

THE NORTH CAROLINA LEADERSHIP FORUM

2017 FINAL REPORT

POLICY CHALLENGE

*How can we enable more
North Carolinians to earn enough
to support their families?*

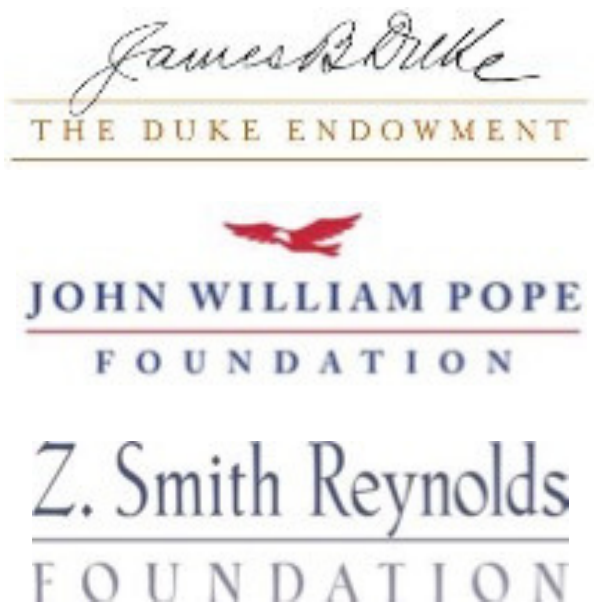


Duke

SANFORD
SCHOOL OF PUBLIC POLICY



NCLF FUNDERS



NCLF LEADERSHIP

Anita Brown-Graham, Steering Committee
UNC School of Government

Gene Cochrane, Steering Committee
The Duke Endowment

John Hood, NCLF Co-Chair
John William Pope Foundation

Frederick Mayer, NCLF Director
Sanford School of Public Policy

Chuck Neely, Steering Committee
Williams Mullen

Ryan Smith, NCLF Associate Director
Sanford School of Public Policy

Leslie Winner, NCLF Co-Chair
Former Exec. Director, Z. Smith Reynolds Foundation



Cover art by Jim Phillips, NCLF participant

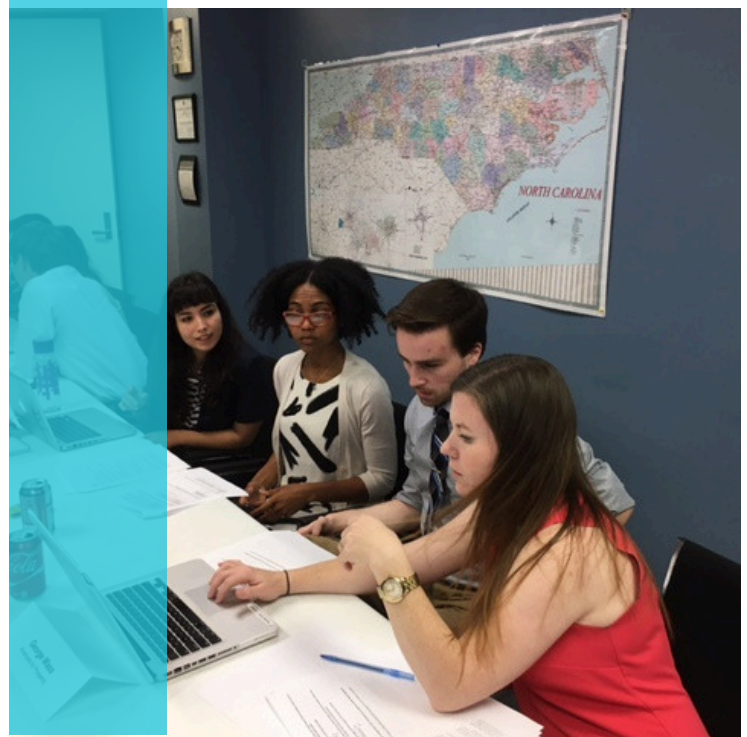


TABLE OF CONTENTS



3

EXECUTIVE SUMMARY

8

UNDERSTANDING THE NATURE OF THE PROBLEM

20

SEEKING MUTUALLY ACCEPTABLE SOLUTIONS

37

WHAT WE LEARNED THROUGH THE PROCESS

42

APPENDICES



LEARN MORE ONLINE:

WWW.NCLF.SANFORD.DUKE.EDU



EXECUTIVE SUMMARY

The North Carolina Leadership Forum (NCLF) was established to provide a place where leaders could come together across party lines and ideologies, and bring their different professional experiences, regional perspectives, and racial and gender viewpoints to a conversation about a major issue facing North Carolina: How to enable more North Carolinians to earn enough to support their families. Our goals were twofold: to engage in frank and civil discourse that could help us better understand each other and build greater trust among us, and to learn together about the problem and, to the extent possible, find common ground on possible solutions.

North Carolinians have long had a practical, problem-solving orientation to politics. We have always had our differences, of course, but in the end we could usually come together to address our common problems. Today, however, that culture is sorely tested. The tenor of the times is highly partisan, and we find ourselves sharply divided. We rarely talk to people with whom we disagree, operate with different facts and beliefs, too often assume the worst about others' motives, and, for all these reasons, are less willing and able to work together.

Of the issues facing our state, none is more important or more challenging than the difficulty too many North Carolinians face in earning enough to support themselves and their families. Even in the current economy, when the official unemployment rate is low and parts of the state are thriving, many families struggle to earn enough to put food on the table, afford a decent place to live, cover basic health care expenses, provide adequate care for their children, and otherwise enjoy the essential elements of a decent life. For too many in our state, the American social compact seems broken. They can no longer rely on the promise that if you work hard and play by the rules, you can enjoy a good life for yourself and a better life for your children.

This report summarizes the proceedings and findings of the first year of the NCLF. It documents a process through which a highly diverse group of leaders engaged in an extended civil discussion based on perceptions, facts and evidence, found common ground on many matters, and, where they could not agree, came to a better understanding of the basis for their disagreement. At a time when we are bitterly divided, NCLF is a testament that civil discourse is still possible and offers hope that we can continue to work together for the benefit of the people of North Carolina.

We note that the issues we explored over the course of the year are enormously complex and defy easy

solutions. The report is not, therefore, a comprehensive blueprint for how policy makers should address them. It does identify several specific actions on which there was widespread agreement, but the main thrust of this report is to characterize the nature of the problem and to suggest policies that have sufficient promise to merit greater consideration by policy makers.

"North Carolinians have long had a practical, problem-solving orientation to politics [...] today, however, that culture is sorely tested"

Summary of Process and Findings

NCLF was hosted by Duke University's Center for Political Leadership, Innovation and Service (POLIS) and made possible by the generosity of three North Carolina foundations: the John William Pope Foundation, the Z. Smith Reynolds Foundation and The Duke Endowment. The Forum was directed by Duke Professor and POLIS director Frederick Mayer and by NCLF Associate Director Ryan Smith of Sanford School of Public Policy, co-chaired by John Hood and Leslie Winner, and guided by a steering committee composed of Anita Brown-Graham, Gene Cochrane, John Hood, Chuck Neely, and Leslie Winner. Patrick Field of the Consensus Building Institute provided process advice and served as facilitator for some of the discussions.

Together the team identified 32 leaders who represented the range of experiences and perspectives of our state. Those leaders received an invitation to join the Forum from former Governors Jim Hunt and Jim Martin, joined by Art Pope, Rick Glazier, Ann Goodnight, and Duke President Richard Brodhead. See Appendix 1 for a list of forum members. The charge to NCLF participants was to address the question: How can we enable more North Carolinians to earn enough to support their families?

The Forum met five times over a period of one year, three times for a full day and twice for a day and half. To facilitate frank and open conversation, the discussions were conducted on a not-for-attribution basis. In addition, many members took part in one or more informal dinners held around the state.

We began by considering the nature of the problems facing North Carolinians, discussing both statistical data gathered from a wide range of sources and short documentary films commissioned by NCLF about individuals struggling to make ends meet. A cost-of-living calculator developed by NCLF staff enabled Forum members to explore how much workers need to earn to adequately support their families. Together the data, documentary films, and cost of living calculator provided Forum members with a common set of facts about the challenges faced by North Carolina families.

The Forum then turned to understanding the underlying causes of the problem: What obstacles now prevent North Carolinians from earning enough to support their families? Our discussion centered around five topics: inadequacy of compensation, unavailability of jobs, lack of skills, personal obstacles to work, and financial vulnerability. We recognized, too, the importance of family structure, but did not make it the focus of our discussion because there seemed few ways to address the issue directly through policy. Although there was less consensus on the causes of the problem than on its consequences, there was nevertheless considerable agreement that all of the named factors matter to some degree.

Finally, the Forum turned to identifying possible solutions to these problems and to exploring whether we could find common ground on how to address them. For each obstacle, we generated a wide range of options and narrowed them down. Then we commissioned separate briefing papers on the pros and cons of each from the John Locke Foundation and the North Carolina Justice Center.

View all the background materials we prepared and learn more about the process employed by NCLF:

www.nclf.sanford.duke.edu

To further focus our conversation, we further narrowed our scope to policies that might begin to address the causes that NCLF members felt were the most important. We identified five specific policies that seemed most promising, either because they might have a large impact on the problem or because they had the highest likelihood of implementation. While we recognized the important role faith communities, civic groups, and voluntarism play in addressing some of the challenges we identified, we concentrated our attention on options for public policy, because it was clearer how to implement them.

Not surprisingly, there was considerably less agreement on how to respond to the problem than on the nature and causes of the problem. It was never the objective of the Forum to produce a detailed blueprint for how North Carolina should address our core question. Nevertheless, that we found agreement on aspects of several important issues suggests that these are promising avenues to pursue.

Raising the minimum wage

Although all agreed that earning the current minimum wage is insufficient to support a family, and a majority favored some increase in the minimum wage (with \$12 per hour receiving the highest level of support), a minority of Forum members opposed an increase, some of them because they believed that it would

reduce the number of jobs and increase prices for consumers. There was general agreement that if North Carolina were to adopt a minimum wage increase, it should be phased in over a number of years to minimize these undesirable results.

Reinstating tax credits

Most Forum participants agreed that tax credits could help more North Carolinians support their families, but only as a complementary part of a larger suite of interventions. Making the Child Tax Credit refundable would expand its impact to help those who do not owe any income taxes but do pay sales and other taxes, but it does not directly incentivize work. Reinstating the state Earned Income Tax Credit would reward working families more directly, but to make a significant difference it would need to be set at a level higher than its former level of 5% of the federal refund.

Eliminating barriers to employment for justice-involved persons

All participants agreed that we can and should do more to remove obstacles to employment for the more than one million people in our state with criminal records. Participants strongly support a combination of measures – reforming expunction laws, expanding certificate of relief, and encouraging more employers to “ban the box” – to eliminate unnecessary barriers to employment for people with criminal records.

Reforming licensing requirements

Most participants agreed that for certain professions occupational licensing plays an important role in protecting consumers and in providing employers with greater assurance in their hiring decisions. However, participants also agreed that licensing does not always improve consumer protection or services or protect public health and safety. Benefits from increased wages for licensed workers and improved service quality need to be weighed against the costs of making it more difficult to enter an occupation. All participants agreed that while some reforms to occupational licensing are needed, these reforms are only a part of the solution to increasing the availability of good jobs in our state.

Growing apprenticeships in our state

Participants agreed that apprenticeships are a promising vehicle for aligning the skills of workers with available jobs, and that we should do more to increase the number of apprenticeships in North

Carolina. A clear majority favored increased state investment through some combination of tuition assistance, employer assistance, and marketing to grow apprenticeships

It is a testament to their commitment to North Carolina that NCLF members were willing to devote so much time to this process, and that despite considerable differences in background and political perspective the conversations were always thoughtful, informed, and civil. Forum members reported that through the process they became better informed of the complexity of the issue, better understood the perspectives of others with whom they disagreed, were at least open to persuasion based on evidence and, in some cases, modified their views. NCLF members were near unanimous in believing that through the process they developed valuable relationships that will help them and that a network of connections among North Carolina leaders will be an asset to our state as we seek, together, to confront the challenges we face.

“NCLF members were near unanimous in believing that through the process they developed valuable relationships that will help them and that a network of connections among North Carolina leaders will be an asset to our state as we seek, together, to confront the challenges we face.”

1

UNDERSTANDING THE NATURE OF THE PROBLEM

The North Carolina Leadership Forum (NCLF) convened a group of leaders from across our state around a significant challenge facing North Carolina: How can we enable more North Carolinians to earn enough to support their families? Participants spent the first of four planned meetings listening – both to videos of stories from North Carolinians struggling to provide for themselves and their families, and to one another’s understanding of the nature of the problem. Through these discussions about and explorations of the barriers preventing more in our state from achieving financial security, NCLF participants were able to understand more fully how the problem is characterized and perceived by those with different backgrounds and perspectives, and to identify more clearly areas of mutual agreement.

NCLF participants spent considerable time in the first two meetings working together to define and better understand the nature of the problem in terms of its scope, consequences, and causes. Participants entered the process with a common belief that some North Carolinians were struggling to earn enough to support their families. But how many in our state

NCLF participants spent considerable time in the first two meetings working together to define and better understand the nature of the problem in terms of its scope, consequences, and causes.

fell into this category? Who were they? Where did they live? How much did they earn and how many hours did they work? Why did they struggle? And how much is “enough”? These were just a few of the questions that, at the outset, we sought collectively to understand better.

Answering some of these questions – including identifying how many are not making enough to support their families – is not a straightforward task. It depends, among other things, on how much you think a family needs to be self-sufficient, what expenses you consider are necessary, how many children and workers are in the household, and where they live. We did not begin our discussion with the answer to how many are struggling to make ends meet, nor did we end our discussion with a clear answer.

“The process erased the anecdotal...The data made me focus. It is a pretty impressive factual background.”

