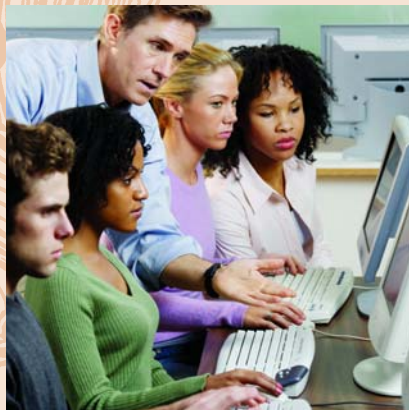
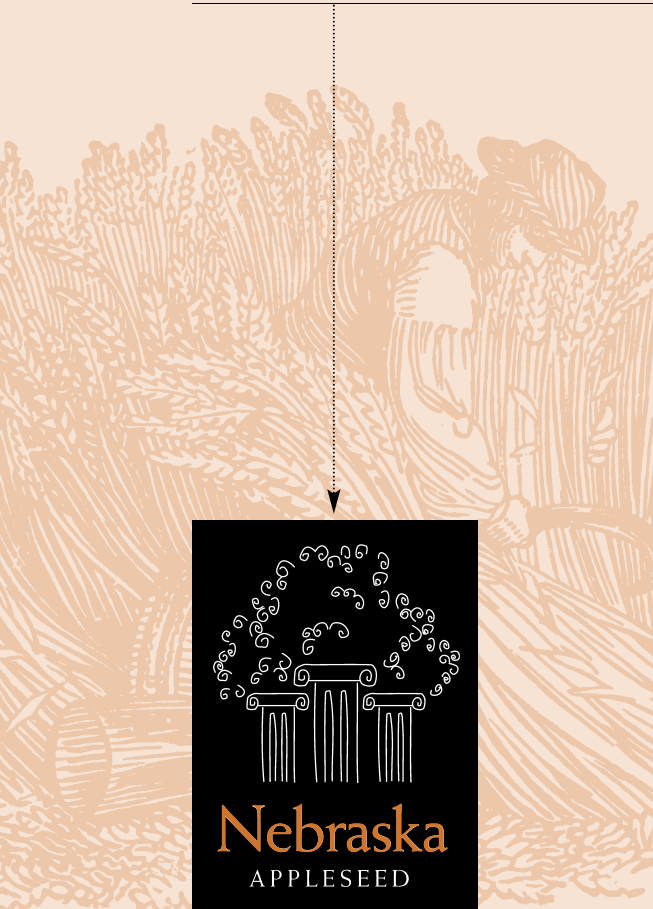




*Building "The Good Life":
Investing in Opportunities
for Nebraska's Families,
Communities, and Economy*



About the Working Poor Families Project

The Working Poor Families Project (WPFPP) started in 2002. It is a national initiative aimed at assessing state policies and programs that are designed to help working families with low-incomes achieve economic success. Supported by the Annie E. Casey, Ford, Joyce, and Charles Stewart Mott Foundations, the WPFPP engages in partnerships with state nonprofit organizations to examine state education and skills-development policies, economic development, and work and income supports. The WPFPP supports state nonprofit groups to engage in a multi-stage advocacy process, beginning with an in-depth assessment of the economic conditions and state policies affecting working families and followed by actions to strengthen those conditions and policies. The WPFPP is under the management of Brandon Roberts + Associates. For more information about the Working Poor Families Project, visit www.workingpoorfamilies.org

About Nebraska Appleseed Center for Law in the Public Interest

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. Descriptions of Nebraska Appleseed's five program areas, significant litigation activities, policy reform successes, and broad-based accomplishments can be found at www.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 implications. For more information, visit www.appleseednetwork.org.

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Executive Summary



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

Today, more than one in four working families in Nebraska is low-income, meaning that they face difficulty in meeting basic needs and they struggle to get ahead.

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.



Introduction



What does it mean to build “The Good Life” in Nebraska? In many ways, it means ensuring that the investments we make as a state contribute to quality of life for Nebraska’s workers. A strong workforce is central to our state’s future economic success because working people make up the families and communities that are the foundation of our state. Increasing opportunity and capability for low-income working families is essential to turning our Midwestern work ethic into prosperity for all Nebraskans.

Right now, Nebraska’s “Good Life” is vulnerable. Nebraska families are working hard but remain unable to earn wages that allow them to meet the basic costs of health care, housing, child care, and other necessities. Nearly 63,000 families in Nebraska are working but struggle to get by. More than 424,000 Nebraska adults of “prime working age” (24–54) do not have a postsecondary degree. Without a trained, skilled, and stable workforce, the future of economic opportunity in Nebraska is uncertain.

This report explores the public systems in Nebraska that offer opportunities for education and skills development for working adults, examines our systems for increasing job and business opportunities, and addresses the

systems of support needed for economic advancement. As part of a national effort called the Working Poor Families Project, this report focuses on how public systems can better interact to help low-income families move ahead and states to prosper:

Increasing opportunity and capability for low-income working families is essential to turn our Midwestern work ethic into prosperity for all Nebraskans.

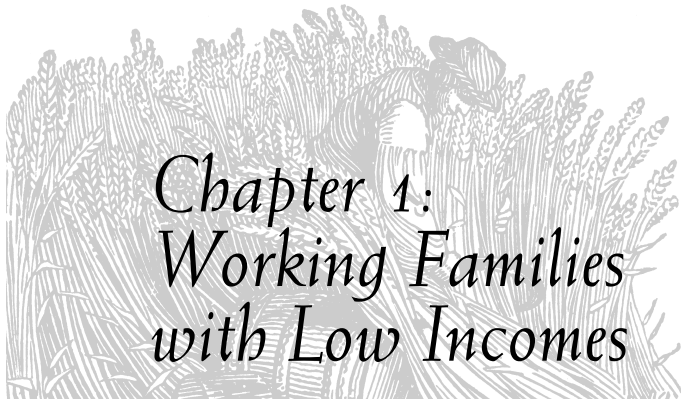
CHAPTER 1 provides information and data on Nebraska’s working families with low incomes, including income levels, family demographics, and education levels.

CHAPTER 2 assesses the educational needs of our state and examines opportunities for improvement in education and skills-development for low-income adults.

CHAPTER 3 outlines major economic development initiatives in Nebraska and examines the ways in which such efforts impact Nebraska workers.

CHAPTER 4 discusses ways in which work-supports programs can be designed to remove barriers to employment and contribute to family success.

Taken together, our education, economic development, and family-supports systems can be thoughtfully calibrated to build “The Good Life” for Nebraska’s future.



Chapter 1: Working Families with Low Incomes



Key Facts

- > More than one in four (29%) working families in Nebraska is low-income – which is higher than the national average.
- > Almost a third (32%) of all children under the age of 18 in the state live in low-income working families.
- > 86% of low-income working families contain a parent of “prime working age” – and two thirds of our 2020 workforce is already working today.
- > 22% of Nebraska families contain a parent without a High School Diploma or GED

Key Definitions ⁶

- > **Family:** A family is a primary married-couple or single parent family with at least one child under the age of 18.
- > **Working Family:** A family where all family members aged 15 and over have a combined work effort of 39 or more weeks in the last 12 months. If one parent in the family is currently unemployed and has actively searched for work in the last four weeks, then all family members aged 15 and over must have a combined work effort of 26 weeks or more to be counted as a working family.
- > **Low-Income Working Family:** A working family with an income of less than 200% of the federal poverty threshold (\$41,228 for a family of four in 2006.)
- > **Self-Sufficiency Wages:** Earnings that allow a family to care for basic needs without public assistance, based on location and family size
- > With the requirements of at least a 39 week work effort – or work in at least three quarters of the year – the figures of low-income families in this report do not include many childless low-income Nebraskans or families with a work effort below 39 weeks per year.

Hard Work, Unrealized Dreams

The Midwestern work ethic is strong in Nebraska. From ranchers in Ogallala to factory workers in Omaha, Nebraskans believe in improving their lives through work. Most Nebraskans also believe that those who work hard should be able to support their families, but today, many working families face difficulty in meeting basic needs and struggle to get ahead. More than one in four (29%) working families in Nebraska are low-income—this is higher than the national average.¹

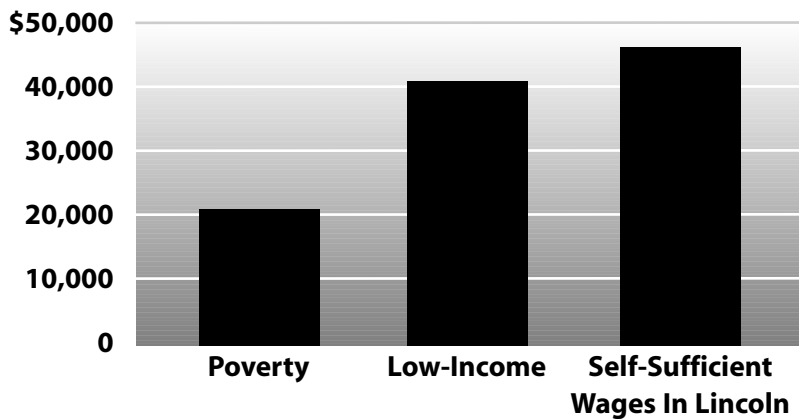
Simply put, hard work and economic well-being do not necessarily go hand in hand in Nebraska. Of low-income families in Nebraska, more than 70% have at least one full-time worker, and one

in ten includes two full-time workers.² Almost one-third (32%) of all children under the age of 18 in the state live in low-income working families.³ Clearly, too many workers in Nebraska struggle to earn wages that will support a family.

Almost one third (32%) of all children under the age of 18 in the state live in low-income working families.

The national Working Poor Families Project defines a “low-income working family” as one whose yearly income is less than twice the federal poverty line. For a Nebraska family of four in 2006, this was less than \$41,228.⁴ That is \$5,078 less than a family with two adults and two young children needs to provide for basic needs such as food, housing, child care, and health care in our capitol city (Figure 1.1).⁵

Figure 1.1
Poverty, Low-Income, and Self-Sufficiency Wage Levels for a Family of Four, 2006



“The Good Life”—For Some But Not for All

Low-income working families live in every part of the state and in every legislative district. While some communities—such as Lincoln and Omaha—contain more affluent areas, they also contain areas with a high number of low-income

workers. The map below illustrates the percentage of families in each legislative district that received the Earned Income Tax Credit in 2004—a tax credit provided to working families who generally earn less than 200% of poverty-level income (Figure 1.2).⁷

Figure 1.2



Families headed by women and minorities make up a disproportionately high percentage of low-income working families. More than 52% of low-income working families are married couples with children, 38% are headed by single mothers, and 9.5% are headed by single fathers.⁸ This means that there are almost four times as many single-mother households struggling to get by than single-father households.

