
Housing in Nebraska: The Return on Investment

Housing is foundational to how people live, work, and participate in their communities. It shapes population stability, economic growth, and quality of life. Yet despite its central role, in many communities housing is neither sufficiently available nor affordable. As noted in the 2022 Nebraska Housing Needs Assessment, “a shortage of quality, affordable housing has become a barrier to job growth, community development, talent attraction and retention, and overall quality of life for Nebraska and its communities” (p. 12).¹

Understanding what those returns look like matters — especially in Nebraska today, where resources are limited and growth is stagnating. If the state is going to invest in housing, it is important to be clear about what those investments can deliver, including outcomes such as population growth, a stronger workforce, and economic development.

Return on investment analysis can take many forms. In this brief, the focus is on housing investments and the practical, observable returns associated with them. Specifically, we examine three straightforward investment-return relationships:

- **Investments that add more homes return population growth and a larger workforce**, allowing employers to expand and communities to grow.
- **Investments that make housing more affordable return increased household spending power**, supporting local businesses and generating additional state and local tax revenue.
- **Investments in housing construction return immediate economic activity through jobs, wages, and business output.**

Across each of these pathways, the pattern is consistent: the economic returns associated with housing investment exceed the costs of investment. This brief explores these relationships in more detail.

¹ Strategic Housing Council of Nebraska, *Nebraska’s 2022 Strategic Housing Framework* (Nebraska Investment Finance Authority, Dec. 2022), <https://www.nifa-org-files.s3.amazonaws.com/ae20-99879967-NE2022StrategicHousingFramework-FullDoc.pdf?pfvId=19ubvj.llxwpuvr>



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Housing Investment and Returns to Population and Economic Growth

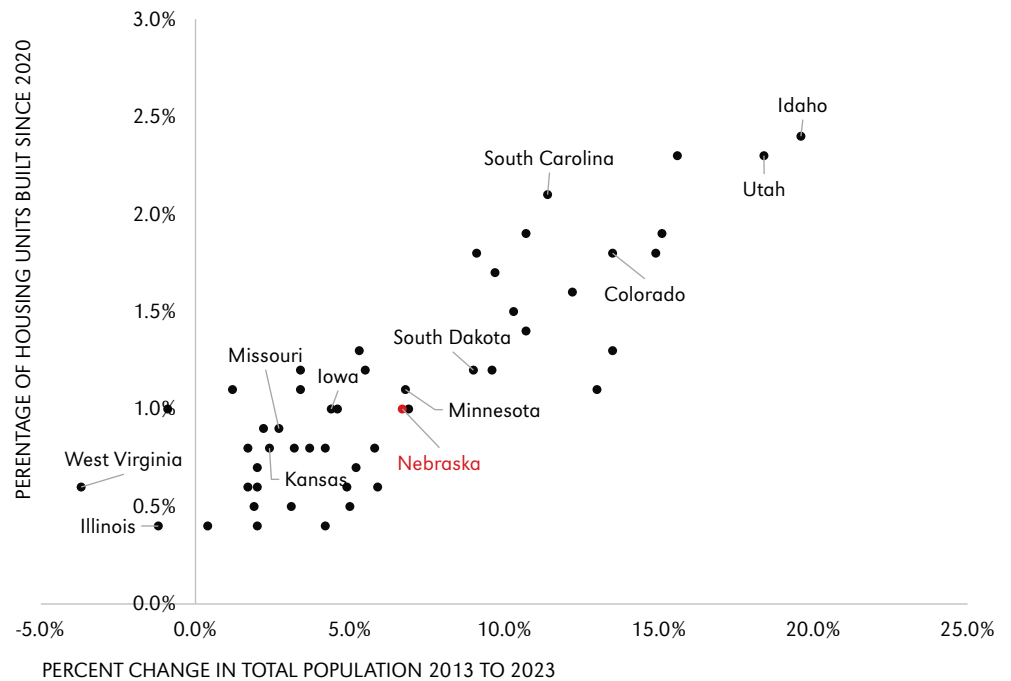
One of the clearest returns on housing investment is growth. Communities that add housing are better able to attract and retain residents, grow the number of employers, and as a result of both expand their economies. When housing supply grows, population growth and economic activity tend to follow. Where housing is limited, both population and economic growth are constrained.

