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Nebraska Responds to the National Economic Recovery

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Nebraska Responds to the National Economic Recovery

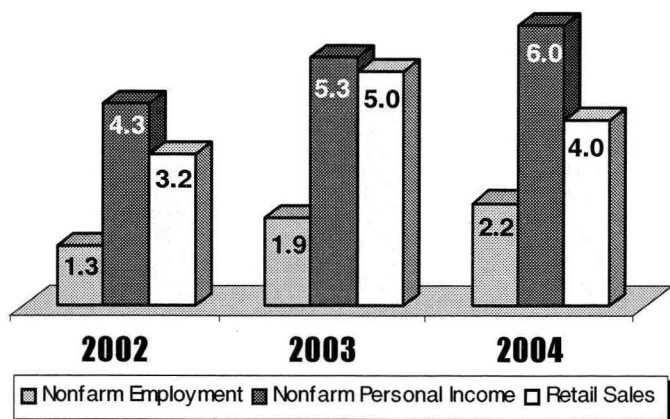
John Austin and the Nebraska Business Forecast Council

Evidence mounts that the nation has already begun its recovery from one of the mildest recessions on record. The first quarter GDP estimates report a spectacular gain. Not all signals are that clear. The recession itself has been labeled a manufacturing recession. Manufacturing output fell longer and farther than it had in the 1990-1991 recession. The impact of the recent manufacturing recession was spotty. Even within manufacturing, some sectors were hit hard, generally those in the durables area. Others, generally in the nondurables portion, remained unaffected. The services sector held up well with only a small decrease in total activity; however, the impact of the downturn was spotty within the sector, as well. Services related to travel were hard hit, while health care services were virtually unscathed. Difficulties in internet-based businesses negatively impacted the business services area.

Nebraska weathered the national recession well. As a whole, the state did not experience a downturn, but did see a decrease in overall economic growth rates. Total nonfarm employment in 2001 remained at the 2000 level. Nonfarm personal income grew 3.4 percent and net taxable

retail sales increased 2.9 percent—small increases over the inflation rate as measured by the U.S. Consumer Price Index (CPI). Net farm income increased 21 percent over a dreary performance in 2000, adding to Nebraska's economic stability.

Figure 1
Key Economic Growth Rates



Just as Nebraska did not slide into the depths of recession along with the national economy, neither will it experience a spectacular rise in the next few years. The council's view is that 2002 can be generalized as a year of only modest growth (Figure 1, page 1). While national growth rates typically are largest in the early stages of a recovery, 2002 likely will be a year of reorganization and adaptation to a new economic reality in Nebraska.

As the forecast period progresses, the council expects a recovery toward historic growth rates. Total employment will expand about 2 percent per year in 2003 and 2004. Nonfarm personal income will increase 5.3 percent in 2003 and 6 percent in 2004. The 2004 increase will double the

expected rate of inflation in the CPI. One area will remain weak. Total net taxable retail sales will increase 5 percent in 2003, but only 4 percent in 2004. The 2003 increase will be due to the broadened tax base. The increase in 2004 will be consistent with a new long-term view of potential growth in net taxable retail sales.

Nebraska's agriculture sector will restrain future economic growth rates. In contrast to the large increase in net farm income in 2001, the outlook in 2002 calls for a small increase. A major part of future net farm income will be farm payments. While the new farm bill will inject some growth into Nebraska's net farm income in 2003, farm income will not return to the average level attained in the 1990s.

Table 1
Number of Nonfarm Jobs and Percent Changes, by Industry

Annual Totals (whole numbers)

	Manufacturing					Retail Trade	Wholesale Trade	FIRE ²	Services	Federal Gov't ³	State & Local Gov't
	Total	Durables	Non-durables	Construction & Mining	TCU ¹						
1999	907,680	57,216	61,014	44,387	57,904	161,051	55,132	60,769	243,778	30,859	135,570
2000	923,757	58,572	61,216	45,289	58,187	162,342	54,089	61,296	253,466	31,435	137,865
2001	923,529	55,242	62,046	44,014	57,812	160,405	52,458	62,189	259,147	30,182	140,034
2002	935,678	54,690	62,356	45,334	58,679	162,009	51,986	63,060	265,367	30,483	141,714
2003	953,367	55,510	62,917	47,148	60,440	163,953	51,778	64,069	273,328	31,093	143,132
2004	974,462	57,175	63,672	49,269	62,253	165,921	51,778	65,222	282,894	31,715	144,563

Annual Percent Changes

1999	1.7	-0.5	-0.5	5.1	3.6	2.3	0.8	4.8	2.3	-3.7	0.5
2000	1.8	2.4	0.3	2.0	0.5	0.8	-1.9	0.9	4.0	1.9	1.7
2001	0.0	-5.7	1.4	-2.8	-0.6	-1.2	-3.0	1.5	2.2	-4.0	1.6
2002	1.3	-1.0	0.5	3.0	1.5	1.0	-0.9	1.4	2.4	1.0	1.2
2003	1.9	1.5	0.9	4.0	3.0	1.2	-0.4	1.6	3.0	2.0	1.0
2004	2.2	3.0	1.2	4.5	3.0	1.2	0.0	1.8	3.5	2.0	1.0

Average Annual Growth Rates

1990 to 1992	1.2	-1.7	4.5	2.0	1.0	1.2	-1.0	1.0	2.1	-4.3	2.1
1992 to 1995	2.6	4.8	2.7	6.6	1.7	3.3	0.3	2.1	4.4	-3.8	0.9
1995 to 2000	2.1	1.6	1.0	4.7	3.2	1.4	0.5	3.1	3.7	-1.2	0.5
1990 to 2000	2.1	1.9	2.2	4.7	2.3	1.9	0.1	2.4	3.6	-2.6	1.0

¹Transportation, Communication, & Utilities

²Finance, Insurance, & Real Estate

³Includes military



Employment

Manufacturing

Ernie Goss, Charles Lamphear, and Donis N. Petersan

Over the past year, Nebraska manufacturing employment has declined 2.1 percent. This overall decline masks a divergence in growth within the sector. Nondurable goods manufacturing employment growth increased 1.4 percent while durables manufacturing dropped 5.7 percent (Table 1).

Nebraska's overall manufacturing sector will grow as the national economy rebounds. An increase in inventories and a modest increase in capital spending will be factors in this growth. Manufacturing employment will bottom during 2002 and will begin to recover. The forecast data in the durables sector indicate an expected continuing decline of 1 percent in 2002, reflecting the expectation that durables employment will not begin to recover until the second half of the year. Durables manufacturing employment is forecast to grow 1.5 percent in 2003 and 3 percent in 2004.

Nebraska's nondurables manufacturing employment has held up quite well during the economic downturn, reflecting, in part, the significant percentage of food processing employment. The employment forecast for nondurables manufacturing initially anticipates relatively flat employment, increasing 0.5 percent in 2002, with the expectation of a return to more rapid growth rates during 2003 and 2004. However, the percentage increases in the sector will be less than the historic average over the past 10 years. Nondurables employment is expected to grow 0.9 percent during 2003 and 1.2 percent in 2004, compared to the historic 2.2 percent growth rate of the 1990s.

Construction and Mining

John Austin

Construction and mining employment in Nebraska's metro and nonmetro counties continues to display divergent growth paths. Further, there are different growth paths for

residential and nonresidential construction, as well. Overall, the construction sector will expand its employment in Nebraska at a modest rate over the next several years. Total construction and mining employment will increase 2.5 percent per year in 2002 and 3.5 percent in both 2003 and 2004.

