

Race and Equity Pocket Questions

Title and purpose of this initiative: Council Approval of FY26-27 Human Services Funding

Department: Housing and Community Services

What are the racial and equity impacts?

As a result of hundreds of years of far-reaching and government-backed racism, BIPOC community members face immense challenges in achieving the socio-economic prosperity of white community members. From slavery to Jim Crow and Black Codes to segregation to the over-policing of Black neighborhoods – BIPOC Americans have been set back tremendously in their pursuit of socio-economic freedom in this country. Through the compounding of multiple forms of discrimination without proper reparations, BIPOC Americans live in a reality of less educational opportunity, less job opportunity and mobility, subsequently lower incomes, and less ability to build wealth through mechanisms like land and homeownership, than their white counterparts. This creates a vicious cycle for BIPOC households. One where adults and children are more likely to experience poverty and housing insecurity, negatively affecting children's ability to excel academically, often resulting in lower-paying jobs as adults as well as reduced financial and social capability, and thus, a renewed cycle. On top of these obstacles stemming from policy and practices, BIPOC also face the barriers of navigating systems that often house racist practices or individuals. There is clear data to support these disparities in outcomes in every social institution we operate within.

Education/Educational attainment are closely linked to morbidity and life expectancy. Research has shown that across the nation, lower levels of education are associated with a greater risk of cardiovascular disease (CVD) than those with higher levels of education. Moreover, racial disparities in education contribute to differences in heart disease mortality by race. Education plays an important role in health by how it influences other socioeconomic factors, such as income and employment. Exclusionary policies and other school policies, such as expulsions and suspensions, are unfairly enacted by educators and have a disproportionate impact on African American children's success in academics. In Carrboro, 47.2% of the population are enrolled in Kindergarten to 12th Grade whereas across North Carolina, 68.1% of the population are enrolled in K-12. ¹

BIPOC residents earn less on average than their white counterparts. Due to the far-reaching impacts of systemic racism and both historical and current policy, Black, Latino, and Native American workers are more likely than white workers to be in lower-paying fields like service and production, while white workers have greater accessibility to, and more regularly hold,

¹[Carrboro town, North Carolina - Census Bureau Profile](#)



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management and leadership roles.² In 2024, Black workers made \$0.76 for every dollar made by white workers. For Latino workers it was \$0.73, and for Native American workers, \$0.77.³ White households own 85% of total household wealth in the US but made up only 66% of households.⁴

Subsequently, BIPOC residents have less income and capital to pay for housing costs and face lower rates of rental success and homeownership and, conversely, higher rates of housing insecurity and homelessness. In Orange County, the current Fair Market Rent (FMR) for a 2-bedroom apartment is \$1,875, ranking in the top 3 for most expensive FMRs in the state. This requires an hourly wage of \$36 to afford.⁵ Due to the high costs of housing in our area, 55% of renters are cost burdened (paying more than 30% of their gross monthly income on housing expenses), with 18% of homeowners having difficulty affording their homes. Overall, 31% of Orange County households are cost-burdened when it comes to housing.⁶ As research from the Consolidated Plan indicates, housing burden increases as income decreases. When looking at racial economic and housing disparities across the US and in our area specifically, it is clear the burden of high housing costs falls disproportionately on communities of color. In addition to the staggering overrepresentation of Black residents in the homeless population, data from the report suggests that Orange County's Latinx population is specifically and severely housing cost-burdened.⁷

These socio-economic experiences can also have a direct effect on mental and physical health. Consistent with existing studies, socioeconomic status had a significant impact on physical health. This impact is mainly reflected in three aspects of an individual's life: income, occupation, and education. Previous research has found that people with higher professional status enjoy more work autonomy, engage in less manual labor, have fewer occasions of being exposed to health risks. Similarly, higher incomes are usually associated with better nutritional status, housing conditions, medical services, etc. In addition, people with higher levels of education tend to have better health awareness and health-related knowledge. Some research has shown that a low socioeconomic status is associated with psychological distress, such as depression and anxiety. However, the relationship between socioeconomic status and mental health can be different across different mental illnesses.⁸

When looking at the reality that BIPOC community members face, there is a clear need for supportive human services that address and assist in working around obstacles and advocating for necessary policy and social change to reduce, and eventually close, the socio-economic disparities experienced by BIPOC. Additionally, assessing those that most often access human services, most clients have some identity that is marginalized whether they are BIPOC or not –

² Bureau of Labor Statistics, 2020a; Allard & Brundage, Jr., 2019

³ [Earnings Disparities by Race and Ethnicity | U.S. Department of Labor \(dol.gov\)](https://www.dol.gov/ebsa/press-releases/2024/04/24-04-01-earnings-disparities)

⁴ [U.S. Wealth Gaps Remain Despite Widespread Gains | St. Louis Fed \(stlouisfed.org\)](https://www.stlouisfed.org/outreach/docs/2024/04/24-04-01-wealth-gaps-remain-despite-widespread-gains)

