

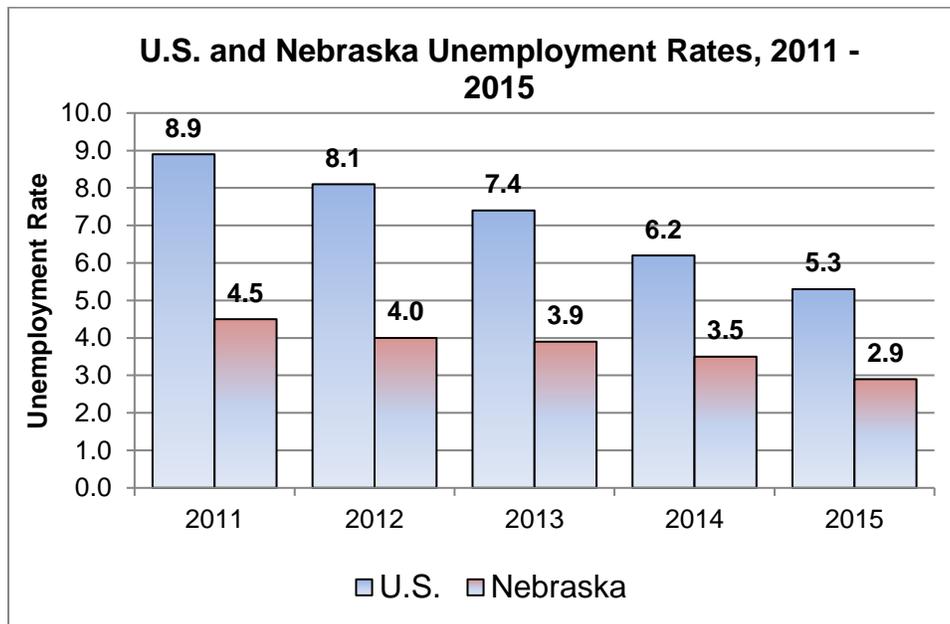
## RECENT TRENDS IN SELECTED NEBRASKA ECONOMIC NUMBERS

*Updated January 13, 2017*

**LABOR FORCE AND UNEMPLOYMENT:** Preliminary numbers from the Nebraska Department Labor show the state’s not seasonally adjusted total labor force averaged 1,013,261 persons in November 2016. That was 596 fewer persons than who were in the labor force in October 2016.

The annual average Nebraska unemployment rate has been among the lowest in the nation for years (Figure 1). In November 2016, the not seasonally adjusted Nebraska unemployment rate was 2.8 percent. The not seasonally adjusted national rate was 4.4 percent. In November 2016, the Omaha MSA, which includes counties in Iowa, had a not seasonally adjusted unemployment rate of 2.9 percent; the Lincoln MSA had a not seasonally adjusted rate of 2.5 percent; and the Grand Island MSA had an unemployment rate of 3.0 percent.

The annual average Nebraska unemployment rate was 4.5 percent in 2011, 4.0 percent in 2012; 3.9 percent in 2013; 3.5 percent in 2014; and 2.9 percent in 2015; compared to 8.9 percent, 8.1 percent, 7.4 percent, 6.2 percent, and 5.3 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, 1,032,461 not seasonally adjusted nonfarm jobs in the state in November 2016, which was 7,670 more jobs than in October 2016 (see **Nebraska Databook**). The total work force in the Omaha MSA was 504,929; the total nonfarm jobs in the Lincoln MSA was 191,287.

**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 between 2011 and 2015) in Nebraska’s manufacturing job numbers (Figure 2), but there was a fall-off in job growth in 2015. In November 2016, the Nebraska Department of Labor not seasonally adjusted preliminary estimates show that Nebraska averaged 97,744 manufacturing jobs. That represented 331 more manufacturing jobs than in October 2016.

The number of Nebraska manufacturing jobs increased 1.9 percent in 2011, increased 1.7 percent in 2012, increased 1.6 percent in 2013, increased a modest 0.8 percent in 2014, then decreased 2.1 percent in 2015. 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, and increased 1.1 percent in 2015. So, since 2014 Nebraska has fallen behind national manufacturing employment trends.