Nonresidential construction continues to advance in the metro areas, especially in Omaha. Omaha is creating a new downtown skyline. Completion of a major project is quickly followed with the start of a new project. Nebraska's tallest building is beginning occupation. Completion is expected this fall. Major contractors are very busy.

Nonresidential construction activity outside Omaha is not as strong. Lincoln has several smaller projects in progress. Nonmetro Nebraska has some areas of improvement. Columbus, Kearney, and Grand Island are described as strong. Contractors remain optimistic. Steady growth is expected, but is likely to be slower than the 1990s.

Residential construction is off to a good start this year in Omaha, with a 31 percent increase in the valuation of permits on a year-to-date basis through March. Multifamily permits have advanced sharply in the same period. The remainder of the state's residential construction is slower. Yet, contractors are holding on to their crews in anticipation of better times. In total, last year's residential construction was nearly the same as in 2000. Contractors surmise that if interest rates turn upward, home buyers who currently are only thinking of buying would step up purchasing plans to get ahead of future rate increases.

Nebraska road projects will show a small dollar advance that will be roughly the same as the overall rate of inflation in 2002, and will parallel the previous year in terms of volume of work. Major interstate and expressway projects have been let and more will be in the near future—many are multi-year projects. Nebraska's other highways will absorb half the total funds available for construction work in the state. There is no shortage of projects, but the issue is federal funding. Federal funding has been cut at the national level. Expectations are that Congress will restore part of that cut.

Transportation, Communication, and Utilities (TCU)

Gene Koepke, University of Nebraska-Kearney

TCU totals for 2001 are almost identical to the 1999 numbers and only down about a half percent from 2000. The three-year period can be characterized as flat. The issue is whether TCU employment will get back on track in 2002.

Examination of the three subsectors of TCU reveals that transportation, principally rail and trucking, has shown the strongest growth since 1993. Communications has shown no growth since then, and the utilities portion has experienced a significant employment decline. The growth in transportation has carried the whole TCU category and now accounts for about 80 percent of its total employment.

The forecast calls for an end to the shrinking of communication and utilities employment, but future gains will be small. Transportation, on the other hand, may experience resurgence in growth as the economy improves. Transportation is an activity closely related to the national economy. As the economy improves, more finished products will be transported. Both rail and trucking likely will enjoy improved business in the physical volume of goods transported. Rail will also experience increased coal haulage as either substantial real growth in the national economy occurs or an energy crisis arises.

The transportation industry continues to consolidate. The industry is operating more efficiently by employing new technologies to schedule and control costs. Some analysts believe that the industry can experience moderate growth in haulage with few additional workers. The industry as a whole is experiencing increased costs. Fuel costs have risen and insurance costs are rising rapidly. There is ample motivation to attempt to contain controllable costs. Labor costs are a likely target.

Given the above considerations, growth in TCU employment will be modest. Growth in 2002 will be 1.5 percent—approximately 850 jobs—well below the average of the past 9 years. Most growth in 2002 will occur during the last half of the year. In 2003 and 2004 TCU growth will improve to

3 percent each year. Sector growth later in the forecast period will approach the rates that characterized the late 1990s.

Retail Trade

Franz Schwarz

Last year's retail employment declined 1.2 percent. Current year-to-date figures (January through February 2002) show no changes from the previous year. The retail trade sector is the second largest industry in terms of number of employees—17 percent of all nonfarm employees. The sector's employment is sensitive to total sales and the employment growth typically follows the pattern of real (inflation adjusted) net retail taxable sales, subject to the availability of workers.

In 2002 employment is expected to increase 1.3 percent, or about three-fourths of the normal expected growth rate. In 2003 and 2004 employment growth will be 1.2 percent per year, thus remaining below the long-term growth rate of about 1.7 percent per year.

Wholesale Trade

Bryan Skalberg

The economic slowdown of 2000 and 2001 was relatively hard on the wholesale trade industry in Nebraska. From 1999 to 2000 average annual employment in wholesale trade fell 1.7 percent, from an annual average of 55,132 to an average of 54,212. The slide was even more severe from 2000 to 2001 when the annual average employment fell to 52,457, a 3.2 percent decline.

Despite a particularly rocky road in durables manufacturing, the down cycle was not concentrated in durables wholesale trade. While average annual employment in durables wholesale trade dipped 3.8 percent in 2001, employment in nondurables wholesale trade dipped 2.6 percent. This dual decline is more puzzling when viewed in the context of durables and nondurables manufacturing employment changes over the last few years. The plummeting employment in durables manufacturing supports the decline in durables wholesale trade; however, nondurables manufacturing employment has consistently increased over the last

few years, defying the direct correlation between manufacturing and wholesale trade employment.

Even though 2002 will be a year of national recovery, wholesale trade employment likely will continue to decline in Nebraska. However, the decrease will be much slower than in 2001. Expect 2002 average annual employment in wholesale trade to fall to near 52,000, or approximately 0.9 percent lower than 2001. This decrease will be mostly due to continued declines in durables wholesale trade. Expect durables wholesale trade employment to fall to nearly 25,600—a 1.4 percent decrease. Nondurables wholesale trade employment also will decline to approximately 26,400—a 0.4 percent decrease. In 2003 total wholesale trade employment will decrease at about half the 2002 rate.

Finance, Insurance, and Real Estate (FIRE)

Keith Turner

The events of September 11th had an impact on the insurance industry and the Enron bankruptcy affected the finance industry, but careful examination of monthly Nebraska employment data reveals no such apparent impacts. FIRE employment increased 1.5 percent in 2001. Given the strength in the month-to-month movements in the data, the increase in 2002 likely will be in the same range and 2003 will be slightly stronger. Growth in 2004 is expected to be 1.8 percent. While the industry is not very cyclical, it is subject to the continuous change brought about by reorganizations, mergers and acquisitions, new product development, and shifting of work to different locations. A data processing contract lost by an insurance company in one Nebraska city to a company in another Nebraska city may not change state totals; however, a change across state lines will impact both city and state totals.

The future of the industry is positive, as is the future of the state. Both should grow slowly but surely. Some additional stimulus would occur if the national economy experiences robust growth.

Services

Tom Doering

The biggest gains in employment in Nebraska continue to be in the services sector. While employment declined in many sectors of the state's economy from 2000 to 2001, service employment grew 2.2 percent. This growth contributed substantially to pushing total nonfarm employment in Nebraska in 2001 just ahead of 2000 levels.

However, the 2.2 percent gain in services employment was the lowest rate of increase in this sector in the past decade. A major component of total services employment—business services—had an employment decline in Nebraska in 2001, as did membership organizations. And, although total services employment advanced statewide in early 2002, there were declines in Omaha and Lincoln.

It is projected that in the second half of 2002, services sector employment will grow faster than in the first half of the year. But, the expected average employment gain in 2002—2.4 percent—will be up only slightly from 2001. In subsequent years employment growth in the sector is expected to accelerate to 3 percent in 2003 and 3.5 percent in 2004.

Hotels and Other Lodging - Employment in hotels and other lodging in Nebraska grew 2.8 percent in 2001, and taxable lodging sales increased 2.1 percent. But, following the September 11th terrorist attacks, there was an immediate regional shift in the growth of the industry in the state. Douglas County, with a greater dependence on air travel than any other county, had a 3.1 percent increase in taxable lodging sales for the first 8 months of 2001, but a 3.6 percent decline in the final four months of the year. The rest of the state saw a 1.9 percent increase in taxable lodging sales in the first 8 months, growing to 4.4 percent in the remainder of the year. Lodging industry employment statewide is projected to increase 2.4 percent in 2002 as it benefits from the increase in highway travel.

