

DEMOGRAPHICS, WORKFORCE AND HOUSING REVIEW OF NORTH OMAHA

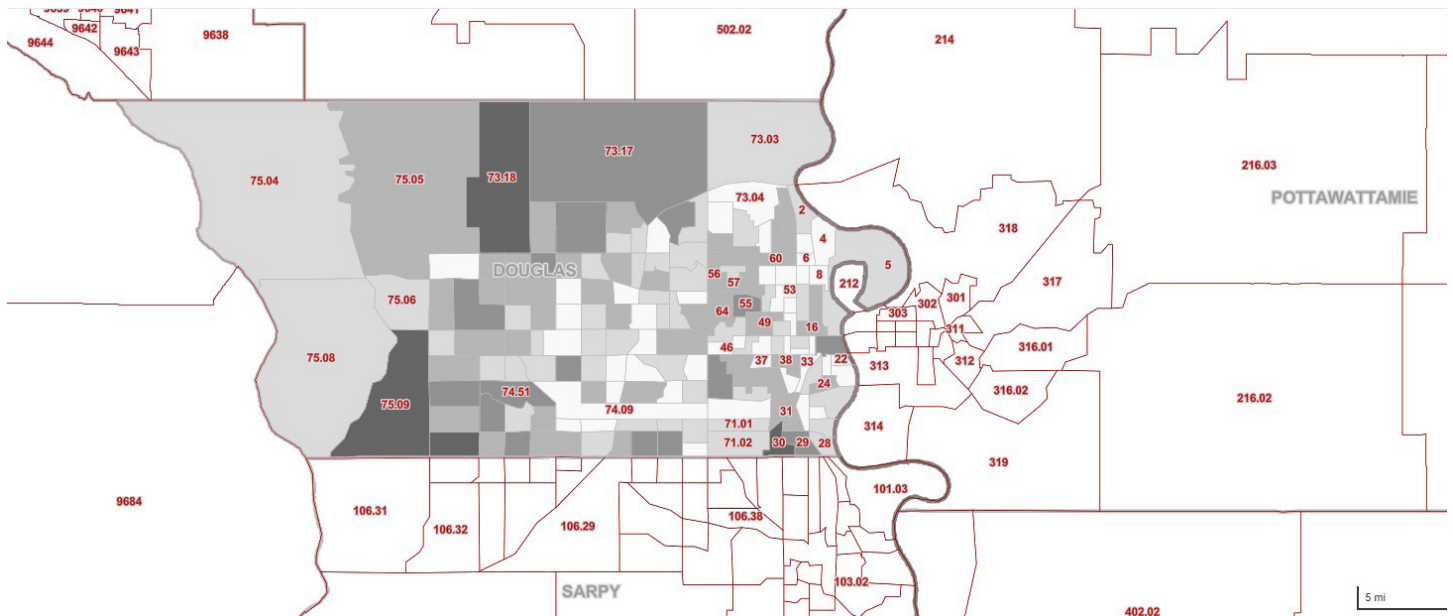
Prepared for the LB 1024 Coordination Plan

Requested and Funded by Olsson

Data was compiled and analyzed by the University of Nebraska at Omaha Center for Public Affairs Research, a partner with the U.S. Census Bureau’s State Data Center program. The mission of the Center for Public Affairs Research is to collaboratively produce and disseminate high quality public scholarship on topics that impact the lives of Nebraskans.

This brief provides data on demographics, the workforce, and housing in North Omaha. The majority of the data presented comes from the American Community Survey by the U.S. Census Bureau for the year 2020. Other data sources and years used in the analyses are notated.

The geographies used to provide this data are census tracts in Douglas County, Nebraska. Douglas County, Nebraska has a total of 163 census tracts. Of those, we identified 26 of those tracts as “North Omaha,” 17 tracts as “South Omaha,” and 120 tracts to be the “Balance of Tracts in Douglas County” (BTDC). Comparison to the state of Nebraska is also provided when available. The data for these areas is based on aggregations of each tract. All data topics by census tract can also be made available.



For some topics in some census tracts, data was suppressed by the U.S. Census Bureau due to small sample sizes. In those few instances, the aggregate of the available information is provided. However, all values should be interpreted with some caution due to small samples sizes at the census tract level.

DEMOGRAPHICS

Total Population and Population Change

North Omaha is one of the most populace and dense neighborhoods in the state of Nebraska. In 2020, the qualified census tracts for North Omaha included over 68,000 people or 4% of the total state population. Based on corresponding census tracts for 2010, the population in 2020 decreased 11%.

	North	South	BTDC	Nebraska
Total population 2020	68,430	56,681	384,199	1,923,826
Percent of state population	4%	3%	20%	
Total population 2010 *estimates based on 2020 census tracts	76,775	47,733	381,037	1,799,125
Population growth 2010 to 2020	-11%	19%	1%	7%

Population by Age Group

North Omaha is a comparatively young community, with a high percentage of persons under age five, 8%, compared to the BTDC (7%) and Nebraska (7%). The median age of North Omaha, 32, is younger than the BTDC (37) and Nebraska (37). However, the percent of the population in North Omaha in their prime age to be in the workforce (25 to 54), 37%, is below South Omaha, the BTDC, and Nebraska. The population ages 65 and over of 10%, is below the BTDC (14%) and Nebraska (16%).

