

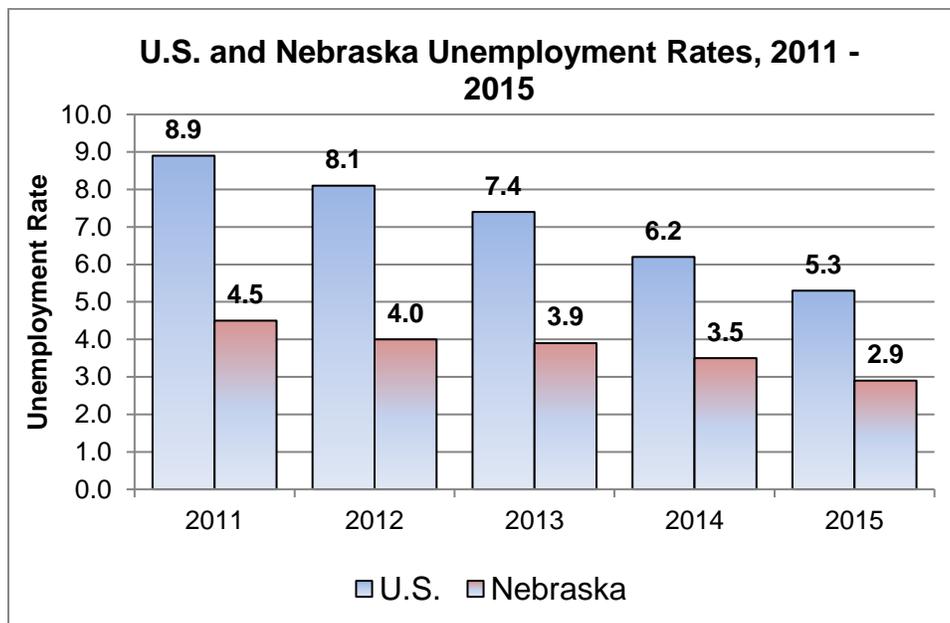
## RECENT TRENDS IN SELECTED NEBRASKA ECONOMIC NUMBERS

*Updated December 9, 2016*

**LABOR FORCE AND UNEMPLOYMENT:** Preliminary numbers from the Nebraska Department Labor show the state's not seasonally adjusted total labor force averaged 1,013,569 persons in October 2016. That was up 6,874 persons from the total labor force in September 2016.

The annual average Nebraska unemployment rate has been among the lowest in the nation for years (Figure 1). In October 2016, the seasonally adjusted Nebraska unemployment rate was 3.3 percent. The seasonally adjusted national rate was 4.9 percent. In October 2016, the Omaha MSA had a not seasonally adjusted unemployment rate of 3.2 percent; the Lincoln MSA had a not seasonally adjusted rate of 2.8 percent.

The annual average Nebraska unemployment rate was 4.5 percent in 2011, 4.0 percent in 2012; 3.9 percent in 2013; 3.5 percent in 2014; and 2.9 percent in 2015; compared to 8.9 percent, 8.1 percent, 7.4 percent, 6.2 percent, and 5.3 percent overall in the U.S. (Figure 1).



*Figure 1*

**JOB GROWTH:** The Nebraska growth in non-farm payroll employment (jobs) has generally been positive in recent years. The Nebraska Department of Labor's preliminary numbers estimate that there were, 1,024,791 not seasonally adjusted nonfarm jobs in the state in October 2016, which was 5,961 more jobs than in September 2016 (see *Nebraska Databook*).

**MANUFACTURING JOB GROWTH:** During the 2007-2009 recession years, manufacturing job growth in both the nation and in Nebraska suffered – state manufacturing job numbers fell 8.1 percent between those years. Since then, there has been some rebound (a 5.0 percent growth between 2011 and 2015) in Nebraska’s manufacturing job numbers (Figure 2), but there was a fall-off in job growth in 2015. In October 2016, the Nebraska Department of Labor not seasonally adjusted preliminary estimates show that Nebraska averaged 97,413 manufacturing jobs. That represented 370 more manufacturing jobs than in September 2016.