Across the country, places that have built a larger share of their housing stock in recent years have experienced faster population growth over the past decade. In contrast, states with limited recent housing construction, such as Nebraska, have tended to see slower growth or population decline. This pattern reflects a simple reality: people cannot move to, or remain in, places where housing is unavailable or unaffordable.

Figure 1 illustrates this relationship by comparing recent housing investment and population growth across states. Housing investment is measured as the percentage of housing units built since 2020, while population growth is measured as the percentage change in population from 2013 to 2023. States that added a larger share of new housing — including Idaho, Utah, Texas, and South Carolina — also experienced population growth exceeding 10% over the past decade.

Figure 1: Population growth is strongest in states that have expanded their housing supply, indicating that housing production is a key condition for sustaining population growth

Percentage of housing units built since 2020 compared to population change by state, 2013 to 2023

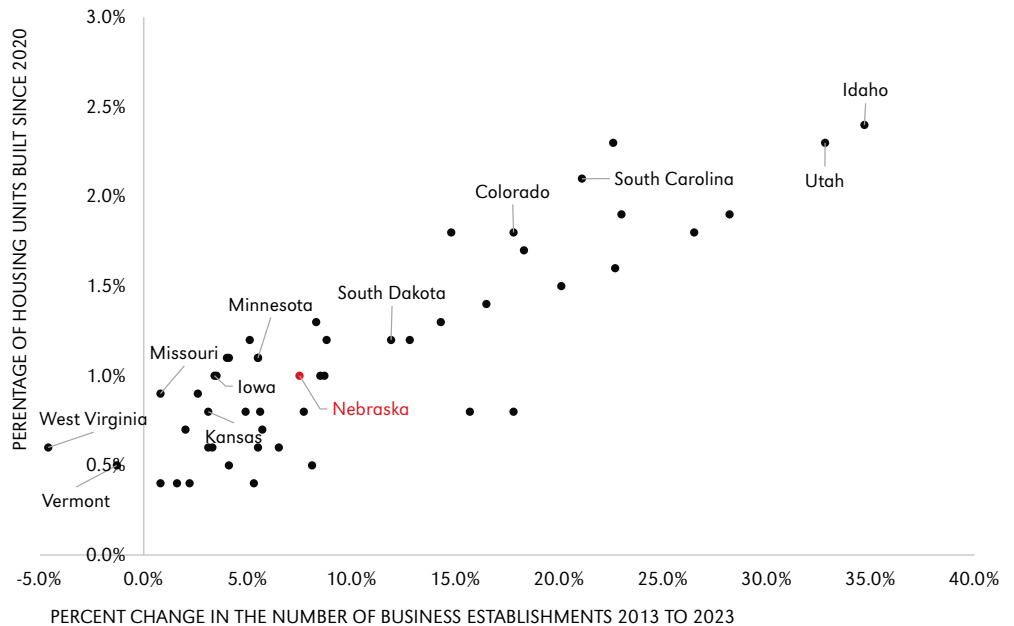


The same pattern appears when examining economic outcomes. States with higher levels of recent housing construction — again measured as the percentage of housing units built since 2020 — have also experienced stronger growth in the number of business establishments. The number of business establishments is a useful indicator of economic expansion because establishments represent places where people are employed and paid wages.

As shown in Figure 2, states that rank highest in recent housing construction also tend to rank highest in business growth. Idaho and Utah, in particular, top the charts for both measures. This relationship suggests that as housing supply expands, employers are better positioned to start new businesses and grow existing ones. Where housing is constrained, business expansion is more difficult, even when demand for labor is strong.

Figure 2: States that expanded their housing supply were better positioned to support business growth, underscoring housing’s role in economic development

Percentage of housing units built since 2020 compared to percent change in business establishments by state, 2013 to 2023



Together, these patterns point to a straightforward dynamic. Economic growth depends on people, and people need places to live. Housing investment increases a community’s capacity to grow by making it possible for workers and their families to move in, stay, and participate in the local economy. When housing supply expands, population growth and business activity are more likely to occur. When housing is constrained, growth is limited.



Does housing attract new population?

Housing investment and population growth often occur together, so we wanted to understand if housing itself influences where people choose to live. To better understand this relationship, the University of Nebraska at Omaha Center for Public Affairs Research conducted a simple experimental online poll of adults (n=168).