	North	South	BTDC	Nebraska
Under age 5	8%	8%	7%	7%
Ages 25 to 54	37%	40%	41%	37%
Ages 65 and over	10%	10%	14%	16%
Median age	32	32	37	37

Having a young population is a tremendous opportunity. Young people that grow up in a community have time to connect to a place, build social capital and relationships within a community, and then as they enter their time in the prime age workforce become engines of economic growth in the community. In contrast, the lower percent of the population in the prime age workforce in North Omaha suggests some are leaving this community during their economically productive years, thus disinvesting in the neighborhood.

Racial and Ethnic Composition

North Omaha is far more diverse compared to the BTDC and Nebraska. The percent of the population that is a person of color in North Omaha is 68%.

	North	South	BTDC	Nebraska
White alone	32%	42%	78%	78%
Black	43%	7%	6%	5%
American Indian	1%	1%	0%	1%
Asian	7%	2%	3%	3%
Native Hawaiian and Other Pacific Islander	0%	0%	0%	0%
Some other	0%	0%	0%	0%
Two or more	5%	4%	3%	3%
Latino of any race	13%	44%	9%	11%

Demographic diversity has been tied to a range of improved economic¹ and societal² outcomes. However,

the high concentration of persons of color in North Omaha, compared to the BTDC is evidence of racial segregation. While diversity is a strength in North Omaha, when diverse populations are segregated and not broadly included it is a grave weakness. The Opportunity Atlas, a partnership of Harvard University and the U.S. Census Bureau finds that census tracts that are racially and/or ethnically segregated have a negative impact on both low and above-median income children.³ An article from The Atlantic summarizing this research states “Segregation, in other words, is the devil’s bargain that takes from the poor without giving to the rich.”⁴ Recently, the researchers demonstrated that segregation leads to economic disconnection or a lack of social interaction across economic classes that lowers mobility for persons of lower economic status and inhibits growth among persons of high economic status.⁵

Migration

Patterns of migration across all geographies of interest are fairly similar. In North Omaha, 10% of the population, one year and older that moved in 2019, moved within Douglas County. A low percent of people that move from another county in Nebraska move to North Omaha, 1%. Notably, when someone moves from another state, they are more likely to choose to live in North Omaha than the BTDC, 3% compared to 2%. Only a few people move from abroad to any of the geographies of interest, about 1%.

	North	South	BTDC	Nebraska
Moved within same county	10%	12%	10%	9%
Moved from different county, same state	1%	2%	3%	4%
Moved from different state	3%	4%	2%	3%
Moved from abroad	1%	1%	1%	1%

The migration pattern in North Omaha is a strength. Those that live in North Omaha and move within the county are likely to stay in North Omaha. Notably, most people that move within a county move as a result of housing costs or challenges. Even more positive, those that move from another state are more likely to move to North Omaha. This finding suggests that a range of quality-of-life factors exist in North Omaha that are attractive to individuals and prime for growth and expansion. Note, these migration rates show overall in-migration, not net migration, the number of people that come in compared to the number that leave.

¹ <https://pdfs.semanticscholar.org/19ab/65e5379ffc7dfe2e16e8b06381b9c377a090.pdf> | <https://www.tandfonline.com/doi/pdf/10.1080/0034340042000280910>

² https://www.nber.org/system/files/working_papers/w25147/w25147.pdf

³ Opportunityinsights.org

⁴ <https://www.theatlantic.com/business/archive/2015/05/the-curse-of-segregation/392321/>

⁵ <https://opportunityinsights.org/paper/social-capital-ii-determinants-of-economic-connectedness/>

Early Childhood Education Enrollment

North Omaha three to four year old's attend preschool programs at a lower rate (6%) than the BTDC (7%) and Nebraska (7%).

	North	South	BTDC	Nebraska
3 to 4 year old's enrolled in nursery school/ preschool	6%	4%	7%	7%

According to the University of Nebraska's Buffet Early Childhood Institute, quality early childhood has significant, positive impact on economic outcomes later in life – thereby closing the opportunity gap.⁶ As a result, efforts to enroll the large young population of North Omaha in early childhood programs at the same rates as the BTDC or greater, should have long-term benefits for North Omaha. Further evaluation of both access and affordability of these programs should be evaluated in order to close the opportunity gap.

Educational Attainment

Among those 25 years and older, North Omaha has a lower rate of those that have completed higher education compared to the BTDC. Only 14% of those in North Omaha have completed a bachelor's degree and 5% a graduate or professional degree. As a result, North Omaha has a higher percentage of the population with a high school degree alone (30%). North Omaha has a comparable percentage to other geographies of both persons 25 years and older with some college, no degree, 22%, and those with an associate degree, 8%.

