

# STATE PROFILE: NEBRASKA



expanding economic opportunity

## 2009-2010 ASSETS & OPPORTUNITY SCORECARD

### ABOUT THE SCORECARD

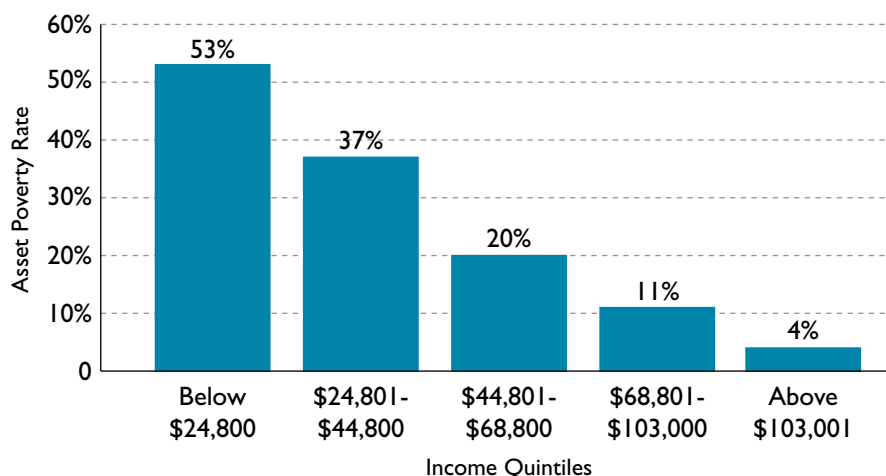
The 2009-2010 Assets & Opportunity Scorecard is a comprehensive look at wealth, poverty and the financial security of families. It assesses the 50 states and the District of Columbia on 92 outcome and policy measures, which describe how well residents are faring and what states can do to help residents build and protect assets. These measures are grouped into six issue areas: Financial Assets & Income, Businesses & Jobs, Housing & Homeownership, Health Care, Education and Community Investment & Accountability Policies. All data is collected from the latest available data sources and compiled by CFED.

Source: Estimations by Beacon Economics based on 2007 ACS and 2004 SIPP, Wave 6.

For a complete description of all 2009-2010 Assets & Opportunity Scorecard measures and sources, including how the grades and ratings were assigned, go to <http://scorecard.cfed.org>.

The data for Nebraska reveal marked disparities in asset ownership among its residents, many of whom face significant barriers to economic security. A state's asset poverty rate is one indicator of economic security. A household is asset poor if it lacks the resources to subsist at the poverty level for three months if it loses its source of income. Even middle-income families face asset poverty. In Nebraska, 20% of those earning \$44,801-\$68,800 are asset poor.

### ASSET POVERTY BY INCOME IN NEBRASKA



### WHAT NEBRASKA CAN DO

- **CURB PREDATORY MORTGAGE LENDING:** To reduce the number of homebuyers receiving high-cost mortgage loans and to preserve home equity for property owners, Nebraska should curb predatory mortgage lending practices by prohibiting prepayment penalties and enforcing sound underwriting practices.
- **IMPROVE ACCESS TO HEALTH INSURANCE:** Disproportionate numbers of women, minorities and low-income families lack health care coverage in Nebraska. Nebraska should expand health coverage by lifting restrictions on eligibility, providing incentives to small business owners to insure their workers and simplifying procedures for providing benefits to low-income children.
- **INCREASE HOMEOWNERSHIP:** To improve its below-average homeownership rate, Nebraska should increase the amount and stability of funding and improve state stewardship of its two housing trust funds.

*"Families have become increasingly vulnerable to financial insecurity. The Scorecard identifies options for states to help residents save and build assets and the protections they need to achieve and maintain prosperity."*

– Andrea Levere, CFED president

## NEBRASKA

**OVERALL OUTCOME GRADE: C**

The *Scorecard's* 58 outcome measures are ranked best to worst; #1 is the most desirable, #51 is the least desirable. Grades are given on a curve: 10 states get A's, 10 get B's, 16 get C's, 10 get D's and 5 get F's. Grades for each issue area are calculated by averaging the ranks of measures within the issue area. The overall grade is calculated by adding together the average score from each issue area and ranking those scores.

