

# NEBRASKA ANNUAL ECONOMIC PERFORMANCE INDICATORS

Prepared by

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Nebraska Department of Economic Development

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The Nebraska economic indicators included below are the most recent annual figures available in each category. The tables and graphs generally include ten or more years of data but the exact number of years included varies. A few explanatory/interpretive comments accompany the numbers and graphs. To evaluate the state's economy, many of the graphs and tables compare Nebraska's economic/demographic trends to national or regional trends.

## I. Employment and Population

**Unemployment Rate:**<sup>1</sup> Historically, Nebraska has had comparatively low unemployment rates (Table 1). However, that rate gradually increased in the early 2000s before falling in 2006 and 2007. From 2008 to 2011, the upward trend resumed as Nebraska responded to the national recession. The state unemployment rate decreased 0.4 percent between 2011 and 2012, while the national rate fell twice as much (Graph 1). Although the state rate is higher now than in 2000, it is and has been about half the national unemployment rate since 2009.

Map 1 below compares the average annual 2014 unemployment rates for all the states. Nebraska did not have the lowest unemployment rate, that honor fell to North Dakota (2.8 percent versus 3.3 percent), but the map shows Nebraska's very low unemployment rate compared to all other states (save North and South Dakota) and it shows the Midwestern states generally have lower rates than the rest of the country.

**Table 1**  
**Unemployment Rates, Nebraska and U.S. (NSA)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
U.S.	4.0	4.7	5.8	6.0	5.4	5.1	4.6	4.6	5.8	9.3	9.6	8.9	8.1	7.4	6.2
Nebraska	2.7	3.1	3.7	4.0	3.9	3.8	3.1	3.0	3.3	4.6	4.6	4.4	4.0	3.8	3.3

<sup>1</sup> Unemployment rates are calculated from a household survey, where labor force represents the number of people reporting they were working or looking for work; work force numbers, discussed in the next section, represent jobs, and are derived from a business survey. Work force includes both full- and part-time jobs. Since the work force number counts jobs not people, a person with more than one job is counted more than once.



**Non-Farm Payroll and Manufacturing Jobs:** In the early 2000s, nonfarm jobs (work force employment) grew in Nebraska (Table 2 and Graph 2). Between 2006 and 2008, annual job growth was up substantially, but turned negative after the recession hit in late 2008. Non-farm jobs reached a low point in 2010 then reached a new high four-years later.

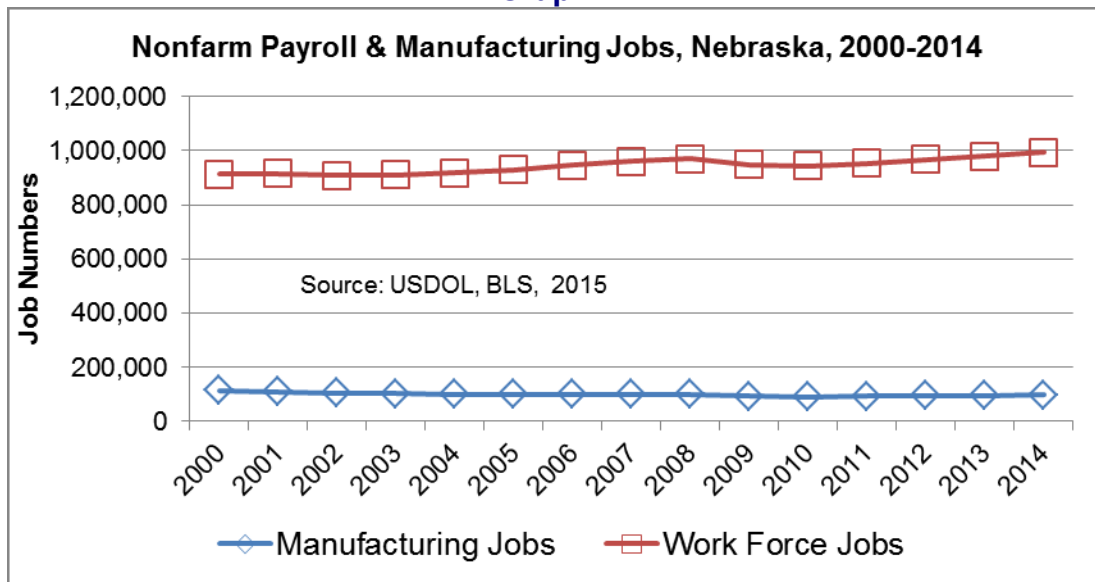
Nebraska manufacturing employment declined steadily throughout the 2000s. It has rebounded some recently, and index number calculations indicate that manufacturing employment has been more stable in this state than overall in the Plains states, or in the U.S. (Graph 3)<sup>2</sup>. The Nebraska goods-producing jobs index declined after 2000 but not as much as nationally (Graph 4).<sup>3</sup> Not surprisingly, goods-producing jobs are a higher percentage of all jobs in the Plain states than nationally, which highlights the reliance of the Plains states on manufacturing, mining, and constructions employment.

**Table 2**  
**Total Nonfarm Payroll and Manufacturing Jobs, Nebraska, 2004 to 2014**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Manufacturing	101,000	101,300	101,500	101,400	101,400	93,200	91,700	93,400	95,000	96,500	97,300
Work Force	917,700	930,200	945,500	961,700	969,500	949,300	945,100	952,600	968,800	980,400	993,300