The number of Nebraska manufacturing jobs increased 1.9 percent in 2011, increased 1.7 percent in 2012, increased 1.6 percent in 2013, increased a modest 0.8 percent in 2014, then decreased 2.1 percent in 2015. Overall in the U.S., the number of manufacturing jobs increased 1.7 percent in 2011, increased 1.7 percent again in 2012, increased 0.8 percent in 2013, increased 1.4 percent in 2014, and increased 1.1 percent in 2015. So, since 2014 Nebraska has fallen behind national manufacturing employment trends.

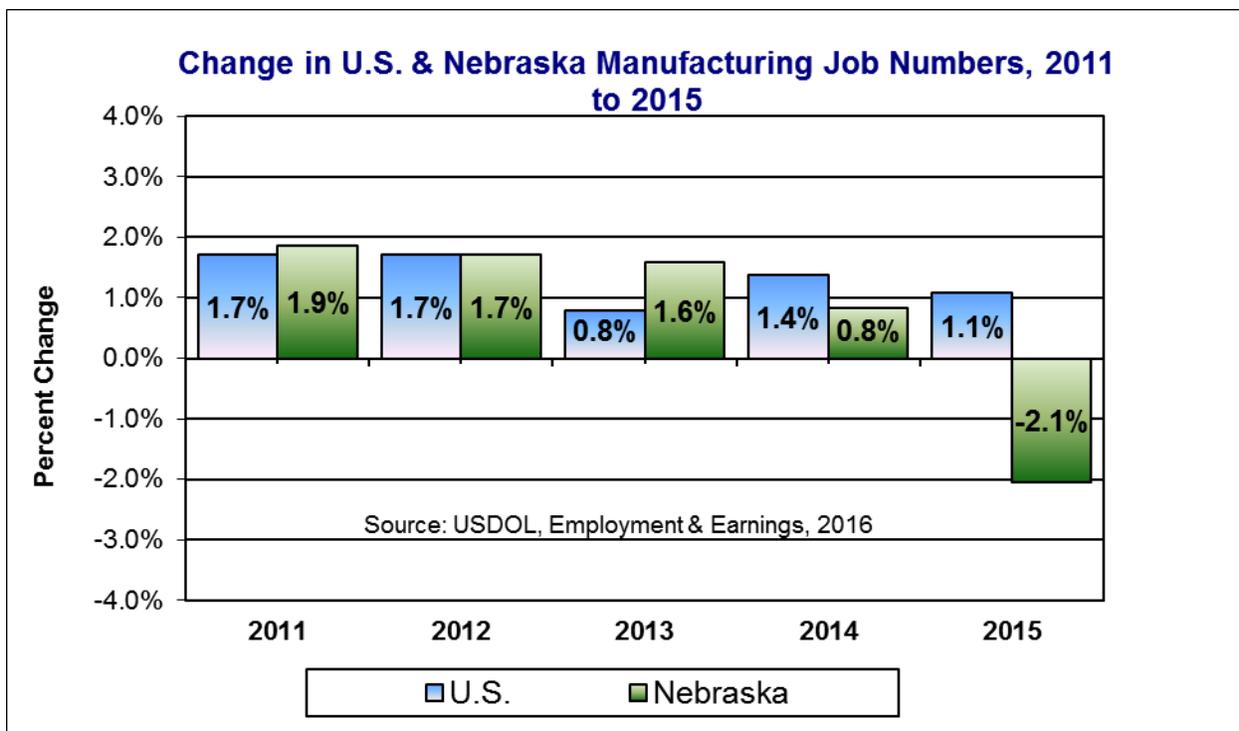


Figure 2

**RESIDENTIAL BUILDING UNITS:** The U.S. Bureau of the Census' Construction Statistics Division reported that Nebraska permit-issuing places authorized the construction of 819 new residential units in October 2016. That represented an increase of 12.2 percent compared to the number of units authorized in September. The value of new residential permits increased from \$103,053,000 in September 2016 to \$131,370,000 in October, a 27.5 percent jump.

The number of Nebraska residential building permits; increased 3.8 percent in 2011, increased 25.6 percent in 2012, increased 15.4 percent in 2013, increased a very modest 1.8 percent in 2014; and increased 2.1 percent in 2015 (see Figure 3 and *Nebraska Databook* table). Nationally, the number of residential units increased 4.4 percent in 2011; 30.7 percent in 2012; 21.5 percent in 2013; 4.8 percent in 2014; and 13.4 percent in 2015.