	North	South	BTDC	Nebraska
High school graduate (includes equivalency)	30%	27%	20%	26%
Some college no degree	22%	19%	22%	23%
Associate degree	8%	6%	8%	11%
Bachelor's degree	14%	14%	28%	21%
Graduate or professional degree	5%	8%	16%	11%

Education has consistently been found to be a potent pathway for economic and social mobility.⁷ Researchers have found that even children from the poorest families that attend college can dissolve income inequities later in life.⁸ As a result, closing the educational attainment gap in North Omaha is likely critical to economic vitality and growth long-term. Notably, many in North Omaha have taken initial steps on this pathway and have begun some higher education. As a result, an apparent opportunity is to support more in North Omaha to complete their degrees. Programs such as the University of Nebraska at Omaha's Division of Continuing Studies is dedicated exclusively to the needs of adult and contemporary learners and has a demonstrated successful model to support students in realizing their goal of degree attainment.⁹ Furthermore, there is a density of population in North Omaha that can be supported to initiate new pathways into higher education. Programs like the Goodrich Scholarship Program at the University of Nebraska at Omaha has demonstrated the ability to engage disenfranchised young people to enter college and graduate at high rates.¹⁰

⁶ <https://buffettinstitute.nebraska.edu/our-work/opportunity-gap>

⁷ <https://opportunityinsights.org/education/>

⁸ SIC

⁹ <https://www.unomaha.edu/college-of-public-affairs-and-community-service/division-of-continuing-studies/about-us/student-stories.php>

¹⁰ <https://www.unomaha.edu/college-of-public-affairs-and-community-service/goodrich-scholarship-program/>

Foreign Born Population

The percentage of the population that is foreign born in North Omaha is 15%, higher than BTDC (7%) and Nebraska (7%), but lower than South Omaha (24%). The majority of the foreign-born population in North Omaha has been in the United States for over a decade (86%) and 87% speak English at least “very well.” Many of those foreign born in North Omaha have become naturalized citizens, 32%.

	North	South	BTDC	Nebraska
Foreign born number	12,501	12,738	36,254	142,616
Foreign-born population	15%	24%	7%	7%
Naturalized U.S. citizen	32%	30%	48%	39%
Entered before 2010	86%	78%	84%	33%
Entered 2010 or later	14%	22%	16%	67%
English only	77%	59%	89%	88%
Speak English less than "very well"	13%	23%	4%	5%

The high percent of the population that is foreign born in North Omaha presents several opportunities. Immigrants work at high rates and in many essential professions¹¹ providing large economic benefits to the communities they reside in.¹² For example, a report from the University of Nebraska at Omaha’s Office of Latino/Latin American Studies, completed by Economics Professor Christopher Decker, Ph.D., found, “In Nebraska, total foreign-born employment generated \$22 billion in production and 94,409 jobs.”¹³ However, the concentration of individuals that are foreign born in North Omaha compared to the BTDC is evidence of some level of segregation to this community, which has negative impacts on individuals and broader society as noted previously in this report.¹⁴

Poverty by Age

The percentage of the population in poverty in North Omaha is 29%. Across all age groups, poverty is higher in North Omaha than the other geographies studied.

	North	South	BTDC	Nebraska
Percent in poverty	29%	23%	7%	10%
Under age 18 and in poverty	38%	31%	9%	12%
65 years and over and in poverty	16%	14%	6%	8%

A high percent of the population in poverty has a range of negative impacts for the individual and community. Some of these impacts include poor health outcomes, increased crime, marginalization from the labor market, reduced productivity, and increased government expenditure.¹⁵ Moreover, poverty, especially among the young, has long-term implications. Ample research suggests that the impacts of poverty are generational and increasingly limit opportunities for individuals to rise out of poverty.¹⁶

¹¹ <https://www.cbpp.org/research/poverty-and-inequality/immigrants-contribute-greatly-to-us-economy-despite-administrations> | <https://www.ncsl.org/research/labor-and-employment/covid-19-essential-workers-in-the-states.aspx> | <https://www.epi.org/blog/meat-and-poultry-worker-demographics/> | https://www.jec.senate.gov/public/_cache/files/6750b0f0-c851-4fee-9619-295582fd44e8/immigrants-are-vital-to-the-us-economy-final.pdf | https://www.brookings.edu/wp-content/uploads/2016/07/braingain_chapter.pdf

¹² <https://budgetmodel.wharton.upenn.edu/issues/2016/1/27/the-effects-of-immigration-on-the-united-states-economy>

¹³ https://www.unomaha.edu/college-of-arts-and-sciences/ollas/_files/pdfs/2021-ecoimpact-report-final.pdf

¹⁴ <https://www.oecd-ilibrary.org/sites/33eaff32-en/index.html?itemId=/content/component/33eaff32-en>

¹⁵ <https://www.gao.gov/products/gao-07-343t>

¹⁶ https://www.nber.org/system/files/working_papers/w25147/w25147.pdf

Poverty by Race and Ethnicity

In addition to higher poverty across all age groups, there are racial and ethnic disparities in poverty within North Omaha. For instance, among the Black community in North Omaha poverty is 33%. In North Omaha white poverty is only 26%. In addition, poverty for the Black community across all geographies is elevated. For example, in the BTDC white poverty is 6% and Black poverty is 16%.

	North	South	BTDC	Nebraska
White alone	26%	17%	6%	8%
Black or African American alone	33%	24%	16%	24%
American Indian and Alaska Native alone	55%	32%	12%	25%
Asian alone	26%	20%	7%	12%
Two or more races	33%	28%	9%	16%
Latino origin (of any race)	27%	31%	9%	18%

The disparity in poverty rates for persons of color, especially within North Omaha are evidence of persistent and systemic inequality. Such systemic inequalities make breaking the poverty cycle more difficult.¹⁷

Poverty by Employment

Poverty is also persistent and disparate for those in the labor force in North Omaha. Among those employed, the poverty rate in North Omaha is 17%. Even among those that worked full-time year-round, 10% are in poverty. Notably, the typical explanation for working poor is that the worker is part-time or unemployed for long periods,¹⁸ but the majority of the working poor in North Omaha work full-time and year-round. Among those that work full-time year-round in the BTDC, only 1% are in poverty.

