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When America Sneezes Does Nebraska Catch Cold?

Charles Lamphear and John Austin

The latest economic forecast for Nebraska by the Nebraska Business Forecast Council appeared in the January 2001 issue of *Business in Nebraska*, and reported a 0.9 percent growth in nonfarm employment this year and a 6.1 percent growth in nonfarm personal income. The 0.9 percent employment growth rate is well below the average annual growth rate of 2.1 percent during the 1990s. This forecast largely reflects the state's extremely tight labor market, not the current national economic slowdown.

With the recent evidence of a national economic slowdown, and a downside risk of a hard landing or even a recession, is there a need to adjust the Council's forecast?

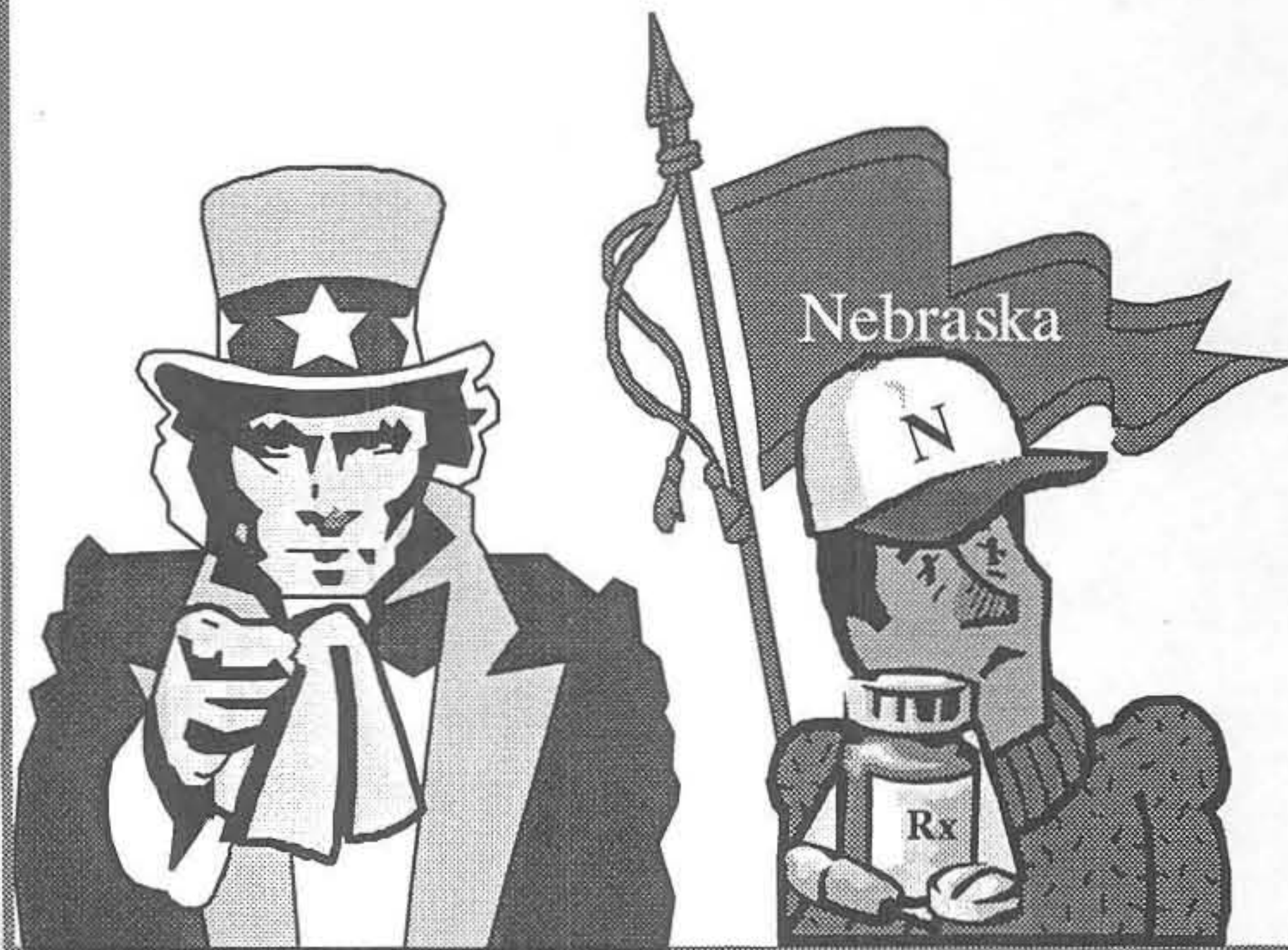
The Current State of the National Economy

Clearly, the national economy is undergoing a substantial slowdown. Real Gross Domestic Product (GDP) for 4th quarter 2000 grew at an annualized rate of only 1.4 percent, down from 5 percent for the first half of the year, and down from 2.2 percent for 3rd quarter. Earlier, analysts predicted a 2.1 percent rate for 4th quarter. The 4th quarter rate of 1.4 percent was the slowest in any quarter since a 0.8 percent rate in the second quarter of 1995, when the economy was coping with overstocked inventories. The 3rd and 4th quarter 2000 growth rates marked a cooling off of the longest economic boom in U.S. history. Growth in 1st quarter 2001 may be near zero.

America's long, ten-year expansion, which largely was driven by a very rapid growth in productivity, created huge imbalances in the economy. These imbalances included heavy borrowing by households and companies, overvalued stock prices, and a large and growing trade deficit. All, whether singly or in combination, preceded previous recessions. Previous actions by the Federal Reserve may have contributed to the current slowdown. Finally, the abrupt nature of the slowdown likely reflects the workings of just-in-time supply of inputs for production.

During an 18-month period ending last December, the Federal Reserve raised interest rates six times to slow

The official definition of a recession is at least two consecutive quarters of negative growth in real Gross Domestic Product (GDP), adjusted for inflation.



down an overheated' economy. The economy had been growing in the 4-to-6 percent range, which was not sustainable. U.S. central bank chief Alan Greenspan attempted to steer the economy into the 2.5-to-3.0 percent sustainable growth range. He probably would have been successful, if all else was equal. But, all else was not equal. Furthermore, it is extremely difficult to exactly time rate adjustments to current economic conditions. The time lag for the effect of a rate adjustment is six to twelve months. Using rate adjustments to steer the economy is like using a paddle to steer a large ocean freighter.

Overpriced stocks began to fall in 2nd quarter 2000, wiping out over \$4 trillion in equity value since the beginning of the fall. When stock prices were rising at double-digit rates or higher, people instantly felt rich; so, they spent more, saved less, and didn't hesitate to take on more debt. As a rule of thumb, consumers spend about 3.5 cents more for every dollar increase in stock market value. This rule of thumb works in reverse, also. When sharp declines in stock prices occur, consumers who are heavy in debt with little or no traditional savings cut back on spending, especially for big ticket items such as autos, appliances, and computers. The combination of the rapid fall in consumer demand, which makes up about 67 percent of total final demand, and the high level of productivity growth caused a quick build up of excessive inventories. Companies promptly reacted by slowing production in order to draw down inventories, which left many in a profit squeeze just when banks and the bond markets were becoming selective. Furthermore, the profit squeeze exacerbated the stock sell-off.

The recent jump in energy costs also impacted consumers. Consumers have paid an estimated additional \$90 billion for energy since mid-1999. This large cost increase acted as a tax hike, taking buying power out of people's pockets, while cutting into corporate profits.

Turning to the growing trade imbalance, the U.S. trade deficit rose from 1.4 percent of GDP in 1990 to an estimated 4.3 percent, or \$450 billion in 2000, which dwarfs anything ever experienced in U.S. history. The deficit buildup was largely due to the nation's exceptional growth in income, especially for the period 1995 to 2000. As U.S. income growth outpaced growth abroad, demand for both domestic goods and imports rose, while foreign demand for U.S. exports languished.

The current account deficit leaves the U.S. economy in a vulnerable position vis-a-vis foreign lenders and inves-

tors who have provided substantial funds. Should investment or lending opportunities prove more attractive elsewhere, then funds would flow out of the U.S., causing a decline in the relative value of the U.S. dollar. This would set off a chain reaction that could exacerbate the slowdown.

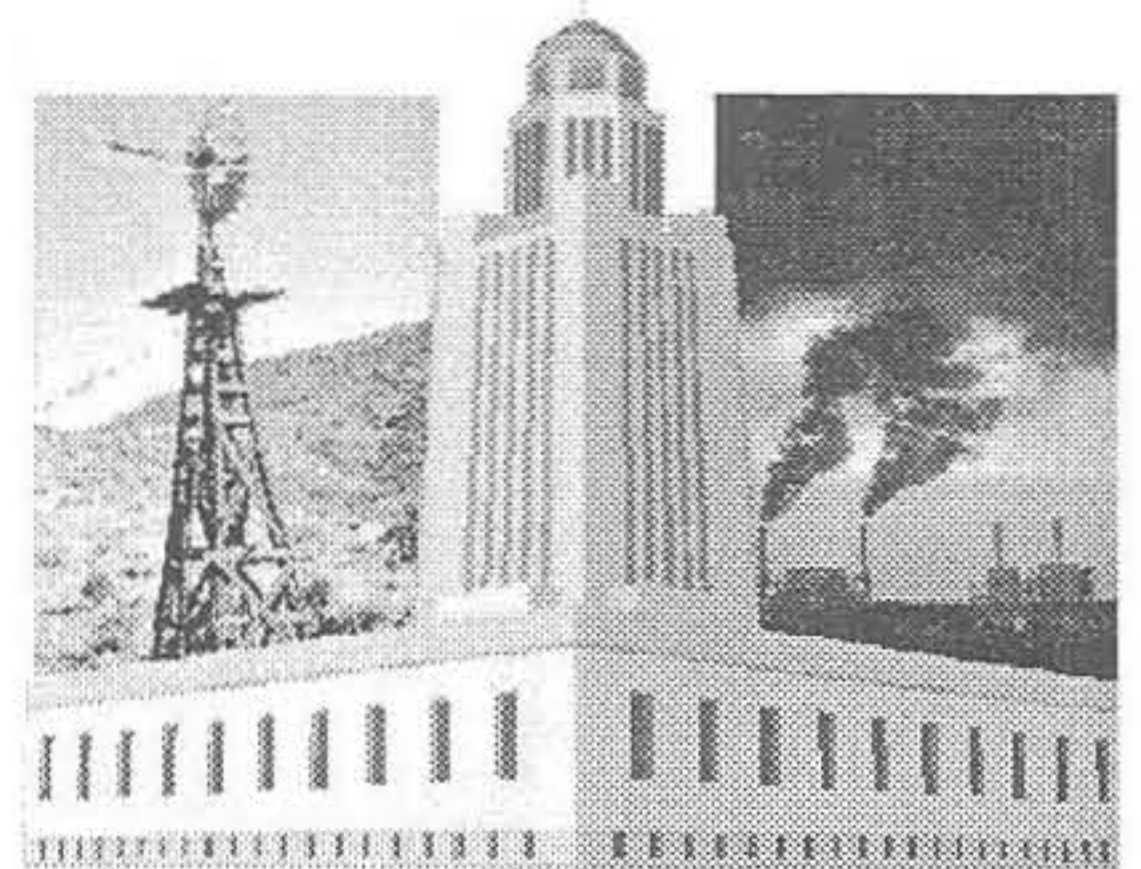
But, there is encouraging news. Preliminary data for January 2001 indicate that the slowdown likely will be hard, but brief. As noted earlier, a short duration slowdown likely would reflect the workings of just-in-time production.

The Effects of National Business Cycles on Nebraska's Economy

A comparative analysis of national and state employment patterns by industry for several business cycles provides a meaningful way to determine the degree of Nebraska's exposure to national downturns. The three most recent national business cycles range from the mild recession of 1990-91, to the severe recession of 1980-82, through the moderate recession of 1974-75. The 1974-75 recession, which followed a long period of inflation and growth, was induced by the oil shocks of the 1970s. The severe recession of 1980-82 was the result of an overheated economy and runaway inflation. It was prolonged by Federal Reserve action to bring down inflation to a tolerable level. By 1983 the nation's inflation rate slowed to 3.2 percent from 13.5 percent in 1980. The mild recession of 1990-91 followed a prolonged period of expansion.

Not all national industries, at least initially, are vulnerable to an economic downturn. Many, such as food processing, insurance, and medical care, are only minimally affected by a recession. Still others, such as rubber products, fabricated metals products, general retail, and transportation, are only moderately affected by a recession. Industries most affected are those that produce big ticket items, such as automobiles and appliances, plus the construction sector.

Employment patterns for the three most recent recessions were analyzed to determine the relationship between the length and severity of recession on industry employment. Generally, the longer and more severe the recession is, the greater the number of industries affected. The analysis was extended to compare national employment patterns with Nebraska industries' employment patterns. The result was an estimate of the effect of national business cycles on Nebraska's industries.



