

RECENT TRENDS IN SELECTED NEBRASKA ECONOMIC NUMBERS

Updated September 8, 2017

LABOR FORCE AND UNEMPLOYMENT: Preliminary numbers from the Nebraska Department of Labor show the state’s labor force averaged 1,006,237 persons in July 2017, of whom 978,207 were employed. That was 1,114 more employed workers than in June 2017.

The annual average Nebraska unemployment rate has been among the lowest in the nation for years (Figure 1). In July 2017, the preliminary Nebraska unemployment rate was 2.8 percent. The seasonally adjusted national rate was 4.3 percent. In July 2017, the Omaha MSA, which includes counties in Iowa, had a not seasonally adjusted unemployment rate of 3.1 percent; the Lincoln MSA also had a not seasonally adjusted rate of 2.7 percent; and the Grand Island MSA had an unemployment rate of 3.0 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; and 3.2 percent in 2016 compared to 8.9 percent, 8.1 percent, 7.4 percent, 6.2 percent, 5.3 percent and 4.9 percent overall in the U.S. (Figure 1).

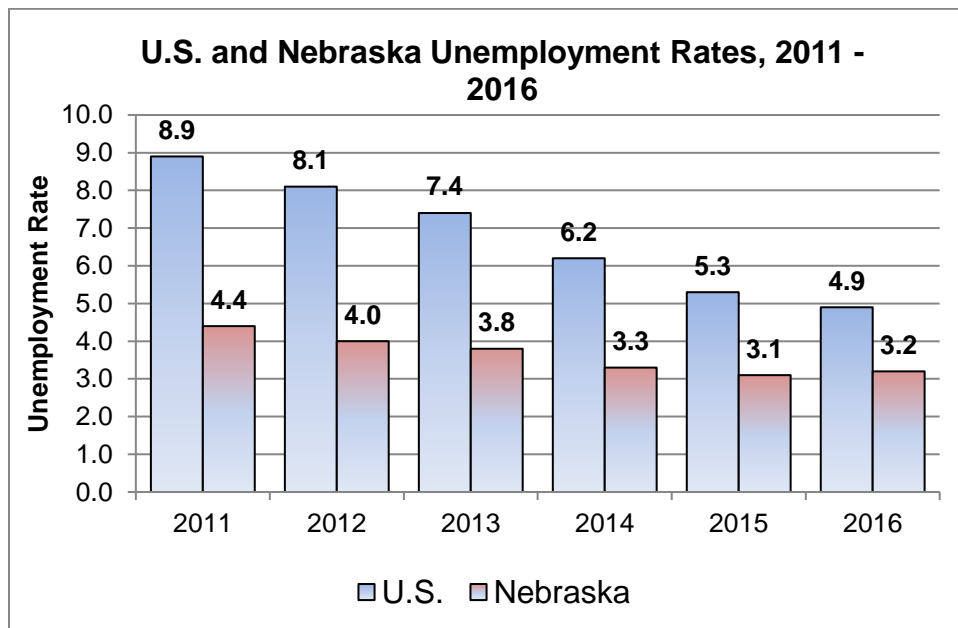


Figure 1

- **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 1,027,456 nonfarm jobs in the state in July 2017, down 10,282 jobs compared to June. The number of not seasonally adjusted nonfarm jobs totaled 507,493 in the Omaha MSA; 188,962 in the Lincoln MSA in July 2017; and 42,879 jobs in the Grand Island MSA. All three numbers represent a decline in job numbers from June 2017.

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 July 2017, the Nebraska Department of Labor preliminary estimates show that Nebraska averaged 98,167 manufacturing jobs. That represented 235 more manufacturing jobs than in June 2017; that also represented an over the year growth of 1,297 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 modest 1.0 percent in 2014, decreased 0.1 percent in 2015, and remained unchanged in 2016. 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, and increased 0.1 percent in 2016. Since 2014, then, Nebraska has fallen behind national manufacturing employment growth trends.

