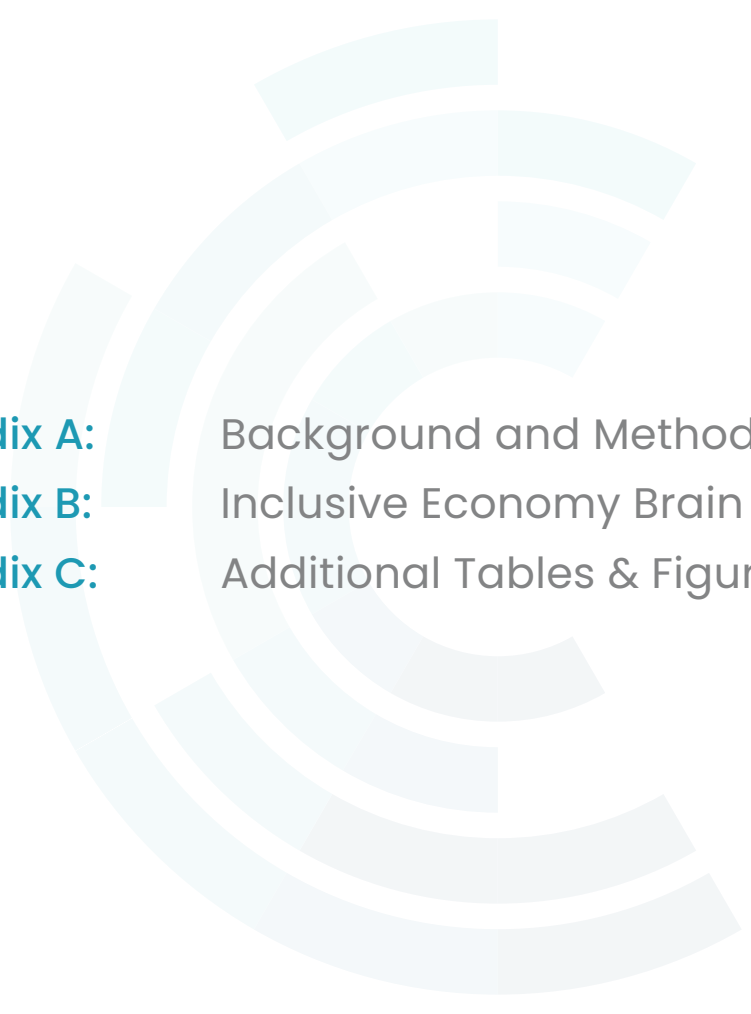
**Continue Housing Investment Program:** CFC will continue to invest in affordable housing in marginalized census tracts and work with partner organizations to provide pathways to affordable home ownership and rentals.

**Continue Career Impact Bond Feasibility Study:** CFC will continue a feasibility analysis for a workforce training investment program that would align with existing grant and scholarship programs. These programs include financing for housing, transportation, childcare, etc. for short-term, high-yield training programs in healthcare, technology, and trades.

**Launch Transportation Pilot:** CFC, working with the Kairos Empowerment Center, will launch an affordable transportation program that will allow for low-interest vehicle financing. This program will accept referrals from nonprofit organizations, so that their clients can receive financial literacy training and purchase a reliable used vehicle.

**Launch Paid Community Advisory Board:** Based on the qualitative feedback from Cape Fear community members, CFC commits to launching a paid Community Advisory Board to support our decision-making process, connection to the community, and future strategic planning and investment. This body will work in conjunction with CFC's Board of Directors, with clear duties and responsibilities within the governance structure. CFC will work with faculty at UNCW to do program evaluation on this effort in the hopes that it will provide a framework for other organizations working in the community.

# APPENDIXES



<b>Appendix A:</b>	Background and Methodology
<b>Appendix B:</b>	Inclusive Economy Brain Trust
<b>Appendix C:</b>	Additional Tables & Figures

# APPENDIX A: BACKGROUND & METHODOLOGY

*Report is based on both quantitative and qualitative research*

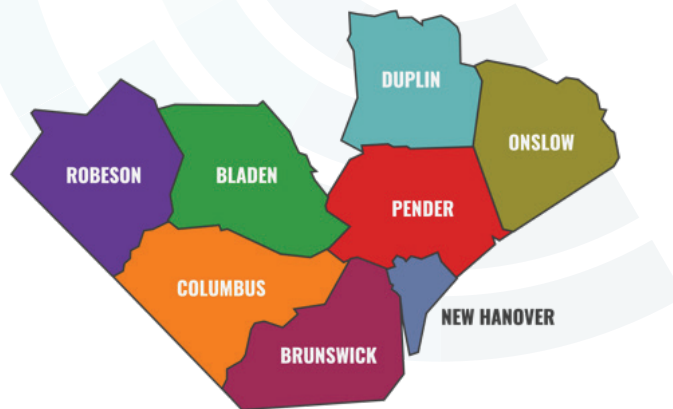
*Findings were derived from new research, national data sets and collaborations with partner organizations.*

*Quantitative analysis focused on demographic shifts, economic indicators and workforce changes.*

*Qualitative analysis honed in on the lived experience and found that workers faced barriers to housing, transportation and childcare.*

CFC partnered with experts and organizations on the frontlines of entrepreneurial support, economic development, and workforce training to develop the following market analysis. We joined with these organizations to collate both quantitative and qualitative research uncovering the overall state and inclusivity of the Cape Fear economy, regional impacts of the pandemic, and the barriers individuals in our community experience in upward mobility.

For the purposes of this report the Cape Fear region is defined as the eight counties in and around New Hanover, including Bladen, Brunswick, Columbus, Duplin, Onslow, Pender, and Robeson. Where data is specific to one County or Municipal Service Area (MSA) it will be designated as such. In some cases, data from other regions of North Carolina or the nation are brought in for comparison.



The Center for Social Impact (CSI) at the University of North Carolina Wilmington (UNCW) provided both quantitative and qualitative research to contribute to this analysis. First, Dr. Adam Jones, regional economist, worked with his team to uncover the state of the Cape Fear economy. Their regional analysis investigated demographic shifts, workforce changes, and economic indicators in the Cape Fear area to understand whether past, current, and projected economic growth is equitable across groups.

It was critical to CFC's market analysis to pair quantitative research with strong qualitative research. We wanted to hear directly from the source – job seekers, employees, and frontline organizations supporting clients day in and day out. What is their lived experience? To answer this question, CSI Faculty Fellow, Dr. Sabrina Cherry, a professor in the UNCW School of Health and Applied Human Sciences, met with six local organizations to provide key informant interviews. After receiving the perspective from client-facing organizations, focus groups were held with individuals in our community to discuss their perception of economic mobility and barriers to wealth generation. The themes identified in this upward mobility report consistently highlighted barriers – transportation, housing, childcare – where municipal funding, philanthropy and social impact investments might drive change.



