Institute for Family
LIGHT LAB

A NOTE TO READERS:
THIS ARTICLE WAS GENERATED BY ARTIFICIAL INTELLIGENCE

This article was generated by an AI system instructed to analyze and synthesize publicly available data from the following sources: the United For ALICE Report, the NC Budget & Tax Center Economic County Snapshots and Living Income Standard, the Education Law Center *Making the Grade 2025* report, and the U.S. Census Bureau's 2024 American Community Survey. No human author drafted, edited, or co-wrote the narrative text. Human involvement was limited to selecting the source materials, reviewing the AI-generated output for factual accuracy against original sources, and deciding to publish the analysis. The AI compressed hours of cross-source data synthesis into a single narrative. This use of AI is intended as a tool for efficiency and pattern recognition — not as a substitute for the professional judgment, lived experience, or human relationships that shape real-world practice.

Living on the Edge:

What the Data Reveals About North Carolina Families

A synthesis of the ALICE Report, NC Budget & Tax Center Economic County Snapshots, U.S. Census Bureau 2024 American Community Survey, and Education Law Center Making the Grade 2025

The numbers are not abstract. Behind every percentage point in a poverty table is a family making a calculation that no family should have to make — rent or food, medication or utilities, this month or next. North Carolina has 10.7 million people. More than 1.3 million of them — 12.5 percent — live below the federal poverty line. But the federal poverty line is itself a fiction: it is set at roughly $32,000 for a family of four, a number so disconnected from what survival actually costs in this state that nearly half of all NC households fall below the real-world cost of a bare-bones stable life.

Four significant datasets, when read together, paint an unusually clear and urgent picture of life for North Carolina families. Brought together in this article, they reveal a state where household financial fragility, inadequate wages, rising inequality, and chronically underfunded schools form an interlocking system — one that professionals who work with families cannot afford to ignore.

BEFORE THE DATA: TWO FAMILIES, TWO NORTH CAROLINAS

The data in this article describes structural conditions. But structural conditions are not experienced structurally — they are experienced in kitchens, cars, and school hallways, in the quiet calculations families make every month. Before the numbers, two families.

HYPOTHETICAL FAMILY PROFILE · Sampson County — Rural Eastern NC

The Reyes Family

Single mother, two children (ages 6 and 9) · Agricultural services, $14.20/hr

- Monthly income: ~$2,180. ALICE Threshold for family of three: $5,400/month.
- Rent: $850/month (39% of income). No childcare subsidy — income just above eligibility threshold.
- Children attend a school receiving $5,600 less per pupil than the national average.
- Nearest grocery store: 18 miles. Nearest pediatrician: 31 miles.
- No paid sick leave. Missing a shift to take a child to a doctor appointment costs $113.
- On paper: above the poverty line. In practice: below the survival threshold every single month.

"I work every hour I can. There is never enough. I'm not doing anything wrong — there's just never enough."

HYPOTHETICAL FAMILY PROFILE · Mecklenburg County — Urban Charlotte

The Washington Family

Two parents, three children (ages 4, 8, and 12) · Healthcare transport driver + part-time retail, combined $58,000/year

- Combined income: $58,000. NC median household income: $73,958. National median: $83,730.
- Rent for three-bedroom apartment: $1,920/month (40% of take-home income).
- Childcare for 4-year-old: $1,100/month at licensed center. On a waitlist for subsidized care: 14 months.
- Income inequality in Mecklenburg: highest eviction filing rate in state (33,507 filings in 2024).
- Oldest child attends school in a district with the highest concentration of ALICE families in the county.
- One missed paycheck — one car repair, one medical bill — away from crisis.

"We look fine from the outside. Two jobs, a car, a place to live. But I haven't had $200 in savings in three years."

These are not the poorest families in North Carolina. Both are working. Both are above the federal poverty line. Both are living at or below the ALICE Threshold — the real cost of survival in their specific counties. This is the population this series is written for: the families in your caseloads who don't qualify as poor but cannot actually afford to live.