## FINANCIAL ASSETS & INCOME

**OUTCOME GRADE: A**

**Are there widespread opportunities for wealth creation and protection, particularly for low-income residents?**

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Net Worth	21	\$89,799	\$88,803
Net Worth by Race	n/a	n/a	6.1 <sup>^</sup>
Net Worth by Income	n/a	n/a	44.9 <sup>^</sup>
Net Worth by Gender	4	1.2 <sup>^</sup>	1.2 <sup>^</sup>
Asset Poverty Rate	7	18.3%	22.5%
Asset Poverty by Race	n/a	n/a	2.3 <sup>^</sup>
Asset Poverty by Gender	13	1.3 <sup>^</sup>	1.2 <sup>^</sup>
Extreme Asset Poverty Rate	11	11.8%	14.3%
Income Poverty Rate	21	11.2%	12.3%
Unbanked Households	10	17.9%	26.8%
Bankruptcy Rate (per 1,000 people)	36	2.9	2.7
Median Credit Card Debt	6	\$2,475	\$2,960
Median Installment Debt	13	\$14,321	\$14,887

## BUSINESSES & JOBS

**OUTCOME GRADE: C**

**Is the opportunity to grow a business or get a job that pays a sufficient wage with benefits available to all those who choose to pursue it?**

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Small Business Ownership Rate	40	16.3%	17.7%
Private Loans to Small Business	43	\$1,763	\$2,116
Microenterprise Ownership Rate	40	14.9%	16.5%
Women's Business Ownership Rate	23	4.4%	4.4%
Minority Business Ownership Rate	47	2.7%	4.9%
Women Owned Business Value	14	\$149,763	\$144,969
Minority Owned Business Value	4	\$219,745	\$162,824
Employee Ownership (per 1,000 firms)	8	2.1	1.4
Business Creation Rate (per 1,000 workers)	34	8.8	9.6
Employment Growth	13	0.6%	-0.5%
Annual Unemployment Rate	4	3.3%	5.8%
Low-Wage Jobs	25	22.4%	22.2%
Average Annual Pay	20	\$40,412	\$44,458
Retirement Plan Participation	23	50.3%	47.4%
Employers Offering Health Insurance	48	42.0%	55.8%

<sup>^</sup> This is a ratio of disparity that measures the difference in outcomes between two populations by: race (white and minority), income (high- and low-income groups), or gender (male and female). A ratio of 1 indicates perfect equality; the higher the ratio, the greater the inequality.

**HOUSING & HOMEOWNERSHIP****OUTCOME GRADE: C****Is the opportunity to purchase and maintain a home available to all those who choose to pursue it?**

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Homeownership Rate	33	65.6%	64.2%
Homeownership by Race	36	1.7 ^	1.5 ^
Homeownership by Income	43	3.3 ^	2.7 ^
Homeownership by Gender	38	1.2 ^	1.2 ^
Foreclosure Rate	16	1.6%	3.0%
High-Cost Mortgage Loans	38	18.5%	17.5%
Mortgage Debt as % of Home Value	45	91.1%	76.9%
Affordability of Homes	7	2.5 #	3.5 #
Housing Cost Burden: Homeowners	9	26.9%	37.5%
Housing Cost Burden: Renters	8	38.3%	45.6%

**HEALTH CARE****OUTCOME GRADE: D****Is there broad access to health insurance as protection against income interruption and asset depletion from medical bills?**

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Uninsured Rate	21	14.4%	17.2%
Uninsured by Race	43	2.5 ^	2.2 ^
Uninsured by Income	37	4.0 ^	3.6 ^
Uninsured by Gender	41	1.3 ^	1.0 ^
Uninsured Low-Income Children	31	16.5%	18.3%
Uninsured Low-Income Parents	29	35.6%	37.2%
Employees Insured by Employer	17	65.5%	60.9%
Employee Share of Premium	44	28.0%	25.0%
Out-of-Pocket Medical Expenses	n/a	n/a	19.0%

