



*Building "The Good Life":
Investing in Opportunities
for Nebraska's Families,
Communities, and Economy*



Executive Summary





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Nebraskans are committed to building “The Good Life.” We strive to create strong families and successful communities—and we share an appreciation for those who work hard to make our state great. Despite our dedication to building “The Good Life,” Nebraska faces several challenges, including a slowing economy, out-migration trends, increasing global competition, and a lack of quality jobs.

Today, more than one in four working families in Nebraska are low-income, meaning that they face difficulty in meeting basic needs and they struggle to get ahead. Almost one-third (32%) of all children under the age of 18 in our state

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live in low-income working families. Lack of education and skills development is also a serious concern for family stability and state economic success. Future jobs will require higher education, but 64% of adults in Nebraska do not have a postsecondary degree—and two-thirds of our 2020 workforce is already working today.

The message is clear: now is the time to invest in education and skills development, the creation of quality jobs, and supports for working families in order to build “The Good Life” for the future.

The following is a summary of challenges and opportunities analyzed in this report:

Education and Skills Development

KEY CHALLENGES:

- Of Nebraska adults aged 18–64, only 36% have an associate’s degree or higher.
- Income and opportunity increase significantly with higher education, but almost one in ten adults in Nebraska (9.6%) does not have a high school degree or General Educational Diploma (GED) and more than one in four Nebraska adults (28%) have only a high school degree or GED.
- For adult basic education and literacy programs, Nebraska spends only \$8.39 per adult without a high school diploma or GED. The national average is \$60.62. Nebraska ranks 43rd.
- Nebraska ranks 32nd in the nation for state investment in need-based financial aid for higher education: our state matches only 15% of federal dollars.

KEY OPPORTUNITIES AND RECOMMENDATIONS:

1. Increase educational opportunities for working families rooted in Nebraska to improve their earning potential and meet future workforce needs.

Recommendations:

- Increase enrollment of Nebraska workers in educational programs, particularly low-skill and low-income workers and women and minorities, through a targeted **outreach campaign**.
 - Increase investment in need-based financial aid, especially for nontraditional students, both by increasing the state investment in need-based financial aid and by developing a targeted financial aid program. Expand access to current educational programs for low-income, low-skilled, and nontraditional students by increasing state financial aid eligibility above federal limits and including those pursuing short-term credentials.
 - Improve community college retention, particularly by providing support systems for child care, transportation, and mentoring. Include such student services in institutional funding formulas. Research and ultimately implement career "ladder" programs to develop partnerships among institutions of higher learning and businesses to help low-income Nebraskans obtain higher education credentials.
2. Improve state systems for people who want to pursue education and skills development in order to increase both family economic stability and workforce preparedness.

Recommendations:

- Expand opportunities to build basic skills by increasing funding for adult education programs, and develop stronger support systems and transitions programs to help remediation students continue on to higher education.
- Update Nebraska's Aid to Dependent Children program to provide better outcomes by increasing access to education and skills development, setting higher outcome standards, increasing coordination with the Department of Labor, and establishing a state match for trainings savings accounts.

Economic Development

KEY CHALLENGES:

- High-quality jobs are important for family stability and the success of our state's economy. However, more than one in five (22.4%) jobs in Nebraska are in occupations that pay below poverty level, placing us 24th in the nation.
- Of the top ten growing jobs in Nebraska, only one—registered nurses—pays self-sufficiency wages for a family of four.

KEY OPPORTUNITIES AND RECOMMENDATIONS:

3. Alter economic development programs to better meet the goals of promoting quality job growth, equipping workers for better jobs, and assuring accountability in economic development investments.

Recommendations:

- Integrate job quality standards for all state business subsidy programs, including minimum requirements for wages, training, and benefits, potentially by developing a benefit metric that assesses multiple aspects of job quality, such as wages, health insurance, and sick leave.
 - Develop a "Unified Development Budget" to provide transparency to economic development spending and create associated benchmarks.
4. Expand investments in job training and micro enterprise to meet growing needs in a changing economy.

Recommendations:

- Require that a percentage of businesses using Customized Job Training program grants also provide benefits to workers, and target a percentage of customized job training funds to low-income workers.
 - Expand investment in the Customized Job Training Advantage Program and Microenterprise Development Act to meet growing needs, especially those targeted to high-poverty areas.
5. Target investments and improve job creation requirements to improve economic opportunity in high-need areas.

Recommendations:

- Improve the wage, job-quality, and job-creation requirements in the Nebraska Rural Advantage Act by requiring higher wages, additional benefits, and training opportunities for low-skilled workers.
- Conduct additional economic development outreach in vulnerable, rural, and high poverty areas, provide accompanying technical assistance, and provide appropriate additional supportive staffing.

Supports for Working Families

KEY CHALLENGES:

- More than one in five workers in Nebraska have a low-wage job (22%). This means that even a person working full time, year round, would earn wages below what is required to keep a family of four out of poverty. In 2006, the poverty threshold was \$20,614 for a family of four.
- Nebraska has the 49th lowest eligibility level in the nation for child care assistance for low-income working families.
- More than 137,300 of Nebraska’s workers aged 18–64 do not have health insurance from their employer or from the government.

KEY OPPORTUNITIES AND RECOMMENDATIONS:

6. Alter wage, tax, and unemployment insurance systems to better contribute to family and community economic stability.

Recommendations:

- Implement a statewide minimum wage above the federal minimum wage and index it to inflation.
- Expand the impact of the Earned Income Tax Credit by doubling the state credit and consider a tiered credit system for families with multiple children.
- Alter Nebraska’s unemployment system to take advantage of alternative calculation methods for eligibility, increase weekly benefits levels, provide an allowance for dependents, and index benefits to inflation.

7. Invest in worker and family stability by maximizing child care and health care options for low-income working families.

Recommendations:

- Increase eligibility for child care assistance to 200% of the federal poverty level, and increase the provider reimbursement rate.
- Increase parent eligibility for Medicaid to 100% of the federal poverty level and increase eligibility for Kid’s Connection (Nebraska’s health care program for children in low-income families) to cover all uninsured children.



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