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ECONOMIC RECOVERY PACKAGE WILL PROVIDE TARGETED, TEMPORARY HELP
TO STATES, MILLIONS OF VULNERABLE CHILDREN, AND FAMILIES

Lincoln, NE - The economic recovery package under consideration in the Senate will inject much-needed cash into the economy, preserve and create jobs, and target vital assistance to millions of families in Nebraska and countless more like them across the country.

Notably, the package includes vital temporary assistance to quickly ease economic struggles for Nebraska, including providing funds to cover increasing numbers of people eligible for state health care assistance, administrative funds for the state's unemployment insurance program, and funding for child care assistance for low-income families in the workforce. Moreover, according to recent testimony from Mark Zandi of Moody's Economy.com, every dollar invested in general aid to state governments helps grow the national economy by \$1.36.

Key provisions in the proposal are doubly beneficial: they provide timely and well-targeted stimulus and help low- and moderate-income families, many of whom have been hit hard by the economic downturn. These families are more likely to spend the funds right away, pumping the money directly into the local economy through direct expenditures on food and other basic needs. As a result, the package contains important measures that are some of the most effective ways to create and preserve jobs.

Among these measures are temporary increases in unemployment insurance benefits and food stamps, which rank among the most effective means of stimulating the economy. For example, according to Zandi's testimony, every dollar invested in a temporary increase in food stamps boosts the economy by \$1.73. Similarly, for every dollar invested in extending unemployment insurance benefits, \$1.64 is generated.

"This package reflects an understanding of the dire economic challenges facing too many families in Nebraska today," commented Rebecca Gould, Executive Director of Nebraska Appleseed. "Parents are worried about losing their jobs and health insurance. They worry about being able to feed their children and keep the lights and heat on." Funds for Nebraska included in the Senate proposal include:

- \$304.6 million in federal matching funds for Medicaid

- \$2,986,000 for Unemployment Insurance administrative funding
- Additional unemployment benefits for 74,000 unemployed workers
- \$11,799,352 for child care assistance
- \$46 million in Food Stamp benefits
- \$1.2 million for adult worker training and employment services

The package also includes additional funding for education, Social Security Income, emergency shelter programs, and tax credits for families and workers.

These measures will provide an immediate boost to the struggling economy. But the package also recognizes that this economic recession is expected to be longer and deeper, and the recovery from it slower, than has been typical for downturns since World War II. State budgets, which tend to see recovery more slowly than the general economy, are very likely to be strained into 2011. Without assistance through the slowdown, states and localities would very likely have to cut education, security and other vital services, exacerbating the economic problems.

“It is almost impossible to overstate how necessary this relief is to low-income families and the communities they live in,” Gould stated. “There is no doubt room for improvement in some parts of the package. Overall, however, it strikes a balance between the need to inject money into the economy right away and making investments that will create jobs and spur an economic recovery over a longer period of time.” Senator Nelson and Senator Johann’s support for this proposal will be critical to ensuring the package’s passage which is now under consideration in the Senate.

Offering thousands of people across Nebraska, and millions more around the country, desperately-needed support extends a vital lifeline for economic recovery in our state.

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Nebraska Appleseed, a nonprofit, nonpartisan public interest law project, is a national leader in addressing social problems facing vulnerable children without loving and permanent homes, low-income families working hard to make ends meet, and new immigrants seeking a better life. Nebraska Appleseed’s current year action plan and description of its six program areas, significant litigation and policy reform successes, and broad-based accomplishments can be found at neappleseed.org.

Nebraska Appleseed is a part of the Appleseed network of independent state-based public interest law centers working to identify and address social injustices. The Appleseed network seeks to build a just society through education, legal advocacy, community activism and policy expertise by addressing root causes and producing practical, systemic solutions with broad implication. For more information visit appleseednetwork.org.

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