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 1,010,960 persons in March 2018, which was 7,633 more persons than in February 2018. 29,410 persons were unemployed in March in Nebraska compared to 30,904 persons in the previous month.

The annual average Nebraska unemployment rate has been among the lowest in the nation for years (Figure 1). In March 2018, the preliminary Nebraska not seasonally adjusted unemployment rate was 2.9 percent, compared to 4.1 percent for the nation.

In March 2018, the Omaha MSA, which includes counties in Iowa, had a preliminary not seasonally adjusted unemployment rate of 3.0 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 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; 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 1,016,336 nonfarm jobs in the state in March 2018, or 9,115 more jobs than in February. The number of not seasonally adjusted nonfarm jobs totaled 497,901 in the Omaha MSA; 187,933 in the Lincoln MSA in March 2018; and 42,530 jobs in the Grand Island MSA. Job numbers increased in Grand Island, Omaha, and Lincoln in March 2018.
**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 March 2018, the Nebraska Department of Labor preliminary estimates show that Nebraska averaged 100,633 manufacturing jobs. That represented 407 more manufacturing jobs than in February 2018.

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.

![U.S. and Nebraska Manufacturing Job Growth, 2011 to 2017](image)

**RESIDENTIAL BUILDING PERMITS:** The U.S. Bureau of the Census’ Construction Statistics Division reported that Nebraska permit-issuing places authorized the construction of 585 new residential units in March 2018. That represented a decrease of 14.0 percent in the number of new units compared to the number authorized in February 2018. Nonetheless, the value of new residential permits increased from $98,277,000 in February 2018 to $114,709,000 in March 2018, a 16.7 percent increase. Still, it represented a 19.5 percent decline compared to March 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;
Net taxable sales in Nebraska exhibit a strong seasonality, which is one reason January’s sales were so low compared to December 2017’s sales.

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 March 2018, Nebraska goods exports were up 30.2 percent compared to February 2018. Specifically, they totaled $775.1 million in March compared to $595.1 million in February. They were up 16.5 percent compared to Nebraska exports in March 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 20.2 percent year-over-year in March, and were up an estimated 19.3 percent in March compared to February 2018.
Figure 6

Value of Nebraska Imports by Month (in Millions of $), 2015 to 2018

Source: USDOC, Bureau of the Census, ITA, 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.

COST OF LIVING: In community cost of living indexes compiled for 265 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 annual average composite indexes for the year 2017, the three Nebraska communities’ composite value was below the U.S. average of 100.0 at 92.6 (see Figure 8). With an individual composite index of 92.1, Omaha scored lower than Lincoln and Hastings, the other 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) rose by 1.03% during February of 2018. 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 steadily through the third quarter of 2018. Solid business expectations and a strong labor market were the primary reasons for the increase in the LEI-N. Respondents to the February Survey of Nebraska Business reported plans to increase sales and employment at their businesses over the next six months. Further, there was a decline in initial claims for unemployment insurance during February, which is a positive sign for the labor market. In terms of negative components, there was a small increase in the value of the U.S. dollar, which increases competitive pressure for Nebraska exporters.” ([http://cba.unl.edu/outreach/bureau-of-business-research/documents/LEI_3_2018.pdf](http://cba.unl.edu/outreach/bureau-of-business-research/documents/LEI_3_2018.pdf)). For additional Nebraska economic and demographic info, see: [http://opportunity.nebraska.gov/business/data-a-research](http://opportunity.nebraska.gov/business/data-a-research)