Grounded in a quantitative analysis of the regional economy and qualitative analysis of the lived experience of Cape Fear residents from CSI, CFC partnered with Forward Cities to provide a snapshot of our economy's inclusivity. Forward Cities, a national nonprofit specializing in place-based strategies for cities and regions to build and sustain robust equitable entrepreneurial ecosystems, assessed the current economic health across Cape Fear's census tracts through a set of economic inclusion indicators drawing on nationally-available data and relevant local data. This analysis was expounded upon by CFC's data science team, who dug deeper into the findings and added additional, localized context and analysis.

In addition to the partnerships listed above, this report was influenced by timely research already being utilized in our community, including the Partners in Equity (PIE) report, *ResilINC*, which captured the impacts of COVID-19 on Black and Brown-owned businesses in the Cape Fear region. This research was conducted with support from Genesis Block Labs, LLC that circulated the PIE survey among business owners in our region. PIE continues to be a leader in inclusive economic development across North Carolina.

For workforce analysis, CFC further leveraged the Cape Fear Talent report, published September 1, 2020. This report provided the first real-time look at how employers planned to respond to the pandemic in terms of hiring, retention and expansion. This report was a regional replication of the *Triangle Talent* and *State of Our Workforce: Western North Carolina* reports conducted in the Triangle and Asheville regions. The employer survey was launched in the Cape Fear region in March through a partnership with the CFC, Wilmington Chamber of Commerce, and RTI International, along with 50+ local and regional organizations that assisted in getting the word out to employers about this data collection effort throughout the early months of the pandemic. It included responses from nearly 500 businesses.

Many insights for this report were driven from CFC's own Community Data Platform (CDP). The CDP is a cloud-based, public-facing database with over 1,200 attributes gathered from regional anchor institutions, publicly available sources, and partner organizations. By establishing Data Use Agreements (DUA) with partner organizations, we create a formal, local approach to gathering and sharing de-identified data. We standardize, merge, and safely store disparate data sets which creates a unique opportunity to analyze information across organizational and sector boundaries. Combined with data scientists and the power of open source technologies, we are removing the barrier to information, multiplying insight capabilities, and establishing a common truth for everyone to gather around. We are building the CDP to be scalable and longstanding. CDP is measuring long-term trends and progress towards community goals.

While writing this report, CFC sought the most up-to-date and complete data. A majority of data to create this report comes from the U.S. Census Bureau's American Community Survey. The survey releases data on a yearly schedule and the most recent year of data available at this time is 2019. Other datasets included in this report are the most recent available, which means some metrics are more than a couple years behind. Additionally, measurement of non-majority populations such as BIPOC can be challenging. Typically, the smaller the population, the more variable estimates for that population are. All groups are included when there is a valid estimate available.





In addition to analyzing data, CFC sought the expertise of thought leaders for the human perspective. It was critical to pair the lived experience of individuals and organizations to add context to the data story. Throughout the Winter and Spring of 2021, CFC regularly convened an Inclusive Economy Brain Trust [Appendix B]. This group was tasked with informing CFC of missed opportunities, desired data or metrics to uncover, and, perhaps most importantly, how this market analysis and data may be used to inform their work. Their feedback helped to ensure that this report will not just sit on a shelf but rather highlight opportunities for a collective response.

Many of the efforts outlined above resulted in separate, in-depth reports. These will be made available on the Cape Fear Collective website and through our respective partner organizations. This report serves as a high-level overview and summation of each element.

## APPENDIX B: INCLUSIVE ECONOMY BRAIN TRUST

Throughout the writing of this report, Cape Fear Collective found it critical to include the organizations and individuals working day in and day out in economic development, small business growth and support, and workforce development. The goal of these convenings and check-ins were to gain feedback, share hypotheses and generally guide the crafting of this report to uncover opportunities for a more inclusive economy.

The following individuals and/or organizations were invited to join one or more of the Inclusive Economy Brain Trust convenings throughout the Spring of 2021 as we finalized this report.

**Robin Bennett** – Assistant Business Counselor, NC SBTDC

**Ginger Brick** – Director, Cape Fear Workforce Development Board

**Dr. Sabrina Cherry** – Assistant Professor School of Healthy & Applied Human Sciences & Faculty Fellow, Center for Social Impact, UNCW