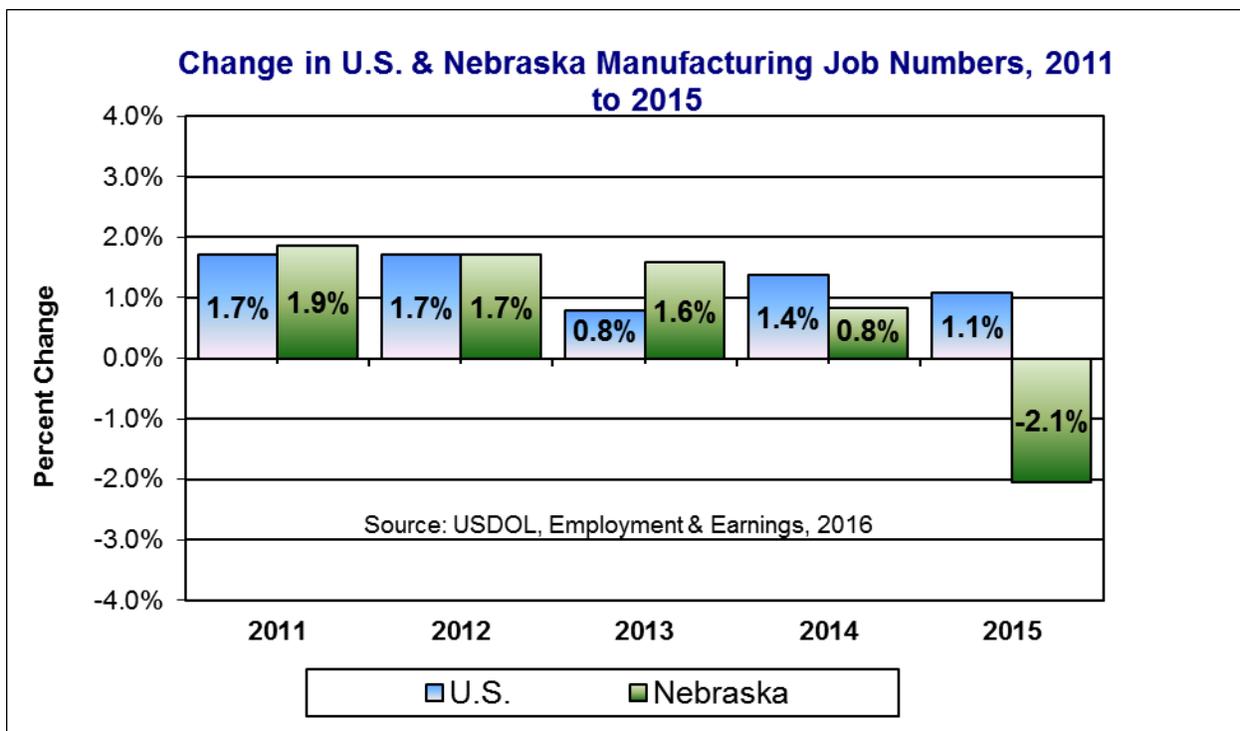


Figure 2

**RESIDENTIAL BUILDING UNITS:** The U.S. Bureau of the Census' Construction Statistics Division reported that Nebraska permit-issuing places authorized the construction of 593 new residential units in November 2016. That represented a decline of 30.0 percent compared to the number of units authorized in October. The value of new residential permits fell from \$131,370,000 in October 2016 to \$101,388,000 in November, a 22.8 percent fall.

The number of Nebraska residential building permits; increased 3.8 percent in 2011, increased 25.6 percent in 2012, increased 15.4 percent in 2013, increased a very modest 1.8 percent in 2014; and increased 2.1 percent in 2015 (see Figure 3 and *Nebraska Databook* table). Nationally, the number of residential units increased 4.4 percent in 2011; 30.7 percent in 2012; 21.5 percent in 2013; 4.8 percent in 2014; and 13.4 percent in 2015.