Respondents were asked how important housing would be when deciding whether to move to another state. Nearly 90% said housing cost was a very or moderately important factor, and 88% said the quality of housing was very or moderately important.

Respondents were then presented with a scenario in which pay at their job would remain the same in a new state, but housing costs would be lower. In that scenario, more than 60% said they would choose to relocate.

These results suggest that housing costs and quality can influence relocation decisions, independent of other reasons a household might move to another state.

Nebraska’s position in both figures highlights how constraints in housing are related to constraints in population and economic growth. Compared to other states, Nebraska ranks:

28th

in the nation in the share of housing units built since 2020, with 1.0% growth, or 8,964 units added between 2020 and 2023

20th

in population growth, with a 6.7% increase from 2013 to 2023, adding 124,301 residents over the decade

25th

in growth in the number of business establishments, with a 7.5% increase, or 3,918 additional places to work over the same period

These findings are consistent with other indicators of Nebraska’s population and workforce challenges. Current estimates suggest there are fewer available workers than open jobs statewide², and most employers report difficulty filling positions due to a lack of applicants³. Housing availability compounds these challenges, particularly in communities experiencing job growth.⁴ Survey data consistently show that residents and employers view housing availability and affordability as critical to community growth⁵, and businesses routinely cite labor availability and quality of life — especially housing — as key factors in location decisions⁶.

Taken together, the evidence indicates that investment in housing is needed to support population growth and economic expansion. For Nebraska, where labor shortages and uneven population trends persist, expanding housing supply represents a practical investment that supports workforce stability, employer growth, and long-term economic development.

While the relationship between housing investment and growth is clear, the scale of that investment is less obvious. To better understand what meaningful housing investment looks like in practice, the next section examines recent housing, population, and economic trends in Idaho, a state that has experienced sustained growth across all three measures.

The Case of Idaho: How Much Housing Investment Supports Growth?

Idaho illustrates the scale of housing investment and the economic returns associated with adding new households, as a state that has experienced recent growth in both housing and population.

Over roughly the past decade, Idaho added 114,024 households, an increase of 19.7%. To accommodate this growth, the state expanded its housing stock by 106,599 units, or 15.9%.

The net increase in housing units is valued using the midpoint median home value over the period of \$266,500. On this basis, housing construction represents an estimated \$28.4 billion in housing investment.

Household growth supported by this investment can be expressed in income terms. Using a midpoint median household income of \$63,377, the 114,024 additional households generate approximately \$7.2 billion in household income per year, or about \$72 billion in cumulative household income over a similar 10-year period.

Viewed through a return-on-investment lens, this comparison indicates that in Idaho, every \$1 invested in housing, measured using the median value of new units, aligns with approximately \$2.50 in household income generated by new households over the same period. While this comparison does not imply causation and relies on simplified assumptions, it illustrates the scale of economic activity associated with sustained investment in housing.

² University of Nebraska–Lincoln, Bureau of Sociological Research. (2024). *Nebraska Rural Poll*. All Things Nebraska. Retrieved January 12, 2026, from <https://allthingsnebraska.unl.edu/>

³ Site Selectors Guild. (2024). *The state of site selection 2024*. <https://siteselectorsguild.com/research/the-state-of-site-selection-2024/>

⁴ American Enterprise Institute Housing Center. (n.d.). *Housing market indicators (HEAT)*. <https://heat.aeihousingcenter.org/>

⁵ National Institute of Food and Agriculture. (n.d.). *A housing framework for rural communities*. <https://www.nifa.org/housing-framework>

⁶ National Conference of State Legislatures. (n.d.). *The U.S. needs more homes: The states have some ideas*. <https://www.ncsl.org/state-legislatures-news/details/the-us-needs-more-homes-the-states-have-some-ideas>

Housing Policy Investments: Examples From Growing States

Another indication of housing's role in supporting population and economic growth is how states that are growing choose to invest.⁷ In 2025, the National Conference on State Legislatures reported that more than 3,300 bills were introduced to address housing and homelessness, the most ever recorded.⁸ States experiencing sustained growth have made deliberate, statewide investments in housing — not because housing alone produces growth, but because housing is treated as a necessary condition for realizing and sustaining it. Examples from Idaho, Utah, and South Carolina illustrate how housing investment has aligned with workforce and economic development goals.