We can also see disparities for minorities. Nebraska has a relatively small minority popula-

tion—11.4% according to the U.S. Census Bureau American Community Survey in 2006⁹—and therefore families with minority parents make up a small percentage of Nebraska’s working-poor families. However, working families with minority parents have significantly different experiences than white working families. Half of all working families with at least one minority parent are low-income, compared to about one in four (24%) white working families, indicating clear racial disparities on the road toward “The Good Life.”¹⁰

The Cost of Opportunity Lost

With more than one in four working families in Nebraska facing difficulties in just making ends meet, the success of our children, our families, our communities, and our state overall is of real concern. In too many cases, efforts to build “The Good Life” in Nebraska are stymied by lack of access to health care and education.

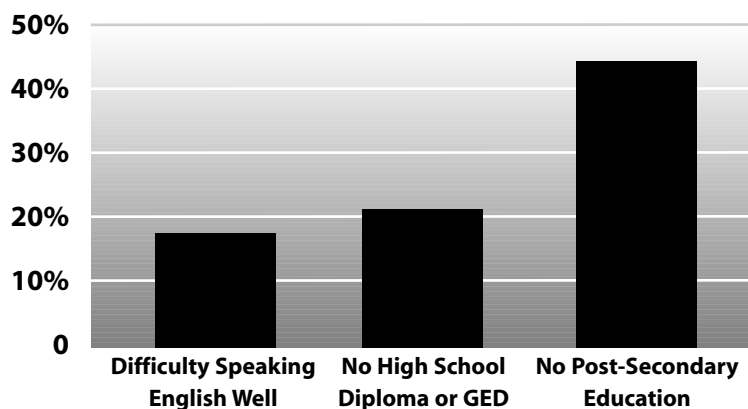
Healthy parents are the foundation for healthy families, yet 34% of Nebraska’s working families include at least one parent without health insurance.¹¹ Parents’ lack of health insurance is often due to a lack of access to jobs with paid benefits, and it places families in a position where

health and the ability to care for and provide for children can be at risk.

Lack of education is a key challenge for our state. Nebraska families increasingly need higher education to achieve economic stability and businesses continue to demand higher skilled labor.

Lack of access to education is another factor limiting the success of Nebraska families. In 44% of low-income working families, neither parent has any postsecondary education.¹² More than one in five (22%) low-income working Nebraska families include a parent without a high school diploma or GED.¹³ Lack of education is a key challenge for our state. Nebraska families increasingly need higher education to achieve economic stability, and businesses continue to demand higher skilled labor. In 17% of low-income families, one par-

Figure 1.3
Educational Attainment of Low-Income Working Parents in Nebraska, 2006



ent faces the additional educational challenge of learning English as a new language and has difficulty speaking English well (Figure 1.3).¹⁴

In many cases, lack of access to education means that low-income working parents are unable to get well-paying jobs that provide economic stability for their families. It also means that as a state with an increasing need for

86% of low-income working families contain a parent of “prime working age” – and two thirds of the 2020 workforce is already working today.

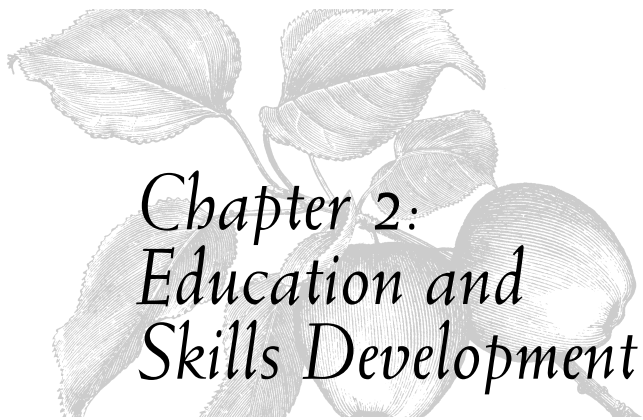
educated and skilled workers, we must make new investments to build a stronger, more educated workforce. The vast majority (86%) of low-income working families include a parent of “prime working age”¹⁵—and two-thirds of the 2020 workforce is already working today.¹⁶ For these families, the time to increase their earning potential is now— so that they can increase their earnings and their contribution to our workforce and economy.

New Possibilities for Low-Income Working Families in Nebraska

In 2006, there were 62,645 families in Nebraska who worked hard and still struggled to get by.¹⁷ The prevalence of working families earning low incomes runs contrary to our Nebraska value of hard work and falls short of Nebraska’s ideal of “The Good Life.” Creating new ways for individuals raising children in our state to access

education and skills development, get good jobs, and receive work supports not only improves the well-being of families—it also improves the well-being of our state.

Simply put, improving opportunities for hardworking families today is essential to protecting Nebraska’s “Good Life” for the future.



Chapter 2: Education and Skills Development



Key Facts

- > *In Nebraska, 79% of low-income families work but are unable to earn family supporting wages – education beyond high school is a key to attaining higher wage jobs.*
- > *Of Nebraska adults age 18-64, only 36.3% have an associate's degree or higher.*
- > *Nebraska ranks 32nd in the nation for state investment in need-based financial aid: our state matches only 15% of federal dollars.*
- > *Almost one in ten (9.6%) adults in Nebraska 18-64 do not have a high school degree or GED.*

Key Definitions

- > **Adult Basic Education:** *Aims to provide the basic skills of reading, writing, and mathematics to low-performing adult learners.*
- > **Remedial Education:** *Also known as developmental education and basic skills education, remedial education refers to courses in postsecondary institutions designed to help students gain the skills needed to reach a level of competency required to engage in college-level coursework.*
- > **Postsecondary Education:** *Education working towards a degree or certificate beyond a high-school diploma or GED.*

Falling Behind: Educational Attainment and Economic Competitiveness

Nebraskans share a sense of connection to our neighbors and we recognize that strong communities are built when we invest in one another. However, Nebraska workers lack the education and skills development necessary to prepare our state to compete in a 21st-century global economy, and Nebraska communities face several concerning trends:

- In Nebraska, 79% of low-income families work but are stuck in low-income, often low-skill level jobs that prevent them from earning family-supporting wages.¹

- Of adults aged 18–64, only 36% have an associate's degree or higher.²
- Nebraska is the 10th most heavily out-migrated state in the nation and we lose a concerning number of more highly educated workers to other states.³

Building new opportunities for Nebraska workers in need of higher skills and higher wages contributes to family economic security and is an important step in preparing our communities for "The Good Life" in the future.

Struggling to Keep Up: Educational Attainment in Nebraska

Lack of education and skills development prevents too many Nebraska families from achieving success. There is significant room to provide new opportunities for educational attainment, ranging from adult basic education to remedial education to postsecondary education.

Of adults in Nebraska aged 18–64:

- More than one in four (27.9%) have only a high school degree or General Educational Diploma (GED).⁴
- Almost one in ten (9.6%) does not have a high

school degree or GED.⁵

There is significant room to provide new opportunities for educational attainment, ranging from adult basic education to remedial education to post-secondary education.

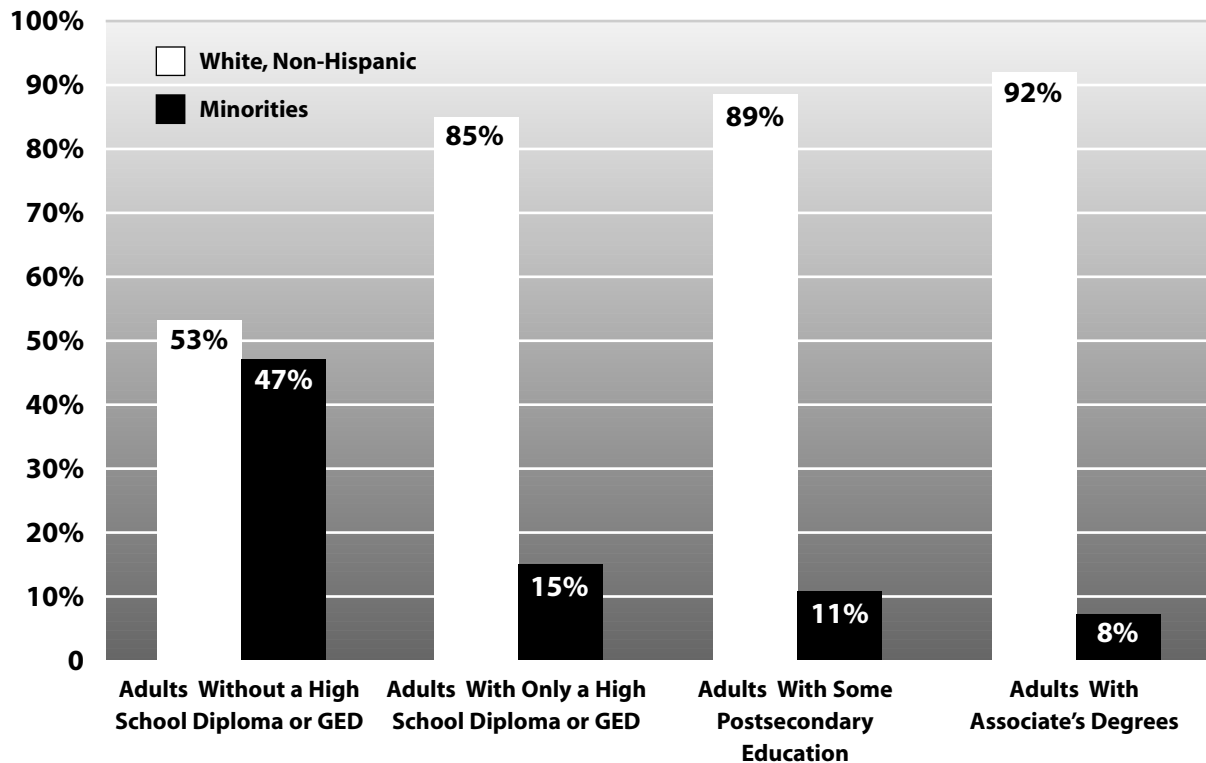
- 5.4% of adults aged 18–64 speak English “less than very well.”⁶

14% of low-income, single-female headed households do not have a high school degree, which is slightly lower than the national average but still indicates room for improvement.⁷ Clear and concerning disparities in educational

achievement among racial groups exist in Nebraska, especially in relation to postsecondary education (Figure 2.1).