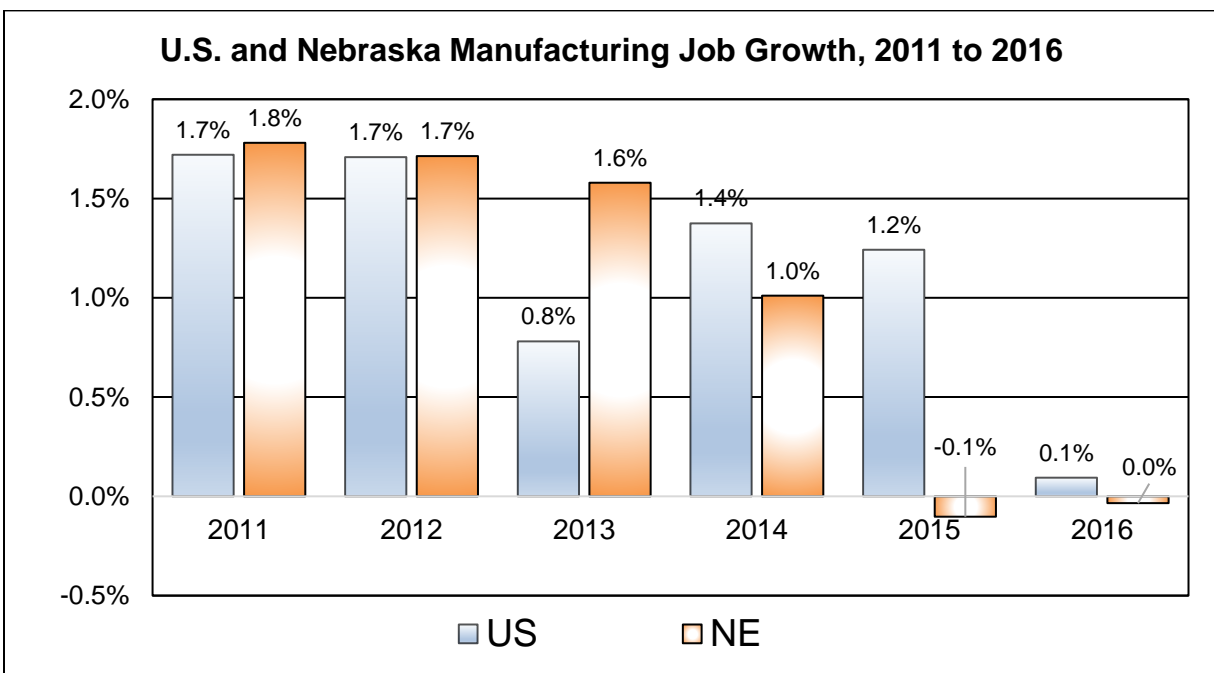


Figure 2

RESIDENTIAL BUILDING UNITS: The U.S. Bureau of the Census' Construction Statistics Division reported that Nebraska permit-issuing places authorized the construction of 1,104 new residential units in July 2017. That represented an increase of 48.4 percent in the number of units compared to the number authorized in June 2017. The value of new residential permits increased from \$134,835,000 in June 2017 to \$171,560,000 in July 2017, a 27.2 percent increase.

The annual number of new Nebraska residential building permits; decreased 3.7 percent in 2011, increased 17.5 percent in 2012, increased 23.3 percent in 2013, increased a very modest 1.9 percent in 2014; increased 5.3 percent in 2015; and increased 0.1 percent in 2016 (see Figure 3 and **Nebraska Databook** table). Nationally, the number of residential units increased

3.2 percent in 2011; 32.9 percent in 2012; 19.4 percent in 2013; 6.2 percent in 2014; 12.4 percent in 2015; and 0.6 percent in 2016.