Source: USDOL, Bureau of Labor Statistics, December 2015

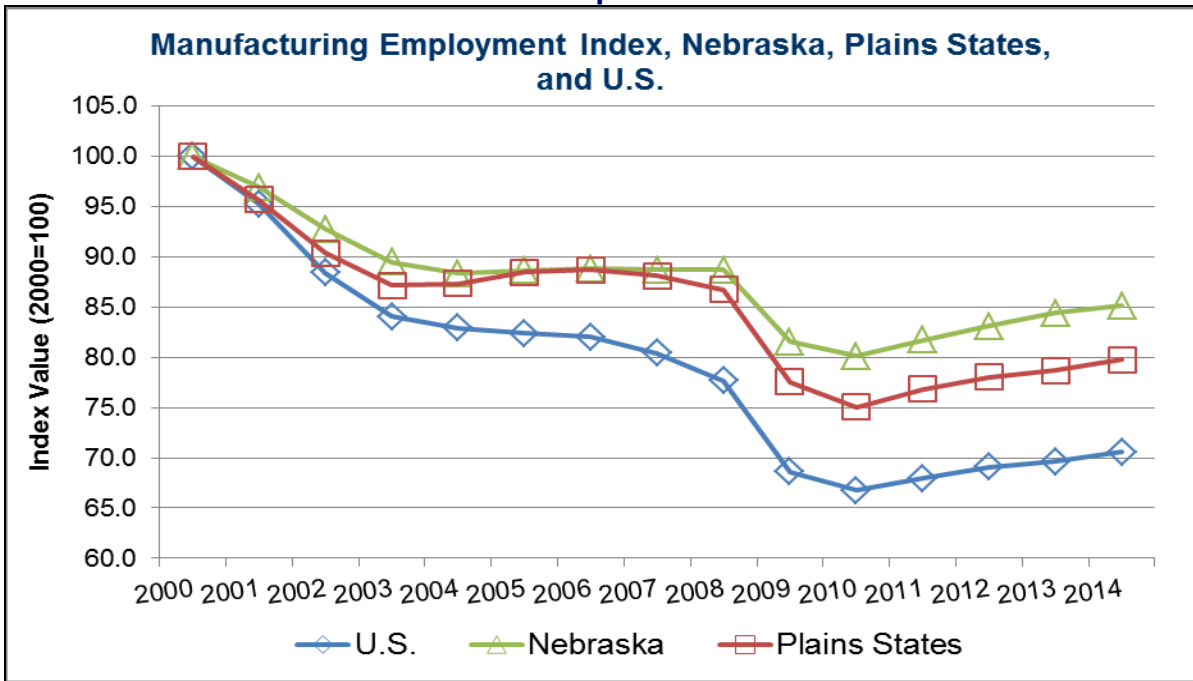
**Graph 2**



<sup>2</sup> Indexing allows the comparison of change over time in two or more variables that may have significant differences in their absolute values. That is accomplished by converting each value to an index number and comparing that to a base value, usually, 100.

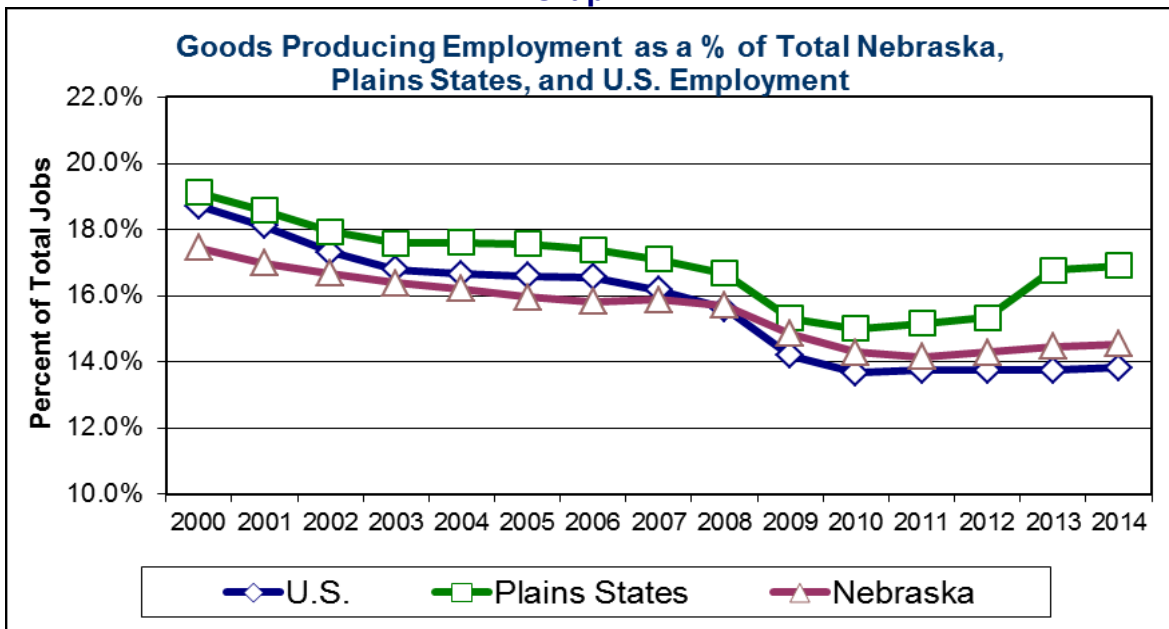
<sup>3</sup> Goods-producing jobs include natural resources and mining, construction, and manufacturing jobs. The other all-encompassing category is service-producing jobs.

**Graph 3**



Source: USDOL, Bureau of Labor Statistics, 2015

**Graph 4**



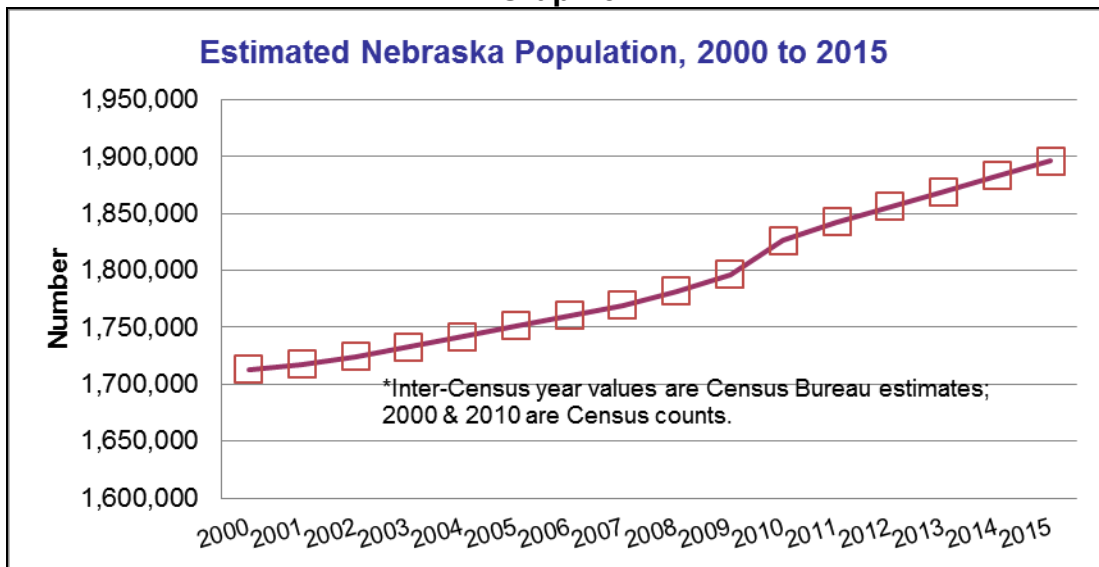
Source: USDOL, Bureau of Labor Statistics, 2015