**EDUCATION****OUTCOME GRADE: C****Do residents have access to the education and training they need to get ahead?**

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Head Start Coverage	12	29.1%	20.3%
Math Proficiency: 8th Grade	23	34.6%	31.0%
Reading Proficiency: 8th Grade	14	35.0%	29.2%
High School Degree	10	92.6%	87.6%
Two-Year College Degree	9	64.3%	58.7%
Four-Year College Degree	20	30.0%	29.9%
Four-Year Degree by Race	35	1.7 ^	1.5 ^
Four-Year Degree by Income	28	4.7 ^	5.0 ^
Four-Year Degree by Gender	41	1.1 ^	1.0 ^
Average College Graduate Debt	27	\$19,326	\$20,098
College Graduates with Debt	36	64.6%	59.0%

^ This is a ratio of disparity that measures the difference in outcomes between two populations by: race (white and minority), income (high- and low-income groups), or gender (male and female). A ratio of 1 indicates perfect equality; the higher the ratio, the greater the inequality.

# This is a ratio of median home value compared to annual median family income, e.g., a ratio of 4 means housing values are 4 times higher than income.





## POLICY RATINGS

The *Scorecard* includes 34 policy measures: 12 priority policies and 22 additional policies. For policy priorities, states are assessed against criteria for what constitutes a strong policy. These policies provide a comprehensive view of what states can do to help residents build and protect assets. Policy priority data are current as of June 30, 2009; additional policy data are drawn from the latest published reports, usually 2007-2008.

-  Very strong policy
-  Strong policy, but some room for improvement
-  Some policy, but much room for improvement
-  Minimal policy in place
-  No policy in place

## FINANCIAL ASSETS & INCOME

### Policy Priorities

-  State IDA Program Support
-  State Earned Income Tax Credit
-  Lifting Asset Limits in Public Benefit Programs
-  Payday Lending Protections

### Additional Policies

State Minimum Wage ... \$7.25/hr; Indexed to inflation  
 Income Tax Threshold ... \$25,700  
 Financial Education in Schools ... Included in curriculum standards; Standards required to be implemented; Not all criteria met

## BUSINESSES & JOBS

### Policy Priorities

-  State Microenterprise Support

### Additional Policies

Workers' Compensation Coverage ... 98.2% of workers covered  
 Unemployment Benefit Level ... 35.4% of average weekly wage  
 Unemployment Benefit Eligibility ... Part-time workers covered; Benefits for compelling family reasons; Not all criteria met  
 Family Leave Benefits ... No state policy  
 Incentives for Employee Ownership ... ESOPs excluded from securities regulations; Not all criteria met

## HOUSING & HOMEOWNERSHIP

### Policy Priorities

-  Predatory Mortgage Lending Protections
-  Housing Trust Fund
-  First-time Homebuyer Assistance

### Additional Policies

Affordable Rental Housing Preservation ... 0% of LIHTC for preservation  
 Property Tax Relief ... Circuit breaker only for elderly & disabled homeowners  
 Foreclosure Protections ... Protects pre-foreclosure rights; Protects against rescue scams; Not all criteria met  
 Resident Ownership of Manufactured Housing Communities ... No protections for homeowners

## HEALTH CARE

### Policy Priorities




-  Access to Health Insurance

### Additional Policies

Insuring High-Risk Individuals ... Has high risk pool  
 COBRA Coverage of Small-Business Employees ... COBRA expansion for 12 months

## EDUCATION

### Policy Priorities

-  Early Childhood Education
-  Access to Quality K-12 Education
-  College Savings Incentives

### Additional Policies

Postsecondary Education Financial Aid ... \$123.45 per undergraduate student  
 State-Funded Head Start ... No state supplement  
 WIA-Funded Workforce Training ... 91.5% of participants received training  
 TANF-Funded Workforce Training ... No funds spent on training

## COMMUNITY INVESTMENT & ACCOUNTABILITY POLICIES

### Additional Policies

State Support for CDFIs ... Yes  
 Impact Analysis of Tax Law Changes ... Yes, multiple models

Community Investment for State-Chartered Banks ... No  
 Tax Expenditure Transparency ... Biennial report online; Covers major taxes