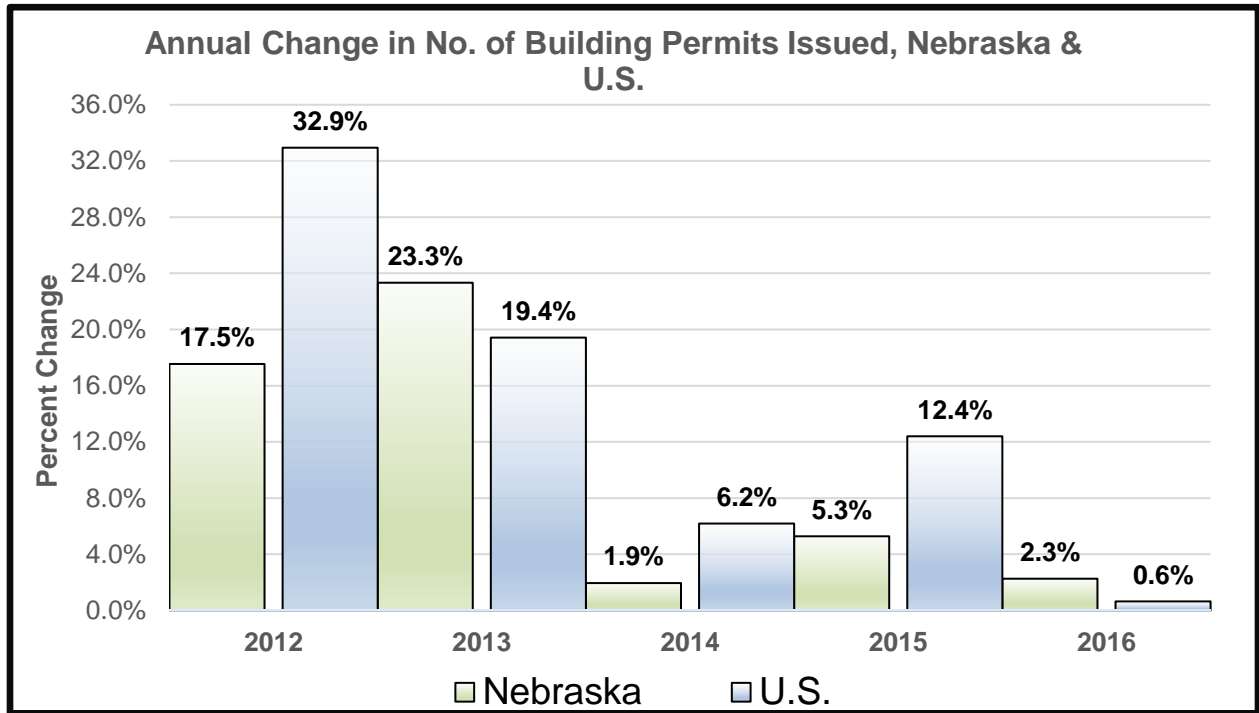


Figure 3

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 June 2017, state net taxable retail sales totaled \$2.6 billion, or 4.6 percent more than in May 2017; and, in June 2017, net taxable sales represented a 8.2 percent decline from the June 2016 sales level (see Figure 4).

Total annual taxable retail sales in Nebraska increased 5.4 percent in 2011; increased 4.2 percent in 2012; increased 5.3 percent in 2013; increased 3.0 percent in 2014; increased 0.9 percent in 2015; and increased 4.2 percent in 2016. In 2004, the state sales tax rate was set permanently at 5.5 percent and sales taxes on some services were eliminated.