**Population Change:** The 2010 Census revealed the Nebraska population totaled 1,826,341 persons; the Census Bureau estimated the 2015 state population at 1,896,190, a 3.8 percent increase (Graph 5). Over the last 35 years, the Nebraska population growth rate has been less than the national rate (Graph 6), but it appears

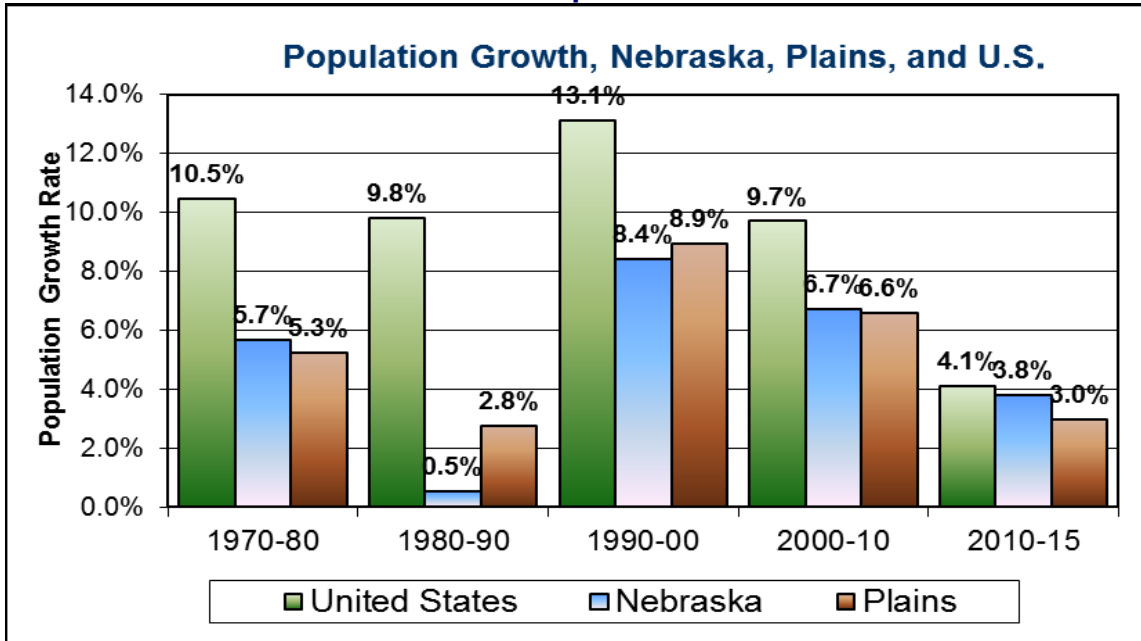
the state's growth rate from 2010 until 2015 has been sufficient that the state will retain its three Congressional representatives after the 2020 Census (Omaha, World-Herald, December 23, 2015).

From census to census, natural growth, births exceeding deaths, has been a consistent contributor to Nebraska population growth. But, between 1990 and 2000, migration particularly international migration contributed significantly to the state's population growth. In fact, between 2000 and 2005, "population growth in the Midwest resulted entirely from international migration, because . . . (the) natural increase was completely offset by domestic outmigration of mostly young adults" (USDA, ERS, EIB #18, August 2006). That was not entirely the case in Nebraska, but international migration has increasingly contributed to the state's population growth (Table 3). The median age of the population in Nebraska, the region, and the nation have all increased about equally since 1970, although the national median age exceeded the Nebraska value in 2010 (Graph 7).

**Graph 5**



**Graph 6**



Source: USDOC, Bureau of the Census, 2015

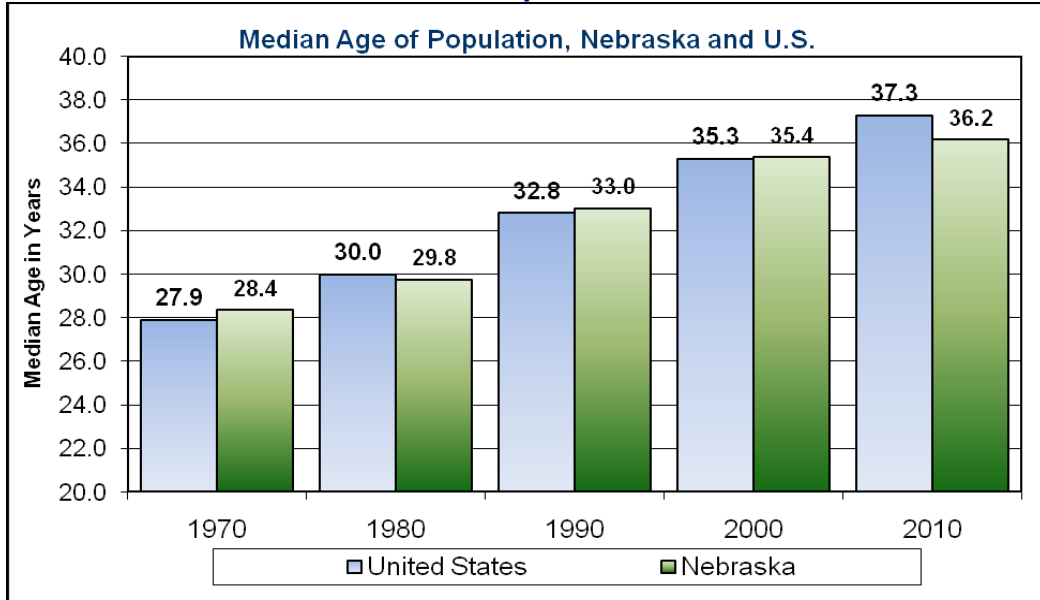
**Table 3**

**Components of Population Change, Nebraska, 1980-90, 1990-00, and 2000-10**

Period	End-Year Population	Population Change	Births	Deaths	Natural Change	Net Migration
2000-2010	1,826,341	115,078	261,868	151,574	110,294	4,784
1990-2000	1,711,263	132,846	235,210	150,599	84,611	48,234
1980-1990	1,578,417	8,592	255,191	147,680	107,511	-98,947
1980	1,569,825					

