The Nebraska Business Report

Compiled information from Nebraska’s Business Retention & Expansion Program

FY2010 July 1, 2009 - June 30, 2010
Nebraska’s strategy for growing jobs, industries, and talent is based on the success and strength of its existing businesses. The Nebraska Business Report conveys business executives’ perspectives about the State’s business climate. This report, which used a standard personal interview process, was realized in cooperation with economic developers Statewide.

I commend those economic development professionals for conducting interviews, responding to business needs, and using the data to develop improvement strategies that will make businesses in communities throughout Nebraska more competitive.

Richard J. Baier
Director

See what Nebraska businesses have been up to:

- Yahoo! Data Center celebrates new facility in LaVista
- Easyway International Freight Co expands to US market and Nebraska for 1st time
- Neapco chooses Nebraska for manufacturing operations
- The Buckle announces plans to build new distribution center in Kearney
- High Point Manufacturing plans to expand, create new jobs
- Structured Solutions, Inc. announces 1st major expansion outside of California
- Agricultural businesses receive funding for future product developments, business expansions
- Plymouth Industries creates new jobs as it expands
- Nebraska incentives draw Nelnet, Verizon Wireless and Bubba Foods
- Cargill expands capabilities and upgrades facilities
- Fidelity National Financial sees rapid growth and success in Omaha
- Cabela’s expands to Papillion

“Nebraskans are well known throughout the country for being among our nation’s best employees and the staff at York Cold Storage certainly falls into this category. York Cold Storage has been blessed with a very hardworking, intelligent and loyal workforce.

In addition to this, Nebraska provides York Cold Storage with very affordable energy, insurance and tax rates as well as “business friendly” state and local governments.

We at York Cold Storage are very grateful to the State of Nebraska and the Nebraska Department of Economic Development for their assistance in attaining Community Development Block Grant Funds to improve our plant efficiencies and grow our workforce.

York Cold Storage is eagerly looking forward to the next 65 years.”

Matt Spanjers, General Manager
York Cold Storage

“Nebraska is a great State to do business in because of the quality of our labor force; our access to the interstate highway system; our central location in the United States; and our access to the high tech protocols needed for communications and business operations. Very few States can boast of having a government that is Pro Business and Leadership that actively markets Nebraska commodities throughout other parts of the world. We can also be proud of the fact that Economic Development is a high priority, and Nebraska doesn’t engage in deficit spending so we’re never faced with a mountain of debt like many other States are facing today.”

Thomas J. Henning, President & CEO
Cash-Wa Distributing Co.
The Nebraska Business Report drives many policies and programs of the Nebraska Department of Economic Development (NDED). The 2010 Nebraska Business Report analyzes results of 390 personal interviews with Nebraska business executives in 53 communities and 32 counties during the 2010 fiscal year.

The report provides insight into the visions of senior business leaders and their efforts to build sustainable and competitive organizations. State and local policy leaders use data from interviews with business executives to benchmark and improve programs for existing businesses. Data from the Nebraska Business Report is linked with findings of the Growing Jobs, Industries, and Talent: A Competitive Advantage Assessment and Strategy for Nebraska report prepared by the Battelle Technology Partnership Practice for NDED to assist long-term development initiatives. Analysis of report findings not only verify Nebraska’s position as a global competitor, but identify issues to be addressed to propel the State forward in today’s knowledge-based, technology-driven economy. Highlights from the report reflect stable and steady conditions for both primary and secondary businesses.

From businesses surveyed across the state, NDED found:

**The outstanding strength of Nebraska remains in its workers, more specifically their productivity and positive work ethic. The quality of life and positive business climate are the strongest attributes noted by business executives.**

**Business Activity**
- Businesses will invest more than $279 million and create 1,979 jobs in the next three years.
- Nearly half (46%) of the primary businesses surveyed have international sales.
- Businesses with international sales report increasing sales and market share.

**Technology & Innovation**
- Emerging technology will impact both primary and secondary businesses.
- Only 17% of primary businesses sell products and services over the Internet.
- 84% of manufacturers anticipate adding new products in the next two years.

**Workforce**
- Business investment in employee training for new job skills and proficiency training is stable to increasing.
- Job growth in primary businesses is most prominent in Business Services; Manufacturing; and Finance, Insurance and Real Estate

**Business Climate**
- Positive quality of life and business climate are the strongest attributes noted by business executives.
Program Overview

Nebraska’s Business Retention and Expansion Program drives the economic development efforts in the State. Personal interviews with existing businesses provide important information on the local and state business climate. At the State level data on investments, technology, jobs, markets, and workforce is used to shape economic development policy and programs.

The program’s three-fold purpose:
• Identifies key advantages and challenges to growth for existing businesses.
• Recommends improvement strategies for businesses, educators, economic development professionals.
• Promotes a platform for economic development professionals to record perceptions of business executives about the business climate.

Overall, the program assists with long-term planning, including identifying common issues and trends, strategic planning and policy articulation. Economic developers use the data to enhance supply chains, evaluate current legislation, and actively gauge communities’ current status and levels of competitiveness.

The Nebraska Business Report creates a baseline for gauging the State’s current business climate and competitiveness. The report includes current economic indicators, assistance figures for NEDC’s incentive programs (including Nebraska Advantage), and comparisons to national data available from the North American Data Study (NADS) provided by Blane, Canada, Ltd.
Program Overview - cont’d

Responses are analyzed using the Synchronist Business Information System® with the cooperation of 24 local and regional economic development sublicenses and two utility partner sublicenses. The majority of Nebraska’s sublicenses were possible through a grant from the National Telecommunications and Information Administration in partnership with the Nebraska Public Service Commission, Nebraska Information Technology Commission, and University of Nebraska-Lincoln.