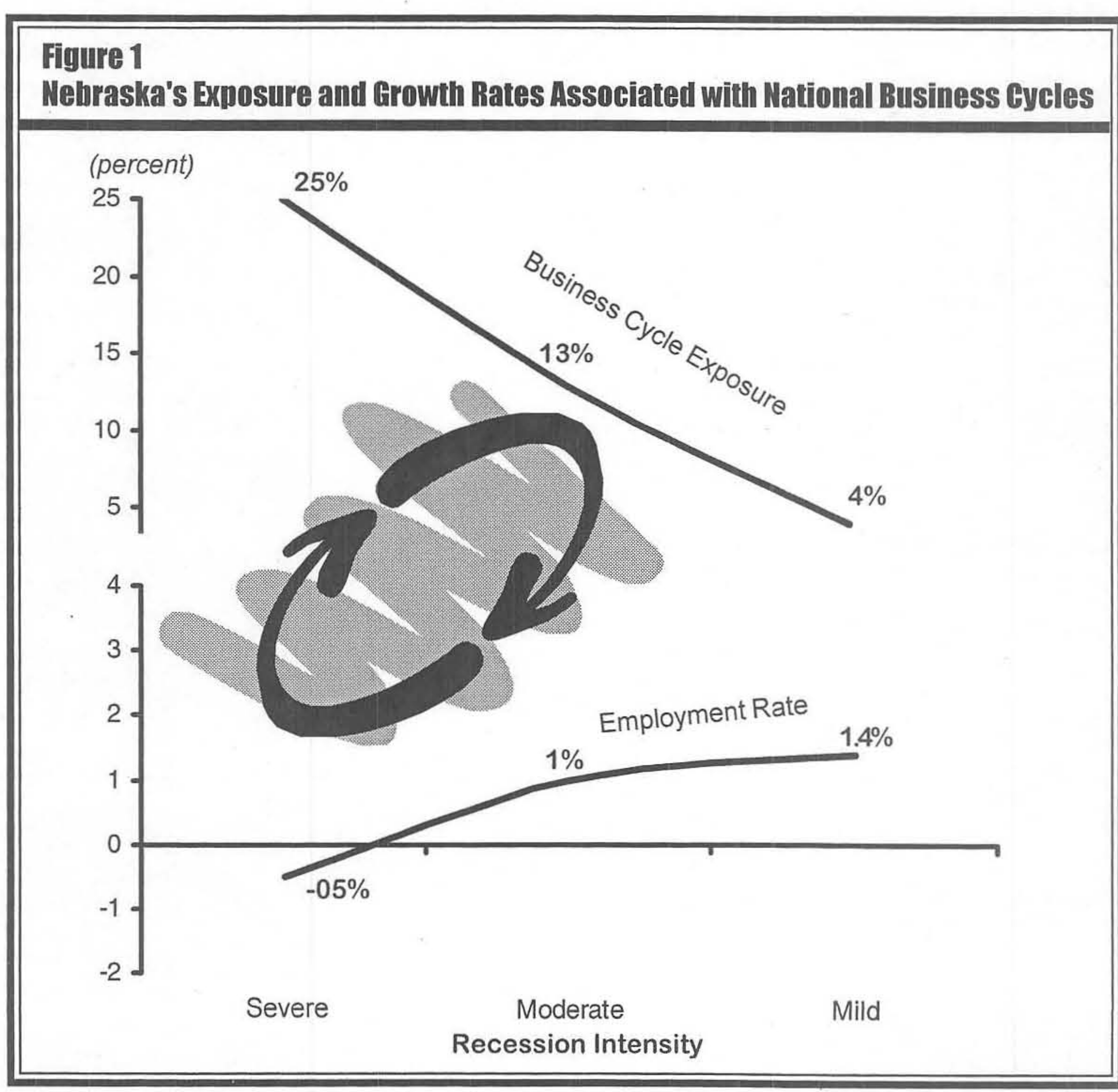
The degree to which Nebraska's industries versus the nation's are affected by national business cycles is considerably less, for several reasons. Nebraska's basic economy is agriculture. An estimated 25 percent of the state's private sector employment is tied to agriculture directly and indirectly. A significant share of the state's total personal income is transfer-based income, estimated to be 16 percent for 2000. Transfer-based income includes Social Security, Medicare, railroad retirement pensions, and farm subsidy payments. The state's demographics provide some buffer from a national downturn. Nebraska's population, on average, is older than the nation's population. Older individuals generally have accumulated more wealth than younger individuals. While the construction sector at the national level generally suffers from a national downturn, currently, Nebraska's heavy construction industry, both nonresidential building and highway construc-

tion is on a separate track. Nonresidential building, especially in Omaha, is in a boom status. Projects underway and in the planning stage are sufficient to keep employment at a very high level, no matter what may happen to the national economy in the near term. All in all, Nebraska's exposure to national business cycles is relatively low.

...Nebraska's exposure to national business cycles is relatively low.

The top graph of Figure 1 measures Nebraska's exposure to national business cycles, from a severe to a mild recession. The severe recession of 1980-82 exposed an estimated 25 percent of the state's private nonfarm employment to a downturn. However, the bottom graph of Figure

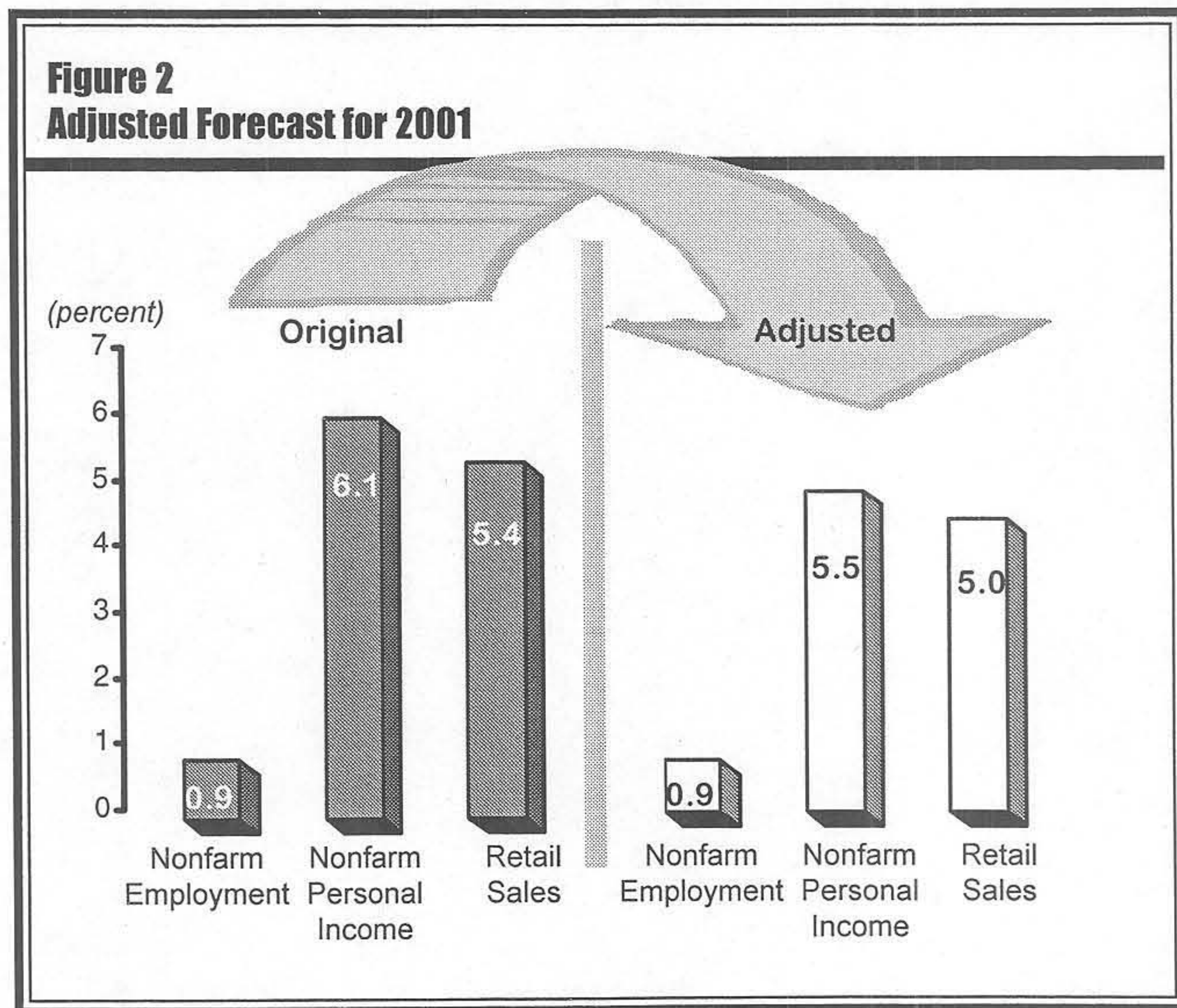
1 shows that Nebraska's average annual employment for the 1980-82 recession period only declined by 0.5 percent per year. Much of that decline, however, was due to structural adjustments in the state's agriculture sector, rather than to the nation's recession. The nation's mild recession of 1990-91



exposed only an estimated 4 percent of the state's private nonfarm employment to a downturn. However, the state's employment grew 1.4 percent per year during the recession period (bottom graph). Incidentally, the 1.4 percent growth rate exceeds the Council's forecast of 0.9 percent for 2001. This difference shows that the state's current tight labor market is having a greater impact on the state's economy than the 1990-91 recession.

Should the Council's forecast be adjusted to reflect the current national economic slowdown? Perhaps the answer is yes. Even though the current national slowdown is expected to have little or no effect on the state's employment, it probably will have some effect on the state's tight labor market. The driving force behind the Council's original forecast was a rapid increase in wage rates. With the national

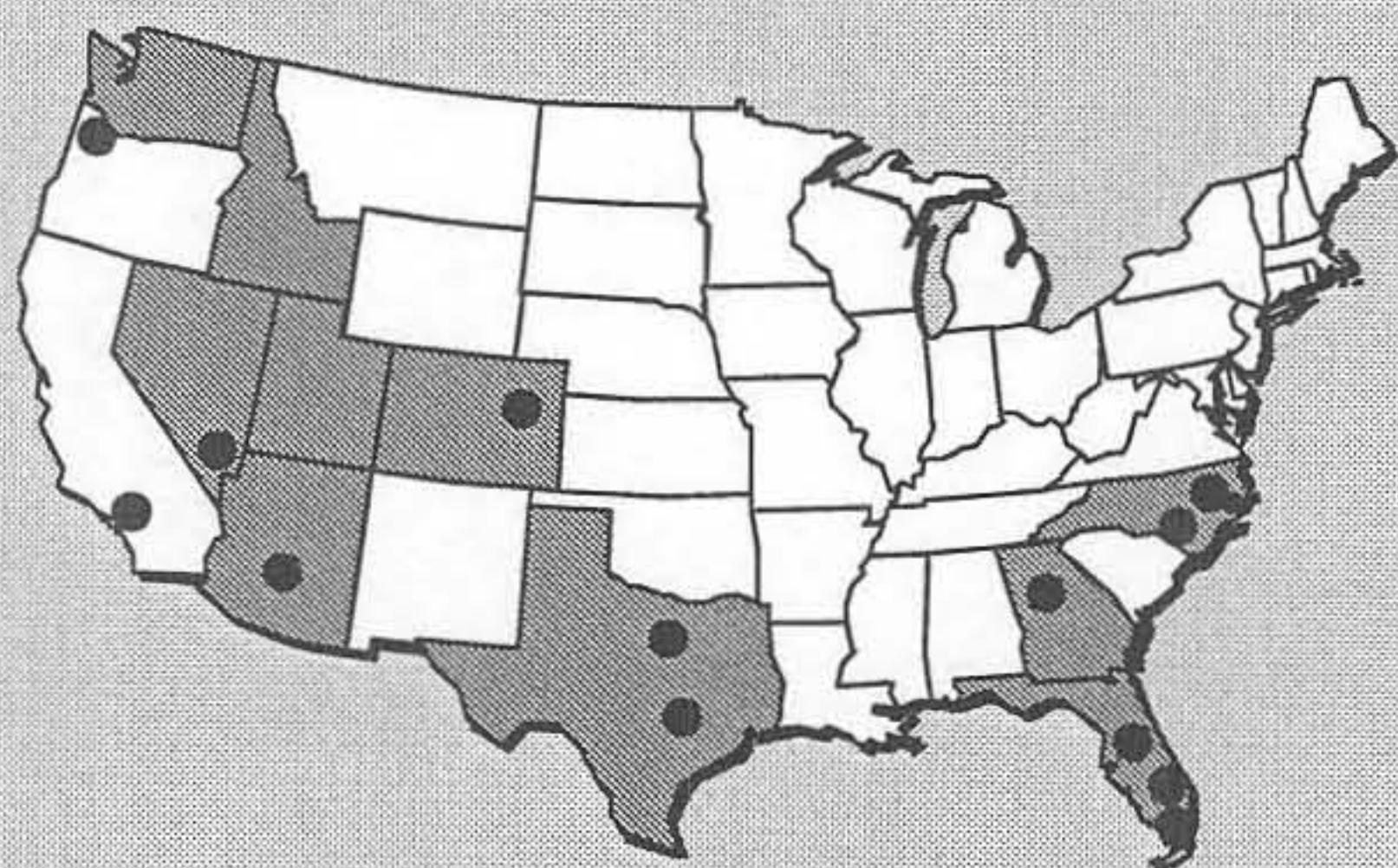
economy weakening, in general, some inflationary pressure will be reduced. If Nebraska's tight labor market eased marginally, then wage rate gains would not be as high as previously thought. As a result, increases in nonfarm wages and salaries, and related components, will ease. On the whole, nonfarm personal income likely will rise at a rate closer to 5.5 percent this year, rather than the 6.1 percent growth rate previously predicted. Because of the direct linkage between income and consumption, a slight downward adjustment in the retail sales forecast from 5.4 percent to 5.0 percent is in order (Figure 2). These adjustments represent only marginal changes in the Council's earlier forecast. If the nation's slowdown is short and region specific, then Nebraska may escape any significant downturn impacts.



