

RECENT TRENDS IN SELECTED NEBRASKA ECONOMIC NUMBERS

Updated March 10, 2010

LABOR FORCE AND UNEMPLOYMENT: Preliminary numbers from the U.S. Department of Labor show the Nebraska labor force averaged 938,300 workers in December 2009. The annual average Nebraska unemployment rate has been among the lowest in the nation for years (Figure 1). In December 2009, state labor data show the Nebraska seasonally adjusted unemployment rate was 4.7 percent. The seasonally adjusted national rate was 10.0 percent.

In December 2009, Douglas County (Omaha) had an unemployment rate of 5.0 percent. Lancaster County (Lincoln) had a rate of 4.1 percent. The highest county rate in Nebraska was Thurston County with 12.7 percent (see Map 1).

The annual average Nebraska unemployment rate was 3.8 percent in 2005; 3.2 percent in 2006; 3.0 percent in 2007; 3.3 percent in 2008; and 4.7 percent in 2009; compared to 5.1 percent; 4.6 percent; 4.6 percent; 5.8 percent; and 9.3 percent overall in the U.S.

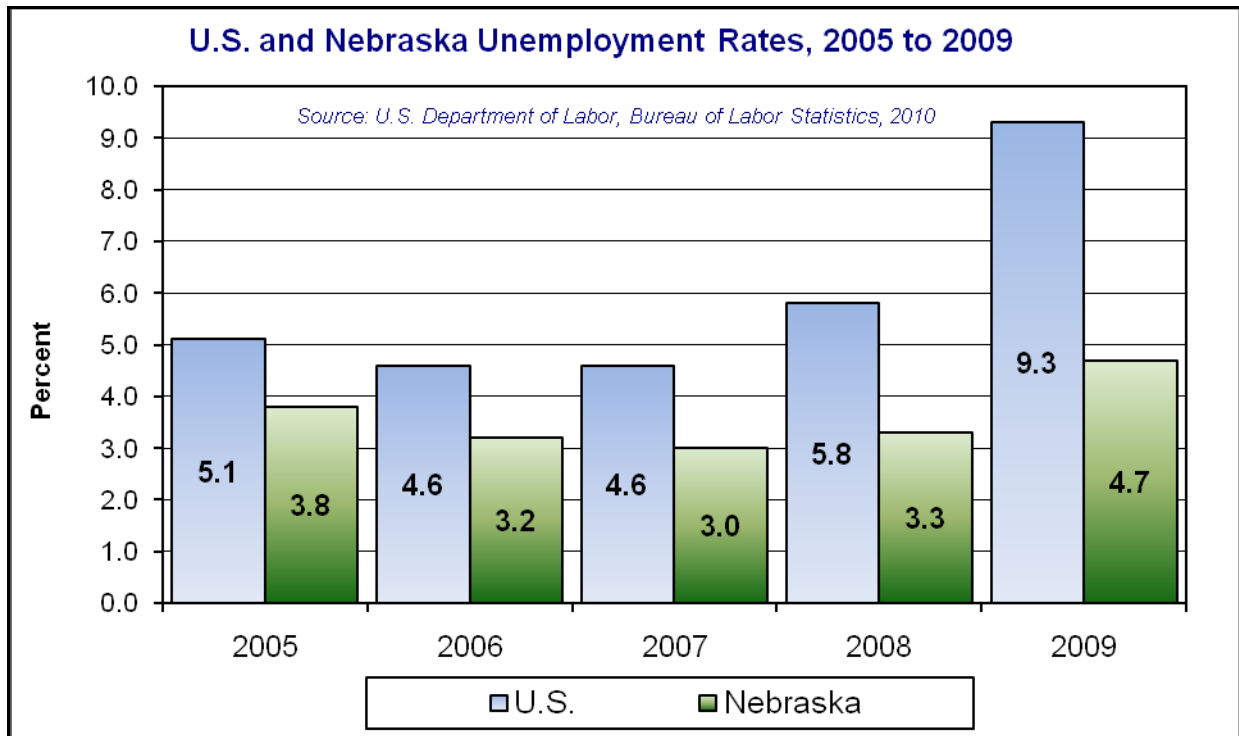
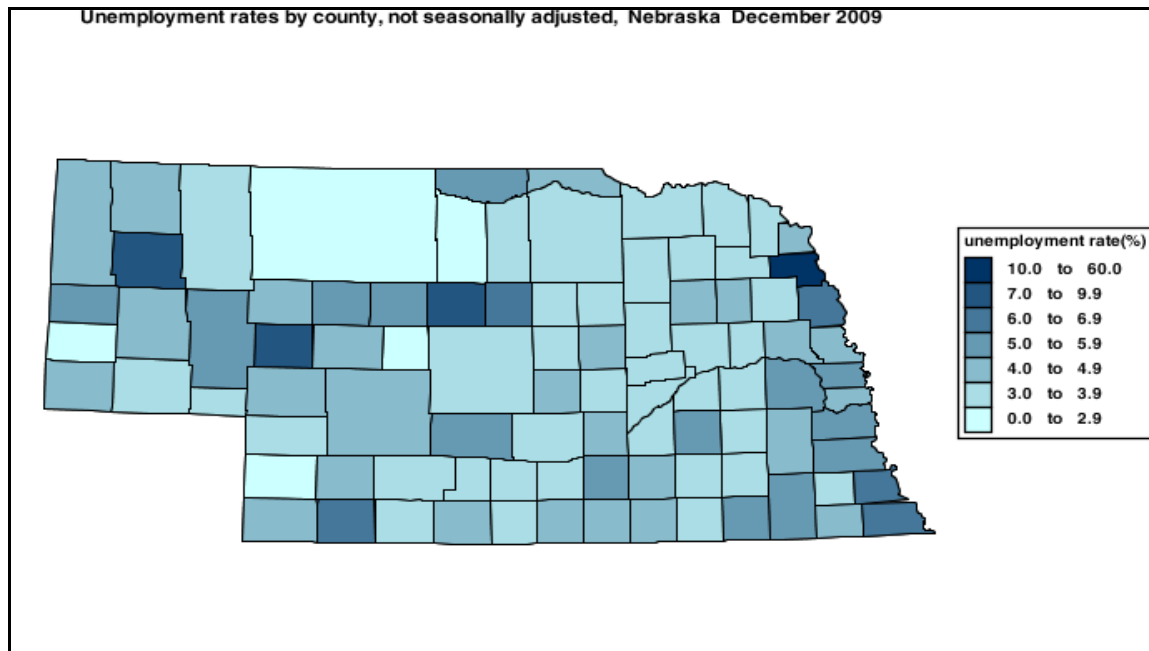