-NCLF participant

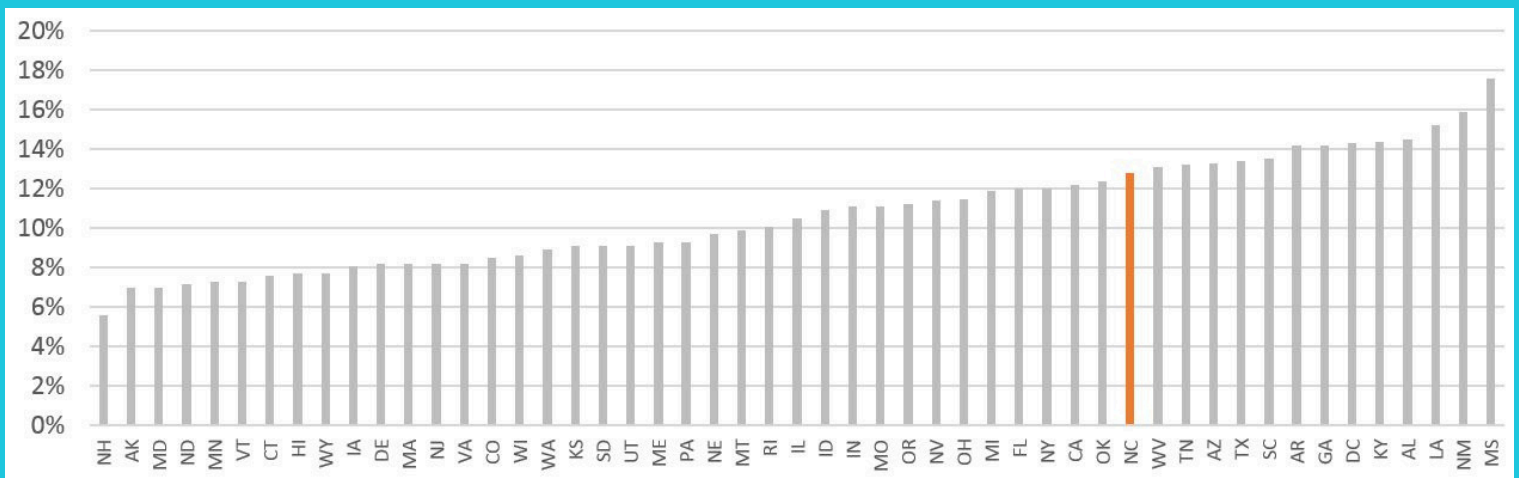
UNDERSTANDING THE NATURE OF THE PROBLEM

One metric for framing the size and magnitude of the challenge relates to poverty levels. In North Carolina, 12.8% of all families lived below poverty in 2015. Graph 1 shows how our state stacks up to others in the United States. However, many NCLF participants would argue that simply rising above the poverty level is not the measure of “earning enough to support your family.” Families just above the poverty level all still need significant public assistance. If we extend the measure to 150 percent of poverty – a measure for low-wage work – the number of families

increases to 21.8 percent (Graph 2). Over half a million families in NC earn less than \$30,000 per year (Graph 3).

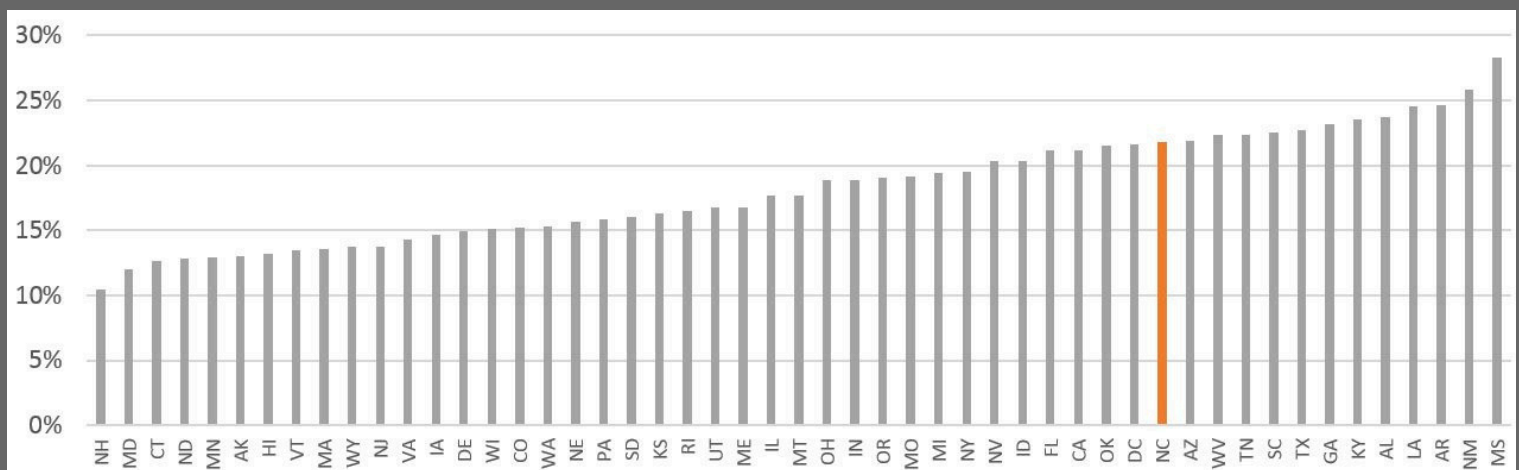
One factor these graphs fail to account for is the number of hours people work. NCLF participants all agreed that NC workers ought to be able to support their families on full-time employment. The graphs below include those who work more than 40 hours, so if you are concerned for families where parents must work significantly more than 40 hours per week, then the size of the problem grows larger.

Graph 1. Percent of families earning below poverty (\$24,250 for a family of 4 in 2015)



Source: U.S. Census Bureau, 2011-2015. American Community Survey 5-Year Estimates.

Graph 2. Percent of families earning below 150% poverty (\$36,375 for a family of 4)



Source: U.S. Census Bureau, 2011-2015. American Community Survey 5-Year Estimates.

UNDERSTANDING THE NATURE OF THE PROBLEM

Graph 3. Income of NC families in past twelve months, in 2015 inflation-adjusted dollars



Source: U.S. Census Bureau, 2011-2015. American Community Survey 5-Year Estimates.

BUILDING A SHARED UNDERSTANDING THROUGH STORIES AND FACTS

To build a shared understanding of the nature of the problem, we listened to, read, studied, wrestled with, and discussed a common set of narratives and facts. We started with stories from a diverse group of North Carolina workers and employers. Each story captured a different aspect of the problem and revealed how multifaceted the challenge was that we were seeking to address. The stories also reminded us that real people and their struggles often do not fit neatly into any single explanation we might have for why they struggle.

We chose to start with stories to ground our later conversations, which focused more on data and facts, in the lives of real people in our state struggling to get by, and to put a human face on the bigger challenge.

Empathy is an important part of leadership and problem solving. We heard from:

- A Greensboro firefighter, who, in addition to his full-time job, has four other part-time jobs and routinely works 90 to 100 hours per week. He shared that his paycheck usually does not cover his bills. When unexpected hardships hit – his dog needed surgery and his air conditioning unit needed replacing – he falls even farther behind. The financial stress and long hours are taking a toll on his health. Only in his early 30s, he has started having heart problems.
- A Durham home healthcare worker, who works for three different agencies, all part-time. She receives no benefits, no paid vacations, no time off, no overtime, and no sick days, and makes \$10 per hour. She shared that she usually works around the clock, sleeping in her car between shifts, and, as a result, has very little time to spend with her family.

UNDERSTANDING THE NATURE OF THE PROBLEM

- A recently laid off worker in Clayton, who lost his job in his late 50s after his employer filed for bankruptcy in 2012. He spent several years looking for work, but having never finished college and having no professional network to draw on, he found there were simply “no jobs available for a 61-year old” with his skill set. With his home now in foreclosure, he has exhausted his family’s savings and retirement fund to pay the bills.
- A formerly incarcerated man, released at the age of 29 after serving 10 years in prison. He now earns \$10 per month washing dishes in a hotel, and has no money left at the end of each month. He has children and struggles to provide for them. He wishes he knew how to manage his money better, and finds it very difficult to save for the future.
- A Raleigh construction company owner who shared that his biggest challenge as an employer is finding skilled workers in particular trades – plumbers, electricians, mechanics, and specialty carpenters. He reported that he had recently spoken with an electrical company intent on hiring 60 electricians, which ended up using outsourced labor providers to reach the target.
- An owner of a Charlotte brewery, who has gone from employing 5 to 37 people. He said some government regulations and taxes threatened the growth of his business and might eventually require that he layoff part of his workforce. He wonders how many more jobs he might be able to create with changes in laws that limit the amount of beer that self-distributing breweries can produce. He pays the state \$45,000 per month in taxes..



“ We don’t get into it for the money. You’re in it to make a difference ... To be able to make a little bit more would be amazing. I’d probably have one extra job, but I know wouldn’t be working five ... I need to cut out some jobs, but it’s hard to, because I know I also need to make a living and pay bills. ”

“ Textiles gave a huge help to my grandfather, some of my uncles, to my father and my mother. They created jobs and careers. Today, it’s a whole new world. I never finished college...If you can’t check the box on your college education, you are out there and you are alone. ”

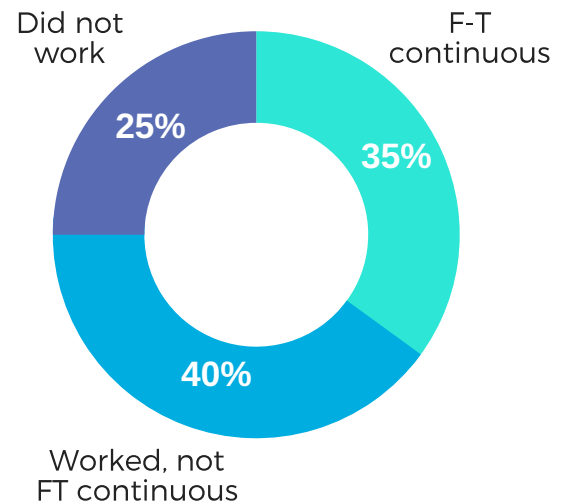


Watch their stories at www.ncif.sanford.duke.edu

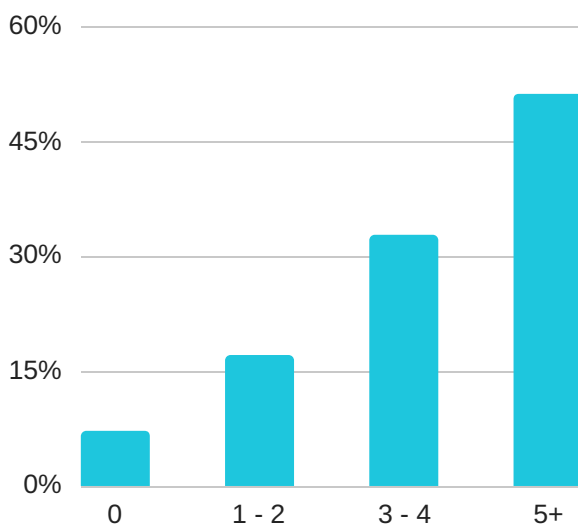
UNDERSTANDING THE NATURE OF THE PROBLEM

In addition to these stories, we examined the data to better understand who in our state is struggling to make ends meet. Their profiles are diverse and difficult to categorize. For starters, North Carolinians in this category, as indicated in the graphs below, tend to work and raise children in single parent households (Graph 4, 5, 8). They are also more likely to be persons of color and have a high school diploma or less (Graph 6, 7). These families live in both our rural communities, where a greater percentage of residents are poor, and in our urban communities, where large numbers live in deep pockets of concentrated poverty (Graph 9).

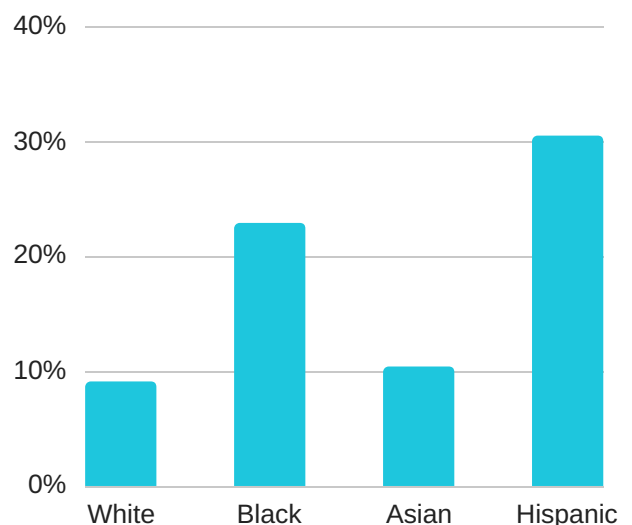
Graph 4. Working status of families living below poverty in NC, 2015



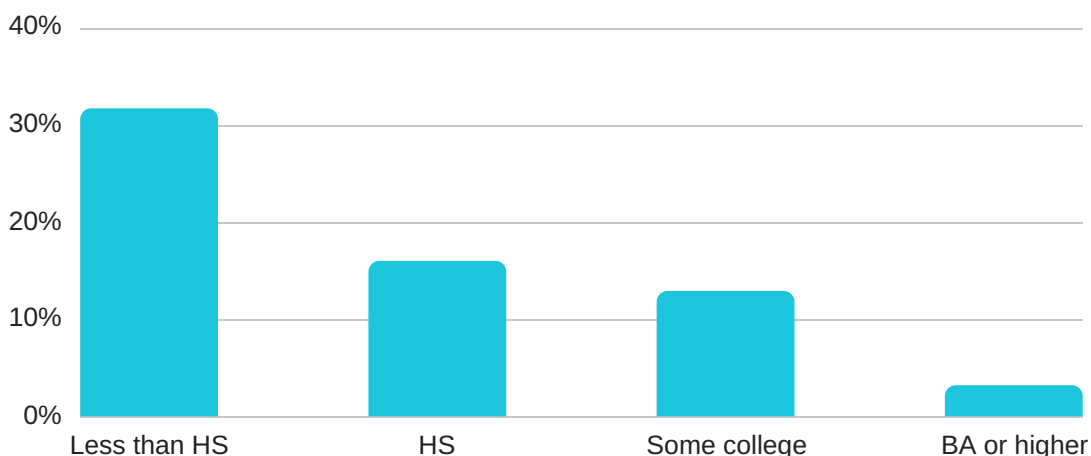
Graph 5. Percent of NC families living in poverty by number of own children in house, 2015