The analysis of the behavior of the Nebraska economy compared to the U.S. economy relied on Bureau of Economic Analysis (BEA) data on employment by industry. The BEA data were used because they are comprehensive, covering farm and nonfarm workers, proprietors, and railroad workers.

Ten Fastest Growing States 1990-2000

Nevada	66.3%
Arizona	40.0%
Colorado	30.6%
Utah	29.6%
Idaho	28.5%
Georgia	26.4%
Florida	23.5%
Texas	22.8%
North Carolina	21.4%
Washington	21.1%



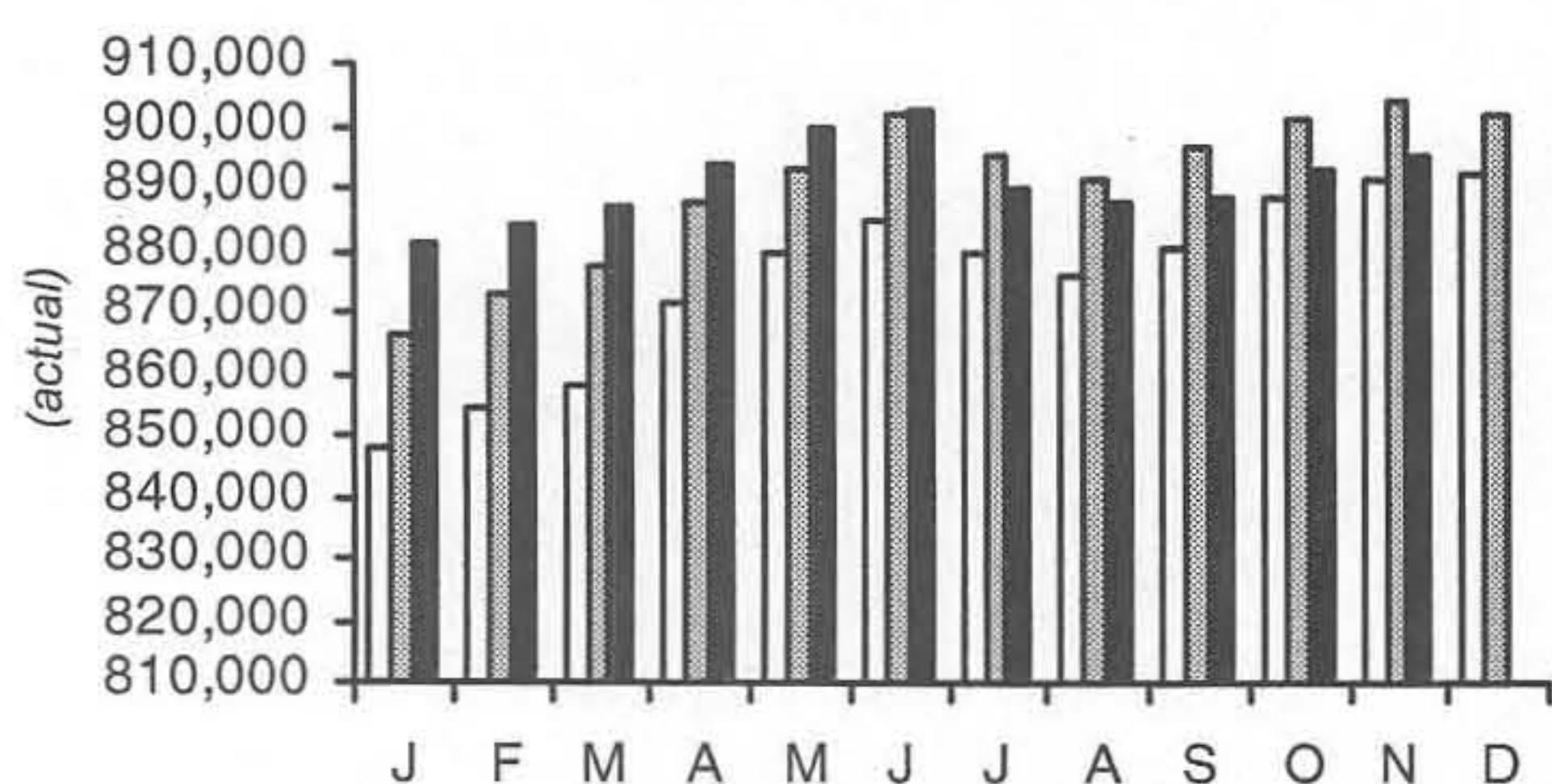
Fastest Growing Urban Centers 1990-2000 (million+ and 20%+)

Las Vegas	(1.4M)	62.0%
Austin	(1.1M)	35.4%
Phoenix	(3.0M)	34.6%
Atlanta	(3.9M)	30.3%
Raleigh/Durham/Chapel Hill	(1.1M)	28.8%
Orlando	(1.5M)	25.3%
Riverside/San Bernardino	(3.2M)	23.6%
Ft. Lauderdale	(1.5M)	22.3%
Denver/Boulder	(2.4M)	22.1%
Charlotte	(1.4M)	22.0%
Dallas/Ft. Worth	(4.9M)	21.6%
Portland/Salem	(2.2M)	21.6%
West Palm Beach	(1.1M)	21.5%

