The March survey shows that statewide business optimism has not bottomed. Only 30 percent of the respondents in the March survey believe that general economic conditions will improve in the next six months. The highest response rate, 47 percent, was reached in December, followed by three months of steady decline. The March decline largely reflects business attitudes in the state’s nonmetro region. Only 26 percent of nonmetro businesses expect economic conditions to improve in the near term, down from 32 percent in the February survey. Respondents in the wholesale and retail trade sectors led the decline. Only 10 percent of wholesale trade respondents and 11 percent of retail trade respondents in the nonmetro region expect general economic conditions to improve in the near term. Wholesale trade is being severely impacted by poor economic conditions in agriculture. Nonmetro wholesale trade largely represents grain handlers and implement dealers. Competition is a major factor affecting retailers’ attitudes about the future. In many rural communities small, family-owned retail stores continue to be squeezed by the growth and/or expansion of large regional retail outlets. Retailers in the state’s metro region are more optimistic about the future—55 percent expect economic conditions to improve in the near term. A similar attitude exists for wholesalers—40 percent expect improvement in near-term economic conditions. The most optimistic reporting group on future economic conditions was manufacturing, but the optimism was concentrated in the state’s metro region, Cass, Douglas, Lancaster, Sarpy, and Washington counties, where 75 percent of durables and 71 percent of nondurables manufacturers expect economic conditions to improve in the next six months. During the recent national recession, one of the hardest hit sectors at the national level was manufacturing. By almost any measure the sector still is in recession. Comparatively, Nebraska manufacturing seems to be in good shape.

One hundred and sixty-nine Nebraska businesses participated in the March survey, a 23 percent response rate. Participation was nearly equally divided between the state’s metro and nonmetro regions.

As expected, most businesses continue to report stable prices. The slow economy and global competition place downward pressure on prices. Statewide, 19 percent of the respondents expect to raise prices in the next three months, 4 percentage points below the October-March, six-month, average. None of the respondents in the construction sector expects price increases in the next three months.

For the 169 businesses that participated in the March survey, net job growth during the next three months is expected to be slightly over 200, a healthy 3 percent increase over current total employment. Most of the expected growth is concentrated in construction, due to seasonal factors, and manufacturing, likely due to anticipated improvements in near-term economic conditions. Over 90 percent of the expected net job growth will occur in the state’s metro region.

The attached charts and tables provide additional information from the March survey.

The Nebraska Business Conditions Survey (NBCS) has been conducted each month since June 2002 from a representative sample of businesses drawn from files maintained by the Nebraska Department of Labor, Nebraska Workforce Development. Because of proposed University budget cuts that include the elimination of the Bureau of Business Research, the survey will not be continued.
Nebraska Business Conditions Survey Detail - March 2003

**Question 1** - Opinion of the general economic conditions in six months:

![Bar Chart](image1.png)

**Question 2** - Most important issue facing business today:

![Bar Chart](image2.png)

*Source: Nebraska Workforce Development, Nebraska Department of Labor*
Question 3 - Expected real volume (number of units) of goods/services sold this month compared to the last three months:

[Bar chart showing the percentage distribution of goods/services sold in different categories: Higher, Lower, No Difference, Unknown for both Metro and Nonmetro areas.]

Question 4 - Anticipated real volume (number of units) of goods/services to be sold in the upcoming three months, compared to this month:

[Bar chart showing the percentage distribution of anticipated sales in different categories: Higher, Lower, No Difference, Unknown for both Metro and Nonmetro areas.]

Source: Nebraska Workforce Development, Nebraska Department of Labor

Bureau of Business Research (BBR) College of Business Administration University of Nebraska-Lincoln
Question 5 - Current average selling prices, compared to three months ago:

- Bar graphs showing the percentage of Metro and Nonmetro regions for Higher, Lower, No Difference, and Unknown categories.

Question 6 - Expected change in the average selling prices of goods/services in the next three months:

- Bar graphs showing the percentage of Metro and Nonmetro regions for Raise Prices, Lower Prices, No Change, and Unknown categories.

Source: Nebraska Workforce Development, Nebraska Department of Labor

Bureau of Business Research (BBR) College of Business Administration University of Nebraska-Lincoln
Question 7 - Status of total number of employees in the last three months:

Question 8 - Expected changes in number of employees during the next three months:
# Nebraska Business Conditions Survey - March 2003

## Q1 - Opinion of the general economic conditions in six months.

<table>
<thead>
<tr>
<th></th>
<th>Much Better</th>
<th>Somewhat Better</th>
<th>About the Same</th>
<th>Somewhat Worse</th>
<th>Much Worse</th>
<th>Unknown</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metro</strong></td>
<td>5%</td>
<td>25%</td>
<td>38%</td>
<td>28%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Nonmetro</strong></td>
<td>1%</td>
<td>25%</td>
<td>36%</td>
<td>34%</td>
<td>4%</td>
<td>0%</td>
</tr>
</tbody>
</table>

## Q2 - Most important issue facing business today.

<table>
<thead>
<tr>
<th></th>
<th>Taxes</th>
<th>Inflation</th>
<th>Financing</th>
<th>Cost/Labor</th>
<th>Quality/Labor</th>
<th>Gov't Regulation</th>
<th>Location</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metro</strong></td>
<td>13%</td>
<td>4%</td>
<td>6%</td>
<td>8%</td>
<td>11%</td>
<td>18%</td>
<td>2%</td>
<td>38%</td>
</tr>
<tr>
<td><strong>Nonmetro</strong></td>
<td>4%</td>
<td>4%</td>
<td>8%</td>
<td>18%</td>
<td>12%</td>
<td>22%</td>
<td>4%</td>
<td>28%</td>
</tr>
</tbody>
</table>

## Q3 - Expected real volume (number of units) of goods/services sold this month compared to the last three months. Percent Higher/Lower.