**Chakema Clinton-Quintana** – Vice President Inclusive Small Business, Live Oak Bank

**Jerry Coleman** – Director, Cape Fear Community College Small Business Center

**Erris Dunston** – Assistant to the City Manager for Economic Development, City of Wilmington

**Diane Durance** – Director, Center for Innovation and Entrepreneurship (CIE), UNCW

**Natalie English** – President & CEO, Greater Wilmington Chamber of Commerce

**Joe Finley** – Co-Founder, CastleBranch

**Talib Graves-Manns** – Founding Partner, Partners in Equity (PIE)

**Kate Groat** – Director of Corporate Philanthropy, Live Oak Bank

**Nic Gunkel** – Vice President, Forward Cities

**Dr. Adam Jones** – Associate Professor of Economics & Regional Economist, UNCW

**Rob Kaiser** – Co-Owner & Publisher, Greater Wilmington Business Journal

**Wilson Lester** – Founding Partner, Partners in Equity (PIE)

**Gloria Monroe** – Business Counselor, NC SBTDC

**Steve Moore, PE** – SVP & Director of Growth & Development, SEPI Engineering

**Quanesha Mullins** – Founder, Port City Period

**Girard Newkirk** – Co-Founder, Genesis Block Labs LLC

**Tracey Newkirk** – Co-Founder, Genesis Block Labs LLC

**Lynne Picard** – Vice President Community Engagement & Enhancement, Wilmington Housing Authority

**Dr. Chris Prentice** – Founding Director, Center for Social Impact, UNCW

**Cliff Pyron** – Director of Business Development, Wilmington Business Development (WBD)

**Will Rikard** – Executive Director, StepUp Wilmington

**Frankie Roberts** – Executive Director, Leading Into New Communities (LINC)

**Dr. Peter Schuhmann** – Professor of Economics, UNCW

**Beth Shrader** – Recovery & Resilience Director, New Hanover County

**Glenda Tate** – President, Kairos Empowerment Center

**Linda Thompson** – Chief Diversity & Equity Officer, New Hanover County Office of Diversity, Equity & Inclusion

**Napoleon Wallace** – Founding Partner, Partners in Equity (PIE)

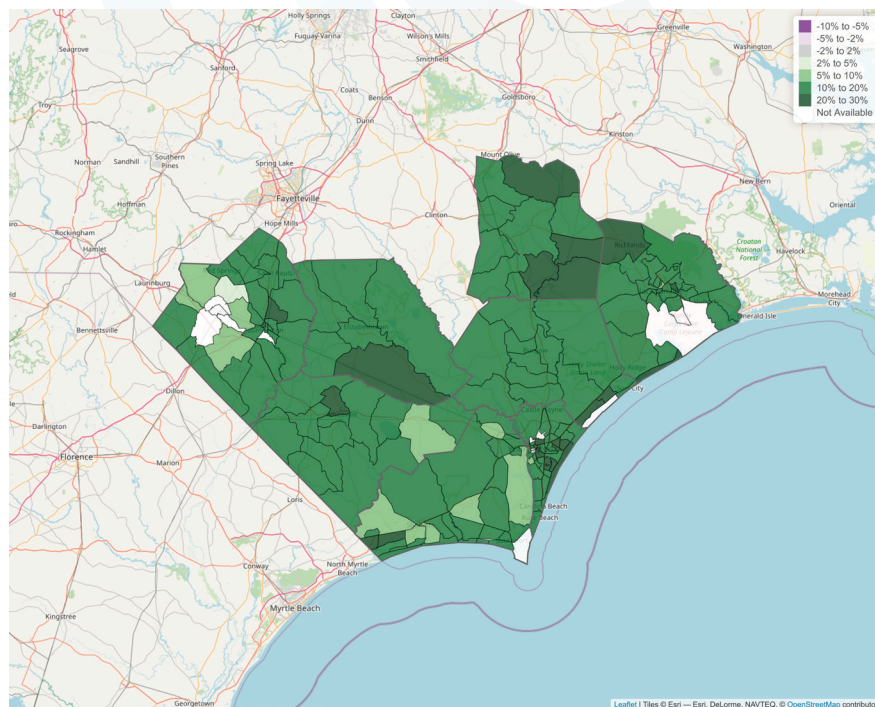
# APPENDIX C: ADDITIONAL TABLES AND FIGURES

Residents Living Under Federal Poverty Level*				
	2006 - 2010		2015 - 2019	
Region	# (%)	± (%)	# (%)	± (%)
United States	40,917,513 (13.8%)	273,616 (0.7%)	42,510,843 (13.4%)	279,418 (0.1%)
North Carolina	1,399,945 (15.6%)	16,543 (1.2%)	1,467,591 (14.7%)	17,884 (1.2%)
<b>NC County</b>				
Bladen	8,175 (24.1%)	947 (11.6%)	8,008 (24.3%)	1,038 (13%)
Brunswick	13,694 (13.5%)	1,645 (12%)	15,402 (11.8%)	1,392 (9%)
Columbus	11,752 (21.4%)	1,028 (8.7%)	12,101 (22.8%)	1,092 (9%)
Duplin	13,234 (23.7%)	1,312 (9.9%)	12,375 (21.2%)	1,510 (12.2%)
New Hanover	29,747 (15.4%)	2,003 (6.7%)	35,410 (16%)	1,927 (5.4%)
Onslow	20,661 (13.8%)	1,567 (7.6%)	23,065 (13.2%)	2,229 (9.7%)
Pender	7,239 (14.8%)	974 (13.5%)	8,334 (14.1%)	1,246 (15%)
Robeson	38,904 (30.2%)	2,084 (5.4%)	35,706 (27.7%)	1,470 (4.1%)

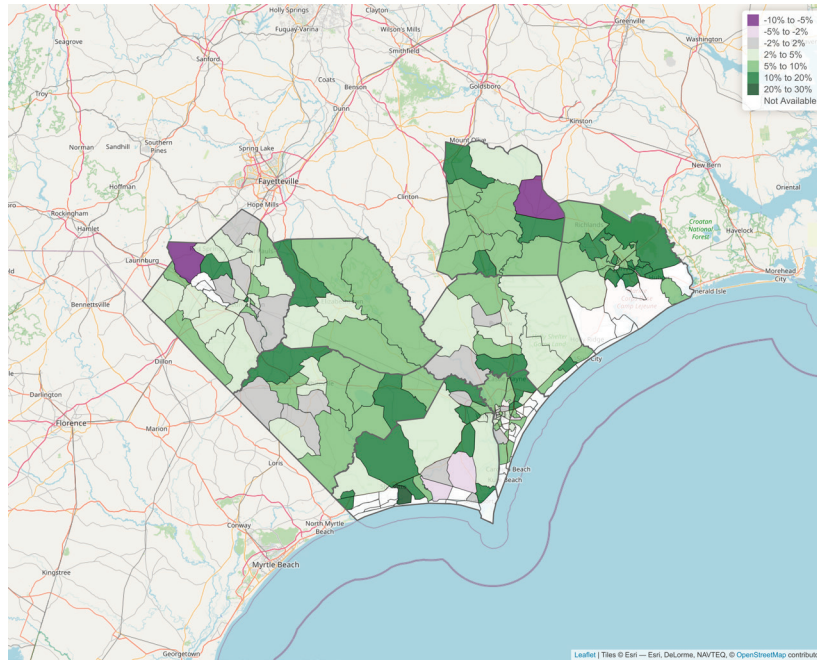
Cape Fear Collective

\*Federal Poverty Level: \$12,480 for a 1 person household and \$25,570 for a 4 person household in 2019.  
Source: U.S. Census Bureau (2010, 2019), American Community Survey 5-Year Detail Tables.