⁵ [Table 3. Median usual weekly earnings of full-time wage and salary workers by age, race, Hispanic or Latino ethnicity, and sex, first quarter 2025 averages, not seasonally adjusted - 2025 Q01 Results](https://www.bls.gov/news.release/tables/2024/04/24-04-01-table-3)

⁶ [NCH-CountyProfile-Orange.pdf](https://www.nch.org/profile/orange)

⁷ [Earnings Disparities by Race and Ethnicity | U.S. Department of Labor \(dol.gov\)](https://www.dol.gov/ebsa/press-releases/2024/04/24-04-01-earnings-disparities)

⁸ [Effects of Socioeconomic Status on Physical and Psychological Health: Lifestyle as a Mediator - PMC \(nih.gov\)](https://pubmed.ncbi.nlm.nih.gov/36111111/)



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that could be gender identity, sexual orientation, housing status, etc. By supporting these human service organizations and their programs, we inevitably support more equitable outcomes in our community since those organizations are working to reduce barriers and increase livelihood for largely marginalized communities.

Additionally, recent funding cuts made by the federal government have had devastating effects on many of the Town's nonprofit partners, as well as community members.⁹ The cuts have particularly targeted Medicare and Medicaid, SNAP benefits, Women's Health and domestic violence services, and Refugee Support services. These cuts disproportionately burden BIPOC and low-income community members and the nonprofit agencies who serve them, making the need for Town support through the Human Services grant more important than ever.

Who is or will experience community burden?

IF APPROVED –

- Community members who are seeking services may need to learn about and navigate a complex human services network.

IF NOT APPROVED –

- Community members in need of supportive human services that address health, education, and livelihood will potentially have to seek vital services in another county or not receive services at all.
- Nonprofit agencies who have lost federal funding will continue to struggle amidst a difficult economic landscape. They may be even more burdened without Town funds, having lost other funding avenues already.

Who is or will experience community benefit?

IF APPROVED –

- Community members in need supportive human services that address health, education, and livelihood.
- Awarded nonprofits will have greater capacity to serve community members and carry out their missions. A vibrant nonprofit community can meet the needs of the surrounding community subsequently benefits Carrboro as a whole.
- Nonprofits who have lost federal funding may be able to make up some of the gap through their awarded Human Services funds.

IF NOT APPROVED –

⁹ [Federal Funding Cuts Threaten to Leave 680,000 Women and Children Without Critical Support Services](#)



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- Potentially, reallocation of the denied Human Services funding could benefit another community initiative. However, many community members rely on the resources and services nonprofits provide; therefore, it is difficult to see a benefit if funding is denied.

What are the root causes of inequity?

American political, social, and financial systems have worked to actively marginalize many different groups. This has often come in the form of denying rights or access to systems and institutions that greatly benefit one's livelihood, education, and health. For hundreds of years, intentional actions have been taken to deny humanity, wealth and equitable education and employment for BIPOC, women, and disabled people, creating cycles of poverty and social marginalization. This has resulted in large disparities in educational opportunity, wealth and asset accumulation, and social mobility. Disparities have been created and widened through government sponsored intentional racism and marginalization in the form of enslavement, forced displacement and loss of homeland of indigenous peoples, Jim Crow era policy, redlining, restrictive zoning ordinances, predatory and barrier-ridden lending practices, the American Credit System, over-policing of communities of color, the lack of protections for disabled people, the lack of rent control in NC, and white power structures' lack of willingness to address, and explicit desire to maintain, racial disparities.

What might be the unintended consequences of this action or strategy?

Community members in need of resources who may have little to no experience with the human services system will have to learn about and navigate a complex network of human services providers to locate and secure the resources that they need. This could be a source of stress and overwhelm for them, causing them to halt the seeking of services, or affecting other areas of their lives. However, it is more likely that the benefits of receiving necessary services will outweigh this cost.

How is your department planning to mitigate any burdens, inequities, and unintended consequences?

Generally –

The department continues to engage with jurisdictional peers and community partners to advance affordable housing in the community and to address racial inequities in housing under the guidance of the One Orange Countywide Racial Equity Framework and the Town's Office of Race and Equity. Since this department was formed our work has been increasingly focused on racial disparities in housing, preservation of Black neighborhoods, and increasing housing options for extremely low-income households, who are disproportionately BIPOC. This lens is vitally important in all aspects of the Town's work, and especially in housing where there are blatant disparities along racial lines.

Difficulty for community members navigating complex human services network –



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Orange County's extensive network of human services providers can feel daunting, especially because many individuals must utilize several providers to meet their full range of needs. However, OC's human services provider network is extensive precisely so that it can meet the full range of needs of community members. Nonprofit organizations work closely with one another, as well as government agencies, to ensure that information holders give community members accurate information and referrals. As community members engage with services, follow ups are made with involved stakeholders as needed. Carrboro will continue to work closely with nonprofit partners to mitigate the risk of community members becoming overwhelmed by the network of providers, to ensure they become and stay engaged.