Business Services - The part of the services sector that is probably most vulnerable to general economic recessions is business services. Consequently, during Nebraska's economic slowdown in 2001, employment in business ser-

vices declined 1.3 percent. One of the largest segments of this sector is personnel supply services. Cuts in contracted temporary employment services are among the first job reductions during business declines. Contracted temporary staffing is expected to increase by the end of 2002. Employment in some other segments (services to buildings, computer and data processing services, advertising, etc.) will follow suit. The gains are projected to more than offset declines that occurred in the first part of the year, especially in the Omaha and Lincoln metro areas for an average increase of 1.5 percent in 2002.

Health Services - The health services industry is both the largest employer in the state's services sector and the segment that is probably the most recession-resistant. As Nebraska's population grows and ages, health services will continue to have steady and significant long-term growth. In 2001 employment in this segment grew 3.2 percent and is projected to increase 3.5 percent in 2002.

Government

John Austin

While the long-term history of federal government employment—civilian and military—is one of almost steady decrease, events have altered that course. The federal civilian employment in the state likely will continue to decrease; however, military employment trends may have reversed following the events of September 11th. Since military employment did not pick up until late in the year, total federal government employment is estimated to have decreased in 2001. Total federal government employment in Nebraska will increase 1 percent in 2002, and 2 percent per year in 2003 and 2004.

Despite restrictions on increasing either state or local government, total state and local employment increased 1.6 percent in 2001 and is expected to increase by 1 percent, or more, per year throughout the forecast period. This forecast agrees with the long-term annual growth rate from 1990 to 2000. It is expected that with state budget cuts, the bulk of the increase in this category will be at the local level.



Nonfarm Personal Income

John Austin

Nonfarm personal income growth slowed slightly in 2001. Projections are that growth rates will recover slowly this year and next, but by 2004 growth will reach 6 percent (Table 2). Inflation is expected to be about 3 percent per year over the forecast period; therefore, real nonfarm personal income will grow 3 percent in 2004.

The main component of nonfarm personal income is nonfarm wages and salaries. The forecast for this component is derived from the council's forecast of employment growth coupled with a forecast of wage rate growth. The overall growth rates in wages are expected to be 3.6 percent in 2002, 4.2 percent in 2003, and 4.4 percent in 2004. Those rates, combined with the forecast of employment growth give a wages and salaries forecast of 5 percent in 2002, 6.2 percent in 2003, and 6.7 percent in 2004. These growth rates are well above the rate of inflation, so real nonfarm wages and salaries will grow substantially.

Of the remaining major elements of nonfarm personal income, the council sees a continuation in the slowdown of the growth of dividends, interest, and rent (DIR). Growth in this area has been slowed by a reduction in interest rates and by a reduction in dividends paid. It is unlikely that growth will return to levels experienced in the late 1990s.

Nonfarm proprietors' income, principally the income of small businesses, began to slow in 2000, well ahead of the national recession. Small businesses in Nebraska have felt the pinch of the slowdown in the state's economic activity. Since many of the state's small businesses are located outside the metro areas, they have reflected the long-term decrease in the farm sector, as well. The council expects that growth will near its long-term trend by the end of the forecast period.

Table 2
Nonfarm Personal Income and Selected Components, and Net Farm Income (USDA)

Annual Totals (\$millions)

	Nonfarm Personal Income	DIR ¹	Transfer Payments	Nonfarm Wages & Salaries	Other Labor Income	Nonfarm Proprietors' Income	Net Farm Income (USDA Basis)
1999	43,855	9,498	5,690	24,878	2,867	3,591	1,744
2000	46,055	9,947	5,886	26,292	2,958	3,761	1,490
2001	47,623	10,071	6,342	27,122	3,068	3,918	1,803
2002	49,681	10,222	6,754	28,492	3,160	4,095	1,895
2003	52,307	10,528	7,126	30,263	3,255	4,340	1,800
2004	55,431	11,002	7,518	32,292	3,353	4,644	1,750

Annual Percent Changes

1999	5.1	2.8	4.1	6.2	3.0	7.6	-4.7
2000	5.0	4.7	3.5	5.7	3.2	4.7	-14.5
2001	3.4	1.2	7.7	3.2	3.7	4.2	21.0
2002	4.3	1.5	6.5	5.0	3.0	4.5	5.1
2003	5.3	3.0	5.5	6.2	3.0	6.0	-5.0
2004	6.0	4.5	5.5	6.7	3.0	7.0	-2.8

Average Annual Growth Rates

1990 to 1992	5.6	3.4	8.7	5.5	9.1	3.9	0.1
1992 to 1995	5.9	5.4	5.9	5.6	3.6	11.3	-13.1
1995 to 2000	5.6	5.6	4.7	6.3	1.7	6.0	-2.0
1990 to 2000	5.7	5.1	5.8	6.0	3.7	7.1	-5.1

¹Dividends, Interest, & Rent

Note: The nonfarm personal income and net farm income columns are from different sources and do not add to total personal income. Data shown exclude adjustments for place of residence and personal contributions for social insurance.



Farm Income

Bruce Johnson

Estimates of Nebraska's net farm income in 2001 were revised upward to \$1.8 billion (Table 2). While that figure represents an increase of 21 percent from 2000, the new 2001 level is still only 81 percent of the 1990s average. Government payments—70 percent of net farm income in 2001—continue to play a major role in Nebraska's farm sector. Despite lackluster aggregate net farm income, the agriculture sector remains financially sound, with agricultural assets holding their value and overall debt ratios staying manageable.

The new federal farm bill passed in May offers a stronger price support program for the major crops in 2002. That policy change, in combination with expectations of stable

to slightly lower input costs for the current crop year, could raise income levels for the crops sector by as much as 6 to 8 percent over 2001 levels. However, moisture deficit conditions throughout much of the state in early 2002 could result in reduced yields and higher irrigation costs, thus reducing 2002 income potential if other major crop production regions do not experience similar yield reductions.

Lower market prices and somewhat higher feed costs in 2002 will tend to dampen income levels in the livestock sector. Moreover, if dry conditions in the major range areas continue, some sell-off of cattle could result.

The combination of these various forces suggests a 2002 aggregate net farm income level of \$1.9 billion, just over a 5 percent increase over 2001 income, and approximately 85 percent of the annual average of the 1990s.

Expectations for 2003 and 2004 incorporate the new farm support program, which will continue to be a major component of the aggregate income for the sector. However, slow U.S. and global economic recovery and a relatively strong U.S. dollar are likely to provide a relatively weak backdrop for the U.S. agricultural sector. In addition, large and growing world production continues to pressure prices for some key commodities such as soybeans. These global forces will tend to subdue farm income levels for the next several years. Value-added production and the gradual shift away from commodity production to *product* production will be a positive force; but, the aggregate impact will be modest for the foreseeable future.



Net Taxable Retail Sales

Franz Schwarz

There were sharp differences between motor vehicle and other net taxable retail sales in 2001. Other retail sales finished the year at a dismal 1.8 percent growth over year ago (Table 3). Beside the impact of the national recession on other net taxable retail sales, several other factors contributed to the slow growth. The increase of on-line electronic purchases of particular consumer items is on the rise and likely will not be captured in the other retail sales figures. Additionally, the huge increase in motor vehicle sales in the last quarter of 2001 was a contributing factor. During the last quarter of the year, other retail sales suffered, in part, from the transfer of funds from other sales to payments for the registration and taxes on the newly purchased motor vehicles. Nevertheless, total net taxable retail sales finished the year with a respectable 3 percent rate of growth.

