Overview

Nebraska has a strong work ethic, and our labor force is one of our most important economic strengths. Nebraska businesses, especially small businesses, rely on our workers to help create economic growth and success.

LB 368 would utilize existing funds to provide employers opportunities to bring on additional employees with time-limited wage subsidies to help their business grow. It would allow low-income Nebraskans in need of job training to receive meaningful work experience.

LB 368 is a win-win for business growth and experience.

Background

- Wage subsidy programs have effectively created jobs nationwide. The 2009 American Recovery and Reinvestment Act allowed 39 states to implement wage subsidy programs and created 260,000 new job placements.¹

- As of the fall of 2013, Nebraska’s rainy day fund for the Aid to Dependent Children program had reached $57 million. LB 368 proposes using a percentage of this fund for job creation purposes over the next few years.

How it Works

- Employers get a subsidy to bring on new employees, and gradually take on the responsibility for wages. Specifically, the program would subsidize 100 percent of the wages initially then gradually decline to subsidize 25 percent of the wages after six months. See figure below.

- Nonprofits or the Department of Labor and case management agencies would partner to recruit employers, assist with retention, and evaluate clients and placements.

The Benefits to Nebraska

- Employers would be able to bring on new employees and grow their businesses.

- Low-income workers with children would potentially obtain new employment, and would get meaningful employment experience. In fact, lack of job skills and work history are two barriers to steady employment for low-income individuals. Work experience will help them to attain both and increase their economic stability.

For more information contact Jennifer Carter at Nebraska Appleseed (402) 438-8853.

Notes