Source: U.S. Bureau of the Census, 2010 Census and estimates, 2015

**Graph 7**



Source: USDOC, Bureau of the Census, 2013

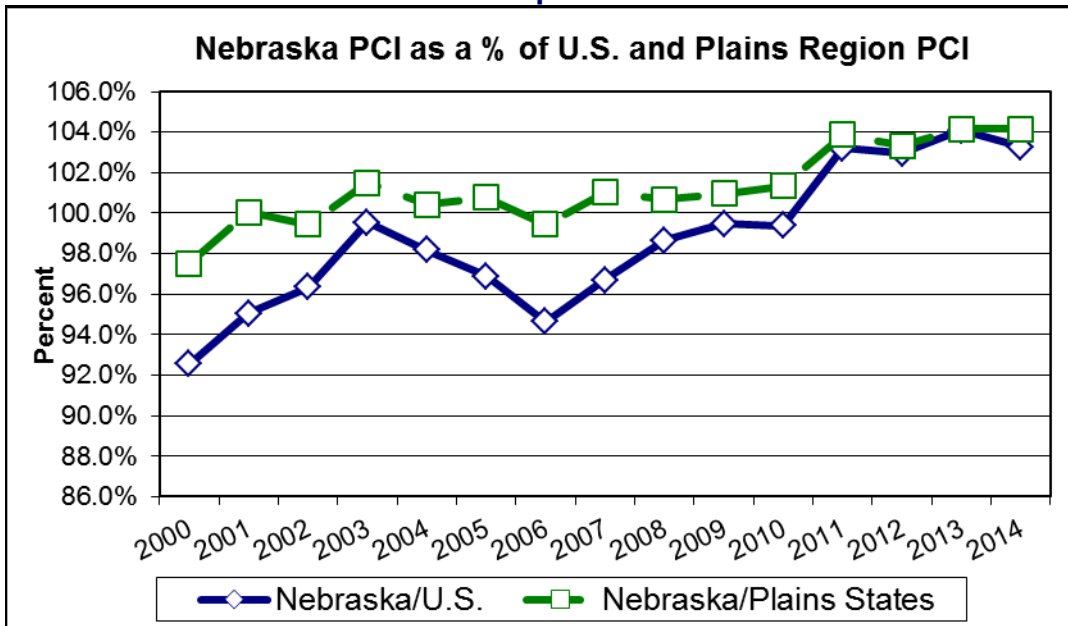
## **II. Income and Earnings**

Income and earnings in Nebraska have historically been below national and regional averages but, in recent years, the growth rates of these indicators of economic well-being have generally kept pace with national trends. In fact, some have even exceeded comparable national or regional values.

**Per Capita Personal Income:** Per capita income (PCI) is total income divided by total population. Since not everyone has an income, PCI is more a measure of the economic well-being of an area than of average income. In 2006, Nebraska's PCI was \$35,679, which ranked 23<sup>th</sup> in the nation. Nebraska PCI has historically been several percent points below the national average and a point or two below the Plains' states average. From 2010 through 2014 however, Nebraska PCI was greater than both the national average and the Plains states' average (Graph 8).