According to the Conference Board's Consumer Confidence Index, consumer confidence has improved, with no evidence of any inflationary pressure. The Board's index rose to 110.2 in March 2002 after a slight drop in February. This buildup in confidence is projected to continue.

The Nebraska legislature expanded the other net-taxable retail sales tax base to include certain services, effective in October 2002. The base expansion will add about 1.5 percent on an annualized basis to other net taxable retail sales. These changes will have an initial impact late in 2002 and full impact in 2003. The base change alters the annualized growth rates to 4.5 percent in 2002 and 5 percent in 2003. Since the base will not expand in 2004, growth that year will slow to 4 percent.

In contrast to the slow growth of the other net taxable sales, motor vehicle sales were up 11.2 percent in 2001. This outstanding sales growth occurred mostly during the 4th quarter of 2001, initiated and continued by the heavily promoted financial buying inducements. It is estimated that about

Table 3
Net Taxable Retail Sales

Annual Totals (\$millions)

	Total Sales	Motor Vehicle Sales	Other Sales
1999	19,806	2,520	17,286
2000	20,443	2,605	17,838
2001	21,057	2,897	18,160
2002	21,738	2,761	18,977
2003	22,822	2,896	19,926
2004	23,735	3,012	20,723

Annual Percent Changes

1999	4.2	4.3	4.2
2000	3.2	3.4	3.2
2001	3.0	11.2	1.8
2002	3.2	-4.7	4.5
2003	5.0	4.9	5.0
2004	4.0	4.0	4.0

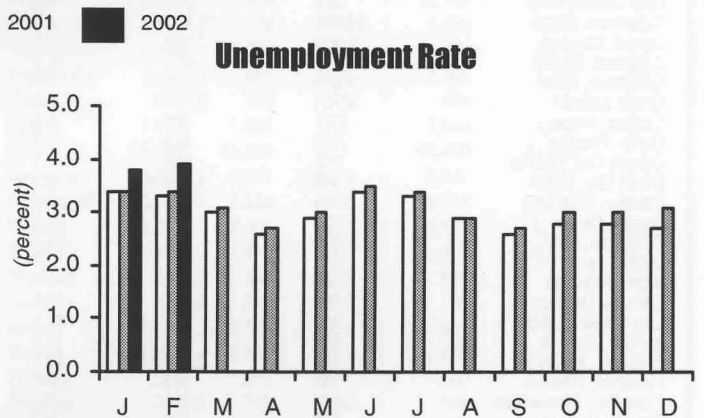
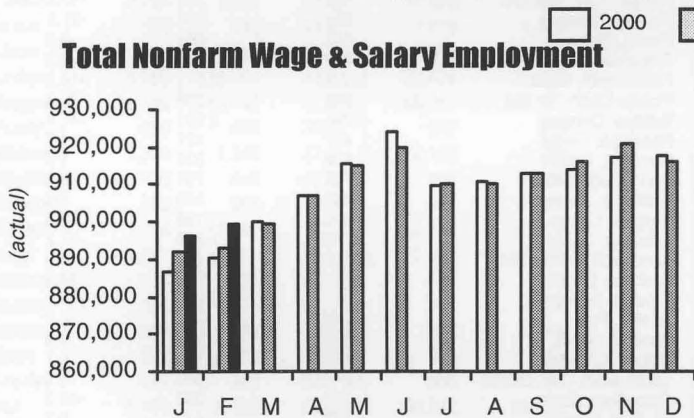
Average Annual Growth Rates

1990 to 1992	3.6	-0.5	4.1
1992 to 1995	5.8	8.2	5.5
1995 to 2000	5.2	6.7	5.0
1990 to 2000	5.4	6.8	5.2

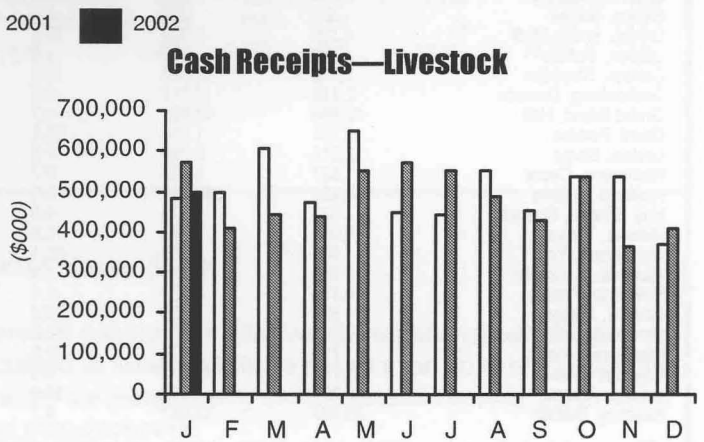
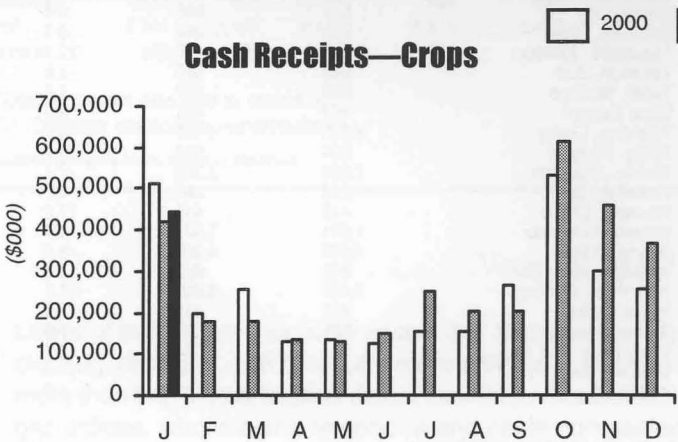
210 million dollars of taxable motor vehicle sales occurred in 2001, drawn from potential 2002 purchases. The 2002 forecast calls for a 4.7 percent decline in motor vehicle net taxable retail sales. Motor vehicle sales will increase about 4.9 percent and 4 percent in 2003 and 2004, respectively, consistent with long-term historical levels.

BBR is grateful for the help of the Nebraska Business Forecast Council. Serving this session were: Tom Doering, Nebraska Department of Economic Development; Ernie Goss, Department of Economics and Finance, Creighton University; Bruce Johnson, Department of Agricultural Economics, UNL; Gene Koepke, Department of Management and Marketing, UNK; Donis Petersan, Nebraska Public Power District; Franz Schwarz, Nebraska Department of Revenue; Bryan Skalberg, Nebraska Department of Labor; Keith Turner, Department of Economics, UNO (emeritus); Charles Lamphear and John Austin, BBR.

Nebraska Stats



Note: Monthly data through March 2001 are benchmarked. Data for April-December 2001 are estimates until benchmarked in early 2003. All estimates are the most current revised data available.