Figure 2.1⁸

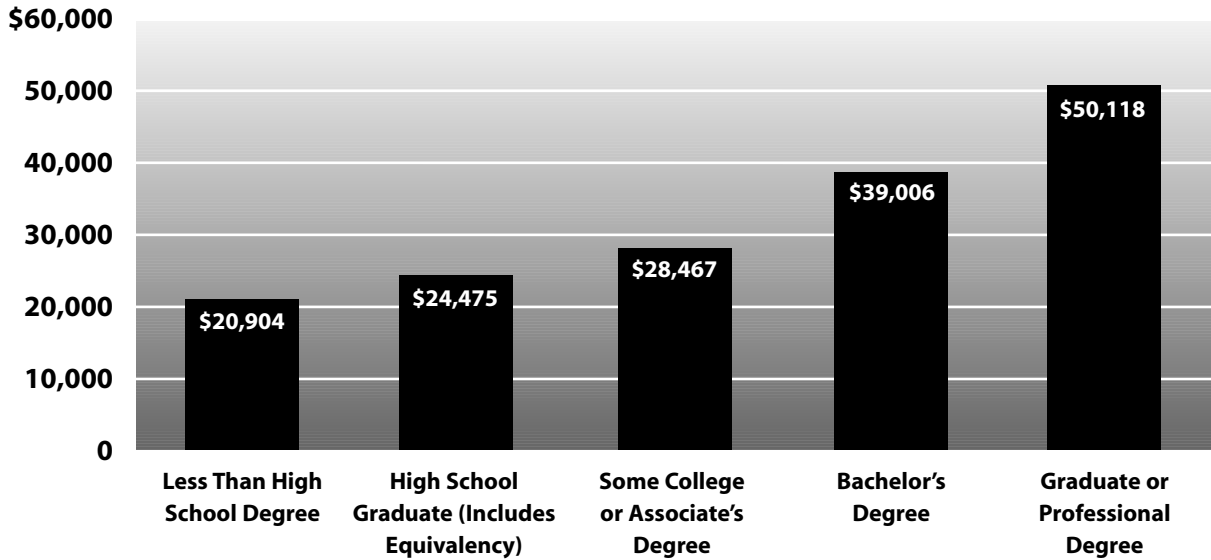
Educational Attainment for Nebraska Population 18–64 Years of Age by Race/Ethnicity



As might be expected, low-income families are more likely to have at least one parent who has not completed high school. Neither parent has any postsecondary education in 44% of low-

income working families.⁹ Education and skills development beyond high school is necessary for low-income workers to get better jobs with higher incomes (Figure 2.2).

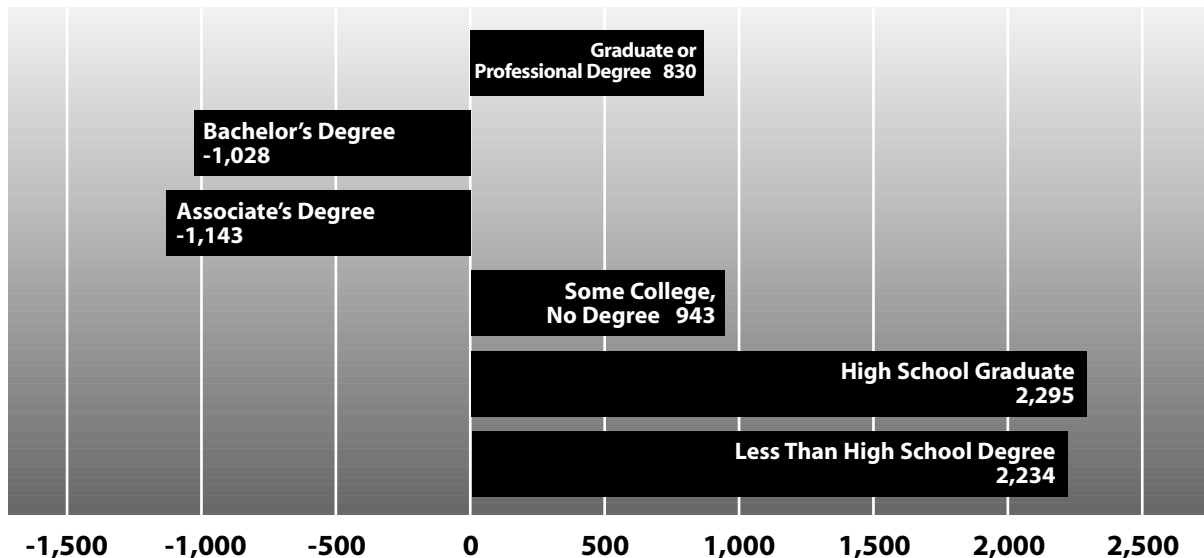
Figure 2.2¹⁰
Estimated Median Earnings by Degree Level, 2006



Clearly, low-income working families need new opportunities for education and skills development. At the same time, our communities need more highly educated workers, such as health care professionals, to fill community needs, and our state requires more highly skilled workers in

order to compete in an increasingly technologically focused global economy. Nebraska's high-demand jobs of the future will require higher skills, yet we are losing individuals with bachelor's and associate's degrees (Figure 2.3).

Figure 2.3¹¹
Estimated Nebraska Net Migration of Adults 22–64 Years of Age, 2005



Many low-income working parents in Nebraska have made a commitment to raising their children here. Investing in the potential of people who are working hard here in our state to create “The Good Life” for their children and increasing their capacity to fill Nebraska’s future jobs is a strategy with a triple bottom line: increased quality of life for low-income families, development of workers to fill Nebraska’s future needs, and a counter to current outmigration trends of educated workers. Among adults aged 18–64,

more than one in four have some postsecondary education but no degree—indicating the logic in investing in adults wanting to complete education and skills development in our state.¹² The time is now to make smart investments in postsecondary education, adult basic education, and skills training targeted at the low-income working families that are committed to making a better life for their families and communities in Nebraska.

Getting Ahead: Investing in Opportunities for Adult Higher Education

POSTSECONDARY EDUCATION

Educational achievement is vital in our growing global economy and as a means of improving economic mobility for low-income working families. Nebraska is fortunate to have a strong postsecondary education system, including five University of Nebraska colleges, three Nebraska state colleges, nine Nebraska community colleges (including tribal colleges), as well as several independent colleges and universities and private career schools. Over the period from 2000 to 2007, enrollment in Nebraska’s public and independent colleges and universities increased 13.3% to a total of 124,855 students in the fall of 2007.¹³ In comparison to the rest of the nation, Nebraska performs comparatively well in terms of the number of young people pursuing education. More than 40% of Nebraska’s young adults aged 18–24 are currently enrolled in postsecondary education, placing us 18th nationally.¹⁴ Yet increasing demand for more highly skilled workers indicates a clear need for achieving improved readiness, higher enrollment, greater affordability, improved retention, and increased credentialing of adult learners.

251,675 Nebraska adults of “prime working age” (24–54) do not have any postsecondary education. Increasing the education of these adults is a key factor in improving the competitiveness of Nebraska’s economy.

Readiness

Estimates of the percent of community college students requiring remedial education range from 30% to 70%.¹⁵ The Nebraska Community College Association is currently developing a system to better analyze the need for remedial education and track the progress and completion of students who participate. Understanding this need and developing options for remedial education students, such as developing courses that meet both remedial education and for-credit requirements and providing associated financial assistance, could contribute to the success of many adult learners.

Enrollment

In Nebraska 251,675 adults of “prime working age” (24–54) do not have any postsecondary education.¹⁶ Increasing the education of these adults is a key factor in improving the competitiveness of Nebraska’s economy. However, only 4% of Nebraska’s prime-working-age adults are enrolled in some type of postsecondary education.¹⁷ Outreach and recruitment targeting adult workers can increase enrollment and opportunity for increased education and skills development for Nebraska workers.

Affordability

Affordability is essential for many adult learners, making Nebraska community colleges a logical option. Nebraska community colleges are some of the most affordable in the nation. The 40% of Nebraskans with the lowest earnings need to pay only about 14% of their income for tuition at Nebraska community colleges.¹⁸ However, especially for low-income families, financial aid is essential. Nebraska ranks 32nd in the nation for state investment in need-based financial aid: our state matches only 15% of federal dollars.¹⁹ New state investments in need-based financial aid are essential to the success of low-income, low-skilled, and nontraditional students who want to pursue education as a means of increasing their economic stability, including those choosing short-term career training. Additionally, many working people earn too much to qualify for need-based financial aid, but still require assistance to pursue higher education. Altering eligibility requirements of need-based financial aid and developing a targeted financial aid program to increase educational attainment opportunities for low-income adult learners, minorities, and women, with low incomes can contribute to increased educational attainment for working adults.

Completion

Only 55% of Nebraska's first year community college students returned for the second year.²⁰ Losing nearly half of community college students is of true concern, and represents lost opportunity for both workers and employers. Many low-income working families find the costs associated with higher education to be a barrier—while financial aid assistance is available for tuition costs, additional costs of schooling such as child care during class time and transportation in rural areas can be challenging. Several states have successful models for supportive services and flexible options for nontraditional students. Nebraska should consider similar options (Figure 2.4).

Nebraska ranks 32nd in the nation for state investment in need-based financial aid: our state matches only 15% of federal dollars.

Figure 2.4²¹

State to Watch: California's Extended Opportunity Program and Services (EOPS) and the Cooperative Agencies Resources for Education (CARE)

The EOPS program provides funding for institutions to support the **academic** success of non-traditional students through academic and personal counseling, tutoring, and grants for textbooks.

The CARE program complements EOPS by providing students that receive public assistance with targeted **supportive services** such as child care and transportation. Both programs receive state funding.

Completion is particularly important in the technology and health care fields, where demand in Nebraska is growing. That demand requires both increasing education and skills development for Nebraska workers and developing systems that support those industries. Several states, such as Massachusetts, have excellent models that connect low-skilled workers, colleges, and businesses in developing career "ladders" or "pathways" that provide stepping-stone credentials geared toward high-demand jobs (Figure 2.5). Nebraska should consider developing a similar model to prepare today's workers for tomorrow's jobs.

Figure 2.5²²

State to Watch: The Massachusetts Extended Career Ladder Initiative

Recognizing the growing need for skilled workers in Massachusetts nursing homes, the state developed a program that focuses on continuous skill development and training for entry-level Certified Nurses Assistants (CNAs.) The state provides grants to consortiums of nursing homes, community colleges, and others to create career "ladders" to provide low-skill health care workers opportunities to increase their skills and gain credentials.

Outcomes

Enrollment, affordability, and retention are all factors that contribute to the ultimate goal of developing a strong workforce. Setting high expectations for our postsecondary education system is necessary for families and for our state to “get ahead.” Paying increased attention to outcome tracking can contribute to making good choices about investing in educational opportunities, especially for low-income and low-skilled students. However, as a state, we do not track the percent of low-income community college students obtaining a certificate or degree, transferring to a four-year college, or obtaining placement in a high-wage job. We do not monitor community colleges’ performance in remedial education. Such tracking would allow us to better monitor our progress and make targeted investments. We can also pay increased attention to the level of credentials students attain. Currently, our ratio of career certificates compared to associate’s degrees awarded in community colleges is 0.37 – in other words, slightly less than two certificates are awarded for every five associate’s degrees.²³ Increasing rates of completion for career certificates can ensure that adults receive the skills they need to move ahead.

GOALS AND RECOMMENDATIONS

Postsecondary Goals:

Achieve higher enrollment, greater affordability, improved retention, and increased credentialing of low-income working adults in order to improve the earning potential of families and increase the capacity of our workforce to meet the future needs of families, communities, and Nebraska’s economy.

