

Investment in the Future:

BIPOC/Adult
Education, Skills
Training, and North
Carolina's Economy

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Unlocking Success with Programs Committed to a Positive Impact

Steps taken to address racial inequality in the private sector and higher education are not always altruistic. This brief examines the economic impact of having a representative workforce, focusing on the state of North Carolina (NC). We discuss the importance of successful education programming designed to address issues related to Black, Indigenous, Hispanic, and people of color (BIPOC) and adult learners through the lens of an equitably skilled workforce, creating a stronger state and nation. It is important to note that there was little economic impact information specific to Tribal and Indigenous people in the data or scholarly works, emphasizing the worst type of racism, “invisibility.”

Particularly in higher education, many programs have been established and continue to address the multiple barriers that BIPOC experience accessing and attending post-secondary education. These programs are vital to the success of BIPOC and adult learners and greatly impact educational success, such as Gear Up, TRIO, Native American Student Affairs programs, etc. One factor largely ignored in the critical conversation on systemic racism from the broader economic discussion is the disparity in access to post-secondary education and the corresponding economic impact (Losavio, 2020).

To rectify this, we must have BIPOC adult members of society with training and development that produces a talented and skilled workforce. To provide sustainability in an increasingly diverse country, advocates note that businesses have little choice but to hire and promote diversity, not because it is socially responsible, but because it impacts their bottom line (Diamond, 2021). However, the success of business and industry is tied to BIPOC and adult learners’ access and pathways to higher education. Though the attainment rate in North Carolina is increasing (9.5% from 2020 to 2021) the increase has not been equitable to the BIPOC population growth and the number of adult learners that need training or reskilling (National Equity Atlas, 2022).

Community colleges are a unique part of the American higher education system that profess to promote access and opportunities for those who might not otherwise attend a college or university. In a stratified higher education system, community colleges have historically been considered comparable to society’s stratified economic system (Brint & Karabel, 1989). Lasavio (2020) stated that

Racism has restrained Black economic progress for decades. The benefits of the post-World War II GI Bill, which fueled the growth of the American middle class, were largely denied to Black people at the insistence of white members of Congress from the South desperate to enforce racial segregation—war heroes or not (p. 34).

Despite this, higher education has steadfastly developed programming that attempts to level the playing field and/or create equity for marginalized and minoritized people.

Equity in higher education is the creation of an environment that meets the needs of marginalized and minoritized populations. It is vital that minoritized, particularly BIPOC students, not be seen as a deficit, but as an opportunity for a healthy and prosperous social, economic, and cultural future for the state. Examples of successful, sustainable programming include [TRIO](#), [Minority Male Mentoring Program](#), and the [North Carolina Promise](#). They are focused not only on removing barriers and meeting needs but also investing in North Carolina’s future.

BIPOC Contributions to the North Carolina Economy

The contributions to the North Carolina economy by BIPOC populations are significant. With a large population of people of color (38%) (U.S. Census Bureau, 2021), the impact of racial wealth and earnings disparities present a meaningful opportunity to grow a stronger economy. By eliminating the racial wealth gap, North Carolina could grow its GDP significantly; resulting in, for example, an estimated \$82 billion dollars more in GDP in 2019 (National Equity Atlas, 2022).

As the BIPOC population in North Carolina continues to grow (Figure 1), businesses, educators, and government leaders must address the disparities known as racial wealth gap (the average wealth of a Black-headed household versus that of a white-headed one) (Aliprantis et al., 2019). or prosperity gaps (prosperity equals “a community where all residents, regardless of race, nativity, gender or zip code are fully able to participate in the community’s economic vitality, contribute to its readiness for the future, and connect to its assets and resources (National Equity Atlas, 2022).” Particular attention must be paid to improving access to education and its benefits. Failure to do so will result in declines in GDP and economic health.

The National Equity Atlas produced by PolicyLink and the USC Equity Research Institute (ERI) uses a prosperity score to examine how different racial/ethnic group populations in the United States are living compared to the community as a whole and the other races. The scores range from 1 (needing the most improvement) to 100 (prosperity is equal). The score is based on indicators of unemployment, median wage, poverty, educational attainment, disconnected youth, school poverty, air pollution, commute time, and rent burden (National Equity Atlas, 2022).