	North	South	BTDC	Nebraska
Employed and in poverty	17%	13%	4%	6%
Unemployed and in poverty	42%	39%	22%	29%
Work full-time year round and in poverty	10%	5%	1%	2%

Another set of explanations for the plight of the “working poor” is explained by low levels of educational attainment and working in low wage occupations – both of which will be addressed. However, a concentration of working poor as in North Omaha also suggests low and stagnant wages. As a result, any attempt to address the plight of the working poor should examine wages. For example business incentives given to those that provide a high wage for their industry and higher locally have a larger community benefit.¹⁹

¹⁷ https://www.brookings.edu/wp-content/uploads/2021/06/Long-Shadows_Final.pdf

¹⁸ <https://www.bls.gov/opub/reports/working-poor/2018/home.htm#:~:text=The%20working%20poor%20are%20people,below%20the%20official%20poverty%20level.>

¹⁹ https://research.upjohn.org/cgi/viewcontent.cgi?article=1037&context=up_technicalreports

WORKFORCE

Labor Force and Employment

North Omaha has a lower percent of the population 16 years and over in the labor force (64%) compared to South Omaha (69%), the BTDC (71%), and Nebraska (69%). North Omaha also has a lower percent of the population employed, 64%. As a result, North Omaha has a higher percent unemployed, 6%, or an unemployment rate of 9%.

	North	South	BTDC	Nebraska
In labor force	64%	69%	71%	69%
Employed	58%	63%	69%	67%
Unemployed	6%	5%	2%	2%
Armed Forces	0%	0%	0%	0%
Unemployment Rate	9%	7%	3%	3%

The challenges for persons 16 years and over in North Omaha to enter the labor force are critical to understand as this is a potential pool of expanded economic opportunity for individuals and the community and a possible solution to pervasive labor shortages in Nebraska.²⁰ Secondly, closing the differential between the labor force rate (which includes those employed, looking for jobs, and unemployed)²¹ and the percent employed in North Omaha is a clear opportunity. An engaged labor force should have the opportunity for gainful employment. According to the St. Louis Federal Reserve Bank, persons of color are more likely to be unemployed and persistently unemployed for several reasons, including, lower levels of educational attainment, geographic disparities, industry availability, as well as implicit and explicit biases among employers.²²

Income and Earnings

Across several metrics of income and earnings, those in North Omaha have lower incomes. North Omaha's household income is close to \$50,000 less than the BTDC. North Omaha's median earnings are over \$20,000 less than the BTDC.

	North	South	BTDC	Nebraska
Median household income	\$35,711	\$42,487	\$83,651	\$63,015
Mean household income	\$44,189	\$56,227	\$106,239	\$82,306
Per capita income	\$17,462	\$22,469	\$41,338	\$33,205
Median earnings for workers	\$24,764	\$27,916	\$45,720	\$35,283
Median earnings for male full-time, year-round workers	\$36,166	\$43,276	\$66,435	\$52,186
Median earnings for female full-time, year-round workers	\$32,324	\$33,827	\$51,004	\$40,911

Income disparity contributes to cycles of poverty and limits social and economic mobility.²³ Individual and community-level economic growth in North Omaha depends on raising incomes. To understand opportunities to close the gap in income disparity, we first try to understand two common explanations for income disparities — educational attainment and occupational choice.

²⁰ <https://www.nytimes.com/2022/04/01/business/economy/nebraska-economy-unemployment-labor.html>

²¹ <https://www.stlouisfed.org/open-vault/2020/august/labor-force-participation-rate-explained>

²² <https://www.stlouisfed.org/on-the-economy/2017/february/why-unemployment-rates-vary-races-ethnicity> | <https://www.brookings.edu/research/why-are-employment-rates-so-low-among-black-men/>

²³ https://www.urban.org/sites/default/files/publication/89976/wealth_and_education_3.pdf

