

Race and Equity Pocket Questions

Title and purpose of this initiative: Council Approval of FY24-25 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 In 2022, white households owned 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 \$1,631, around 37% higher than the average across North Carolina.⁵ This requires an hourly wage of \$31.37 to afford. The FMR has increased in Orange County by 24% in the last year and 55% over the last five years, resulting in 54% of renters having difficulty affording their homes.⁶ When looking at racial economic disparities across the US and in our area specifically, it is clear that the burden of high housing costs falls disproportionately on communities of color. Black residents make up over 50% of those experiencing homelessness in Orange County, while only comprising 12% of the population. Comparatively, white residents represent 77% of Orange County's population and only 40% of those experiencing homelessness.⁷

These socio-economic experiences can also have a direct affect 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 individuals' 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, it is clear that most clients have some identity that is marginalized whether they are

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/earnings-disparities-by-race-and-ethnicity)

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

⁵ [FY 2024 Fair Market Rent Documentation System — Statewide Summary for North Carolina \(huduser.gov\)](https://www.huduser.gov/portal/publications/fair-market-rent/fmr-2024)

⁶ *The 2024 Housing Need in Orange County*, North Carolina Housing Coalition, January 2024

⁷ [Homelessness in Orange County | ocpeh \(ocpehnc.com\)](https://www.ocpnhc.com/homelessness-in-orange-county)

⁸ [Effects of Socioeconomic Status on Physical and Psychological Health: Lifestyle as a Mediator - PMC \(nih.gov\)](https://pubmed.ncbi.nlm.nih.gov/35811111/effects-of-socioeconomic-status-on-physical-and-psychological-health-lifestyle-as-a-mediator/)

BIPOC or not – 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.

Who is or will experience community burden?

IF APPROVED – Awarded nonprofits who may have to increase their capacity for new programs.

Town of Carrboro will experience some financial burden in funding the nonprofit awards.

IF NOT APPROVED – Community members in need of supportive human services that address health, education, and livelihood.

Nonprofits who will have to look for programmatic funds elsewhere, or completely change or discard a program.

HCS Department may experience administrative burden in collecting nonprofit reporting data.

Who is or will experience community benefit?

IF APPROVED – Community members who are in need of supportive human services that address health, education, and livelihood.

Awarded nonprofits who have greater capacity to serve community members and carry out their missions.

Town of Carrboro will experience community benefit as crucial needs of residents are addressed through nonprofit partnerships.

IF NOT APPROVED – The HCS Department could potentially look to reallocate the denied Human Services funding and funnel it into a different funding pool, such as affordable housing.

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



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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?

Nonprofits that were not awarded may face struggles in starting or maintaining programs and carrying out their missions.

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

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.