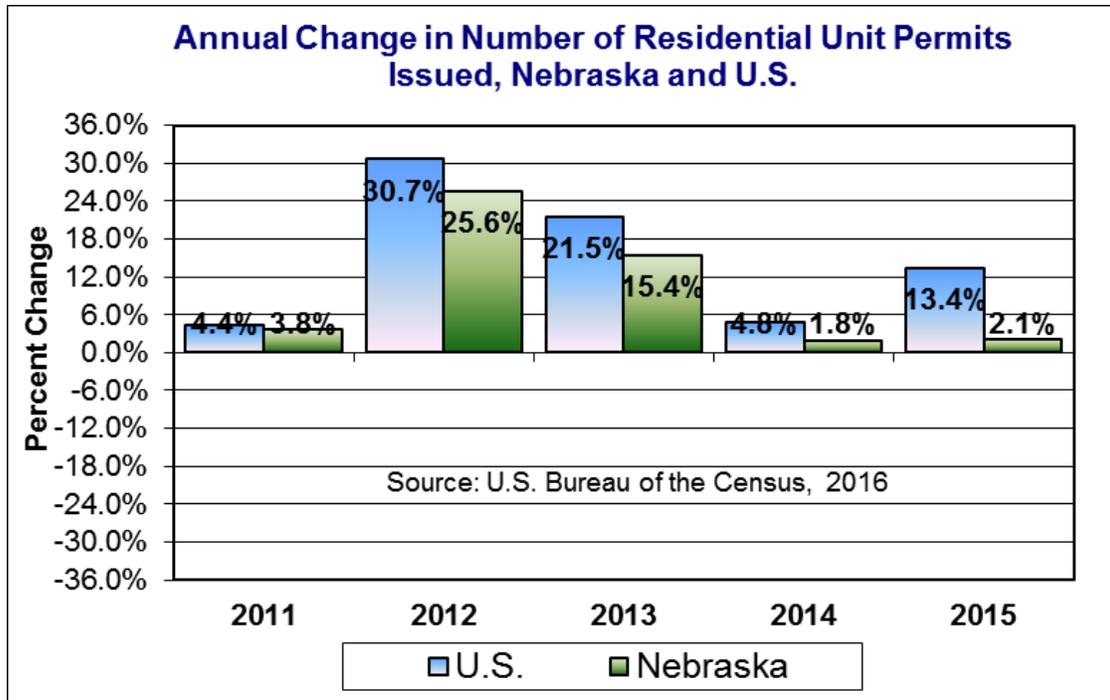


Figure 3

**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 October 2016, state net taxable retail sales totaled \$2.37 billion, or 5.0 percent less than in September 2016, but October 2016 net taxable sales represented a 0.8 percent increase over October 2015 (see Figure 4).

Total annual taxable retail sales in Nebraska increased 3.4 percent in 2010; increased 5.4 percent in 2011; increased 4.2 percent in 2012; increased 5.3 percent in 2013; increased 3.0 percent in 2014; and increased 0.9 percent in 2015. In 2004, the state sales tax rate was set permanently at 5.5 percent and some previously applied service sales taxes were repealed.