The state map below displays the locations of the state’s sublicenses:

- City of Auburn (Nemaha County)
- Box Butte Development Corporation (Box Butte County)
- Black Hills Energy (not pictured)
- Buffalo County Economic Development Council
- Columbus Economic Council (Platte County)
- Dawson Area Development
  - Cozad Development Corp.
  - Gothenburg Community Development
  - Lexington Chamber of Commerce
- Elkhorn Valley Economic Development Corp.
  - Antelope County
  - Madison County
  - Pierce County
  - Stanton County
- Falls City EDGE (Richardson County)
- Grand Island Area Economic Development (Hall County)
- Greater Fremont Development Council (Dodge County)
- Hastings Economic Development Corp. (Adams County)
- Holt County Economic Development Agency
- Lincoln Partnership for Economic Development
  - Lancaster County
  - Seward County
  - Fillmore County
  - Gage County
  - Johnson County
  - Pawnee County
  - York County
- McCook Economic Development Corp. (Red Willow County)
- Nebraska City Area Economic Development Corp. (Otoe County)
- Nebraska Public Power District (not pictured)
- North Platte Area Chamber of Commerce and Development (Lincoln County)
- City of Ogallala (Keith County)
- Phelps County Development Corp.
- City of Plattsmouth (Cass County)
- City of Sidney (Cheyenne County)
- Twin Cities Development Corp. (Scotts Bluff County)
- Valley County Economic Development
- Wayne Area Economic Development

Of 390 interviews conducted between July 2009 and June 2010, 210 were conducted at primary businesses. The program categorizes businesses as primary or secondary. Primary businesses are defined as those that gather a large portion of sales from outside the local area. Secondary businesses are those local businesses that support members of the community and primary businesses. Businesses are interviewed using separate, standardized interview forms for either primary or secondary businesses.
Participants by Industry
Interviews with primary businesses were conducted throughout the State. A variety of business sectors are represented by the participating businesses. Near half (48%) fall within a manufacturing sector, including Advanced Manufacturing, Consumer Goods Producer, Durable Goods Producer and Industrial Goods Producer. Finance, Industrial and Real Estate make up 9% of the businesses interviewed. Technology/Information, Health Care and Agriculture, Forestry and Minerals each constitute about 6% of the businesses.

Participants by Employee Size
A total of 33,652 workers are employed by the participating businesses. The 210 primary businesses represent employee sizes of various ranges. Sixty percent of the businesses that supplied employee statistics have fewer than 100 employees; a quarter have fewer than 20 employees. Thirty-one percent of companies did not supply employee statistics.

Participants by Area
To group interviews for analytical purposes, the geographical clusters identified in Growing Jobs, Industries, and Talent: A Competitive Advantage Assessment and Strategy for Nebraska prepared for the State by Battelle Technology Partnership Practice in October 2010 were used. The majority of interviews were conducted in metropolitan areas while the balance was evenly divided between rural counties and counties with first class cities.
Business Activity

Life Cycle
Seventy-five percent of the responding businesses’ primary products were classified in the emerging or growing stages of the product life cycle. This is a positive indicator of overall economic vitality in Nebraska.

Product life cycle is significantly correlated with total sales; businesses are more likely to see increasing total sales when their primary products are in the emerging or growing stages of the product life cycle.

Nebraska has a higher percentage of businesses with products that are growing and a much smaller percentage of businesses with maturing or declining primary products than businesses nationally, when compared to data from the NADS. As new technologies emerge, businesses with maturing and declining primary products are forced to innovate.

Sales & Market Share
Overall, businesses in Nebraska remained largely optimistic despite the recent National economic downturn. More than half (58%) of responding businesses experienced increasing total sales and market share. Of those responding, 15% reported decreasing sales, and 3% reported decreasing market share.

Markets
Primary businesses generally export the majority of products and services outside the local area. Of the 210 primary businesses interviewed, 15% primarily sell products internationally, 42% nationally, 30% regionally, and 12% locally. Compared to the 2009 fiscal year, a larger number (but smaller overall percentage) of businesses are selling products internationally.

“International business has been the key to keeping our company globally competitive. If it weren’t for our international business, we wouldn’t be in business today.”

Tony Raimondo, CEO
Behlen Manufacturing
Companies with increasing sales were more likely to be in the first stages of their primary product’s lifecycle and report new or upcoming products. Companies with increasing sales were also more likely to report increasing employment needs, signifying confidence in the economy’s future.

**International Sales**

Although only 15% of responding businesses define their primary market as international, nearly half (46%) export a portion of sales. Of those exporting goods and services, 62% experienced an increase in export sales. Only one business reported a decrease in international sales. Most businesses that reported increasing international sales also reported an overall increase in sales and market share.

The NADS of 2006 and 2008 show an increase in international sales from 20% in 2007 to 26% in 2008. Midwest sales in the international market are steady at 20%.

In the 2009 calendar year, Nebraska exported to 177 foreign destinations. The largest export markets include Canada, Mexico and Japan. Total exports decreased from $5.4 billion in 2008 to $4.9 billion in 2009, but exports have been increasing overall during the last decade. The largest export industries in 2009 were Machinery Manufacturing (except Electrical), Agricultural Products, Chemical Manufacturing, and Transportation Equipment Manufacturing. Nebraska imported $2.7 billion in 2009, making Nebraska a net exporter in the amount of $2.2 billion. Top countries of origin of imports include Canada, China and Brazil.

*Source: Foreign Trade Division, U.S. Census Bureau, 2010*
**Future Expansion Plans**

More than half (55%) of responding businesses plan to expand in the next three years, with a total investment of $246,386,500. Of those expanding, 46% are adding 1,858 new jobs. In addition, 34% of those expanding businesses are increasing production space by 773,039 sq. ft. The majority (59%) of businesses reporting expansion plans are within metropolitan areas. Businesses’ plans to expand during the next three years significantly correlated with increasing sales and employment needs, as well as new product development.

Compared to all business sectors, manufacturing businesses were more likely to have introduced new products during the past five years, as well as have plans to introduce new products during the next two years. Most of the manufacturing businesses (90%) have introduced new products in the past five years. The majority of these responding manufacturing businesses (84%) also indicated that new products are anticipated in the next two years.

“The current economic and pro-business environment in Nebraska proved to be a perfect fit for Xpanxion, allowing us to expand into two new state-of-the-art technology centers and more than doubling our workforce in under a year. The Nebraska Department of Economic Development helped us to accomplish this by creating a comprehensive business package that included: tax incentives, operational loans, employee training and educational programs and workforce recruitment.”