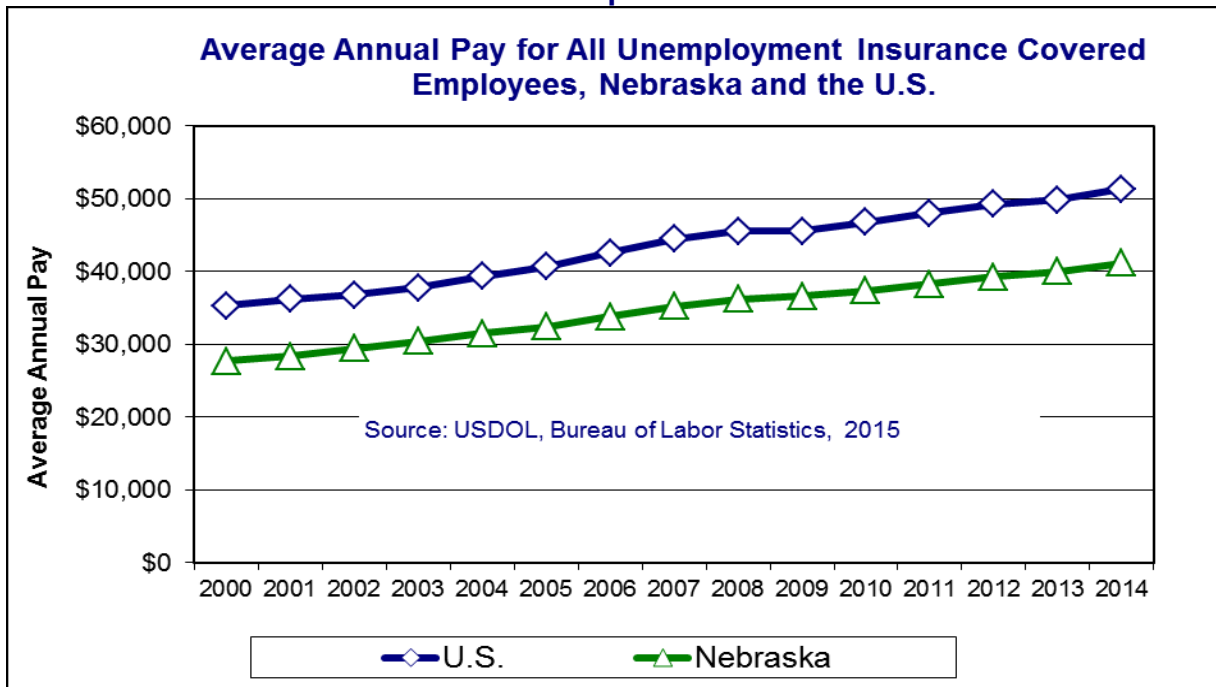
**Graph 8**



Source: USDOC, Bureau of Economic Analysis, 2015

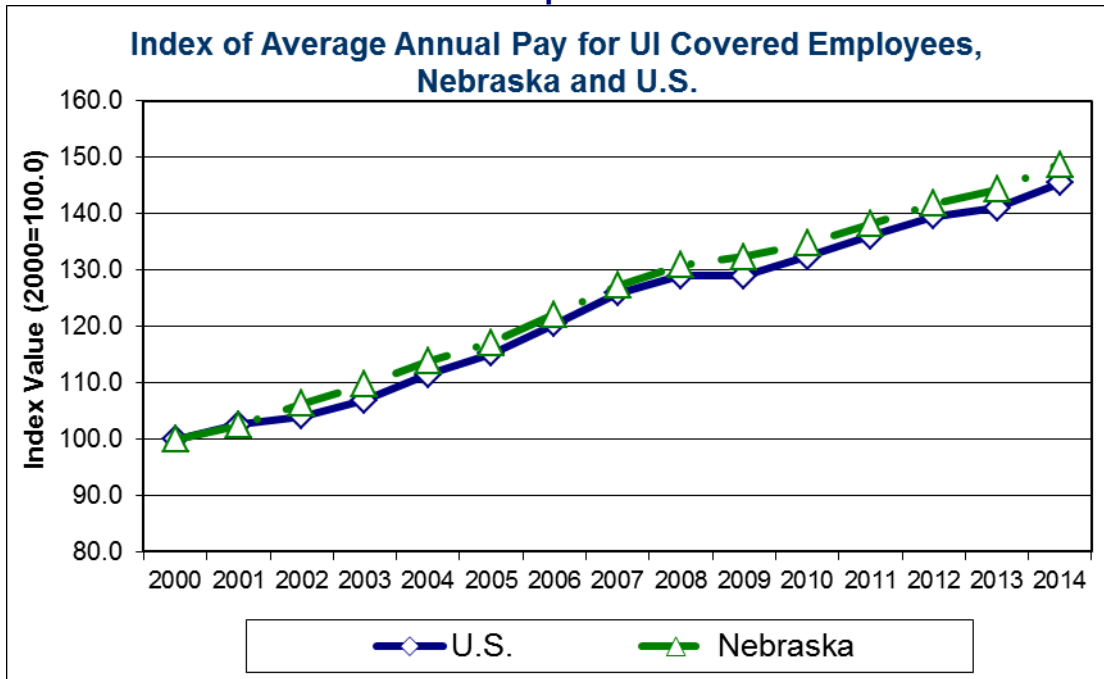
**Average Annual Pay and Wages:** As with PCI, the average annual pay of Nebraska private sector employees has historically been less than the U.S. average. In 2014, the average annual pay for all unemployment insurance covered private sector employees was \$41,185 for Nebraska and \$51,364 for the nation (Graph 9). But the state’s annual pay index continued to equal or exceed the national index value in 2014 (Graph 10).

**Graph 9**



Source: USDOL, Bureau of Labor Statistics, 2015

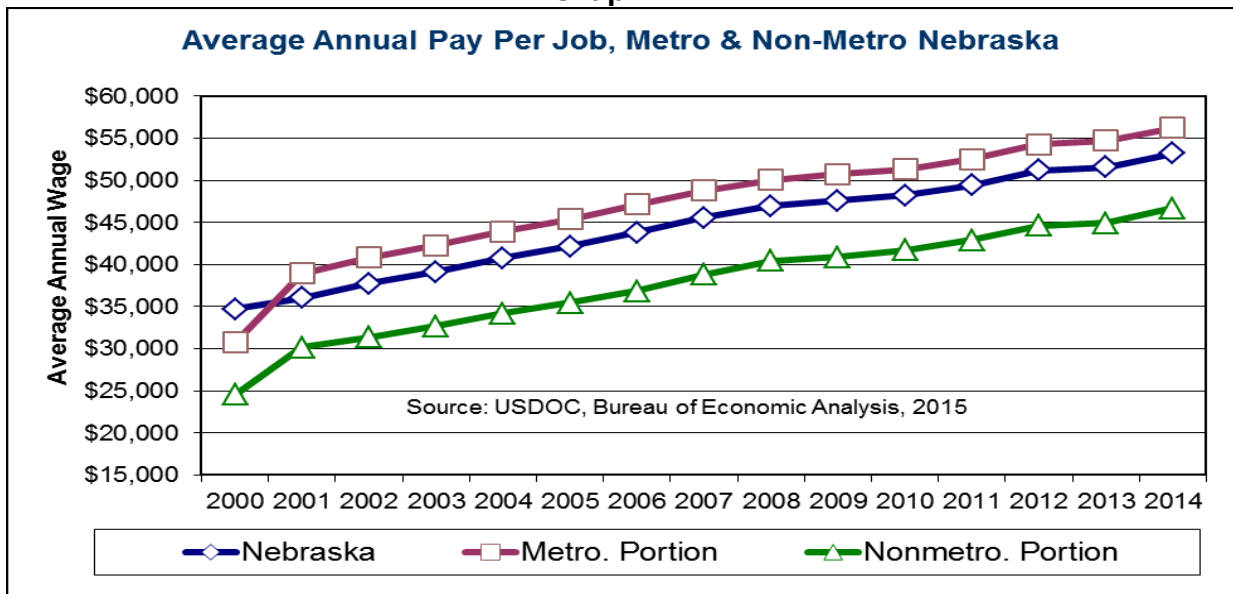
**Graph 10**



Source: USDOC, Bureau of Economic Analysis, QCEW, 2015

**Metro and Non-Metro Pay:** Within Nebraska, the average annual pay per job has been considerably higher in the state’s metropolitan counties than in the non-metropolitan counties. In 2014, the estimated average annual pay per job was \$56,220 in metropolitan Nebraska and \$46,734 in the non-metropolitan counties. The overall state average was \$53,219. Nonetheless, non-metropolitan wages have increased at essentially the same rate as metro wages since 2001 (Graph 11).

**Graph 11**



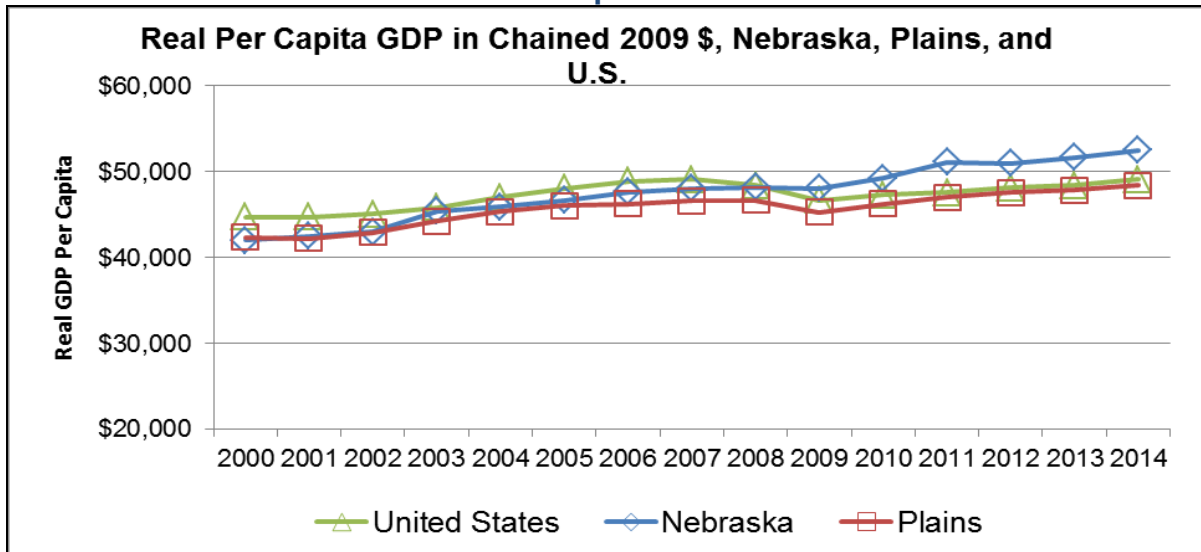
Source: USDOC, Bureau of Economic Analysis, 2015

**Farm Income:** Between 2000 and 2014, Nebraska total personal income in nominal dollars increased 80.2 percent. One factor in that growth was farm earnings, which grew from \$1,815.4 billion in 2001 to \$6,326.6 billion in 2014, a 348.5 percent increase. Admittedly, farm earnings represent only a small portion of total personal income. Between 2000 and 2014, farm earnings varied from 2.6 percent of total in 2002 to 10.5 percent in 2011.

