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Early Signs of Economic Recovery for North Carolina's Families

Data Across 50 States Indicate Positive Impact of Pandemic Relief Programs on Children, Annie E. Casey Foundation Finds

RALEIGH, N.C. — Before the pandemic, a startling proportion of North Carolina's children lived in severe poverty. One in five children lived in households with an income below the poverty line in 2019. The economic downturn associated with the pandemic resulted in massive job losses in North Carolina that meant that thousands of parents lost their jobs. While some parents have gone back to work, many are still reeling from the impact of income losses. However, new data show early signs that pandemic relief measures are having a measurably positive impact on kids, according to the **2021 KIDS COUNT® Data Book**, a 50-state report of recent household data developed by the Annie E. Casey Foundation.

"Investing in our families works," said Michelle Hughes, executive director of NC Child, North Carolina's member of the KIDS COUNT network. "When we look at things like hunger, access to health care and families struggling to meet basic needs, Congress and our state legislature have made some extraordinary one-time investments in kids as a result of the pandemic. We can sustain those positive effects by making some of these high-impact investments and policy changes permanent."

Data from surveys confirm that households with children were hit especially hard during the pandemic in 2020 but that the United States appeared to be experiencing the start of a recovery in the first months of 2021. Yet the figures from this year's *Data Book* illustrate that simply returning to a pre-pandemic level of support for children and families would shortchange millions of kids and fail to address persistent racial and ethnic disparities:

- One persistent indicator of economic distress is hunger. During the pandemic, in 2020, 16% of households with children in North Carolina reported sometimes or often no having enough food to eat in the past two weeks. By March 2021, the figure was down to 10%, suggesting the beginnings of a recovery.

- During the pandemic, in 2020, 14% of adults in North Carolina with children in the household lacked health insurance. However, by March 2021, this figure had fallen to 8%.
- In 2020, 22% of households with children experienced housing insecurity, reporting little or no confidence in their ability to pay their next rent or mortgage payment. In March 2021, that figure went down to 17% of families with children.
- The pandemic impacted how children received education across the state. Among households with children, 15% of households with children enrolled in K-12 education reported limited access to internet and a computer or digital device for learning. In March 2021, that figure decreased to 10% of households with children.
- The pandemic has also taken a toll on parents' and caregivers' mental health. The percentage of adults from households with children experiencing depression symptoms increased from 19% during the pandemic in 2020, to 22% in March 2021.

“The COVID-19 pandemic is the most extraordinary crisis to hit families in decades,” said **Lisa Hamilton, president and CEO of the Annie E. Casey Foundation**. “Deliberate policy decisions can help them recover, and we’re already seeing the beginnings of that. Policymakers should use this moment to repair the damage the pandemic has caused — and to address long-standing inequities it has exacerbated.”

Investing in children, families and communities is a priority to ensure an equitable and expansive recovery. Several of the Annie E. Casey Foundation’s suggestions have already been enacted in the American Rescue Plan, and additional recommendations include:

- **Congress should make the expansion of the child tax credit permanent.** The child tax credit has long had bipartisan support, so lawmakers should find common cause and ensure the largest one-year drop ever in child poverty is not followed by a surge.
- **North Carolina and other states that have not done so, should expand Medicaid under the Affordable Care Act.** The American Rescue Plan offers incentives to do so.
- **State and local governments should prioritize the recovery of hard-hit communities of color.**
- **States should expand income support that helps families care for their children.** Permanently extending unemployment insurance eligibility to contract, gig and other workers and expanding state tax credits would benefit parents and children.

- **States should strengthen public schools and pathways to postsecondary education and training.**

The **2021 KIDS COUNT® Data Book ranks North Carolina 34th nationally** for the state's results across sixteen indicators of child well-being in categories such as education, economic well-being and health. Massachusetts, New Hampshire and Minnesota placed first, second and third in the annual KIDS COUNT rankings, which are based on pre-pandemic data.

Release Information

The *2021 KIDS COUNT® Data Book* will be available June 21 at 12:01 a.m. EDT at www.aecf.org. Additional information is available at www.aecf.org/databook. Journalists interested in creating maps, graphs and rankings in stories about the Data Book can use the KIDS COUNT Data Center at datacenter.kidscount.org.

About NC Child

NC Child is a 501(c)(3) non-profit organization whose mission is to build a strong North Carolina by advancing public policies to ensure all children — regardless of race, ethnicity, or place of birth — have the opportunity to thrive. www.ncchild.org

About the Annie E. Casey Foundation

The Annie E. Casey Foundation creates a brighter future for the nation's children by developing solutions to strengthen families, build paths to economic opportunity and transform struggling communities into safer and healthier places to live, work and grow. For more information, visit www.aecf.org. KIDS COUNT® is a registered trademark of the Annie E. Casey Foundation.

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