NC’s Greatest Challenge:
Building an Economy that Works for All

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NC Budget and Tax Center
Budget & Tax Center Overview

- A non-profit, non-partisan project of the North Carolina Justice Center whose mission is to build an economy that works for all and address poverty in the state.
- Founded in 1994 to conduct fiscal and economic analysis of the policies and issues impacting low- and moderate-income families in North Carolina.
Labor force participation decline

Labor Force Participation Rate

Low- and Ultra-Low Wage Jobs Account for Majority of Job Creation in NC

Job Growth from June 2009 to Third Quarter of 2013

- Ultra-low-wage: 57.1%
- Low-wage: 26.3%
- Above Living Income Standard: 16.6%

Source: BTC’s State of Working NC Report, September 2014.
Share of NC Workers Earning Poverty Wages is Substantial, Up from 2000

Progress to Reduce Poverty in North Carolina is Stalled

Official Poverty Rate Increased or Stayed Flat Each Year Since 2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Poverty Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007*</td>
<td>14.3%</td>
</tr>
<tr>
<td>2008*</td>
<td>14.6%</td>
</tr>
<tr>
<td>2009*</td>
<td>16.3%</td>
</tr>
<tr>
<td>2010</td>
<td>17.5%</td>
</tr>
<tr>
<td>2011</td>
<td>17.9%</td>
</tr>
<tr>
<td>2012</td>
<td>18.0%</td>
</tr>
<tr>
<td>2013</td>
<td>17.9%</td>
</tr>
</tbody>
</table>

Source: American Community Survey. An asterisk indicates that the poverty rate for that year is statistically different from the 2013 poverty rate.
Federal EITC Lifts Millions Out of Poverty

Number Lifted Out of Poverty by Federal EITC, 2012

- **All Ages**: 6.5 Million
- **Children**: 3.3 Million

Source: Data Request Center on Budget and Policy Priorities’ Analysis of Census Bureau Data, 2012, latest data available.
EITC and CTC Lift More Than 375,000 North Carolinians Out of Poverty

Number of people kept above the poverty line each year, on average, during 2009-2013

- **378,000** All Ages
- **197,000** Children

Earned Income Tax Credit has significant reach

NC EITC gave vital boost to families and our economy

NORTH CAROLINA

906,916 Workers claimed the NC EITC

...supporting 1,197,969 Children

...and pumping $108 Million into the local economy

Source: NC Budget and Tax Center’s Analysis of NC Department of Revenue Data on NC Earned Income Tax Credit, 2012 Tax Year.
Communities across the state benefit, rural counties have largest share of returns with EITC.
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