Figure 1

U.S. Census Bureau: Population by Age & Race/Ethnicity, Actual & Projected

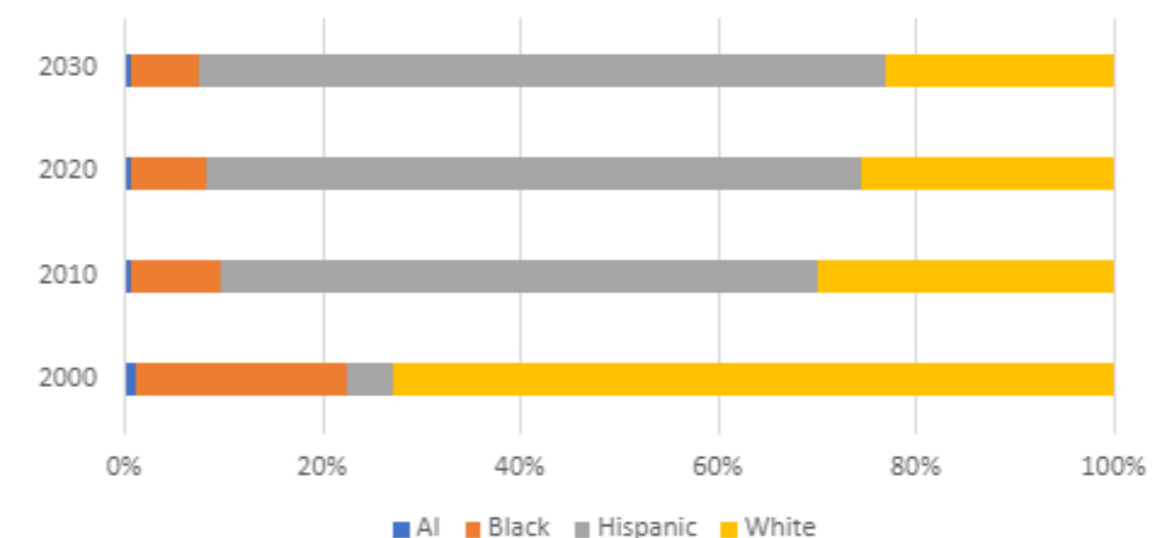
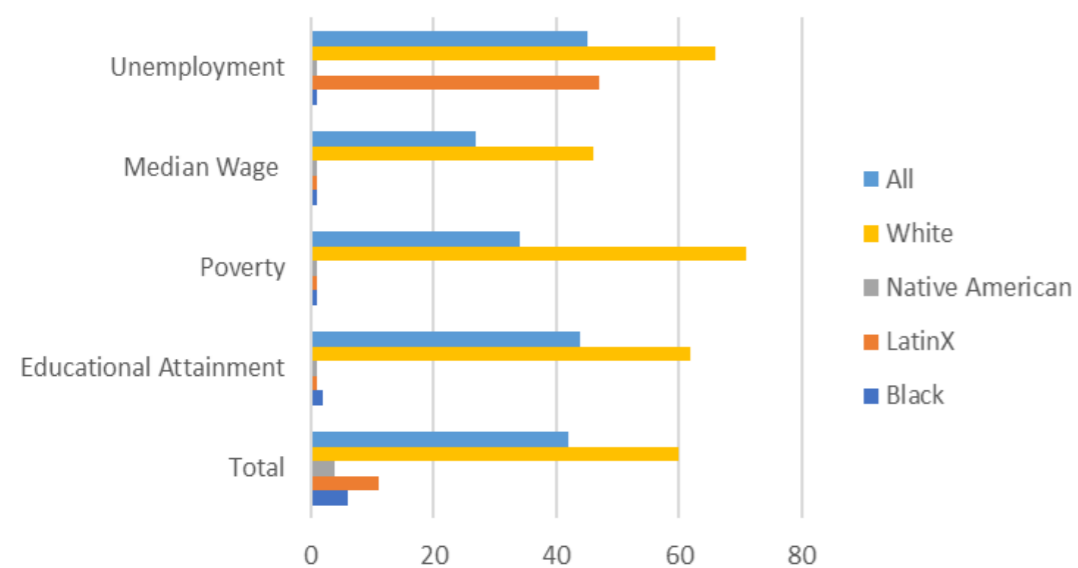


Figure 2

North Carolina Prosperity Score 2019



Source: Adapted from Racial Equity Atlas, 2022

The difference in wealth gap scores for White and BIPOC North Carolinians is striking (Figure 2). Native Americans have a prosperity score of 4 compared to 60 for White residents, while Black residents score equally low at 6. The score is 11 for the Latinx population. These factors contribute to a lack of economic mobility among North Carolina's BIPOC population. According to the Census Bureau (2021), North Carolina had the 19th highest level of income inequality. States with high-income inequality are less likely to encourage economic mobility. A North Carolinian born into the lowest income quartile only has a 3 to 8% chance of rising to the highest quartile as an adult (John M. Belk Endowment & MDC, 2016). For populations of color, who disproportionately earn at the lowest quartile, significant mobility is slim.

As the BIPOC population becomes a significant working-age population, K-12 and higher education systems must identify and meet the needs of changing demographics. In North Carolina, where the K-12 system has been found to systematically underfund and fail to provide basic education to minority and rural populations (NC Public School Forum, 2022), the lift for higher education institutions and the workforce development system increases. As adults of color enter systems of higher education, it is essential to understand that they come with a history of racialized inequities; the racial stratification that starts in preschool and continues through K-12 education must be actively disrupted. Changes must be made for learners of color to increase access for learners of color to opportunities such as honors classes, (where currently schools who serve predominantly students of color offer an average of 9 fewer honors classes than predominantly White schools (Triplett & Ford, 2019)), and the North Carolina College and Career Promise (CCP) program, (the dual enrollment program for high schools students) which serves predominately white students (60% White, 1% Native American, 13% Hispanic, and 13% Black (North Carolina Community Colleges, 2020-2021)). Additionally, in order to increase the six-year completion rate for students of color at community colleges, (which in 2019 was 52.5% White, 38.2% Hispanic, and 29.2% Black), conscious attention must be paid to individual populations (Shapiro et al., 2017).

