

# RECENT TRENDS IN SELECTED NEBRASKA ECONOMIC NUMBERS

by  
NDED Research Staff  
Updated November 21, 2018

**LABOR FORCE AND UNEMPLOYMENT:** Preliminary numbers from the Nebraska Department of Labor show the state’s not seasonally adjusted labor force averaged 1,024,158 persons in October 2018. 27,008 persons were unemployed in October in Nebraska.

The monthly average Nebraska unemployment rate has been among the lowest in the nation for years (Figure 1). In October 2018, the preliminary Nebraska seasonally adjusted unemployment rate was 2.8 percent, compared to 3.7 percent for the nation.<sup>1</sup>

In October 2018, the Omaha MSA, which includes counties in Iowa, had a preliminary not seasonally adjusted unemployment rate of 2.6 percent; the Lincoln MSA had a preliminary not seasonally adjusted rate of 2.5 percent; and the Grand Island MSA had a preliminary unemployment rate of 2.7 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).

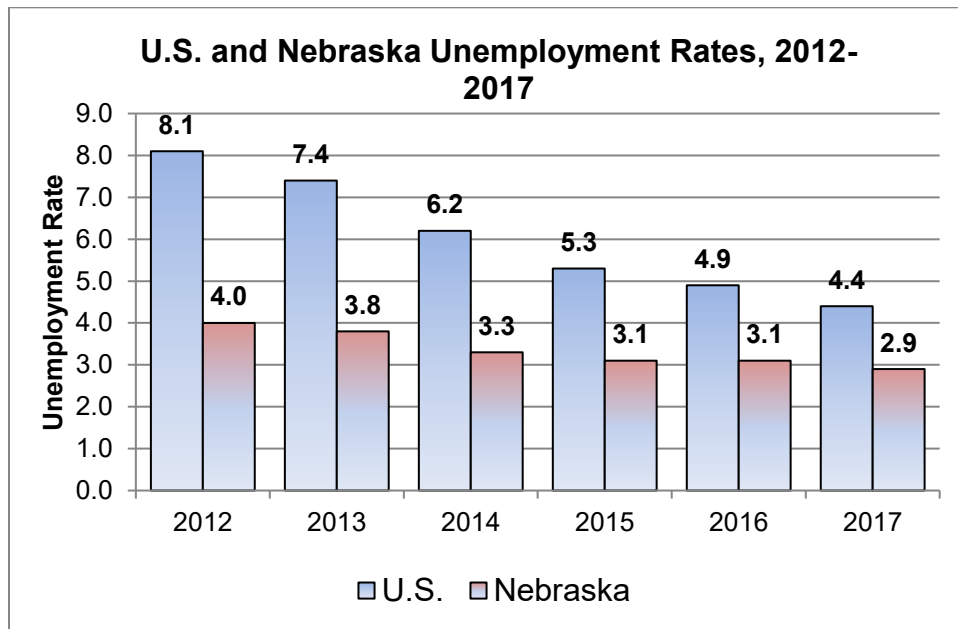


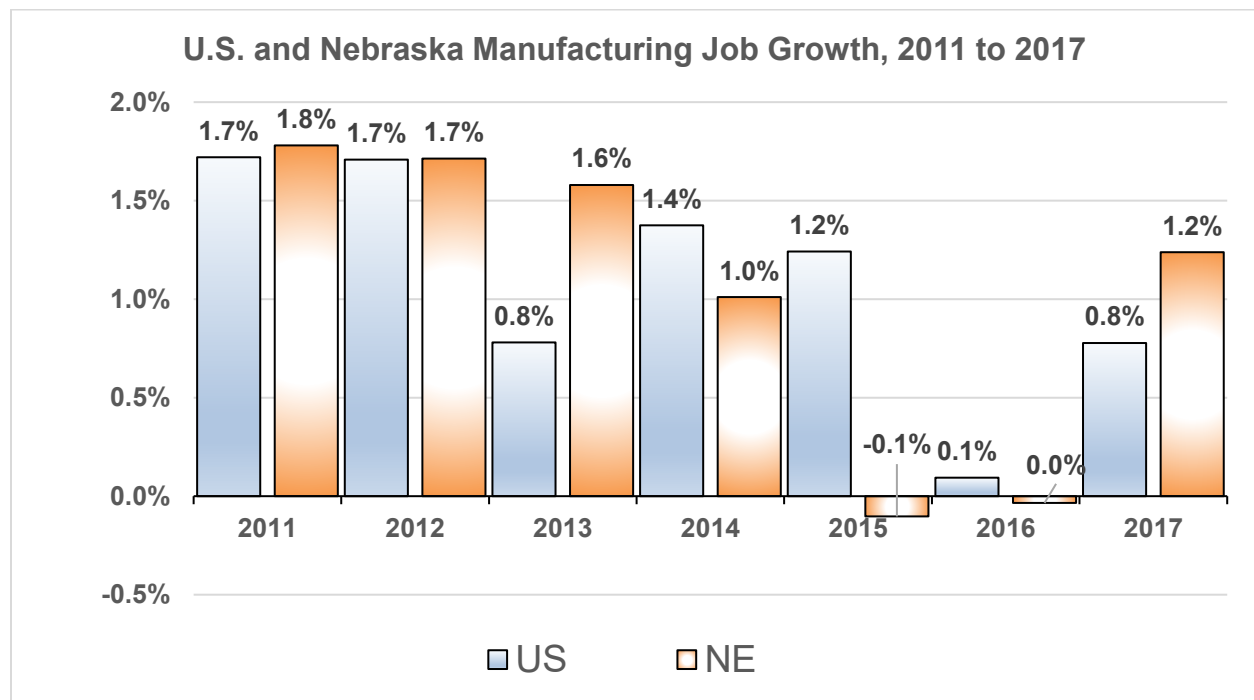
Figure 1

<sup>1</sup> The unemployment rate comes in seasonally adjusted and not seasonally adjusted versions because “This rate depends particularly on seasonal influences, which is why it is important to free the unemployment rate of its seasonal component. Such seasonal influences can be due to school graduates or dropouts looking to enter into the workforce and regular fluctuations during holiday periods. Once the seasonal influence is removed from this time series, the unemployment rate data can be meaningfully compared across different months and predictions for the future can be made.” (Wikipedia, 2018)

