RECENT TRENDS IN SELECTED NEBRASKA ECONOMIC NUMBERS

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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 May 2018, the preliminary Nebraska seasonally adjusted unemployment rate was 2.8 percent, compared to 4.0 percent for the nation.

In May 2018, the Omaha MSA, which includes counties in Iowa, had a preliminary not seasonally adjusted unemployment rate of 2.8 percent; the Lincoln MSA had a preliminary not seasonally adjusted rate of 2.6 percent; and the Grand Island MSA had a preliminary unemployment rate of 2.9 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).

![U.S. and Nebraska Unemployment Rates, 2012-2017](image)

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 1,039,557 nonfarm jobs in the state in May 2018. The number of not seasonally adjusted nonfarm jobs totaled 510,188 in the Omaha MSA; 190,894 in the Lincoln MSA in May 2018; and 42,986 jobs in the Grand Island MSA.
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 in Nebraska’s manufacturing job numbers between 2011 and 2015), but there was another fall-off in job growth in 2015 (Figure 2). In May 2018, the Nebraska Department of Labor preliminary estimates show that Nebraska averaged 101,449 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 April 2018, state net taxable retail sales totaled $2.44 billion, or 5.3 percent less than in March 2018, but 4.4 percent more than in April 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 May 2018, Nebraska goods exports were up 1.3 percent compared to April 2018. Specifically, they totaled $715.4 million in May compared to $706.1 million in April. They were up 18.4 percent compared to Nebraska exports in May 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 31.5 percent year-over-year in May, but were down an estimated 4.8 percent in May compared to April 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 5th 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.

**Figure 7**

**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

**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) \(^1\) rose by just 0.26% during May of 2018. The increase in the LEI-N, . . . , suggests that the pace of economic growth will slow in Nebraska during the 4th quarter of 2018. The LEI-N rose due to strong business expectations. In particular, respondents to the May 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 manufacturing hours and passenger enplanements during May and a drop in initial claims for unemployment insurance. A sharp increase in the value of the U.S. dollar, however, curtailed the increase in the leading indicator. A rising U.S. dollar puts additional pressure on Nebraska businesses which export. There also was a decline in building permits for single-family homes during May.” (http://cba.unl.edu/outreach/bureau-of-business-research/documents/LEI_6_2018.pdf). For additional Nebraska economic and demographic info, see: http://opportunity.nebraska.gov/business/data-a-research