RECENT TRENDS IN SELECTED NEBRASKA ECONOMIC NUMBERS  
*Updated August 17, 2018*

**LABOR FORCE AND UNEMPLOYMENT:** Preliminary numbers from the Nebraska Department of Labor show the state’s labor force averaged 1,026,131 persons in June 2018. 31,546 persons were unemployed in June in Nebraska.

The monthly average Nebraska unemployment rate has been among the lowest in the nation for years (Figure 1). In July 2018, the preliminary Nebraska seasonally adjusted unemployment rate was 2.9 percent, compared to 3.9 percent for the nation.

In July 2018, the Omaha MSA, which includes counties in Iowa, had a preliminary not seasonally adjusted unemployment rate of 3.1 percent; the Lincoln MSA had a preliminary not seasonally adjusted rate of 2.8 percent; and the Grand Island MSA had a preliminary unemployment rate of 3.1 percent.

The annual average Nebraska unemployment rate was 4.4 percent in 2011, 4.0 percent in 2012; 3.8 percent in 2013; 3.3 percent in 2014; 3.1 percent in 2015; 3.1 percent in 2016; and 2.9 percent in 2017; compared to 8.9 percent, 8.1 percent, 7.4 percent, 6.2 percent, 5.3 percent, 4.9 percent, and 4.4 percent overall in the U.S. (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 1,033,228 nonfarm jobs in the state in July 2018. The number of not seasonally adjusted nonfarm jobs totaled 509,878 in the Omaha MSA; 189,513 in the Lincoln MSA in July 2018; and 42,648 jobs in the Grand Island MSA.
MANUFACTURING JOB GROWTH: During the 2007-2009 recession years, manufacturing job growth in both the nation and 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 in Nebraska’s manufacturing job numbers between 2011 and 2015), but there was another fall-off in job growth in 2015 (Figure 2). In June 2018, the Nebraska Department of Labor preliminary estimates show that Nebraska averaged 102,142 manufacturing jobs.

The number of Nebraska manufacturing jobs increased 1.8 percent in 2011, increased 1.7 percent in 2012, increased 1.6 percent in 2013, increased a 1.0 percent in 2014, decreased 0.1 percent in 2015, was unchanged in 2016, and increase 1.2 percent in 2017. 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, increased 1.2 percent in 2015, increased 0.1 percent in 2016, and increased 0.8 percent in 2017. So, between 2014 and 2016, Nebraska fell behind national manufacturing employment growth trends.

RESIDENTIAL BUILDING PERMITS: The U.S. Bureau of the Census’ Construction Statistics Division reported that Nebraska permit-issuing places authorized the construction of 570 new residential units in June 2018. That represented a decrease of 27.0 percent in the number of new units compared to the number authorized in May 2018. The value of new residential permits decreased from $149,597,000 in May 2018 to $109,020,000 in June 2018, a 27.1 percent decrease. It represented a 19.1 percent decrease compared to May 2017.

The annual number of new Nebraska residential building permits; increased 23.3 percent in 2013, increased a modest 1.9 percent in 2014; increased 5.3 percent in 2015; decreased 2.3 percent in 2016; and increased 8.4 percent in 2017 (see Figure 3 and Nebraska...
Nationally, the number of residential units increased 19.4 percent in 2013; 6.2 percent in 2014; 12.4 percent in 2015; 2.0 percent in 2016; and 4.8 percent in 2017.

**Figure 3**

**Annual Change in No. of Building Permits Issued, Nebraska & U.S.**

**NET TAXABLE RETAIL SALES:** For the past several years, Nebraska’s monthly net taxable retail sales have increased modestly on an annual basis (see Table 4). Each month’s sales are slightly higher than the same month of the previous year. In May 2018, state net taxable retail sales totaled $2.66 billion, or 9.5 percent more than in April 2018, and 7.3 percent more than in May 2017. Net taxable sales in Nebraska exhibit a strong seasonality, which is one reason January’s sales are so low compared to December’s.