**OVERALL 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 1,039,493 nonfarm jobs in the state in October 2018. That represented an increase of 15,953 not seasonally adjusted workers from October 2017 to October 2018.

**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 October 2018, the Nebraska Department of Labor preliminary estimates show that Nebraska averaged 102,754 manufacturing jobs – an increase of 4,384 manufacturing workers between October 2017 and October 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 increased 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.



**Figure 2**

**RESIDENTIAL BUILDING PERMITS:** The U.S. Bureau of the Census' Construction Statistics Division reported that Nebraska permit-issuing places authorized the construction of 789 new residential units in August 2018. That represented an increase of 30.6 percent in the number of

new units compared to the number authorized in July 2018. The value of new residential permits increased from \$110,546,000 in July 2018 to \$115,258,000 in August 2018, a 1.4 percent increase. It represented a 35.6 percent decrease compared to August 2017.

The annual number of new Nebraska residential building permits; increased 10.3 percent in 2013, increased 3.5 percent in 2014; increased a modest 1.5 percent in 2015; increased 3.4 percent in 2016; and increased 10.0 percent in 2017 (see Figure 3 and **Nebraska Databook**). Nationally, the number of residential units increased 10.4 percent in 2013; 15.4 percent in 2014; 13.4 percent in 2015; 1.0 percent in 2016; and 6.2 percent in 2017. So, Nebraska growth rates of new residential construction has barely kept pace with national growth rates for the past several years.