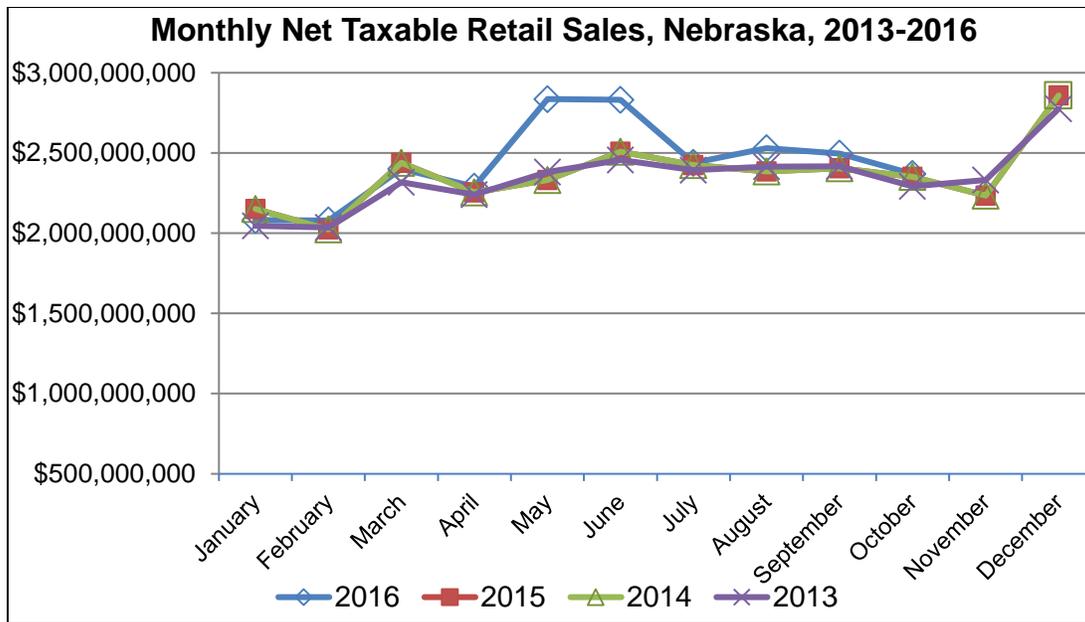


Figure 4

**MERCHANDISE EXPORTS AND IMPORTS: Nebraska has been a major exporter of** agricultural crop 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 November 2016, Nebraska goods exports were down 10.1 percent compared to October 2016. Specifically, they totaled \$534.4 million in November compared to \$599.1 million in October. However, they were up 1.1 percent compared to Nebraska exports in November 2015.

In 2010, the U.S. Census Bureau began releasing estimates of the value of state imports based on the final destination of imports reported at the time of entry (see Figure 6). Those numbers suggest that monthly Nebraska imports generally average 40-50 percent of the value of state exports. Nebraska imports fell an estimated 14.0 percent in November 2016 compared to November 2015; so the lower price of imports compared to U.S. exports is apparently not increasing Nebraska import numbers. In fact, since June, Nebraska monthly imports have been at their lowest levels each month going back to at least 2013.