Postsecondary 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** and by taking advantage of distance learning opportunities and expanding investment in satellite community college offices.

- Improve community college retention, particularly by providing **support systems** for child care, transportation, and mentoring. Include such student services in institutional funding formulas. Set state goals for increasing completion of career certificates and reward positive performance of community colleges.
- Increase investment in need-based financial aid, especially for non-traditional students both by increasing the state investment in need-based financial aid and by developing a targeted financial aid program to increase educational attainment opportunities for low-income adult learners, minorities, and women. Provide outreach and monitor the take-up rate of such financial aid, and increase monitoring of unmet need.
- Expand access to current educational programs for low-income, low-skilled and nontraditional students, especially working adults, by expanding state financial aid **eligibility** above federal limits and including those pursuing short-term credentials.
- Measure need for remediation and improve remediation systems, specifically by providing additional funding for community colleges, developing targeted financial aid for student pursuing such courses, and developing dual credit options for remediation courses.
- Develop stronger tracking and set high goals for educational outcomes in areas including the overall percent of low-income community college students obtaining certificates and degrees, transferring to a four-year college, or obtaining placement in a high-wage job.
- Research and ultimately implement career “ladder” programs to develop partnerships among institutions of higher learning and businesses to help low-income Nebraskans obtain postsecondary education credentials while assisting Nebraska employers in high-demand jobs. Strategies include creating career pathways maps, building and funding partnerships, and engaging businesses.

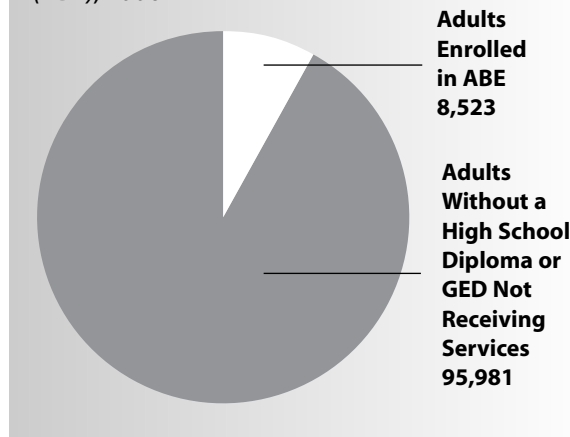
Catching Up: Building Opportunities for Low-Skilled Workers

ADULT BASIC EDUCATION

Adult Basic Education (ABE) in Nebraska is administered through the Department of Education in partnership with community colleges, public schools, correctional institutions, and community-based organizations. ABE services include adult basic education, high school equivalency completion, English as a Second Language programs, and workplace literacy programs. Only 8.3%²⁴ of the 104,680 adults in Nebraska without a high school diploma or GED were enrolled in ABE in 2006 (Figure 2.6), and half of the adult education programs in the state currently have waiting lists.²⁵ Expanding offerings of ABE programs and providing accompanying outreach is necessary to reach more adults in need of educational opportunities.

Figure 2.6²⁶

Nebraska Adults Aged 18–64 without a High School Diploma/GED in Adult Basic Education (ABE), 2006



Adequate Funding

Nebraska allocates only \$8.39 per person for adult education and literacy.²⁷ The national average is \$60.62. Nebraska ranks 43rd nationally. The state funding allocated for adult education and literacy, compared to the number of adults without a high school diploma or GED, is

very low. Currently, states vary significantly in the rate at which they match federal contributions to adult education classes. For example, Florida's ratio of nonfederal (state, local, and private) to federal spending was \$8 to \$1. In contrast, Nebraska spends about \$0.30 for every \$1.00 received in federal support.²⁸ Larger state investment could considerably increase the availability of adult education offerings—an important stepping stone towards a more highly skilled workforce and increased economic opportunity.

Providing opportunities for Adult Basic Education is an important stepping stone towards a higher skilled workforce and increased economic opportunity.

Success and Transitions to Postsecondary Institutions

Despite our need for more highly educated and skilled workers, we do not actively connect adult education participants to additional educational opportunities, nor do we track the number of adult education students that do transition to postsecondary or vocational education or that attain high-wage jobs. Developing support systems and transitions programs to help adult basic education and remediation students continue on to higher education can contribute to higher achievement for adult learners. These systems can include career counseling, tailoring ABE offerings to build skills needed in specific occupations such as health care, and developing dual credit options. Nebraska does not currently track educational goals or outcomes for multiple years. Doing so could illuminate the successes and struggles of adults pursuing education.

Literacy in the Workplace

There is significant room to expand our commitment to ABE programs in the workplace—an approach that allows more low-income workers to benefit and avoid the barriers of transportation and child care they may otherwise face. Nebraska should consider specifically dedicating state resources to support adult education and literacy efforts targeted to employees at the

workplace. Investments in ABE and English as a Second Language cannot only provide new opportunities for low-income women, minorities, and others in low-income working families, they can also help make Nebraska's workforce more competitive.

WORKFORCE INVESTMENT ACT

Communities across Nebraska require workers with quality skills, and workers require access to critical services including skills assessments, job training, adult education, and support services in order to access quality jobs. The Nebraska Department of Labor implements the federal Workforce Investment Act (WIA) which is intended to meet the needs of adults, dislocated workers and youth by providing employment services and training programs that are responsive to regional needs and opportunities.

A Workforce Investment Board made up of business leaders, elected officials, community organizations, and others provides oversight, including developing budgets, creating response systems for dislocated workers, and promoting continuous improvement for the state. Nebraska's system is divided into three areas: Greater Lincoln, Greater Omaha, and Greater Nebraska. Local "One-Stop" career centers provide services of three kinds: core services such as initial assessments and job search assistance, intensive services such as case management and career planning, and training services including occupational skills training and on-the-job training.

In 2006, 1,163 people were served in the adult program and \$1,541,374 was expended on WIA programs serving adults. According to the WIA annual report, after receiving services:

- 78.2% of adults entered employment.
- 60.3% of adults were both employed and credentialed.
- 86.8% of adults retained employment after six months with \$9,924 in average earnings in that time period.²⁹

While a significant number of people were able to access higher-level training services,

Nebraska's WIA programs can aspire to higher outcomes. Average earnings of \$9,924 after six months are lackluster. Continued wages at this level will result in wages of \$19,848 per year—below the poverty level for a family of four (\$20,614) and far from self-sufficiency wages for a family of four (\$46,300 in Lancaster County.) Changes can be made to get a better return on Nebraska's WIA investment, including setting higher goals for educational credentialing and high-wage jobs, targeting high-need areas by taking advantage of alternative funding options for high-poverty areas.

AID TO DEPENDENT CHILDREN

Increasing the education and skills of parents helps children, families, and communities succeed in the long term. Nebraska's Aid to Dependent Children (ADC) program provides parents with assistance while they increase their ability to earn family supporting wages by participating in education, work, or other activities to improve their skills and attain their highest level of self-sufficiency. While education and training clearly lead to higher wages, only 10.3% of participants are engaged in vocational education, only 4.3% in education related to employment, and fewer than 1% in on-the-job training.³⁰ A small number of recipients are also enrolled in postsecondary education in a separate, state-only program. Nebraska is one of only a few states that allow recipients to pursue a bachelor's degree for the full 60 months that people are eligible to receive assistance.³¹

The goal of Nebraska's ADC program is to build parents' ability to reach their highest level of self-sufficiency. However, one-third of Nebraska's ADC recipients who have entered the workforce do not retain employment for three quarters after initial placement.³² Increasing educational opportunities can increase the ability of ADC families to attain and retain employment and make better use of state investments. Nebraska can expand policies to allow participants to access education and skills development as well as update current assistance levels to help families as they improve

their skills. Around the country, 31 other states encourage education and training by providing a state match for individual development accounts (IDAs) or individual learning accounts (ILAs) but Nebraska does not.³³ Further, recipients are allowed to pursue “vocational training” (including associate’s degrees) for 12 months total. Expanding this option would allow ADC recipients to pursue cost-effective options that result in higher earning potential. We can also better connect ADC recipients to high-wage jobs and improve tracking of outcomes in the ADC program. Currently, there is no tracking of the earnings of ADC recipients one year after placement. Tracking the outcomes of ADC recipients is vitally important to assuring accountability and success of the program and participants. As a state, we must set higher goals.

GOALS AND RECOMMENDATIONS

Adult Basic Education Goal:

Expand opportunities for people in need of adult basic education programs by increasing investments and establishing pathways to career advancement and higher education.

Adult Basic Education Recommendations:

- Expand opportunities to build basic skills by increasing funding for adult education programs: develop more adult education and literacy offerings, create more opportunities for, and greater investment in, intensified and workplace-based ABE programs, and develop outreach campaigns to enroll more people.
- Establish pathways to success by developing support systems and transitions programs to help adult basic education and remediation students continue on to higher education, set goals for transitioning adult learners into higher education, track outcomes, and reward successful programs with additional funding.

Workforce Investment Act Goal:

Improve the return on our investment of WIA dollars by setting higher goals for education and high-wage job attainment for low-skilled workers.

Workforce Investment Act Recommendations:

- Set higher goals for education and high-wage job attainment in the WIA program, track outcomes for all WIA participants, target goals to high-need areas by taking advantage of alternative funding options for high-poverty areas.
- Improve coordination between the ADC program and employers by developing a matching-grant program for coordinated efforts.

Aid to Dependent Children Goals:

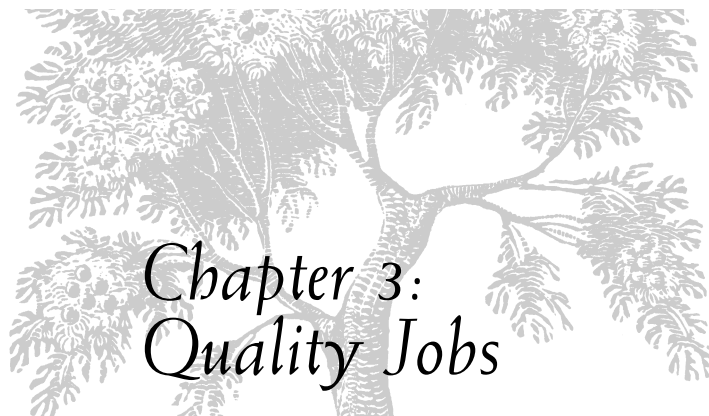
Develop improved self-sufficiency and economic mobility standards and outcomes for ADC recipients.

Aid to Dependent Children Recommendations:

- Update Nebraska’s ADC program to reflect the program’s concentration on work and self-sufficiency by:
 - increasing the focus on engaging clients in activities that prepare them for increased earnings, including allowing participants to participate in vocational training for the full ADC time period;
 - examining options to “stop the clock” during education and skills development;
 - establishing a state match for IDA/ILA accounts for ADC recipients; establishing formal liaisons between ADC and the Department of Labor to identify high-wage jobs and develop paths for clients to pursue them; and
 - altering ADC payment structures to reward recipients’ participation in work, including increasing payment levels (which have not been revised in 20 years) and increasing the amount of earned income that recipients keep.
- Set higher requirements and goals for ADC participants including setting the goal of moving all ADC participants to employment with self-sufficiency wages within two years of leaving the program, tracking outcomes one and two years after ADC and providing result updates annually, and developing training

regarding high-wage jobs for ADC caseworkers to engage more recipients in education, training, and experience options that allow recipients to achieve such goals.