Graph 6. Percent of NC families living in poverty by race/ethnicity, 2015

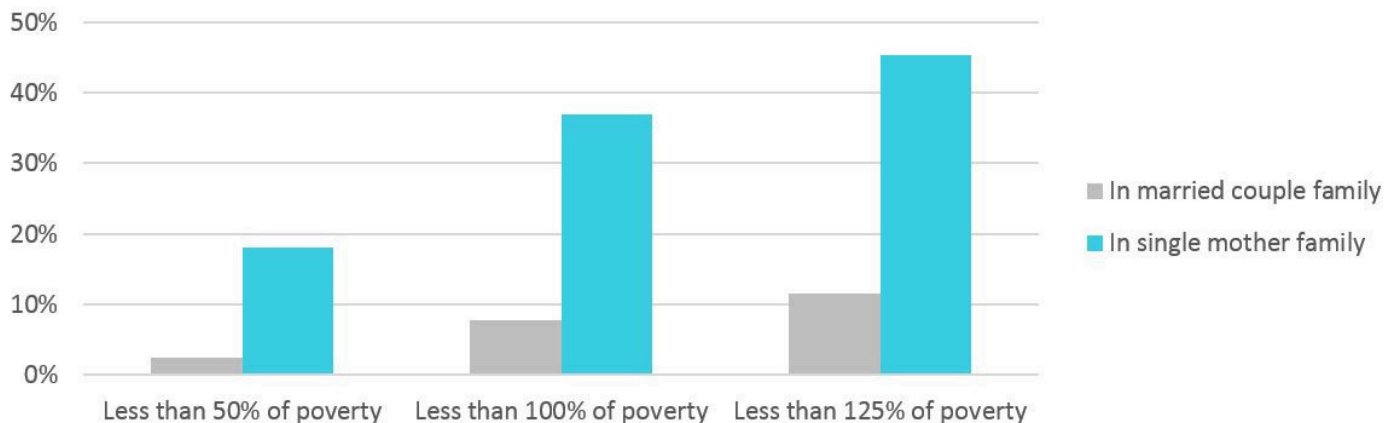


Graph 7. Percent of NC families living in poverty by educational attainment, 2015



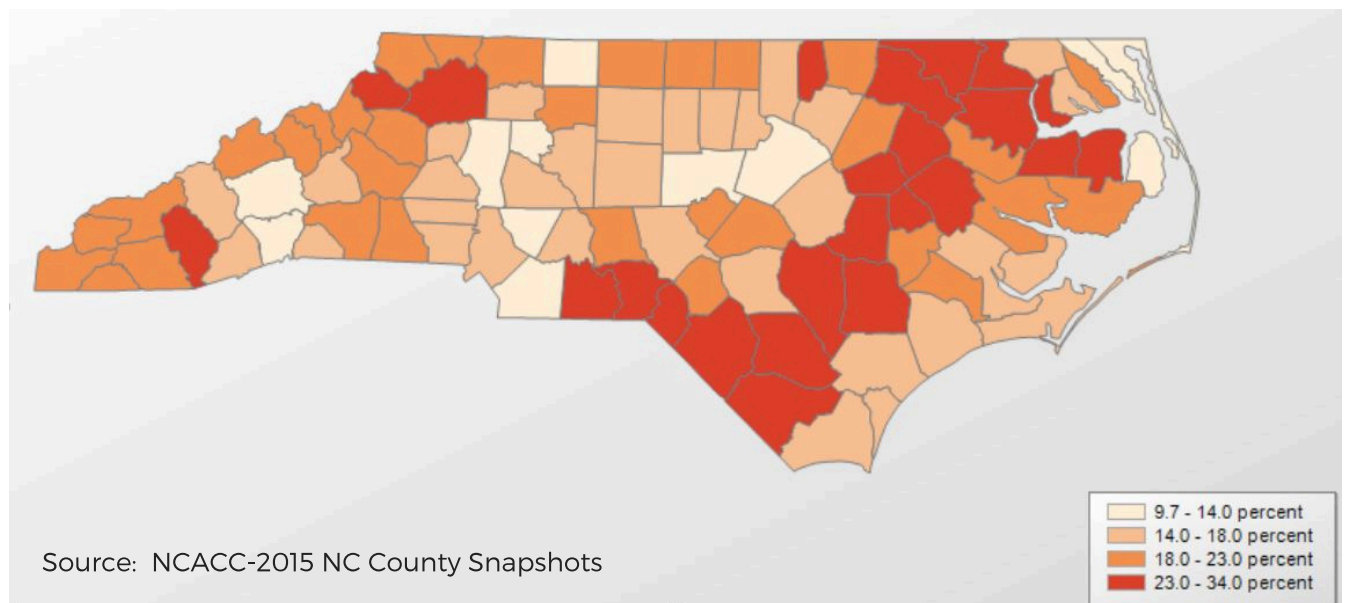
UNDERSTANDING THE NATURE OF THE PROBLEM

Graph 8. Percent of people living in poverty in NC by living arrangement, 2015



Graph 9. Percent of people living in poverty in NC County, 2015

But percentages can mask the effect of sheer numbers. For example, the number of people living in poverty in Wake and Durham Counties exceeded that of 21 northeastern NC counties.



MANIFESTATIONS OF THE PROBLEM

We compiled and collectively reviewed a wide range of facts relevant to the overarching challenge: from data on key economic outcomes (income, assets and wealth, poverty rates, economic mobility, public assistance, and life expectancy) to statistics on numerous factors related to these outcomes (income, assets and wealth, poverty rates, economic mobility, public assistance, and life expectancy) to statistics on

numerous factors related to these outcomes (educational attainment, family composition, labor supply and demand, wages, workforce development, business climate, unionization and collective bargaining, cost of living, and barriers to employment and financial security). For each of these data points we examined differences both between urban and rural communities as well as within urban communities, and the role of historic inequities along racial and gender lines. We also reviewed migration and urbanization trends. Data reviewed by participants is available at www.nclf.sanford.duke.edu.

UNDERSTANDING THE NATURE OF THE PROBLEM

THE FACTS THAT MATTER

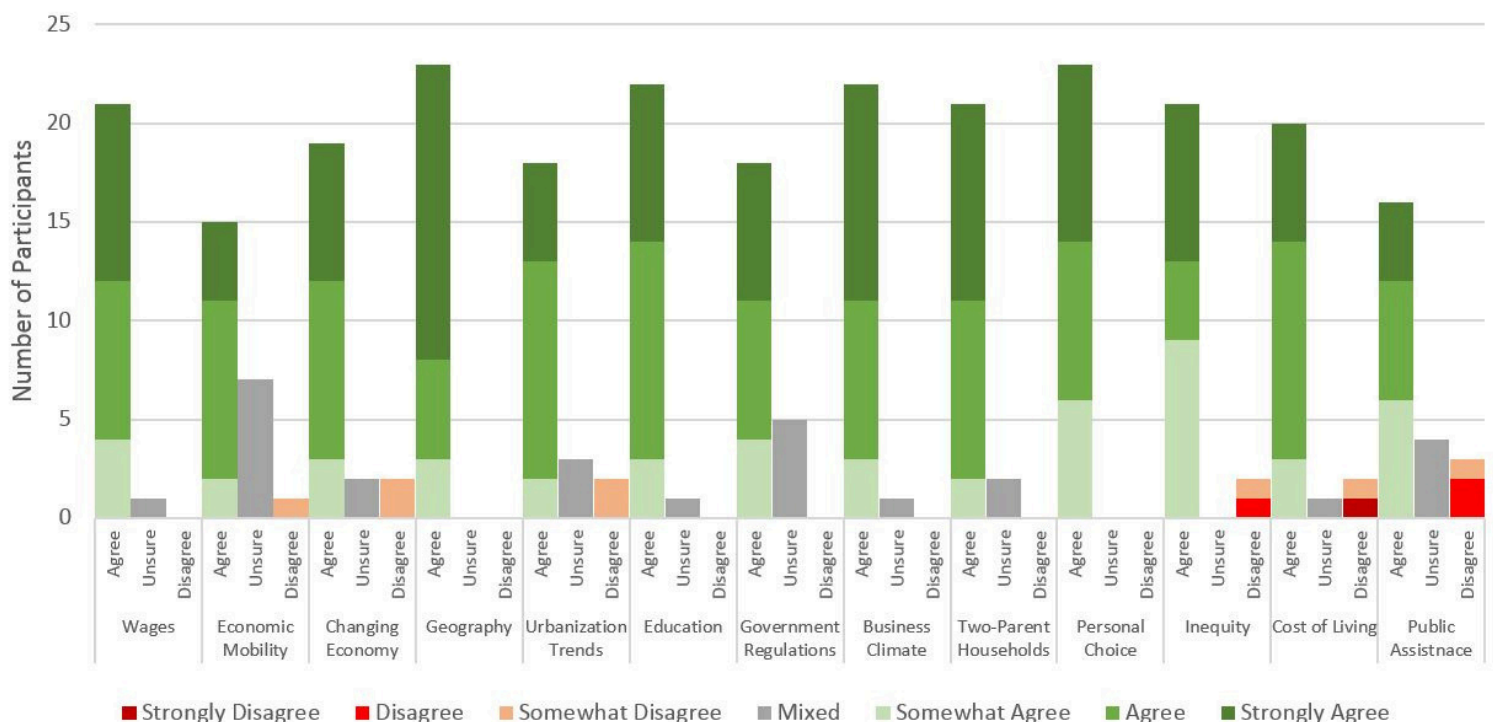
After a lengthy review and discussion of the data, participants largely agreed on the following statements, listed in no particular order, as important for understanding the problem. Graph 10 summarizes the extent of agreement with these statements.

- **Wages matter.** Too many North Carolinians who work full-time or have multiple part-time jobs earn too little to support their families.
- **Economic mobility matters.** The North Carolina economy has a large number of low-wage jobs that provide few, if any, pathways to higher wages. In a 2015 study of economic mobility, Charlotte ranked last out of 50 metro areas in the nation.
- **A changing economy matters.** Globalization has increased competition for both North Carolina workers and businesses. The older manufacturing and agricultural economies are shifting dramatically to a knowledge- and service-based economy and a rise in contingent and part-time employment. The changing economy means jobs for some in our state are found, not at home, but in neighboring counties and communities. Automation, robotics, and other technological advancements could significantly reduce the number of currently filled jobs over the next decade and create a surplus of human capital in need of redeployment – a concern that many argued “should be more on our radar.”
- **Geography matters.** North Carolina economic growth is very uneven across regions and areas. The significance of place is much more complex than the phrase “urban-rural divide” suggests. While many rural areas are losing jobs, rural communities are not homogeneous across our state; some urban areas are better off than others; and even the most prosperous urban and suburban areas have pockets of deep poverty where many struggle to make ends meet under the compounding effects of concentrated poverty.
- **Urbanization and migration trends matter.** While North Carolina remains the most rural among the ten most populous states, it is becoming increasingly urban and some rural areas will continue to lose population. Increasing diversity in both urban and rural areas of the state, partly due to migration, contributes to the what some have called the “browning of America.”
- **Education matters.** Adaptable technical skills, knowledge, and educational attainment are strongly associated with higher wages and increased economic security. “Soft skills” (e.g. interpersonal skills, timeliness, professional attire) are also crucial to gaining and keeping employment, and many North Carolinians lack these skills.
- **Government regulations matter.** Regulations, from taxation to occupational licensing, play an important role in affecting economic environments, determining the level of job growth and creation, and mitigating some of the negative consequences of a changing economy while providing enough flexibility for disruptive innovation to occur.
- **Business climate matters.** The availability of infrastructure, proximity to major markets, energy availability and costs, strong public schools, and quality of life factors influence the decisions of employers to make NC home.

UNDERSTANDING THE NATURE OF THE PROBLEM

- **Two-parent households matter.** Single parent households are at much higher risk of poverty and severe economic insecurity, and children living in poverty often face more obstacles to successful academic and life outcomes.
- **Personal choices matter.** Some decisions individuals make create barriers to finding or keeping jobs. Examples include, but are not limited to, choosing not to relocate to areas with more opportunity, dropping out of school, using drugs, and breaking the law. Factors outside of or in addition to individual choice may contribute to these decisions or exacerbate the consequences they face as result of them.
- **Inequities matter.** Long-standing and historic inequities along racial and gender lines entrench and exacerbate the problem for many. For example, people of color, on average, have fewer assets, must bear greater financial responsibility for their extended family, and receive fewer transfers of wealth from previous generations.
- **Cost of living matters.** The rising costs of health care, housing, tuition, and other basic expenses, coupled with stagnating family income, keep many families in a constant state of financial fragility, with little, if any, ability to save money or cover even relatively small financial shocks.
- **Public assistance matters.** For families with low incomes, public assistance and subsidies play an important role in helping them overcome barriers to employment and meet basic needs if employed in low-wage jobs. Childcare subsidies, unemployment benefits, and tuition assistance are just a few examples of how public assistance and subsidies help North Carolinians stretch their earnings to support their families.

Graph 10: Level of Agreement among Participants on What Facts Matter Most
Most participants agreed on a wide range of facts that are central to understanding the problem.



UNDERSTANDING THE NATURE OF THE PROBLEM

Together these facts challenge the broadly shared sense that North Carolinians ought to be able to support themselves and their families on full-time employment. Too few people in our state earn enough to support their families, and for many the American Dream is increasingly out of reach. This problem is not merely one for individuals and families, many of whom struggle with multiple part-time jobs with no benefits to pay bills, manage debt, raise children, gain new skills, and navigate a dynamic, rapidly changing economy. It also poses a problem for the health and well-being of the state as a whole. Economically stressed individuals will struggle in their marriages, parenting, and in engaging

with and in their communities.

Communities suffer as individuals have less time to volunteer in local clubs, churches, and organizations.

Businesses suffer because their customers do not have more money to spend, and their workers are economically insecure and do not have the means to advance training, skill sets, and work habits. We would all be better off if more North Carolinians were able to increase their incomes and savings through work, put their talents to use, contribute more to the tax base, reduce the cost of social services ranging from Medicaid to criminal justice, and participate more actively in their families and communities.

DEFINING HOW MUCH IS "ENOUGH"

One of the more challenging questions we faced early in the process was quantifying what we meant by "earn enough" to support a family? What costs do we include, and how do these costs vary by location and family type?

To help us explore and discuss these questions in greater detail, and to make the discussion of wage levels less abstract, we created a self-sufficiency calculator for an urban and a rural community in North Carolina. The calculator was designed to help participants consider trade-offs and to provide a common starting point for an in-depth conversation about the adequacy of wages; it was not designed to provide a policy tool to make a case for higher wages.

\$7.25 per hour is not enough for a family to meet its basic needs.