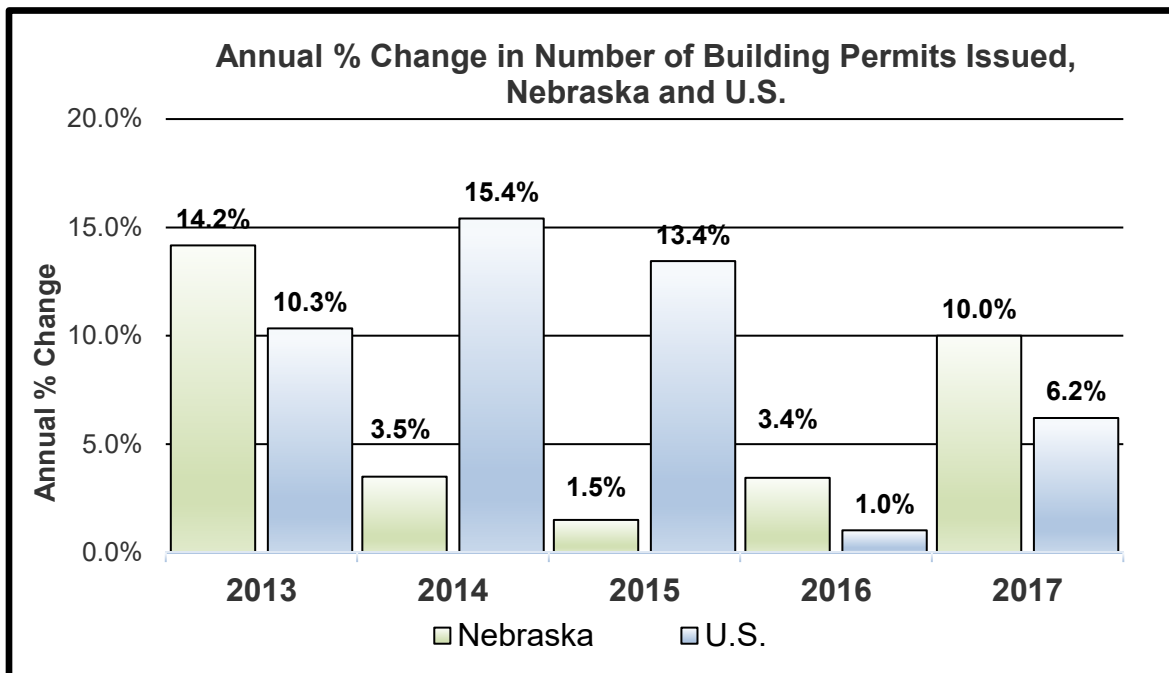
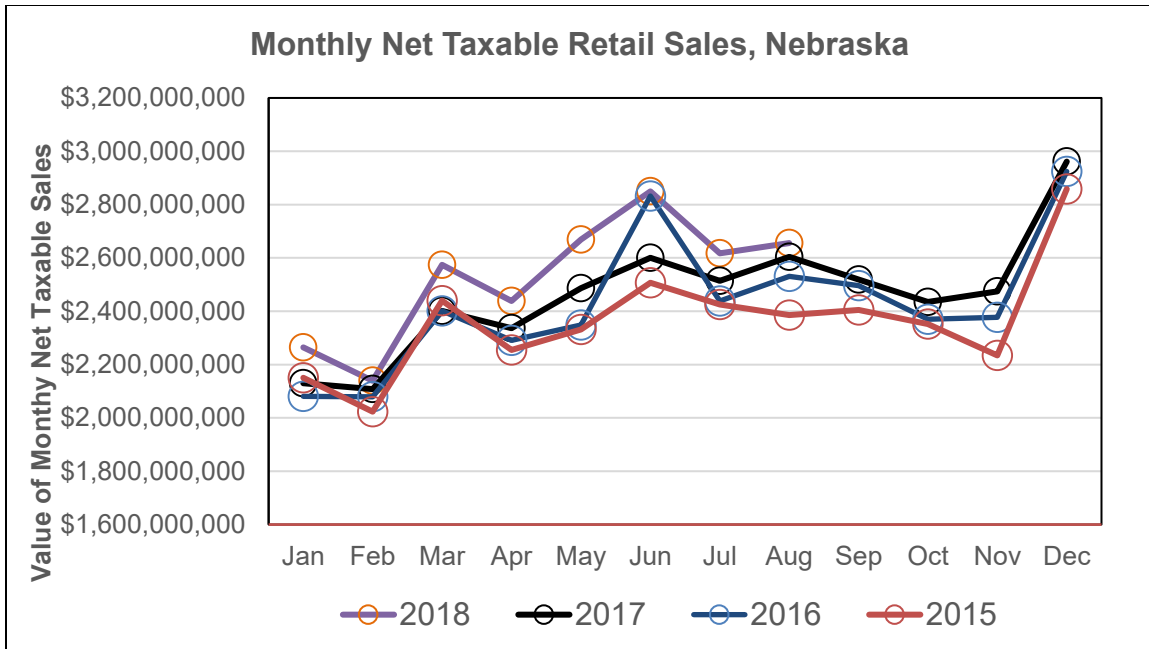


Figure 3

**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 August 2018, state net taxable retail sales totaled \$2.66 billion, or 14 percent more than in July 2018, and 2.0 percent more than in August 2017. Net taxable sales in Nebraska exhibit a strong seasonality, which is one reason January’s sales are so low compared to December’s.