Figure 1



Map 1

JOB GROWTH: The Nebraska growth in non-farm payroll employment (jobs) has generally been positive in recent years. But U.S. Department of Labor numbers show that, between December 2008 and December 2009, the number of non-farm payroll jobs decreased by 25,400 or by 2.6 percent. During December 2009, Nebraska non-farm jobs totaled 942,600.

In 2008, the number of Nebraska non-farm payroll jobs averaged 964,676. Over the same period, U.S. non-agricultural employment averaged 137,066,000 (see [Nebraska Databook table](#)).

MANUFACTURING JOB GROWTH: Throughout the 1990s, the number of Nebraska manufacturing jobs increased each year, generally faster than the national rate. However, since 2002, both the national and Nebraska manufacturing job growth rates have been largely negative (Figure 2). During December 2009, preliminary Nebraska Department of Labor estimates show the number of Nebraska manufacturing jobs averaged 91,900, or 8,100 less, than during the same month of 2008.

The number of Nebraska manufacturing jobs averaged 101,315 in 2005 (a 0.3 decrease from the previous year); increased 0.2 percent in 2006 to 100,480; decreased 0.2 percent to 100,266 in 2007, increased 0.3 percent to 101,577 in 2008, and then decreased 8.5 percent to 92,926 in 2009. Overall in the U.S., the number of manufacturing jobs decreased 0.6 percent in 2005; decreased 0.2 percent in 2006; decreased 2.2 percent in 2007; decreased 3.3 percent in 2008; and decreased 11.4 percent in 2009.

