Economic Overview of Omaha and the 2016 Omaha Barometer:

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Approach to *Omaha Barometer*

- Economic growth theory
  - Regional growth is a function of local economic resources and comparative advantage

- 8 indexes of activity
  - Economic Growth
  - Economic Resources and Comparative Advantage

- 2012 to 2015 time frame
Approach to *Omaha Barometer*

- 7 indexes for economic resources and measures of comparative advantage
  - Human capital
  - Innovation
  - Entrepreneurship
  - Infrastructure
  - Cost of doing business
  - Quality of life
  - Private Capital (new to 2016 *Omaha Barometer*)
Comparison Metros

- *The Omaha Barometer* is a “rolling average.” Each year, a new year of data is added and an older year of data is dropped.

- Comparisons with competitor, peer and aspirational metropolitan areas:
  - Competitors: Des Moines, Kansas City, Oklahoma City
  - Peers: Colorado Springs, Louisville, Salt Lake City
  - Aspirational: Austin, Nashville, Raleigh
Bottom Line, Part 1

• Omaha is solid across a wide array of measures ranging from
  – Airport enplanements to NIH grants
  – Cost of living to the concentration of knowledge workers
  – Labor force participation to proprietor income

• Omaha almost always posts a “solid” score, even when compared to these successful metros

• This shows the diversity and capacity of the Omaha economy
Bottom Line, Part 2

• Omaha has an overall rank of 5th out of 10 in the 2016 Omaha Barometer (same as last year)

• Omaha is strong in business costs, quality of life, private capital, basic human capital and entrepreneurship

• Omaha lags in innovation, advanced human capital, patent activity and information technology
Growth

- Measures - job growth, wage growth, unemployment

- Omaha is ranked 5th in the 2016 Omaha Barometer, an improvement from 7th in last year’s Barometer

- Omaha leads in terms of the unemployment rate and growth in private wages per job

- Omaha lags in employment growth
Human Capital

• Measures – education attainment, labor force participation, knowledge workers

• Omaha ranked 6th in the 2016 Omaha Barometer (same as last year)

• Omaha is strong in basic human capital – % high school attainment, labor force participation rate

• Omaha lags in advanced human capital - % college attainment, % knowledge workers
Innovation

• Measures – jobs in information technology, patents, NIH funding, science graduates

• Omaha ranked 6\textsuperscript{th} in the 2016 Omaha Barometer (same as last year)

• Omaha is strong in NIH awards per worker

• Omaha lags in patents per capita
Entrepreneurship

- Measures – share of proprietors, proprietor income, concentration in business services

- Omaha ranked 4th in the 2016 *Omaha Barometer* (same as last year)

- Omaha is strong in income per non-farm proprietor

- Omaha lags in non-farm proprietors per person
Infrastructure

• Measures – miles of interstate highways, air passenger enplanements, transportation services

• Omaha ranked 5th in the 2016 Omaha Barometer (same as last year)

• Omaha is a transportation hub but so are many of the peer and competitor metropolitan areas – Salt Lake City, Nashville, Kansas City and Louisville
Cost of Doing Business

• Measures – hourly wages, space rental rates, industrial energy rates

• Omaha ranked 2nd in the 2016 Omaha Barometer, an improvement from 3rd in last year’s Barometer

• Omaha has consistently lower costs across all 3 measures (10% to 13% across all measures)
Cost of Living

- Measures – cost of living, commute times, health care access, violent crime, air quality, natural amenities

- Omaha ranked 2\textsuperscript{nd} in the 2016 \textit{Omaha Barometer}, an improvement from 3\textsuperscript{rd} in last year’s \textit{Barometer}

- Omaha is strong in cost of living, ease of travel (commute times), arts and cultural opportunities, and health care access

- Omaha lags in natural amenities – primarily due to cold winters and hot summers
Private Capital

• Measures – value of equipment per job, structures per job, and intellectual property products per job

• Omaha ranked 3rd in the 2016 *Omaha Barometer* (there was no Private Capital Index in last year’s *Barometer*)

• Omaha is strong in the value of equipment per job and structures per job

• Omaha lags in intellectual property products per job
The Bottom Line, Part 3

- Omaha is consistently solid – rank for indexes falls between 2nd and 6th
- Omaha’s overall rank is 5th
  - Behind all aspirational metros: Austin, Nashville and Raleigh
  - Behind Salt Lake City but ahead of two other peer metros: Colorado Springs and Louisville
  - Leads all competitor metros: Des Moines, Kansas City and Oklahoma City
Thank you

Any Questions?