Paul Eurek, CEO
Xpanxion

---

**Expansion Plans**

<table>
<thead>
<tr>
<th></th>
<th>Manufacturing Sector</th>
<th>All Business Sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Businesses Expanding</td>
<td>41</td>
<td>105</td>
</tr>
<tr>
<td>% of Total Expanding</td>
<td>41%</td>
<td>50%</td>
</tr>
<tr>
<td>Jobs Added</td>
<td>165</td>
<td>1,858</td>
</tr>
<tr>
<td>Total Investment*</td>
<td>$80,696,000</td>
<td>$246,386,500</td>
</tr>
<tr>
<td>Average Investment</td>
<td>$3,508,522</td>
<td>$4,562,712</td>
</tr>
</tbody>
</table>

*Only includes businesses providing $ amounts

**Expansion Plans by Sector**

Top Sectors by % Expanding
1. Technology/Information 92%
2. Health Care & Pharmaceuticals 64%
3. Finance, Insurance, & Real Estate 60%
4. Advanced Manufacturing 45%
5. Industrial Goods 27%

Top Sectors by Jobs Added
1. Business Service 940
2. Advanced Manufacturing 205
3. Technology/Information 181
4. Finance, Insurance, & Real Estate 165
5. Health Care & Pharmaceuticals 133

Top Sectors by Total Investment
1. Advanced Manufacturing $64,826,000
2. Health Care & Pharmaceuticals $55,600,000
3. Business Services $55,100,000
4. Agriculture $35,100,000
**Projected Employment Needs**

Ninety-four percent of responding businesses reported employment needs were either increasing or stable. This data is consistent with data from NADS. Of the 49% of businesses with increasing employment needs, less than half (42%) plan to add jobs during the next three years. Businesses planning to increase employment will add an estimated 1,778 jobs to meet increasing employment needs. Additionally, of the businesses reporting increasing employment needs, more than half (60%) plan to increase investment in employee training, and more than one-third (36%) plan to keep investment in employee training stable. This may reflect a sense of long-term confidence in the stability and growth in Nebraska’s economy. Businesses with increasing employment needs are much more likely to experience increases in total sales.

Employment in Nebraska is projected to grow by 10.1% between 2008 and 2018, with an addition of 110,844 jobs. Nebraska is expected to keep pace with national growth, which is projected to increase by 10.1% as well during that time. Goods-providing industries, including Manufacturing, Construction and Natural Resources and Mining, constituted 20.6% of Nebraska’s employment in 2008. These industries are forecast to grow by 2.4% overall between 2008 and 2018, with an increase of 5,078 jobs. Services-providing industries, including the Education and Health Services, Trade, Transportation and Utilities industries, and others, constituted the majority (79.4%) of Nebraska’s employment and are projected to grow by 101,074 jobs, or 12.4%, overall. More than 95% of the statewide employment change is forecasted to occur in the Services-providing industries.

Projected employment increases in Nebraska between 2008 and 2018 are expected to have the highest concentration in occupations that require a Bachelor’s degree, with an increase of 23,870 jobs and accounting for 21.5% of that increase. Occupations requiring short-term, on-the-job training account for the second largest percentage of growth distribution (18.6%) and will add 20,596 jobs in Nebraska. Jobs requiring an Associate’s Degree are forecasted to grow by the highest rate (20.8%) of all education and training levels.

*Source: Nebraska Department of Labor, 2010*
**Workforce Ratings**

Businesses were asked to rate the availability, quality, and stability of workers in their area. The productivity of their facility compared with other company facilities was also rated. These characteristics of Nebraska’s workforce were rated by businesses on a scale of 1 (very poor) to 7 (excellent). All measures ranked above average to excellent when responses were averaged.

Worker productivity received the highest rating of the four categories with a score of 5.9. Of the responding businesses, 94% rated worker productivity at their facilities above average to excellent. Only 1% of the responding businesses rated their productivity below average to poor.

Stability of workers received the second highest rating. Of the responding businesses, 84% rated the stability of workers above average to excellent. Only 5% of responding businesses rated stability below average to very poor.

Seventy-eight percent of responding businesses rated the quality of workers above average to excellent. About 10% of responding businesses rated the quality of workers below average to very poor.

A majority (60%) of responding businesses rated the availability of workers above average to excellent. However, the availability of workers received the lowest score of the four categories. A quarter (25%) of businesses rated the availability of workers below average to very poor. This lower rating may be due to a lack of qualified workers in scientific/technical positions, skilled and unskilled production labor, and management throughout Nebraska.

A further breakdown of workforce ratings among the regional industry clusters shows that some workforce ratings are more prominent in specific areas. Nearly half (49%) of businesses in rural counties rated their availability of workers below average (3.8 rating), as compared to a 5.1 rating in metropolitan areas and 4.6 rating in counties with first class cities. Stability of workers in all three clusters rated above average. Metropolitan areas rated worker quality above average while counties with first class cities and rural counties rated quality of workers about average. Productivity in all three clusters was rated above average (5.8).

---

“Nebraska does very well in both the level of productivity in its cluster and the recent growth rate of productivity compared with the nation.”

*Growing Jobs, Industries, and Talent: A Competitive Advantage Assessment and Strategy for Nebraska*
**Workforce Ratings - cont’d**

A correlation was found between workforce ratings and businesses’ plans to expand. A single workforce rating for each business, calculated by averaging availability, quality, stability, and productivity ratings, was compared to each business’ plans to expand. The results show businesses that rated the area’s workforce higher on average were more likely to report plans to expand in the next three years.

**Employee Recruitment**

More than half (56%) of responding businesses interviewed are experiencing problems with recruiting. Of these businesses, 42% have challenges recruiting workers with scientific/technical skills. Many businesses also reported having difficulty filling positions with skilled production labor and management/marketing/sales skills.

- **Recruitment Problems by Type**
  - **All Business Sectors**
    1. Scientific/technical (42%)
    2. Skilled productions labor (29%)
    3. Management/marketing/sales (16%)
    4. Unskilled production labor (10%)
    5. Administrative/clerical (3%)
  
  - **Manufacturing Sector**
    1. Skilled productions labor (43%)
    2. Scientific/technical (29%)
    3. Unskilled production labor (13%)
    4. Management/marketing/sales (10%)
    5. Administrative/clerical (4%)

There are many advantages in doing business in Nebraska, I believe the most obvious for International Sensor Systems is the people factor. We have been able to put together a team of dedicated individuals who provide quality electronic circuits at reasonable prices for our diverse customer base. The company has also enjoyed support and encouragement from local and state businesses and agencies in our pursuit of new business opportunities, suppliers and qualified personnel.