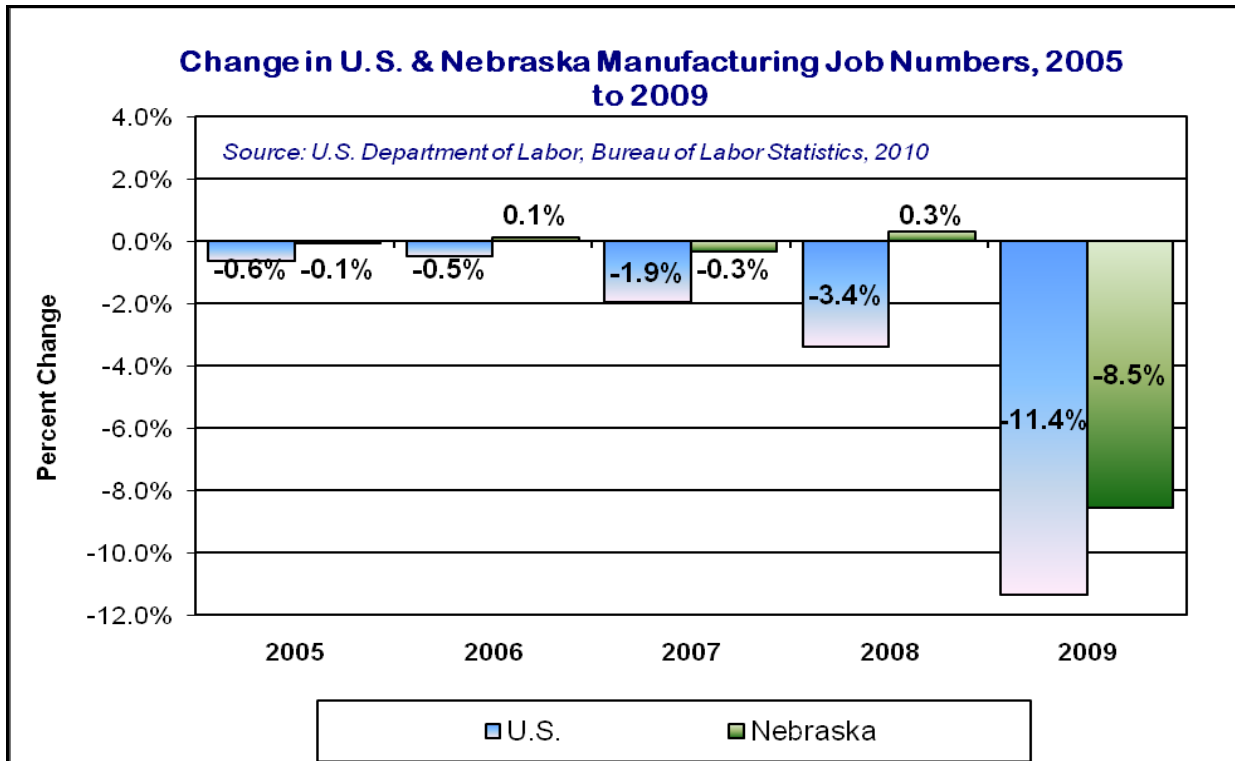


Figure 2

RESIDENTIAL BUILDING UNITS: The U.S. Bureau of the Census' Construction Statistics Division reported that Nebraska permit-issuing places authorized the construction of 5,180 new residential units through December 2009. That represented a decline of 20.8 percent compared to the 6,542 units authorized through December 2008. The year-to-date value of new residential permits decreased 15.4 percent from December 2008 to December 2009, or from \$916.6 million to \$775.3 million.

The number of Nebraska residential building permits decreased 9.1 percent in 2005; decreased 11.7 percent in 2006; decreased 9.8 percent in 2007, decreased 17.2 percent in 2008, and decreased 20.8 percent in 2009 (see Figure 3 and **Nebraska Databook** [table](#)). Nationally, the number of residential units increased 4.1 percent in 2005; then fell 15.8 percent in 2006; 23.9 percent in 2007; 35.3 percent in 2008; and, preliminarily, 35.9 percent in 2009.