In Idaho, lawmakers created the Idaho Workforce Housing Fund (2022),⁹ dedicating approximately \$50 million to gap financing for workforce housing construction in communities experiencing labor shortages and job growth.^{10,11}



In Utah, a package of housing reforms passed in 2024 (including HB 465, HB 476, and SB 168)¹² focused on expanding redevelopment authority, streamlining land-use approvals, and encouraging higher-density and modular housing, with the goal of accelerating housing production in high-growth employment areas.¹³ In 2023, Utah spent more than double what Nebraska did on housing and community development initiatives according to the data from the U.S. Census Bureau's State and Local Government Finances Data.¹⁴



South Carolina has pursued a complementary approach by expanding local financing tools for workforce housing. Senate Bill 284 (2023–2024)¹⁵ broadened allowable uses of accommodations tax revenues to support workforce housing, while Senate Bill 298 (2025)¹⁶ proposed allowing capital project sales tax revenues to be used for housing tied to local labor needs.

Together, these policies illustrate how states are treating housing as economic infrastructure, an investment that supports workforce stability, business attraction, and long-term economic resilience.

⁷ National Conference of State Legislatures. (n.d.). *The U.S. needs more homes: The states have some ideas*. <https://www.ncsl.org/state-legislatures-news/details/the-us-needs-more-homes-the-states-have-some-ideas>

⁸ National Conference of State Legislatures. (2025, Nov. 11). *High costs, little inventory: Tackling the housing crisis*. <https://www.ncsl.org/state-legislatures-news/details/high-costs-little-inventory-tackling-the-housing-crisis>

⁹ Idaho Legislature. (2022). *Idaho Workforce Housing Fund, H.B. 772, 66th Legislature, 2nd Session*. <https://legislature.idaho.gov/sessioninfo/2022/legislation/H0772/>

¹⁰ Boise State Public Radio. (2022, March 31). *Gov. Little signs bill to create workforce housing fund in Idaho*. <https://www.boisestatepublicradio.org/news/2022-03-31/gov-little-signs-bill-to-create-workforce-housing-fund-in-idaho>

¹¹ Utah Legislature. (2024). *Housing affordability revisions, H.B. 465, 2024 General Session*. <https://le.utah.gov/~2024/bills/static/HB0465.html>

¹² Utah Legislature. (2024). *Affordable housing amendments, S.B. 168, 2024 General Session*. <https://le.utah.gov/~2024/bills/static/SB0168.html>

¹³ Utah Department of Workforce Services. (2024). *Utah Housing Commission: Legislative accomplishments*. <https://jobs.utah.gov/housing/affordable/commission/accomplishments.html>

¹⁴ U.S. Census Bureau. (2023). *Local area economic data public-use datasets*. <https://www.census.gov/data/datasets/2023/econ/local/public-use-datasets.html>

¹⁵ South Carolina Legislature. (2024). *Accommodations tax workforce housing provisions, S. 284, 125th Session*. https://www.scstatehouse.gov/sess125_2023-2024/bills/284.htm

¹⁶ South Carolina Legislature. (2025). *Capital project sales tax; workforce housing, S. 298, 126th Session*. https://www.scstatehouse.gov/sess126_2025-2026/bills/298.htm

Housing Supply, Affordability, and Returns to Household Spending

In addition to supporting population and economic growth, housing investment generates economic returns by improving affordability. Housing is typically the largest component of a household’s budget. When housing costs consume an outsized share of income, households have less capacity to spend on other goods and services, limiting the broader economic benefits that housing investment can otherwise produce.

National data underscore this dynamic¹⁷, presented in Figure 3. Nationally, households devote approximately 33% of their total expenditures to housing, making it the largest spending category. As housing costs rise faster than income, as is true in Nebraska (see Figure 4), a growing share of household spending is diverted away from discretionary purchases such as transportation, food, and healthcare.

