

Nebraska “Day After” Conversation

Hosted by Nebraska Community Foundation and the Institute for Work & the Economy

September 21, 2020

On September 21, 2020, Nebraska Community Foundation, in partnership with the [Institute for Work & the Economy](#), hosted a virtual conversation of ten leaders in post-secondary education, economic and community development, and workforce development from communities from all corners and the center of Nebraska. The focus was generally on rural Nebraska, however, some of the matters that were discussed transcend the state as a whole. Each participant shared their impressions about the challenges at the beginning of 2020, and to offer thoughts about what the economy and the work lives of Nebraskans will be like on the “Day After.” They were also asked to offer ideas on how the acute phase of the current economic drawback can serve as an inflection event that brings opportunities for rural Nebraskan if are able to prepare the groundwork to accomplish such change.

The following is a summary of the main points raised during the conversation:

1. There was strong agreement that Nebraska faces many challenges that are long in the making. The coronavirus pandemic has shined a light on problems that already were known and exposed other fractures in the foundation. As one participant put it, “workforce was our most critical issue for our businesses before the pandemic. And it is still a critical issue, even though our unemployment rate is, I think right now, the lowest in the nation ... upskilling employees, trying to connect them with businesses that are hiring; those are all things that we’re looking at closely.
2. There is no going back to business as usual. A newly understood vulnerability faced by Nebraska businesses is in their supply chains. Businesses suffered interruptions in raw materials and is now causing them to explore alternative domestic supply chains. At the same time, measures employed to slow the spread of COVID-19 have open new paths for conducting business. Community colleges serving the more rural parts of the state were already serving their students through distance learning. The pandemic has caused them to step up these efforts and to expand their programs to prepare their students to work remotely. Physicians are embracing telemedicine as improvement in accessibility and as an enhancement to the overall quality of care they provide to their patients.
3. The increased normalization of remote work is opening an array of new opportunities for Nebraskans. Many recent graduates of college return to home to find that their new knowledge and qualifications do not match well to available work. The greater acceptance of remote work by employers provides them an opportunity to find jobs that are outside of their local labor markets. Economic developers are looking to market their communities as lifestyle choices for those who no longer need to be tied to a particular place. One

participant is encouraging housing developers to include home office space, even with a separate entrance, as part of basic designs. Another community is aggregating co-worker space, and a participant envisioned remote work locations where businesses are able to aggregate small groups of their worker when face-to-face collaboration is required. At the same time, housing shortages are a persistent problem for fast-growing communities. One participant reported that nearly 8,000 people commute to their city every day because there is not enough housing in town. These shortages serve as a brake on recruitment efforts as do gaps in critical infrastructure, especially in broadband, that need to be solved.

4. Broadband and related operational technologies form the foundational infrastructure for Nebraska to meet the challenges of new business realities. There are essential to remote work, to new business models, and to effective management of critical supply chains.
5. The State has experienced persistently tight labor markets and evidenced by low unemployment and high labor participation rates when matched to the region and the country as a whole. The tight labor markets have served as countervailing forces to economic growth and will continue to do so until Nebraska is able to grow its workforce more robustly. One step is to self-invest in the people who already live in the state. While much of the attention must necessarily be focused on the state's youth, the state's incumbent workforce is an under-appreciated resource. But greater self-investment is necessary, it is not sufficient. Analyses project that Nebraska lacks the capacity to meet its own needs: it must attract people to the state in order to sustain the necessary level of economic growth. The state has to be seen as being competitive with other places that also seek to attract workers: Nebraska has the "right stuff," but it under-appreciated at home and somewhat un-appreciated outside of the state.
6. Nebraska may be among the leaders in labor force participation, but the state also ranks near the "top" in terms of the rate of people who have to work more than one job. Sometimes a worker works three or four jobs. These jobs are often "on-demand" – a person works when called in, leaving them to scramble to find other work to plug gaps in time and income. Income is volatile and poverty has been increasing in nearly all counties. These conditions also appear to be correlated with an expanding bifurcation in pay on the basis of skills, and interest in recruiting workers with the needed skills rather than grow one's own talent. The workforce system and community colleges can and do provide a bridge that connects workers and employers, but they are not maximizing the use of all available resources.
7. There are also breakdowns in connecting youth to careers and in the transition of incumbent workers from one career to another. There is a persistent but diminishing bias against development paths that do not include a post-secondary education. One participant reported on the partnership of their schools with local employers with many high school graduates moving directly into good local jobs. But the more common story is that parents and counselors encourage their children and students to enroll in college after graduation, leaving many Nebraska employers wanting for workers. In addition, once a person is settled