Participants spent time working in teams with the calculator. Starting at the current minimum wage, \$7.25, and a forty-hour work week, participants examined whether the different family types could cover the basic needs necessary to support a family. They could not. Participants then explored various ways they might improve the family's circumstances including lowering the quality of expense items (e.g. lower quality food or child care), increasing working hours, reducing retirement or emergency savings contributions to zero, or adding public assistance or tax credits. Finally, participants explored the ability of each family type to cover basic living expenses under higher wage rates.

UNDERSTANDING THE NATURE OF THE PROBLEM

WHAT THE CALCULATOR INCLUDES

- Allows the user to vary hourly wage and number of hours worked per week for a person working in either a urban or rural NC county.
- Includes four different family types: two parent household (with and without children) and single parent household with one or two children.
- Allows the user to include estimated costs for child care, food, health care, rental housing, transportation, and other basic needs such as phone, internet, clothing, and basic household supplies. The user must also make decisions about the minimum level of quality they want to assure all families can afford.
- Requires the user to decide whether to include any money for emergency savings and retirement, as well as whether to extend the Child Tax Credit or Earned Income Tax Credit to North Carolina families.
- Excludes some important costs – student debt, furniture, entertainment and recreation, gifts, vacation, care for elderly parents – and therefore errs on the side of providing a lower estimate of the cost of living.

The NCLF calculator is available online at www.nclf.sanford.edu

Finally, in addition to these features, the calculator includes two scenarios: users can add in two forms of public assistance (food stamps and child care subsidies) and users can explore what happens to a family with health insurance should they have to pay the maximum out-of-pocket costs for coverage under the Affordable Care Act (ACA). The calculator also allows users to see the gap in coverage created for low-income families in states that opted not to expand Medicaid.

After this exercise, participants stated how much they thought a family needs to make to provide for its basic needs. Answers ranged from the low end of \$9 per hour for rural parts of North Carolina to \$21 per hour for urban areas (with a median response of \$11 per hour for rural counties and \$15 per hour for urban areas). Participants also included the maximum number of hours a person should have to work to provide for their family's basic

needs. Answers here ranged from 40 hours per work week to “as many hours as it takes.” No one believed a single parent or even a two-parent household could support itself on the current minimum wage with full-time employment.

In their reflections on the exercise, many noted how the structure of some government programs need reexamination. Benefit “cliffs” can create disincentives for work and marriage, evidenced by the fact that in some scenarios a household with two working parents could be worse off than a household with only one parent. One participant said that because of the calculator exercise he “understood more deeply the exceptional disconnect between program eligibility in a number of state and federal programs and level of wage or income security needed to earn a living wage and make economic progress.”

UNDERSTANDING THE NATURE OF THE PROBLEM

IDENTIFYING ROOT CAUSES

Before turning to steps that might be taken to help more North Carolinians earn enough to support their families, the Forum turned to considering the root causes of the problem. NCLF participants differed on which factors contribute most to – and, therefore, which solutions hold the most promise in addressing – the fact that many in our state don’t earn enough to support their families. Through our shared conversations about the problem during our first meeting, we identified five broad categories of barriers, listed below, that captured and consolidated the diversity of participants' comments and perspectives.

Skills Gap

Many middle-skill jobs are going unfilled because employers cannot find workers with the right skills. Even employers in low-skill sectors struggle to find and keep employees. Skills lacking may include those traditionally characterized as “soft” skills, as well as adaptable technical and knowledge-based skills. There is a disconnect between high school graduation rates and readiness for college or work. This problem will likely be further compounded by schools that are preparing students for jobs that exist today, as opposed to ensuring today’s students possess the skills necessary for the jobs of the next decade and beyond.

Availability of Jobs

Some communities in our state simply do not have enough jobs. The problems may include lack of infrastructure, proximity to major markets, quality of life factors, lack of incentives, antiquated government regulations, occupational licensure or tax policies that impede job growth and creation, lack of access to capital to start and grow a business, and increasing competition as a result of globalization and trade policy.

Adequacy of Compensation

Even when there are sufficient numbers of jobs, many jobs that are available simply do not pay enough to enable a person to support a family. The problems may include low wages, less than full-time employment, the absence of healthcare or other benefits that once accompanied full-time employment, underemployment, employment that provides no pathway to higher wages, and discriminatory wage practices.

Obstacles to Work

Even with the right technical skills and available jobs, many workers face significant barriers to finding and keeping jobs. Obstacles may include a history of incarceration, high child care costs, lack of transportation, drug use, and discriminatory hiring practices.

Financial Resiliency

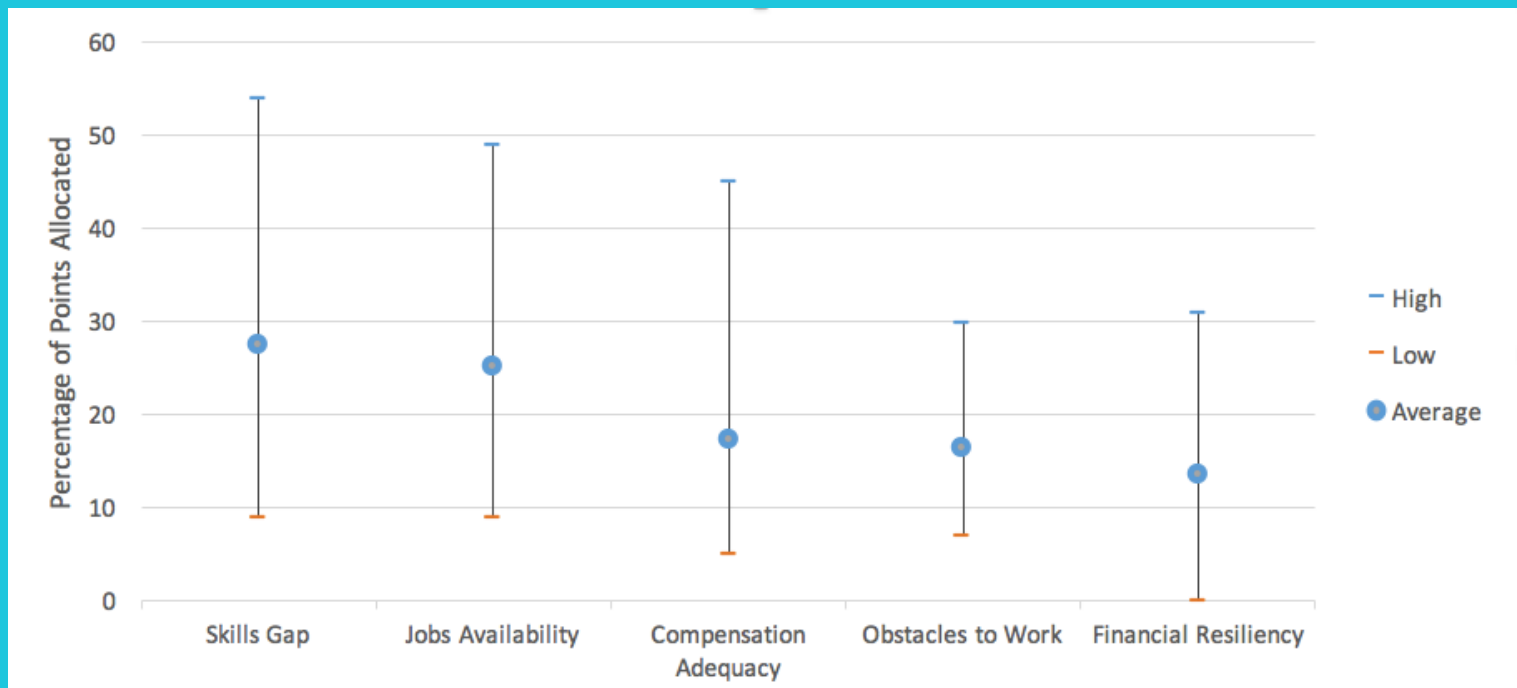
Even with full-time employment, some North Carolinians remain in a state of financial fragility and asset poverty (not having enough liquid assets to provide for basic needs for a period of three months). Lack of health insurance or access to quality healthcare, a decrease in marriage and increase in single parent households, lack of social support networks, lack of affordable housing, increasing levels of student debt, lack of financial literacy and irresponsible spending, and predatory lending are among some of the factors that place households under greater financial strain.

UNDERSTANDING THE NATURE OF THE PROBLEM

While we divided causes into five separate buckets, participants acknowledged the interaction that occurs between them. Some participants stressed that the inadequacy of compensation has ripple effects throughout society and across many of the other areas listed above (for example, low-wage work that requires parents to work long hours can take a toll on both marriage and the development of children). Participants noted that some factors we discussed are not as well represented as others by the list above, including concerns raised by some of the role of globalization, automation, and “the deterioration of the family.”

Graph 11. How Much Does the Factor Contribute to the Challenge?

Participants allocated 100 percentage points across the five factors. A score of 0% would mean the factor in no way contributed to the problem, whereas a score of 100% would mean that a factor was the only one relevant to addressing the problem.



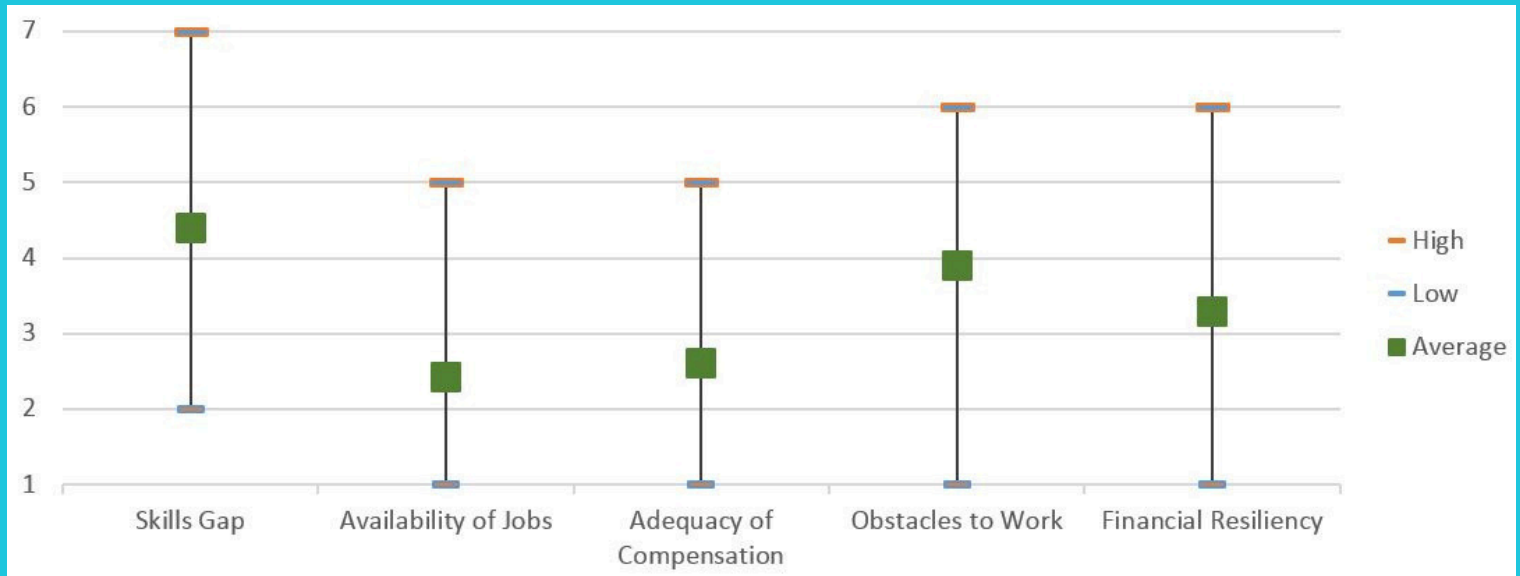
Note: 24 of 32 participants filled out this question

Between the first and second meetings of the Forum we asked participants which of the above factors they thought contributed most to the overarching problem. As reflected in the graph above, there were participants who rated each factor as greatest contributor to the problem. Except for a couple of people who did not see financial resiliency as relevant, participants agreed that all the factors contributed to the overall problem. However, on average, the group saw the skills gap as the greatest contributor to the problem, followed by jobs availability, compensation adequacy, obstacles to work, and financial resiliency.

UNDERSTANDING THE NATURE OF THE PROBLEM

Graph 12. Personal Responsibility or Structural Barriers?

For each of these factors, we asked participants whether the issue was more a matter of personal responsibility, which could be addressed by an individual's actions, or more a consequence of structural barriers that would require intervention from government, business, philanthropy, or community organizations. A "7" meant the participant believed the barrier exist entirely due to individual choices over which they have control. A "1" meant that the problem was entirely structural and that individual agency could play no role in addressing the barriers.



Note: 24 of 32 participants filled out this question

As the above chart shows, on average, participants thought that the skills gap and obstacles to work were both about the need for structural change and about the need for individuals to assume greater responsibility. The availability of jobs, adequacy of compensation, and barriers to financial resiliency were seen as primarily requiring greater intervention and structural change.



SEEKING MUTUALLY ACCEPTABLE SOLUTIONS

Having considered the nature of the problem in some depth, the Forum turned to considering possible solutions. While we remained agnostic throughout the first couple of meetings as to the source of solutions – government, business, philanthropic, religious, or community-based – we drifted toward public policy solutions because they seemed more amenable to change.

Participants began by working together to generate a list of the three or four most promising policy approaches for addressing each of the five major obstacles to more families earning enough to support their families (Box 1). To close the skills gap, for example, policies could seek to strengthen career development programs for students entering the workforce, or intervene much earlier in life to improve early childhood education, or seek to provide comprehensive “wrap-around” programs from K-12.

Although all the approaches had merit and warranted further consideration, we narrowed our focus to examining the most promising approach for addressing each obstacle, defined either as having greater potential impact or a higher likelihood of becoming a reality in our state.

We then identified ten specific policy options for advancing these five areas and commissioned the North Carolina Justice Center and the John Locke Foundation, two NC-based think tanks, to prepare short policy briefs on their merits. The virtue of this approach was that it allowed all participants to hear the core arguments advanced by thoughtful analysts with different perspectives.

You can read the policy briefs prepared by the John Locke Foundation and the NC Justice Center at nclf.sanford.duke.edu

Participants then spent a day and a half discussing and debating each proposal with two goals in mind: to identify any mutually acceptable solutions, and, on those areas where this was not possible, to better understand where and why they disagreed. From those discussions, we identified five specific policy questions on which there was a high probability of gaining majority support, and/or on which there was a lower chance of agreement but the potential for significant impact.