Wayne Roblee, President
International Sensor Systems, Inc.

**Company Investment in Employee Training**

Ninety-five percent of responding businesses reported investment in employee training is increasing or stable. Three percent of businesses reported they do not invest in employee training.

The majority of responding businesses are primarily investing in both new job skills training and proficiency training. Nearly half of responding businesses invest in remedial skill training. About 8% of these responding businesses invest equally among new job skills training, proficiency training, and remedial skill training.
**New Products**

Despite the recent National economic downturn, 81% of businesses reported introducing new products or services the past five years. In addition, 79% of businesses plan to introduce new products or services in the next two years.

Of the 22% of businesses with maturing or declining primary product lifecycles, 70% plan to introduce new products during the next two years. This indicates a potential strength to further long-term growth and stability within businesses.

**Research & Development**

Almost half (48%) of business participants reported investing 3% or more of sales on R&D. About a third (34%) of all businesses reported investing less than 3% of sales on R&D, and 18% reported investing nothing on R&D. Businesses investing in R&D focus mostly on new products, followed by production improvements and product improvements.

**R&D and Location**

Forty percent of responding businesses interviewed noted that their R&D facilities are located at headquarters/home offices. About a third of businesses (32%) reported on-site R&D facilities. Few businesses (4%) noted that R&D facilities were in multiple locations (national or international).

More than half (59%) of businesses in metro areas invest in R&D. Of the businesses in first class areas, 57% invest in R&D. Less than half (47%) of businesses invest in R&D outside of metro and first class areas.

**R&D and Expansion**

As the percentage of sales spent on R&D increases, the likelihood of expansion in the next three years also increases.

Technology is a key driver in the quest for innovation and increased productivity.
Research & Development - cont’d

R&D and New Products

Businesses investing a percent of sales into R&D are more likely to have new products. Most (87%) businesses investing in R&D have introduced products during the past five years and/or plan to introduce new products during the next two years. Of those companies investing 3% or more of sales in R&D, more than half (52%) have introduced new products during the past five years and/or have plans to introduce new products during the next two years. More than a third (38%) of businesses that did not report investing in R&D have not introduced products during the past five years and have no plans to introduce new products in the next two years.

Investment, Technology & Broadband Use

Broadband and technology are foundations for business success. To help address the broadband planning needs of Nebraska's communities a Broadband Planning Proposal was awarded to the Nebraska Public Service Commission from the U.S. Department of Commerce National Telecommunications and Information Administration (NTIA). The Nebraska Information Technology Commission Community Council (NITC), University of Nebraska-Lincoln (UNL), and Nebraska Department of Economic Development (DED) will work collectively to increase broadband access and adoption through better data collection and broadband planning. The NITC Community Council was identified as the advisory organization for the planning activities.

Planning dollars from the NTIA have been awarded to assist with the statewide Business Retention and Expansion program. The Synchronist Business Information System® is being utilized to track, benchmark, and further understand business needs as these relate to technology because of broadband infrastructure. Fiscal year 2010-2011 will yield further findings related to business and broadband needs. Additionally, new surveys, focus groups, conferences, and action planning will be undertaken to further the understanding of the importance of broadband use.

Compared to all business sectors, businesses in manufacturing were more likely to introduce new products during the past five years as well as plan to introduce new products during the next two years. Most of the manufacturing businesses (90%) have introduced new products during the past five years. The majority of these responding manufacturing businesses (84%) also indicated that the introduction of new products are anticipated during the next two years.
Investment, Technology & Broadband Use - cont’d

Businesses were asked to rate their company’s use of technology for internal office operations, production, sales and inventory management, and marketing on a scale of 1 (very poor) to 7 (excellent). In addition, companies were asked to rate technology investments compared to their business segments. For all of these measures, technology use was average to above average.

Internal office operation received the highest rank with 5.5. Production (5.4) and sales and inventory management (5.2) followed. The use of technology for marketing received the lowest rating of the four with 5.0. Businesses rated technology investments compared to their business segments an average of 5.3.

Broadband and Wireless Service

Businesses were asked to rate various utility services in their community. Telecom, cellular and internet services were rated on a scale of 1 (very poor) to 7 (excellent). Most services received average to slightly above average ratings. However, 37% of the respondents in non-metropolitan counties reported their cellular services were below average to poor. The chart below breaks down the ratings by metropolitan areas, counties with first class cities, and non-metropolitan counties.

<table>
<thead>
<tr>
<th>Broadband and Wireless Service Ratings</th>
<th>Telecom</th>
<th>Cellular</th>
<th>Internet Access</th>
<th>Internet Speed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro Areas</td>
<td>5.23</td>
<td>5.12</td>
<td>5.32</td>
<td>5.13</td>
</tr>
<tr>
<td>Counties with First Class Cities</td>
<td>5.20</td>
<td>5.03</td>
<td>5.28</td>
<td>5.03</td>
</tr>
<tr>
<td>Non-metropolitan counties</td>
<td>5.55</td>
<td>4.81</td>
<td>5.62</td>
<td>5.26</td>
</tr>
</tbody>
</table>

New Technology Emerging

More than half (58%) of all responding businesses anticipate emerging technologies that will change primary products or services, or how these are produced. The NADS reports 50% of the businesses in the Midwest* are poised for changes in technology.

Businesses in the declining phase of primary product lifecycles were 25% more likely to report new technology emerging that will impact their primary products. In addition, there is a positive correlation between businesses reporting increasing sales and emerging technology.

*States included in Midwest region are IA, IL, IN, KS, MI, MO, ND, NE, OH, OK, SD, and WI
**Technology Infrastructure**

Eighty-five percent of executives indicate that their communities' technology infrastructure is adequate for their companies' growth plans. In addition, companies that believe the technology infrastructure is inadequate are more likely to have additional reasons why they wouldn't expand in their current communities.

---

**Sales over the Internet**

Of the 210 businesses surveyed, only half (50%) responded to the question regarding the percentage of their sales that are over the internet. Only 17% of businesses reported that a portion of their sales were from online sales.
Business Climate

Community Strengths and Weaknesses

Business executives rank the Nebraska workforce as a major strength because of its positive work ethic, productivity, education level and quality. These attributes are mentioned frequently in metropolitan and rural areas. One business executive in rural Nebraska commented on the strength of the 90% graduation rate at the local high school.