SOURCE 1 — THE ALICE REPORT

42 Percent of NC Households Cannot Afford the Basics

ALICE stands for Asset Limited, Income Constrained, Employed — households that earn above the federal poverty level but below the actual cost of housing, childcare, food, transportation, healthcare, and technology in their community. The ALICE Report, produced by United Way of North Carolina in partnership with United For ALICE, begins with a deceptively simple question: what does it actually cost to survive in the county where you live?

In 2023, the ALICE Report found that **42 percent of North Carolina's 4.35 million households** fell below the ALICE Threshold — a figure that combines those living in official poverty (13 percent) with ALICE households (29 percent). Of the 20 most common occupations in North Carolina, **15 paid less than $20 per hour in 2023**. And of all workers in those top 20 occupations, 35 percent lived in households below the ALICE Threshold. The essential workers who clean schools, care for elders, prepare food, and staff hospitals are themselves living on the edge.

42%	$78,576	15/20
NC Households Below ALICE Threshold	**Average Household Survival Budget**	**Most Common NC Jobs Paying Under $20/hr**
Poverty + ALICE combined | 2023	*vs. $32,000 federal poverty line*	*2023 | ALICE Labor Force Data*

Source: United For ALICE / United Way of North Carolina, ALICE in North Carolina 2025 (data year 2023)

The Rural-Urban Divide in Who Earns a Living Wage

The rural-urban living wage gap is stark: **63 percent of urban NC adults earn a family-sustaining wage — but only 41 percent of adults in non-metropolitan rural counties do**. That 22-point gap reflects not individual choices but structural conditions — the types of jobs available, the absence of employer diversity, and the geographic cost of distance from services. Leila Reyes, working agricultural services in Sampson County, earns $14.20 per hour. She is not a statistical outlier. She is representative of the 59 percent of rural NC adults who do not earn a living wage.

This wage geography is also a racial geography. Black, American Indian, and Latino households are far more likely to fall below the ALICE Threshold than white or Asian households — a pattern that reflects, as the report notes, systemic and structural barriers to financial stability rather than individual shortcomings.

> ***"ALICE households are forced to make impossible choices — like deciding whether to pay for utilities or a car repair, whether to buy food or fill a prescription. One unexpected expense can trigger a downward spiral that is very difficult to recover from." — United Way of North Carolina***

SOURCE 2 — U.S. CENSUS BUREAU 2024 AMERICAN COMMUNITY SURVEY

The Official Picture — and What It Hides

The U.S. Census Bureau released 2024 American Community Survey data on September 11, 2025 — the most current comprehensive snapshot of NC household economics available. The ACS data confirms and deepens what ALICE documents, and adds three findings that practitioners need to understand directly.

Poverty Is Holding — and Hitting Children Hardest

NC's official poverty rate held at **12.5 percent in 2024** — statistically unchanged from 2023, representing more than 1.3 million North Carolinians struggling on less than $32,000 a year for a family of four. NC holds the 17th highest poverty rate in the nation. Child poverty is measurably worse: **16.2 percent — more than 374,000 children** — lived in poverty in 2024. These are not abstractions. They are children arriving at school without breakfast, cycling through foster care placements, and appearing in the offices of every practitioner reading this series.

Racial poverty gaps are sharp and documented. The poverty rate was 20.2 percent for Latino NC residents, 18.9 percent for Black residents, and 17.1 percent for American Indian residents — compared to 8.5 percent for Asian and 9.1 percent for white residents. These disparities are tied to discrimination and structural barriers to economic opportunity that no individual or family can overcome through effort alone.

Income Inequality Is Getting Worse, Not Better

From 2023 to 2024, North Carolina was **the only state in the country to experience a statistically significant increase in income inequality**. NC's Gini coefficient — the standard measure of income inequality — rose to 0.478, a statistically significant increase. Income at the 90th percentile grew 4 percent. Income at the 10th and 50th percentiles showed no significant change. The economy grew — and the growth went to those who already had the most. The Washington family's combined $58,000 income looks reasonable on a statewide chart. The Gini data tells you what that chart conceals.

Housing: The Renter Crisis in Numbers

The ACS confirms what practitioners are observing in every county: **48 percent of NC renters are cost-burdened** — spending more than 30 percent of their income on housing. The number of cost-burdened renter households grew to 615,581 in 2024, an increase of 11,216 from the prior year. Median gross rent rose 2.7 percent to $1,487. To afford fair market rent without being cost-burdened requires earning $22.28 per hour. NC's minimum wage remains $7.25.