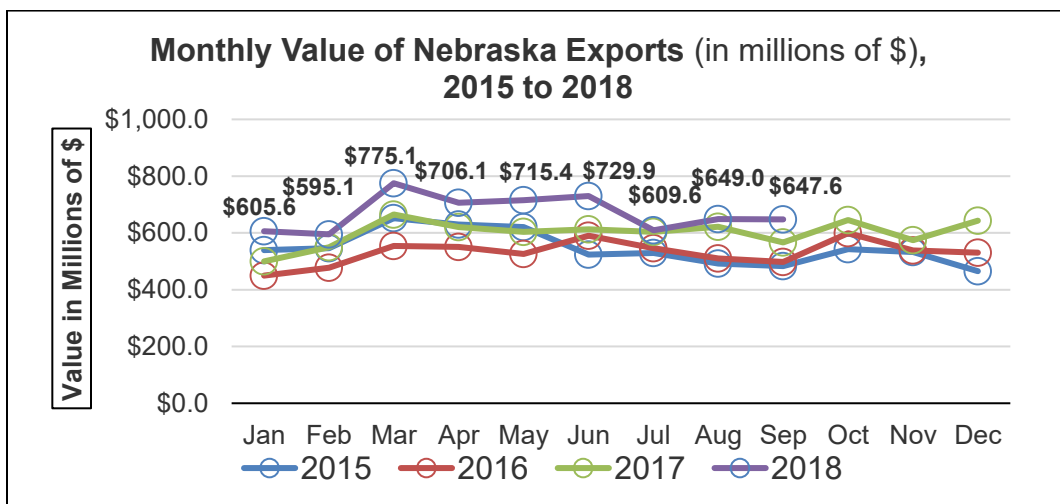
Total annual net taxable retail sales in Nebraska increased 4.2 percent in 2012; increased 5.3 percent in 2013; increased 3.0 percent in 2014; increased 1.0 percent in 2015; increased 2.5 percent in 2016; and increased 1.4 percent in 2017. In 2004, the state sales tax rate was set permanently at 5.5 percent and sales taxes on some services were eliminated.



**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 September 2018, Nebraska goods exports were down 0.2 percent compared to August 2018. Specifically, they totaled \$647.6 million in September compared to \$649.0 million in August. They were up 14.2 percent compared to Nebraska exports in September 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 2.6 percent year-over-year in September, but were down an estimated 10.8 percent compared to August 2018.



**Figure 5**

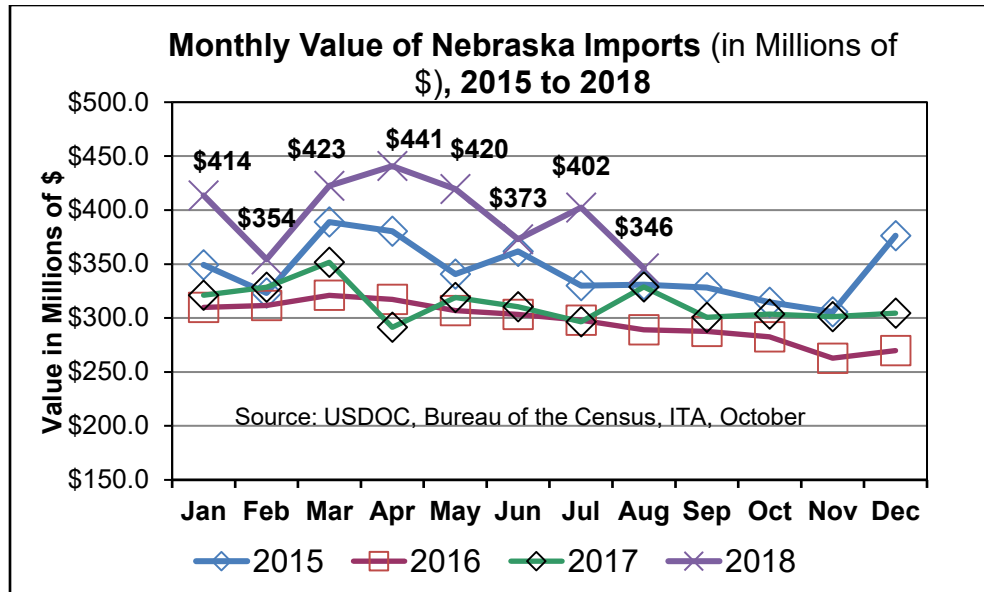


Figure 6

**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 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<sup>th</sup> 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.