The positive business climate is a strength because of the state’s attractive tax incentives, the steady growth in communities, the local support for businesses, and the positive relationship with city government. Executives also find the quality of life in Nebraska to be an asset as characterized by the location of businesses (close to suppliers and customers), Nebraskan’s honesty and trustworthiness, and the Midwest entrepreneurial spirit.

Strengths and weaknesses are reported as a percentage of total businesses that noted each attribute. For example, 25% of primary businesses consider both the employee work ethic and a community’s quality of life to be strengths. Businesses could also select multiple strengths and/or weaknesses. As a result, percentages will not add up to 100%.

The outstanding strength of the workforce is offset by a shortage of skilled and technical workers, which is of concern to businesses. Highly technical positions in information technology, software development, manufacturing, and engineering are difficult to fill in both rural and metro areas. Recruiting and attracting talent into the state may be related to geographic location, weather, and low unemployment within the state.

Top 5 Community Strengths
1. Workforce/Labor Market Attributes (35.2%)
2. Employee Work Ethic Positive (25.2%)
3. Quality of Life Positive (24.8%)
4. Strong Educational System (20.5%)
5. Positive Business Climate (19.5%)

Top 5 Community Weaknesses
1. Skilled Worker Supply Inadequate (23.8%)
2. Transportation Weaknesses (18.1%)
3. Business Climate Negative (16.2%)
4. Cost of Doing Business High (8.6%)
5. Community Leadership Negative (7.6%)
Community Strengths and Weaknesses - cont’d

Executives were asked additional questions about the barriers to growth and reasons for not expanding in their communities. Thirty percent of businesses reported they may not consider their current communities as places to expand. Reasons given were a lack of room to expand, or the proximity to key customers and suppliers. Viewed in context with community weaknesses and barriers to growth, certain factors rise to the top as more significant. The issues of accessibility to customers and suppliers, transportation weaknesses, and negative business climates require a response from both business and government officials. These issues are the underpinnings for what is really at stake in the economic vitality in communities within the state.

Lack of a skilled workforce is the predominant weakness and barrier to growth; however, it is not the deal breaker for businesses that may not consider their current communities for future expansion. Since only 8% reported it as a reason not to expand, workforce issues are still important; in fact, these are issues that already have the attention of community and state officials.

Reasons Community May Not Be Considered for Expansion
1. Customer, Supplier Accessibility Poor (34%)
2. Business Climate Negative (11%)
3. Building Availability (11%)
4. Transportation (10%)
5. Labor Skilled Workforce (8%)

Community Growth Barriers
1. Skilled Worker Supply Inadequate (14.3%)
2. Business Climate Negative (9.1%)
3. Transportation Weaknesses (8.1%)
4. Community Leadership Negative (5.2%)
5. Infrastructure Poor (4.8%)
Community Services & Utilities

Business executives ranked their satisfaction with community services and utilities on a scale of 1 (very poor) to 7 (excellent). Those community services dealing with health and safety ranked the highest.

Satisfaction with community services rated lower in the categories of regulatory, planning and zoning, air cargo and passenger service, streets, public transportation, and property tax. Businesses providing these ratings are impacted by the availability or reliability of service. Airline passenger service ranked the lowest in the satisfaction level. This was notable in both rural and metropolitan areas where 61% of responses rated their satisfaction level below average.

Generally, most businesses are satisfied with sewer, water, electric, and gas utilities. There is no apparent competitive advantage in the satisfaction with utilities when compared to other states and Canadian provinces in the NADS data.

The level of satisfaction declines in the area of telecommunications and internet access/speed with the most noticeable dip in satisfaction with cellular service. This may be affected by increasing demand for these services in both rural and metro areas.

Portfolio

Business and Industry data was analyzed using Synchronist’s patented Value, Growth, Risk, and Satisfaction (VGRS) Analysis. The analysis looks at:

- Value added to the community
- Growth potential
- Risk of downsizing, relocating or closing, and
- Satisfaction with the community as a place to do business

Each indicator is evaluated with the input provided by more than a dozen questions and 70 data points. Each indicator has the possible rating between 0-100. Higher ratings in value, growth and satisfaction and lower ratings in risk are beneficial to the state.

Average ratings from the NADS and Nebraska are very similar in each indicator, with the exception of growth potential, which is significantly higher in Nebraska. The Technology/Information Industry had significantly higher average ratings in both Value and Growth. The Health Care & Pharmaceuticals Industry received significantly higher ratings in Growth and Satisfaction in the respective communities in which those businesses are located.

<table>
<thead>
<tr>
<th></th>
<th>Nebraska</th>
<th>NADS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>50.26</td>
<td>51.63</td>
</tr>
<tr>
<td>Growth</td>
<td>63.47</td>
<td>47.58</td>
</tr>
<tr>
<td>Risk</td>
<td>46.27</td>
<td>46.37</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>57.57</td>
<td>57.91</td>
</tr>
</tbody>
</table>
Secondary Businesses Overview

Participants by Industry
Secondary businesses are defined as retail stores, lodging establishments, restaurants, and area service providers. They provide legal, accounting, and other business services that primary businesses need, as well as, meet the needs of travelers and tourists. Tourism is Nebraska’s third largest earner of revenue from outside the state after agriculture and manufacturing.

*Source: Nebraska Department of Economic Development, Tourism Division, 2009*

Participants by Area
The majority of secondary business interviews took place outside of metropolitan areas of the State with 39% in counties with first class cities. First class cities are defined by the Nebraska Legislature as population centers of 5001-100,000 people. Sixty percent (60%) of the interviews were in other non-metropolitan counties.
Total Sales
The majority of secondary businesses interviewed during the fiscal year have maintained stable to increasing sales. Despite a struggling economy, only 18% of secondary businesses reported decreasing sales. As a percentage of both primary and secondary businesses interviewed, 33% reported increasing sales and 51% reported stable sales. This indicates an overall stability of the local and regional economy.

Trade Area
The trade area of businesses interviewed was defined as a small radius. Just 26% of businesses reported a trade area that reached beyond a 100-mile radius from their locations while half reported trade areas of 50 miles or less.
Secondary businesses in the state report that new technology is changing the way they do business; 39% report new technology-based opportunities emerging, creating opportunities for businesses to expand their sales potential and trade areas. This is a positive indicator of sustainability for businesses outside of metropolitan areas.

