An Economic Forecast for Nebraska

Presented by

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Macroeconomic Outlook – Strengths

- There is a self-sustaining recovery in the U.S. economy, with improved
  - Consumer spending
  - Business Investments
  - Housing Activity

- Oil prices have dropped sharply
Macroeconomic Outlook – Challenges

- Moderate growth in China and an anemic economy in Europe
  - The related issue of a rising dollar
  - Hurting manufacturing and agriculture

- The aging of the workforce

- USD real GDP grows 2.3% in 2016, 2.7% in 2017, and 2.8% in 2018
Growth will be less robust in Nebraska

- Challenges in the agricultural economy will hurt growth in rural Nebraska

- Limited capacity for job growth given
  - Moderate annual population growth (0.6%)
  - High labor force participation rates
  - Low unemployment rates
Annual job growth: Nebraska

- 2016: 1.30%
- 2017: 1.20%
- 2018: 1.20%
Annual job growth: U.S. and Nebraska

- 2016:
  - United States: 1.60%
  - Nebraska: 1.30%

- 2017:
  - United States: 1.50%
  - Nebraska: 1.20%

- 2018:
  - United States: 1.40%
  - Nebraska: 1.20%
Net farm income

![Bar graph showing net farm income from 2002 to 2018.](image)

- **Nebraska Observed Net Farm Income (USDA)**
- **Nebraska Forecasted Net Farm Income (USDA)**
Net farm income

- 2016: -11.2%
- 2017: 11.2%
- 2018: 3.3%

Source: Nebraska
Manufacturing job growth

- 2016: 0.5%
- 2017: 0.7%
- 2018: 0.7%
Hiring challenges by occupation

- **Occupations Most Difficult to Hire**
  - Installation, Maintenance and Repair workers
  - Computer and mathematical workers
  - Production workers

- **Occupations Least Difficult to Hire**
  - Office and Administrative Support workers
  - Food Preparation and Serving workers
  - Sales workers
Transportation job growth

2016: 1.5%
2017: 2.0%
2018: 2.0%
Services job growth

- 2016: 1.7%
- 2017: 1.6%
- 2018: 1.6%
<table>
<thead>
<tr>
<th>Measure</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<tbody>
<tr>
<td>Personal Income</td>
<td>4.2%</td>
<td>4.0%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Inflation</td>
<td>2.2%</td>
<td>2.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Population</td>
<td>0.7%</td>
<td>0.6%</td>
<td>0.6%</td>
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Components of population growth

- Natural population growth
- Domestic migration
- International migration
Components of population growth

Components of Nebraska Population Growth
Annual Averages 2016-2018

<table>
<thead>
<tr>
<th>Component</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>Natural Population Growth</td>
<td>9858</td>
</tr>
<tr>
<td>Net International Migration</td>
<td>4467</td>
</tr>
<tr>
<td>Net Domestic Migration</td>
<td>-2270</td>
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