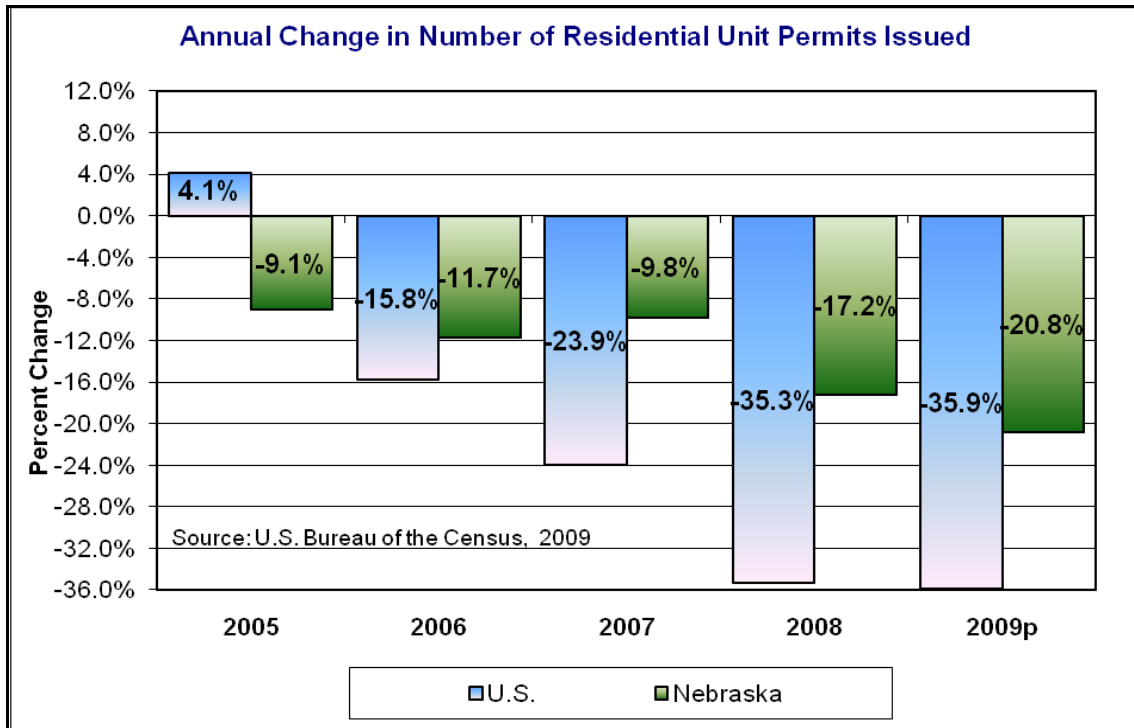


Figure 3

NET TAXABLE RETAIL SALES: Nebraska net taxable retail sales have generally increased steadily on a monthly and annual basis in recent years. In December 2009, however, state taxable retail sales totaled \$2.28 billion, or 7.7 percent less, than during December 2008 (see Figure 4 and [table](#)). For the year, taxable retail sales were down 3.4 percent for January through December compared to the same months of 2008.

Total annual taxable retail sales increased 2.9 percent in 2000; 1.8 percent in 2001; 1.8 percent in 2002; 3.7 percent in 2003; 7.8 percent in 2004; 4.6 percent in 2005; 3.4 percent in 2006; and 4.3 percent in 2007. Both the 2004 month-to-month and year-to-date growth were, in part, a result of the expansion of the sales tax to some service sector activities in October 2003. In 2004, the state sales tax rate was set permanently at 5.5 percent and some service sales taxes were exempted.