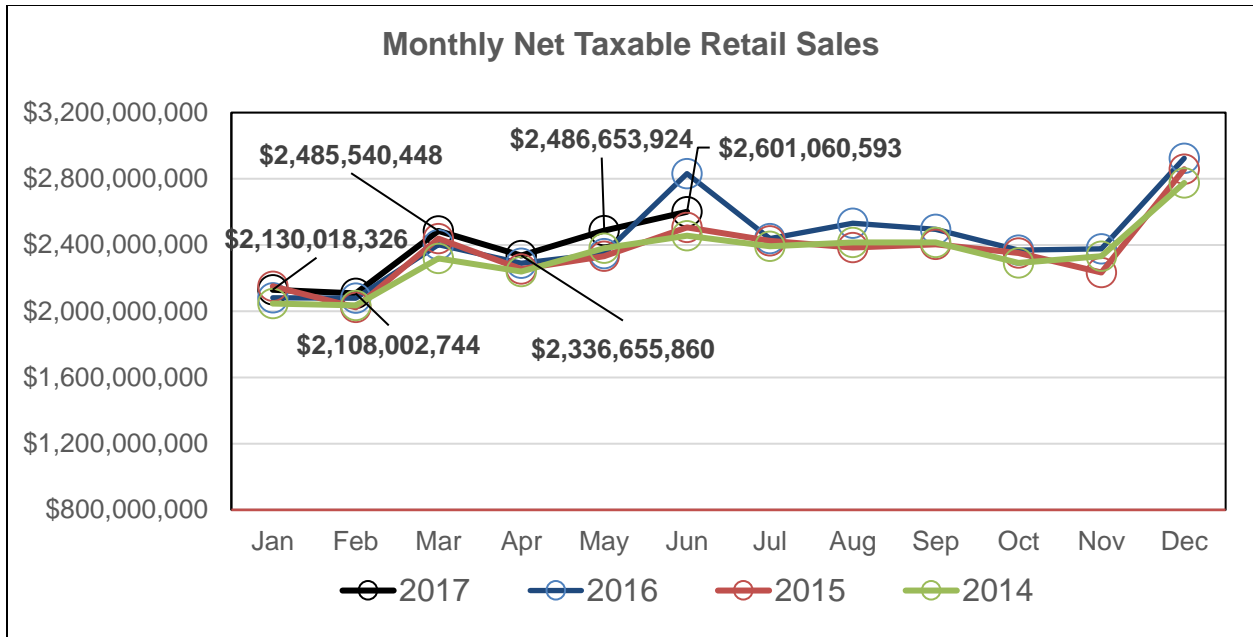


Figure 4

- 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 July 2017, Nebraska goods exports were down 1.5 percent compared to June 2017. Specifically, they totaled \$603.6 million in July compared to \$604.2 million in June. They were, however, up 10.5 percent compared to Nebraska exports in July 2016.

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. Nebraska imports were down an estimated 4.4 percent in July 2017 compared to June 2017. Imports were also down an estimated 0.5 percent year-over-year.