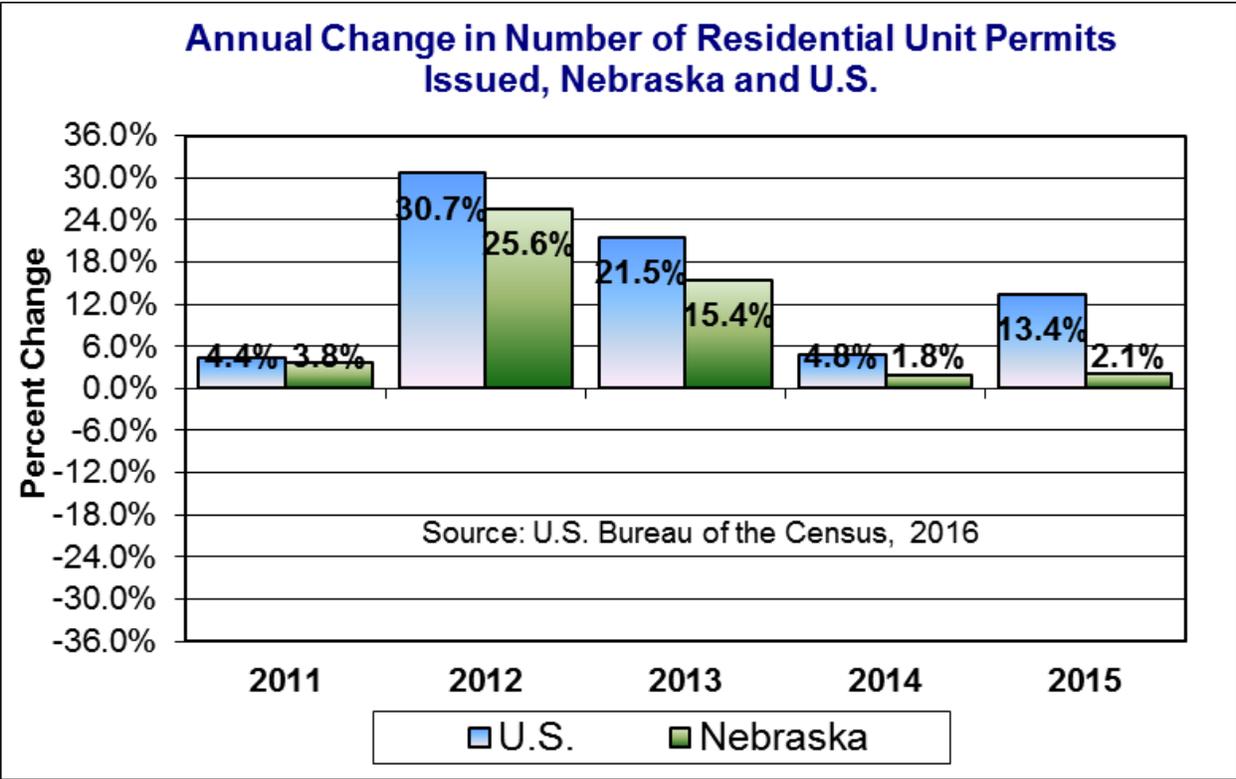


Figure 3

**NET TAXABLE RETAIL SALES:** Nebraska net taxable retail sales usually increased on a monthly and an annual basis until the 2008 recession. Recently, they have returned to more typical long-term seasonal growth patterns. In September 2016, state net taxable retail sales totaled \$2.50 billion, or 1.4 percent less than in August 2016, but September 2016 net taxable sales represented a 6.1 percent increase from September 2015 (see Figure 4).

Total annual taxable retail sales in Nebraska increased 3.4 percent in 2010; increased 5.4 percent in 2011; increased 4.2 percent in 2012; increased 5.3 percent in 2013; increased 3.0 percent in 2014; and increased 0.9 percent in 2015. In 2004, the state sales tax rate was set permanently at 5.5 percent and some previously applied service sales taxes were repealed.