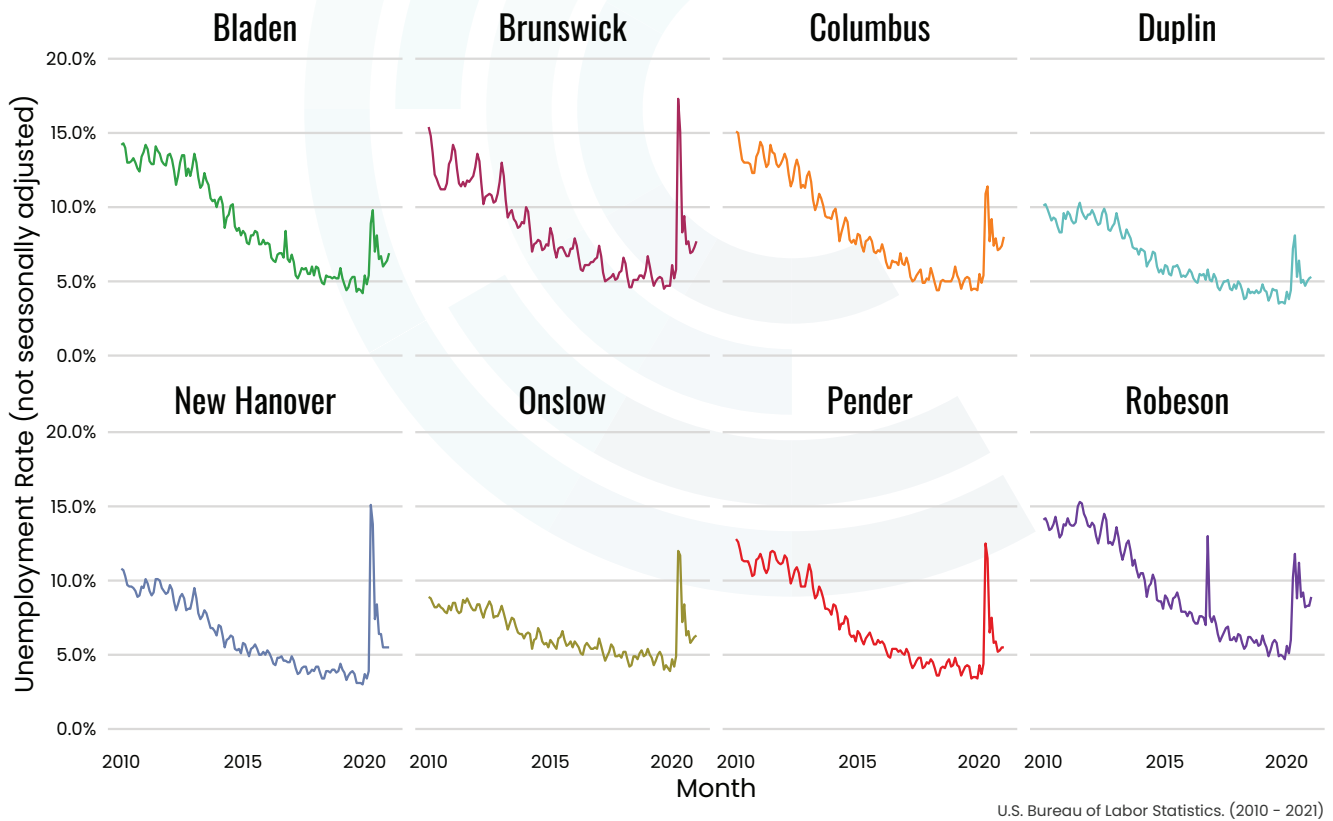
**Table B1:** Residents Living Under the Federal Poverty Level



