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
Second Poll is Open

What do you think will be Omaha's strengths in entrepreneurship?

- Firm births
- Strength of leisure services
- Income of entrepreneurs
- All of the above
Innovation

- Measures – jobs in information technology, patents, NIH funding, science graduates
- Omaha ranked 6th 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
Third Poll is Open

What do you think will be Omaha's advantage in cost-of-doing business?

- Wages
- Cost of space
- Cost of energy
- All of the above
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 2\textsuperscript{nd} in the 2016 \textit{Omaha Barometer}, an improvement from 3\textsuperscript{rd} in last year’s \textit{Barometer}

- Omaha has consistently lower costs across all 3 measures (10% to 13% across all measures)
Quality of Life

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

- Omaha ranked 2\textsuperscript{nd} in the 2016 *Omaha Barometer*, an improvement from 3\textsuperscript{rd} in last year’s *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 2\textsuperscript{nd} and 6\textsuperscript{th}

- Omaha’s overall rank is 5\textsuperscript{th}
  - 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
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THANK YOU!

Any Questions?