Figure 3: Major Categories of Household Expenditures

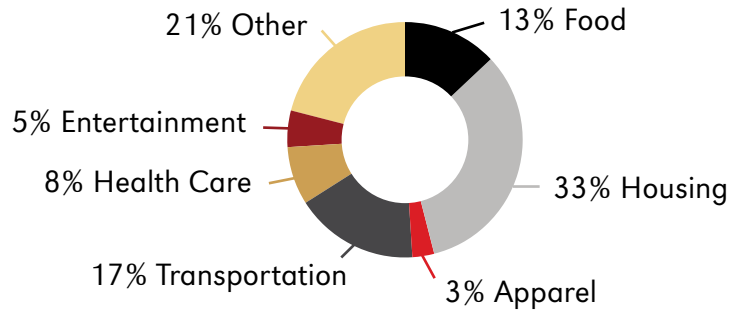
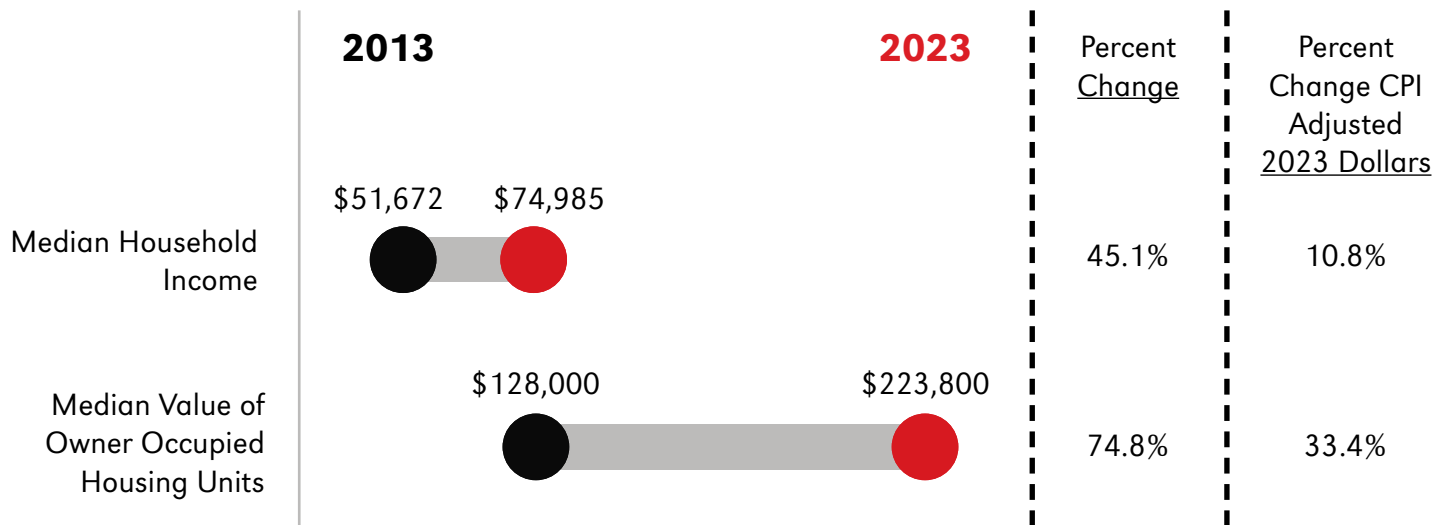


Figure 4: Earnings and Income Indicators for 2016 and 2024 in Nebraska and Percent Change



Source: U.S. Census Bureau American Community Survey 2013 and 2023 5-year Estimates

¹⁷ U.S. Bureau of Labor Statistics. (n.d.). *Consumer expenditure surveys*. <https://www.bls.gov/cex/>

One of the most effective ways to improve housing affordability is through investments that expand housing supply.¹⁸ Increasing the number of available homes — through new construction or the preservation of existing units — reduces upward pressure on prices and rents, allowing housing costs to better align with household incomes. Here we do not estimate the specific cost of housing investments needed to improve affordability. Instead, it focuses on the economic returns associated with more affordable housing.

In Nebraska, a substantial share of households face high housing costs relative to income. Approximately 178,746 households, including both renters and homeowners, spend more than 35% of their income on housing. Figure 5 shows the total number of cost burdened households, both owners and renters by county.