### III. Business- and Consumer-Related Indicators

**State Gross Domestic Product:** Nebraska gross domestic product increased 37.2 percent in real dollars between 2000 and 2014. Nationally, GDP increased 24.0 percent. So, Nebraska real GDP growth exceeded the national growth rate in 2014. Moreover, if you look at real dollar GDP per capita growth, the state again out did the U.S. (Graph 12), growing 1.63% to the national growth rate of 1.47 in 2014.

**Graph 12**



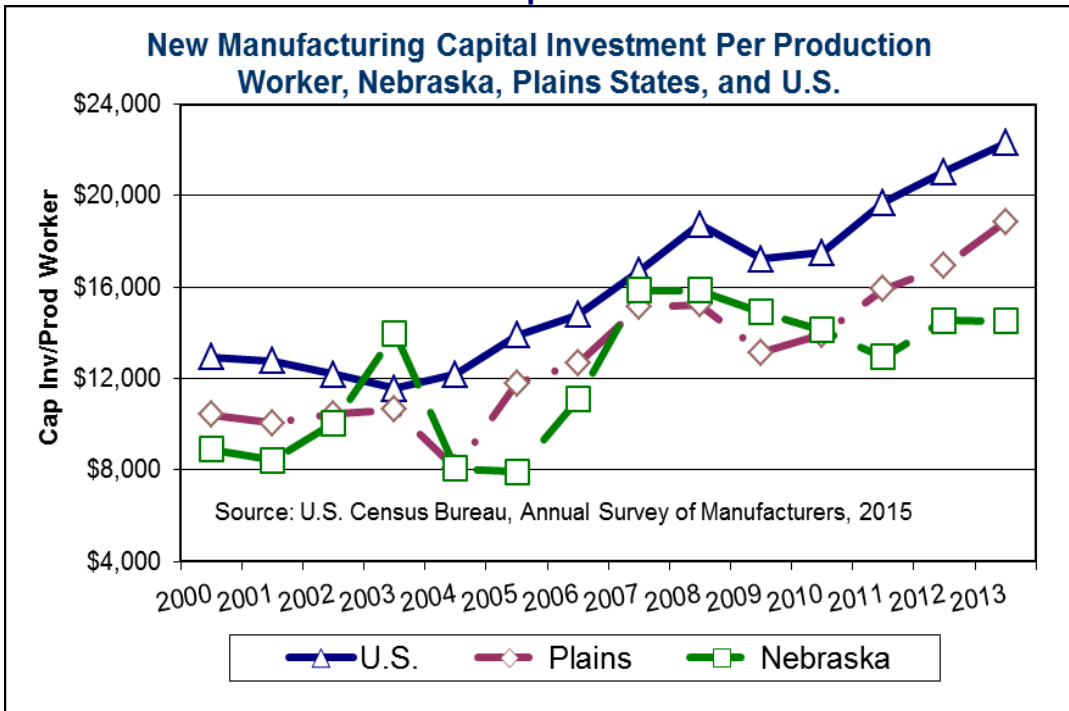
Source: USDOC, Bureau of Economic Analysis, REIS, 2015

**New Capital Investment and Invention:** Nebraska manufacturers reported making \$1,018,072,000 in new capital investments in 2013. Manufacturing capital investment per production worker compares Nebraska investment with U.S. totals and broadly shows the commitment of manufacturers to substituting capital for labor. Since 2000, Nebraska’s investment per worker has been below the national average of capital investment per worker, except for 2003 (Graph 13). And, despite their reliance on manufacturing employment, the Plains’ states capital investment per worker has also been below the national average. So, nationally manufactures are substituting capital for labor to a greater degree than in Nebraska.

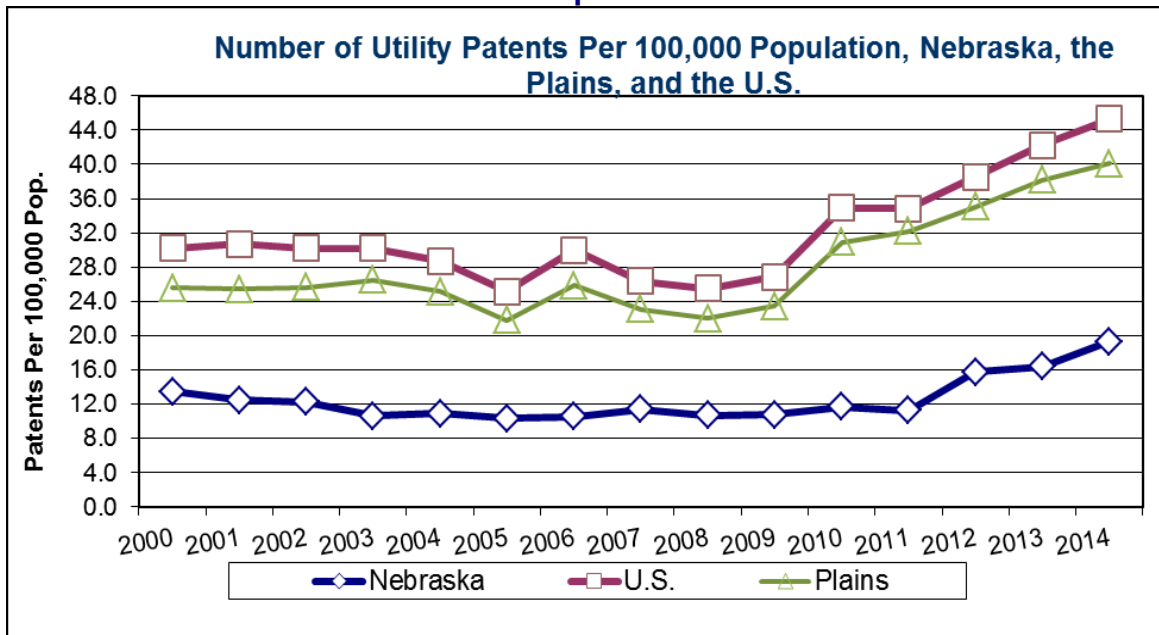
One cause of Nebraska’s comparatively low per worker capital investment in the past may be the state’s comparatively slow development of new products. Compared to the number issued in the other Plains states and the U.S., the number of

new patents issued per 100,000 persons to Nebraskans has been low – 19.3 in 2014 in Nebraska compared to 45.3 nationally (Graph 14).

