

## Good news, bad news for N.C.

A progress report on the state's conditions has mixed results - and draws mixed reactions

By **ROB CHRISTENSEN**, Staff Writer

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How are we doing in North Carolina?

First the bad news. North Carolina is still a poor state. Household income has fallen, the number of uninsured people is growing, and the high school dropout rate remains high. Smog is a problem, and housing is becoming less affordable.

There is also good news. North Carolina's children are doing better in the classroom; it's relatively easy to find a doctor; violent crime is declining, and the state has a good business climate and modest taxes.

An exhaustive new report card -- the first in four years -- takes stock of North Carolina's progress in recent years and finds it mixed.

Despite the state's shiny image of bank towers in Charlotte and research labs in the Triangle, North Carolina is still struggling to overcome a legacy of poverty and is battling the effects of declining textiles and tobacco, according to a report of the N.C. Progress Board to be released today.

Mack Pearsall, a board member from Asheville, said people living in the prosperous "Garner-to-Gastonia megalopolis" might be surprised by the state's deep-seated poverty.

"I sell people Mercedes to get in their cars and throw their golf clubs in and drive the 80 miles an hour to the beach at Wrightsville to their million-dollar condominiums," said Pearsall, a 68-year-old car dealer. "If they drove a mile or two off the interstate, they would see that there are some almost antebellum conditions that exist."

The 24-member board, created by the legislature in 1995 at the urging of then-Gov. Jim Hunt, is designed to provide a guide on how the state stacks up nationally and sets 84 goals for the state to try to meet by 2020. The board is part of a national effort to make government more accountable.

"We hope in the next election, someone in the debates will pull out the report and ask the candidates, 'What do you think of this?' " said Jim Leutze, the board's acting executive director and chancellor emeritus at UNC-Wilmington.

Despite the reported problems, former Gov. Jim Holshouser said he thinks the state has emerged

from rugged times well-positioned for the future.

"It measures us at a time when the state has gone through some difficult times economically," said Holshouser, a Southern Pines lawyer. "It shows we are still making progress in many areas."

But Bill Friday, president emeritus of the UNC system, who helped set up the board, said the report ought to be a wake-up call.

"It says we have a lot of work to do," Friday said. "There are areas of concern that are fundamental -- our environment, our health, our education, our livelihood."

## ROOM FOR IMPROVEMENT

**40th MEDIAN HOUSEHOLD INCOME** After climbing in the '90s, household income has fallen in North Carolina since 2000 with plant closings and an influx of poor immigrants. North Carolina fell from 32nd to 40th in the country in median household income from 2000 to 2003.

**39 PROPERTY CRIME RATE** Property crime has been declining for the past decade but still exceeds the national average. In 2003, the rate of property crime decreased 2.1 percent across the state, with drops in burglary, larceny, arson and vehicle theft. In 2000, North Carolina was ranked 43rd in property crime.

**37 LIFE SPAN** North Carolinians are living longer, but the state still trails the rest of the nation for reasons related to health and poverty. North Carolina's infant mortality rate improved -- from 9.3 percent per 1,000 births in 1998 to 8.2 in 2003 -- but the rate for minority groups is twice that of whites.

**37 HIGH SCHOOL GRADUATION RATE** North Carolina has made no real progress in high school graduation rates during the past decade. North Carolina had a dropout rate of 11 percent for pupils age 16 to 19. The graduation rate was 67 percent for whites, 50 percent for blacks and 57 percent for Hispanics in 2002.

**37 CLEAN AIR** North Carolina air quality has been improving in recent years, as it reduces the days when the state suffers from unhealthy smog. But it is still an important problem. In 2004, 26 counties, including our most urbanized counties, had poor ozone grades, and the Charlotte and Raleigh-Durham regions had the 14th and 23rd worst ozone scores in the United States.

**37 INTERNET ACCESS** The state is closing the gap on the national average for household Internet access. In 2003, North Carolina's private Internet access rate rose to nearly 94 percent of the U.S. average.