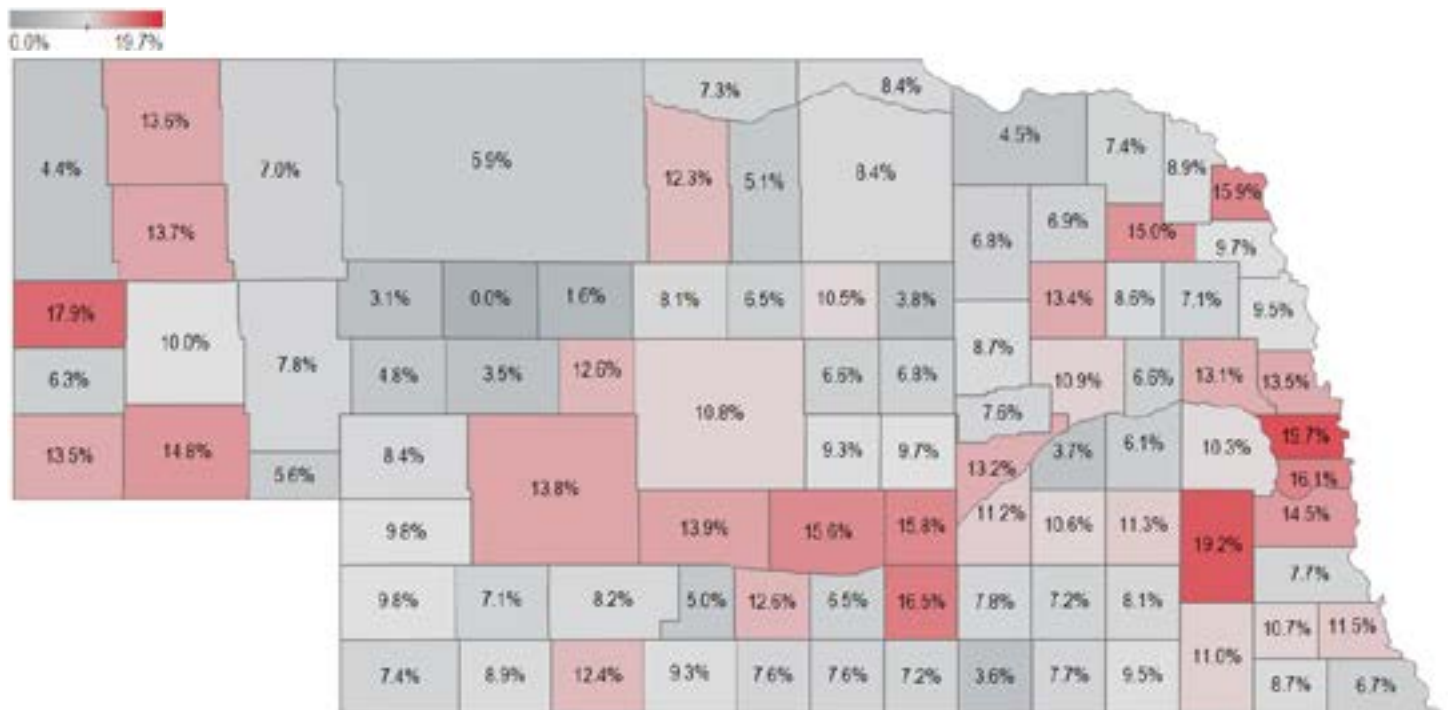
How much new housing does Nebraska need?

Estimates of how much new housing Nebraska needs, and how much is required to reduce housing costs, are difficult to calculate precisely. At a minimum, housing construction must keep pace with population growth and changes in household size.

From 2011 to 2023, Nebraska added about 139,000 residents and permitted roughly 107,600 housing units.¹⁸ Based on Nebraska’s historic construction rate of about 0.88 housing units per additional resident, the state would have needed approximately 122,600 units over this period. This means Nebraska built about 15,000 fewer housing units than would have been needed to keep pace with population growth during these 12 years. In faster-growing states such as Idaho, housing construction has occurred at a higher pace relative to population growth.

Figure 5: Households across Nebraska are housing cost burdened

Percentage of households that own or rent their home and spend 35% or more of income on housing



Source: U.S. Census Bureau American Community Survey 2023 5-year Estimates

¹⁸ Nebraska Investment Finance Authority. (2025). *2025 Updated Housing Needs Assessment* [PDF].

The economic return to improving affordability through increased housing supply can be illustrated by examining what happens when housing costs are reduced to a more sustainable level. **If housing costs for cost-burdened households in Nebraska were reduced from 35% of income to 29%, each household would retain approximately \$4,583 per year, based on the median household income of \$76,376. Across all cost-burdened households statewide, this represents roughly \$819 million annually that could be redirected toward other goods and services.**

Viewed through a return-on-investment lens, expanding housing supply produces sustained economic benefits by increasing household purchasing power. While the cost of expanding housing supply varies by project and community, even modest improvements in affordability can generate hundreds of millions of dollars in additional household spending each year, reinforcing housing supply investment as a practical and scalable tool for strengthening Nebraska’s economy.