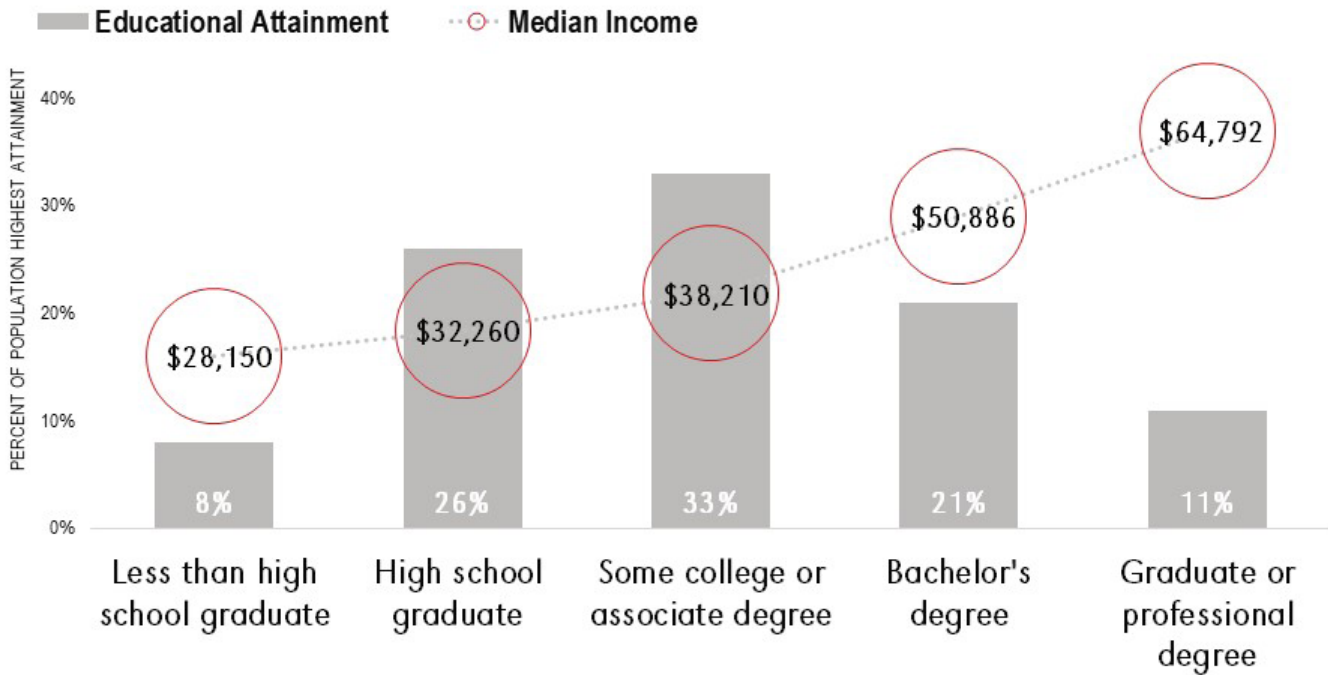
Earnings and Educational Attainment

Earnings in North Omaha increase with educational attainment as in all other geographies, summarized in the figure for Nebraska. As a result, education is a pathway to economic achievement. However, when comparing incomes within educational groups across geographies grave disparity is evident. Median earnings for the population 25 years and older (\$28,867) is lower in North Omaha compared to South Omaha, the BTDC, and Nebraska. Those with a high school degree in North Omaha earn close to \$10,000 less than those with a high school degree in the BTDC. Those with a bachelor’s degree in North Omaha earn over \$20,000 less than those in the BTDC.

	North	South	BTDC	Nebraska
Median earnings population 25 years and older	\$28,867	\$32,665	\$51,636	\$41,351
Less than high school graduate	\$22,544	\$26,403	\$34,148	\$28,150
High school graduate (includes equivalency)	\$27,670	\$28,742	\$37,407	\$32,260
Some college or associate degree	\$31,007	\$35,300	\$44,162	\$38,210
Bachelor's degree	\$37,310	\$40,833	\$57,713	\$50,886
Graduate or professional degree	\$48,877	\$54,574	\$71,074	\$64,792

65% of Nebraskans have some higher education and higher education leads to a higher income