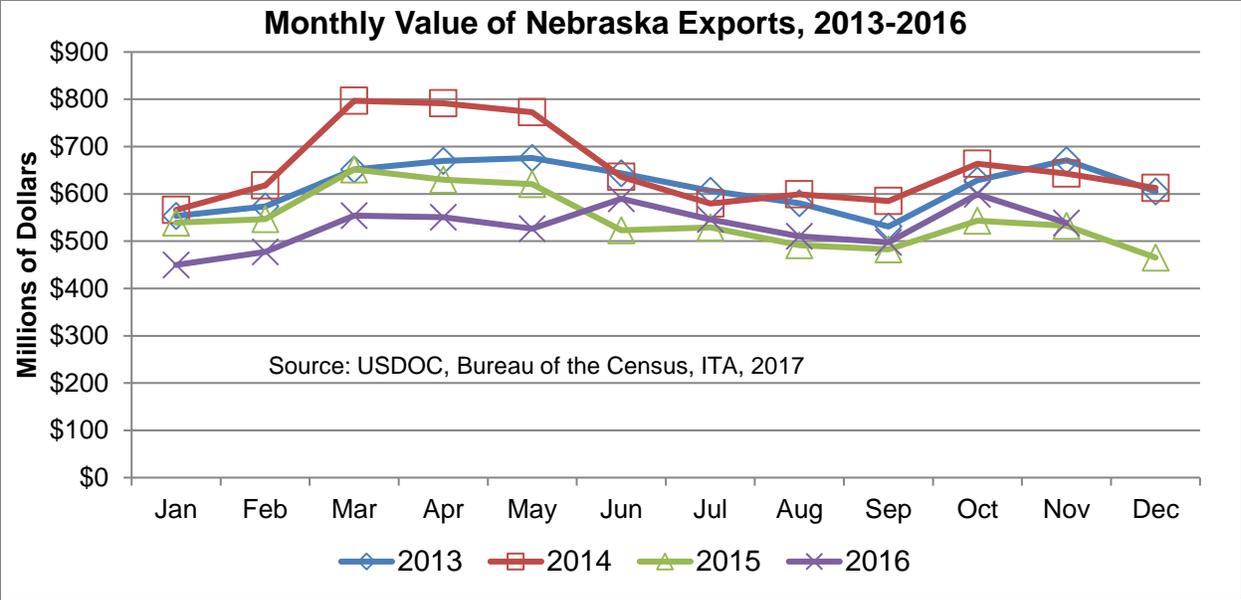


Figure 5

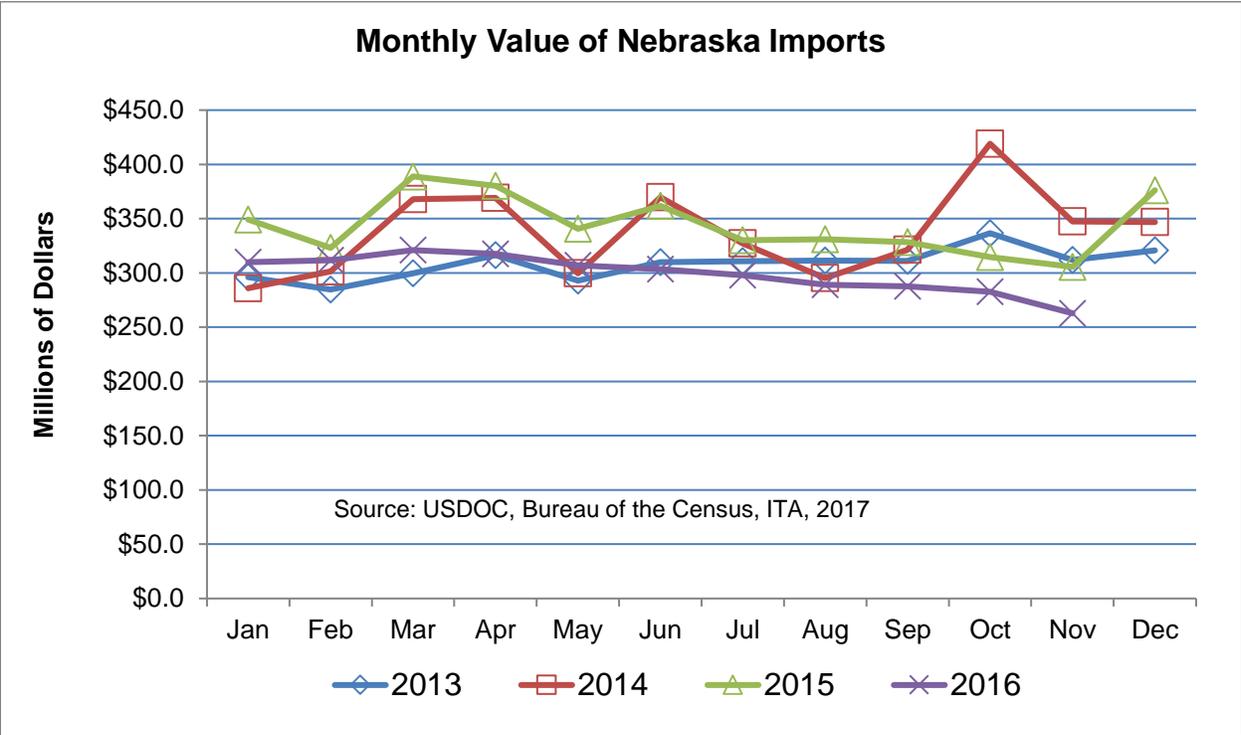


Figure 6

**INCOME:** Historically, Nebraska's per capita income (PCI) has been below the U.S. average (Figure 7). In 2001, Nebraska per capita income was just 0.2 percent more than the national average; but, in 2015, the U.S. Bureau of Economic Analysis estimates show the state's PCI at \$48,544, which was 100.9 percent of the U.S. figure. That value was actually down from the previous four year values, when the Nebraska PCI averaged 104.2 percent of the national average. Or, 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 was \$39,428 in 2009, increased by 1.3 percent to \$39,935 in 2010, then jumped 12.3 percent to \$44,864 in 2011, increased, again, 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, and, in 2015, rose 0.5 percent to \$48,544.