Construction Returns

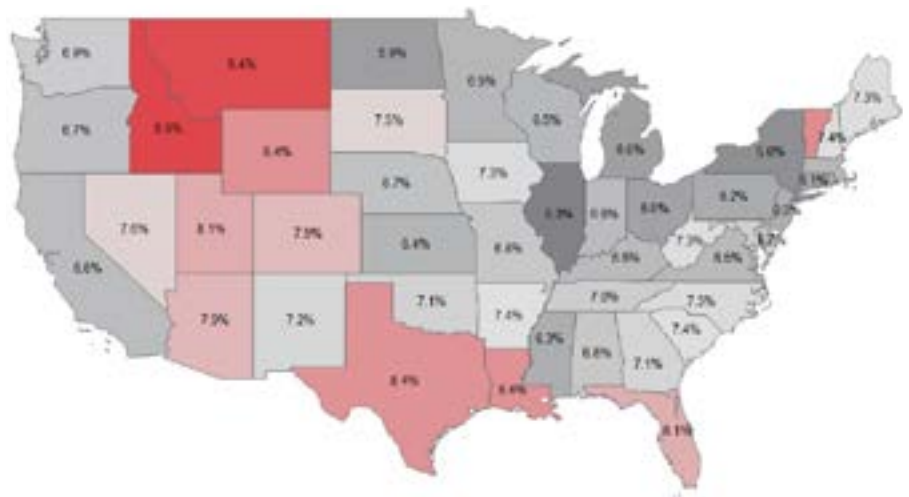
The final way this brief examines the return on investment in housing is through the direct economic impact of construction. Construction employment represents a significant and well-paid segment of Nebraska’s workforce. More than 47,000 Nebraskans are employed in construction occupations, accounting for approximately 4.6% of total employment statewide. Median earnings in construction occupations are \$51,173, roughly \$10,000 higher than the statewide median across all occupations.

Beyond employment, construction is a major contributor to Nebraska’s economy. In 2024, the construction industry generated more than \$9 billion in gross domestic product, reflecting its role as both a source of jobs and a driver of economic activity.¹⁹

National estimates further illustrate the direct economic returns associated with housing construction. According to the National Association of Home Builders, construction of an average single-family home generates approximately 3 jobs and over \$320,000 in wages and profits. Construction of an average multifamily rental unit generates approximately 1.25 jobs and more than \$142,000 in wages and profits, based on estimates from 2020.²⁰ In most economic impact studies, the largest direct benefit to the economy, or multiplier benefit, comes from the construction phase of projects where new investment is generated.²¹

Figure 6: Since 2010, an average of 6.9% of Nebraska’s total workforce has been employed in the construction industry, close to the national average of 7.0%

Percent employed in the construction industry by state, 2023



¹⁹ Bureau of Economic Analysis. (n.d.). *Gross domestic product by state*. U.S. Department of Commerce.

²⁰ National Association of Home Builders. (2020). *The national impact of home building and remodeling*. <https://www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics-plus/special-studies/2020/special-study-national-impact-of-homebuilding-and-remodeling-april-2020.pdf>

²¹ Leading Builders of America. (2020). *Residential construction economic study*. <https://leadingbuilders.org/wp-content/uploads/2020/07/Residential-Construction-Economic-Study-5-2020.pdf>

Conclusion

Housing is vital; that point is not in dispute. What is less consistently articulated in Nebraska is how investments in housing translate into economic and demographic outcomes, and which returns communities can reasonably expect from those investments.

This brief demonstrates that investments in housing are associated with returns that align closely with priorities important to Nebraskans, including population growth, economic development, increased household spending, and direct construction-related economic activity. While the precise scale and timing of these returns vary by context and are difficult to quantify with precision, the overall direction of the evidence is consistent.

Taken together, the findings indicate that investment in housing is a response and contributor to growth. In a policy environment defined by limited resources and competing priorities, housing investment stands out as an approach capable of supporting multiple economic and demographic returns simultaneously. The weight of the evidence suggests that sustained and intentional investment in housing will return meaningful benefits to Nebraska's communities and economy.

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