Population 25 years and over

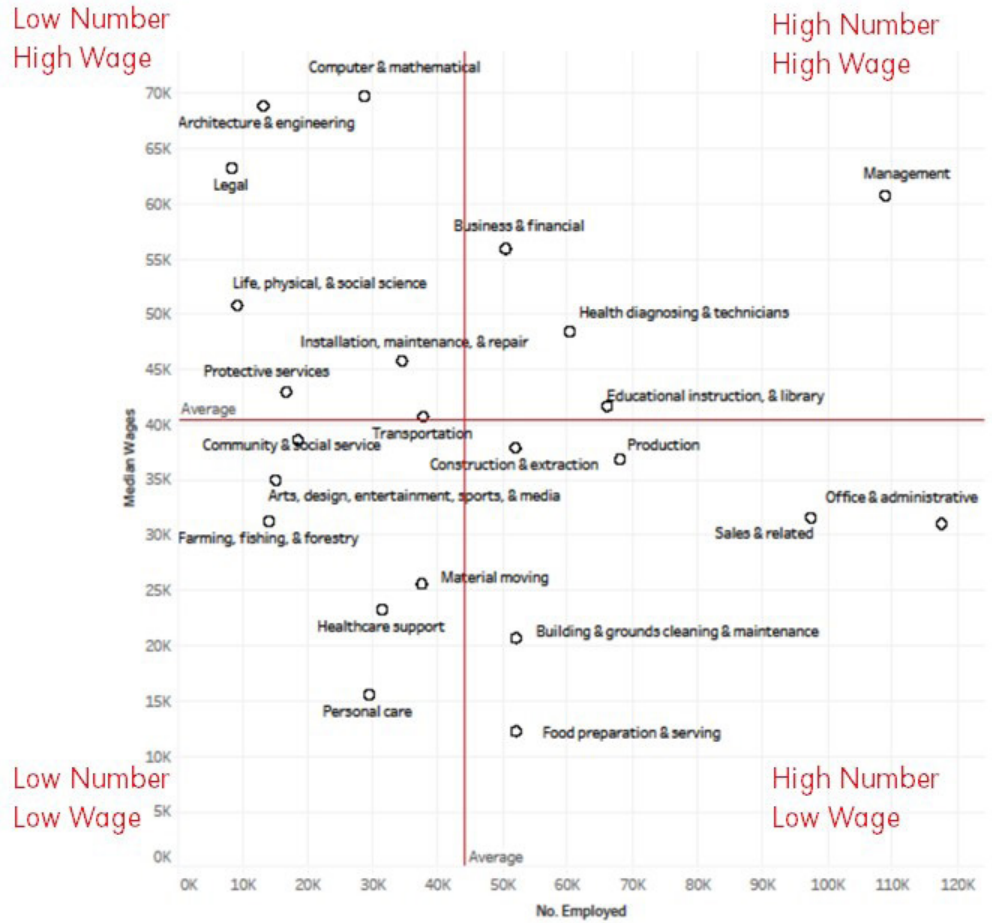


Educational attainment is a common explanation for income disparity; however educational attainment does not close the income disparity for those in North Omaha. While earnings in North Omaha rise with educational attainment, the rate of increase is less than is other areas. The persistence of income disparities despite the same levels of educational attainment suggests a larger, systemic issue for the workforce of North Omaha. The other explanation for income disparities, industry choice, is explored next.

Industry

Another explanation for income disparity is industry choice – the wages associated with some industries are higher than others. The figure provided shows the number of people and median earnings of all workers in Nebraska. Those industries at the top of the graph have higher wages than those at the bottom of the graph. Due to the small geography of North Omaha, earnings data for detailed industry categories are not available. However, using the median earnings for all industries in Nebraska, we constructed the broad categories of “high wage” and “low wage” and then examined the number of people in the geographies of interest working within these categories. The category of high and low wage industries is based on the statewide median of \$41,000 as the threshold. The industry categories are also consistent with national definitions of high compared to low wage industries.²⁴

More Nebraskans work in low wage (584,242) than high wage jobs (433,166)
Median wages by number of persons employed for occupations in Nebraska
Reference lines for average number of persons employed and average wage



Those in North Omaha compared to the BTDC are more likely to work in low wage jobs. In North Omaha, 46% of the workforce 16 years and older work in low wage jobs. In the BTDC, 40% work in low wage jobs. Conversely, 54% in North Omaha work in high wage jobs while 60% work in high wage jobs in the BTDC. Thus, compared to the BTDC, North Omaha has more lower wage workers. Nonetheless, over half of the North Omaha workforce is in the high wage job category.

²⁴ https://www.brookings.edu/wp-content/uploads/2019/11/201911_Brookings-Metro_low-wage-workforce_Ross-Bateman.pdf

	North	South	BTDC	Nebraska
LOW WAGE				
Agriculture, forestry, fishing and hunting, and mining	1%	1%	1%	4%
Construction	8%	11%	6%	7%
Manufacturing	12%	14%	7%	10%
Wholesale trade	1%	1%	3%	3%
Retail trade	10%	11%	11%	11%
Arts, entertainment, and recreation, and accommodation and food services	10%	11%	8%	7%
Other services, except public administration	4%	5%	4%	5%
SUMMARY PERCENT THAT WORK IN LOW WAGE	46%	54%	40%	47%
HIGH WAGE				
Transportation and warehousing, and utilities	6%	5%	5%	6%
Information	2%	2%	2%	2%
Finance and insurance, and real estate and rental and leasing	8%	6%	12%	8%
Professional, scientific, and management, and administrative and waste management services	11%	12%	13%	9%
Educational services, and health care and social assistance	26%	20%	25%	25%
Public administration	2%	1%	3%	4%
SUMMARY PERCENT THAT WORK IN HIGH WAGE	54%	46%	60%	53%

Having a large high wage workforce is important for several reasons. High wage jobs produce more income for individuals, but have a large multiplier effect for the economy;²⁵ while concentrations of low wage workers present hardships for individuals and families, halt social and economic mobility, and depress regional wages. As noted, education is an important pathway for increasing wages. In addition, career pathway²⁶ and internships programs²⁷ may maximize individuals' economic earnings within a chosen industry. More detailed industry analysis in North Omaha is needed to fully understand the combined impact of education and industry choice on income disparity; however, these results suggest that industry does not fully explain the income disparity that exists in North Omaha.

²⁵ <https://www.brookings.edu/blog/the-avenue/2012/08/23/multiplier-effects-connecting-the-innovation-and-opportunity-agendas/>

²⁶ <https://cew.georgetown.edu/cew-reports/careerpathways/>

²⁷ <https://link.springer.com/article/10.1007/s11162-021-09637-9>

Entrepreneurship

North Omaha has a similar rate of self-employed persons in not incorporated business (5%) as the BTDC (5%), a slightly higher rate than South Omaha (4%), and slightly lower rate than the state (6%). The rate for self-employed in own incorporated businesses (2%) drops below the BTDC (4%) and Nebraska (6%).

	North	South	BTDC	Nebraska
Self-employed in own not incorporated business workers	5%	4%	5%	6%
Self-employed in own incorporated business	2%	2%	4%	6%

Research by the UNO Center for Public Affairs Research demonstrates that the state as a whole has a low rate of new entrepreneurs' year-to-year compared to other states; however, the research also demonstrates that entrepreneurship is an extremely important tool to grow the economy of Nebraska.²⁸ North Omaha's comparatively high rate of those self-employed should be widely celebrated and encouraged and all efforts to support entrepreneurs in their expansion and incorporation can have a critical impact on individual and community wealth.

