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To: Health and Human Services Committee

From: Tiffany Seibert, Representative of the Policy Working Group of Opportunity@Work

RE: **Support of LB 877- Change Public Assistance Provisions Relating to Postsecondary Education and Related Work Activities**

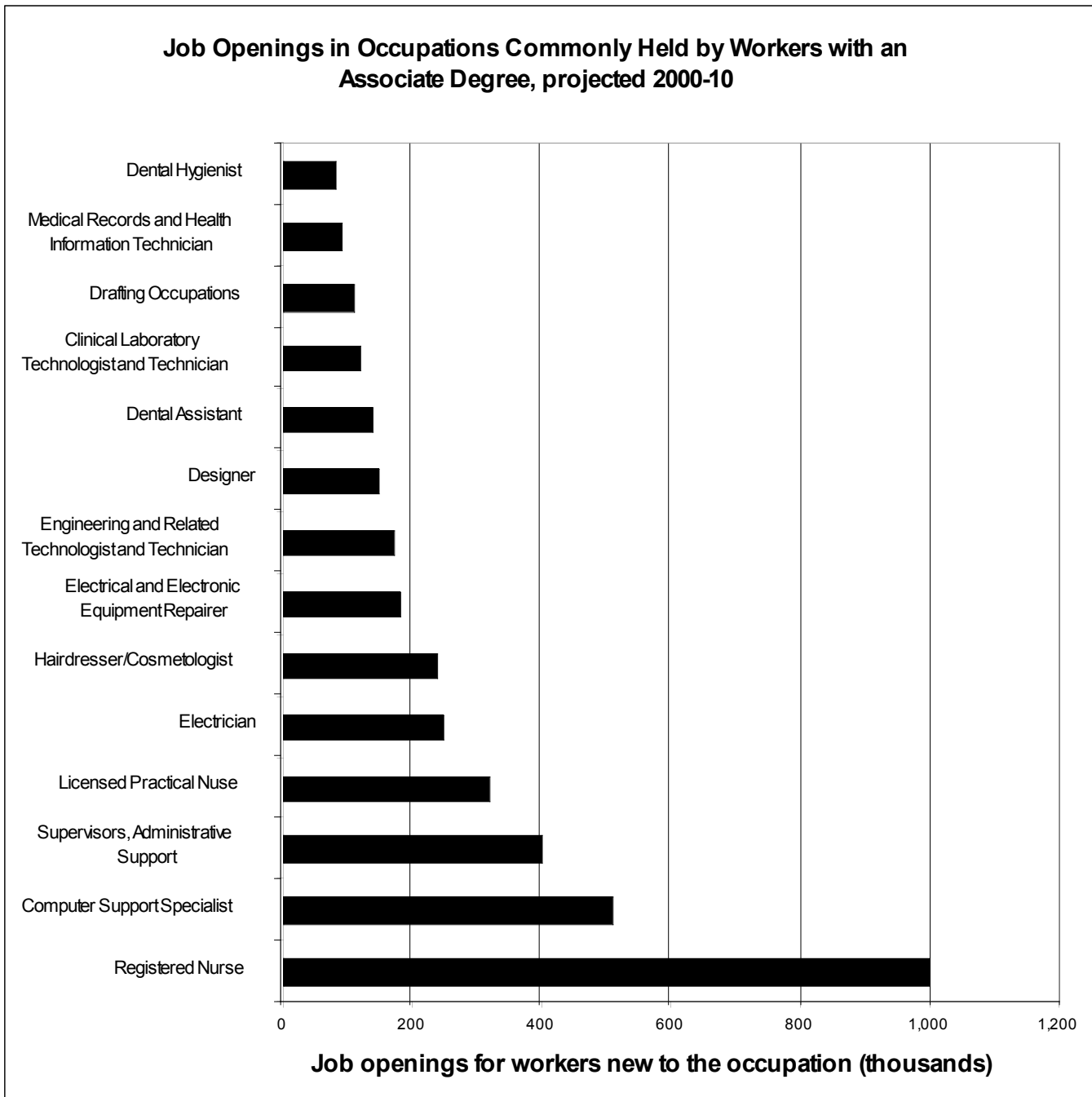
Opportunity@Work is a newly-announced statewide effort to bring together the non-profit, business, philanthropic, and human-service providing sectors to promote a new way of doing business in Nebraska, promoting financial stability for all working families. The Policy Working Group of Opportunity@Work urges that ADC eligibility limits recognize the significant role that associate degrees, as well as bachelor's degrees, play in providing long-term employment opportunities for Nebraska families. By enhancing employability of ADC recipients, the state of Nebraska displays significant foresight in ensuring that those leaving public assistance will be able to transition *permanently* into financial independence through full employment.

Associate degrees tend to offer more flexibility than bachelor's degree programs, and flexibility is important to ADC recipients juggling their education with caring for their families. Degrees are available from public community colleges, private 2-year colleges, for-profit technical institutes, and many 4-year colleges and universities. Taking classes from home is more common in associate degree programs than in any other type of educational credentials program, with more than 9 percent of associate degree students using distance learning in 1998, according to the U.S. Department of Education.

The importance of post-secondary education in poverty reduction cannot be ignored. Studies have shown that investments in post-secondary education permanently moves women and their families from welfare to jobs with career ladders that lead women into progressively higher paying positions with benefitsⁱ. **In Nebraska, of individuals age 25 and over living in poverty, 62.5% have had no college education. By adding some college or an associate degree to the equation, only 26.4% of those Nebraskans are living below the poverty levelⁱⁱ.** As expected, the poverty rate decreases with additional education such as bachelors, graduate, or professional degrees. The point to be made is that with the addition of some college or an associate degree, the rate of poverty is decreased by 36%. Compared with workers whose highest level of educational attainment was a high school diploma, workers with an associate degree averaged an extra \$128 a week in 2001, according to the Bureau of Labor Statistics (BLS). People with associate degrees also are more likely to find jobs: the unemployment rate in 2001 was more than 30 percent lower for associate degree holders compared with high school graduatesⁱⁱⁱ.

Not only does education enhance the employability of individuals, but it also improves the quality of Nebraska's workforce. In designing ADC recipient requirements, Nebraska must recognize the increasing importance of the quality of the local workforce in attracting employers and stimulating economic growth.

The Policy Working Group of Opportunity@Work urges the advancement of LB 877. It is our hope that Nebraska's ADC eligibility guidelines would recognize the importance of an associate degree, and in doing so, tailor program limits to reflect the actual length of most associate degree curricula, typically lasting 24 months. LB 877 prioritizes education as a strategy for low-income families to work their way into financial instability, and the Policy Working Group of Opportunity@Work is in full support of this effort. Thank you.



Source: U.S. Bureau of Labor Statistics^{iv}

ⁱ Center for Women Policy Studies. (2002). *From Poverty to Self-sufficiency: The role of postsecondary education in welfare reform*. Washington, DC.

ⁱⁱ U.S. Census Bureau, 2007 American Community Survey.

ⁱⁱⁱ U.S. Bureau of Labor Statistics. "Associate Degree: Two years to a career or a jumpstart to a bachelor's degree," *Occupational Outlook Quarterly*, Winter 2002-2003. Author: Olivia Crosby.

^{iv} Ibid.