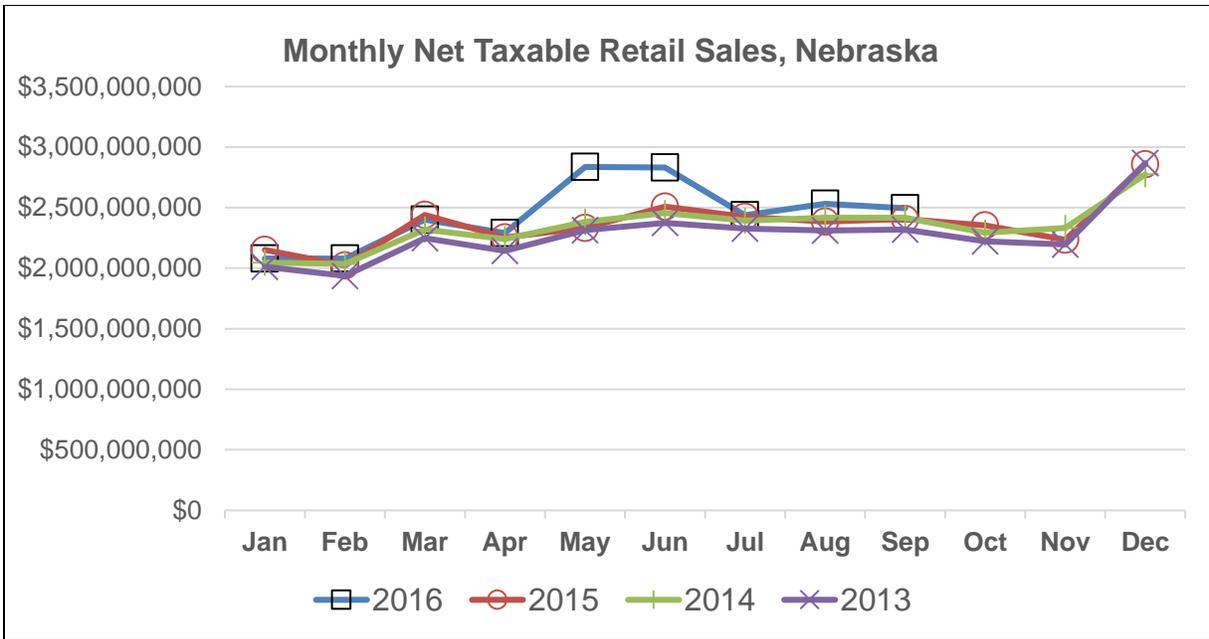


Figure 4

**MERCHANDISE EXPORTS AND IMPORTS:** Nebraska has been a major exporter of agricultural crop and livestock products for many years (see *Nebraska Databook* table). The state has also increased exports of other goods and services (see Figure 5). In October 2016, Nebraska goods exports were up 20.4 percent compared to September 2016. Specifically, they totaled \$599.1 million in October compared to \$497.5 million in September or, in other words, they reached their highest level so far in 2016. They were also up 10.3 percent compared to Nebraska exports in October 2015.

In 2010, the U.S. Census Bureau began releasing estimates of the value of state imports based on the final destination of imports reported at the time of entry (see Figure 6). Those numbers suggest that monthly Nebraska imports generally average 40-50 percent of the value of state exports. Nebraska imports fell an estimated 10.1 percent in October 2016 compared to October 2015; so the lower price of imports compared to U.S. exports is apparently not increasing Nebraska import numbers. In fact, since June, Nebraska monthly imports have been at their lowest levels each month going back to at least 2013.