Evictions accelerated sharply: **194,526 NC families received eviction filings in 2024** — an increase of 29,703 from the prior year. Each of those filings represents a household under legal threat, making impossible calculations, experiencing the kind of chronic stress that shapes child development and adult health in ways that practitioners document every day.

12.5%	0.478	615,581
NC Poverty Rate 2024	**NC Gini Coefficient 2024**	**Cost-Burdened Renter Households**
1.3M+ residents | 17th highest nationally	*Inequality rose — only state with sig. increase*	*48% of NC renters | Up 11,216 year-over-year*

Source: U.S. Census Bureau 2024 American Community Survey 1-Year Estimates, released September 11, 2025

> ***"NC median household income reached $73,958 in 2024 — still $9,772 below the national median. A family of four needs over $97,000 to cover modest living expenses. Statewide median income falls $23,000 short of that mark." — NC Budget & Tax Center, 2025***

SOURCE 3 — NC BUDGET & TAX CENTER ECONOMIC COUNTY SNAPSHOTS

What County-Level Data Reveals That Statewide Averages Hide

The NC Budget & Tax Center's annual Economic County Snapshots provide the most granular public-facing picture of economic conditions across all 100 North Carolina counties. The 2025 edition compiles data on poverty, income, employment, housing affordability, health, and educational attainment — and allows comparisons that statewide averages obscure.

Wages Are Not Keeping Up With Costs

Average weekly wages in NC grew 3.4 percent from mid-2024 to mid-2025 — but housing costs rose 3.8 percent and household energy climbed 6 percent in the same period. The Budget & Tax Center's 2025 Living Income Standard reveals that for a single parent raising one child, average weekly NC wages fall short of what's needed to cover basic expenses without public assistance. In many scenarios, earning a living income at the state minimum wage of $7.25 per hour would require more hours of work per week than there are hours in a week.

North Carolina is one of 20 states that has not raised its minimum wage above the federal floor of $7.25. Virginia raised its minimum wage to $12.41 in 2025 — with annual inflation adjustments. The state line is not just a geographic marker. For workers near that border, it represents a measurable difference in what the same job pays.

Rural Disadvantage Is Structural, Not Incidental

The BTC County Snapshots make visible what statewide data conceals. Robeson County — where the Reyes family in our opening profile might also live — recorded a poverty rate exceeding 28 percent in 2023, the highest in the state. In counties where population is declining, poverty rates are consistently higher and economic recovery after disruptions is consistently slower. In counties where population is growing, residents have higher educational attainment and earnings — an advantage that compounds over time.

The richest 5 percent of NC households have average incomes 28 times greater than the poorest 20 percent. Nearly one-third of North Carolinians have low annual incomes — under two times the poverty level, or roughly $62,400 for a family of four. In nearly every county, Black, Latino, and American Indian residents and their children are more likely to be living in poverty.

Hurricane Helene: When Fragility Meets Catastrophe

The 2025 BTC Snapshots flag a critical place-specific pressure: Hurricane Helene struck Western NC in September 2024, driving unemployment sharply upward in mountain counties already operating with thin economic infrastructure. The storm exposed what the data had been documenting for years — that communities without savings buffers, without housing equity, and without diverse economic bases cannot absorb catastrophic disruptions the way more resourced communities can. For practitioners in Western NC, every economic data point must be read through this lens.

28×	$7.25	28.8%
Richest 5% vs. Poorest 20% Income Ratio	**NC Minimum Wage**	**Robeson County Poverty Rate**
NC households | BTC County Snapshots 2025	*Unchanged while VA raised to $12.41 | 2025*	*Highest in NC | BTC 2023 data*

Source: NC Budget & Tax Center, 2025 Economic County Snapshots; 2025 Living Income Standard; ncbudget.org

SOURCE 4 — EDUCATION LAW CENTER / MAKING THE GRADE 2025 & NCAE

Dead Last: What NC's Ranking Means for the Children Practitioners Serve

The fourth data stream — and in some ways the most startling — comes from the Education Law Center's Making the Grade 2025 report, released in December 2025 and highlighted by the North Carolina Association of Educators. If ALICE tells us about household financial fragility, the ACS tells us about income and inequality, and the BTC tells us about county-level economic conditions, the education funding data tells us what public institutions are prepared to do to help the children caught in all of that stress.