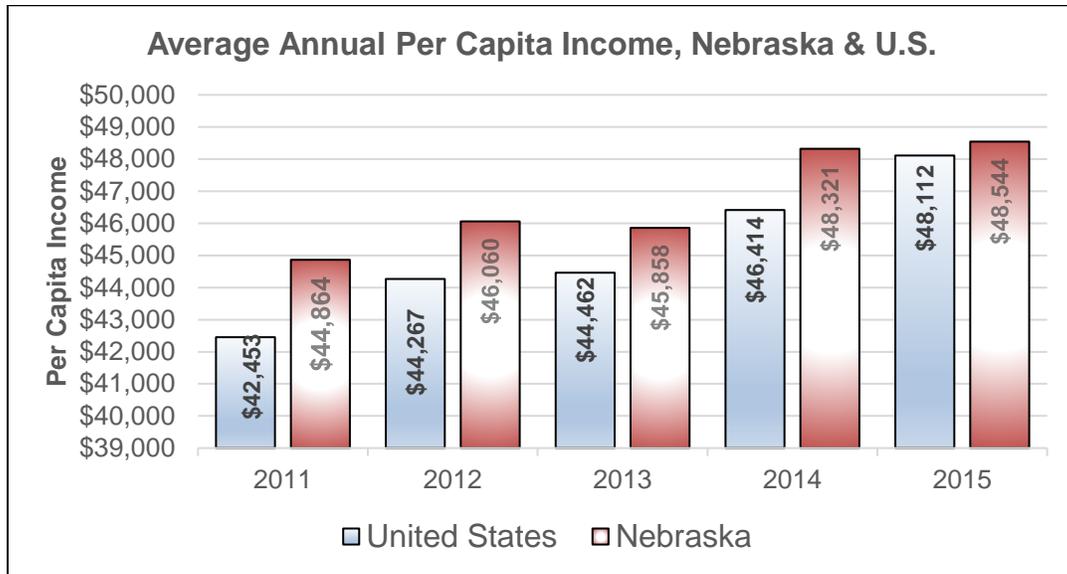


Figure 7

**COST OF LIVING:** In a community cost of living index compiled for 260 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 the third quarter of 2016, the three Nebraska communities’ composite index was below the U.S. average of a 100.0 at 91.7 (see Figure 8). With composite average of 90.7, Hastings scored the lowest among the three Nebraska communities in the survey, but Omaha was also well below a 100.0 percent at 90.9 percent. Lincoln was also below the national average, but somewhat of an outlier for the state at 93.1 percent. So, these Nebraska cities maintained their below average cost of living in the third quarter of 2016.

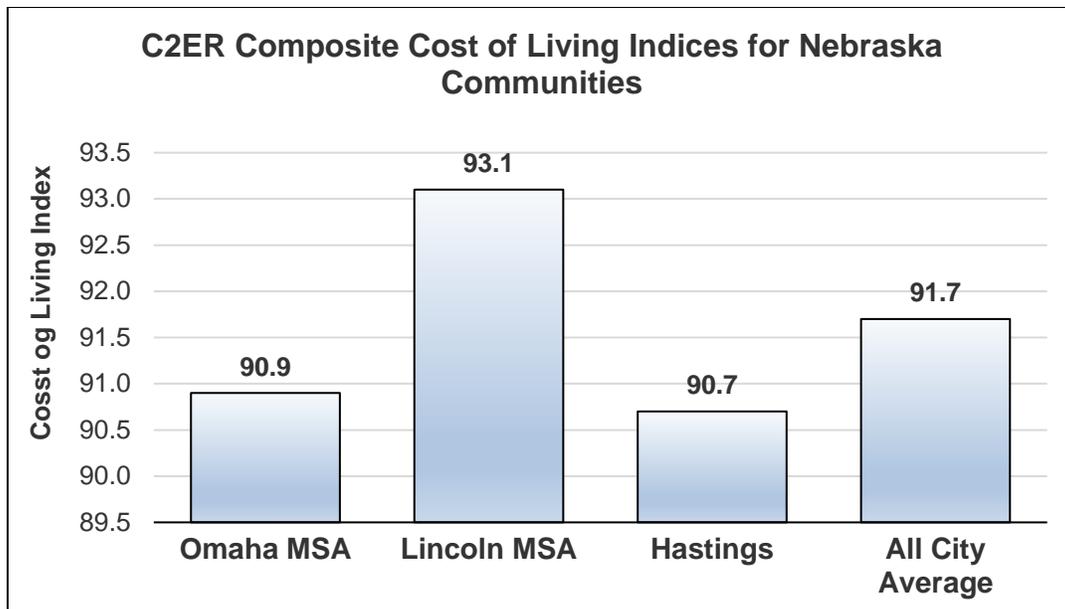


Figure 8

**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) fell by 0.32% during November of 2016. The decline in the LEI-N, which predicts economic activity six months in the future, suggests that economic growth will be modest in Nebraska during the first half of 2017. Four of six components of the LEI-N were negative during November. Airline passenger counts and manufacturing hours both declined during the month. There also was another increase in the value of the U.S. dollar during November, a negative for export-oriented businesses in Nebraska. Initial claims for unemployment insurance rose during the month. Two components of the indicator improved during November. There was an increase in building permits for single-family homes. Further, business expectations for both sales and employment were positive during November ([http://cba.unl.edu/outreach/bureau-of-business-research/documents/LEI\\_12\\_2016.pdf](http://cba.unl.edu/outreach/bureau-of-business-research/documents/LEI_12_2016.pdf)).*

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