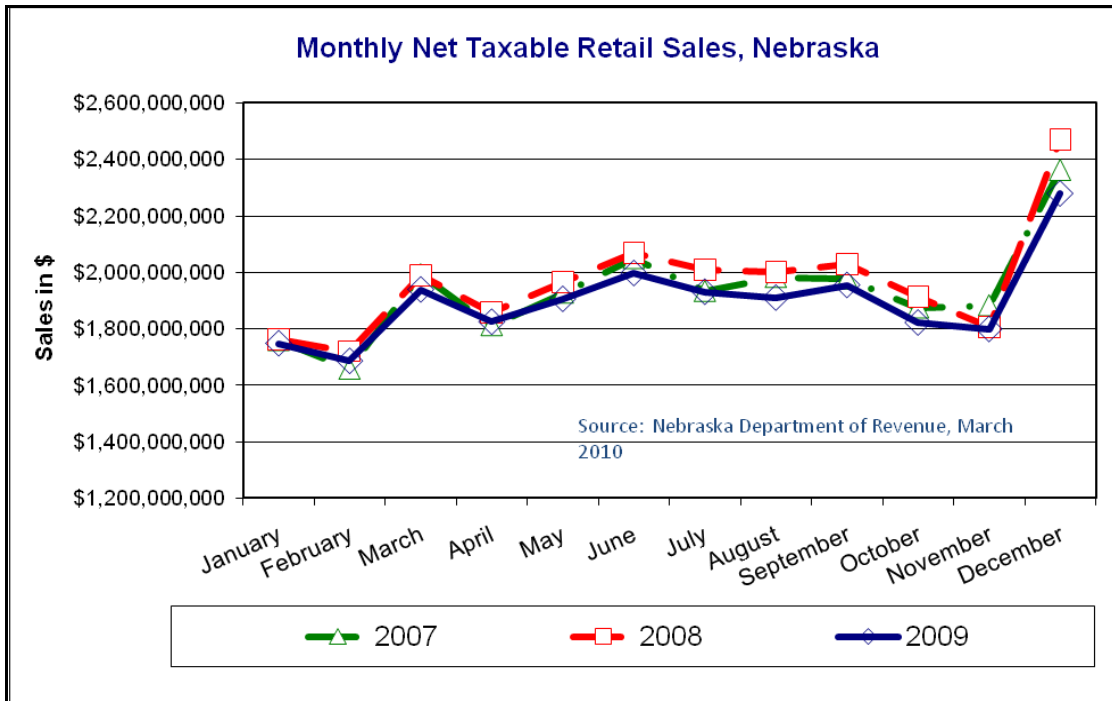


Figure 4

MERCHANDISE EXPORTS: Nebraska has been a major exporter of agricultural crop and livestock products for many years (see [Nebraska Databook table](#)). The state has also increased its exports of other goods and services (see Figure 5). In December 2009, Nebraska goods exports were up one-third compared to December 2008, specifically, they were \$423.8 million in December 2009 compared to \$317.3 million in December 2008. They were down 4.8 percent compared to November 2009.