The answer, for North Carolina, is: less than anywhere else in the country.

Failing Grades in Two of Three Categories

North Carolina received 'F' ratings in two of the three categories the Education Law Center evaluated. In **funding level** — cost-adjusted per-pupil revenue from state and local sources — NC ranked 50th. The state spends approximately **$5,600 less per student than the national average**. Per-pupil investment actually declined between 2022 and 2023, from $12,252 to $12,193, even as costs rose.

The second 'F' was in **funding effort** — how much NC invests in PK–12 education as a share of its Gross Domestic Product. Here, NC ranked **51st — dead last among all 50 states and the District of Columbia**. No jurisdiction in the country commits a smaller share of its economic output to public school funding than North Carolina.

> ***"North Carolina's failing grades reflect years of deliberate neglect. Lawmakers have refused to fully fund our public schools, denied educators meaningful raises, and the Supreme Court has allowed Leandro to languish. Our children cannot afford this continued failure of leadership." — Tamika Walker Kelly, NCAE President***

The Leandro Case: A Legal Promise with No Delivery Mechanism

The Leandro v. State of North Carolina case, spanning three decades of litigation, established in 1997 that every child in North Carolina has a constitutional right to a sound basic education. Courts have repeatedly found that the state is failing that obligation — particularly for students in high-poverty districts. The NC Supreme Court's continued inaction on enforcement, and the

General Assembly's multi-year failure to pass a state budget or provide meaningful educator raises, has left Leandro as a legal finding with no practical consequence.

For practitioners, this is not legal abstraction. The Reyes children attend a school in Sampson County — a rural eastern county — that is simultaneously serving the most economically stressed families and receiving the least adequate public resources. The court said this was unconstitutional. The funding gap persists.

The Teacher Pipeline Is Shrinking — in the Schools That Most Need Teachers

Enrollment in UNC education preparation programs has **declined 35 percent**. Teacher shortages are most acute in rural districts, which cannot match the salary supplements that urban counties offer. NC has not passed a statewide school construction bond since 1996 — and unmet school capital needs now exceed $13.5 billion. The pipeline of educators entering classrooms in high-need communities is shrinking precisely as the need grows. Neighboring states — Virginia, South Carolina, and Georgia — all received higher overall grades than NC in the Making the Grade report. The pattern is not inevitable. It is the product of specific decisions made by specific people in specific positions of power.

51st	**-$5,600**	**35%**
NC School Funding Effort — National Rank	**Per-Pupil Funding Gap vs. National Average**	**Decline in Teacher Ed Program Enrollment**
Dead last | ELC Making the Grade 2025	*Annual shortfall | ELC 2025*	*Pipeline shrinking | NCAE / Carolina Forward*

Source: Education Law Center, Making the Grade 2025; North Carolina Association of Educators, December 2025; NCAE.org

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SYNTHESIS: FOUR DATASETS, ONE SYSTEM

What the Patterns Mean When Read Together

These four data sources are not parallel problems. They are a single system. A family earning below the ALICE Threshold — which, in rural North Carolina, describes nearly six in ten working-age adults — is managing housing that consumes 40 percent or more of their income, childcare costs that rival a mortgage payment, and wages that have not kept up with inflation. Their children attend schools that receive $5,600 less per student than the national average, in a state that invests less, as a share of its economy, than any other jurisdiction in the country.

The ACS adds the most alarming new element: income inequality is actively worsening. North Carolina was the only state in 2024 to record a statistically significant increase in its Gini coefficient. The economy grew — but the growth went upward. The families at the 10th and 50th income percentiles saw no real change. The Washington family's combined $58,000 income did not gain real purchasing power in 2024. Their rent and energy costs did.

The stress that brings families to the offices of social workers, school counselors, pediatricians, home visitors, and community health workers is not random. It is patterned. It concentrates. And it is amplified, not absorbed, by the public systems that are supposed to buffer it.