Investments in education and skills development are needed to provide families opportunities to achieve "The Good Life" and to protect Nebraska's continued economic viability.



Chapter 3: Quality Jobs



Key Facts

- > 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 – pay self-sufficient wages for a family of four.
- > Companies may receive subsidies for creating jobs that do not provide living wages or health insurance benefits in the Nebraska Advantage Program, as well as in other economic development programs.
- > Nebraska does not require annual disclosure of businesses with more than 50 employees that have employees using public health care benefits.

Key Definitions¹⁴

- > **Job quality standards** - require subsidized companies to pay above a certain wage, provide health benefits, or offer other benefits such as sick leave or retirement packages.
- > **Tax credits** reduce or eliminate state corporate income taxes by allowing a company to deduct a certain percentage of a specific kind of expense dollar for dollar from what it would normally owe. Examples include credits for research and development, spending on new equipment, and employing hard-to-hire workers.
- > **Grants** are subsidies given as cash to companies. Usually grants must be used for a specific purpose, such as worker training. Some states and cities award grants for general use.
- > **Microenterprise** means any business with five or fewer employees.

Growing and Guarding “The Good Life”—Challenges for Nebraska’s Economy

Nebraskans are proud that our state is a place where people truly can live “The Good Life.” We take pride in saying that we are from Nebraska—a state where people feel connected to their hometowns, where community life thrives, and where the beauty of wide open spaces is appreciated. We strive to create “The Good Life” and we appreciate the teachers, cooks, small business owners, truck drivers, farmers and all the other workers that con-

tribute to that vision. Yet, in Nebraska, an abundance of low-wage work challenges our state’s ability to maintain “The Good Life.” More than one in five (22.4%) jobs in Nebraska are in occupations that pay below poverty level, placing us 24th in the nation.¹ The lack of quality jobs weakens our quality of life and contributes to the concerning trend of people moving out of Nebraska.

EMPLOYMENT PARTICIPATION AND LOW-WAGE WORK

A commitment to work is a hallmark of our state, yet thousands of Nebraskans are not able to earn family-supporting wages. Of all the low-income families in our state, 79% are working³ but remain unable to earn family-supporting wages. Nebraska’s hardworking families are a critical part of our state’s workforce, and many have a commitment to raising children here. Working families represent a vital opportunity for economic development and building “The Good Life” in the future. In fact, Nebraska ranks in the top five in the nation for:

- PEOPLE WHO WORK: Nebraska ranks 5th in the nation for participation in the labor force. With 72.5% of our state’s population in the labor force, we are significantly above the national average of 63.1%.⁴ As of May 2008, Nebraska also had the 3rd lowest unemployment rate in the nation at 3.2%.⁵
- PEOPLE WHO WORK MORE THAN ONE JOB: Nebraska ranks 2nd in the nation for workers over 18 who hold more than one job. Nearly one in ten adult workers holds more

than one job.⁶

– PEOPLE WHO ARE SEEKING WORK:

Nebraska ranks 5th in the nation for percentage of persons aged 18–64 who do not have a job but are actively seeking one at 2.8% (25,790).⁷ An additional 2% (18,780) are working part-time and would prefer, but cannot find, full-time work.⁸

Of the top ten growing jobs in Nebraska, only one – Registered Nurses – pay self-sufficient wages for a family of four.

While the Midwestern work ethic is alive and well in Nebraska, too many people work in low-wage jobs and future projections tell us that this is unlikely to change without action. Nationally, members of low-income households are employed in occupations such as cashiers, cooks, home health aids, housekeepers, and waitpersons. For example, nationally, almost half (48%) of customer service representatives live in a family whose income is below the poverty level.⁹ In Nebraska, customer service representatives are projected to be the 3rd highest growing occupation in our state from 2006 to 2016 according to the Department of Labor.¹⁰ Overall, service industry occupations make up a concerning proportion of the jobs growing in our state (Figure 3.1). Many of these occupations, especially service industry occupations, are characterized by low wages, few bene-

Figure 3.1

Occupations with Greatest Numeric Change in Employment 2006–2016

Job Title	2006 Estimated Employment	2016 Estimated Employment	% Change	Average Hourly Wage
Truck Drivers, Heavy and Tractor-Trailer	29,766	36,758	23.49%	\$17.41
Registered Nurses	20,429	27,323	33.75%	\$26.12
Customer Service Representatives	18,676	23,660	26.69%	\$13.66
Retail Salespersons	30,092	34,284	13.93%	\$11.70
Combined Food Preparation and Serving Workers, Including Fast Food	15,754	19,939	26.56%	\$7.60
Bookkeeping, Accounting, and Auditing Clerks	20,693	24,181	16.86%	\$13.87
Nursing Aides, Orderlies, and Attendants	14,781	18,165	22.89%	\$11.14
Waiters and Waitresses	15,861	18,916	19.27%	\$7.56
Office Clerks, General	18,224	20,693	13.55%	\$11.33
Child Care Workers	9,637	11,964	24.15%	\$8.62

fits, and limited mobility. Of the top ten growing jobs in Nebraska, only one—registered nursing—pays self-sufficiency wages for a family of four.¹¹ In positions with such limitations, the Nebraska work ethic is likely to be insufficient to move families ahead, and better opportunities are clearly needed.

FUTURE OCCUPATIONAL TRENDS AND OPPORTUNITIES

While too many Nebraskans are left out of “The Good Life” due to low-wage work, opportunities

do exist for future quality jobs in Nebraska. Increasing the availability of quality jobs can have multiple impacts, including improving quality of life and counteracting outmigration. Looking at the bigger picture of occupational opportunity, we can identify potential in health care, technology, and other fields. The Nebraska Department of Labor has identified more than 150 “Hot Jobs” expected to have above-average job prospects. Of those “Hot Jobs” more than 20 are projected to have more than 70 openings per year and average earnings of more than \$22 per hour (Figure 3.2).

Figure 3.2¹²
“Hot Jobs” with High Wages/Demand

Job	Estimated Annual Openings	Average Hourly Wage	Training
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	353	\$25.92	Some College Courses
Insurance Sales Agents	156	\$24.54	High School Diploma (or GED or High School Equivalence Certificate)
First-Line Supervisors/Managers of Production and Operating Workers	155	\$23.59	High School Diploma (or GED or High School Equivalence Certificate)
First-Line Supervisors/Managers of Construction Trades and Extraction Workers	116	\$27.64	High School Diploma (or GED or High School Equivalence Certificate)
Sales Representatives, Services, All Other	113	\$23.31	High School Diploma (or GED or High School Equivalence Certificate)
First-Line Supervisors/Managers of Mechanics, Installers, and Repairers	107	\$26.75	Postsecondary Certificate
Plumbers, Pipefitters, and Steamfitters	103	\$23.38	High School Diploma (or GED or High School Equivalence Certificate)
Medical and Clinical Laboratory Technologists	99	\$22.55	Bachelor’s Degree
Medical and Health Services Managers	98	\$36.38	Master’s Degree
Market Research Analysts	89	\$29.19	Bachelor’s Degree
Construction Managers	87	\$35.50	Postsecondary Certificate
Postal Service Mail Carriers	86	\$22.05	High School Diploma (or GED or High School Equivalence Certificate)
Special Education Teachers, Preschool, Kindergarten, and Elementary School	81	\$44,739 (per year)	Bachelor’s Degree
Vocational Education Teachers, Postsecondary	80	\$24.28	Postsecondary Certificate
Claims Adjusters, Examiners, and Investigators	78	\$22.15	Bachelor’s Degree
Claims Examiners, Property and Casualty Insurance	78	\$22.15	Bachelor’s Degree
Insurance Adjusters, Examiners, and Investigators	78	\$22.15	High School Diploma (or GED or High School Equivalence Certificate)
Computer and Information Systems Managers	73	\$45.86	Bachelor’s Degree

Figure 3.3

The Nebraska Department of Economic Development

The Department’s primary objective is to enhance the economy by expanding job opportunities and quality of life for the citizens of Nebraska. It includes a Business Development Division, a Community and Rural Development Division, a Division of Tourism, and two commissions – the Rural Development Commission and the Nebraska Innovation Zone Commission. Goals include creating and retaining employment opportunities, attracting human and financial capital, and growing Nebraska’s workforce. The Department of Economic Development undertakes initiatives beyond the scope of this report. Learn more at <http://www.neded.org/>.

Many of these hard working families have Nebraska roots and are committed to working and raising families in our state, and they are a vital resource in Nebraska. As such, workforce development must be seen not just as an adjunct of economic development, but as the linchpin of Nebraska’s economic development strategy.

Nebraska Housing Trust Fund to the Nebraska Job Training Advantage program, but do not reflect the cost of tax credits to the state. New Nebraska Advantage programs will call for additional state investments in economic development in coming years. Yet, gaps exist between the hardworking families in our state and the skills

needed to attract, maintain, and build economic opportunities that build prosperity. Many of these hardworking families are committed to working and raising families in our state, and they are a vital resource in Nebraska. As such, workforce development must be seen not just as an adjunct of economic development but as the linchpin of Nebraska’s economic development strategy. Incorporating stronger job-quality and training opportunities into business attraction and expansion initiatives, increasing investments in efforts that build capacity of workers and small business owners, and targeting more resources to struggling geographic areas of the state are all

BUILDING “THE GOOD LIFE”

Clearly, good jobs are an important part of “The Good Life.” Nebraska has a variety of economic development strategies and approaches (Figure 3.3). The total fiscal year 2007 investment by the State of Nebraska in the Department of Economic Development in aid and grant initiatives was \$67,004,000.¹³ These investments went to a variety of projects, ranging from the

ways in which economic development can contribute to building a strong workforce and economic opportunities for workers, communities, and the state as a whole. (See Appendix 1, “Summary of Selected Economic Development Initiatives in Nebraska,” for a summary overview of related economic development projects.)

Building “The Good Life” – Choices for Nebraska’s Economy

ECONOMIC DEVELOPMENT AIMED AT BUSINESS ATTRACTION AND EXPANSION

Attracting and expanding successful businesses that provide opportunities for Nebraskans is a necessary part of planning for the future of our state. At the same time, it is important to ensure that business development efforts go hand in hand with workforce development and quality job creation. Nebraska’s business attrac-

tion and expansion initiatives provide an attractive package of incentives for businesses but could go further in ensuring that those businesses offer an attractive package of training, wages, and benefits to workers in Nebraska.