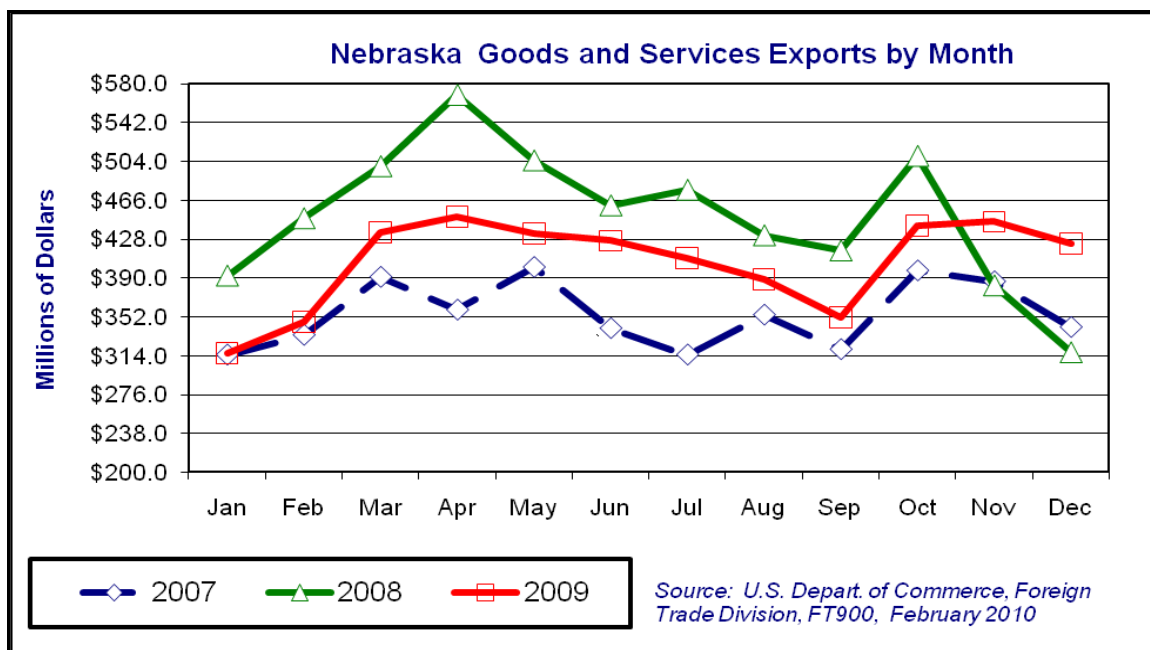


Figure 5

INCOME: Historically, Nebraska's per capita income has been below the U.S. average (Figure 6). In 2000, Nebraska per capita income was 92.6 percent of the national average; in 2008, Bureau of Economic Analysis estimates suggest the state preliminary PCI of \$37,730 was 94.9 percent of the U.S. figure.

Nebraska per capita personal income grew to \$30,737 in 2003, a 5.3 percent increase from 2002; increased to \$31,761 in 2004, a 3.3 percent growth; increased to \$32,833 in 2005, a 3.4 percent growth; increased to \$34,383 in 2006, a 4.7 percent increase; increased to \$36,372 in 2007, a 6.1 percent increase; and, in 2008, increased to \$37,730, 3.7 percent increase. From 2007 to 2008, national per capita income increased an estimated 2.9 percent. Total personal income in Nebraska increased 4.5 percent in between 2007 and 2008, or from \$64,359,930,000 in 2007 to an estimated \$67,288,080,000 in 2008. That was above the estimated national growth rate of 3.9 percent between those years.

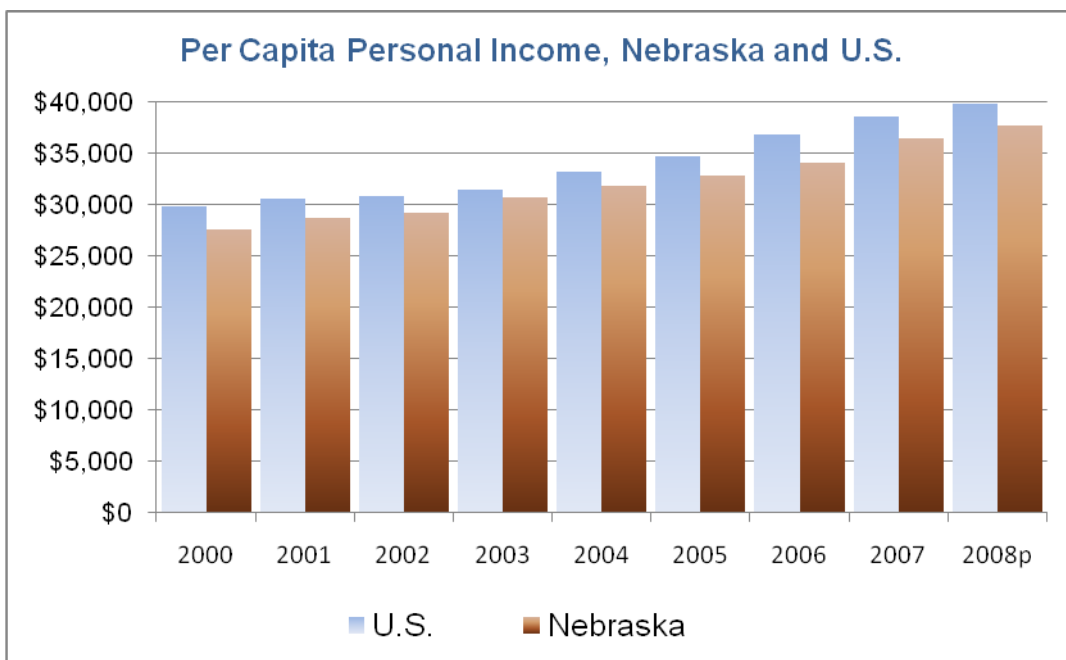


Figure 6

COST OF LIVING: In a quarterly community cost of living index compiled by ACCRA, Nebraska's cost of living has generally been below the national average. In 2009, the two Nebraska communities' composite index averaged 89.5 (Figure 7). In individual cost of living sectors, Omaha scored below the national average of 100.0 in all categories, except for utilities. The non-metropolitan community of Hastings was below the national average index, except for grocery items.