**Figure C1:** Economic Upward Mobility: White

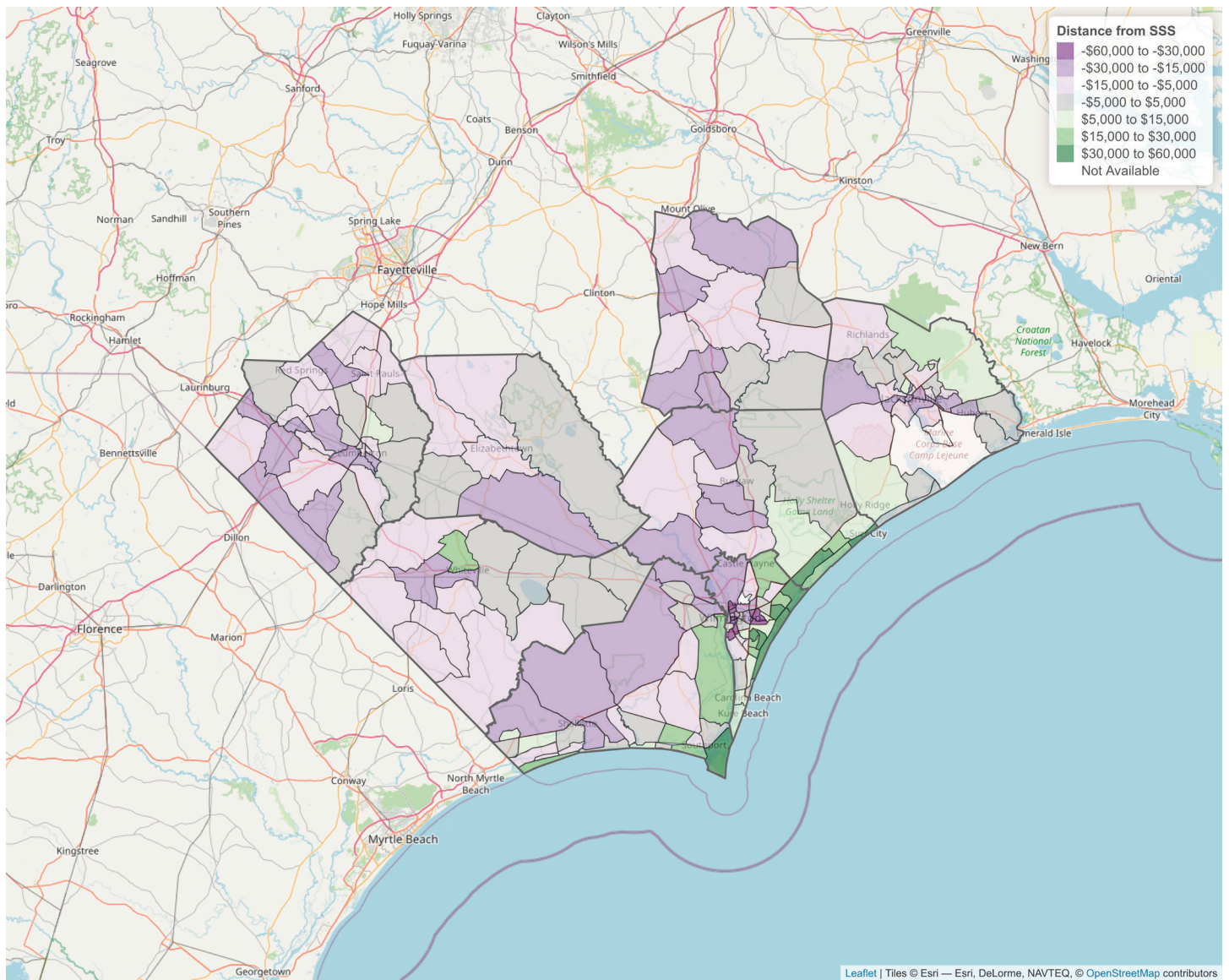


**Figure C2:** Economic Upward Mobility: Black



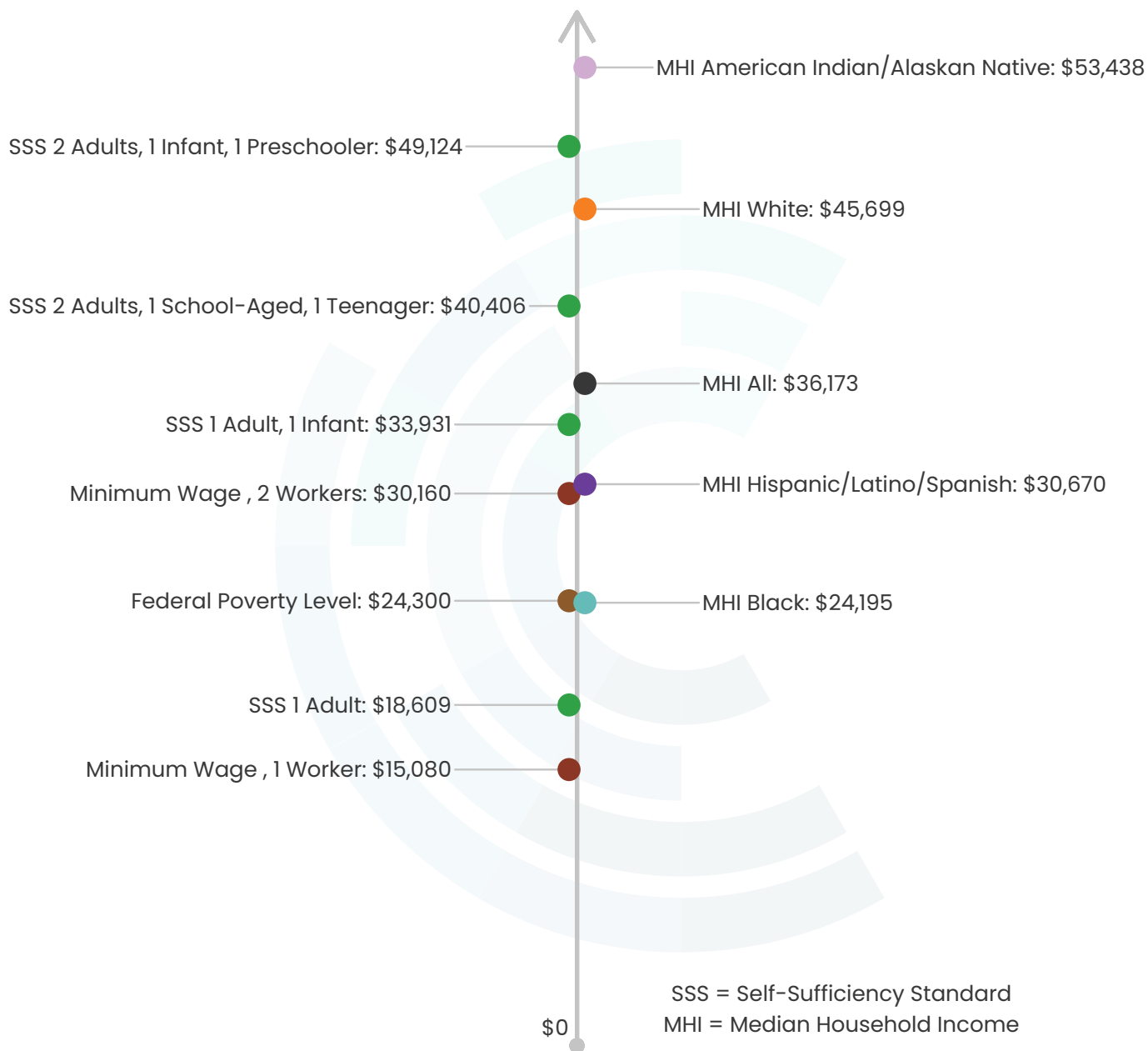
**Figure C3:** Monthly Unemployment by County





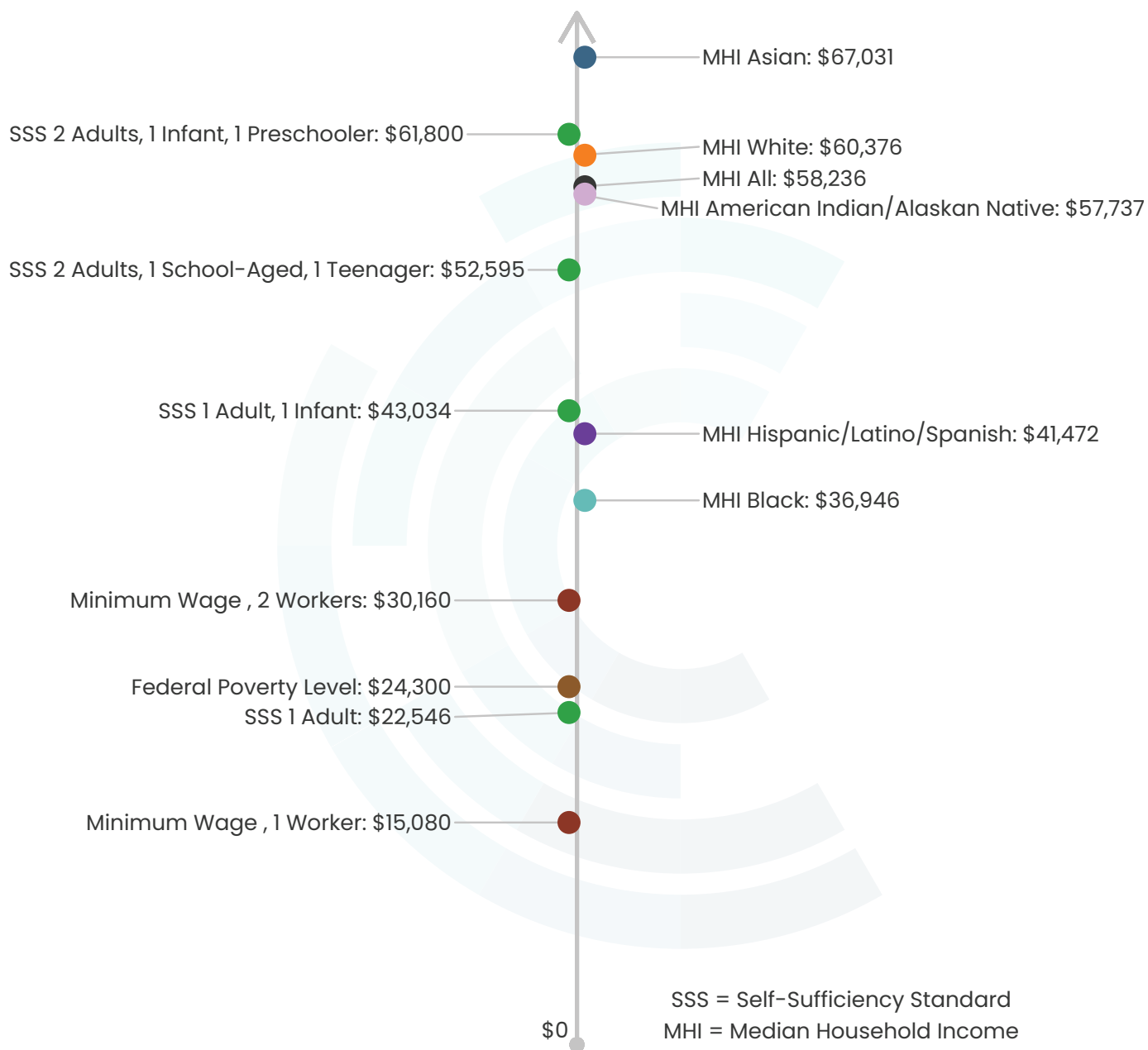
**Figure C4:** Living Income Standard Map