NEBRASKA ADVANTAGE

Nebraska Advantage and Nebraska Super Advantage are the state’s major comprehensive

economic development packages. Nebraska Advantage went into effect in 2006, and Nebraska Super Advantage will go into effect in 2009. These programs replace previous initiatives with a tiered system of business development incentives based on amount of new dollar investments and number of new jobs created. Nebraska Advantage provides qualifying businesses with incentive packages including some or all of the following: investment credits, wage credits, sales tax refunds, customized job training, state and local sales tax refunds, and personal property tax exemptions.

It is difficult at this point to assess the impact that Nebraska Advantage and the Nebraska Super Advantage may have because of how recently they have been implemented.

However, from the perspective of working Nebraskans, there are two important aspects of both the Advantage and Super Advantage programs that are of concern: job quality and long-term investment.

Job Quality: Wages, Benefits, and Training

In the Nebraska Advantage Program, companies may receive subsidies for creating jobs that do not provide living wages or health insurance benefits. Nebraska Advantage specifically incentivizes jobs with wage credits—providing credits for jobs at 60%, 80%, 100%, and 125% of the average annual wage. While incentivizing entry-level jobs is a part of job creation, wage credits are a concern when they begin at the 60% level but do not require training opportunities to help workers move ahead. Businesses may also qualify for subsidies without meeting any requirements for providing benefits to workers. While job creation is important, if jobs are created without adequate pay and benefits, those workers may be forced to turn to public programs, shifting costs to the state of Nebraska. Furthermore, business subsidies provide an opportunity to improve our workforce, benefiting both businesses and workers, if requirements are developed to connect subsidies to training requirements for

entry-level jobs. Connecting additional requirements regarding wages, benefits, and training could better ensure that quality job opportunities are developed using Nebraska tax dollars.

Long-Term Investment:

Economic development is a long-term investment in the future of our state. Some Nebraska Advantage programs target industries—such as insurance—with the ability to generate high-wage jobs. Others, such as data processing, have the potential to generate jobs that do not pay family supporting wages. Targeting subsidy awards to specific industries with high potential in our state, such as information technology, is a smart choice for Nebraska Advantage programs in the long run.

Long-term modeling of the program estimates that Nebraska will commit \$169,957,673 in tax credits to the Nebraska Advantage program in the next ten years.¹⁵ While Nebraska Advantage is a long-term investment, there must be an analysis taking into full consideration revenue gains and losses, tax credits, and other spending to assess how much money is being spent and who benefits from the investments. Careful monitoring, including the development of economic performance benchmarks, must take place to ensure that long-term benefits sway in favor of Nebraska and Nebraska workers.

NEBRASKA SUPER ADVANTAGE

This program is designed specifically to draw high-wage jobs to Nebraska, but a closer look at wages, benefits, training, and long-term investments illustrates ways in which this initiative can be strengthened to build Nebraska's workforce and further increase the availability of quality jobs.

Job Quality: Wages, Benefits, and Training

This program targets projects that pay at least 150% of the state average weekly wage or 200% of the county average, whichever is larger. For example, the required wage in Hall County would be \$58,772.¹⁶ In this sense, Nebraska

Super Advantage is a laudable initiative. However, Nebraska Super Advantage does not contain requirements regarding provision of benefits such as health care or family leave nor does it give training preferences to Nebraska workers. While high-wage job creation is important and may spur other economic progress, businesses with this large investment will bring other jobs as well. Analyzing the quality of the overall package of jobs brought is necessary to ensure that good investments are made.

Long-Term Investment:

The Nebraska Super Advantage Act will go into effect in 2009 and state investment is contingent upon successful business attraction. However, two aspects of the Nebraska Super Advantage Program are of concern in a long-term analysis: qualified businesses and overall investment. Any business activity other than retail can qualify for Super Advantage incentives. Targeting Super Advantage incentives to businesses that contribute to the development of industries with high-quality jobs and “multiplier” effects—such as technology—could better ensure that state investments contribute to the prosperity of the state overall and can allow associated systems such as education and workforce development to adapt to the specific needs of the industry. Nebraska should require businesses to provide an Economic Impact Statement—a statement of the overall economic impact of their business and job creation, both direct (such as wage levels) and indirect (such as the creation of supportive jobs, their wage levels, and the impact of those jobs on the community.) Furthermore, no overall cap is in place for state investment in Super Advantage Programs. In a long-term view, it is important to monitor on-going investments to ensure that commitments today do not outweigh priorities of the future.

NEBRASKA ADVANTAGE RESEARCH AND DEVELOPMENT ACT

This act offers a refundable tax credit for qualified research and development activities under-

taken by a business entity. Associated with the Nebraska Advantage Act, the tax credit was made available after January 1, 2006. A total of \$69,320 in income tax credits were approved in 2007.¹⁷ Additional reporting requirements regarding the research and development activities undertaken with these credits would assist in ensuring that this incentive contributes to economic development in Nebraska. Further, additional promotion and use of this act could better develop the potential of this incentive to create a “multiplier” effect and have a larger impact on the state economy.

GOALS AND RECOMMENDATIONS

Business Attraction and Expansion Goals:

Tighten wage and benefits requirements in Nebraska’s main economic development programs and require additional outcome reporting and transparency to achieve the twin goals of promoting job growth and equipping workers for better jobs.

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.
- Connect training requirements to wage credits in the 60% and 80% job tiers for all Nebraska Advantage incentives and shift a portion of other incentives to worker training tax credits
- Alter incentives programs to better target industries with high-demand, high-wage jobs.
- Develop a “Unified Development Budget” to improve transparency in economic development spending by analyzing on-budget development spending, adding economic development tax preferences, expressing all historical figures in constant dollars, and then comparing to current and future spending priorities—in order to assess Nebraska’s major

economic development initiatives and develop achievement benchmarks.

ECONOMIC DEVELOPMENT INITIATIVES AIMED AT CAPACITY BUILDING OF WORKERS AND SMALL BUSINESSES

Economic Development in Nebraska faces several challenges in the future, ranging from contributing to the development of a stronger workforce to attracting more high-quality jobs. In many ways, investments in job training and microenterprise are two of the best opportunities to build prosperity in our state, because they build on the committed workforce and pioneer spirit found in Nebraska.

Job training initiatives are central to building capacity for both workers and businesses. For low-income working families in Nebraska, job training at their current place of employment allows them to upgrade their skills while also retaining commitments to their families and communities. For businesses, workers with higher skills will be necessary to build competitiveness in our changing economy. For example, Nebraska is uniquely positioned to take advantage of changes in the area of “green jobs” and alternative energy. However, these industries will require workers with upgraded skills if they are to continue to grow (Figure 3.4).

Figure 3.4

State to Watch: Nebraska

In 2008, the New York Times profiled Ainsworth Nebraska, currently home of 36 wind turbines supplying enough energy to power about 19,000 homes a year.¹⁸ A 2008 report entitled “Greener Pathways” points out the potential associated wind industry jobs that can be developed with the right capacity and a trained workforce, such as machinists, assemblers, welders, and others.

Developing microenterprise is also an important strategy to keep our state competitive and to ensure that assets and wealth creation stay in, and benefit, Nebraska. In many rural communities, a successful “Main Street” is central to the health of the community overall, and supporting small business owners is essential to developing an economy that works in rural areas. Nearly 70% of new jobs in rural Nebraska come from self-employment and small businesses.²⁰

Nebraska has realized this potential and has

developed the only microenterprise tax credit initiative in the nation.

Building on this and other initiatives supporting small businesses truly is an important part of building “The Good Life.”

Nebraska Customized Job Training Advantage

Investing in customized training can have a triple bottom line: increasing earnings for workers, improving employer productivity and competitiveness, and promoting economic growth and tax revenues for the state as a whole. The Customized Job Training Advantage program assists businesses in providing training to both existing and new workers. Businesses taking advantage of incumbent worker training programs are required to increase worker wages by a minimum of 6% at the conclusion of their training but are not required to provide benefits. A revision to Nebraska law made in 2008 (through LB 1154) provides opportunities for businesses in high-poverty areas to receive grant funds. Businesses may also partner with Learning Communities to provide basic job- and life-skills training aimed at low-income areas and low-skilled workers, and in doing so, receive additional grant funds. This revision is an excellent start, however, expanding the limited definition used for “high-poverty areas” could further allow low-income communities to benefit. Incorporating benefits requirements into all job training advantage programs could also sig-

In many ways, investments in job training and microenterprise are two of the best opportunities to build prosperity in our state, because they build on the committed workforce and pioneer spirit found in Nebraska.

nificantly improve the quality of jobs developed with state incentive dollars. Further, targeting a percentage of customized job training dollars to low-income workers would ensure that workers in need of higher skills gain opportunities to do so.

Additionally, developing specific customized job training funding streams for "green jobs" is one way in which Nebraska could develop a competitive advantage by developing a workforce prepared to meet the needs of increasingly environmentally aware businesses and industries.

Nebraska Microenterprise Development Act

Microenterprise is a crucial means of developing economic opportunity in Nebraska. The Microenterprise Development Act aids microbusinesses in realizing their full potential, creates jobs, and contributes to the development of a microlending infrastructure in the state. Ten microlending support organizations provide a 25% match, distribute loans, and provide technical assistance to small businesses across the state.¹⁹ This also allows microlending organizations to use state funds to leverage additional funding. This program is particularly targeted at minority, women, and low-income entrepreneurs and has been proven to reduce poverty. The Rural Enterprise Assistance Program of the Center for Rural Affairs has been found to cut the number of participants experiencing poverty in half.²¹ In 2006 and 2007, a total of \$447,750 was committed to the program. Training and/or technical assistance was provided to 3,895 individuals from 92 of Nebraska's counties in the year ending June 2006.²² Expansion of the Nebraska Microenterprise Development Act would improve economic opportunity for low-income entrepreneurs and communities statewide.

The Nebraska Advantage Microenterprise Tax Credit Act

Nebraska leads the nation in using tax credits to facilitate microenterprise. The Nebraska Advantage Microenterprise Tax Credit Act is

the only one of its kind in the nation, and the \$2,000,000 in available funds is claimed within days of its availability. Individuals qualify for a refundable income tax credit equal to 20% of the businesses' new investment. The business must be located in a municipality, county, unincorporated area, or an enterprise zone with an unemployment rate above the state average, per capita income below the state average, or a population decrease based on the last census. Despite the success of this initiative, many deserving businesses are unable to access this program. Increasing the cap could dramatically contribute to targeted economic development that will increase the prosperity of high-need communities.

GOALS AND RECOMMENDATIONS

Capacity Building for Workers and Small Businesses Goals:

Ensure that targeted investments in job training and microenterprise are able to meet growing needs and reach low-skilled workers.

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 in high-poverty areas.
- Increase the cap on the Microenterprise Tax Credit
- Use the Nebraska Job Training Advantage to develop a targeted "pipeline" pilot program for consortia of organizations building opportunities for low-skilled workers to fill high-demand jobs. "Green Jobs" are one promising area of high-demand labor in which a career pathways model could have particular impact in our state.