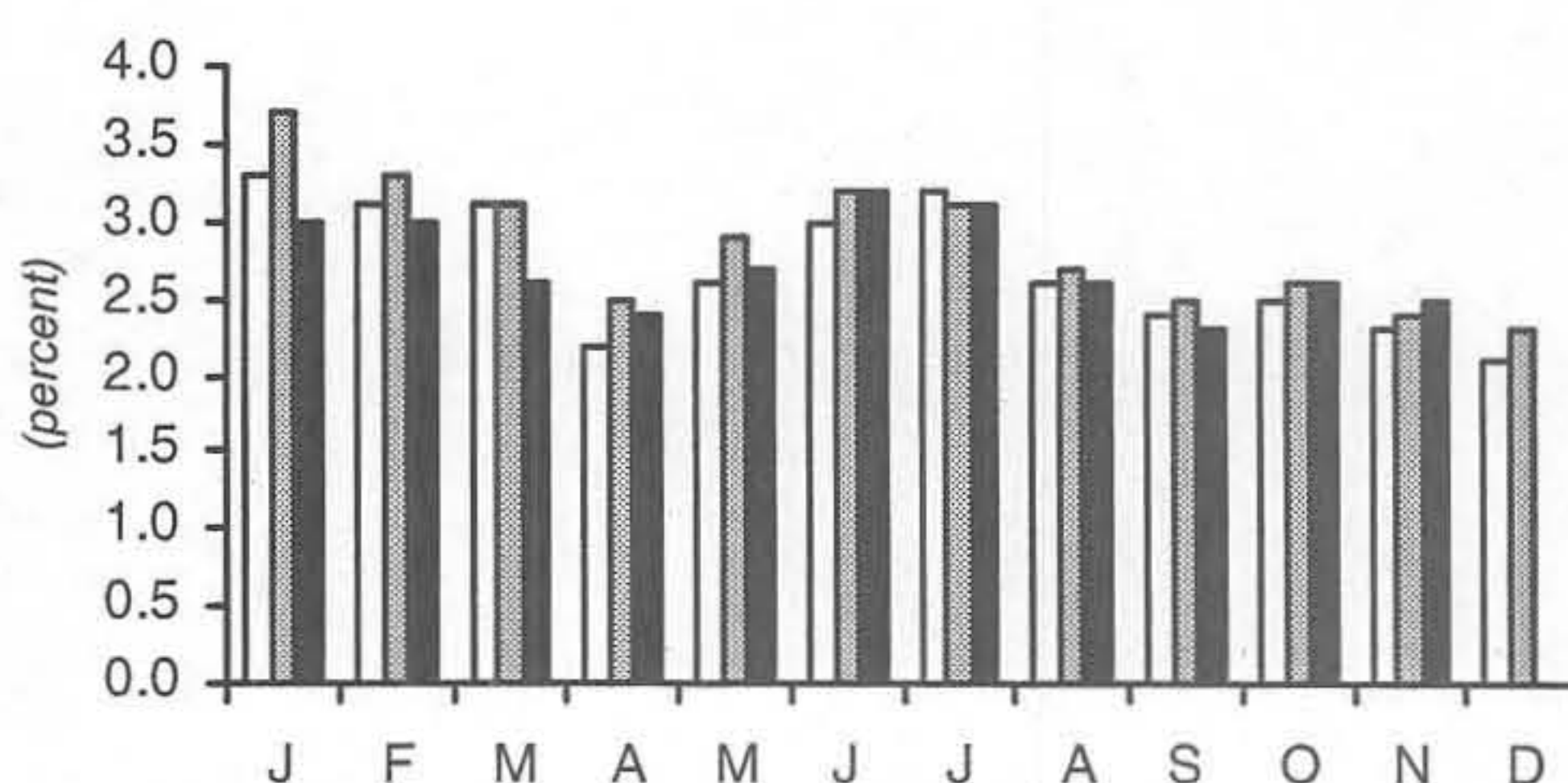
Nebraska Stats

□ 1998 ▨ 1999 ■ 2000

Total Nonfarm Wage & Salary Employment



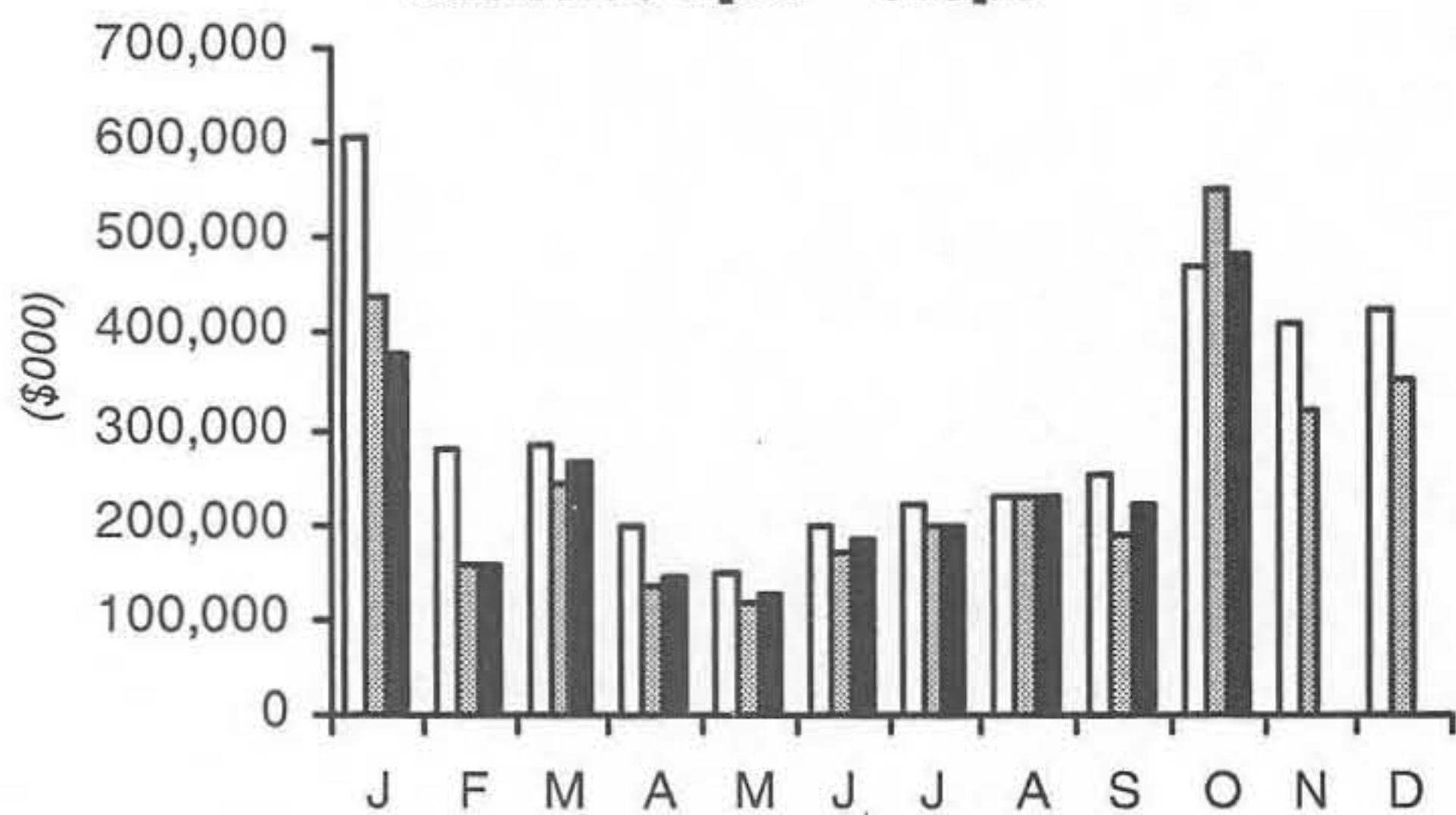
Unemployment Rate



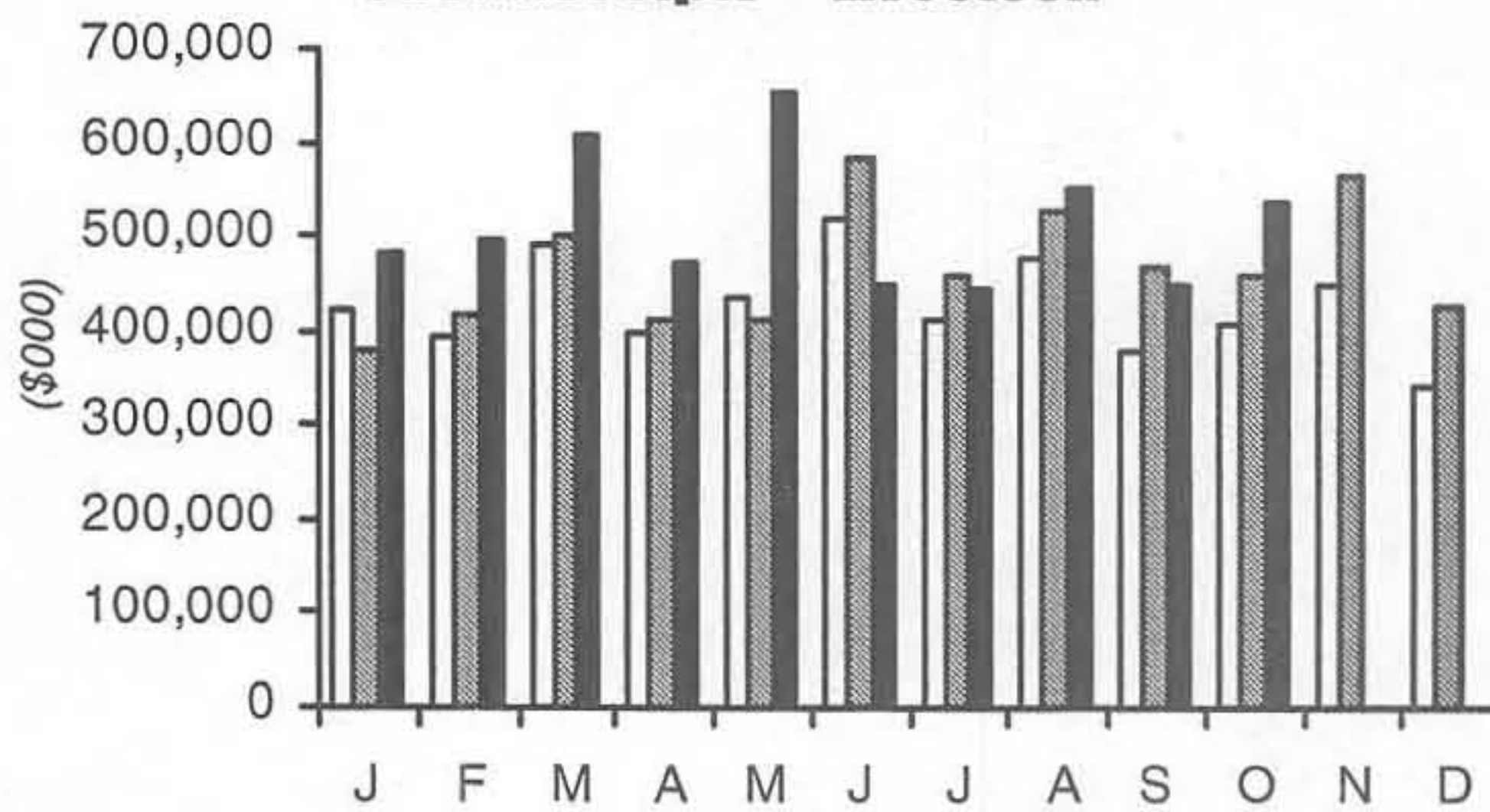
Note: All 1999 and 2000 monthly employment data are considered estimates until benchmarked. Data shown for 1999 and 2000 are the most current revised estimates available. Final benchmarked monthly data for 1999 are expected to be released by the Nebraska Department of Labor in mid-2000.

□ 1998 ▨ 1999 ■ 2000

Cash Receipts—Crops



Cash Receipts—Livestock



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

	October 2000 (\$000)	YTD (\$000)	YTD % Change vs Yr. Ago		October 2000 (\$000)	YTD (\$000)	YTD % Change vs Yr. Ago
Ainsworth, Brown	1,594	15,704	-10.3	Kenesaw, Adams	157	2,142	-2.6
Albion, Boone	1,524	16,637	-5.3	Kimball, Kimball	1,642	18,182	5.1
Alliance, Box Butte	5,527	57,468	-1.2	La Vista, Sarpy	10,022	101,042	10.0
Alma, Harlan	481	5,659	-15.2	Laurel, Cedar	387	3,716	1.1
Arapahoe, Furnas	811	8,327	12.6	Lexington, Dawson	7,111	75,352	7.4
Arlington, Washington	240	2,226	7.4	Lincoln, Lancaster	214,367	2,168,720	5.2
Arnold, Custer	245	2,888	6.0	Louisville, Cass	420	5,505	-3.9
Ashland, Saunders	1,177	13,856	11.4	Loup City, Sherman	404	4,358	-29.9
Atkinson, Holt	904	10,368	6.7	Lyons, Burt	489	4,519	-4.9
Auburn, Nemaha	2,458	24,083	3.4	Madison, Madison	881	8,293	8.8
Aurora, Hamilton	2,332	23,487	-8.4	McCook, Red Willow	9,318	116,975	2.1
Axtell, Kearney	40	622	3.8	Milford, Seward	1,128	8,898	-4.8
Bassett, Rock	361	4,875	1.2	Minatare, Scotts Bluff	137	1,595	6.2
Battle Creek, Madison	668	6,661	2.4	Minden, Kearney	1,694	18,307	-0.9
Bayard, Morrill	316	4,391	3.4	Mitchell, Scotts Bluff	456	5,894	-16.0
Beatrice, Gage	10,778	116,336	9.5	Morrill, Scotts Bluff	510	5,502	12.6
Beaver City, Furnas	112	1,327	2.6	Nebraska City, Otoe	5,980	62,484	-3.7
Bellevue, Sarpy	19,687	203,890	3.8	Neligh, Antelope	1,271	13,518	-0.7
Benkelman, Dundy	510	5,890	5.3	Newman Grove, Madison	289	2,849	1.9
Bennington, Douglas	643	6,262	13.9	Norfolk, Madison	30,582	309,540	5.8
Blair, Washington	6,758	69,183	2.3	North Bend, Dodge	463	5,083	3.4
Bloomfield, Knox	576	5,206	-15.3	North Platte, Lincoln	22,975	238,820	4.6
Blue Hill, Webster	447	4,215	-5.7	O'Neill, Holt	4,240	44,778	5.5
Bridgeport, Morrill	1,124	11,598	1.4	Oakland, Burt	537	5,845	-16.5
Broken Bow, Custer	3,717	38,421	5.3	Ogallala, Keith	4,789	56,955	-2.4
Burwell, Garfield	834	8,300	8.4	Omaha, Douglas	476,719	4,942,361	2.8
Cairo, Hall	353	3,164	23.5	Ord, Valley	1,939	20,322	7.4
Central City, Merrick	1,740	17,640	-1.2	Osceola, Polk	532	5,130	-26.9
Ceresco, Saunders	1,297	13,122	-6.6	Oshkosh, Garden	397	4,210	-6.0
Chadron, Dawes	4,811	48,575	3.7	Osmond, Pierce	432	4,432	-8.3
Chappell, Deuel	448	4,730	-2.7	Oxford, Furnas	398	4,331	-4.4
Clarkson, Colfax	351	4,134	-2.2	Papillion, Sarpy	6,573	72,974	0.5
Clay Center, Clay	198	2,736	-26.2	Pawnee City, Pawnee	287	2,891	-8.6
Columbus, Platte	20,182	209,371	2.8	Pender, Thurston	829	7,741	2.5
Cozad, Dawson	2,994	30,696	0.6	Pierce, Pierce	613	6,284	-2.7
Crawford, Dawes	468	5,973	5.3	Plainview, Pierce	679	6,679	6.9
Creighton, Knox	1,060	9,981	-15.7	Plattsmouth, Cass	3,110	34,579	-0.2
Crete, Saline	2,918	28,154	-17.4	Ponca, Dixon	231	2,557	-48.8
Crofton, Knox	391	3,828	-7.3	Ralston, Douglas	3,187	33,271	2.1
Curtis, Frontier	309	3,546	1.4	Randolph, Cedar	372	3,972	0.1
Dakota City, Dakota	479	4,492	8.3	Ravenna, Buffalo	545	5,685	-16.5
David City, Butler	1,627	16,037	7.8	Red Cloud, Webster	610	6,804	2.0
Deshler, Thayer	252	3,011	7.8	Rushville, Sheridan	387	4,261	-14.6
Dodge, Dodge	206	2,474	2.0	Sargent, Custer	204	2,163	7.1
Doniphan, Hall	556	9,281	3.9	Schuyler, Colfax	1,769	18,527	3.5
Eagle, Cass	248	4,227	-1.2	Scottsbluff, Scotts Bluff	21,737	219,401	2.4
Elgin, Antelope	430	4,099	1.6	Scribner, Dodge	388	3,996	-10.6
Elkhorn, Douglas	2,077	23,737	-7.0	Seward, Seward	4,766	47,660	1.3
Elm Creek, Buffalo	429	3,766	-5.5	Shelby, Polk	438	4,003	12.0
Elwood, Gosper	236	3,042	-32.8	Shelton, Buffalo	375	4,234	-28.9
Fairbury, Jefferson	2,813	31,668	-3.6	Sidney, Cheyenne	10,654	93,847	6.7
Fairmont, Fillmore	217	1,934	25.0	South Sioux City, Dakota	7,995	78,628	-1.7
Falls City, Richardson	2,561	25,388	-0.1	Springfield, Sarpy	539	6,488	18.3
Franklin, Franklin	493	5,560	0.8	St. Paul, Howard	1,345	12,719	3.7
Fremont, Dodge	23,437	237,513	5.1	Stanton, Stanton	607	6,146	0.7
Friend, Saline	551	4,804	0.1	Stromsburg, Polk	895	10,544	17.2
Fullerton, Nance	495	5,355	4.5	Superior, Nuckolls	1,334	15,271	-2.5
Geneva, Fillmore	1,435	14,228	-12.2	Sutherland, Lincoln	422	4,021	8.1
Genoa, Nance	236	2,864	1.1	Sutton, Clay	745	8,348	0.6
Gering, Scotts Bluff	4,194	42,161	8.0	Syracuse, Otoe	1,229	11,869	4.1
Gibbon, Buffalo	822	8,217	0.0	Tecumseh, Johnson	816	8,497	-4.3
Gordon, Sheridan	1,338	16,047	-5.6	Tekamah, Burt	934	10,193	-10.8
Gothenburg, Dawson	2,305	24,797	4.5	Tilden, Madison	249	2,807	-34.0
Grand Island, Hall	52,066	533,025	6.4	Utica, Seward	285	3,105	3.7
Grant, Perkins	975	11,246	9.8	Valentine, Cherry	5,132	44,804	7.0
Gretna, Sarpy	3,182	29,635	-4.5	Valley, Douglas	1,667	17,385	34.5
Hartington, Cedar	1,664	15,031	-5.8	Wahoo, Saunders	2,364	23,601	3.6
Hastings, Adams	19,877	209,182	1.6	Wakefield, Dixon	298	3,491	8.3
Hay Springs, Sheridan	379	3,701	5.7	Wauneta, Chase	244	3,045	1.4
Hebron, Thayer	908	13,679	-25.0	Waverly, Lancaster	850	8,249	18.8
Henderson, York	606	6,809	13.1	Wayne, Wayne	3,801	37,488	1.7
Hickman, Lancaster	222	2,507	1.5	Weeping Water, Cass	581	6,223	-7.7
Holdrege, Phelps	4,365	44,895	3.8	West Point, Cuming	4,789	37,216	3.8
Hooper, Dodge	374	3,910	8.3	Wilber, Saline	393	4,431	-7.4
Humboldt, Richardson	251	3,305	-33.3	Wisner, Cuming	681	6,625	6.7
Humphrey, Platte	785	7,545	2.0	Wood River, Hall	354	4,018	-0.6
Imperial, Chase	1,481	17,997	-9.8	Wymore, Gage	414	4,309	1.8
Juniata, Adams	192	2,241	4.5	York, York	9,501	102,038	0.6
Kearney, Buffalo	34,670	351,816	6.9				