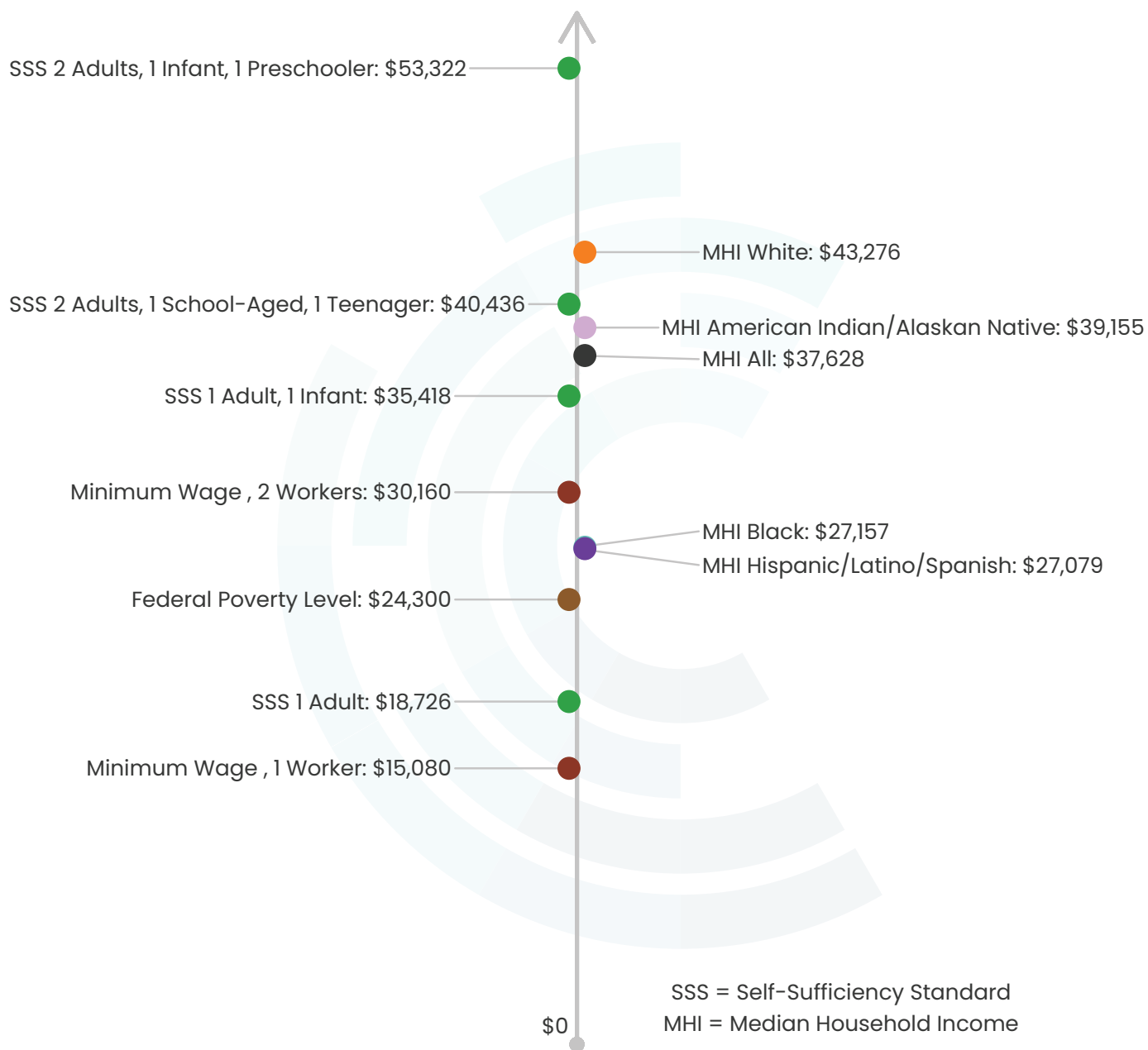
U.S. Census Bureau. (2019). American Community Survey 5-Year Detailed Tables.  
University of Washington, Center for Women's Welfare. (2020). Self-Sufficiency Standard.

**Figure C5:** Bladen



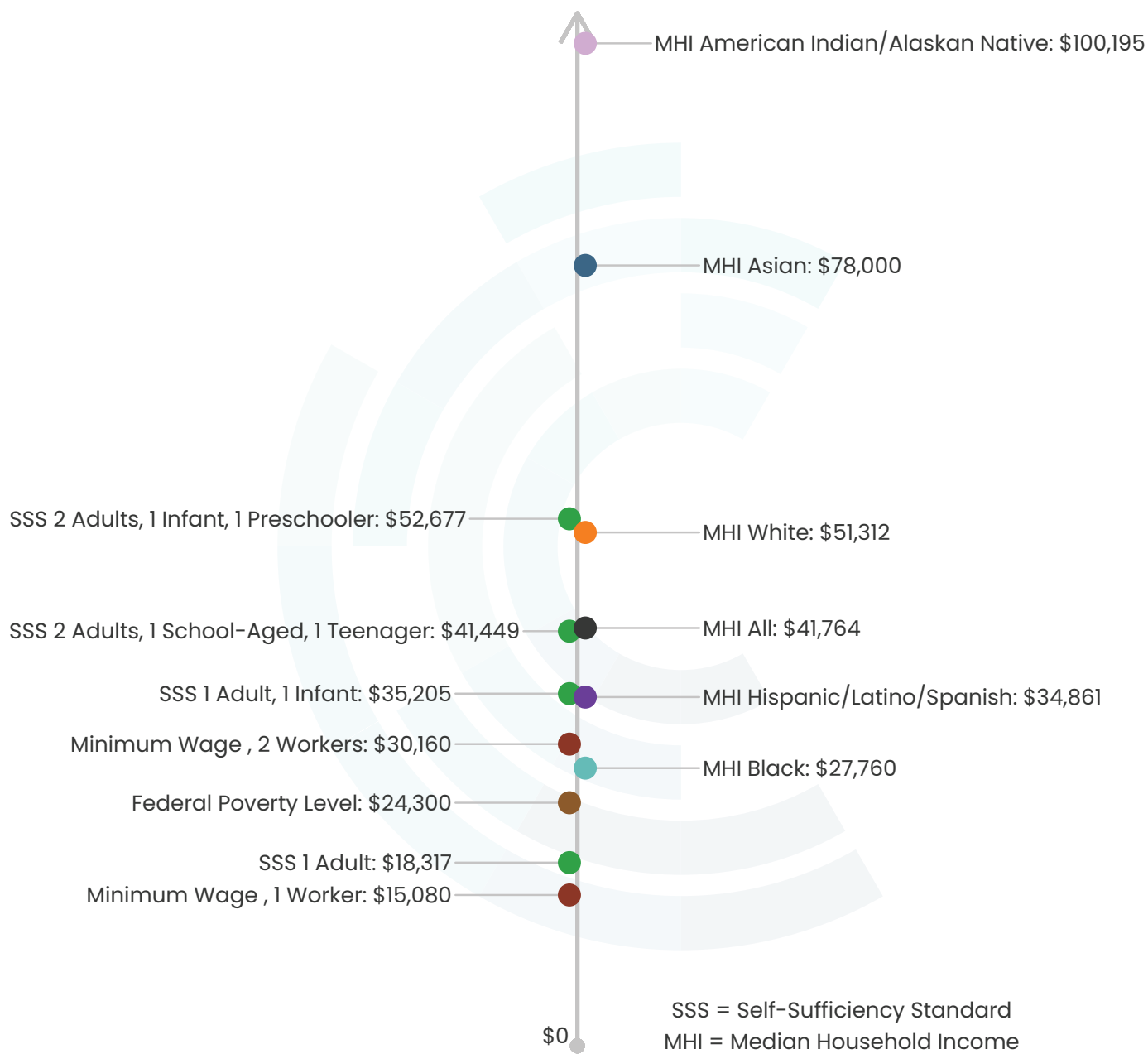
U.S. Census Bureau. (2019). American Community Survey 5-Year Detailed Tables.  
University of Washington, Center for Women's Welfare. (2020). Self-Sufficiency Standard.

