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Let's act to retract the fingers of poverty

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In Nebraska, we take pride in our communities and value our connection to our neighbors. But poverty numbers released last week by the U.S. Census Bureau remind us that not everyone in our state is able to participate fully in all Nebraska has to offer. They illustrate growing cracks in the well-being of families and communities across the state.

In Nebraska, poverty rose to 11.2 percent in 2007; up from 10.3 percent in 2001, according to census data just released.

As troubling as these numbers are, they reflect a period of relative prosperity before the current economic downturn and increases in unemployment.

Put simply: The new poverty data, collected in 2007, do not include the current slowdown and its impact on families across Nebraska whose jobs increasingly don't pay enough to meet basic needs and who struggle every day to put enough food on the table, heat and cool their homes and pay for housing and health care.

Rural families face increased difficulties due to geographic isolation, transportation and access to jobs, goods and services.

These data provide new motivation for our nation and our state to build better solutions to economic insecurity.

Out of concern for our neighbors and worry about our state economic health as a whole, there are practical, long-term approaches we can take to help people who are suffering and spur economic growth at the same time. In fact, economists say that the surest way to help the economy is to help those most in need.

"If you're somebody who lives paycheck to paycheck, you're more likely to spend that extra dollar," said Federal Reserve Chair Ben Bernanke.

Having that extra dollar to make ends meet is a pragmatic way to help families and our economy. But the story doesn't end there. The provision of incentives and opportunities to save and take part in asset accumulation programs can lead individuals out of poverty and into long-term financial security.

When Congress returns, it should heed Bernanke's words and seize the opportunity to expand the Child Tax Credit. Doing so would benefit 13 million children nationwide, extend the credit to reach many low-income working families who currently do not qualify and increase the benefit to other families who qualify for only a portion of the credit.

In Nebraska, according to the Center on Budget and Policy Priorities, 14,935 children would be newly eligible for the tax credit and 51,735 would be eligible for a larger tax credit, providing some relief to fellow Nebraskans who work hard but continue to struggle financially.

Nebraska policy-makers can contribute to the well-being of families and communities by addressing gaps that exist in the current safety net. As it stands, asset limits prevent families from creating a foundation for financial stability — outside of public assistance — and can impede asset development as a means out of poverty.

Changing asset limits in public benefit programs, coupled with a statewide savings program such as Individual Development Accounts, are components of a pragmatic, long-term solution we are looking for.

Such accounts are matched savings accounts and operate similarly to matched 401(k) retirement accounts. Acquired savings are used to purchase assets, start or expand businesses and participate in post-secondary education or job training — all of which increase one's earning potential.

To date, 35 states, the District of Columbia and Puerto Rico have passed legislation on Individual Development Accounts. Nebraska has not.

Nebraskans know that Band-Aids do not work. Pragmatic, forward-thinking solutions do exist. The implementation and shared benefits of such solutions are dependent on the will and determination of Nebraska's communities, including the public sector, nonprofits and businesses.

All of us should join in working with our leaders to do something about poverty. Actions by Congress and the Nebraska Legislature to provide child tax credits for families and create opportunities for savings can be a lifeline to thousands of low-income families throughout Nebraska.

Editor's note: This essay was co-signed by Jon Bailey, rural research and analysis program director of the Center for Rural Affairs in Lyons, Neb.; Becky Gould, executive director of the Nebraska Applied Center for Law in the Public Interest, and Mary Beth Rathe, director of Community Action of Nebraska, both in Lincoln; and Jan Fitts, executive director of Panhandle Community Services in Gering, Neb.