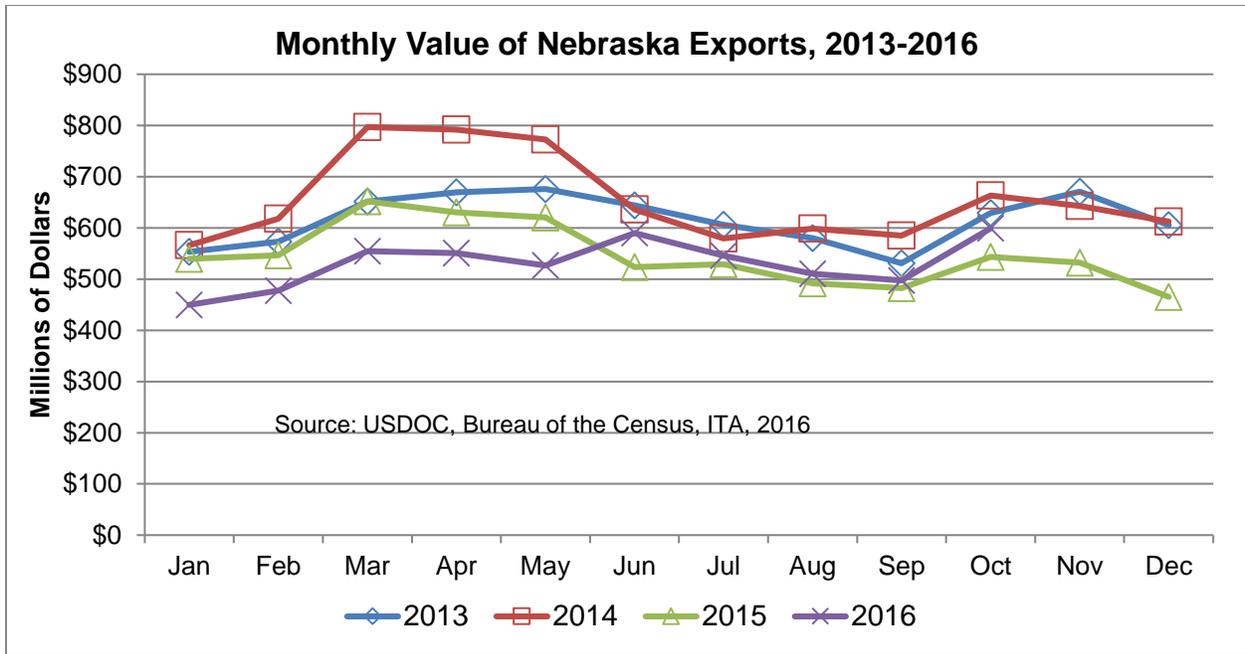


Figure 5

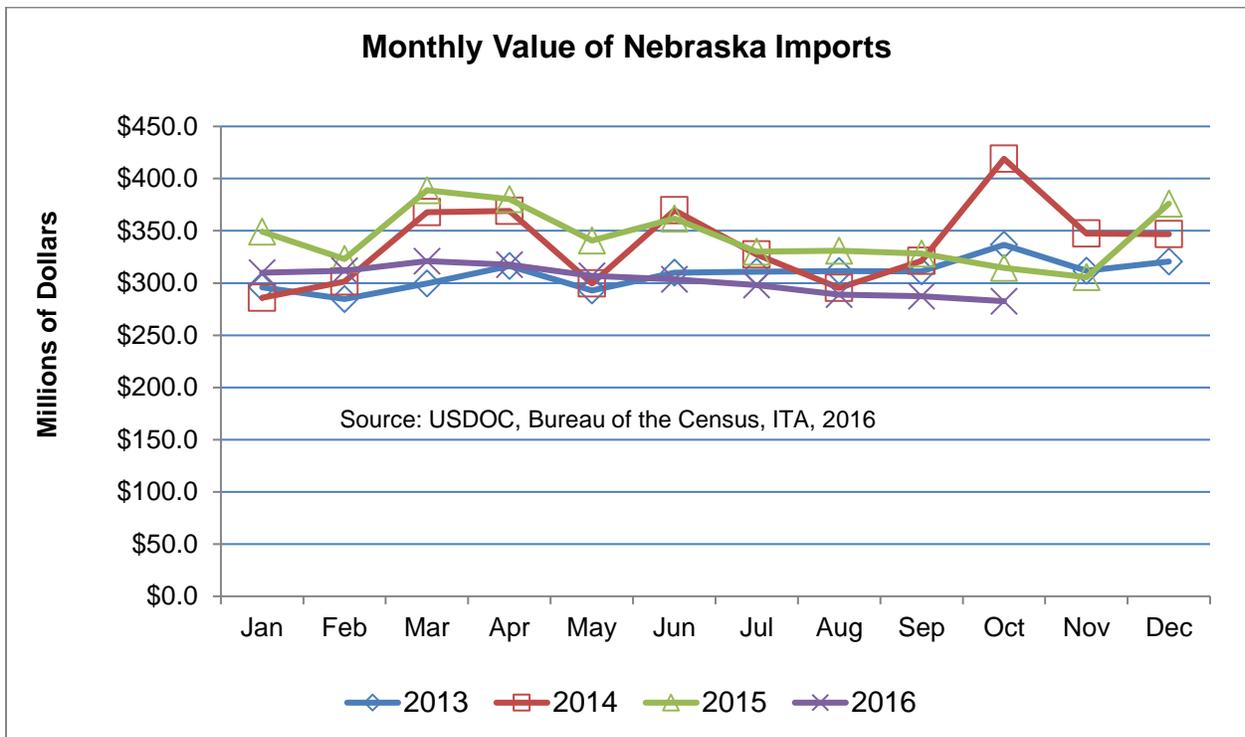


Figure 6

**INCOME:** Historically, Nebraska's per capita income (PCI) has been below the U.S. average (Figure 7). In 2001, Nebraska per capita income was just 0.2 percent more than the national average; but, in 2015, the U.S. Bureau of Economic Analysis estimates show the state's PCI at \$48,544, which was 100.9 percent of the U.S. figure. That value was actually down from the

previous four year values, when the Nebraska PCI averaged 104.2 percent of the national average.

Nebraska per capita personal income was \$39,428 in 2009, increased by 1.3 percent to \$39,935 in 2010, then jumped 12.3 percent to \$44,864 in 2011, increased, again, by 2.7 percent to \$46,060 in 2012, fell by 0.4 percent to \$45,858 in 2013, then rose by 5.4 percent to \$48,321 in 2014, and, in 2015, rose 0.5 percent to \$48,544.