HOUSING

Occupancy

North Omaha is more likely to have households that rent (60%) compared to own (40%) their homes. The order of magnitude is particularly evident in comparison to the BTDC, where 30% rent and 70% own. North Omaha also has a lower percentage of persons living in one-unit structures (70%) compared to the BTDC (77%) and thus households are more likely to live in a two-or-more-unit structure (27%) than the BTDC (22%). Notably, most households in North Omaha do live in one-unit structures.

	North	South	BTDC	Nebraska
Total households	28,695	18,572	174,184	766,663
One-unit structures	70%	63%	77%	78%
Two-or-more-unit structures	27%	36%	22%	20%
Owner-occupied housing units	40%	43%	70%	66%
Renter-occupied housing units	60%	57%	30%	34%

While home ownership is costly and not encouraged for everyone due to the high incurrence of debt, rigorous evidence suggest that home ownership will likely return financial benefits to the household²⁹ particularly over rents as they rise with inflation.³⁰ Moreover, high rates of home-ownership often has positive spillover effects for neighborhoods.³¹ The increased density of North Omaha, with more two-or-more-unit structures than the BTDC, can today be seen as a positive as prices may be lower and households in these communities will have better access to central city amenities.

²⁸ https://issuu.com/unocpar/docs/2021_entrepreneurship_report_web_pages

²⁹ https://www.urban.org/sites/default/files/publication/96221/homeownership_and_the_american_dream_0.pdf

³⁰ <https://www.urban.org/urban-wire/homeownership-still-financially-better-renting>

³¹ <https://www.frbsf.org/community-development/publications/community-development-investment-review/2016/august/homeownership-and-the-stability-of-middle-neighborhoods/>

Renter Housing Costs

North Omaha renters make less per month (\$2,270) than renters in the BTDC and pay less, at the median, for housing per month. However for many in North Omaha (38%), monthly housing costs as a percent of household income well surpasses 30%.

	North	South	BTDC	Nebraska
Renter occupied median household income	\$2,270	\$2,848	\$4,470	\$3,281
Renter-occupied housing median monthly housing costs	\$857	\$875	\$1,105	\$857
Renter housing costs as a percent of household income	38%	31%	25%	26%

The United States Department of Housing and Urban Development defines a household as “cost-burdened” if they pay more than 30% of their monthly income for housing. As a result of housing cost burden, families are forced to make difficult choices about other necessities such as, food, clothing, health care, and transportation.³² The high rate of cost-burdened in North Omaha can have a range of negative impacts on individuals and communities.

Households with a Mortgage

North Omaha households that own their home with a mortgage (most people in Nebraska that own a home have a mortgage) are less likely to be cost burdened (20%) than those in North Omaha that rent (38%). However, those in North Omaha with a mortgage are slightly more cost burdened than the comparable group in the BTDC (19%). Of note, the median value of homes that are owned in North Omaha is over \$100,000 less than median home values in the BTDC.

	North	South	Omaha	Nebraska
Households with a mortgage median value of home	\$102,133	\$119,871	\$218,709	\$174,300
Households with a mortgage monthly household income	\$4,956	\$5,878	\$8,965	\$7,750
Households with a mortgage monthly housing costs	\$1,013	\$1,179	\$1,676	\$1,412
Households with a mortgage costs as a percent of household income	20%	20%	19%	18%

The financial benefits of homeownership are evident from these data. Those that own a home across all geographies are less likely to be cost burdened than those that rent. However, the significantly depressed value of homes in North Omaha is evidence of discriminatory historical policies like redlining,³³ and biased contemporary practices such as in appraisals.³⁴ Moreover, this devaluation based on location is a major barrier to wealth generation in North Omaha. However, home values may also be lower as a result of quality which will be addressed.

³² https://www.huduser.gov/portal/pdredge/pdr_edge_featd_article_092214.html | <https://www.unomaha.edu/service-learning-academy/priority-areas/redlining.php>

³³ <https://www.brookings.edu/research/devaluation-of-assets-in-black-neighborhoods/>

³⁴ <https://kinder.rice.edu/urbanedge/2020/09/24/housing-racial-disparities-race-still-determines-home-values-America>

Change in Sold Price Per Square Foot

Since 2010, the average price per square foot in North Omaha for sold homes has increased 158%. The increase is rapid, but mostly an adjustment to the low valuation of homes in 2010. Thus the rapid increase did not close the disparity in valuation compared to other geographies.

	North	South	BTDC
2010 average sold price per square foot	\$44.84	\$64.89	\$107.24
2021 average sold price per square foot	\$115.85	\$149.28	\$180.36
2010 to 2021 % change in average sold price per square foot	158%	130%	68%

Source: Great Plains Regional MLS. <https://www.gprmls.com/>

Home prices have risen fast everywhere; however, the faster rise in North Omaha has both pros and cons. The increase in valuation brings the value of homes in the area up for all; however, the sharp increase could price existing community members or new investors out of the market and may be subject to increased volatility that makes housing a less stable investment.³⁵ Currently though, North Omaha homes are more affordable than those in the BTDC and that is a clear attraction for the community.

