Demographics and Their Implications for Nebraska by 2025

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Non-metropolitan Nebraska population will decline and age
  ◦ Declining population implies lower need for basic infrastructure – roads, utilities

Traditional working age share will drop
  ◦ How sharp will the decline in work force be?
  ◦ Will “80” be the new “60”?

Public Services
  ◦ The need for K–12 education will be sustained
  ◦ The need for “retirement age” services will rise
Population Growth Rate 2010–2025 By 5–Year Interval Non–Metro Nebraska

Growth By During 5–Year Intervals

- 2010–2015: -0.4%
- 2015–2020: -0.3%
- 2020–2025: -0.4%
Population Growth Rate By Age Non-Metro Nebraska

Group Cumulative Growth 2010 to 2025

- Under 20: 2.7%
- 20–64: -7.8%
- Over 65: 16.0%
What do these trends mean for...

- Economic Growth
- Public Services
Even if people work longer, it is likely that the workforce will decline even faster than population.

This has significant implications for employment growth:

- Remember that employment depends on both demand and supply.
- In other words, both the employers and the employees are the “job creators”
Economic Growth (continued)

- Slow workforce growth often has differential implications by industry
- Lower wage or otherwise less exciting employment often bears the brunt of the slow labor force growth
  - Non-metropolitan retail employment has decline by approximately 5,000 in the last decade
- In the case of entrepreneurship, the related issue is business transitions.
Economic Growth (continued)

- Solutions
  - Community marketing
  - Entrepreneurship training in primary and secondary schools, community colleges and colleges/universities
  - Business internship programs
  - Accelerate the state economy – a rising tide can lift all boats
Declining population and anemic employment growth suggest weak growth in property values and sales tax
- Local sources of revenue will shrink
- Potential solution: remove preferential treatment of agricultural property

There will be limited potential for growth in state and federal aid (education, block grants) due to rising pressure on state and federal budgets
There also will be declining support for rural health due to a need to cut costs in both the Medicaid and Medicare programs.

However, there will be a growing customer base for rural health care.

Therefore, there will be difficulty if health care delivery (especially for the elderly) cannot innovate. And, potential rewards if it can.
There is also needs to be a more flexible delivery of education

Communities need to move away from saving the school or the hospital in order to save the town and focus on flexible delivery

Flexible delivery could mean consolidation but can also mean “de-consolidation”, or on-line delivery of parts of education or health
The Role of Infrastructure
- Strategic re-investment in a smaller infrastructure
- Infrastructure should shrink as population declines but does not need to be low quality

Plea for regulatory relief, when necessary
- Water and sewer infrastructure, for example