Advertising & Promotion Budget
The majority of businesses interviewed reported stable advertising/promotion budgets. Of the 8% of businesses reporting decreasing budgets, most also reported decreasing sales and a somewhat restrictive 21-50 mile trade radius.

Expansion & Renovation
Compared to primary businesses in the state, a much lower percentage of secondary businesses—just 17 percent—plan to expand during the next three years. The cumulative investment amounts and job creation numbers for businesses interviewed during the year, however, reflect a very positive environment for expansion.
In addition, 19% of secondary businesses reported plans to renovate their facilities during the next three years, and 5% plan to add new locations in the next two years. Half of those businesses planning to add new facilities were classified as Retail Outlets.

Expansion Plans
<table>
<thead>
<tr>
<th></th>
<th>% Expanding</th>
<th>Investment</th>
<th>New Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>55%</td>
<td>$246,386,500</td>
<td>1,858</td>
</tr>
<tr>
<td>Secondary</td>
<td>17%</td>
<td>$32,758,800</td>
<td>121</td>
</tr>
<tr>
<td>Total</td>
<td>–</td>
<td>$279,145,300</td>
<td>1,979</td>
</tr>
</tbody>
</table>
Workforce

Breakdown of Workforce Ratings

Employee wages paid through secondary businesses generally provide secondary or supplemental incomes for households, while the main sources of household incomes are more likely to be provided by employment with primary businesses. This may directly correlate to the difference seen regarding the number of workers available for hire by secondary and primary businesses. For example, executives rated workforces in their areas on a 1-7 scale, with 7 being high. Results show an overall lower rating of workforces by secondary businesses.

Further breakdown of workforce ratings by industries show greater workforce quality and stability among the Health Care Industry, higher productivity levels in the Finance Industry, and lower quality and availability among the workforce in the Services-Businesses Industry.

Projected Employment Needs

Among the secondary businesses responding, 25% reported increasing employment needs. Compared to the total percentage of businesses interviewed by industry, the Health Care Industry showed a higher concentration of businesses with increasing employment needs. Just 2% of all businesses reported decreasing needs.

Jobs attributable to travel spending in Nebraska totaled 42,400 in 2009.

Each dollar spent by tourists in Nebraska is re-spent in the state to produce an additional $1.70 in business and income, creating an overall economic impact of $2.70.

Nebraska Department of Economic Development, Tourism Division

“The city of South Sioux City and the State of Nebraska have been tremendous partners to our company over the past ten years. We could not have achieved the success that we have without their cooperation and assistance.”

Pat Boeshart, President
LiteForm Technologies
Business Climate

Community Strengths and Weaknesses

Secondary businesses described what they considered to be the leading strengths and weaknesses of their communities as places to do business. Business Climate in communities was seen as both a top strength and top weakness for many businesses for entirely different reasons. A positive business climate generally correlated with loyal customers in that community. The positive quality of life associated with living in smaller communities also was seen as a top strength.

As noted earlier, strengths and weaknesses are reported as a percentage of total businesses that noted each attribute. For example, 30% of secondary businesses consider a positive business climate to be a community strength. Businesses could also select multiple strengths and/or weaknesses. As a result, percentages will not add up to 100%.

Both primary and secondary businesses were impacted by a positive quality of life in their communities. While the workforce was noted as a top strength for primary businesses, it wasn’t in the top five for secondary businesses.

Businesses in rural communities (where 60% of all secondary business interviews took place) accounted for almost 70% of total responses citing a negative business climate. Most frequently this was attributed to residents traveling to larger communities for their business needs. Customer and supplier availability associated with the declining population in rural areas was also seen as a weakness. Additionally, businesses were asked what business services they need in their communities. Services mentioned by secondary businesses included internet, communication, technical support, repair, shipping and copy services.

Top 5 Community Strengths
Primary Businesses
1. Workforce/Labor Market Attributes (35.2%)
2. Employee Work Ethic Positive (25.2%)
3. Quality of Life Positive (24.8%)
4. Strong Educational System (20.5%)
5. Positive Business Climate (19.5%)

Secondary Businesses
1. Positive Business Climate (30.0%)
2. Quality of Life Positive (24.8%)
3. Customer, Supplier Accessibility Good (16.1%)
4. Good Mix of Business & Services (11.1%)
5. Stable Economy & Community (7.2%)
Community Strengths and Weaknesses - cont’d

The negative business climate and negative community leadership were the only attributes seen as top weaknesses for both primary and secondary businesses. As a percentage of total businesses interviewed (both primary and secondary), 23% found the business climate to be a weakness while just 24% found it to be a strength.

Top 5 Community Weaknesses
Primary Businesses
1. Skilled Worker Supply Inadequate (23.8%)
2. Transportation Weaknesses (18.1%)
3. Business Climate Negative (16.2%)
4. Cost of Doing Business High (8.6%)
5. Community Leadership Negative (7.6%)
Secondary Businesses
1. Business Climate Negative (31.7%)
2. Customer, Supplier Accessibility Poor (20.0%)
3. Business Services Inadequate (15.6%)
4. Quality of Life Negative (8.3%)
5. Community Leadership Negative (5.6%)

Community Services and Utilities

More than 20 community services were rated by businesses on a 1-7 scale, with 7 being the high. Housing (given a 4.0 rating) was cited by businesses as lacking in quality and availability, making it difficult for newcomers in the community. State worker services (programs and services of the Nebraska Department of Labor given a 4.4 rating) were seen as inaccessible by businesses in rural counties.

Utility services were rated by businesses on the same 1-7 scale as community services. With one exception, all utility services received an average rating of 5.1 – 5.4. Cellular service (given a 4.8 rating) was often cited for poor coverage. Primary businesses also provided cellular services with a lower rating due to coverage issues.

“We take great pride in our manufacturing location in rural Cortland, Nebraska. Our employees give us a global competitive advantage by having solid moral ethics, being honest, hard working, and genuine. The community is very supportive and our neighbors are also our friends.”

Jeff Zvolanek, Department Manager
Industrial Maid
Conclusion

While the Nebraska Business Report gives a snapshot of the business climate as it exists now, Growing Jobs, Industries, and Talent, focuses on the broader picture that will have the greatest impact on the future of economic growth within the State. Strategies from the Battelle study address long-term actions needed to improve Nebraska businesses’ competitiveness in the areas of workforce availability and capabilities, industry expansion, innovation and technology. The study validates the findings in the Nebraska Business Report and offers supporting strategies to improve the business climate.