Housing Quality

One explanation for the lower valuations of homes in North Omaha, is home quality. To measure quality of homes we assessed the extent to which one or more of common “housing problems” exist. The four housing problems are:

1. Lack of complete kitchen facility
2. Lack of complete plumbing facilities
3. Household is overcrowded/more than one person per room
4. Household is severely cost burdened, meaning monthly housing costs exceed 50% of monthly income.

North Omaha owners (32%) and renters (57%) are more likely to have one or more of these housing problems than in the BTDC. Renters across all geographies are more likely to have one or more of these four housing problems.

	North	South	BTDC
% of owners that have one or more housing problem	32%	30%	19%
% of renters that have one or more housing problem	57%	50%	41%

Source: Comprehensive Housing Affordability Strategy (CHAS) data, for 2018, custom tabulations of U.S. Census Bureau Data. <https://catalog.data.gov/dataset/comprehensive-housing-affordability-strategy-chas-2008-2010>

The large presence of owners and renters with housing problems in North Omaha limits wealth generation for individuals and decreases the value of homes throughout the neighborhood. In particular, renters in North Omaha are much less likely to have safe, affordable homes. Moreover, in North Omaha, the magnitude of homes with problems explains some of the depression in home prices. Efforts and incentives to improve the quality of existing homes and keep these homes affordable will have a multiplier impact³⁶ for North Omaha.

³⁵ <https://www.jchs.harvard.edu/blog/home-prices-rose-fastest-communities-color-during-pandemic>

³⁶ <https://www.jchs.harvard.edu/research-areas/remodeling>

Summary of Strengths, Opportunities, Challenges, and Threats

North Strengths

Demographics

- Dense population
- Young population
- Diverse population
- Migration pattern that shows people tend to stay in North Omaha
- Migration pattern that shows people tend to move to North Omaha from other states
- Fair number of those 25 and older have initiated some higher education
- Lively immigrant community

Workforce

- Engaged labor force
- Comparatively high rate of self-employment in not incorporated businesses

Housing

- North Omaha is denser with many living in two-or-more-unit structures
- Many in North Omaha that own a home are not “cost-burdened”
- Home prices per square foot are more affordable

North Weaknesses

Demographics

- Population decrease since 2010
- Lower percent of population in prime age workforce
- Segregated diverse population
- Not a destination for people moving from elsewhere in the state
- Low enrollment in preschool among three to four year olds
- Low percent of the population that has completed higher education
- Concentrated poverty
- High percent of “working poor”

Workforce

- Differential between the labor force rate and the percent employed
- Low earnings and income not fully explained by educational attainment or industry choice

Housing

- Households in North Omaha are more likely to rent than own
- Many renters in North Omaha are “cost-burdened”
- Sold price per square foot of homes has risen dramatically over 10 years
- Many live in homes that are low quality

North Opportunities

Demographics

- Having a young population is a tremendous opportunity
- Need to understand what about North Omaha is more attractive than the BTDC for people moving from other states and capitalize on those assets
- Ensure every child under age four has access to quality early childhood education in North Omaha
- Provide opportunities to more people in North Omaha to initiate higher education and/or complete higher education, such as the UNO Goodrich Scholarship Program
- The high percent of the population that is foreign born in North Omaha presents several opportunities

Workforce

- Potential pool of persons over 16 in North Omaha that are not in labor force could be a solution to current labor shortages
- Closing the differential between the labor force rate and the percent employed can help with labor shortages and ensure that all have the opportunity for gainful employment
- Education is an important pathway to increase wages in North Omaha
- Those in North Omaha who are self-employed should be widely celebrated and encouraged and opportunities for others to pursue self-employment supported

Housing

- Encourage home ownership for its relative financial benefits and spillover impacts for the community
- Consider the benefits of dense infill development and plan accordingly
- North Omaha homes are a more affordable than other areas of Omaha

North Threats

Demographics

- While diversity is a strength in North Omaha, when diverse populations are segregated and not broadly included it is a grave weakness
- The concentration of individuals that are foreign born in North Omaha, compared to the BTDC, is evidence of segregation, which has negative impacts on individuals and broader society³⁷
- The disparity in poverty rates for persons of color, especially within North Omaha are evidence of persistent and systemic issues
- The concentration of working poor in North Omaha, suggests low and stagnant overtime wages
- Data on the labor force in North Omaha suggest that some in the workforce are being disenfranchised.
- Income disparity as is prevalent in North Omaha contributes to cycles of poverty and limits social and economic mobility³⁸
- That income disparities persist despite educational attainment, suggests a larger, systemic issue for the workforce of North Omaha
- Concentrations of low wage workers present hardships for individuals and families, halt social and economic mobility, and depress regional wages
- The significant devaluation of homes in North Omaha is evidence of discriminatory historical policies like redlining³⁹, and biased contemporary practices such as in appraisals⁴⁰
- The large presence of owners and renters with housing problems in North Omaha, limits wealth generation for individuals and decreases the value of homes throughout the neighborhood

³⁷ <https://www.oecd-ilibrary.org/sites/33eaff32-en/index.html?itemId=/content/component/33eaff32-en>

³⁸ https://www.urban.org/sites/default/files/publication/89976/wealth_and_education_3.pdf

³⁹ <https://www.brookings.edu/research/devaluation-of-assets-in-black-neighborhoods/>

⁴⁰ <https://kinder.rice.edu/urbanedge/2020/09/24/housing-racial-disparities-race-still-determines-home-values-America>