**36 HOMEOWNERSHIP** North Carolina is above the national average in homeownership, but the state ranking has slipped. North Carolina had the worst rate of homeownership in the Southeast in 2004. Nationally, there is a large racial divide: 76 percent of white households, 49 percent of black households and 49 percent of Hispanic households own their home.

**35 VOTER PARTICIPATION** Tar Heel voter participation trails the national average. In 2004, North

Carolina's voter turnout increased dramatically, and about 55 percent of the state's voting-age residents participated.

**35 RESIDENTS WITH COLLEGE DEGREES** More North Carolinians are attending college, but the growth has not been as fast as in many other states. In 2002, 30 percent of the state's work force held college degrees.

**34 CHILD POVERTY** The percentage of North Carolina children in poverty has not improved during the past decade. In 2004, the state's three-year average poverty rate for all residents rose from 13.1 percent to 14.2 percent. The influx of unskilled and illegal immigrants has contributed to child poverty.

**34 HEALTH INSURANCE COVERAGE** The percent of the residents covered by health insurance declined in the past decade. Since 2000, North Carolina's uninsured population has increased faster than in all but six states. About 12 percent of children in North Carolina have no health insurance.

## DOING OK

**3rd WORKPLACE SAFETY** Workplace injury and illness rates have fallen in recent years, and North Carolina has the best worker-safety rating in the South. Workplace injury and illness incidence rate fell from 6.2 per 100 workers in 1997 to 4 per 100 in 2002

## 4 MATH AND SCIENCE PROFICIENCY

The state's fourth-graders are the best in the South and are among the best in the nation on standardized tests. The math proficiency rate of fourth-graders improved from 25 percent in 2000 to 41 percent in 2003.

**4 REGULATED CHILD CARE** The state is a leader in making sure children in day care are in regulated settings. Since 1999, the percentage of children receiving day care in regulated settings has improved from 95 percent to 98 percent.

**5 BUSINESS CLIMATE** North Carolina was rated as having one of the best business climates by Site Selection Magazine, which based its conclusions on a survey of corporate real estate executives.

**7 AGRICULTURAL VITALITY** North Carolina's farm income has been steadily declining, with tobacco especially in a nose dive. Since 2000, the net farm income generated per acre fell from \$338 to \$179. But North Carolina continues to be one of the nation's leading agricultural states, rating 9th in the nation in average farm value per acre and 19th in the nation in total acres planted.

**11 STATE GOVERNMENT DEBT** Although North Carolina has sharply increased its borrowing, its per capita state government debt is only 64 percent the national average. The state government continues to earn high debt ratings from the major rating agencies.

**12 ACCESS TO HEALTH CARE** The state has been gradually increasing its access to primary

health care doctors. In 2002, North Carolina had the 6th highest per capita health and hospital spending rate in the country.

**16 READING, WRITING PROFICIENCY** North Carolina's fourth-graders are now above the national average in national reading-writing proficiency tests. But the state's eighth-graders ranked 30th in average reading scores. The reading proficiency rate rose from 27 percent in 1998 to 33 percent in 2003. But the state's eighth-graders ranked 30th in average reading scores

**16 STATE GOVERNMENT EXPENDITURES** While state spending is increasing, it remains well below the national average. Since 2000, North Carolina's per capita spending rate has improved from 21st to 16th lowest in the nation.

**18 COST FOR COLLEGE EDUCATION** During the past decade, the affordability of North Carolina's public universities fell from 2nd to 18th in the nation. But the average student costs for public higher education in North Carolina is 85 percent of the national average.

**20 STATE, LOCAL TAX BURDEN** State and local taxes are relatively low compared with the national average. In 2004, taxes on North Carolinians (including federal taxes) were 26.4 percent of personal income.

**23 TEACHER PAY** Although Tar Heel teachers have lost ground during the economic downturn, the state sharply improved teacher salaries in the 1990s. Average teacher pay has climbed from 81 percent of the U.S. average in 1997 to 93 percent in 2004.

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