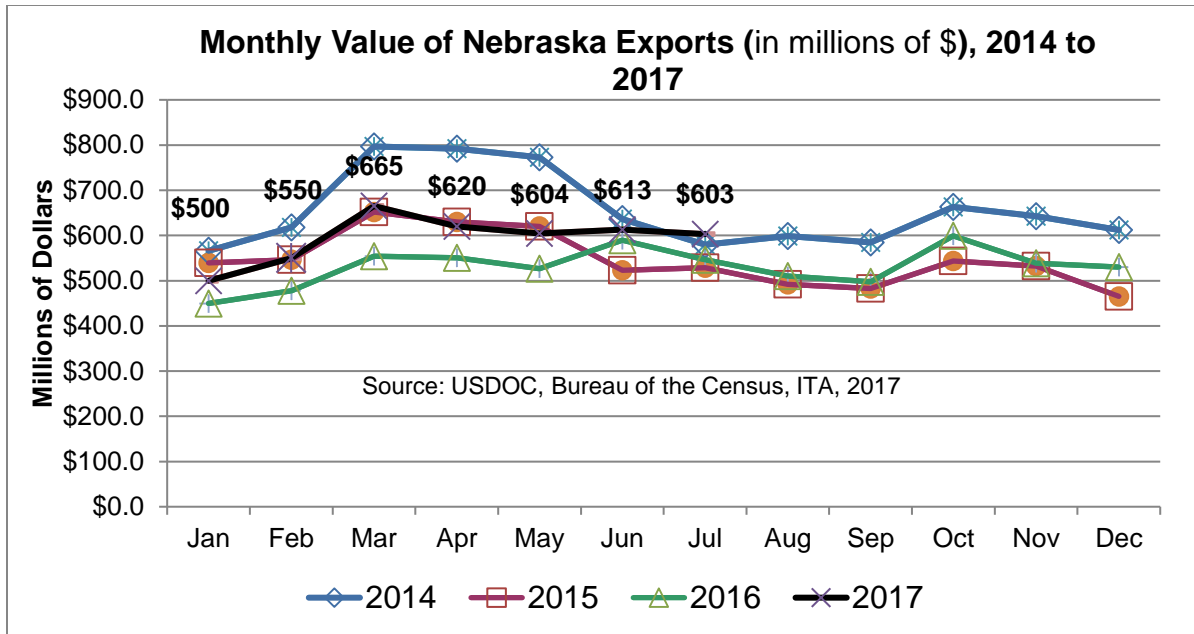


Figure 5

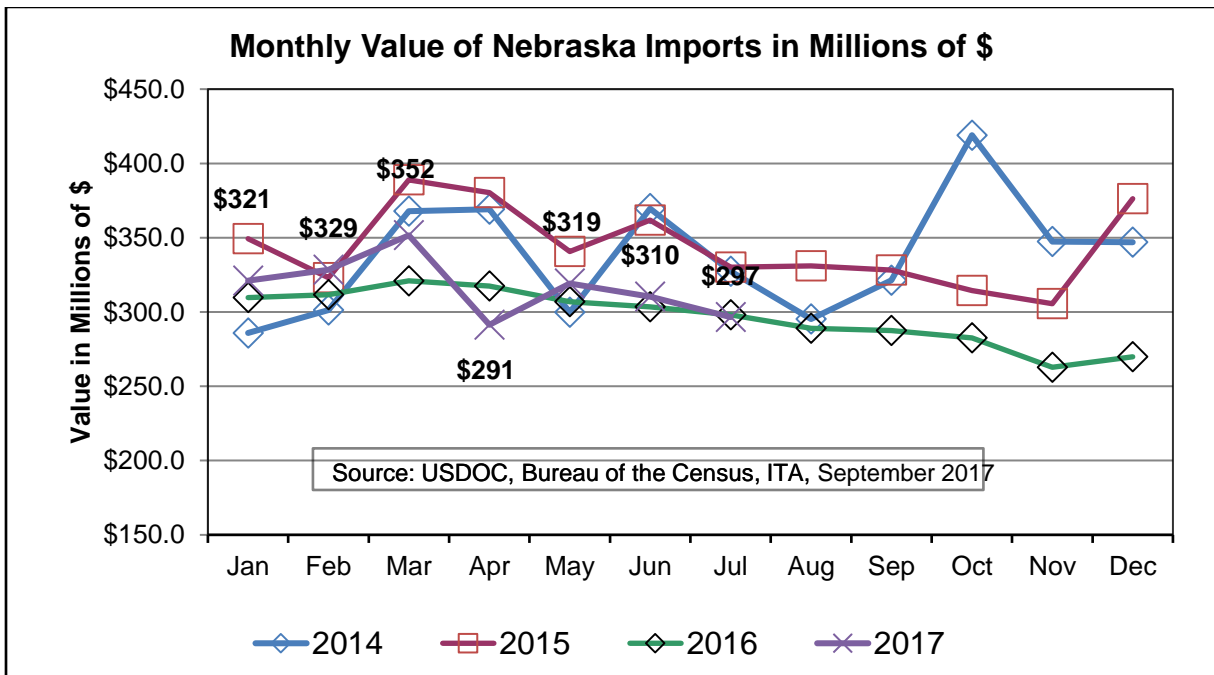


Figure 6

- 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 put it “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.