What This Means for Rural Families

Rural families face a compounding geography of disadvantage. The wage gap between rural and urban NC is not just economic — it is institutional. Rural counties have fewer healthcare providers, fewer childcare options, fewer employers offering benefits, and schools that struggle to recruit and retain teachers. Forty-four percent of all NC census tracts are classified as childcare deserts. When the childcare system fails, parents — disproportionately mothers — leave the workforce or reduce hours, compounding household income stress. Leila Reyes's choice to keep working while managing childcare informally is not a preference. It is a structural inevitability.

What This Means for Urban Families

Urban families face a different configuration of the same structural problem. Charlotte and Raleigh are among the fastest-appreciating housing markets in the South. Cost-burdened renters are making monthly tradeoffs between rent and healthcare, between groceries and car repairs. The Gini coefficient's increase is most visible in cities, where the distance between the top and bottom of the wage distribution is greatest. The Washington family's $58,000 combined income sounds reasonable in a national context and leaves them housing-cost-burdened in Mecklenburg County's rental market.

IMPLICATIONS FOR PRACTICE

1

Use the ALICE Threshold — not the poverty line — to assess family need.
The federal poverty line is $32,000 for a family of four. The ALICE Threshold is $78,576. Every practitioner who screens families using the poverty line is systematically underestimating the financial fragility of the families they serve — and underrepresenting it in grant applications, community assessments, and policy advocacy. The Reyes family and the Washington family are both above the poverty line. Both are living below survival.

2

Cite the 2024 ACS racial income and poverty data directly in your equity work.
The ACS now documents, with statistical precision, that Black NC household income fell in 2024, that Latino NC residents face the highest poverty rate at 20.2 percent, and that NC led the nation in income inequality increase. These are not estimates — they are Census data. When practitioners make equity arguments in any professional setting, this data provides the citation foundation that moves the conversation from opinion to evidence.

3 Use county-level data to calibrate your practice and advocacy.

The NC Budget & Tax Center's County Economic Snapshots are freely available at ncbudget.org, updated annually, and downloadable. Every professional supporting families in NC should know their county's poverty rate, child poverty rate, median income compared to the Living Income Standard, percentage of cost-burdened renters, and eviction filing rate. This data allows you to move from intuition to evidence when making the case for resources, policy changes, or program investments.

4 Connect school funding failure to every family-stability system you work in.

The education funding data is not abstract policy — it is the daily context of every child served by every practitioner in this series. When a third-grader is in a classroom with a long-term substitute because the district cannot fill the position, or when a child has no access to a school counselor because the state funds one counselor per 378 students, those conditions flow directly into the caseloads of social workers, nurses, and home visitors. Connecting the funding failure to family outcomes in your advocacy, your community presentations, and your policy conversations is part of the practitioner's structural role.

5 Name the interlocking system — not just the presenting problem.

When a family presents in crisis — eviction notice, food insecurity, a child's behavioral escalation at school — the data in this article suggests the appropriate frame is structural, not individual. The family is likely below the ALICE Threshold. The parent earns a wage that hasn't kept up with costs. Their child attends an underfunded school. Understanding the structural context doesn't diminish the urgency of the immediate need. It shapes how you respond, what resources you pursue, and what you say in rooms where policy decisions are made.

DATA SOURCES

1. United For ALICE / United Way of North Carolina — ALICE in North Carolina: A Study of Financial Hardship (2025, data year 2023). unitedforalice.org/state-overview/north-carolina

2. U.S. Census Bureau — 2024 American Community Survey 1-Year Estimates (released September 11, 2025). Poverty, income, Gini coefficient, racial income gaps, housing cost burden. data.census.gov

3. NC Budget & Tax Center — 2025 Economic County Snapshots (March 2025); 2025 Living Income Standard; Beyond the Census Data (September 2025); 5 Things to Know About NC's Economy as 2026 Begins (January 2026). ncbudget.org

4. Education Law Center — Making the Grade 2025 (December 2025). edlawcenter.org

5. NC Association of Educators — North Carolina Ranks Dead Last (51st) in Public School Funding Report (December 16, 2025). ncae.org