**Figure C5:** Brunswick



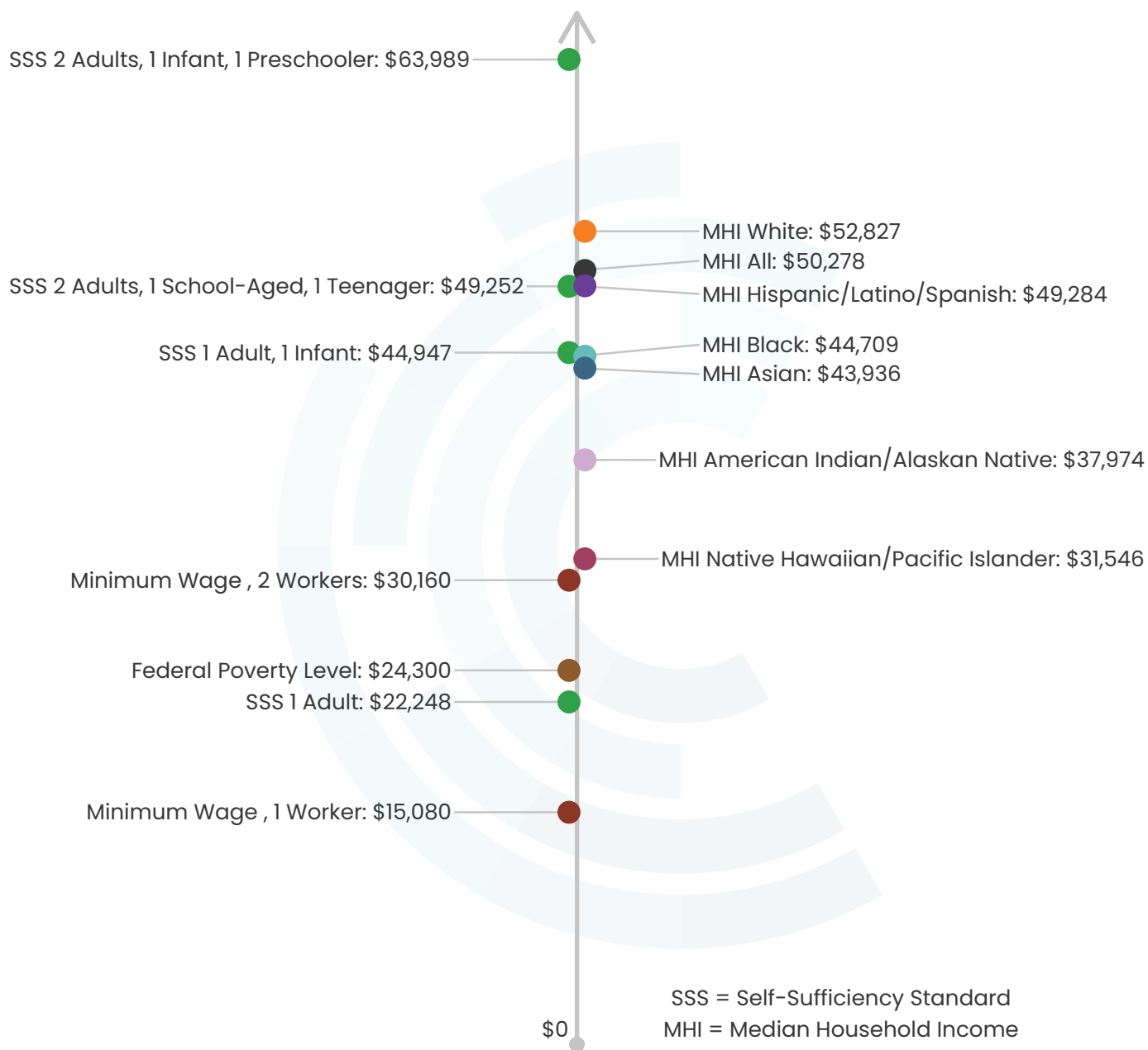
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**Figure C5:** Columbus