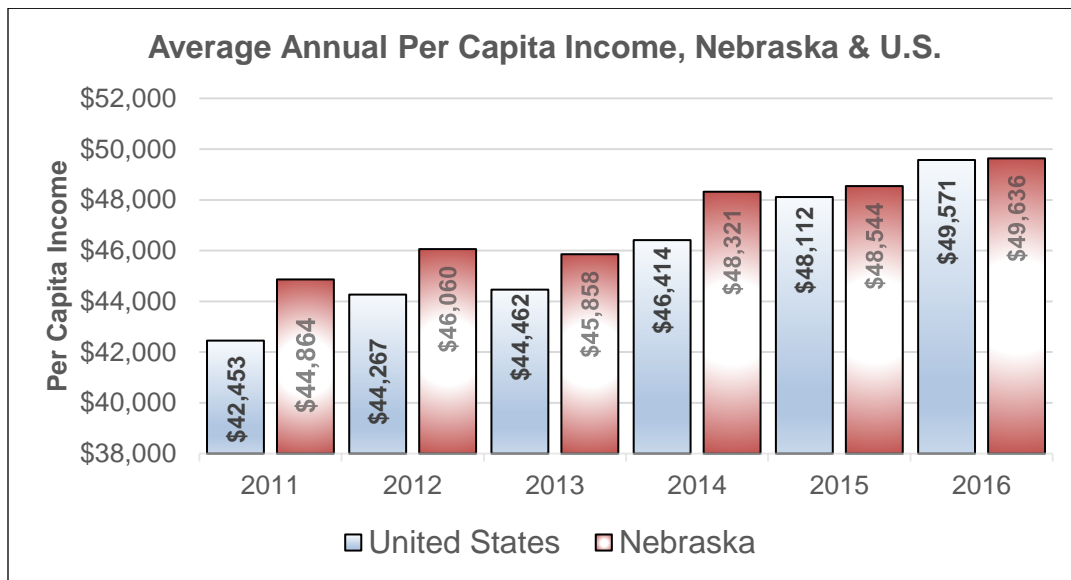


Figure 7

COST OF LIVING: In a community cost of living index compiled for 265 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 their composite indexes for the first quarter of 2017, the three Nebraska communities’ composite value was below the U.S. average of 100.0 at 93.8 (see Figure 8). With an individual composite index of 93.6, Omaha scored the lowest among the three Nebraska communities in the survey, but Hastings and Lincoln were well below the national average with an index of 94.1 percent each. So, these Nebraska cities maintained their below average cost of living ranking for all of 2017.

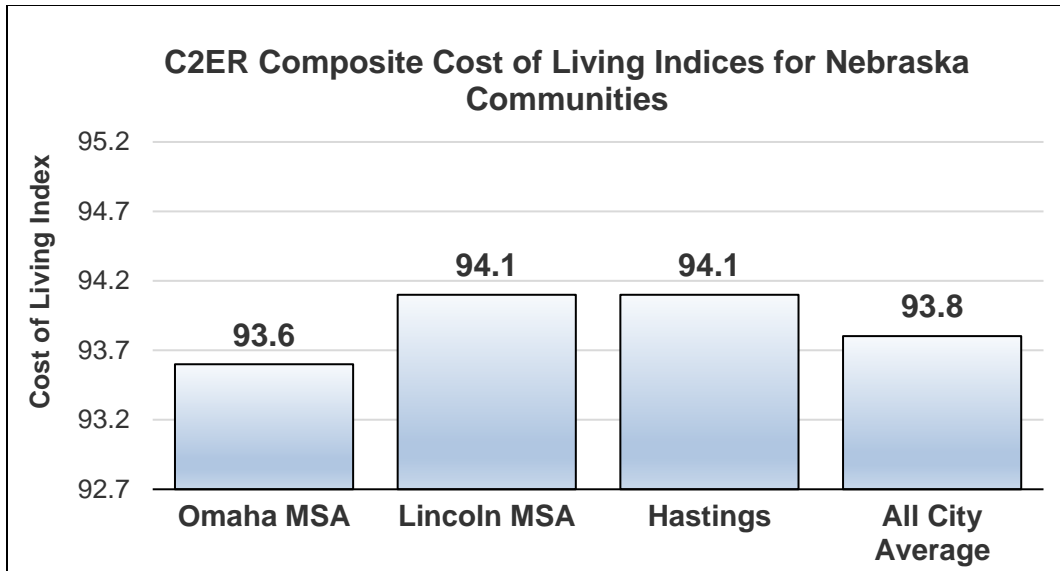


Figure 8

POPULATION: From 1974 to 1990, Nebraska experienced a net out-migration of people. But 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 2016 population reached 1,907,116 persons, or 4.4 percent higher than in 2010. The national growth rate during the same years was 4.6 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) rose by 0.56% during July of 2017. The increase in the LEI-N, which is designed to predict economic activity six months into the future, suggests that the Nebraska economy will grow through the first month of 2018. Four components of the indicator improved during July. Business expectations were solid and manufacturing hours grew. The value of the U.S. dollar continued its recent decline, a positive sign for Nebraska's export-oriented businesses. Further, in a positive sign for the labor market, there also was a drop in initial claims for unemployment insurance. In terms of worsening components, building permits for single-family homes declined during July."* (http://cba.unl.edu/outreach/bureau-of-business-research/documents/LEI_8_2017.pdf)

For additional Nebraska economic and demographic info, see: <http://opportunity.nebraska.gov/business/data-a-research>