Positive Social and Economic Impact of BIPOC Education, Training, and Success

The relationship between education and economic growth has been widely discussed. The XQ (2022) report on the future of work discusses how increasing student achievement will add \$70 trillion to the GDP through the development of new jobs, annual earnings, annual spending, and federal income tax. Studies from the Brookings Institute demonstrate the connection between education and economic growth beyond high school completion. One study found a college or university degree in any major is crucial to increasing one's earning potential (Broady & Hershbein, 2020). Additionally, the economic gains of postsecondary education are not limited to the student. A bachelor's degree holder contributes \$278,000 and those with associate degrees and skills training contribute \$81,000 to local economies over their lifetime (Rothwell, 2015).

In 2016, the John M. Belk Endowment sponsored statewide and regional research reporting on patterns of economic mobility and educational progress in North Carolina. It looked at the "demography and geography to determine who is being successfully prepared for entry and success in the most economically rewarding sectors of the state's economy" (John M. Belk Endowment & MDC, 2016). This research analyzed the education-to-career continuum of the eight regions and community college initiatives that contributed to residents improved economic well-being.

Community colleges' missions of accessibility and pathways development position them to have a greater impact and increase BIPOC student success by expanding access to better-paying jobs and improved well-being on many levels. The John M. Belk Endowment (2016) notes "Many communities are already working toward better alignment. A strong education-to-career continuum connects more people to the necessary postsecondary credentials and family-supporting employment needed for individuals, their communities, and the state to thrive" (p. 4).

Education and economic mobility improve the socioeconomic conditions of every state and mitigate the social impacts associated with poverty. The John M. Belk Endowment report found that a rate of return of \$1.90 to taxpayers for every \$1.00 of public money invested in North Carolina community colleges over the course of the students' working lives (John M. Belk Endowment & MDC, 2016).

The presence of community colleges benefits the state in two major ways: increased economic base and increased lifetime earnings from students' who achieve educational success. Education and skills training of BIPOC/adult learners increases employment and income, reduces levels of social assistance, enhances small and medium enterprise sector growth, diversifies the economy, and provides indirect employment opportunities (Dylan et al., 2013; Horowitz et al., 2018; Kadenic, 2015; Meerveld, 2016).

Solomon, Maxwell, & Castro (2019) show that social impacts, a by-product of education and skills development, contribute to a strong and sustainable economic future. The John M. Belk Endowment Report (2016) states, "education is statistically correlated with a variety of lifestyle changes that generate social savings" (p. 15). Improved lifestyles lead to savings in medical costs, reduced income assistance through decreased welfare needs, and fewer unemployment claims.

The Collective Economic Value of North Carolina Community Colleges Report (2021), found:

The social benefits of North Carolina Community Colleges equal a present value of \$35.3 billion. These benefits include \$23.8 billion in added student income, \$8.7 billion in added business income, \$2.1 billion in added income from the colleges' activities, as well as \$633.9 million in social savings related to health, crime, and income assistance in North Carolina. People in North Carolina invested a present value total of \$4.7 billion in North Carolina Community Colleges in FY 2019-20. The cost includes all the colleges' expenditures and student costs. The benefit-cost ratio for society is 7.5, equal to the \$35.3 billion in benefits divided by the \$4.7 billion in costs. In other words, for every dollar invested in North Carolina Community Colleges, people in North Carolina will receive a cumulative value of \$7.50 in benefits. (p. 7)

The benefits are clear and simply put from an investment analysis where one evaluates the costs associated with a proposed venture against its expected benefits, if the benefits outweigh the costs, then the investment is financially worthwhile. Subsequently, North Carolina Community Colleges are an investment for the state's economic future from the perspectives of students, taxpayers, and society.

Summary

In conclusion, successful education programming resulting in a career-ready workforce is crucial to a continued economic and social development in the state of North Carolina. Meeting the needs of Black, Indigenous, Hispanic, and people of color (BIPOC), as well as adult learners, is the only way to reach the full potential and sustainable positive national economic future. Through the lens of an equitably skilled workforce, we can and must do a better job of translating our ideals into policies and practices that sustain opportunity for every person.

Equity in higher education can be accomplished by meeting the needs of marginalized and minoritized populations, particularly BIPOC students. As well, the North Carolina economy can increase its GDP by positively impacting the racial wealth gap. North Carolina Community Colleges as presented in this brief generated \$35.3 billion in social benefits in 2019-20, including \$23.8 billion in added student income, \$8.7 billion in added business income, \$2.1 billion in added income from the colleges' activities, and \$633.9 million in social savings. The information presented demonstrates that the benefits of North Carolina community colleges is an investment to the future of North Carolina.



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