Net Taxable Retail Sales* for Nebraska Cities (\$000)

	January 2002 (\$000)	YTD (\$000)	YTD % Change vs Yr. Ago		January 2002 (\$000)	YTD (\$000)	YTD % Change vs Yr. Ago
Ainsworth, Brown	1,522	1,522	-1.6	Kenesaw, Adams	490	490	14.8
Albion, Boone	1,389	1,389	3.5	Kimball, Kimball	1,698	1,698	-0.9
Alliance, Box Butte	5,359	5,359	-1.6	La Vista, Sarpy	10,105	10,105	1.8
Alma, Harlan	548	548	11.2	Laurel, Cedar	312	312	0.7
Arapahoe, Furnas	759	759	1.9	Lexington, Dawson	7,277	7,277	0.8
Arlington, Washington	202	202	-19.8	Lincoln, Lancaster	201,325	201,325	-6.0
Arnold, Custer	215	215	-10.0	Louisville, Cass	338	338	-9.1
Ashland, Saunders	1,011	1,011	-14.0	Loup City, Sherman	434	434	0.0
Atkinson, Holt	901	901	-2.3	Lyons, Burt	360	360	-12.4
Auburn, Nemaha	2,178	2,178	-7.6	Madison, Madison	830	830	2.5
Aurora, Hamilton	2,092	2,092	-9.3	McCook, Red Willow	8,695	8,695	1.3
Axtell, Kearney	89	89	48.3	Milford, Seward	1,501	1,501	-0.8
Bassett, Rock	416	416	12.7	Minatare, Scotts Bluff	133	133	20.9
Battle Creek, Madison	760	760	-14.5	Minden, Kearney	1,671	1,671	2.8
Bayard, Morrill	525	525	0.4	Mitchell, Scotts Bluff	623	623	24.6
Beatrice, Gage	10,674	10,674	-9.7	Morrill, Scotts Bluff	457	457	-5.8
Beaver City, Furnas	115	115	-16.1	Nebraska City, Otoe	5,017	5,017	-6.7
Bellevue, Sarpy	21,786	21,786	11.6	Neligh, Antelope	1,294	1,294	11.3
Benkelman, Dundy	541	541	8.4	Newman Grove, Madison	287	287	-13.8
Bennington, Douglas	373	373	-20.5	Norfolk, Madison	29,528	29,528	1.8
Blair, Washington	8,034	8,034	7.1	North Bend, Dodge	481	481	-9.1
Bloomfield, Knox	450	450	-19.2	North Platte, Lincoln	22,359	22,359	-0.3
Blue Hill, Webster	463	463	9.2	O'Neill, Holt	3,958	3,958	-4.6
Bridgeport, Morrill	1,070	1,070	-4.2	Oakland, Burt	559	559	-13.1
Broken Bow, Custer	3,296	3,296	-4.1	Ogallala, Keith	4,881	4,881	1.7
Burwell, Garfield	767	767	8.0	Omaha, Douglas	462,061	462,061	-5.4
Cairo, Hall	212	212	6.5	Ord, Valley	1,978	1,978	7.6
Central City, Merrick	1,551	1,551	-3.7	Osceola, Polk	362	362	-13.2
Ceresco, Saunders	1,271	1,271	6.9	Oshkosh, Garden	473	473	-14.2
Chadron, Dawes	5,322	5,322	-24.6	Osmond, Pierce	288	288	6.7
Chappell, Deuel	494	494	-7.1	Oxford, Furnas	481	481	-12.9
Clarkson, Colfax	338	338	-4.5	Papillion, Sarpy	6,593	6,593	-18.6
Clay Center, Clay	273	273	7.1	Pawnee City, Pawnee	312	312	-12.9
Columbus, Platte	18,837	18,837	1.7	Pender, Thurston	634	634	-11.3
Cozad, Dawson	2,994	2,994	4.1	Pierce, Pierce	663	663	-0.6
Crawford, Dawes	452	452	-1.7	Plainview, Pierce	686	686	0.2
Creighton, Knox	1,080	1,080	-4.6	Plattsmouth, Cass	2,971	2,971	-14.4
Crete, Saline	2,751	2,751	-6.3	Ponca, Dixon	208	208	-20.0
Crofton, Knox	301	301	-5.6	Ralston, Douglas	3,091	3,091	-11.4
Curtis, Frontier	416	416	11.2	Randolph, Cedar	427	427	1.7
Dakota City, Dakota	386	386	1.1	Ravenna, Buffalo	632	632	1.9
David City, Butler	1,446	1,446	-9.3	Red Cloud, Webster	707	707	6.8
Deshler, Thayer	304	304	-16.7	Rushville, Sheridan	445	445	8.3
Dodge, Dodge	234	234	4.0	Sargent, Custer	196	196	-8.8
Doniphan, Hall	835	835	-34.8	Schuyler, Colfax	1,768	1,768	-17.2
Eagle, Cass	221	221	4.7	Scottsbluff, Scotts Bluff	21,164	21,164	0.0
Elgin, Antelope	418	418	-6.1	Scribner, Dodge	326	326	-18.5
Eikhorn, Douglas	1,606	1,606	-17.1	Seward, Seward	3,943	3,943	-16.4
Elm Creek, Buffalo	312	312	-11.1	Shelby, Polk	342	342	-8.6
Elwood, Gosper	269	269	6.8	Shelton, Buffalo	518	518	3.4
Fairbury, Jefferson	2,634	2,634	-13.1	Sidney, Cheyenne	8,161	8,161	6.1
Fairmont, Fillmore	145	145	-24.1	South Sioux City, Dakota	7,840	7,840	13.0
Falls City, Richardson	2,211	2,211	-3.1	Springfield, Sarpy	236	236	-42.3
Franklin, Franklin	608	608	0.7	St. Paul, Howard	1,471	1,471	9.7
Fremont, Dodge	21,628	21,628	-0.6	Stanton, Stanton	651	651	-8.1
Friend, Saline	405	405	-37.4	Stromsburg, Polk	769	769	-5.2
Fullerton, Nance	583	583	3.2	Superior, Nuckolls	1,369	1,369	-1.6
Geneva, Fillmore	1,263	1,263	2.2	Sutherland, Lincoln	433	433	4.6
Genoa, Nance	330	330	-5.4	Sutton, Clay	855	855	4.4
Gering, Scotts Bluff	4,329	4,329	15.4	Syracuse, Otoe	982	982	-0.3
Gibbon, Buffalo	788	788	-2.0	Tecumseh, Johnson	746	746	-22.4
Gordon, Sheridan	1,530	1,530	15.3	Tekamah, Burt	960	960	-3.8
Gothenburg, Dawson	2,112	2,112	-3.8	Tilden, Madison	257	257	1.6
Grand Island, Hall	48,868	48,868	-4.7	Utica, Seward	461	461	9.0
Grant, Perkins	1,254	1,254	30.1	Valentine, Cherry	4,522	4,522	-4.7
Gretna, Sarpy	2,218	2,218	-7.5	Valley, Douglas	594	594	-26.1
Hartington, Cedar	1,627	1,627	-0.7	Wahoo, Saunders	2,268	2,268	-7.1
Hastings, Adams	18,493	18,493	-8.5	Wakefield, Dixon	295	295	0.7
Hay Springs, Sheridan	375	375	-9.0	Wauneta, Chase	415	415	17.2
Hebron, Thayer	1,083	1,083	10.9	Waverly, Lancaster	1,071	1,071	-3.4
Henderson, York	686	686	26.1	Wayne, Wayne	4,003	4,003	-9.0
Hickman, Lancaster	255	255	-6.9	Weeping Water, Cass	662	662	7.6
Holdrege, Phelps	4,133	4,133	-1.4	West Point, Cuming	4,407	4,407	-11.1
Hooper, Dodge	521	521	-6.3	Wilber, Saline	412	412	-17.4
Humboldt, Richardson	261	261	-18.2	Wisner, Cuming	521	521	7.6
Humphrey, Platte	735	735	12.2	Wood River, Hall	344	344	-6.3
Imperial, Chase	1,702	1,702	5.5	Wymore, Gage	450	450	-17.4
Juniata, Adams	257	257	-16.3	York, York	9,131	9,131	-1.9
Kearney, Buffalo	33,687	33,687	4.7				

*Does not include motor vehicle sales. Motor vehicle net taxable retail sales are reported by county only.