*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		
	October 2000 (\$000)	YTD (\$000)	YTD % Chg. vs Yr. Ago	October 2000 (\$000)	YTD (\$000)	YTD % Chg. vs Yr. Ago		October 2000 (\$000)	YTD (\$000)	YTD % Chg. vs Yr. Ago	October 2000 (\$000)	YTD (\$000)	YTD % Chg. vs Yr. Ago
Nebraska	213,664	2,227,406	4.3	1,407,410	14,440,617	3.9	Howard	904	9,259	15.0	1,717	16,391	3.3
Adams	3,776	38,142	5.3	20,390	216,163	1.3	Jefferson	1,058	11,763	11.3	4,020	42,187	-1.7
Antelope	1,063	10,117	6.5	2,059	21,469	-1.8	Johnson	556	5,285	-6.1	1,132	11,755	-3.5
Arthur	66	715	-4.3	(D)	(D)	(D)	Kearney	962	10,286	13.3	1,835	20,148	-1.1
Banner	125	1,516	32.7	(D)	(D)	(D)	Keith	1,103	14,107	5.9	5,235	62,896	-2.2
Blaine	72	1,297	58.4	(D)	(D)	(D)	Keya Paha	153	1,643	38.2	92	1,177	15.4
Boone	777	8,848	9.3	1,989	21,553	-3.6	Kimball	652	6,740	31.1	1,674	18,599	5.3
Box Butte	1,427	16,024	4.8	5,792	60,511	-0.8	Knox	985	11,529	12.3	2,674	25,802	-9.3
Boyd	236	2,680	11.4	486	5,548	-1.0	Lancaster	27,936	293,628	4.7	217,444	2,199,171	5.5
Brown	541	5,300	14.3	1,687	16,860	-9.4	Lincoln	3,968	44,741	0.1	23,981	248,994	4.6
Buffalo	5,357	55,803	10.4	37,256	378,002	5.5	Logan	165	1,488	9.5	(D)	(D)	(D)
Burt	1,121	10,720	6.9	2,196	22,847	-9.3	Loup	68	901	19.0	(D)	(D)	(D)
Butler	932	10,529	-9.3	1,988	20,495	6.4	McPherson	58	938	40.0	(D)	(D)	(D)
Cass	4,040	37,846	-1.4	5,844	66,997	0.2	Madison	3,493	41,307	-1.7	32,748	330,763	5.3
Cedar	1,092	13,695	12.0	2,728	25,693	-3.4	Merrick	1,128	11,000	4.8	2,363	24,639	2.1
Chase	715	7,654	12.9	1,742	21,581	-7.6	Morrill	632	7,910	4.9	1,455	16,246	2.0
Cherry	948	9,234	9.1	5,390	46,993	6.8	Nance	370	5,218	10.6	751	8,515	3.4
Cheyenne	1,363	15,877	6.7	10,942	96,987	6.8	Nemaha	1,165	9,997	2.9	2,716	26,999	4.5
Clay	888	10,734	10.6	1,696	20,954	-3.2	Nuckolls	444	6,483	1.9	2,074	22,772	6.0
Colfax	1,091	12,714	5.8	2,568	27,188	4.9	Otoe	2,048	20,951	5.8	7,589	78,729	-2.5
Cuming	1,501	14,998	23.9	6,060	49,340	3.5	Pawnee	408	3,888	5.5	460	4,836	-7.0
Custer	1,552	16,704	15.5	4,642	49,720	6.2	Perkins	514	6,008	-0.1	1,242	13,560	9.0
Dakota	2,196	23,956	-2.6	8,997	89,026	-1.4	Phelps	1,803	15,358	13.1	4,574	47,613	3.8
Dawes	1,035	9,412	0.9	5,279	54,556	3.8	Pierce	958	10,222	6.5	1,798	18,248	-0.8
Dawson	3,067	34,487	23.4	12,785	135,824	5.6	Platte	3,541	43,058	1.2	21,476	223,443	3.0
Deuel	463	3,551	35.4	1,051	10,846	1.1	Polk	793	9,682	19.4	2,013	21,042	-0.4
Dixon	648	7,868	-1.9	635	7,215	-22.4	Red Willow	1,276	16,658	13.5	9,625	120,561	2.2
Dodge	4,163	45,146	3.3	25,150	255,984	4.7	Richardson	1,236	11,547	12.6	3,012	30,836	-4.9
Douglas	56,666	558,639	-0.1	486,149	5,041,388	2.8	Rock	267	3,010	18.7	373	5,045	0.4
Dundy	483	3,763	12.3	524	6,054	5.5	Saline	1,658	17,041	8.9	4,185	41,088	-13.7
Fillmore	1,013	10,175	28.5	2,169	23,564	-2.2	Sarpy	17,135	173,483	4.4	43,126	447,145	7.3
Franklin	502	4,940	13.4	711	7,997	-0.2	Saunders	2,817	29,328	4.5	5,949	63,614	7.1
Frontier	405	4,773	12.3	641	6,711	1.1	Scotts Bluff	4,458	46,080	-2.4	27,104	275,434	3.0
Furnas	967	8,627	25.4	2,116	22,465	6.1	Seward	1,974	21,300	-1.3	6,412	62,121	0.5
Gage	2,398	28,139	7.5	12,181	128,773	9.2	Sheridan	948	8,587	17.9	2,384	27,008	-4.5
Garden	353	3,148	13.5	578	6,336	0.2	Sherman	499	4,325	7.1	539	5,767	-23.0
Garfield	250	2,316	-1.7	834	8,300	8.4	Sioux	405	2,944	15.0	150	1,347	7.3
Gosper	450	3,785	17.2	295	3,643	-29.1	Stanton	726	7,468	-7.9	802	7,812	-2.0
Grant	137	1,448	-10.5	230	2,611	11.7	Thayer	681	8,075	7.5	1,708	22,496	-14.4
Greeley	319	3,571	13.7	641	6,645	0.6	Thomas	120	1,473	17.8	277	2,675	-4.4
Hall	6,860	70,567	9.1	53,740	553,291	6.4	Thurston	410	4,608	-0.8	1,062	9,136	3.6
Hamilton	1,110	14,513	7.7	2,663	26,966	-8.0	Valley	560	6,181	15.9	2,196	22,730	6.9
Harlan	607	5,268	-0.2	629	8,084	-9.6	Washington	2,829	30,424	0.4	7,591	76,724	3.4
Hayes	124	1,852	7.5	(D)	(D)	(D)	Wayne	908	10,895	11.8	3,941	38,920	1.1
Hitchcock	428	5,077	23.2	581	6,331	3.5	Webster	452	5,517	19.2	1,159	12,400	1.0
Holt	1,615	16,855	14.3	5,732	62,010	5.0	Wheeler	109	1,492	11.3	71	1,090	18.0
Hooker	165	1,214	10.1	389	4,224	11.4	York	1,701	19,842	9.9	10,572	113,572	1.5

*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.

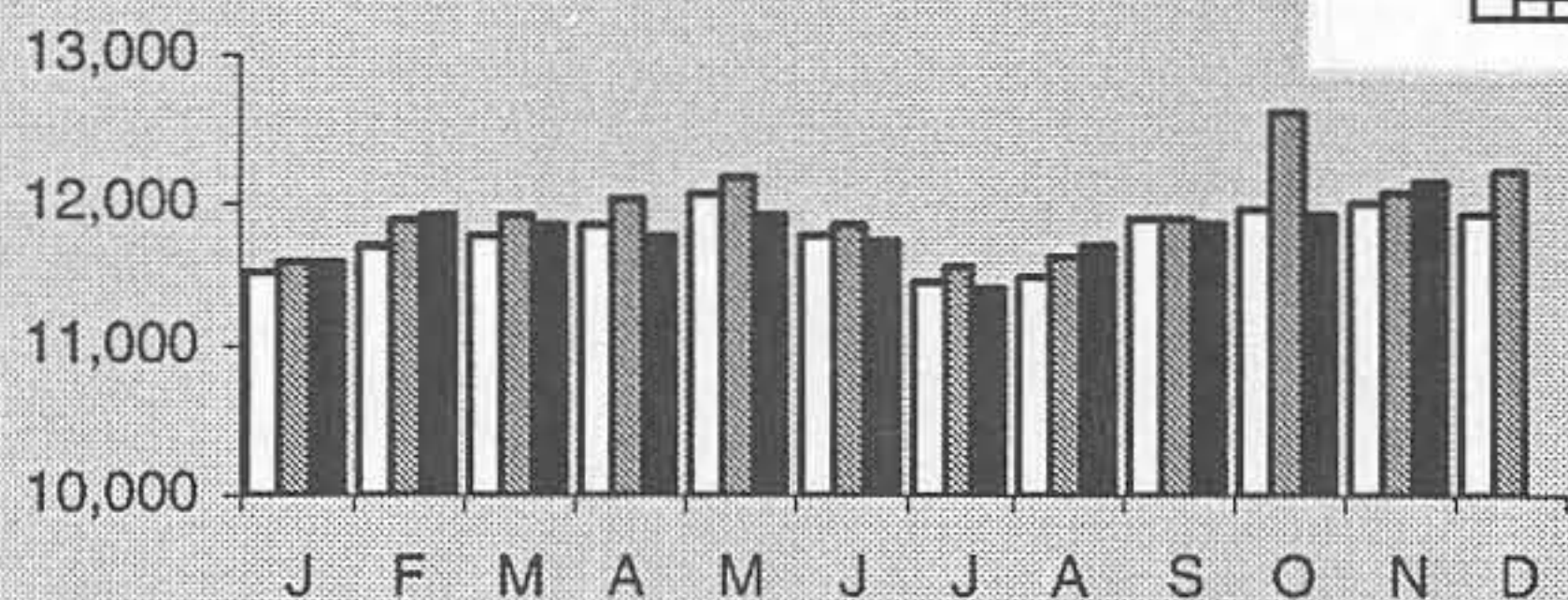
Regional Nonfarm Wage and Salary Employment* 1998 to November** 2000

1998 1999 2000

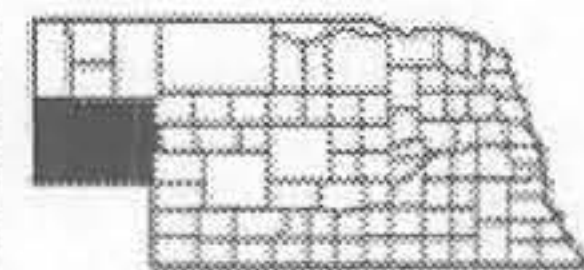
Note to Readers

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

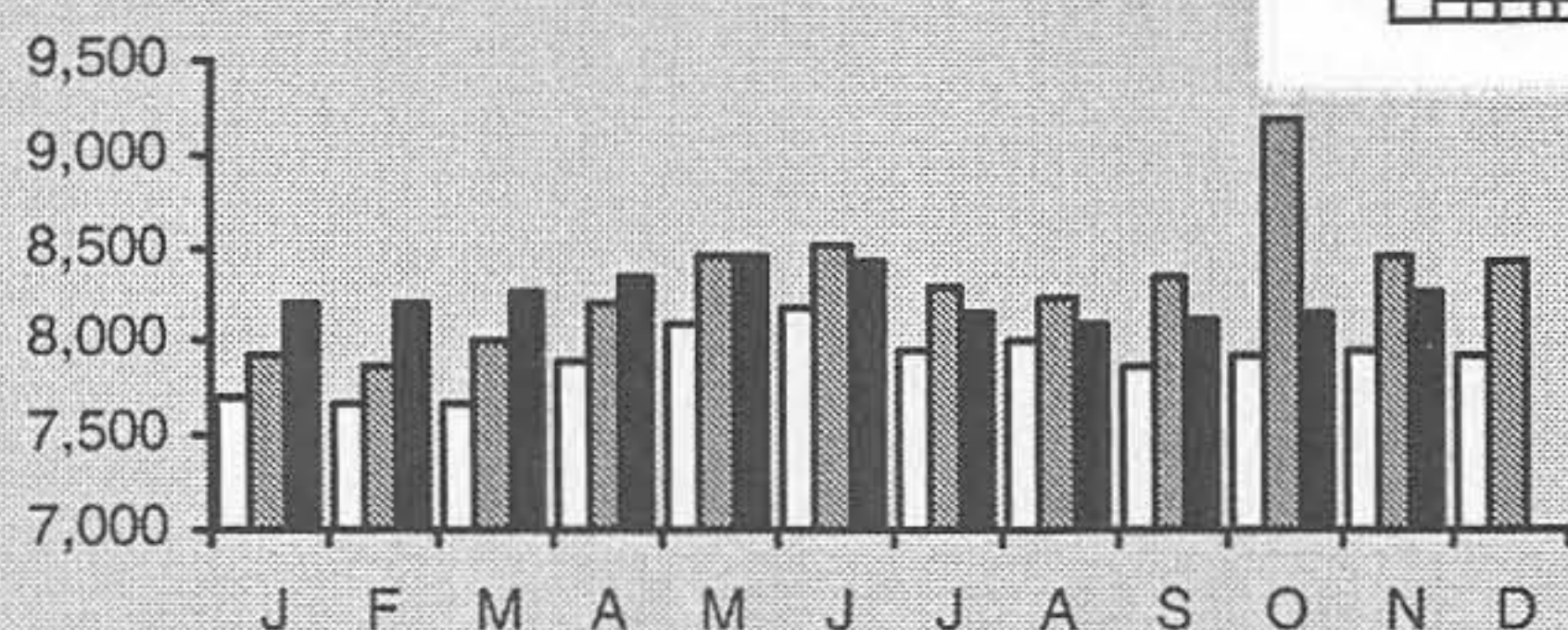
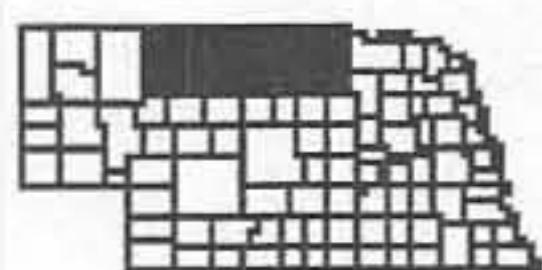
Northwest Panhandle