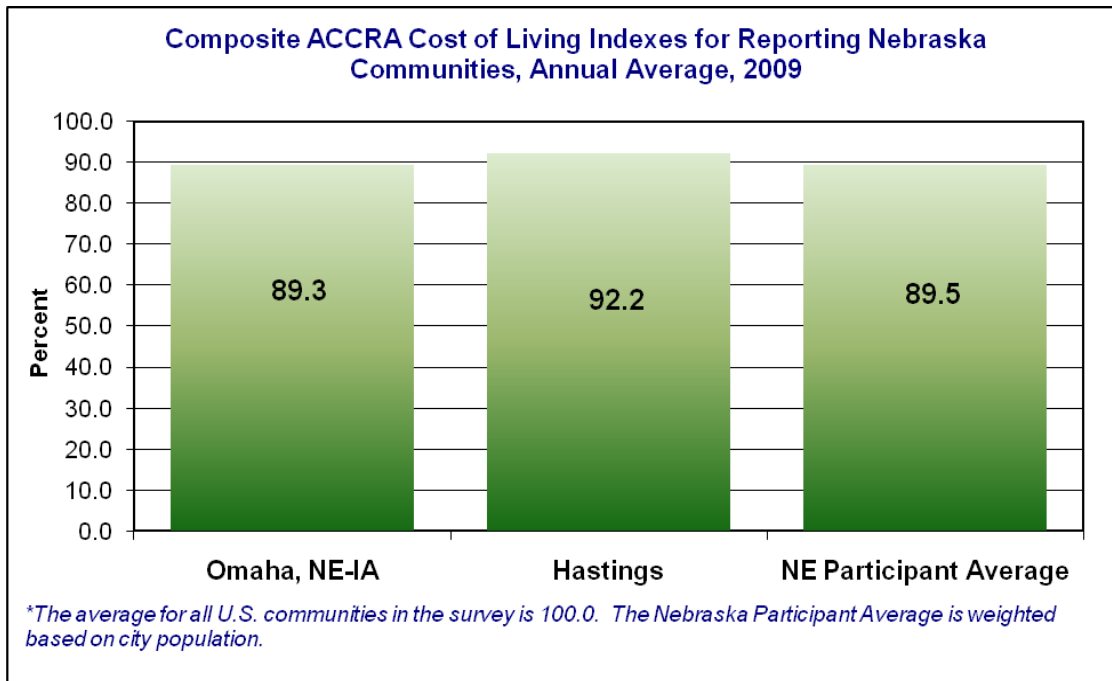


Figure 7

POPULATION: From 1974 to 1990, Nebraska experienced a net out-migration of people. The U.S. Census Bureau reported that Nebraska's Census population in 2000 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. In December 2009, the Census Bureau estimated the state's population at 1,796,619 persons, or 5.0 percent higher than 2000 (see [Nebraska Databook table](#)).

County-level 2000 Census numbers showed population growth in 40 of Nebraska's 93 counties between 1990 and 2000 ([see map](#)), compared to only ten counties between 1980 and 1990. Between 2000 and 2008, an estimated 18 counties experienced population growth. Sarpy County at 22.7 percent growth and Lancaster County at 11.4 percent were the top two growth counties between 2000 and 2008.

ECONOMIC FUTURE: Nebraska's economic growth tends to follow growth in the national economy. Given the national economic downturn, it appears that state economic growth will be slow over the next couple of years, but Nebraska growth should be positive by mid- or late-2010 and in 2011.

For additional Nebraska economic and demographic information, see: <http://info.neded.org>