**Graph 13**



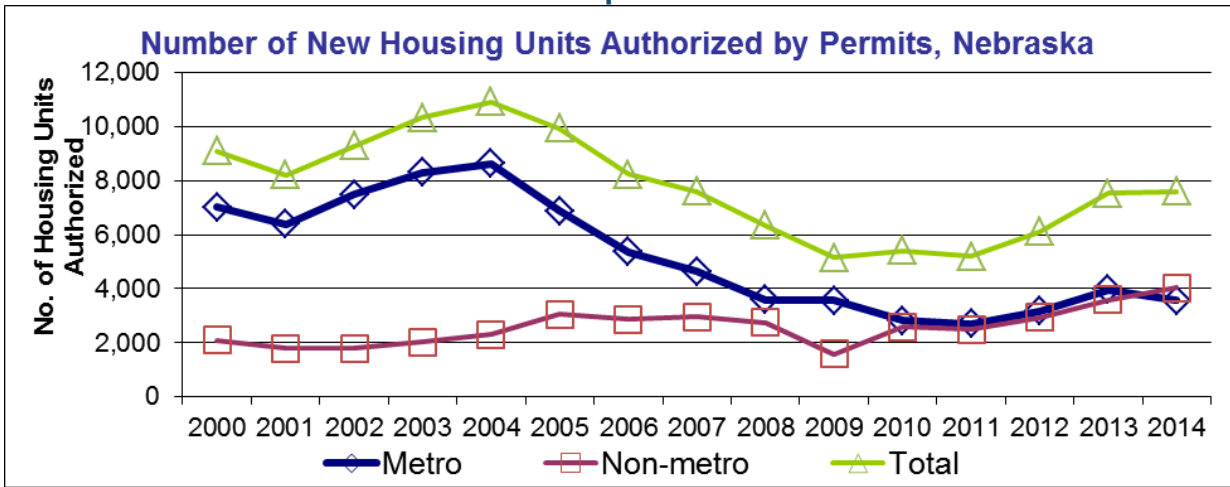
**Graph 14**



Source: U.S. Patent and Trademark Office, Patent Counts by Country/State, 2015

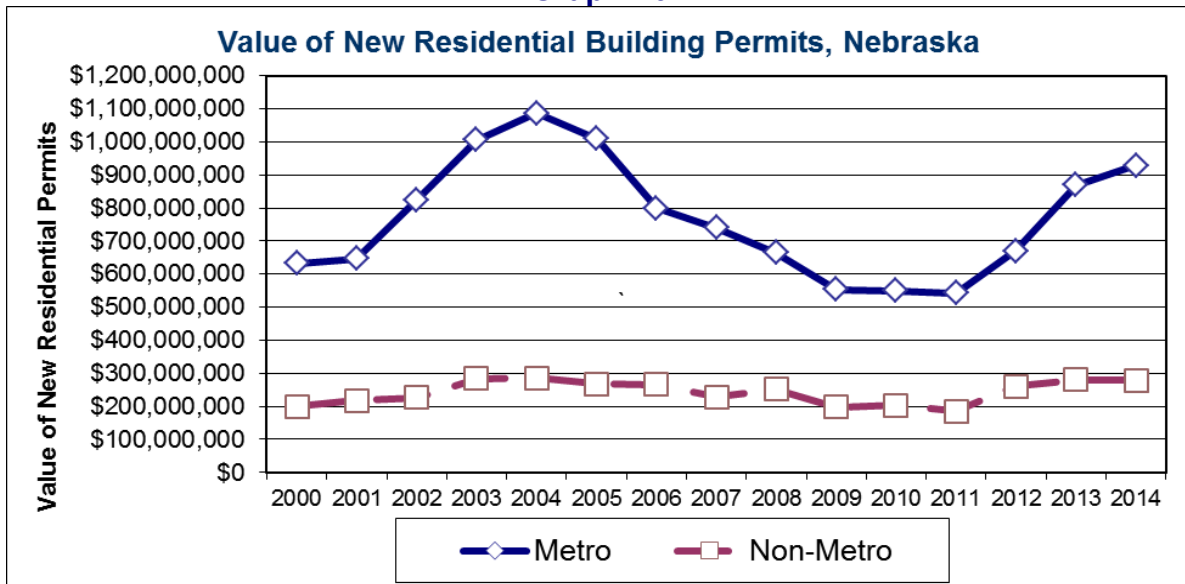
**New Residential Construction and Homeownership:** Two strengths in Nebraska's economy have been new residential construction and home ownership. In recent years, most new residential construction activity has occurred in the state's metro counties. Since 2000, twice as many new residential permits have been issued in the metro counties as in the non-metro counties.<sup>4</sup> Between 2013 and 2014, though, the number permits issued for new metro housing units decreased 9.9 percent, while the number of non-metro permits increased 12.6 percent (Graph 15).. On the other hand, the value of new residential construction increased 6.7 percent in the metro counties and fell 0.8 percent in the non-metro counties between 2013 and 2014 (Graph 16).

**Graph 15**



Source: Compiled by NDED from USDOC, Bureau of the Census, numbers released in 2015