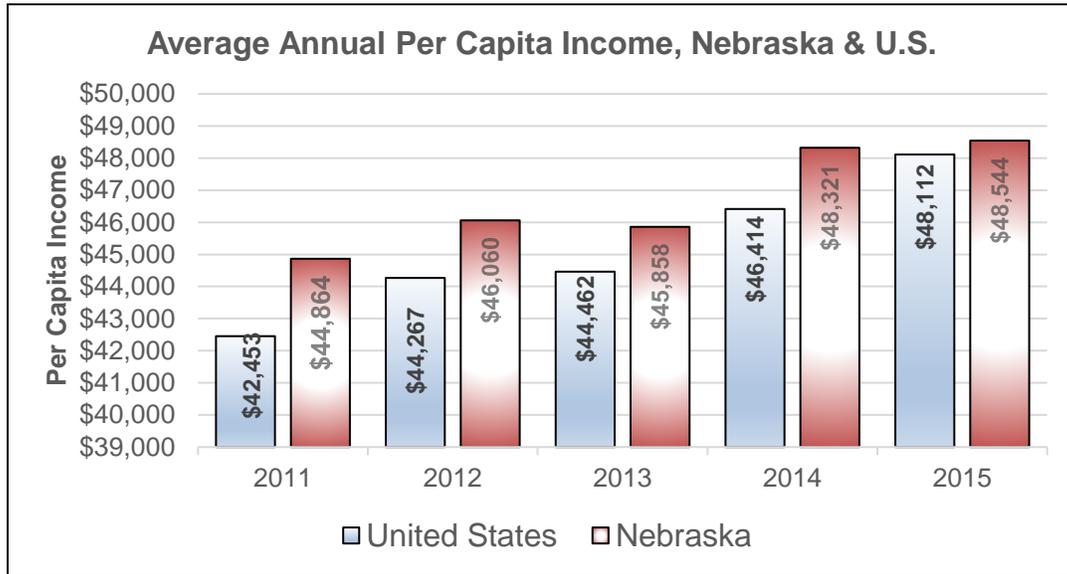


Figure 7

**COST OF LIVING:** In a community cost of living index compiled for 260 U.S. urban areas by C2ER, the three Nebraska communities usually in the survey have generally been below the national average for the six expenditure categories tracked. Looking at the third quarter of 2016, the three Nebraska communities' composite index was below the U.S. average of a 100.0 at 91.7 (see Figure 8). With composite average of 90.7, Hastings scored the lowest among the three Nebraska communities in the survey, but Omaha was also well below a 100.0 percent at 90.9 percent. Lincoln was also below the national average, but somewhat of an outlier for the state at 93.1 percent. So, these Nebraska cities maintained their below average cost of living in the third quarter of 2016.