ECONOMIC DEVELOPMENT INITIATIVES TARGETED AT GEOGRAPHICAL AREAS

Rural areas and urban pockets with high concentrations of poverty in Nebraska face particular economic development challenges.

Targeted programs designed to improve economic opportunity for low-income areas and areas in danger of decline are important tactics in improving and maintaining quality of life in vulnerable areas of our state.

The Nebraska Advantage Rural Development Act

The Nebraska Advantage Rural Development Act targets vulnerable rural and high-poverty areas. In fiscal year 2007, \$3,000,000 in benefits was approved for 34 applicants. Incentives include investment credits and a \$3,000 refundable wage credit per full-time equivalent employee. However, the scope is small, and projects are required to create only two new jobs in tier one and five new jobs in tier two. Further, new employees are required to be paid only a minimum required wage based on application year—only \$9.25 per hour in 2007.²³ In 2008, Nebraska Rural Advantage expanded to include companies located in any village or small town and areas of extreme poverty in the Omaha area. The recent changes included \$1 million in additional funding; the program is now funded at \$4 million.²⁴ The creation of jobs in rural and high-poverty areas is vital to economic development and incentives spur this activity. However, the wage, job quality, and training expectations associated with Rural Development Act incentives should be raised to more deeply impact quality of life in these areas.

Nebraska Advantage Targeted Job Training Cash Fund Subaccount

Job training is an important strategy to spur economic development, especially for employers in rural and high-poverty areas. To this end, in 2008 the Job Training Cash Fund was established to create job-training grants for employers that employ 25 or fewer employees,

are located in rural areas, or are located in areas of high concentration of poverty (within a census tract that contains 30% of persons below the poverty line, or a census tract neighboring such a tract.) Training services include pre-employment training, on-the-job training, training equipment costs, and other appropriate activities. The amount placed in the subaccount will be equal to the amount of interest accruing to the Job Training Cash Fund in the prior fiscal year. Continued targeted investment will provide additional opportunities for workers in vulnerable areas.

Rural Development Commission

The Rural Development Commission is made up of community, business, and farm leaders from across the state tasked with advocating for effective economic development in rural Nebraska. The Commission oversees two grant programs: The Building Entrepreneurial Communities Act (BECA), which supports economic development in vulnerable areas, and the Agricultural Opportunities and Value-Added Partnership Act, which provides grants to cooperatives, groups, or associations to develop value-added products. Increasing the scope of the Rural Development Commission could allow more people to benefit from the opportunities provided by these two initiatives.

GOALS AND RECOMMENDATIONS

Economic Development Initiatives Targeted at Geographical Areas Goals:

Expand initiatives targeted at vulnerable geographical areas while at the same time ensuring that quality jobs are developed.

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.
- Expand the Rural Economic Development Commission to better serve the economic

development needs of rural areas, particularly through additional staffing.

- Conduct additional economic development outreach in vulnerable, rural, and high poverty areas, and provide accompanying technical assistance.

- Continue to fund the targeted job training subaccount and, if appropriate, expand eligibility beyond the current requirements that contain low income census tracts found only in Scottsbluff, Lincoln, and Omaha.

Ensuring Good Outcomes: Transparency in Economic Development

REPORTING AND TRACKING

Increased reporting and tracking requirements for state economic development assistance efforts will provide information to guide outcomes regarding job quality created by Nebraska economic development efforts. Indicators to analyze include the percentage of low-income workers benefiting from state business assistance efforts, the percentage of low-income workers whose earnings one year after assistance were above 200% of poverty, and the percent of businesses that participate in state business assistance efforts targeting low-income workers. Reporting and tracking together are the tools we can use to make sure that investments pay off for working families today and establish continued economic growth for generations to come.

GOALS AND RECOMMENDATIONS

Reporting, Tracking, and Accountability

Ensure that state economic development dollars are used to create quality jobs.

- Require annual disclosure by businesses with more than 50 employees of the number of employees using health care public benefits and the cost of such benefits. Require disclosure of the level at which employers receive wage credits.
- Require tracking of the percentage of low-income workers benefiting from state business assistance efforts, low-income workers who were helped so that their earnings were above 200% of poverty one year after assistance, and the percent of businesses receiving benefits that participate in efforts targeting low-income workers.

Focusing on creating quality jobs for Nebraska's dedicated workforce is important for our state to gain competitiveness in the changing economy.

Chapter 4: Support for Working Families



Key Facts

- > More than one in five workers in Nebraska has a low-wage job.
- > Nebraska provides health care assistance to working parents earning up to only 59% of the federal poverty line, the 34th-lowest in the nation.
- > As a state, we have the 49th lowest eligibility level for child care assistance in the nation.
- > 67.5% of unemployed workers in Nebraska do not receive unemployment insurance. Those who are covered receive some of the lowest benefits in the nation. Maximum weekly benefits in Nebraska are \$298.

Key Definitions

- > **Medicaid:** a program that provides health care to people that are elderly, disabled, or parents and children in low-income families.
- > **Kid's Connection:** a health care program for children under the age of 18 in low-income households.
- > **Earned Income Tax Credit:** a tax benefit for working people who earn low or moderate incomes.

Working Families “Making it Work”

Far too many working parents in Nebraska struggle to provide for their families, gain economic stability, and advance in the workforce. More than one in five workers in Nebraska have low-wage jobs.¹ This means that they earn wages below what is required for a full-time, full-year worker to keep a family of four out of poverty—\$20,614 in 2006.² These workers are essential to our economy. We all depend on folks who provide essential services—such as child care—to keep our state running.

We all depend on folks who provide essential services - such as child care - to keep our state running.

Families are central to life in Nebraska—in fact, many people who move to Nebraska, or return home to Nebraska, do so because they believe it is a great place to raise children, but we fall short in providing options that ensure quality of life for workers, such as health care and child care assistance. Nebraska can make choices to better match up the value our state places on family with access to the services, economic benefits, and protections that contribute to the well-being of both parents and children.

Family Economic Security

WAGES

Many Nebraska workers hold down multiple jobs just to make ends meet. Improving wage quality can contribute to increased quality of life for Nebraska workers. Nebraska does not have a minimum wage law that exceeds the federal level of \$6.55 per hour, nor do we index our minimum wage to inflation. It is clear that today this is not enough to make ends meet. While the federal minimum wage has recently increased from \$5.85 to \$6.55 and will increase again to \$7.35 in 2009, this is still inadequate when compared to self-sufficiency wages. For example, an adult with an infant must make more than \$9.00 per hour in 92 out of 93 counties in Nebraska to pay for basic needs.³ The City of Lincoln has passed a living-wage law impacting city contractors, but such initiatives have not moved forward on the state level. Establishing a foundation of wage expectations creates a culture of valuing work and workers that will help future generations access and maintain high-quality work opportunities in Nebraska.

TAXES

Low- and middle-income families in Nebraska pay a higher share of their income in state and local taxes than do the richest Nebraskans. The lowest-earning fifth of Nebraskans pay a greater percentage of their incomes (10.2%) than the highest-earning fifth of Nebraskans (9.0%), illustrating that low-income workers contribute a greater percentage of their incomes to state and local taxes than do high-income workers.⁴ Consumption taxes in Nebraska (taxes on goods like tires and services like auto care) remain relatively high—which have a greater impact on low-income budgets. However, Nebraska does provide a state Earned Income Tax Credit that benefits low-income workers. The EITC is a refundable tax credit rewarding low-income individuals for work. In 2006 there were 101,760 EITCs filed for a total of \$15,357,733.⁵ Filers in 2006 were eligible to

earn a maximum federal credit of \$4,536. Nebraska currently has a 10% state match for the federal EITC. Other states have invested even more in the EITC—a strategy that is proven to raise working families out of poverty and contribute to tax fairness. Expanding the EITC can deepen these impacts in Nebraska as well (Figure 4.1).

Figure 4.1

State to Watch: Wisconsin's Earned Income Tax Credit

Wisconsin has created a tiered system of EITC returns based on family size, providing up to a 43% match of the federal EITC for families with three children. State EITCs have been found to help families rise out of poverty and increase participation in the workforce.

UNEMPLOYMENT INSURANCE

Unemployment insurance is an important back-up for workers—especially in a changing 21st-century economy—but inconsistencies remain for workers and families needing benefits in Nebraska. As a state, we have made some positive choices in our unemployment system, including providing benefits to part-time workers, preventing temporary workers from being excluded, and implementing some “good cause” provisions for workers experiencing extraordinary personal circumstances such as domestic violence. In other ways, our system falls short—especially regarding eligibility and benefits. We do not take advantage of options to use alternative base-period calculations for determining eligibility to provide flexibility to help low-wage and part-time workers that have not followed traditional earning patterns to qualify. While we do have a comparatively low unemployment rate, 67.5% of unemployed workers do not receive unemployment insurance—including some agricultural workers and self-employed individuals who are not required to be covered in Nebraska.⁶ Those who are

covered receive some of the lowest benefits in the nation. Maximum weekly benefits in Nebraska are \$298, the 43rd-lowest in the nation and we do not provide a dependant allowance. Further, 44.1% of workers receiving unemployment benefits exhaust their benefits in three months—ranking Nebraska near the bottom at 47th in the nation.⁷ Making choices that expand options and supports for low-income workers contributes to family stability and provides a needed protection for workers who lose their jobs in difficult economic times.

FAMILY MEDICAL LEAVE

Working people with low incomes care for their families in ways that go beyond economics. Wage earners are also often family caregivers, but the nature of hourly, low-wage work often presents difficulties in balancing home and work life. Nebraska implements family medical leave as required by federal law and does not mandate it for private sector workers. This means that only employers of 50 or more employees are required to provide job-protected unpaid leave to employees when they are seriously ill, caring for a new child, or caring for a seriously ill family member. More than a dozen states have leave policies that are more generous than the federal Family Medical Leave Act. Policies such as requiring private-sector employers to permit employees to use their paid sick days to care for ill family members or allow all workers to receive a minimum amount of paid leave can allow workers to care for their families while retaining their employment.

Family medical leave laws could be altered to better meet the needs of low-income Nebraska workers, especially the many who work in businesses that are smaller than 50 employees.

Family Economic Security Goals:

Develop wage, tax, unemployment insurance, and family medical leave laws and systems that contribute to family economic stability.

Family Economic Security 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.
- Include family medical leave laws as part of the overall work supports system. With the lack of sick days and family leave in many low-wage jobs and the prevalence of small businesses in Nebraska, our state should study the benefits of implementing policies such as the 24-hour annual leave policy enacted in Massachusetts.

Support for Family and Worker Well-Being

Workers providing essential services—such as certified nurse's assistants, janitors, and para educators—all too often do not have essential services and protections themselves. As a state, Nebraska's systems of support programs (such as child care and health care) fall short for working families.