6. NC Housing Coalition — 2025 County Profiles (eviction filings, housing wage, cost-burden rates). nchousing.org

7. Carolina Forward — North Carolina at a Crossroads (December 2025; teacher pipeline, school capital needs data). carolinaforward.org

8. NC Demography / NC Chamber Dashboard — North Carolina Family-Sustaining Wage (2024 ACS data). dashboard.myfuturenc.org

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AI-Assisted Research: Source, Method & Citation

A transparency document for readers, partners, and policymakers

THE AI SOURCE

Claude by Anthropic

All research synthesis, article drafting, session guide development, and document production in this series was generated with Claude — a large language model developed by Anthropic, PBC — accessed via claude.ai. Claude synthesized publicly available data sources into practitioner-ready documents at the direction of the human researcher.

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AI System: Claude (Sonnet series)
Developer: Anthropic, PBC
Access: claude.ai
Period: 2024–2026

Claude did not independently access the internet or retrieve data. All data sources were identified and provided by the human researcher. Claude's role was synthesis and drafting. Verification was the researcher's responsibility at every stage

HOW THE AI WAS DIRECTED — THE PROMPT METHOD

Every article and document began with a structured research directive — a prompt — written by the human researcher. Prompts were not simple questions. They specified which data sources to synthesize, the practitioner audience to write for, the analytical frame to apply, the structural elements required, and the professional voice to use. Representative examples:

PROMPT TYPE	REPRESENTATIVE EXAMPLE
Data synthesis	*"Synthesize three major data sources on NC family economic conditions into a single article for cross-sector practitioners. Identify key statistics from each, explain how these data streams reinforce each other structurally, and conclude with five concrete practice implications. Note that the article was AI-generated."*
Data update	*"New 2024 ACS data has been released. Include these new findings: Gini coefficient rose to 0.478, Black NC household income fell 3%, uninsured rate fell to 8.6%, 515,000 now at risk from federal cuts."*

PRIMARY DATA SOURCES

Claude synthesized these sources. The human researcher identified and provided all of them. Cite individual statistics from original sources, not from this series.

2024 ACS (U.S. Census Bureau, Sept. 2025)
Poverty, income, inequality, housing cost burden, health coverage
data.census.gov

United For ALICE / United Way NC (2025)
ALICE Threshold, household survival budgets, rural-urban wage gap
unitedforalice.org

NC Budget & Tax Center
County poverty snapshots, racial income gaps, policy impact
ncbudget.org

Education Law Center — Making the Grade 2025
NC 51st-place school funding ranking, per-pupil gap, teacher pipeline
edlawcenter.org

NC Housing Coalition — 2025 County Profiles
Eviction filings, cost-burden rates, housing wage data

LIMITATIONS

No independent data access Claude did not retrieve data. All statistics were provided by the researcher in prompts.

Synthesis, not verification Claude identified patterns across sources. Verification against original sources was the researcher's responsibility.

Framing reflects prompt framing The structural, equity-centered, practitioner-focused frame is a deliberate human choice embedded in the prompts — not an AI default.

Not peer-reviewed These are practitioner resources, not academic publications. Individual statistics should always be verified against primary sources before use in formal policy contexts.

Hallucination risk AI can generate plausible but inaccurate content. The human oversight and fact-verification process was *nchousing.org*

RWJF County Health Rankings 2025
All 100 NC counties — health outcomes and social factors
countyhealthrankings.org

NC Health Professions Data System / Sheps Center
Provider shortages by county, rural workforce data
nchealthworkforce.unc.edu

NC Commerce / LEAD Division (2025)
Hurricane Helene labor market and economic recovery data
commerce.nc.gov

Blue Zones LLC / Buettner (PMC 2018)
Power 9 framework; NC community applications
bluezones.com

Child Care Services Association / Early Years NC
Childcare worker wages, ECE household vulnerability
childcareservices.org

specifically designed to catch and correct errors before publication.

HOW TO CITE

For individual statistics:
Always cite the original data source — not the AI-generated article. The articles in this series are synthesis documents. The authoritative citation for any statistic is the primary source from which it was drawn.