The following actions are strategic improvements to the business climate in Nebraska. They are in response to the findings from the Nebraska Business Retention and Expansion Program (NBR&E). The Nebraska Department of Economic Development (DED) will collaborate with public and private sector partners to lead change in these areas.

1. Increase focused efforts in education and training programs to improve Nebraska’s workforce’s skills and reduce the skills gap. Nebraska’s businesses continue to need highly skilled technical workers. It is imperative for leaders in business, education, and government to cooperate in building a workforce that is highly skilled and equipped with the technical knowledge and skills required to add value to Nebraska products and services.

2. Increase the percentage of international sales through outreach efforts and technical assistance. NBR&E program recognizes a need for better alignment of businesses’ strategies with markets and suppliers for support for innovation in product development and diversity. Currently only 50% of primary businesses conduct international sales. Increasing international sales would provide existing businesses opportunities for growth leading to increased market share.

3. Increase investments by businesses in technology, innovation, research and development activities. Nebraska needs to continue its initiative for modernization and technology development, including improving technology infrastructure. This report reiterates that expansions are more likely to occur in communities with strong technology infrastructure. This would provide businesses with the opportunity to utilize the internet to increase sales and reach a broader market. Currently only 17% of primary businesses report selling products and services online.
The NBR&E Program is the foundation for all economic development efforts within DED and for many communities across the state. The program is the driving force behind recruitment effort decisions, policy and program development, and accountability in programs and business assistance. Its vision is to support Nebraska businesses to compete in tomorrow’s world market through enhancement of Nebraska’s programs, policies, and services. DED will actively sustain Nebraska’s existing industries by aligning the NBR&E program with the Battelle study’s strategies to focus on strategic industry cluster development. This will include industry cluster initiatives, led by industry leaders that find common strengths and challenges, initiate conversations between key partners to address needs, and report statewide trends that will be used by government officials and policy makers to improve the overall business climate in Nebraska.
Nebraska Advantage Incentive Programs

The Nebraska Advantage package was designed to create a business climate that makes the State the preferred location for starting and growing businesses. The Nebraska Advantage rewards businesses that invest in the State and hire Nebraskans. In this progressive, pro-business tax climate, corporate income and sales taxes are reduced or virtually eliminated. During the last fiscal year the Nebraska Advantage drew in 38 applicants with a total estimated investment of $298.6 million and 2,200 created jobs. This was an overall increase in applicants, estimated investment, and jobs created from FY 2008-2009.

The Nebraska Customized Training Grant Program provides employee training assistance to businesses that maintain, expand and diversify the State’s economic base and, in the process, retain and create quality jobs for Nebraska residents. Program priorities are:

1. Customized training projects that result in increased investment and employment where the training assistance is a significant incentive for the project to be undertaken in Nebraska rather than another state;
2. Non-incentive customized training projects where there is increased investment and employment but no incentive; and,
3. Customized training projects that retrain existing workers to upgrade their skills as a result of investment in new capital.

Eighteen contracts have been during the last fiscal year, which will result in an estimated $2,446,250 investment and creation of 318 jobs. In general, companies that qualify for customized Job Training contracts are primary businesses whose trade areas are primarily outside of Nebraska. Manufacturing, processing, warehousing, and headquarter facilities are some examples.

Worker Training Program

From July 2009 to June 2010, the Nebraska Department of Labor Worker Training Program funded 357 grants, awarding more than $1.5 million throughout the State. This investment benefited an estimated 635 Nebraska businesses and more than 18,000 Nebraska workers.

<table>
<thead>
<tr>
<th>Top Training Activities</th>
<th>Grants (% of approved)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Safety/First Aid/CPR</td>
<td>48 (13.4%)</td>
</tr>
<tr>
<td>2. Technology/Computer</td>
<td>38 (10.6%)</td>
</tr>
<tr>
<td>3. Lean Mfg/Efficiency</td>
<td>35 (9.8%)</td>
</tr>
<tr>
<td>4. Leadership</td>
<td>33 (9.2%)</td>
</tr>
<tr>
<td>5. Management/Supervision</td>
<td>22 (6.1%)</td>
</tr>
<tr>
<td>6. Healthcare Industry</td>
<td>28 (7.8%)</td>
</tr>
<tr>
<td>7. Team Building/Communication</td>
<td>18 (5.0%)</td>
</tr>
<tr>
<td>8. Electrical Based</td>
<td>15 (4.2%)</td>
</tr>
<tr>
<td>9. Customer Service</td>
<td>12 (3.3%)</td>
</tr>
<tr>
<td>10. Machine Operations</td>
<td>12 (3.3%)</td>
</tr>
<tr>
<td>Economic Indicators</td>
<td>Nebraska Statewide</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td></td>
<td>2009</td>
</tr>
<tr>
<td>Population</td>
<td>1,796,619</td>
</tr>
<tr>
<td>Employment*</td>
<td>805,791</td>
</tr>
<tr>
<td>Agriculture, Forestry, Fishing &amp; Hunting</td>
<td>842</td>
</tr>
<tr>
<td>Mining, Quarrying, &amp; Oil and Gas Extraction</td>
<td>884</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,435</td>
</tr>
<tr>
<td>Construction</td>
<td>44,005</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>104,997</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>41,712</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>109,495</td>
</tr>
<tr>
<td>Transportation &amp; Housing</td>
<td>32,238</td>
</tr>
<tr>
<td>Information</td>
<td>21,550</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>60,795</td>
</tr>
<tr>
<td>Real Estate &amp; Rental Leasing</td>
<td>10,481</td>
</tr>
<tr>
<td>Professional, Scientific, &amp; Tech. Services</td>
<td>49,626</td>
</tr>
<tr>
<td>Management of Companies and Enterprises</td>
<td>14,757</td>
</tr>
<tr>
<td>Admin. &amp; Support and Waste Management</td>
<td>60,123</td>
</tr>
<tr>
<td>Educational Services</td>
<td>17,382</td>
</tr>
<tr>
<td>Health Care &amp; Social Assistance</td>
<td>117,298</td>
</tr>
<tr>
<td>Arts, Entertainment, &amp; Recreation</td>
<td>11,783</td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td>10,481</td>
</tr>
<tr>
<td>Other Services, except Public Administration</td>
<td>36,089</td>
</tr>
<tr>
<td>Labor Force</td>
<td>918,484</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>4.7%</td>
</tr>
<tr>
<td>Gross State Product (Millions of $)</td>
<td>$86,439</td>
</tr>
<tr>
<td>Manufacturing Gross State Product (Millions of $)</td>
<td>$9,225</td>
</tr>
<tr>
<td>Per Capita Income*</td>
<td>$39,182</td>
</tr>
<tr>
<td>Average Hourly Earnings**</td>
<td>$20.19</td>
</tr>
<tr>
<td>Average Weekly Hours**</td>
<td>33.7</td>
</tr>
<tr>
<td>Net Taxable Sales per Dollar of Income</td>
<td>$0.32</td>
</tr>
<tr>
<td>Building Permits</td>
<td>5,205</td>
</tr>
<tr>
<td>Lodging Tax Collections</td>
<td>$12,620,184</td>
</tr>
<tr>
<td>Highway Traffic Volume*</td>
<td>1,681</td>
</tr>
<tr>
<td>Total Retail Establishments*</td>
<td>7,622</td>
</tr>
<tr>
<td>Retail Annual Payroll* (Thousands of $)</td>
<td>$2,323,010</td>
</tr>
</tbody>
</table>