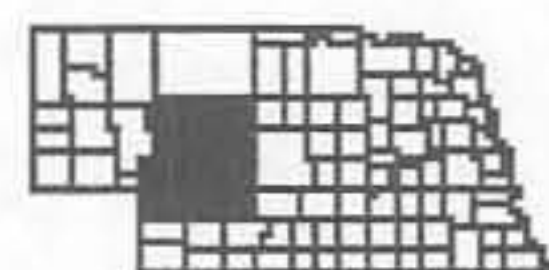
Southwest Panhandle



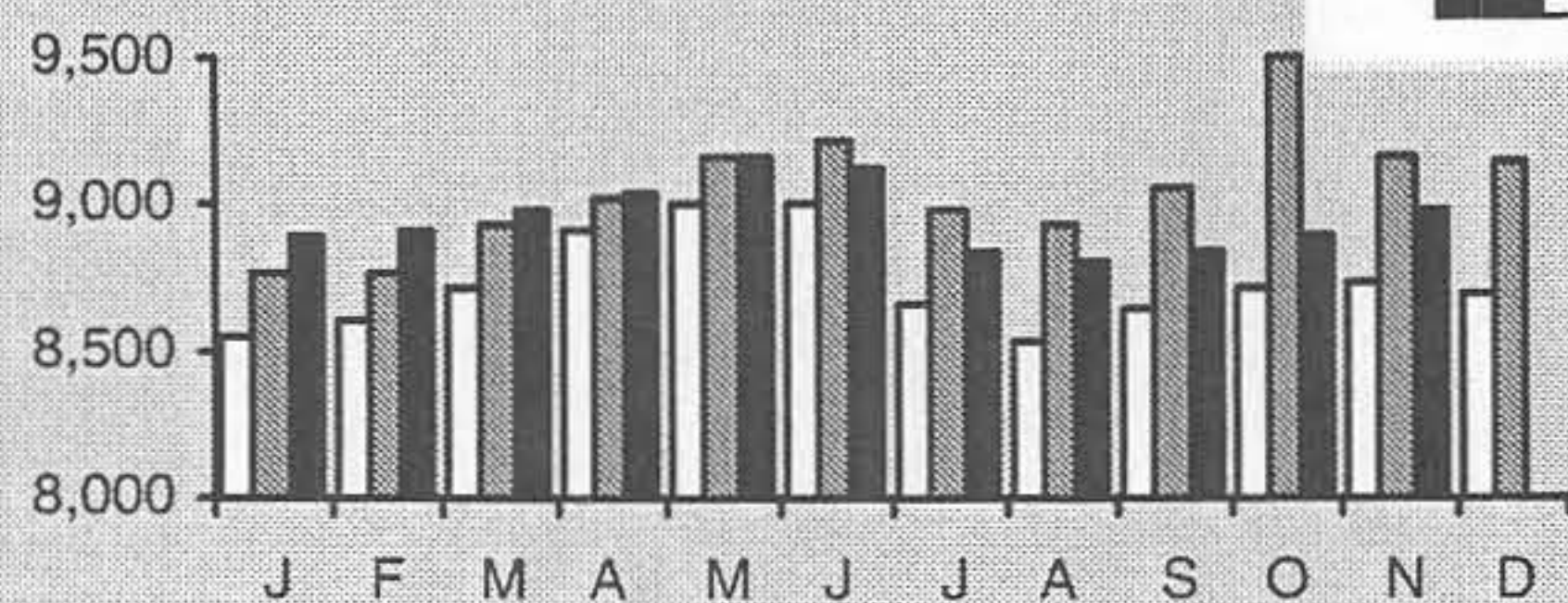
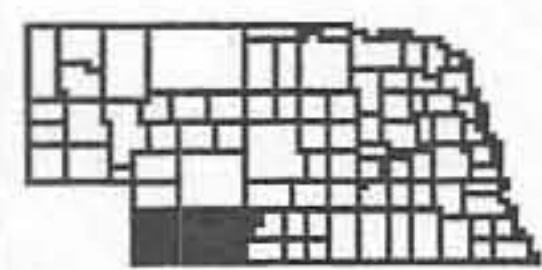
North Central