**Graph 16**

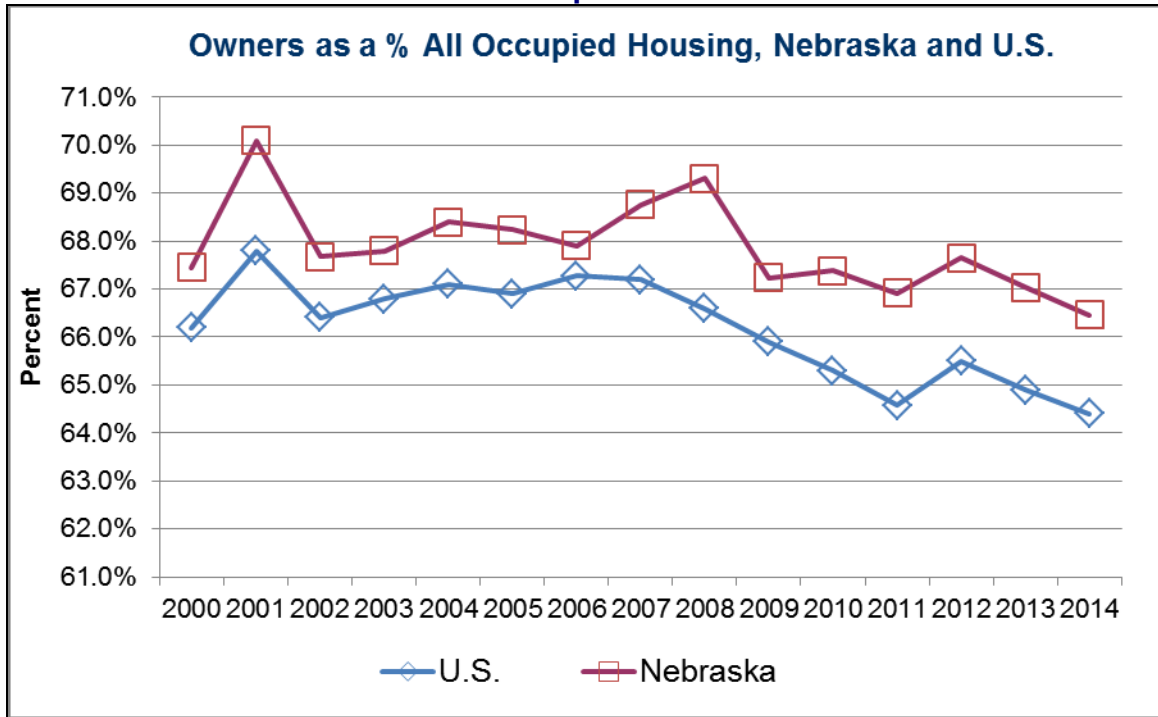


Source: Compiled by NDED from USDOC, Bureau of the Census, numbers released in 2015

<sup>4</sup> Metro counties include Cass, Dakota, Douglas, Lancaster, Sarpy, Saunders, Seward, and Washington counties in Nebraska.

One reason for the increasing investment in residential housing may have been the strong desire for homeownership in Nebraska. The percentage of all occupied housing in the state that is owner-occupied has and continues to exceed the national average (Graph 17), despite a significant dip after the recession of 2008-09 . So, homeownership is important in Nebraska.

**Graph 17**

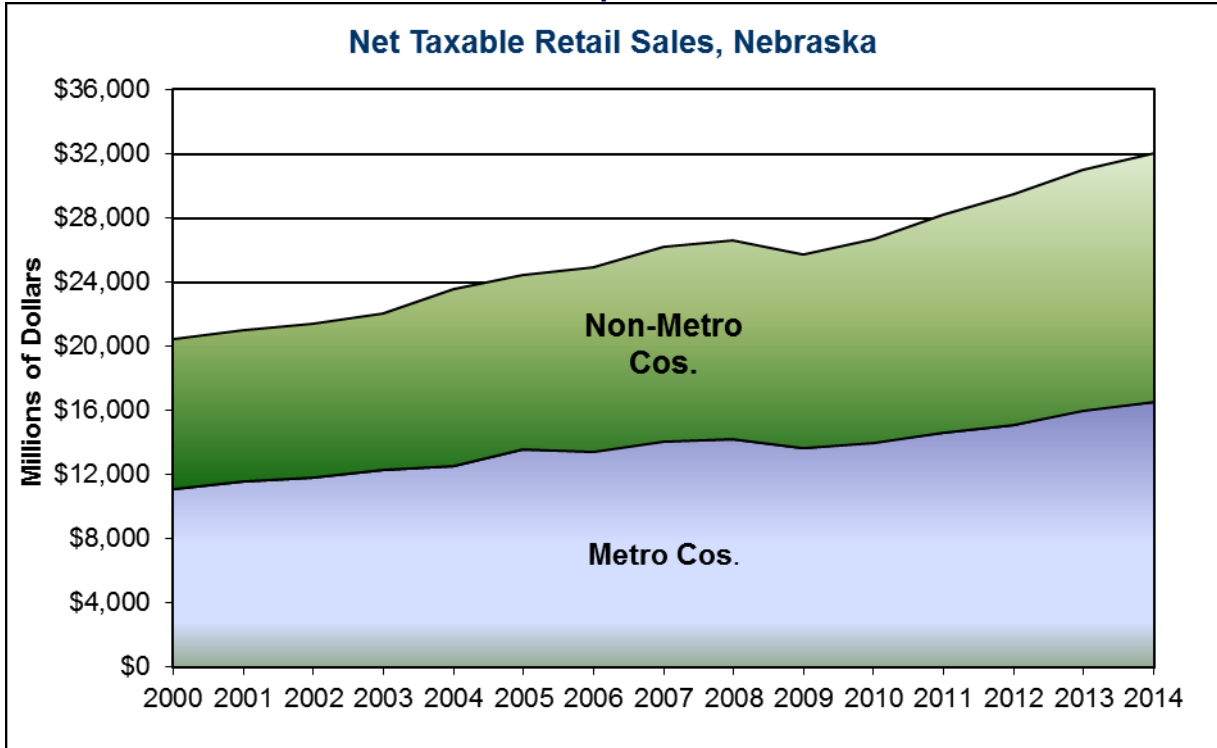


Source: U.S. Department of Commerce, Bureau of the Census, [2014 American Community Survey](#), 2015

**Taxable Retail Sales:** Changes in retail sales are generally a good indicator of economic activity; Nebraska taxable retail and motor vehicle sales increased from \$28.2 billion in 2011 to \$32.1 billion in 2014, or by 13.6 percent (Graph 18)<sup>5</sup>, after falling between 2008 and 2010. Metro county taxable sales increased 13.0 percent and non-metro taxable sales increased 14.5 percent between 2011 and 2014.

<sup>5</sup> Taxable sales include both retail and motor vehicle sales. For purposes of this graph, the metro counties are Cass, Douglas, Lancaster, Sarpy, Saunders, Seward, and Washington Counties in Nebraska.

**Graph 18**



Source: Nebraska Department of Revenue, Annual Report, 2015

#### **IV. State Government**

Government represents another component of the economy. Between 2000 and 2014, Nebraska general sales tax revenue increased 71.6 percent; individual income tax revenues increased 80.9 percent; and corporate income tax revenues increased 119.0 percent (Graph 21). In 2014, corporate income taxes represented 6.3 percent of total tax revenues (compared to 36.2 for general sales taxes and 43.6 percent for personal income taxes). So, tax revenues have increased overtime possibly reflecting the effects of inflation and/or higher tax rates, but also suggesting the state's economy has grown.<sup>6</sup>

<sup>6</sup> Income and sales tax rates increased moderately in 2003, but tax collections ranged up and down, i.e., between 2000 and 2014 there was an overall increase in tax collections but year-to-year tax collections fluctuated.

Graph 21