*2008, 2004-08 Change; Substate numbers may not equal state totals, because of County Business Patterns nondisclosure of some county values. State numbers include values for all counties.

**2009, 2007-09 Change

Note: Midwest Plains Region includes: IA, IL, MN, IN, KS, MI, MO, ND, NE, OH, SD, and WI

Sources: Bureau of Economic Analysis, U.S. Census Bureau, Bureau of Labor Statistics, Nebraska Department of Revenue, and Nebraska Department of Roads
### Economic Indicators

<table>
<thead>
<tr>
<th></th>
<th>Metropolitan Counties</th>
<th>First Class City Counties</th>
<th>All Other Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>5 Year % Change</td>
<td>2009</td>
</tr>
<tr>
<td>Population</td>
<td>1,053,915</td>
<td>52,417 5.2%</td>
<td>468,510</td>
</tr>
<tr>
<td>Employment*</td>
<td>520,576</td>
<td>29,174 5.9%</td>
<td>185,992</td>
</tr>
<tr>
<td>Employment by Industry:*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture, Forestry, Fishing &amp; Hunting</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Mining, Quarrying, &amp; Oil and Gas Extraction</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Utilities</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Construction</td>
<td>30,885</td>
<td>285 0.9%</td>
<td>9,019</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>45,870</td>
<td>-3,836 -7.7%</td>
<td>37,250</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>25,015</td>
<td>3,649 17.1%</td>
<td>9,961</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>64,357</td>
<td>2,298 3.7%</td>
<td>33,616</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>21,147</td>
<td>827 4.1%</td>
<td>6,548</td>
</tr>
<tr>
<td>Information</td>
<td>16,717</td>
<td>1,279 8.3%</td>
<td>2,394</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>48,451</td>
<td>2,054 4.4%</td>
<td>7,953</td>
</tr>
<tr>
<td>Real Estate &amp; Rental Leasing</td>
<td>8,092</td>
<td>134 1.7%</td>
<td>1,612</td>
</tr>
<tr>
<td>Management of Companies and Enterprises</td>
<td>11,926</td>
<td>-13,487 -53.1%</td>
<td>NA</td>
</tr>
<tr>
<td>Admin. &amp; Support and Waste Management</td>
<td>35,020</td>
<td>-2,866 -7.6%</td>
<td>6,495</td>
</tr>
<tr>
<td>Educational Services</td>
<td>13,095</td>
<td>1,716 15.1%</td>
<td>1,162</td>
</tr>
<tr>
<td>Health Care &amp; Social Assistance</td>
<td>71,435</td>
<td>7,203 11.2%</td>
<td>30,704</td>
</tr>
<tr>
<td>Arts, Entertainment, &amp; Recreation</td>
<td>7,322</td>
<td>-506 -6.5%</td>
<td>NA</td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td>41,601</td>
<td>-500 -1.2%</td>
<td>20,040</td>
</tr>
<tr>
<td>Other Services, except Public Administration</td>
<td>22,469</td>
<td>-290 -1.3%</td>
<td>9,745</td>
</tr>
<tr>
<td>Labor Force</td>
<td>554,449</td>
<td>-14,487 -2.50%</td>
<td>208,870</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>4.8%</td>
<td>0.7% 17.1%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Gross State Product (Millions of $)</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Manufacturing Gross State Product (Millions of $)</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Per Capita Income*</td>
<td>$41,824</td>
<td>$5,529 15.2%</td>
<td>$34,759</td>
</tr>
<tr>
<td>Average Hourly Earnings**</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Average Weekly Hours**</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Net Taxable Sales per Dollar of Income</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Building Permits</td>
<td>4,006</td>
<td>-3,834 -48.9%</td>
<td>863</td>
</tr>
<tr>
<td>Lodging Tax Collections</td>
<td>$7,715,115</td>
<td>$1,745,852 29.2%</td>
<td>$3,877,429</td>
</tr>
<tr>
<td>Highway Traffic Volume*</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Total Retail Establishments*</td>
<td>3,095</td>
<td>-158 -4.9%</td>
<td>2,456</td>
</tr>
<tr>
<td>Retail Annual Payroll* (Thousands of $)</td>
<td>$1,255,268</td>
<td>$100,159 8.7%</td>
<td>$676,350</td>
</tr>
</tbody>
</table>

*2008, 2004-08 Change; Substate numbers may not equal state totals, because of County Business Patterns nondisclosure of some county values. State numbers include values for all counties.

**2009, 2007-09 Change

Sources: Bureau of Economic Analysis, U.S. Census Bureau, Bureau of Labor Statistics, Nebraska Department of Revenue, and Nebraska Department of Roads
Acknowledgements

Dave Heineman  
Governor

Nebraska Department of Economic Development

Richard Baier  
Director

Dan Curran  
Director of Business Development

Tim O’Brien  
Business Development Manager

Report Authors:  
Virginia Brown  
Brook Euteneuer  
Allison Hatch  
Jenne Rodriguez