Source: Nebraska Department of Revenue

Net Taxable Retail Sales for Nebraska Counties (\$000)

	Motor Vehicle Sales			Other Sales			Motor Vehicle Sales			Other Sales			
	January 2002 (\$000)	YTD (\$000)	YTD % Chg. vs Yr. Ago	January 2002 (\$000)	YTD (\$000)	YTD % Chg. vs Yr. Ago	January 2002 (\$000)	YTD (\$000)	YTD % Chg. vs Yr. Ago	January 2002 (\$000)	YTD (\$000)	YTD % Chg. vs Yr. Ago	
Nebraska	255,344	255,344	35.9	1,343,091	1,343,091	-3.4	Howard	1,415	1,415	57.2	1,842	1,842	8.3
Adams	4,132	4,132	29.1	19,370	19,370	-8.3	Jefferson	1,094	1,094	5.7	3,627	3,627	-10.9
Antelope	1,446	1,446	60.7	2,007	2,007	4.8	Johnson	893	893	59.2	1,093	1,093	-18.5
Arthur	174	174	370.3	(D)	(D)	(D)	Kearney	1,485	1,485	29.2	1,835	1,835	3.7
Banner	186	186	13.4	(D)	(D)	(D)	Keith	1,782	1,782	18.3	5,260	5,260	3.4
Blaine	121	121	14.2	(D)	(D)	(D)	Keya Paha	232	232	81.3	98	98	32.4
Boone	1,115	1,115	43.7	1,772	1,772	0.5	Kimball	685	685	4.4	1,729	1,729	-0.9
Box Butte	2,419	2,419	113.9	5,673	5,673	-1.8	Knox	1,511	1,511	51.9	2,431	2,431	-9.0
Boyd	457	457	173.7	382	382	-18.0	Lancaster	31,487	31,487	34.7	204,920	204,920	-6.0
Brown	511	511	30.4	1,577	1,577	-1.4	Lincoln	5,235	5,235	31.9	23,240	23,240	-0.4
Buffalo	6,738	6,738	50.1	36,304	36,304	4.4	Logan	274	274	53.1	(D)	(D)	(D)
Burt	1,464	1,464	34.9	2,215	2,215	-3.4	Loup	115	115	71.6	(D)	(D)	(D)
Butler	1,446	1,446	8.6	1,907	1,907	-11.1	McPherson	144	144	9.1	(D)	(D)	(D)
Cass	4,644	4,644	75.2	5,649	5,649	-10.7	Madison	5,140	5,140	60.3	31,735	31,735	1.1
Cedar	1,926	1,926	60.1	2,624	2,624	0.5	Merrick	1,007	1,007	-12.4	2,120	2,120	-4.1
Chase	1,362	1,362	59.3	2,134	2,134	6.7	Morrill	1,106	1,106	18.2	1,622	1,622	-2.6
Cherry	1,625	1,625	60.4	4,680	4,680	-4.7	Nance	663	663	-2.9	939	939	1.0
Cheyenne	1,888	1,888	53.4	8,353	8,353	4.4	Nemaha	1,286	1,286	49.7	2,603	2,603	-6.7
Clay	1,097	1,097	3.8	2,017	2,017	-1.4	Nuckolls	884	884	38.3	2,199	2,199	-1.8
Colfax	1,498	1,498	13.8	2,537	2,537	-14.6	Otoe	2,318	2,318	38.7	6,363	6,363	-6.0
Cuming	2,059	2,059	42.9	5,432	5,432	-9.1	Pawnee	672	672	105.5	498	498	-11.6
Custer	1,908	1,908	2.6	4,240	4,240	-4.7	Perkins	858	858	36.4	1,495	1,495	29.7
Dakota	2,590	2,590	68.6	8,815	8,815	10.0	Phelps	2,259	2,259	47.5	4,468	4,468	-0.9
Dawes	1,286	1,286	38.9	5,774	5,774	-23.2	Pierce	1,298	1,298	66.0	1,696	1,696	1.0
Dawson	3,881	3,881	29.2	12,638	12,638	0.5	Platte	5,309	5,309	44.7	20,135	20,135	1.9
Deuel	398	398	13.7	1,016	1,016	-8.1	Polk	1,129	1,129	51.5	1,650	1,650	-9.3
Dixon	964	964	40.9	593	593	-11.8	Red Willow	1,766	1,766	15.3	8,978	8,978	1.2
Dodge	5,292	5,292	49.8	23,439	23,439	-1.6	Richardson	1,467	1,467	47.3	2,766	2,766	-6.3
Douglas	58,440	58,440	36.9	469,067	469,067	-5.5	Rock	216	216	-6.5	424	424	11.9
Dundy	690	690	33.5	542	542	7.1	Saline	1,958	1,958	13.2	3,960	3,960	-13.9
Fillmore	1,383	1,383	27.6	2,120	2,120	-5.0	Sarpy	19,269	19,269	47.1	43,450	43,450	2.5
Franklin	616	616	-17.2	806	806	-3.5	Saunders	3,507	3,507	30.5	5,941	5,941	-5.2
Frontier	885	885	38.7	653	653	-5.8	Scotts Bluff	5,288	5,288	37.2	26,781	26,781	2.7
Furnas	1,014	1,014	9.5	2,370	2,370	-2.6	Seward	2,609	2,609	26.7	6,181	6,181	-10.6
Gage	3,217	3,217	16.1	12,200	12,200	-9.5	Sheridan	1,412	1,412	50.9	2,673	2,673	9.7
Garden	534	534	60.8	645	645	-8.6	Sherman	545	545	9.0	538	538	-1.7
Garfield	341	341	21.8	767	767	8.0	Sioux	312	312	6.1	85	85	-7.6
Gosper	563	563	35.7	346	346	6.8	Stanton	1,173	1,173	74.6	842	842	-10.0
Grant	203	203	6.8	336	336	2.8	Thayer	1,299	1,299	38.0	1,839	1,839	-0.4
Greeley	342	342	-50.7	560	560	-4.9	Thomas	219	219	25.1	240	240	11.1
Hall	6,490	6,490	20.9	50,542	50,542	-5.5	Thurston	716	716	53.3	784	784	-16.6
Hamilton	1,743	1,743	26.5	2,364	2,364	-8.4	Valley	724	724	17.2	2,157	2,157	8.1
Harlan	912	912	33.5	669	669	10.4	Washington	3,718	3,718	41.6	8,825	8,825	2.3
Hayes	298	298	-1.0	(D)	(D)	(D)	Wayne	1,673	1,673	40.2	4,126	4,126	-9.1
Hitchcock	512	512	-27.6	632	632	-9.1	Webster	723	723	11.1	1,248	1,248	4.4
Holt	2,144	2,144	69.8	5,418	5,418	-4.2	Wheeler	220	220	-13.4	74	74	15.6
Hooker	126	126	-10.6	231	231	-21.7	York	2,378	2,378	19.5	10,261	10,261	-0.6

*Totals may not add due to rounding
(D) Denotes disclosure suppression

Source: Nebraska Department of Revenue

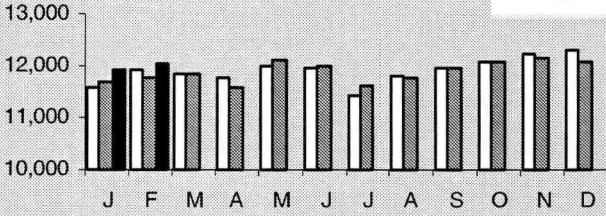
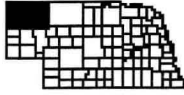
Note on Net Taxable Retail Sales

Users of this series should be aware that taxable retail sales are not generated exclusively by traditional outlets such as clothing, discount, and hardware stores. While businesses classified as retail trade firms account for, on average, slightly more than half of total taxable sales, sizable portions of taxable sales are generated by service establishments, electric and gas utilities, wholesalers, telephone and cable companies, and manufacturers.