into a job and a career, it is hard for them to change course. As one participant put it, "... all those hospitality jobs ... aren't coming back. The service sector jobs that people have worked for many years, they've just gotten by multiple part time jobs. How do we help them connect to the industries that are growing? Construction, manufacturing, health care, some parts of customer service. To me, that's the challenge of our time."

8. Regions of Nebraska also depend on the visitor industry, often as a stopover, but also as a destination in its own right. The industry has been devastated by the pandemic and recovery is slow. Employment that draws significantly from public expenditures – schools, health care, and government operations – have provided a buffer, but they have also experienced changes as a result a shift in how services are delivered. As one participant put it, "we have always lived in this sort of little bubble because the three largest employers in our community are really government funded: the college, the hospital and the school systems in general. And so when none of those have the ability to continue with the large payrolls that they had, something's got to give. We always felt fairly insulated from the ups and downs when it was a 'government related job.' The other side of it is we are also very clearly a tourist town. So when that hit ... and the newest motel in our town shut its doors rather than try to keep open for two or three customers ... [that] sent a really scary message to our community that nothing is the same as it used to be and you can't count on much of anything." But this participant is also optimistic that good things will happen: "So, the opportunity for us, I believe, is to continue to be a destination, a mini-destination or a stop or a spot on your way to somewhere else, because people are going to still need to do that and still want to do that. It may take a little while before it comes back, but I think we have a real opportunity in taking some of those part time or multiple part time job employees that are not college students and feed them more into this hospitality service part of our economy."
9. Strategies that encourage people to move to Nebraska and to put down roots will also change the composition of communities. Immigrants from Mexico and Central America are already settling in the state. But as one participant put it, imagine if a hundred families from India settled in a rural community to fill some technology, manufacturing, or health care jobs, that they knew English and are hard-working, they may encounter significant barriers. There will have to be hard conversations. So, too, will new arrivals from the Front Range or from places like Chicago will bring their own expectations and ways of doing things – they will have to adapt to their new communities as the communities will also have to adapt to them.
10. Retail customers have become accustomed to making on-line purchases, and it is not clear that they will shift back to local retailers anytime soon – if at all. Consequently, many local economies have been hurt by the pandemic and the path forward towards recovery is unclear. There were other changes occurring prior to the pandemic. Gas prices fell through the floor and that hurt demand for ethanol. That loss in demand and trade tensions hurt commodity prices, especially for corn. Brazil is a more formidable competitor. The long-term trend is there is no boom on the horizon, that farms will be larger, and equipment will

get bigger. There are new possible opportunities stemming from the farm-to-table movement; this can result new markets as well as more local processing.

11. At the same time, Nebraskans benefit from an “agriculture mentality:” that is, you get out and do the work. Somewhat later in response to an observation that people often draw their identity from what they do, one participant argued it was based on a middle-class framework: “Homeless families and low-income families identify with their family. ‘I take care of my kids’ ... It’s not about contributing to the workplace ... ‘My contribution to society is my family.’ You don’t ask a low-income person, ‘what do you do for a living?’ You ask them where [they] work. You don’t ask them, ‘where do you live?’ You ask them, ‘where do you stay?’ So, there is some code switching that’s involved.” The implication is that people should be served on their terms and not based on the assumptions of the person offering the service.
12. All-in-all, the group saw great opportunities for the state and their communities. Nebraska has a great deal to offer in terms of jobs and a way of life. Some felt that the focus should be on “selling” individual communities; other felt that the real marketing strength is in the state as a whole. Internal systems need to be improved: better career counseling and support, better articulation of training and education to job demand, a strong commitment to remotely delivered services and work, and a greater emphasis on careers in the trades, manufacturing, health care, and other services that do not require a four-year college degree.