

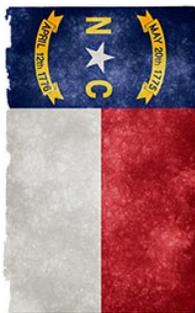


Community and Economic Development in North Carolina and Beyond Blog: Where in NC are the Most Distressed Communities? According to New Report, Look to Urban Areas

By Maureen Berner

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NORTH CAROLINA'S
DISTRESSED URBAN
TRACTS:
A VIEW OF THE STATE'S
ECONOMICALLY
DISADVANTAGED
COMMUNITIES

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The Center for Urban and Regional Studies (CURS) at The University of North

Carolina at Chapel Hill recently released a new report challenging the common idea that rural areas are the most distressed in the state. Instead, the report highlights urban areas as the most distressed. The data in the report should be helpful for Community Economic Development (CED) professionals in urban areas who need evidence of where troubled areas are located and how deeply distressed they are.

The report, *North Carolina's Distressed Urban Tracts: A View of the State's Economically Disadvantaged Communities*, can be found through the CURS website found [here](#). It adds depth to the normally broad-brush picture of economic development need across the state that comes from using aggregate data. The most important take-away from the report is understanding that while poverty and other markers of distressed communities may be more prominent in rural areas overall, the depth of the distress in pockets of urban areas is greater than that found in rural areas. In other words, the majority of severely distressed areas – those neighborhoods facing the toughest development challenges – are found in North Carolina cities, not in unincorporated areas.

North Carolina has 18 urban areas (as defined by the U.S. Census), and every one contains at least one distressed area. A distressed area is a census tract (an established geographic area that generally includes around 4,000 people) with unemployment equal to or greater than 14.5%, annual per capita income that is approximately \$17,000 or less, and a poverty rate equal or greater than 24%. Of the 162 distressed tracts in North Carolina, only 11 are in truly rural areas. The others are in urban settings.

The report is helpful in understanding how badly North Carolina has fared in the wake of the recession overall. The 162 figure of currently distressed areas is using a new, higher standard for designating an area as distressed. If pre-recession criteria were used, 413 tracts would qualify. Overall, the state is in much worse shape compared to a decade ago, regardless of where you live. The report makes clear rural areas are still struggling.

However, it is also helpful in understanding why, on one level, rural areas appear to be doing worse than urban areas on a wide range of economic criteria. Rural areas appear to be the neediest when data are used at the county level and averages are used. That is because counties with urban communities have wealthier areas that bring up the county average on most economic indicators. But when a smaller geographic area, such as census tracts, are used for comparisons, the stark disparities *within* counties show up, highlighting the fact that most *severely* distressed areas are in our cities.

The best aspect of the report for CED officials may be in the appendixes, which list and rank the most distressed tracts,



include maps of all urban areas showing where distressed areas are located, and provide the exact census tract identifier for the 162 distressed tracts so that related census data on those areas can be obtained. Overall, the most severely distressed census tract in the state is still considered rural: the East Kinston area of Lenoir County. The only other rural area in the top 10 severely distressed tracts, ranked 7th, is the Downtown, Rountree and Richardson Square area of Wilson in Wilson County. Otherwise the rest of the top 10 are urban, with the Lockwood area of Charlotte ranking 2nd.