Total annual net taxable retail sales in Nebraska increased 4.2 percent in 2012; increased 5.3 percent in 2013; increased 3.0 percent in 2014; increased 1.0 percent in 2015; increased 2.5 percent in 2016; and increased 1.4 percent in 2017. In 2004, the state sales tax rate was set permanently at 5.5 percent and sales taxes on some services were eliminated.
MERCHANDISE EXPORTS AND IMPORTS: Nebraska has been a major exporter of agricultural crops 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 June 2018, Nebraska goods exports were up 2.0 percent compared to May 2018. Specifically, they totaled $715.4 million in May compared to $729.9 million in June. They were up 19.1 percent compared to Nebraska exports in June 2017.

In 2010, the U.S. Census Bureau began releasing estimates of the value of state imports based on the final destination of import shipments, reported at the time of entry into the U.S. (see Figure 6). Those numbers suggest that monthly Nebraska imports generally average 40-50 percent of the value of state exports. Imports were up an estimated 20.1 percent year-over-year in June, but were down an estimated 11.2 percent in June compared to May 2018.
INCOME: Historically, Nebraska's per capita income (PCI) has been below the U.S. average (Figure 7). In 2002, Nebraska per capita income was 4.0 percent more than the national average; but, in 2016, the U.S. Bureau of Economic Analysis estimates show the state’s PCI at $49,636, which was just 0.1 percent more than the U.S. figure. That value was actually down from the previous five-years, when the Nebraska PCI averaged 102.5 percent of the national average.

As the State Data Center wrote “Nebraska’s per capita income declined in relation to the US between 1970 and 1989 and fluctuated between 95 and 100 percent of the national average from 1994 to 2010. Beginning in 2011, Nebraska’s per capita income moved above the national
average for the first time since 1975 and only the 5\textsuperscript{th} time since the series began in 1929” (State/Local Population Trends, Nebraska State Data Center, August 17, 2016).

Nebraska per capita personal income jumped 12.3 percent to $44,864 in 2011, increased 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; in 2015, rose 0.5 percent to $48,544; and, in 2016, rose 2.2 percent.

\begin{figure}
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\includegraphics[width=\textwidth]{Average_Annual_Per_Capita_Income_Nebraska_U.S.png}
\caption{Average Annual Per Capita Income, Nebraska & U.S.}
\end{figure}

\textbf{COST OF LIVING:} In community cost of living indexes compiled for 263 U.S. urban areas by C2ER, the three Nebraska communities in the survey have generally been below the national average for the six expenditure categories tracked. Looking at their first quarter 2018 average composite indexes, the three Nebraska communities’ weighted average composite value was below the U.S. average of 100.0 at 95.1 (see Figure 8). With an individual composite index of 89.7, Hastings scored the lowest among the Nebraska communities in the survey, but all three communities scored well-below the national average.
**Figure 8**

**Cost of Living Indices for Select Nebraska Communities, 1st Quarter, 2018**

- **Omaha MSA**: 95.1
- **Lincoln MSA**: 95.5
- **Hastings**: 89.7
- **All City Average**: 95.1

**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 was 1,826,341 persons, or 6.7 percent higher than 2000 (see Nebraska Databook table). And, the Census Bureau’s estimate of the state’s 2017 population reached 1,920,076 persons, or 5.1 percent higher than the 2010 Census. The estimated national growth rate during the same years was 5.5 percent.

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; and between 2010 and 2015, an estimated 31 counties had population growth. Sarpy County, at 29.6 percent, and Lancaster County, at 14.0 percent, were the top growth counties in 2010.

**Nebraska’s Short-Term Economic Outlook**: “The Leading Economic Indicator – Nebraska (LEI-N), fell by 0.40% during June of 2018. The decline in the LEI-N, which is designed to predict economic activity six months into the future, suggests that the pace of Nebraska economic growth will slow significantly during the 4th quarter of 2018. The indicator fell due to another sharp increase in the value of the U.S. dollar. A rising dollar puts additional pressure on Nebraska businesses which export. A decline in manufacturing hours and an increase in initial claims for unemployment insurance also contributed to the drop in the LEI-N. Business expectations were one positive component. Respondents to the June Survey of Nebraska Business reported plans to increase both sales and employment at their businesses over the next six months. There also was an increase in building permits for single-family homes during June.”


For additional Nebraska economic and demographic info, see: [http://opportunity.nebraska.gov/business/data-a-research](http://opportunity.nebraska.gov/business/data-a-research)