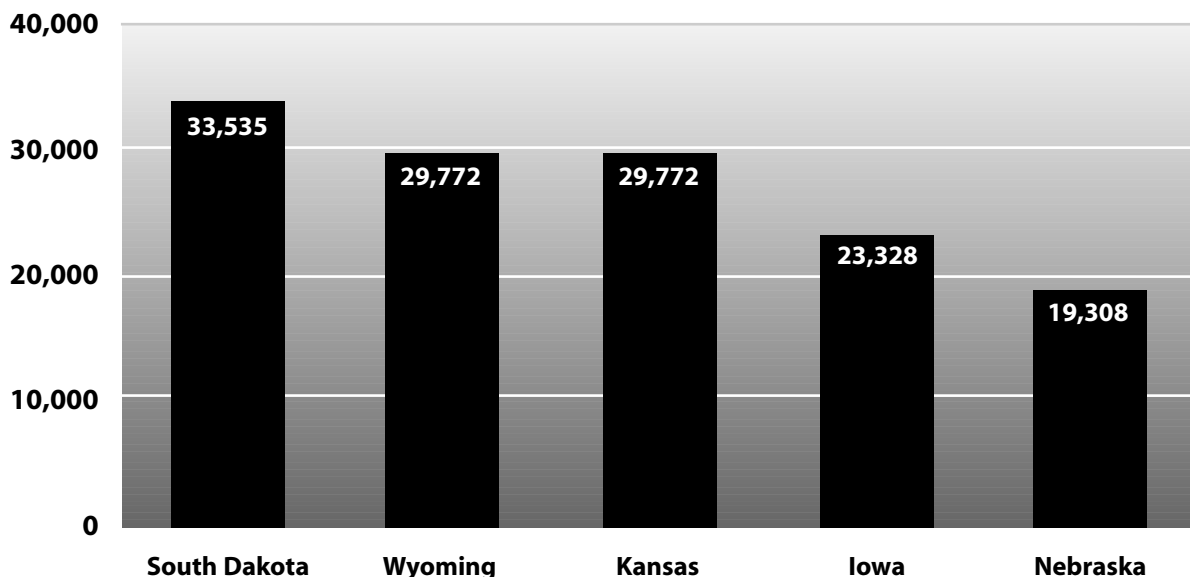
CHILD CARE

Working families in Nebraska, especially single-parent families, rely on quality, affordable child care during work hours. Yet, as a state, we have the 49th-lowest eligibility level for child care assistance in the nation at 120% of the federal poverty level (Figure 4.2).⁸ Nebraska also

requires a co-payment from families receiving child care assistance—even those only slightly over poverty level incomes. Nebraska does not keep a waiting list of eligible children in need of child care assistance. There were 8,012 Nebraska families who accessed child care assistance in 2006.⁹ However, there are more than 62,000 low-income working families in the state. Even those who receive child care assis-

tance have some difficulty in accessing quality care. While Nebraska meets the federal standard of providing reimbursement to accredited child care providers at 75% of the market rate, many child care providers are unwilling to accept the lower rate. Improving child care options and eligibility for low-income working families is an investment in both family and workforce stability.

Figure 4.2¹⁰
2006 State Income Eligibility Limits for Child Care



HEALTH CARE

Access to health care is important for all Nebraskans—everyone deserves the ability to receive medical care when they need it—and this is especially true for family wage earners. A total of 14.3% of Nebraska’s workers aged 18–64 do not have health insurance from their employer or from the government.¹¹ Nebraska does not provide any resources to encourage businesses to provide health insurance for employees, despite the fact that 66% of businesses have ten employees or less and have difficulty providing coverage.¹² Working people who do not receive health insurance from their employers have limited options and face extraordinary costs of individual insurance.

As a state, Nebraska’s systems of support programs (such as child care and health care) fall short for working families.

This is especially true for workers in Nebraska’s small businesses. Nebraska’s small businesses employing ten or fewer people make up more than two-thirds of our state’s businesses, but relatively few of them offer their employees health insurance (31.5% of businesses with one to four employees, and 53.7% of businesses with five to nine employees).¹³ More than 75% of the businesses in Nebraska that do not offer their employees health insurance reported that they do not do so because it is too expensive for the business, the employees, or both.¹⁴ Small businesses in Nebraska are the entrepreneurial backbone of our state economy. Developing options for small businesses and their employees to afford health insurance is important for the health of

workers, families, businesses, and communities in Nebraska.

Healthy parents are an important part of healthy and stable families—particularly single parent families—yet 18,838 low-income working families in Nebraska include at least one parent without health insurance.¹⁵ Nebraska provides Medicaid to working parents earning up to only 59% of the federal poverty line, ranking 34th in the nation.¹⁶ This establishes a disincentive for people who need health care and want to work, but are unable to access higher wages or jobs with benefits. Furthermore, it does not fully take advantage of federal matching dollars. Expanding eligibility allows us to take advantage of federal funds to provide more preventative care through Medicaid, rather than missing this opportunity and paying out more state health care dollars in emergency, long-term care, and other health programs.

While many low-income working parents are not eligible for public health care programs, often their children are eligible for Kid's Connection (Nebraska's public health care program for children). Even so, a family of three becomes ineligible for health care coverage for their children when they earn \$32,568 per year (185% of the federal poverty level).¹⁷ Nebraska

is one of only six states with eligibility below 200% of the federal poverty level.¹⁸ Forty-four other states do more for their uninsured children.

Family and Work Supports Goals:

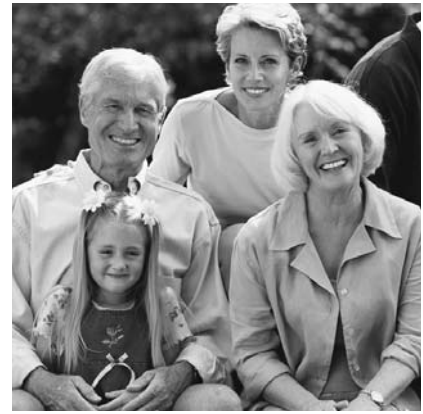
Improve health care coverage options and child care for low-income working families.

Family and Work Supports Recommendations:

- Increase eligibility for child care assistance to 200% of the federal poverty level, and increase the provider reimbursement rate.
- Consider state options for small businesses to access health care based on the "InsureMontana" model—a state-run purchasing pool through which small businesses can purchase insurance, including subsidies and tax credits, to offset costs.
- Increase parent eligibility for Medicaid to 100% of the federal poverty level.
- Develop an outreach campaign to promote the Kid's Connection program and increase eligibility to cover all uninsured children.

Nebraska must better align our values of hard work and concern for family with systems that support low-income working families.

Appendix 1: Summary of Selected Economic Development Initiatives in Nebraska 1



Economic Development Programs Aimed at Business Attraction and Expansion

Program	Qualifying Businesses	Description	Type(s) of Incentives	Funding/Tax Expenditure	Requirements Regarding Workers
Nebraska Advantage LB 312	Research, scientific testing, manufacturing, data processing, insurance, telecommunications, insurance, financial services, distribution, storage/warehousing, transportation, administrative, targeted export services, and technology licensing.	Provides incentive packages to qualifying businesses that make investments in Nebraska and create or maintain jobs.	<ul style="list-style-type: none"> - investment credits - wage credits - sales tax refunds - customized job training - state and local sales tax refunds - personal property tax exemptions 	2008-2009 Projections \$13,444,253 in tax credits.	Requires the creation or maintenance of jobs, but does not include requirements for minimum wages, provision of benefits, or training for workers.
Nebraska Super Advantage LB 895	Any businesses (excluding retail.)	Adds an additional level to the existing Nebraska Advantage program that provides advanced incentives to create high-paying jobs and make high capital investments. The number of new jobs required is 75 with a required investment of \$10 million OR a requirement of 50 jobs and \$100 million investment. Will go into effect in 2009.	<ul style="list-style-type: none"> - investment credits - wage credits - sales tax refunds - customized job training - state and local sales tax refunds - personal property tax exemptions 	n/a	New jobs created must pay at least 150% of the state average weekly wage or 200% of the county average, whichever is larger, but does not include benefits requirements or options for training to move current employees into higher paying jobs.
Nebraska Advantage Research and Development Act LB 312	Any business entity in Nebraska.	Offers a refundable tax credit for qualified research and development activities undertaken by a business entity.	<ul style="list-style-type: none"> - income tax credit 	\$69,320 in income tax credits were approved in 2007. The number of applicants and recipients was not reported.	None specified

Nebraska Economic Development Initiatives Aimed at Capacity Building for Workers and Small Businesses, 2006

Program	Qualifying Businesses	Description	Type(s) of Incentives	Funding/Tax Expenditure	Requirements Regarding Workers
Nebraska Customized Job Training Advantage LB 312	Designed to provide employee training assistance to current Nebraska businesses that maintain, expand, and diversify the state's economic base.	Provides grants that assist businesses to train new or existing workers with grants from \$800 to \$4,000 per qualified new job.	- grants	In FY 2006–2007 \$19,532,000 was invested in the program.	Businesses taking advantage of this program are required to increase worker wages by a minimum of 6% in addition to providing customized training.
Nebraska Microenterprise Development Act LB 327	10 microlending support organizations provide loans and technical assistance to microbusinesses—businesses with 5 or fewer employees.	Designed to support microbusiness through technical assistance and loans, and to develop a statewide infrastructure of microlending support organizations.	- support for microlending support organizations - loans	\$472,500 approved in FY 2007.	No jobs standards, but assistance is targeted to low-income entrepreneurs, in 2007 73% of clients made less than 30% of median income.
Nebraska Advantage Microenterprise Tax Credit Act LB 312	Small businesses.	Provided to small businesses create jobs and increase skills in areas with above-state average unemployment rates and to improve state infrastructure for microlending	- income tax credits	All funds available (\$2,000,000) were authorized in 2007 but the number of applicants and the number of recipients were not reported.	None specified, but job creation is required to be in low-income/high-unemployment areas.

Nebraska Economic Development Initiatives Targeted at Geographical Areas, 2006

Program	Qualifying Businesses	Description	Type(s) of Incentives	Funding/Tax Expenditure	Requirements Regarding Workers
Nebraska Advantage Rural Development Act LB 312	Investment and wage credits for projects in counties with a population less than 25,000	Designed to incentivize business investment and employment in rural counties.	- Investment credits - Wage credits	\$3,000,000 for 34 applicants in FY 2007.	- 2 to 5 new jobs required, based on tier system - Minimum wages set at \$9.25 in 2007
Nebraska Job Training Advantage Targeted Job Training Cash Fund Subaccount LB 956	Small employers, rural employers, poverty area employers	Provides a subaccount for grants for job training activities including pre-employment training, on-the-job training, training equipment costs, and other appropriate activities.	- Job training grants	The amount placed in the sub-account would be equal to the amount of interest accruing to the Job Training Cash Fund in the prior fiscal year. Established in 2008.	Designed to provide job training for workers in small businesses, rural areas, and high-poverty areas.

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