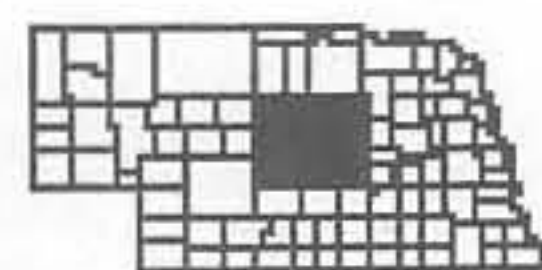
West Central



Southwest Central

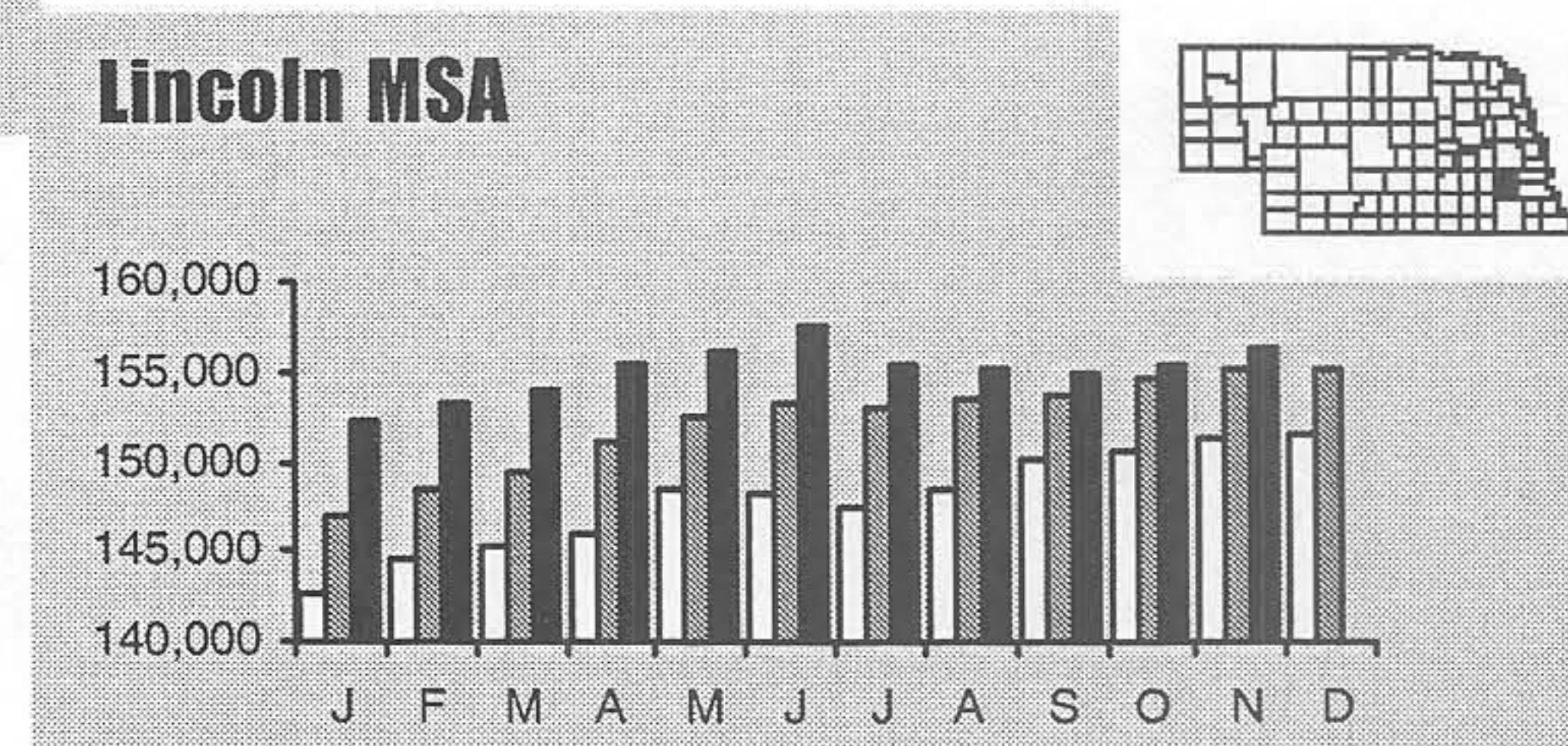
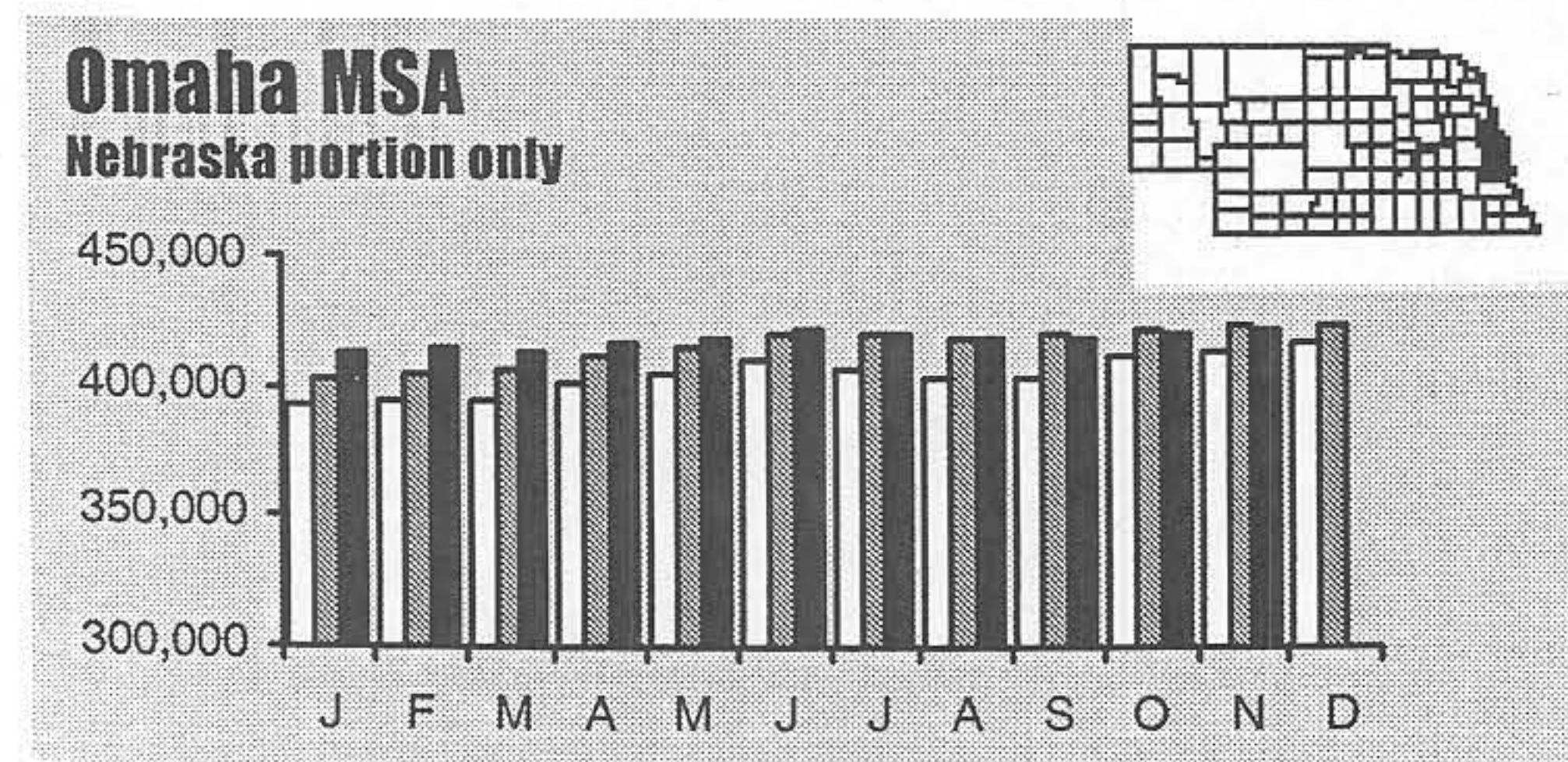
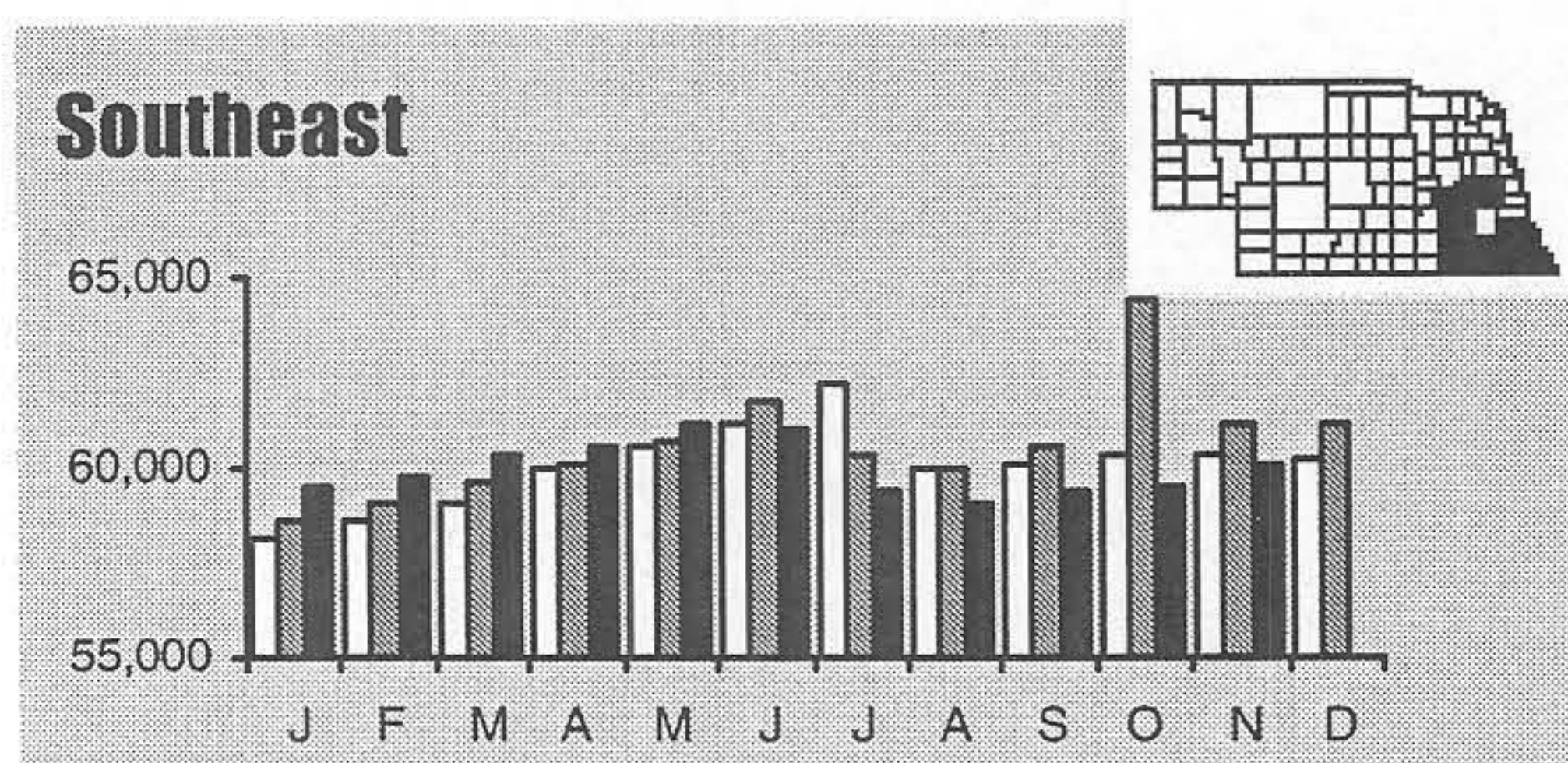
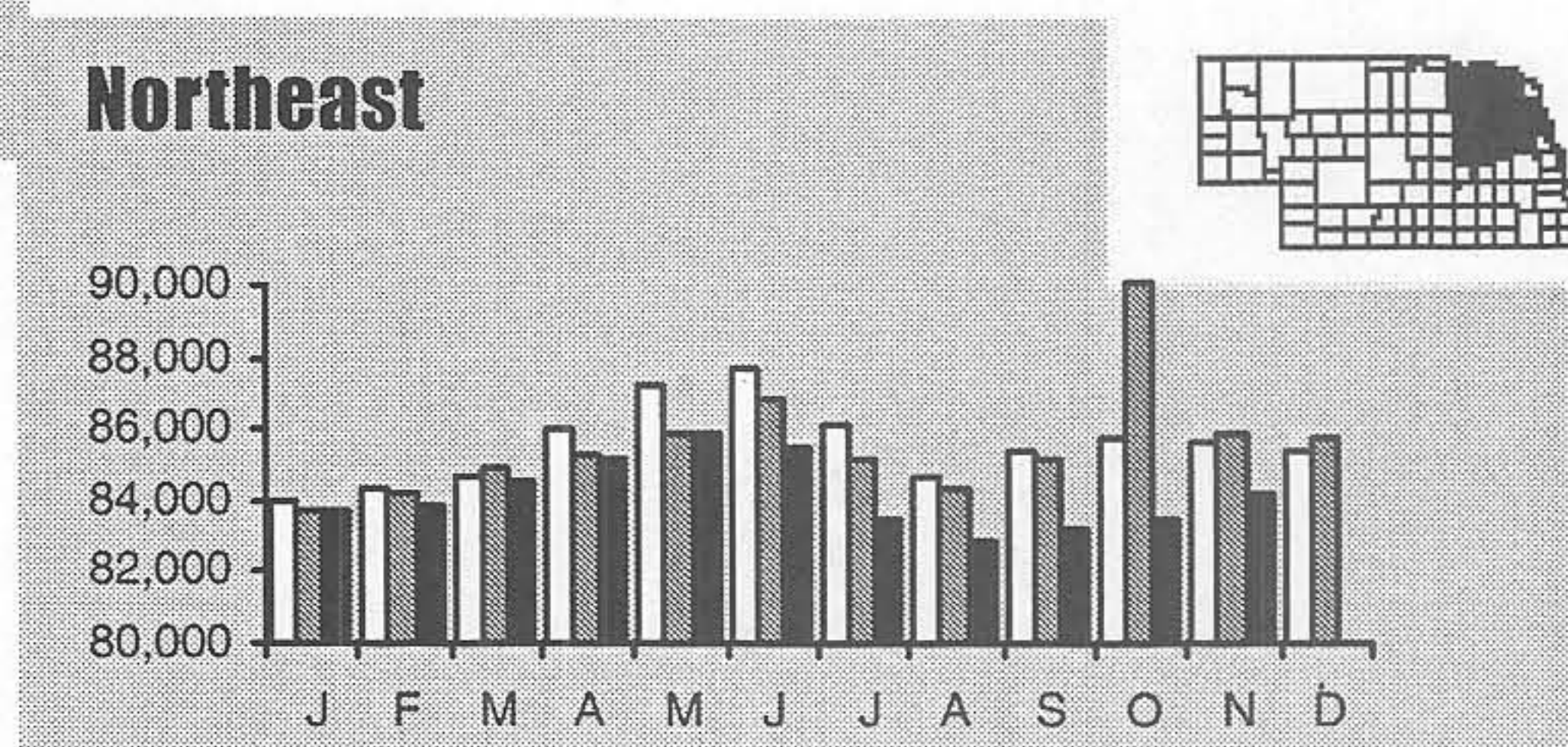
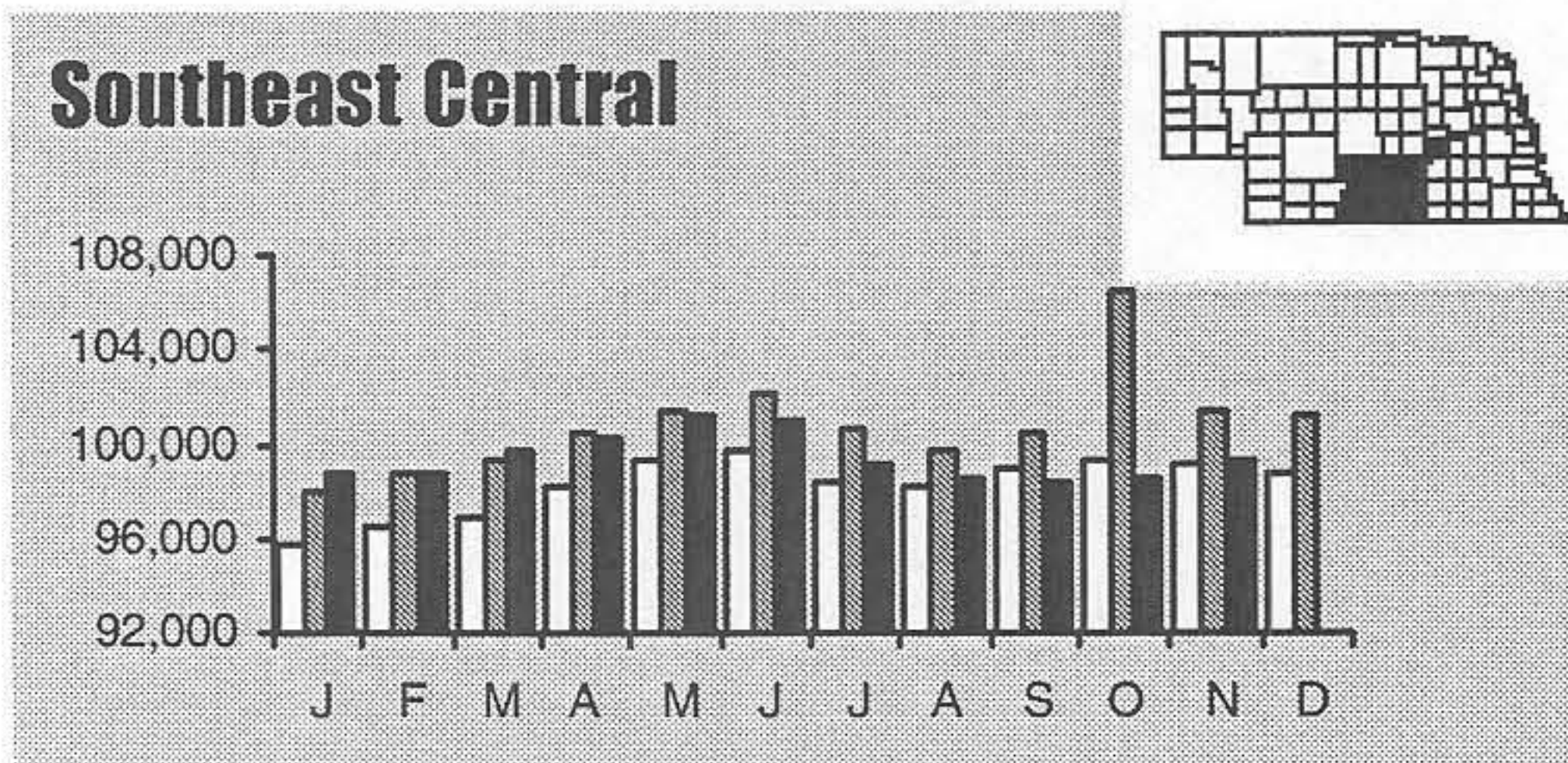