BOX 1: PROMISING APPROACHES

The Forum identified the following promising approaches, grouped by the major obstacle each address and ordered within each group in priority order:

Closing the Skills Gap

- Strengthen career development system
- Provide high quality early childhood education
- Increase wrap-around services for K-12 families

SEEKING MUTUALLY ACCEPTABLE SOLUTIONS

Increasing the Availability of Jobs

- Encourage small business development and entrepreneurship
- Promote workforce and talent development
- Address barriers to mobility
- Increase export development

Addressing the Inadequacy of Wages

- Increase the minimum wage
- Examine regulations on temporary/part-time employment
- Increase compensation for public employees

Eliminating Obstacles to Work

- Increase access to childcare
- Reduce the excessive rate of incarceration and increase access to jobs after release
- Increase exposure to job possibilities
- Address transportation barriers

Strengthening Financial Resiliency

- Protect families against economic consequences of medical and other shocks
- Increase savings and other assets for families
- Improve process of re-employment

SHOULD WE INCREASE THE STATE MINIMUM WAGE?

A majority supported incrementally increasing the minimum wage and indexing it to inflation, though a strong and vocal minority opposed such an increase, citing concerns over job loss and rising prices for consumers.

According to the Bureau of Labor Statistics, “of the nearly 2.4 million workers paid hourly rates in North Carolina in 2015, 55,000 earned exactly the prevailing federal minimum wage of \$7.25 per hour, in addition to the 66,000 workers who earned less” – equivalent to roughly 5 percent of hourly paid workers, slightly higher than the national average of 3.3 percent. In 2015, North Carolina’s proportion of hourly paid workers earning at or below the federal minimum wage ranked fifth among the 50 states and the District of Columbia. Most states (29 states and the District of Columbia) have established minimum wages that exceed the federal level of \$7.25 per hour. A raise in the minimum wage would directly benefit those who receive it, although there is a risk that employers would reduce the number of jobs.

The problem of earning enough to support a family is hardly restricted to those earning the minimum wage. Many earning above the minimum wage, even if employed full-time, are also struggling. Approximately 800,000 North Carolinians are employed in occupations in which half of workers in that occupation make less than \$9.00 per hour, and nearly 80 occupations in North Carolina have median annual wages that are at or below the federal poverty level for a family of four. In North Carolina, 1.3 million workers earn less than \$12 per hour, 55% of whom are women. An increase in the minimum wage would directly affect those currently earning less than that amount, and would also increase the wages of those above the new minimum as employers shift their pay scales upward, although there could also be job losses for workers in these categories.

SEEKING MUTUALLY ACCEPTABLE SOLUTIONS

Discussion

Participants entered the conversation with low expectations they would approach a consensus around the minimum wage, viewing this as a high impact, low likelihood option.

Nevertheless, Forum members were able to agree on two points as a starting point for our discussion:

- A person should be able to support a family on full-time employment
- This is not possible for people who earn the minimum wage.

But while everyone agreed on these points, we did not reach consensus on whether or by how much the minimum wage should be increased. Some argued that a low minimum wage was helpful to teenagers and others just entering the workforce, and that few who were supporting a family actually are paid at or near the minimum wage. To these points others countered that people of all ages earn the minimum wage and 90% are older than 20. Additionally, while a smaller number earn exactly the minimum wage, 1.3 million North Carolinians earn under \$12 per hour. Increasing the minimum wage would likely help more than just those earning below the new wage floor as employers would seek to mitigate dissatisfaction from pay compression by increasing pay among more experienced employees earning closer to the new minimum wage and less than experienced new hires.

Much of the conversation centered on the effect of raising the minimum wage on prices and the number of jobs. Some argued that raising the wage would have little, if any, effect on the number of available jobs; increasing wages is good

“
When the debate becomes ideological, no one wins...how do we get at the conversation?
”

for business because it increases productivity, decreases employee turnover, and leads to higher sales over time. Other participants opposed an increase because they believe it will lead to fewer jobs and higher prices. “If businesses would be better off if they paid people more,” one person replied, “then why don’t more businesses raise wages?” Another opponent of increasing the floor on wages added, “there is no free lunch. If costs go up, then prices to consumers will follow.” Rising prices would not only eat into at least some of the gains from increased wages, it could also make it harder for those on fixed incomes such as social security retirees.

Others responded – pointing to evidence from other states that have already increased wages – that these concerns were overstated and that an increase in minimum wage does not translate into equal increase in prices, adding further that some employers would experience less turnover, which might reduce costs.

Throughout the discussion, a small number of participants remained fundamentally opposed to the idea of a minimum wage at any level. “Prices are not arbitrary,” said one participant. “They are subjective. There is no just price for any goods or service. Prices and wages are set by bidding.” When governments step in and compel prices be set a certain

SEEKING MUTUALLY ACCEPTABLE SOLUTIONS

level, the economy is less productive and efficient and there are fewer jobs. A majority of participants did not agree with this economic model, and believe that government plays an important role in setting the boundary rules that compel some but also enable others to pay higher wages. As one participant put it, “If you are a business owner and want to pay your employees more and increase prices to consumers to cover some fraction of that cost, but your competitor next door has the worst practices ever, you cannot compete with that.”

“
*The quantity of job loss
actually matters.*
”

Participants often supported their positions with research, and shared reasons why they disagreed with the evidence cited by others, arguing some studies were outdated or based on flawed data. The appeal to conflicting sources of data and information made it difficult to resolve the central question of effect on jobs. To work toward a shared understanding of the likely outcome to raising the floor on wages in the face of this uncertainty, some pointed to the opportunity to study the effects in the 29 states that have or are in the process of increasing the minimum wage; others suggested North Carolina should conduct its own experiments by allowing local governments to require government contractors to pay higher wages and/or to require all employers in their jurisdictions to pay higher wages (local governments already have the ability to pay their own workers a higher minimum wage.

While participants were divided on the economic arguments for increasing wages, a clear majority agreed that the threat of political instability from stagnant wages and growing inequality is real and concerning. “This is a political question. Trump was elected to create wealth for blue collar people not living in urban areas. If we don’t answer that question,” concluded one participant, “we’re going to be irrelevant.” These worries – along with fears of placing North Carolina at a competitive disadvantage with neighboring states if we were one of the first in the South to act – led some who opposed a state increase to favor an increase at the federal level. Others pointed to the 29 states that have already increased wages, arguing that their decisions to lead at the state level have not appeared to put them at a disadvantage. One person added, “having poor people puts us at a disadvantage.”

Others focused less on economic or political arguments, and more the moral dimensions of problem that some in our state are unable to support their family on full-time work. “It is wrong to have a population working full-time that cannot support its children,” concluded one participant. “And there is a detrimental effect on society when families do not have enough to support themselves.”

While most of the conversation focused on the short-term question of whether to raise the minimum wage, several participants consistently challenged the group to think about the longer-term challenges we will face from the growth in automation. One participant expressed “deep worry” at the projected number of jobs that may be lost due to technological advances. “We really need

SEEKING MUTUALLY ACCEPTABLE SOLUTIONS

to solve for the 20 to 30-year projection, which is terrifying...it is going to ruin the economics.” While others shared these concerns, most believed that we must deal with the problem before us today. “We can’t throw everything out today. Maybe we will need to,” conceded one participant, “but we must work through the current system today.”

At the end of our conversation, most participants agreed that if the state was to increase the minimum wage, it should take an incremental approach to give businesses an opportunity to adjust, index the minimum wage to inflation to avoid future difficult debates, and not increase the wage initially beyond \$12 per hour. One person noted, in support of this wage level, that if you held the minimum wage in 1968 constant adjusting for inflation, the wage today would be \$11.60. Others in favor of the increase added that the government could enact policies to address some of the concerns raised (for example, by allowing lower wages for minors and during training periods).

Some pondered whether broader bipartisan support might be secured if a clear connection could be made between increasing the minimum wage and decreasing the size and cost of

government programs. “If you raise the minimum wage,” asked one participant, “would there be a cost savings in social welfare programs? Can you quantify it as a formula for increasing the wage? Could you raise wages, reduce social welfare programs, and lower the corporate income tax?”

Some participants also expressed interest in exploring whether some combination of tax credits with a smaller increase in the minimum wage might provide a better way to lift families out of poverty without significantly affecting employers. The group was divided, with some arguing that government transfers through tax credits were a more transparent way and were borne by the entire population. Others argued that the minimum wage provided a better incentive to work, allowed people to find value in their jobs, and relied less on the government. “All the other stuff we are talking about here is government interventions. Not only is this the only thing that can deal [with the problem] on scale,” said one participant who had formerly opposed increasing the minimum wage, “it is rewarding people at work without creating another governmental program; without worrying if the benefits are going to get to the people.”

“

Not only is this the only thing that can deal [with the problem] on scale, it is rewarding people at work without creating another governmental program.

”

SHOULD WE REINSTATE AND/OR EXPAND TAX CREDITS?

Participants were divided on which tax credits they thought best for NC families and on whether tax credits, a minimum wage increase, or some combination of the two was a preferable strategy. All agreed that tax credits alone are insufficient to address the larger problem of workers not earning enough to support their families.

Participants were divided on which tax credits they thought best for NC families and on whether tax credits, a minimum wage increase, or some combination of the two was a preferable strategy. All agreed that tax credits alone are insufficient to address the larger problem of workers not earning enough to support their families.

- 1) Reinstate and expand the state EITC
- 2) Expand the Child Tax Credit
- 3) Reinstate the Child and Dependent Care Tax Credit

Option 1: Reinstate and Expand the Earned Income Tax Credit (EITC).

The federal EITC offsets federal income and payroll taxes. The amount of tax credit an individual receives is dependent on income, number of children and marital status. Before eventually plateauing off and then gradually decreasing, the amount of the tax credit rises as individuals earn more, encouraging individuals to leave welfare for work and increase working hours. If the amount of the tax credit exceeds the amount of taxes owed, the IRS will refund the balance. In 2014, 975,000 North Carolina households received the federal EITC. The amount of credit received by these households in 2014 totaled \$2.4 billion.

A concern with the federal EITC is an unusually high error rate. The IRS estimates that between 21 to 26 percent of EITC claims are paid in error. Most of

of these errors are considered unintentional, occur on commercially prepared returns, and are often due to the complicated nature of some family arrangements.

In addition to the federal credit, 27 states, plus the District of Columbia, have established their own EITC supplement. State EITC supplements are an additional credit calculated as a percentage of the federal credit amount. The percentage varies across states from 3.5% to 30%.

Nearly all state EITC supplements use federal eligibility rules to determine who qualifies. The EITC supplements for 23 states and the District of Columbia are fully refundable, if the amount of the credit exceeds the taxes owed.

Prior to 2013, North Carolina's EITC supplement was equal to 5% of the federal credit, which, on average, provided qualifying families with an additional refund of slightly more than \$100 per year.

In 2013, however, North Carolina became the only state to allow its state EITC to sunset. The state EITC could be reinstated at the previous 5% of federal level, or it could be expanded to a higher percentage of the federal credit.

Option 2: Expand the Child Tax Credit (CTC).

In North Carolina, a taxpayer qualifies for a tax credit for each dependent child for whom they were allowed a federal credit unless the taxpayer's adjusted gross income exceeds the applicable threshold.

Credits, which are non-refundable, range from \$100 to \$125 per child. North

SEEKING MUTUALLY ACCEPTABLE SOLUTIONS

Carolina could make the credit refundable, which would benefit lower-income families who do not have tax liabilities large enough to make full use of credit, and/or increase the size of the credit. A handful of other states provide a Child Tax Credit. These credits vary in size, and some are refundable.

Option 3: Reinstate the Child and Dependent Care Tax Credit (CDCTC).

North Carolina used to have a CDCTC that allowed parents to reduce their tax obligation if they had child and dependent care expenses. Eligibility was based on the federal CDCTC and the amount varied between 7% and 13% of the expenses eligible for the federal credit, depending on filing status, income, and type of dependent. The credit was limited to \$390 per dependent, not to exceed \$780 total. In 2013, however, the credit was eliminated. North Carolina could reinstate the CDCTC at the previous level or could make the credit more generous. Twenty-one other states and the District of Columbia have CDCTCs. These credits range in size and whether they are refundable.

may incentivize work at the lowest income levels, it also begins to disincentivize work after families earn more and cross an income threshold.

If we made the CTC refundable in NC, as some other states have, it would function in much the same way as the EITC but without the negative features described above. A majority supported making the CTC refundable.

“

The strength of my commitment to the Earned Income Tax Credit is somewhat less than before the process.

”

Argument 2: The EITC is preferable to the CTC and the CDCTC, though the options are not mutually exclusive. When combined with other measures, notably an increase in the minimum wage, the EITC lifts more families out of poverty. Its success at lifting families out of poverty is evidenced by its temporary nature – most families only use it one or two times. Moreover, the EITC rewards work and offsets regressive taxes, such as the sales tax. The EITC is preferable to sales tax relief that does not reward work; to the refundable CTC and CDCTC that leave some workers out; and to property tax relief that does not help families without property. Instead of retrenching on this tax credit due to an error rate that is not even the highest among taxes, we should support efforts to simplify the rules governing the federal EITC and recommendations

Discussion

All agreed that, alone, tax credits would be insufficient to address the problem. There were three different views, however, on which of the credits would be most helpful as part of a package:

Argument 1: Expanding the Child Tax Credit is preferable to reinstating the Earned Income Tax Credit. The EITC, argued some, penalizes marriage by providing a larger refund to those who have children and are not married. The CTC is also less susceptible to fraud and error. Finally, while the EITC

SEEKING MUTUALLY ACCEPTABLE SOLUTIONS

Carolina could make the credit refundable, which would benefit lower-income families who do not have tax liabilities large enough to make full use of credit, and/or increase the size of the credit. A handful of other states provide a Child Tax Credit. These credits vary in size, and some are refundable.

Option 3: Reinstate the Child and Dependent Care Tax Credit (CDCTC).

North Carolina used to have a CDCTC that allowed parents to reduce their tax obligation if they had child and dependent care expenses. Eligibility was based on the federal CDCTC and the amount varied between 7% and 13% of the expenses eligible for the federal credit, depending on filing status, income, and type of dependent. The credit was limited to \$390 per dependent, not to exceed \$780 total. In 2013, however, the credit was eliminated. North Carolina could reinstate the CDCTC at the previous level or could make the credit more generous. Twenty-one other states and the District of Columbia have CDCTCs. These credits range in size and whether they are refundable.

may incentivize work at the lowest income levels, it also begins to disincentivize work after families earn more and cross an income threshold.