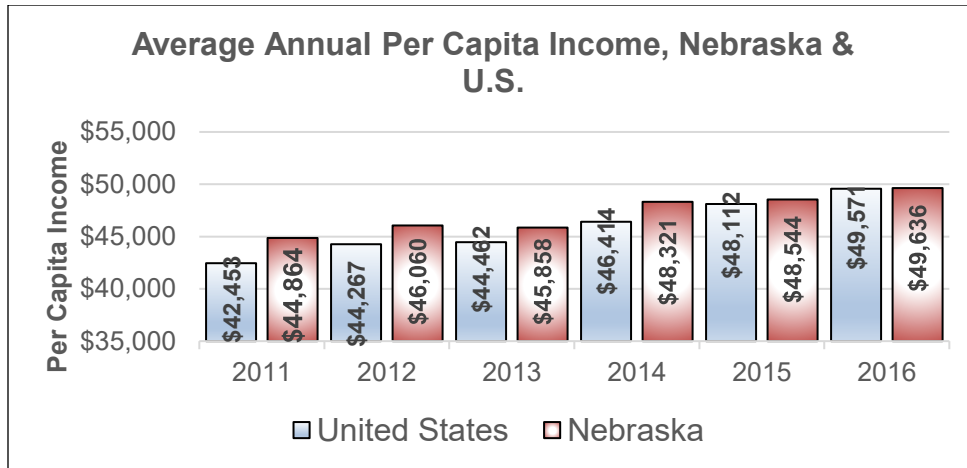


Figure 7

**COST OF LIVING:** In community cost of living indexes compiled for 268 U.S. urban areas by C2ER, the two Nebraska communities in the survey have generally been below the national average for the six expenditure categories tracked. Looking at their third quarter 2018 average composite index, the two Nebraska communities' weighted average composite value was well below the U.S. average of 100.0 at 94.8 (see Figure 8). So, these numbers suggest it costs less to live in Nebraska than in most other states in the U.S.

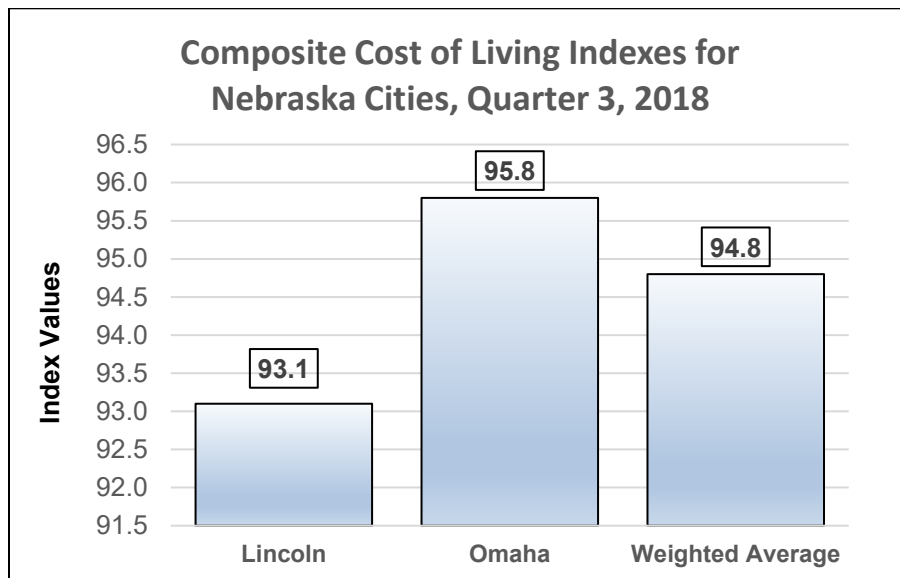


Figure 8

**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 ECONOMY IN THE SHORT-TERM:** *"The Leading Economic Indicator – Nebraska (LEI-N) <sup>1</sup> rose by 0.51% during October of 2018. The increase in the LEI-N, which is designed to predict economic activity six months into the future, suggests moderate economic growth in Nebraska through the first quarter of 2019. Initial claims for unemployment insurance fell in Nebraska during October, while building permits for single-family homes and business expectations improved. In particular, respondents to the October Survey of Nebraska Business reported plans to increase both sales and employment at their businesses over the next six months.*

[http://cba.unl.edu/outreach/bureau-of-business-research/documents/LEI\\_11\\_2018.pdf](http://cba.unl.edu/outreach/bureau-of-business-research/documents/LEI_11_2018.pdf)

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