U.S. Census Bureau. (2019). American Community Survey 5-Year Detailed Tables.  
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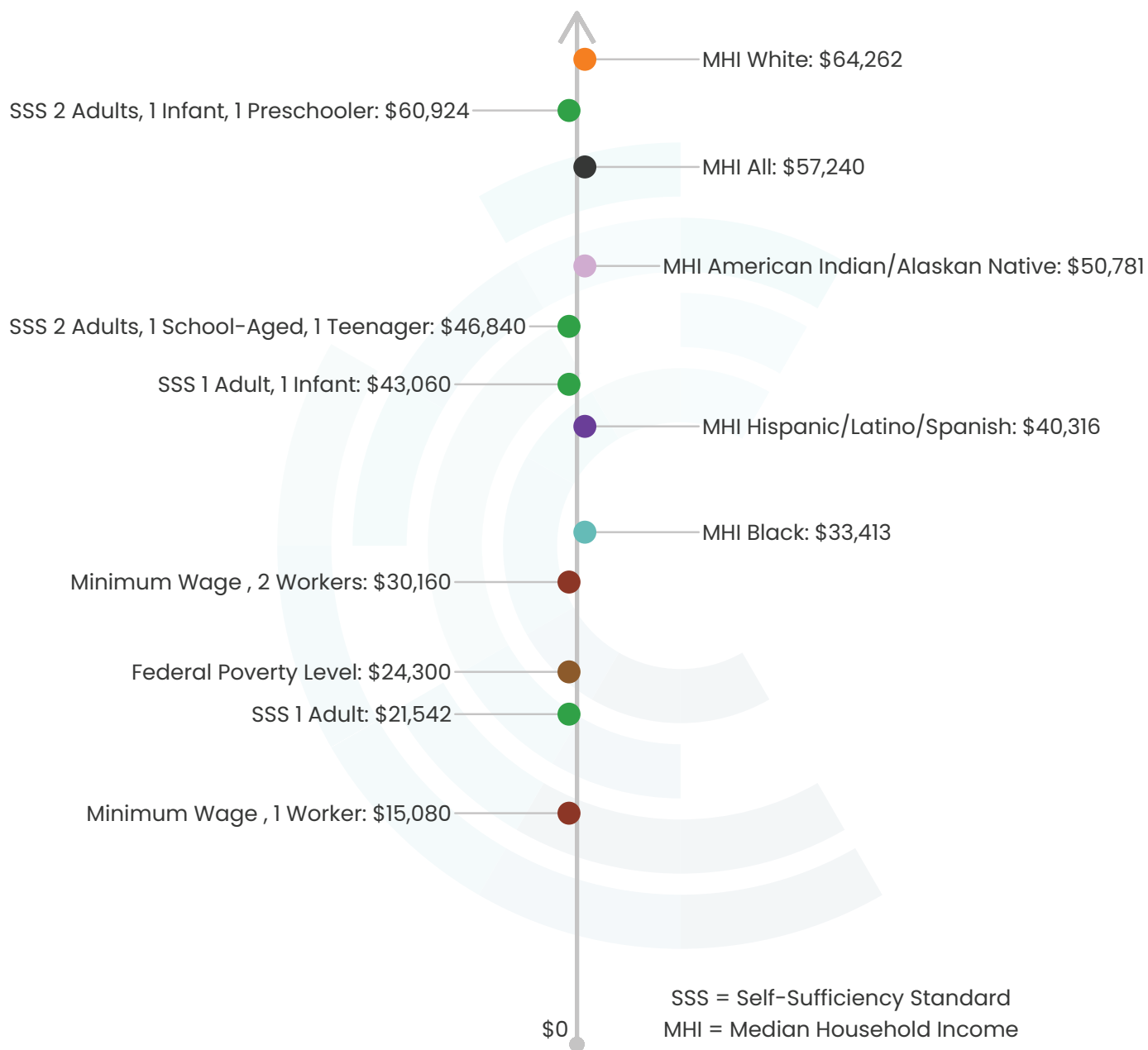
**Figure C5:** Duplin



U.S. Census Bureau. (2019). American Community Survey 5-Year Detailed Tables.  
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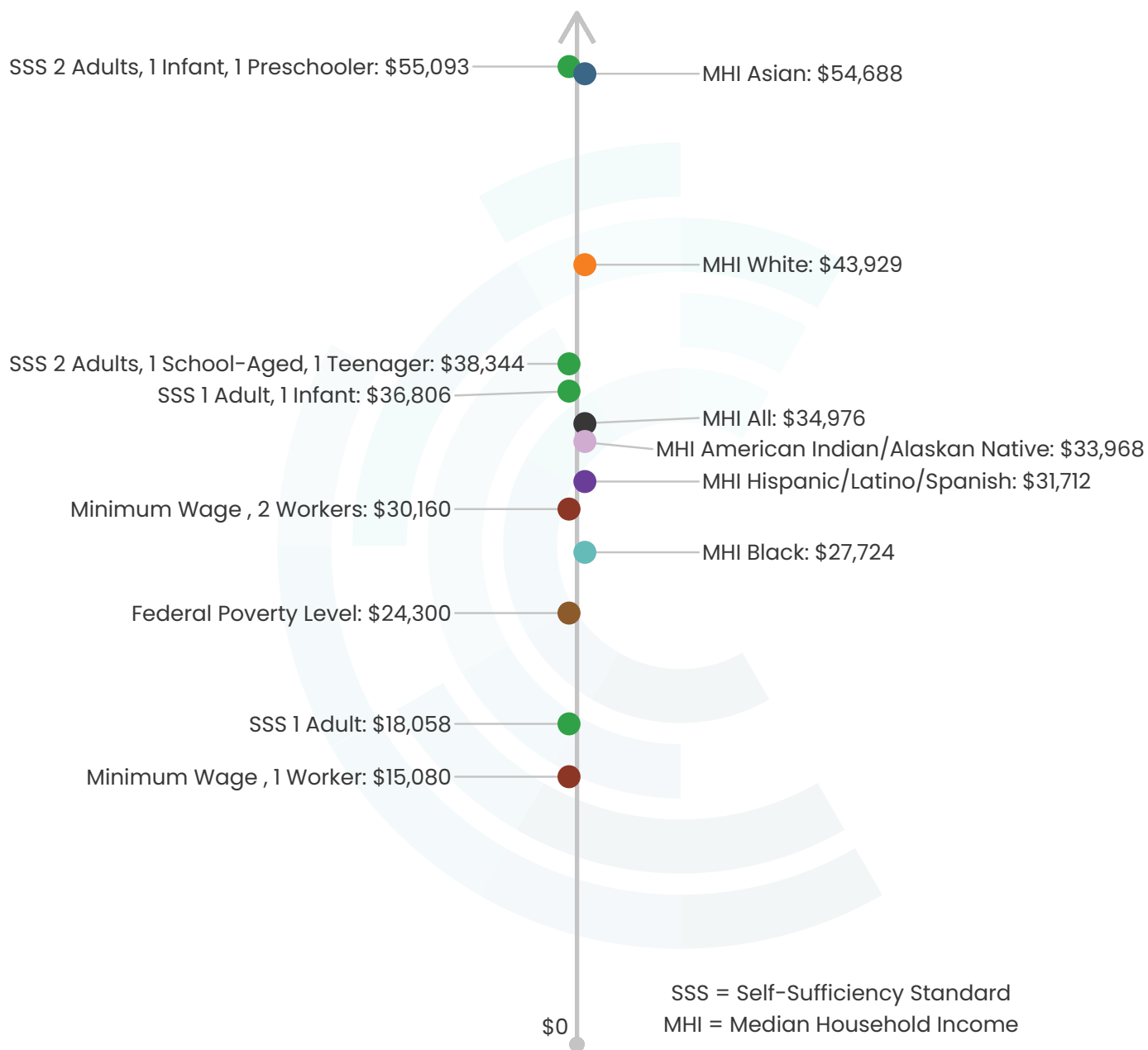
**Figure C5:** Onslow





U.S. Census Bureau. (2019). American Community Survey 5-Year Detailed Tables.  
University of Washington, Center for Women's Welfare. (2020). Self-Sufficiency Standard.

**Figure C5:** Pender



U.S. Census Bureau. (2019). American Community Survey 5-Year Detailed Tables.  
 University of Washington, Center for Women's Welfare. (2020). Self-Sufficiency Standard.

**Figure C5:** Robeson

## ENDNOTES

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