Regional Nonfarm Wage and Salary Employment* 2000 to February** 2002

2000
 2001
 2002

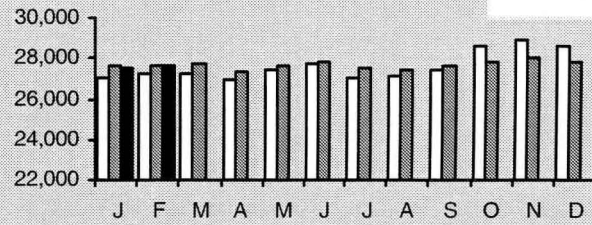
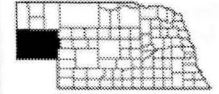
Northwest Panhandle



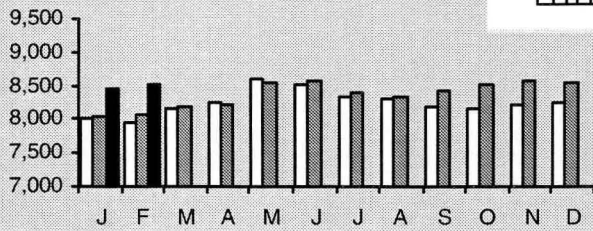
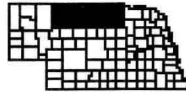
Note to Readers

The charts on pages 8 and 9 report nonfarm employment by place of work for each region.

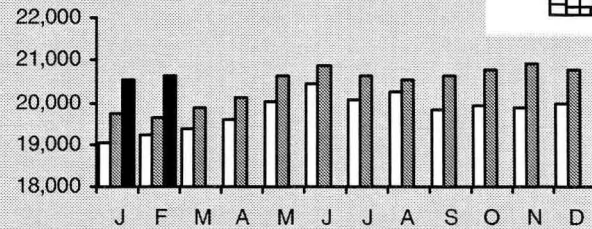
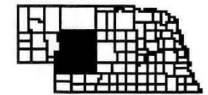
Southwest Panhandle



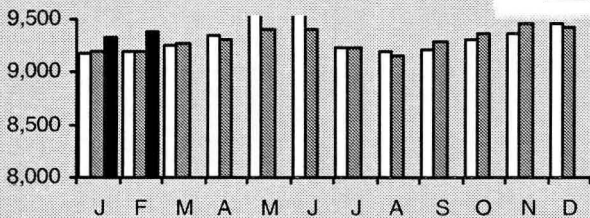
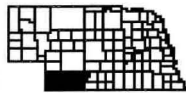
North Central



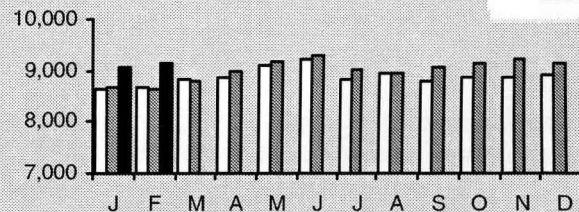
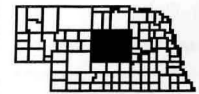
West Central



Southwest Central

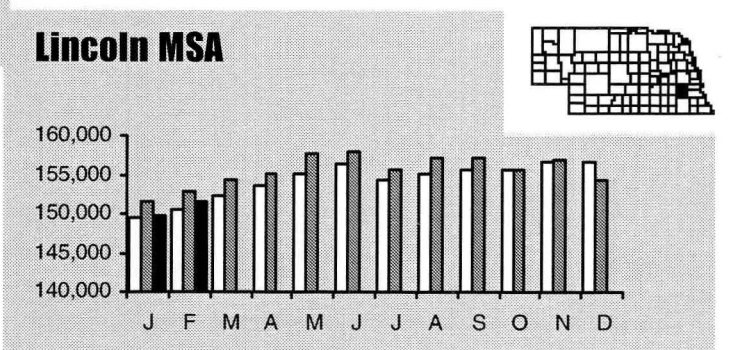
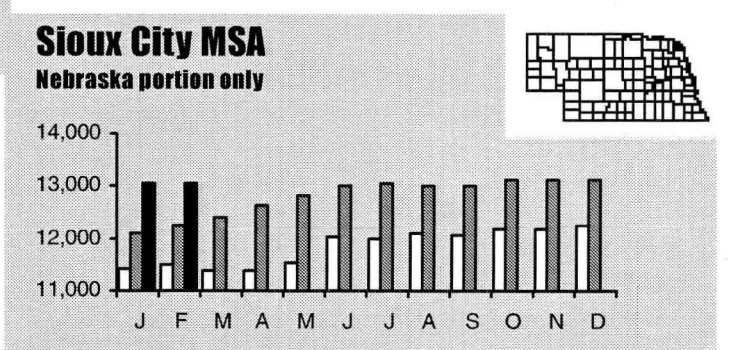
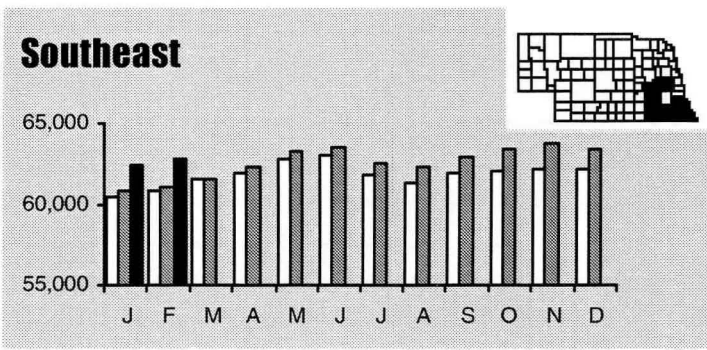
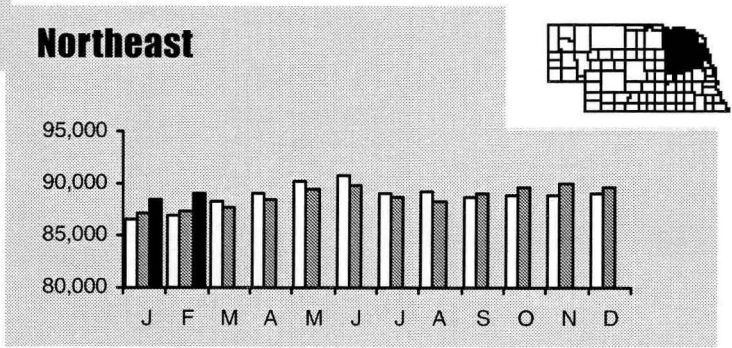
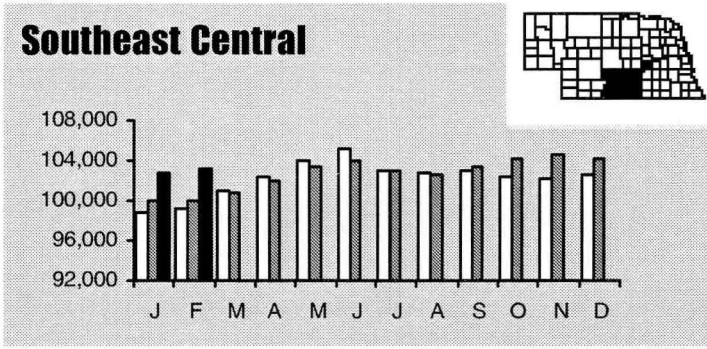