If we made the CTC refundable in NC, as some other states have, it would function in much the same way as the EITC but without the negative features described above. A majority supported making the CTC refundable.

“

The strength of my commitment to the Earned Income Tax Credit is somewhat less than before the process.

”

Argument 2: The EITC is preferable to the CTC and the CDCTC, though the options are not mutually exclusive. When combined with other measures, notably an increase in the minimum wage, the EITC lifts more families out of poverty. Its success at lifting families out of poverty is evidenced by its temporary nature – most families only use it one or two times. Moreover, the EITC rewards work and offsets regressive taxes, such as the sales tax. The EITC is preferable to sales tax relief that does not reward work; to the refundable CTC and CDCTC that leave some workers out; and to property tax relief that does not help families without property. Instead of retrenching on this tax credit due to an error rate that is not even the highest among taxes, we should support efforts to simplify the rules governing the federal EITC and recommendations

Discussion

All agreed that, alone, tax credits would be insufficient to address the problem. There were three different views, however, on which of the credits would be most helpful as part of a package:

Argument 1: Expanding the Child Tax Credit is preferable to reinstating the Earned Income Tax Credit. The EITC, argued some, penalizes marriage by providing a larger refund to those who have children and are not married. The CTC is also less susceptible to fraud and error. Finally, while the EITC

SEEKING MUTUALLY ACCEPTABLE SOLUTIONS

by the IRS to reduce improper payments. The administrative burden to NC of reinstating the EITC is relatively small since both eligibility and payment amount are established by the federal EITC.

Argument 3: The EITC is only worthwhile if reinstated at a higher rate (25 – 30% of the federal EITC). As previously noted, the average amount received by eligible families under North Carolina's previous EITC (5% of the federal EITC) was \$109, a sum that people generally felt was too small to make a meaningful difference. This amount is only a fraction of the impact of raising wages, the equivalent of a \$0.05/hour raise. Given this fact, some participants argued that although they would favor

reinstating the EITC, political capital would be better spent advocating for an increase in the minimum wage.

On their own, the tax credits North Carolina has employed are insufficient to help most people in our state earn enough to support their families. In addition to not incentivizing work, the CTC is currently not refundable, which means at best it reduces a family's tax liability, which does not help those who do not owe any income taxes. The state EITC, at its former level of 5% of the federal refund, is too small for the average family to make much of a difference. These tax credits could enable more North Carolinians to support their families, but only as a complementary part of a larger suite of interventions.

SHOULD WE MAKE IT EASIER FOR PEOPLE WITH CRIMINAL RECORDS TO GAIN EMPLOYMENT?

Participants strongly support a combination of measures -- reforming expunction laws, expanding certificate of relief, and encouraging more employers to "ban the box" -- to eliminate unnecessary barriers to employment for people with criminal records.

In 2015, more than 1.5 million North Carolinians had a criminal record. This year alone, an additional 20,000 prisoners will be released into North Carolina communities, and over 80,000 probationers are currently being supervised in communities across North Carolina. These individuals face significant barriers to employment, housing, and other opportunities and resources essential to productive citizenship. For example, more than 90% of employers conduct criminal background checks, and those with records are automatically disqualified from many occupations. We considered three options to reduce

barriers to employment for those with criminal records (listed below in order from greatest to least impact):

- Should we reform state expunction laws?
- Should NC expand certificate of relief eligibility from first-time misdemeanor and low-level felony convictions to multiple misdemeanors and low-level felony convictions?
- Should NC adopt a statewide "ban the box" policy, and should the policy extend to private employers? If not, should leaders across the state encourage more businesses to voluntarily adopt "ban the box" policies?

SEEKING MUTUALLY ACCEPTABLE SOLUTIONS

Option 1: Expunction Reform

In North Carolina, expunction of a criminal record restores the individual, in the view of the law, to the status he or she occupied before the criminal record existed. With rare exception, when an individual is granted an expunction, he or she may truthfully and without committing perjury deny or refuse to acknowledge that the criminal incident occurred.

Expunctions are not common in NC and are generally limited to the following categories: a first-time conviction of a nonviolent offense occurring more than 15 years ago; and a first-time conviction of certain offenses committed before specific ages.

A proposal supported by the NC Conference of District Attorneys and the NC Second Chance Alliance seeks to reduce the wait time for expunction of a first-time nonviolent felony from 15 years to 10 years, and of a first-time nonviolent misdemeanor from 15 years to 5 years. In addition, under the proposal all dismissed and “not guilty” charges can be expunged if the person has not been convicted of a felony.

Prosecutors and law enforcement officials would maintain access to expunged records, which would be treated as a prior record if a person reoffends.

Option 2: Certificate of Relief

North Carolina’s Certificate of Relief Act allows individuals with a misdemeanor or low-level felony conviction to petition the courts in which their convictions occurred for a certificate relieving certain civil disabilities. The basic requirements for issuing a certificate of relief are: (a) the individual must have been convicted of

no more than two low level (G, H, or I) felonies or misdemeanors in one session of court and have no other convictions (excluding traffic tickets); (b) 12 months must have passed since the person completed his or her sentence; (c) the person is engaged in, or seeking to engage in, a lawful occupation; and (d) a criminal charge is not pending against the individual. Unlike an expunction, a certificate of relief does not erase an individual’s criminal record.

A Certificate of Relief transforms most automatic civil disqualifications into discretionary disqualifications, thereby allowing individuals to provide evidence of rehabilitation and suitability to administrative decision makers like occupational licensing boards. It also enhances employment, educational, and housing opportunities by shielding private employers, landlords, and college admissions officers from the threat of negligence liability.

Option 3: Ban the Box

Over 100 cities and counties and 24 states have adopted “ban the box” policies. These policies provide job applicants a better chance of gaining employment by removing the conviction history question on the job application and delaying the background check inquiry until later in the hiring process. Nine states have removed the conviction history question from job applications for private employers. North Carolina has not adopted a state “ban the box” policy. However, eight local governments have adopted policies for public employees. After the City of Durham banned the box, the percentage of new hires with criminal records increased from 2% in 2011 to nearly 16% in 2014.

Discussion

All participants agreed that we can and should do more to remove obstacles to employment for the more than one million people in our state with criminal records. In general, this was the most promising area we discussed in terms of possibility for bipartisan consensus. All three of the proposals received broad support, especially the need for expunction reform.

- NCLF participants unanimously supported reforming our expunctions laws, which are among the strictest in the country. People must wait longer for the possibility of expunction than in many other states, and people with more than one charge are treated the same as those with actual convictions (even if the charge was dismissed). This means people who may not have even committed a crime are barred from public housing. Reflecting on this possibility, one participant stated, “a charge being made and dismissed should not be held against anyone. It belies the very presumption of innocence.” Lifting the cap of one expunction per dismissed misdemeanor in a state where private citizens can initiate criminal charges could make a big difference. While participants generally support the provision that would allow law enforcement to maintain access to expunged records, they do not think dismissals ought to be part of that record. The only concern raised by participants pertaining to the proposed expunction reforms was the price tag to implement the changes.

“

This will really help folks quickly. The combination of recommendations – for they serve different purposes – would do a lot to help the 1.5 million people barred from employment.

”

- Nearly all participants agreed that NC should expand the state’s Certificate of Relief program, which prevents people from being automatically disqualified from certain professions, including most professions that require an occupational license, and incentivizes employers to consider hiring people with criminal records by addressing their fears of liability. However, a minority expressed “mixed feelings” primarily due to uncertainty about the costs to the court system in terms of the need for additional hearings. An analysis of the added burden that would be placed on the court system by an expansion of the Certificate of Relief would help determine whether the benefits outweigh the costs.
- Nearly all participants agreed that “banning the box” can increase employment opportunities for those with criminal records, and supported encouraging more employers and local governments to voluntarily adopt this policy.

SEEKING MUTUALLY ACCEPTABLE SOLUTIONS

Some also added that the policy has an important educational component. There was a notable decrease in support for a governmental mandate that all employers, both private and public, “ban the box.” Some participants expressed reservations, pointing to a couple of recent studies that suggest these policies may unintentionally hurt applicants of color. The studies provide a cautionary tale: in the absence of a clear way to identify those with criminal records, there is some evidence to suggest that employers rely more upon racial profiling because they believe applicants of color are more likely to have a criminal record.

SHOULD WE REFORM OCCUPATIONAL LICENSING?

Nearly all participants agreed that North Carolina should reform occupational licensing regulations.

Occupational licensing provisions are intended to ensure that persons in those occupations are qualified to perform certain services, thereby protecting consumers. Such provisions, however, also serve to restrict access to those occupations, thus raising the amount they are paid (possibly a positive) but also reducing job opportunities (a clear negative).

A 2015 Federal Government report highlighted the growth in occupational licensing, the benefits in better services and improved health and safety that come from some licensing, and the negative affects licensing can have on employment, wages for excluded workers, and costs for consumers. In addition, the report noted significant variation in licensing practices across the country, making it difficult for workers in some professions to move across state lines. The burdens and costs of licensing also are born inequitably by certain populations, including military spouses, immigrants, and workers with criminal records.

The North Carolina General Assembly has enacted laws to regulate many of the occupations and professions that

provide goods and services to its citizens. Regulation of occupations and professions is intended to accomplish the following objectives:

- “Ensure that the public is protected from unscrupulous, incompetent and unethical practitioners;
- Offer some assurance to the public that the regulated individual is competent to provide certain services in a safe and effective manner; and
- Provide a means by which individuals who fail to comply with the profession’s standards can be disciplined.”

In addition to a state-level agency regulatory authority and state agency-housed occupational licensing board, North Carolina also has 55 independent occupational licensing agencies (OLAs).

A 2014 report by the state’s Program Evaluation Division found that these agencies had over 700,000 active licenses and a combined staff of over 480 full-time equivalent positions. The same report to the Joint Legislative Program Evaluation Oversight Committee determined that continued licensing authority for 12 OLAs should be subject to additional review by the NC General Assembly.

SEEKING MUTUALLY ACCEPTABLE SOLUTIONS

Discussion

In general, a clear majority of participants agree that for certain professions occupational licensing plays an important role in protecting consumers and in providing employers with greater assurance in their hiring decisions. This is especially true for occupations where incompetent or unethical behavior would imperil public health and safety.

However, participants also agree that the rise of occupational licensing is troubling, as the rise does not appear to correspond in all cases with meeting the criteria of improving services and protecting public health and safety. Benefits from increased wages for licensed workers and improved service quality need to be weighed against the costs of making it more difficult to enter an occupation: increased prices for services and decreased economic opportunity for workers. Given these costs, participants strongly encourage the state, as a starting point, to create a clear set of criteria for licensing and consider whether to remove or lower regulatory restrictions on the 12 OLAs identified by the Joint Legislative Program Evaluation

Oversight Committee. All participants agreed that while North Carolinians would benefit from some reforms to occupational licensing, these reforms are only a small part of the solution to increasing the availability of good jobs in our state.

“

This is a politically challenging task, but could get bipartisan support.

”

Several participants expressed concerns over the lobbying power of licensed occupations, which have proved politically challenging and stymied past efforts to delicense these “regulated monopolies.” Additionally, some concerns were expressed over the state’s ability to actively supervise the OLAs. At least one participant argued for the removal of licensure from all occupations.

SHOULD WE GROW APPRENTICESHIPS IN OUR STATE?

A clear majority of participants favored increased state investment through some combination of tuition assistance, employer assistance, and marketing to grow apprenticeships in our state as a necessary, but not sufficient, piece of a larger strategy to address the gap in skills.

A clear majority of participants favored increased state investment through some combination of tuition assistance, employer assistance, and marketing to grow apprenticeships in our state as a necessary, but not sufficient, piece of a larger strategy to address the gap in skills.

The number of registered apprenticeship programs in the United States declined by 36% from 1998 to 2012 – this despite the fact that apprenticeships hold promise as a work-based learning model that can close the skills gap and develop a talent pipeline for positions in skilled trades that pay well and are hard to fill.

Currently, North Carolina has two primary work-based learning programs in place: the Customized Training program under the NC Community College System, and Department of Commerce's Apprenticeship program. But these programs served only a relatively small number of workers in our state. In 2016, North Carolina policymakers did allocate \$500,000 in state General Fund dollars to the expansion of apprenticeship opportunities in the state. This raised the net appropriation for this program to \$1.4 million for the 2016-17 fiscal year.

Despite this addition in funding, net appropriations for apprenticeships are \$74,446 less than they were three years ago in the 2013-2014 FY budget.

There are several models for growing apprenticeships across North Carolina, all of which would require additional state funding.

Option 1: Convene employers and educators in a targeted effort.

North Carolina could draw on lessons from Minnesota and expand apprenticeships by bringing together representatives from industry, higher education, labor, and employers to explore and establish better education-to-job pipelines for young people. Minnesota convened four industry councils that included representatives from across sectors to define competency standards and develop an industry approach to delivering apprenticeship programs. Minnesota also launched a program that grants directly to employers to support employer-provided training.

“Reinvigorated and expanded apprenticeship programs, alongside other proven work-based learning models, can catalyze industry strategies for overcoming the skills gap.”

SEEKING MUTUALLY ACCEPTABLE SOLUTIONS

Option 2: Provide tax credits and/or administrative assistance to employers.

North Carolina could provide tax credits and/or administrative assistance to employers offering apprenticeships. As an example, South Carolina's Apprenticeship Carolina program provides a tax credit to employers of \$1,000 per apprentice for up to four years to help subsidize the costs of apprenticeships for businesses. Additionally, the state's program provides businesses with free consultants to help them navigate the process. The number of employers offering apprenticeships in South Carolina has grown significantly since the program launched.

Option 3: Provide employee vouchers.

Though this tool, to our knowledge, is not currently utilized in apprenticeship programs, the idea is quite simple. Rather than provide tax credits to businesses, the state would provide a voucher to any interested employee who engages in an "eligible" apprenticeship program. The apprentice would be free to pick the industry, program, scale of business, and geography where they wished to learn and work. This would provide maximum choice for the employee and might also incentivize employers to compete for these workers.

investment through some combination of tuition assistance, employer assistance, and marketing to grow apprenticeships in our state.