East Central



Regional Nonfarm Wage and Salary Employment* 1998 to November** 2000

1998 1999 2000



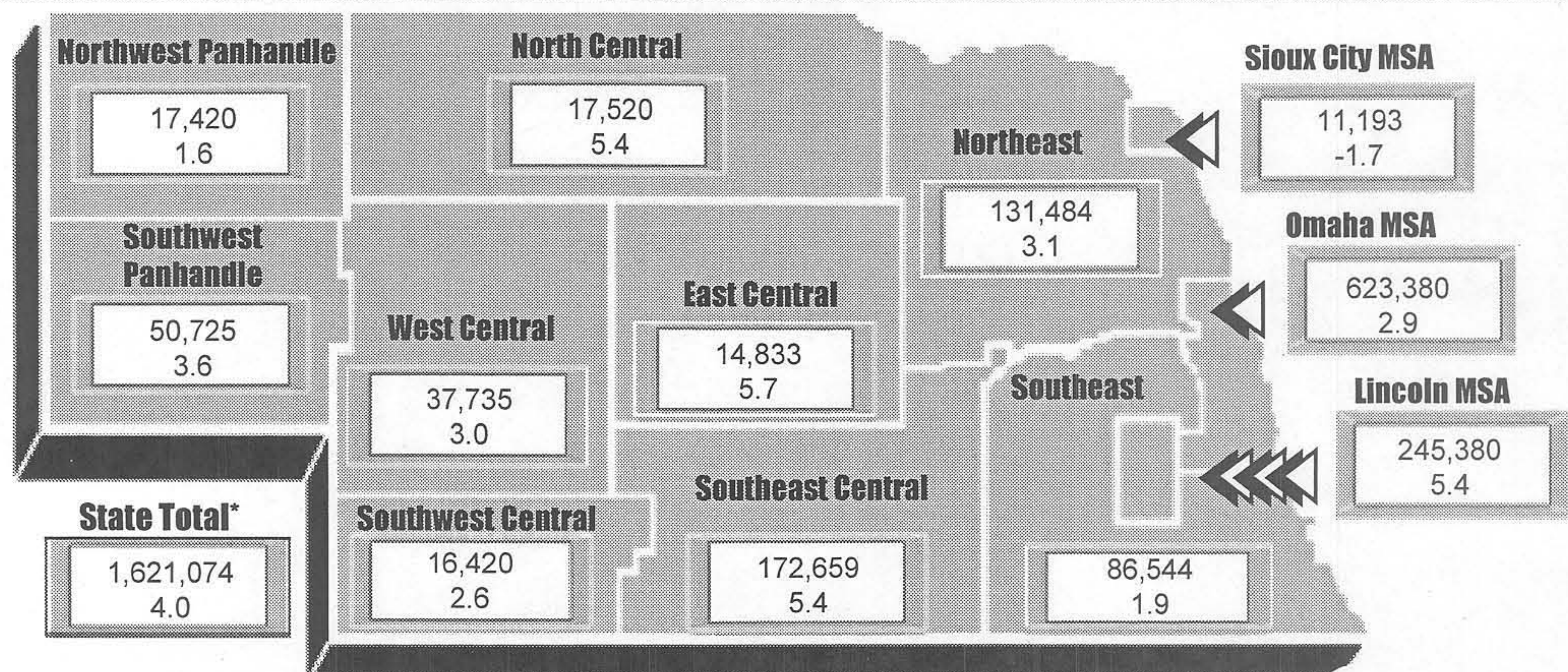
*By place of work

**Current month data are preliminary and subject to revision

Note: All 1999 and 2000 monthly employment data are considered estimates until benchmarked. Data shown for 1999 and 2000 are the most current revised estimates available. Final benchmarked monthly data for 1999 are expected to be released by the Nebraska Department of Labor in mid-2000.

Source: Nebraska Department of Labor, Labor Market Information - Kathy Copas and Tammy Johnson

October 2000 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*

	November 2000
Total	895,523
Construction & Mining	44,352
Manufacturing	116,025
Durables	55,446
Nondurables	60,579
TCU**	57,243
Trade	215,925
Wholesale	54,581
Retail	161,344
FIRE***	60,742
Services	245,331
Government	155,905

*By place of work

**Transportation, Communication, and Utilities

***Finance, Insurance, and Real Estate

Source: Nebraska Department of Labor, Labor Market Information

Note: All 2000 monthly employment and labor force data are considered estimates until benchmarked. Data shown for 2000 are the most current revised estimates available. Final benchmarked monthly data for 2000 are expected to be released by the Nebraska Department of Labor in mid-2001.

Consumer Price Index

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

	December 2000	% Change vs Yr. Ago	YTD % Change vs Yr. Ago (inflation rate)
All Items	174.0	3.4	2.8
Commodities	150.0	2.7	2.8
Services	198.0	3.9	2.8

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

Inflation Rate

2.8

State Labor Force Summary*

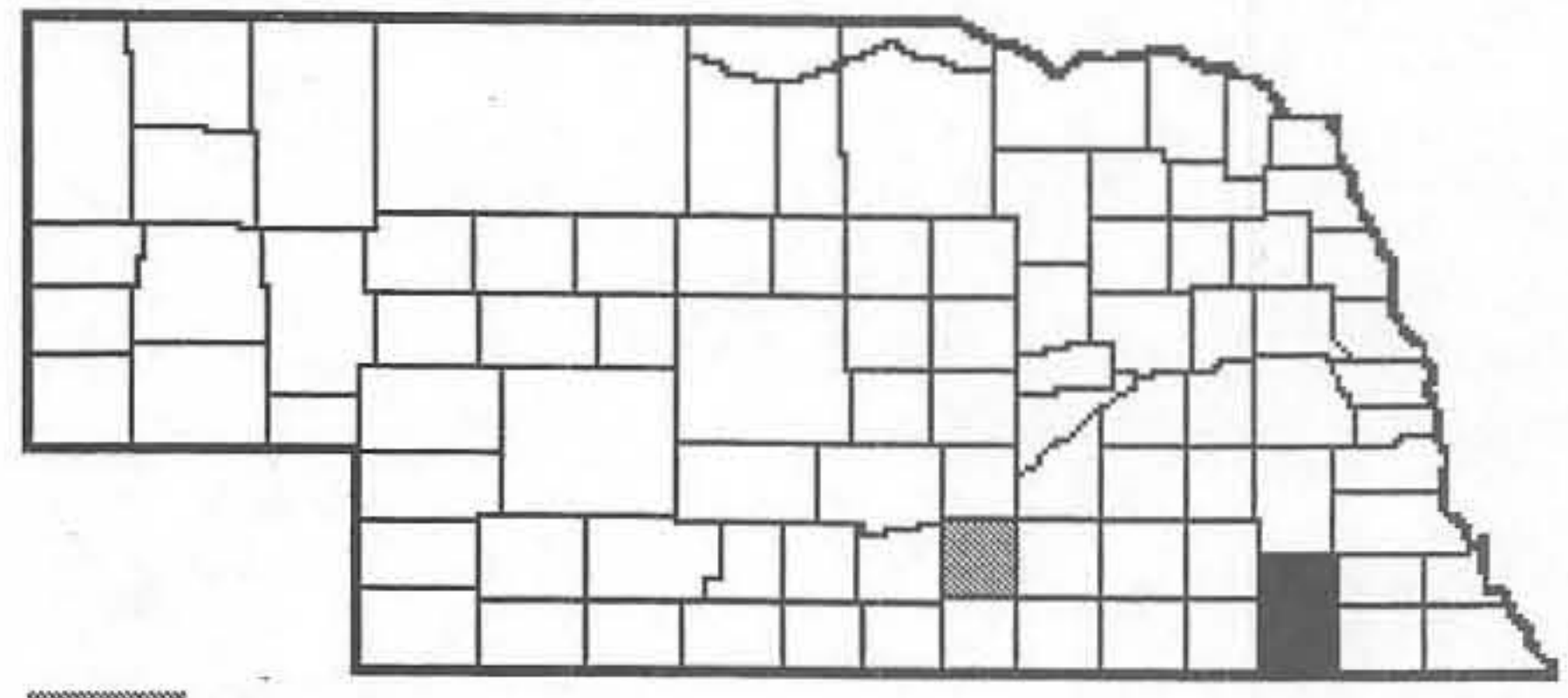
	November 2000
Labor Force	940,762
Employment	917,680
Unemployment Rate	2.5

*By place of residence

Source: Nebraska Department of Labor, Labor Market Information

County of the Month

**Gage
Beatrice - County Seat**



Next County of Month

License plate prefix number: 3

Size of county: 858 square miles, ranks 25th in the state

Population: 22,710 in 1999, a change of -0.4 percent from 1990

Per capita personal income: \$24,120 in 1998, ranks 17th in the state

Net taxable retail sales (\$000): \$178,404 in 1999 a change of 1.1 percent from 1998; \$173,046 from January through November of 2000, a change of 9.1 percent from the same period the previous year.

Unemployment rate: 3.0 percent in Gage County, 2.9 percent in Nebraska in 1999

	State	Gage County
Nonfarm employment (1999)¹:	890,821	10,123
(wage & salary)	(percent of total)	
Construction and Mining	5.0	3.2
Manufacturing	13.2	19.7
TCU	6.4	3.4
Wholesale Trade	6.2	3.7
Retail Trade	18.0	16.9
FIRE	6.8	2.5
Services	27.3	24.7
Government	17.1	25.9

Agriculture:

Number of farms: 1,144 in 1997; 1,140 in 1992; 1,347 in 1987

Average farm size: 454 acres in 1997; 446 acres in 1992

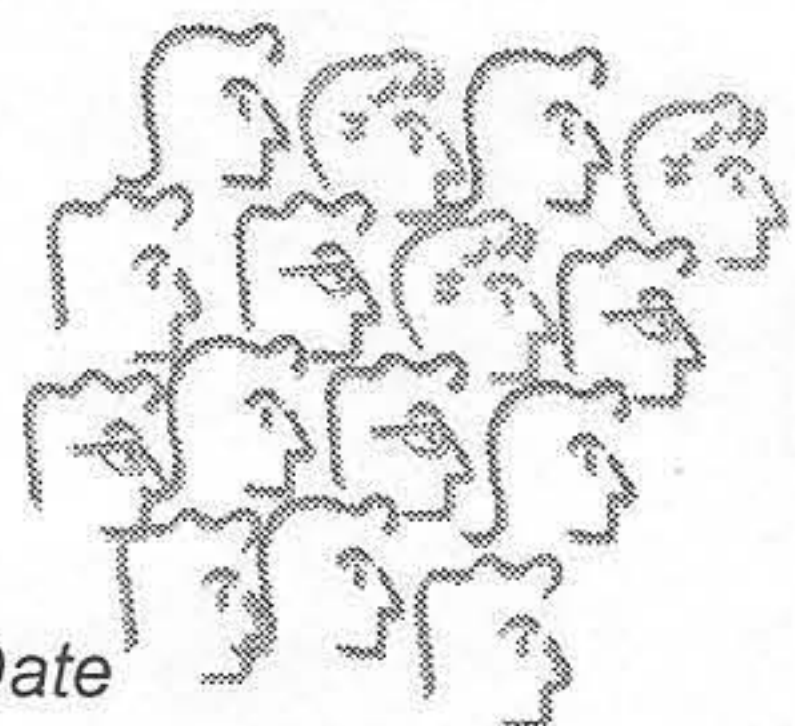
Market value of farm products sold: \$114.8 million in 1997 (\$100,326 average per farm); \$96.3 million in 1992 (\$84,542 average per farm)

¹By place of work

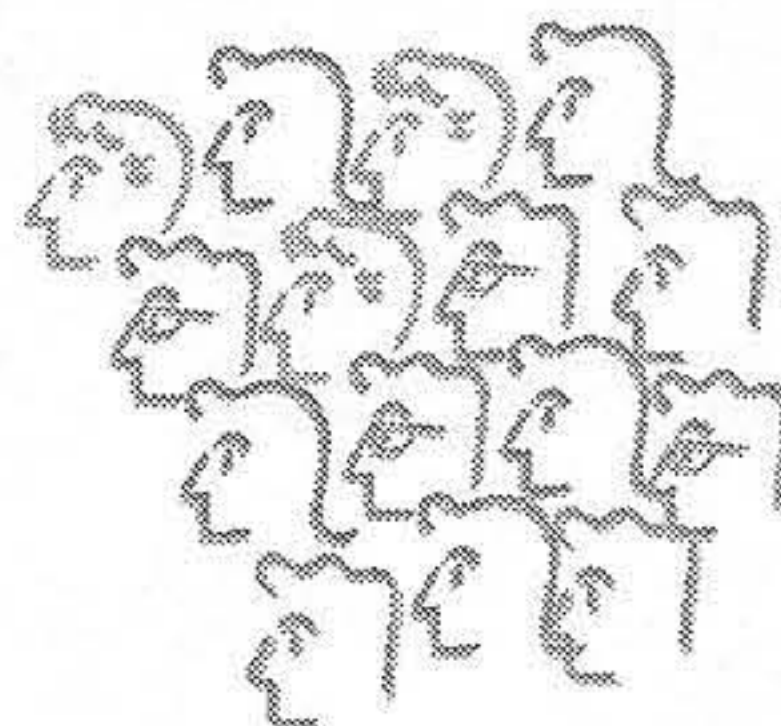
Sources: U.S. Bureau of the Census, U.S. Bureau of Economic Analysis, Nebraska Department of Labor, Nebraska Department of Revenue.

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Census 2000 Release Schedule*



Release Date

Data Products

Geography

---Results from short form received by every household---


March 2001	Redistricting Data Summary File: Population counts for 63 race categories, by Hispanic origin for total population and those over age 18	Blocks
April-Dec. 2001	Quick Tables: User specifies geography and population group for tables of population and housing characteristics	Tracts
May-July 2001	Demographic Profile: Population counts and selected population and housing characteristics	Places/Tracts
June-Sept. 2001	Summary File 1: Selected population and housing characteristics; counts by race and Hispanic origin	Blocks/Tracts
Sept.-Dec. 2001	Summary File 2: Population and housing characteristics for many detailed race and Hispanic categories	Tracts

Note: Sample-based data will be available beginning March 2002.

*This abridged schedule shows the date released on the Census Bureau website: www.census.gov.

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