East Central



Regional Nonfarm Wage and Salary Employment* 2000 to February** 2002

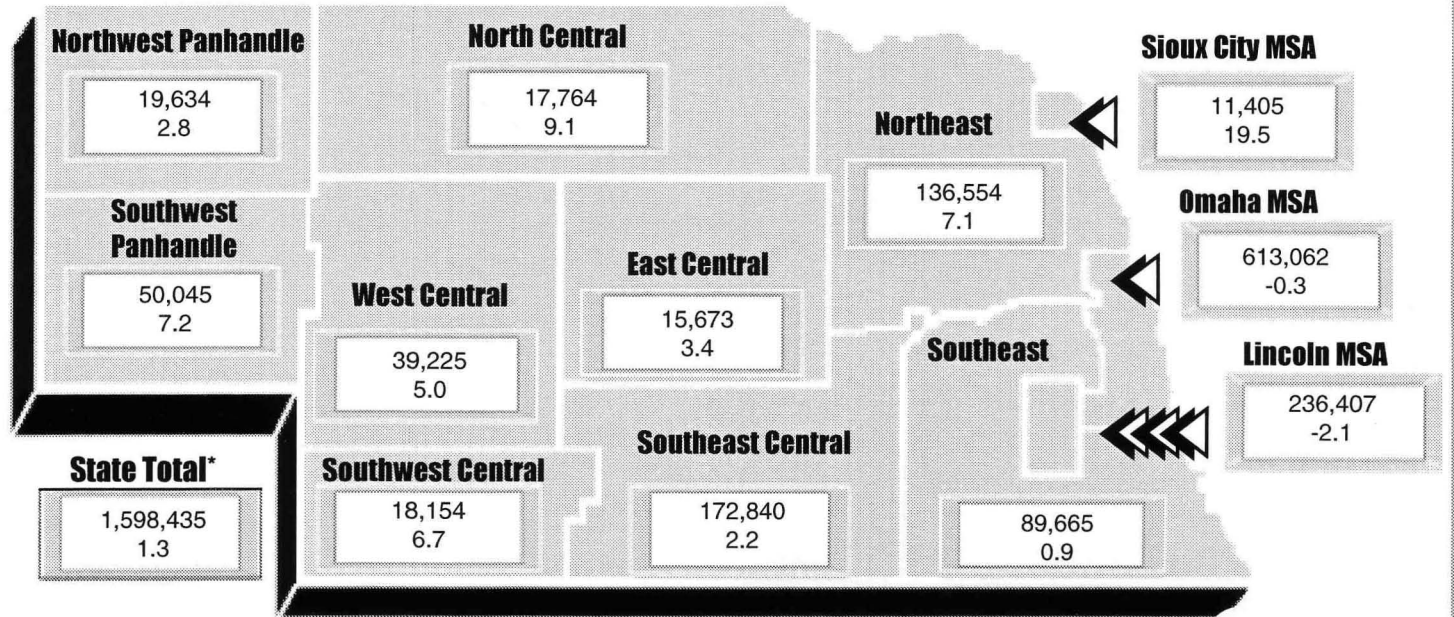
2000 2001 2002



*By place of work
 **Current month data are preliminary and subject to revision
 ***Previously, other than Nebraska data were included in the Omaha and Sioux City MSA
 Note: Monthly data through March 2001 are benchmarked. Data for April-December 2001 are estimates until benchmarked in early 2003. All estimates are the most current revised data available.
 Source: Nebraska Department of Labor, Labor Market Information - Kathy Copas

January 2002 Regional Retail Sales (\$000)

YTD Change vs Yr. Ago



*Regional values may not add to state total due to unallocated sales
 Source: Nebraska Department of Revenue

State Nonfarm Wage & Salary Employment by Industry*

	February 2002
Total	899,596
Manufacturing	113,351
Construction & Mining	38,579
Durables	51,813
Nondurables	61,538
TCU**	56,636
Trade	211,151
Wholesale	53,888
Retail	157,263
FIRE**	62,456
Services	259,200
Government	158,223

*By place of work
 **Transportation, Communication, and Utilities
 ***Finance, Insurance, and Real Estate
 Source: Nebraska Department of Labor, Labor Market Information

Note: Monthly data through March 2001 are benchmarked. Data for April-December 2001 are estimates until benchmarked in early 2003. All estimates are the most current revised data available. Labor force data for 2002 will be revised.

Consumer Price Index

Consumer Price Index - U*
 (1982-84 = 100)
 (not seasonally adjusted)

	April 2002	% Change vs Yr. Ago	YTD % Change vs Yr. Ago (inflation rate)
All Items	179.8	1.6	1.3
Commodities	151.0	-0.6	-1.1
Services	208.4	3.2	3.1

*U = All urban consumers
 Source: U.S. Bureau of Labor Statistics

Inflation Rate

1.3

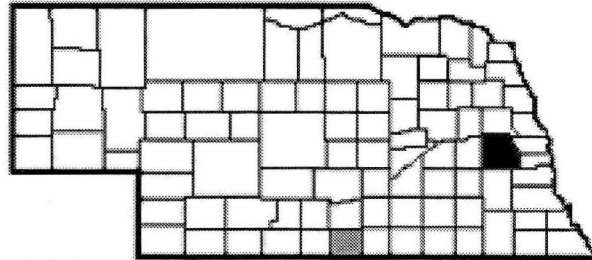
State Labor Force Summary*

	February 2002
Labor Force	948,795
Employment	912,150
Unemployment Rate	3.9

*By place of residence
 Source: Nebraska Department of Labor, Labor Market Information

County of the Month

Saunders **Wahoo - County Seat**



Next County of Month

License plate prefix number: 6

Size of county: 754 square miles, ranks 29th in the state

Population: 19,830 in 2000, a change of 8.4 percent from 1990

Per capita personal income: \$22,061 in 1999, ranks 48th in the state

Net taxable retail sales (\$000): \$113,074 in 2001 a change of 5.3 percent from 2000; \$9,448 in January 2001, a change of 5.5 percent from the same period the previous year.

Unemployment rate: 3.3 percent in Saunders County, 3.0 percent in Nebraska in 2001

	State	Saunders County
Nonfarm employment (2001)¹:	909,402	4,662
(wage & salary)	(percent of total)	
Construction and Mining	4.8	11.7
Manufacturing	12.9	10.0
TCU	6.4	4.6
Wholesale Trade	5.8	3.9
Retail Trade	17.6	19.0
FIRE	6.8	4.4
Services	28.5	17.8
Government	17.0	28.7

Agriculture:

Number of farms: 1,176 in 1997; 1,235 in 1992; 1,417 in 1987

Average farm size: 371 acres in 1997; 354 acres in 1992

Market value of farm products sold: \$143.7 million in 1997 (\$122,166 average per farm); \$140.2 million in 1992 (\$113,5121 average per farm)

¹By place of work

Sources: U.S. Bureau of the Census, U.S. Bureau of Economic Analysis, Nebraska Department of Labor, Nebraska Department of Revenue.

bulletin board

Updated County Population Projections Available Online

Revised county population projections from 2000 to 2020, in five-year age groups, by county are available on the BBR website: www.bbr.unl.edu.

A printable copy of the projections will be added to the website in early July.

Also, printed copies will be available for purchase in July at \$40 each. Contact BBR at (402) 472-2334 for information or to order the report.

BBR maintains data on projections by age in one-year age groups and by gender for use in contract research.

Note:

The public schools expenditure database has been updated to include the 2000-2001 school year.



Go to:
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