Employers who offer apprenticeships incur significant cost per apprentice, as they typically cover the student's tuition and fees, in addition to wages. To decrease the costs incurred by employers and incentivize more high school students to consider apprenticeships, the state recently increased funding for tuition assistance for students who enter apprenticeship programs while in high school; however, tuition assistance is not available for adults seeking to become apprentices post-high school graduation – an important and large segment of the population affected by job loss from a changing economy.

“
Apprenticeships are a value add that can move the needle but will not solve the problem on its own.
”

Discussion

Participants agreed that apprenticeships, while just one piece of a broader strategy, are a promising vehicle for closing the skills gap and increasing wages, and that we can do more to increase the number of apprenticeships in our state. A clear majority favored increased state

Several participants also stated that more employers would create apprenticeships if they had the proper support to assist them in designing the program. One strategy for providing more assistance to employers is to hire more job profilers, who work with a company's human resources team to create task lists, perform skills analysis, and develop customized position descriptions.

SEEKING MUTUALLY ACCEPTABLE SOLUTIONS

Finally, some participants think the primary obstacle to creating more apprenticeships is not too little capacity, but too little awareness – on the part of both employers and job seekers. Many employers are not familiar with the benefits of apprenticeship programs or how to start one. Also, some participants suggested that apprenticeships should expand to white collar industries. Employer summits may help address this gap in familiarity and knowledge. Likewise, many high school students and job seekers are not aware of the increased wages and other benefits associated with becoming an apprentice. Additionally, some participants worry that there is a cultural stigma around some of the occupations commonly associated with apprenticeships that prevent students from pursuing good careers.

“

Businesses should not have trouble filling positions.

”

North Carolina has a highly complex workforce development system. A clear majority of participants expressed concerns that the system is not working

as well as it should and that the system needs more than a few tweaks – it needs transformation. Some went so far as to say the state should entirely restructure the system and “start from scratch,” describing the current system as “incapable of producing results.” Others added that the inadequacy of our current workforce development system will become even more apparent and problematic over the next decade as more jobs are lost due to automation.

Most shared the view that transformation would require “long and tedious” work,” but that it is politically feasible and would have greater positive affect on closing the skills gap than increasing apprenticeships alone.

Participants also noted that the gap between skills needed for jobs and the skills possessed by our workforce is not the only mismatch that we must address.

There is also a mismatch between where jobs are located and where people live.

Some suggested some parts of our state that have experienced significant job loss simply will not improve, and that we need to develop strategies for making it easier for people to get to the jobs as opposed to bringing jobs to the people.



WHAT WE LEARNED THROUGH THE PROCESS

Leaders across our state agreed to participate in the North Carolina Leadership Forum because they care about the future of our state. Some were primarily motivated by the prospect of building relationships, or “resolving the acrimony that exists across partisan lines,” or finding solutions, or deepening their own understanding of the nature of the problem – but all were animated to some extent by the combination of these factors.

Many lessons and benefits emerged from the process:

- **Leaders appreciate opportunities to share experiences and discuss a common set of facts with those with whom they disagree.** For many, the process provided an opportunity to engage with those on the opposite side of the aisle or from different backgrounds that was both rare and unique – rare because, as participants noted, there are fewer and fewer opportunities in both our public and private lives to engage in meaningful dialogue with those who view the world differently; and unique for the richness of shared experiences it both created and relied upon. On the latter, one member remarked, “it’s unique to have a liberal and conservative speak together on the same facts.”

“
It is important for others to know that people from opposite parties are coming together and learning together.”



Shared facts were also important to the process and to trust building. It was “very helpful to ground ourselves with the same information,” said one participant. “I can take this out of here – instead of coming in and just stating my position – see if you can first get a basic, common set of information.”

- **There is a place and need for off-the-record conversations in politics.** Adhering to Chatham House rules – not attributing comments to the person who said them – was crucial to creating a space for frank, honest, and civil dialogue. “In the public sphere,” said one person explaining the need for off-the-record conversations, “it is risky to talk about some things.” “Trust,” echoed another, “is critical for constructive dialogue, and having no immediate audience helps.”

“
Out of NCLF, I hoped to get a better understanding of the multi-layered social, political, economic, and pragmatic problems facing the state in answering the question we were tasked with reviewing; a deeper understanding of all of the views of the participants on the problem and possible recommendations to begin to move forward in alleviating poverty in our state; better relationships with our policymakers and influencers on all sides of the political spectrum; the opportunity to create a constructive and respectful dialogue on this complex and seemingly intractable issue; and the ability to create together a model of how to frame, face and discuss a major issue that is harming and dividing our state.”



WHAT WE LEARNED THROUGH THE PROCESS

- **Civility in the face of robust disagreement is both possible and necessary for a more constructive politics.** The process encouraged some participants not to give up on the prospect of civility in our politics. “I agreed to participate,” said one person, “because I was concerned about a political dialogue polluted by hatred.” The process allowed participants to listen to one another. As it turned out, remarked another, “we had more agreement on some issues than we thought.” The process also helped us better define what we mean when we say we aspire for greater civility. While civility enabled us to work toward and seek agreement, civility was most evident in our disagreements. “Civility includes conflict,” concluded one member; “In most of the groups I am in there is way too little conflict.” As we built more trust with one another, we were better at engaging in constructive conflict. “I do think this process made me listen much harder and much better than I normally would do,” reflected one person. “I will take that with me.”

Participants discussed the role of emotions in the process and their importance in political dialogue. One person felt emotions can get in the way of more constructive conversations. “If someone can express passion – based on facts – but tone down their emotion, it is easier to have a conversation.” But another participant responded, “Emotion is very important. The more we can pour emotion into a group like this and the group can hold, the greater the bond is between us.” Participants generally agreed that in the effort to be civil, they sometimes failed to convey how strongly they felt about some topics.

- **Civility and the search for common ground will sometimes stand in the way of having difficult conversations and taking risks.** The inability of our group to agree upon groundbreaking solutions bothered some, who attributed it either to a reticence to consider new ideas or a reluctance to take on some more difficult challenges “that we don’t want to level politically with: the future of work or that portions of this state are not going to improve or change for the better...I would have liked to have seen some startling ideas—like universal basic income—that would create new discussion.” In the effort to seek mutually-acceptable solutions and increase collaboration, “at times, we avoided risk-taking.” Another added that he would have liked for the group to go one level deeper on race and on “how to dismantle systemic racism. That would have stretched us.”

“*What struck me in the end was that we generally agreed about many of the main barriers we must address, but that some of our differences were a matter of placing greater weight on one barrier relative to another.*”

EVALUATING NCLF

North Carolina leaders benefited in many ways from participation in NCLF.

- 83% of participants reported that they learned more about the obstacles preventing North Carolinians from earning enough to support their families;
- 63% view the nature of problem differently;
- 80% better understand the views and values of those from diverse backgrounds and perspectives; and
- 73% formed relationships with people of differing views about the best way forward that they would not have otherwise.

HOW I CHANGED MY MIND

53% of participants said that their views on at least one issue changed because of the process.

“My views became more focused. Being able to compare the impact of raising the minimum wage with alternative options was very focusing and powerful to me.”

“I understood more deeply the exceptional disconnect between program eligibility in a number of state and federal programs and level of wage or income security needed to earn a living wage and make family economic progress. The interactive exercise was immensely helpful in highlighting this issue and I think that was true for many in the room.”

“I now favor a national raise in the minimum wage.”

“I have a better understanding of what it takes to make ends meet in North Carolina today, and how hard it is for working families with children, particularly if there is only one parent present. The exercise with the cost of living calculator was extremely helpful.”

“The strength of my commitment to the Earned Income Tax Credit is somewhat less than before the process.”

“It made me think about framing issues in a way that does not vilify those who disagree with me. I think having time to get to know folks on the other side helped with that.”

WHAT WE LEARNED THROUGH THE PROCESS

- **Shared experiences and civility can lead to unexpected areas of agreement (albeit sometimes smaller than we would like).** The process led us to identify many areas of agreement, from the nature of the problem to some mutually acceptable areas that hold promise for increasing the number of financially secure and self-sufficient families in our state. None of these areas, either on their own or combined, are sufficient to address the larger problem. Some agreed that “even coming to agreement on small things, is a good thing.”
- **Surprising relationships can form when we engage deeply with one another.** “There are eight people around the room,” reflected one member, “that I have had significant discussions with that I would never have anticipated.” Through these discussions, it became apparent early on that everyone in the room cared about North Carolina and its citizens. “It is important to talk about commonalities first,” said one member. “We get presumptuous about people’s position. It was nice to be reminded that people will listen. I need to be more conscious of how others will hear what I am saying.”
- **Building relationships across ideologies is a crucial aspect to improving the health of our politics.** The sense, as one participant put it, “that we truly are all in this together,” was reinforced by the many unstructured conversations that occurred over the year – from “time around the coffee pot” to smaller group sessions to informal dinners. Taking this time to build relationships, reflected one person, “was crucial. I do not think you go immediately to the tough stuff. I can’t imagine a system that gets us there without that predicate.”
- **Leadership is about more than solving problems.** Many placed less emphasis on the group’s ability to solve problems, and were encouraged by the direction we pursued. “I thought the role of this group,” said one person, “was not to be the solver of problems but to be the catalyst to bring people together to help solve a problem; to model what good intellectual spirited discussion could be; to model behavior that we want others to have.”

“
There is no substitute for active, aggressive listening. I already knew this, but had the opportunity to practice it with people holding different views.
”


In addition to finding some areas of agreement, many came away with a better understanding of the views of others and of why they disagreed. Through this work, people also better understood their own views, at times sharpening and refining them, and at others modifying and changing previously held beliefs. “I think this process helped shape the why,” shared one person. “My why is different now.”

“
The forum gave me hope and helped me get out of my box and realize we do need to dialogue more.
”

WHAT WE LEARNED THROUGH THE PROCESS

At the end of the first year, while some were left with frustration that we did not make more progress on agreeing to recommended solutions, most felt a greater sense of hope and optimism that we can come together to improve the lives of North Carolinians. In a time of increased polarization and often bitter partisanship, it is tempting to abandon reaching out and listening to those with whom we disagree.

The lesson of the NCLF is rather that we need to double down on meaningful dialogue. “It is incumbent upon us to talk,” said one participant. “And I thought there was progress here. It made everyone think much more deeply than they would in other forums.” Civil and constructive discourse is not a panacea, but it is part of the answer to problems we face, and “if we keep at it,” said one participant, “we can probably come even closer.”



“*If we keep at it,
we can probably
come even closer.*”

APPENDIX: NCLF 2017 PARTICIPANTS

Anita Brown-Graham, Institute for Emerging Issues
Pete Brunstetter, Novant Health, Inc.
Pearl Burris-Floyd, Gaston Regional Chamber of Commerce
Jack Cecil, Biltmore Farms, LLC
Dan Clodfelter, Parker Poe Adams & Bernstein, LLP
Gene Cochrane, The Duke Endowment
Martin Eakes, Self-Help Credit Union
Dan Gerlach, Golden Leaf Foundation
Rick Glazier, North Carolina Justice Center
Maurice “Mo” Green, Guilford County Schools
Robin Hayes, Cannon Charitable Trust and Cannon Foundation
Hank Henning, Commissioner of Guilford County
John Hood, John William Pope Foundation
Bob Hunter, North Carolina Court of Appeals
Jeff Jackson, North Carolina Senate
Raquel Lynch, Crisis Assistance Ministry
Esther Manheimer, Mayor of Asheville
Frederick “Fritz” Mayer, Sanford School of Public Policy
Chuck McGrady, North Carolina House of Representatives
MaryBe McMillan, North Carolina AFL-CIO
B.J. Murphy, Mayor of Kinston
Chuck Neely, Williams Mullen
Jim Phillips, Brooks Pierce
Art Pope, Variety Wholesalers Inc.
Robert Reives, North Carolina House of Representatives
Tom Ross, UNC President Emeritus and President, Volker Alliance
Richard Stevens, Smith Anderson Law Firm
William Thierfelder, Belmont Abbey College
Andy Wells, North Carolina Senate
Brad Wilson, Blue Cross & Blue Shield North Carolina
Stelfanie Williams, Vance-Granville Community College
Leslie Winner, Z. Smith Reynolds Foundation

Please note, affiliations above reflect the person’s role at the start of 2016.

APPENDIX: LIST OF TEN PROPOSALS PARTICIPANTS INITIALLY CONSIDERED

We identified ten proposals that might address some of the barriers preventing more workers in North Carolina from earning enough to support their families. We commissioned the North Carolina Justice Center and the John Locke Foundation, two NC-based think tanks, to prepare short policy briefs on the merits of each of the proposals. You can read the policy briefs at www.ncjf.sanford.duke.edu.