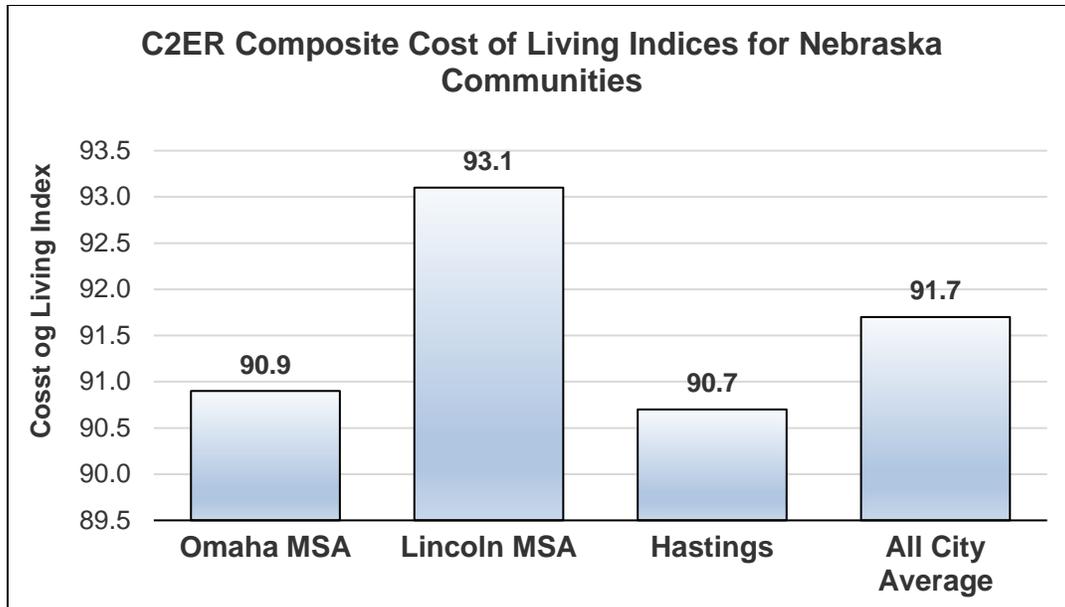


Figure 8

**POPULATION:** From 1974 to 1990, Nebraska experienced a net out-migration of people. The U.S. Census Bureau reported that Nebraska's 2000 population was 1,711,263, or 132,846 persons higher than in 1990. Natural increases (births exceeding deaths) contributed to the state's 8.4 percent population growth, but a significant factor was international migration. The Census Bureau reported the state's 2010 population at 1,826,341 persons, or 6.7 percent higher than 2000 (see **Nebraska Databook** table).

County-level 2000 Census numbers showed population growth in 40 of Nebraska's 93 counties between 1990 and 2000, compared to only ten counties between 1980 and 1990. Between 2000 and 2010, 24 counties experienced population growth. Sarpy County at 29.6 percent growth and Lancaster County at 14.0 percent were the top growth counties.

**Nebraska's Economic Outlook in the Short-Term:** *"The Leading Economic Indicator – Nebraska (LEI-N) rose by 1.14% during September of 2016. The increase in the LEI-N, which predicts economic activity six months in the future, suggests moderate economic growth in Nebraska in the first quarter of 2017. Four of the six components of the LEI-N were positive during September. There was a strong increase in airline passenger counts and an increase in manufacturing hours during the month. There also was a decline in initial claims for unemployment insurance. Business also was optimistic. Respondents to the September Survey of Nebraska Business reported plans to increase sales and employment over the next 6 months. Among negative components, there was a decline in building permits for single-family homes during September. The value of the U.S. dollar also rose during the month, a negative for Nebraska businesses which export."*

[http://cba.unl.edu/outreach/bureau-of-business-research/documents/LEI\\_10\\_2016.pdf](http://cba.unl.edu/outreach/bureau-of-business-research/documents/LEI_10_2016.pdf)

For additional Nebraska economic and demographic information, see:

<http://opportunity.nebraska.gov/business/data-a-research>