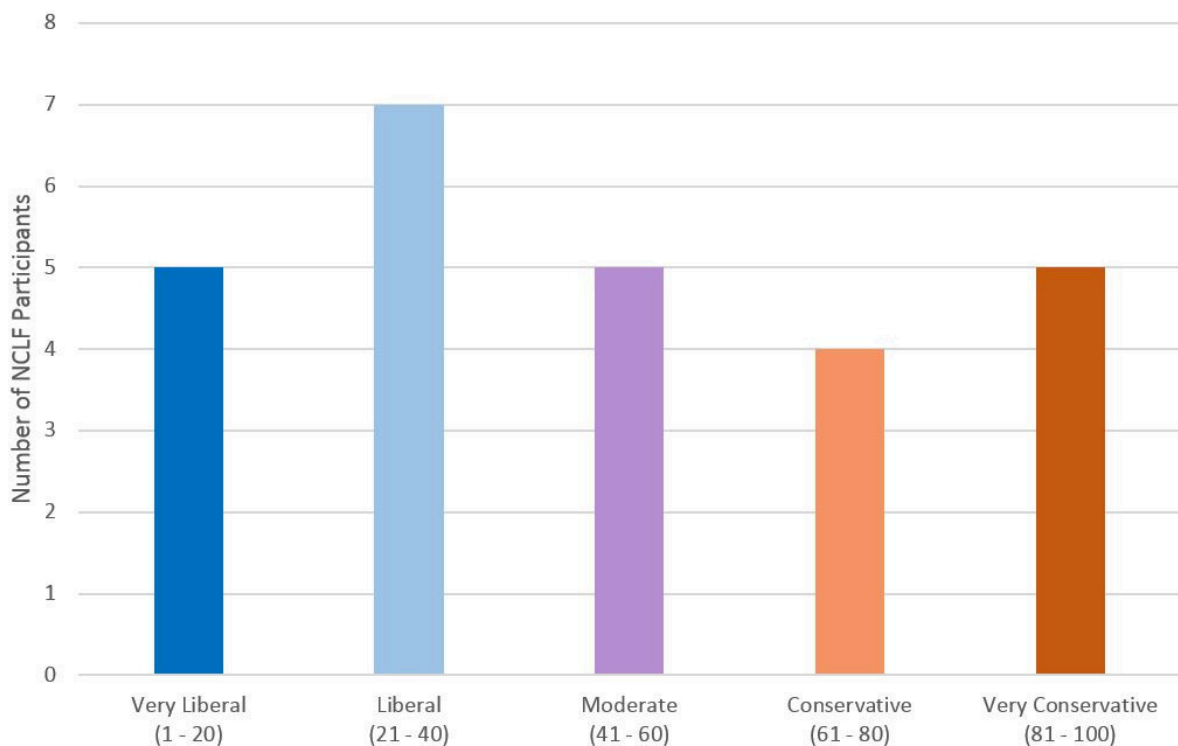
- Should North Carolina increase funding for job-training programs provided by the state community colleges – and take other steps to enable students to complete these programs?
- Should we expand and improve programs that provide a pathway from high school into post-secondary credentialing programs that in turn lead to higher wage jobs?
- Should North Carolina employers expand apprenticeship opportunities, and, if so, should the state encourage and/or incentivize employers to increase the number of apprenticeship openings?
- Should North Carolina reform occupational licensing policies for specific occupations where current practices make it unnecessarily difficult for new entries?
- Should the state support small business incubators that have the facilities and expertise to facilitate tech transfer from academic research into viable small businesses?
- Should North Carolina provide more venture capital for entrepreneurs, either by allowing the State Treasurer to invest more pension funds into NC-based venture-capital funds or by diverting funds away from incentive-based business recruitment programs to a new “revolving fund” that invests in North Carolina entrepreneurs, especially in communities and parts of the state with less access to venture capital?
- Should North Carolina reduce or eliminate its capital-gains tax to encourage more investment in new and expanding businesses in the state?
- Should North Carolina reinstate the Earned Income Tax Credit?
- Should North Carolina increase the state minimum wage? If so, by how much, and should the increase be uniform across the state or tiered based on cost of living? If not, should North Carolina instead increase the wages it pays state employees?
- Should we encourage employers to “ban the box” for some jobs to eliminate questions about prior criminal records that can block past offenders from higher-paying job opportunities?

APPENDIX: NCLF EVALUATION

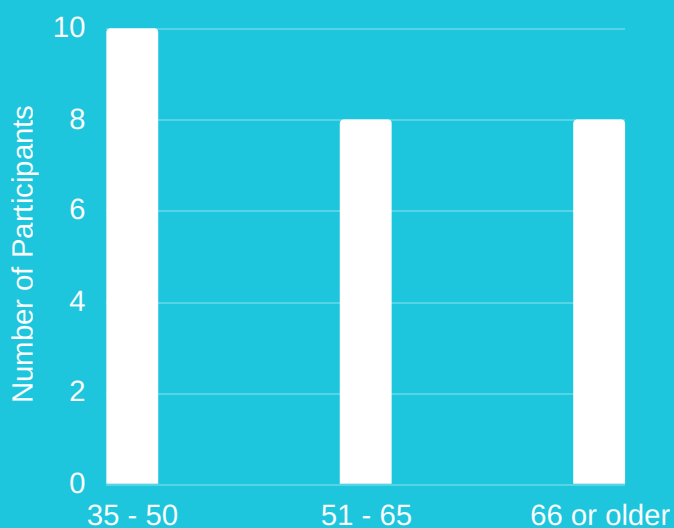
26 out of 30 active participants (attended more than 1 meeting) filled out survey evaluating NCLF's first year. The first cohort of NCLF participants was roughly balanced in ideological orientation.

POLITICAL IDEOLOGY OF PARTICIPANTS

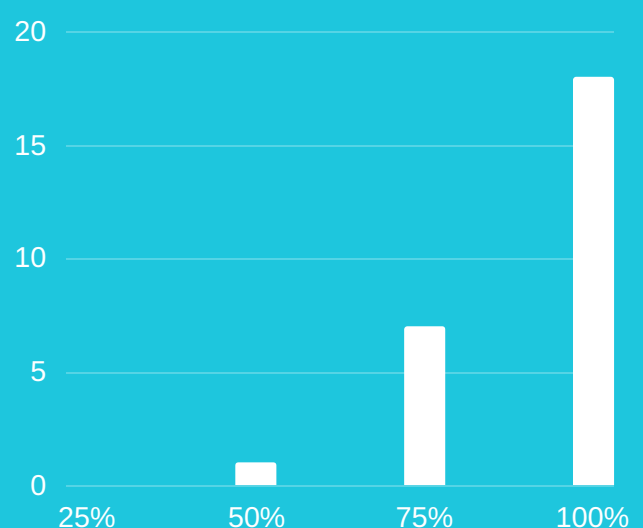
We asked participants to self-identify their political ideology on a scale of 1 - 100. A score of 100 meant "very conservative," a score of 1 meant "very liberal," and a score of 50 meant "moderate."



AGE OF PARTICIPANTS



PERCENT OF NCLF MEETINGS ATTENDED



APPENDIX: NCLF EVALUATION

ASSESSING THE BENEFITS OF PARTICIPATION

Q1) "I learned more about the obstacles that prevent North Carolinians from earning enough to support their families."

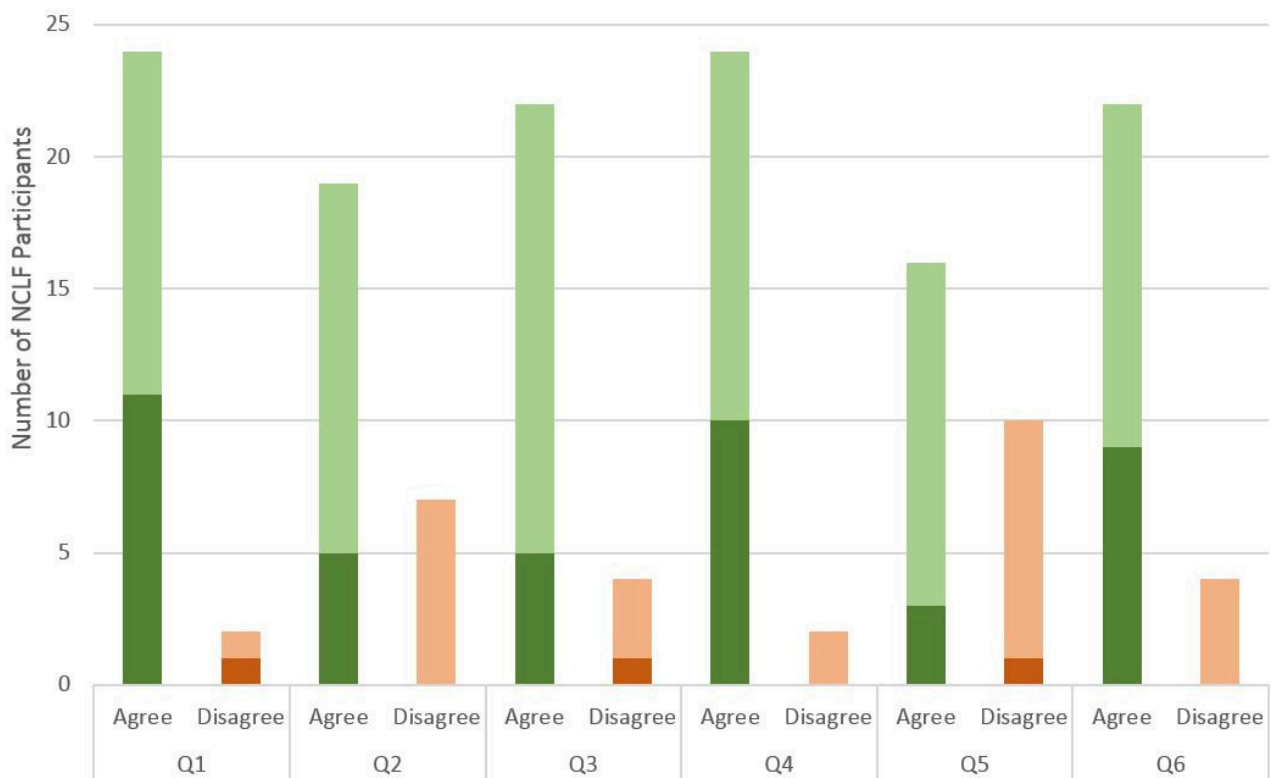
Q2) "I view the nature of the problem differently than I did a year ago."

Q3) "I better understand my own views on some important issues facing our state."

Q4) "I better understand the views and values of those from diverse backgrounds and perspectives on important issues facing our state."

Q5) "My views on some issues changed."

Q6) "I formed relationships with people of differing views about the best way forward for North Carolina that I likely would not have otherwise formed."



Note: Strength of agreement or disagreement indicated by shade, with darker shade indicating "strongly agree/disagree" and lighter shade indicating "somewhat agree/disagree."

APPENDIX: NCLF EVALUATION

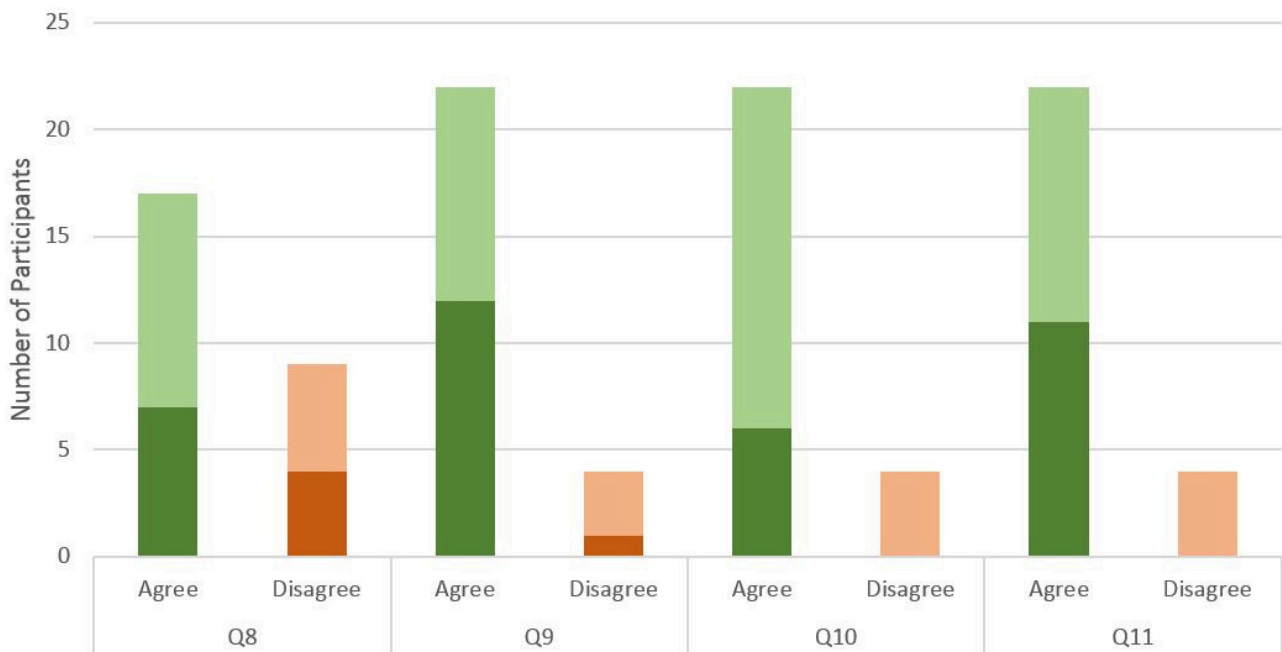
ASSESSING THE PROCESS

Q7) "NCLF chose a challenge of appropriate breadth and complexity to focus on."

Q8) "NCLF proceeded in a thoughtful, well-planned manner and was appropriately paced."

Q9) "NCLF participants spent time discussing ideas that hold promise for improving the lives of North Carolinians."

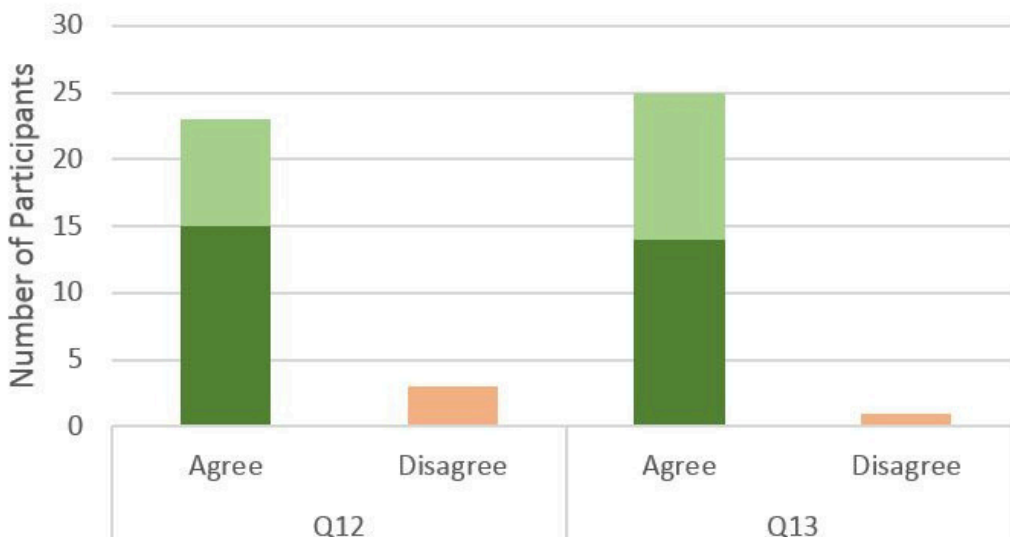
Q10) "NCLF fairly represented the views of multiple sides and perspectives, and was agnostic about the specific solutions."



OVERALL EVALUATION

Q11) "Participating in NCLF was a worthwhile investment of my time."

Q12) "I would encourage others to participate in NCLF."



The background of the entire page is a complex, abstract geometric pattern. It consists of various shapes like triangles, squares, and polygons, some of which are filled with lines or dots. The colors are different shades of blue and teal, creating a textured, hand-drawn appearance.

Learn more at www.nclf.sanford.duke.edu

NCLE