<table>
<thead>
<tr>
<th></th>
<th>Higher</th>
<th>Lower</th>
<th>No Difference</th>
<th>Unknown</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metro</strong></td>
<td>38%</td>
<td>21%</td>
<td>38%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Nonmetro</strong></td>
<td>30%</td>
<td>29%</td>
<td>37%</td>
<td>4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Percent Higher</th>
<th>Percent Lower</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metro</strong></td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Nonmetro</strong></td>
<td>4%</td>
<td>6%</td>
</tr>
</tbody>
</table>

## Q4 - Anticipated real volume (number of units) of goods/services to be sold in the upcoming three months, compared to this month. Percent Higher/Lower.

<table>
<thead>
<tr>
<th></th>
<th>Higher</th>
<th>Lower</th>
<th>No Difference</th>
<th>Unknown</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metro</strong></td>
<td>53%</td>
<td>13%</td>
<td>30%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Nonmetro</strong></td>
<td>41%</td>
<td>17%</td>
<td>34%</td>
<td>8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Percent Higher</th>
<th>Percent Lower</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metro</strong></td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Nonmetro</strong></td>
<td>6%</td>
<td>7%</td>
</tr>
</tbody>
</table>

## Q5 - Current average selling prices, compared to three months ago. Percent Higher/Lower.

<table>
<thead>
<tr>
<th></th>
<th>Higher</th>
<th>Lower</th>
<th>No Difference</th>
<th>Unknown</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>L &amp; J</strong></td>
<td>19%</td>
<td>14%</td>
<td>65%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Nonmetro</strong></td>
<td>27%</td>
<td>13%</td>
<td>57%</td>
<td>3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Percent Higher</th>
<th>Percent Lower</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metro</strong></td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Nonmetro</strong></td>
<td>4%</td>
<td>7%</td>
</tr>
</tbody>
</table>

## Q6 - Expected change in the average selling prices of goods/services in the next three months. Percent Raised/Lowered.

<table>
<thead>
<tr>
<th></th>
<th>Raise Prices</th>
<th>Lower Prices</th>
<th>No Change</th>
<th>Unknown</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metro</strong></td>
<td>15%</td>
<td>5%</td>
<td>72%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Nonmetro</strong></td>
<td>22%</td>
<td>4%</td>
<td>59%</td>
<td>14%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Raise By</th>
<th>Lower By</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metro</strong></td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Nonmetro</strong></td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>

## Q7 - Status of total number of employees in the last three months. Percent increased/decreased.

<table>
<thead>
<tr>
<th></th>
<th>Increased</th>
<th>Decreased</th>
<th>No Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metro</strong></td>
<td>14%</td>
<td>40%</td>
<td>47%</td>
</tr>
<tr>
<td><strong>Nonmetro</strong></td>
<td>20%</td>
<td>27%</td>
<td>53%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Increased By</th>
<th>Decreased By</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metro</strong></td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Nonmetro</strong></td>
<td>7%</td>
<td>10%</td>
</tr>
</tbody>
</table>

## Q8 - Expected changes in number of employees during the next three months. Percent Increased/Decreased.

<table>
<thead>
<tr>
<th></th>
<th>Increase</th>
<th>Decrease</th>
<th>No Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metro</strong></td>
<td>29%</td>
<td>6%</td>
<td>66%</td>
</tr>
<tr>
<td><strong>Nonmetro</strong></td>
<td>19%</td>
<td>13%</td>
<td>68%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Increase By</th>
<th>Decrease By</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metro</strong></td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Nonmetro</strong></td>
<td>7%</td>
<td>8%</td>
</tr>
</tbody>
</table>

---

Source: Nebraska Workforce Development, Nebraska Department of Labor

Bureau of Business Research (BBR)  
College of Business Administration  
University of Nebraska-Lincoln
Nebraska Business Conditions Survey

Please check appropriate box or fill in the blank.

1. About the economy in general, do you think that six months from now general business conditions will be better than they are right now, about the same, or worse?
   - Much Better
   - Somewhat Better
   - About the Same
   - Somewhat Worse
   - Much Worse
   - Don't know

2. What is the single most important issue facing your business today? (Please check only one box.)
   - Taxes
   - Inflation
   - Financing
   - Cost of labor
   - Quality of labor
   - Government regulation
   - Location
   - Other (please explain)

3. Compared to the last three months, what do you expect will be your real volume (number of units) of goods and/or services sold for this month?
   - Higher
   - Lower
   - No difference
   - Don't know
3a. If higher or lower, by approximately what percent?
   - Less than 1.0%
   - 3.0-3.9%
   - 7.0-8.9%
   - 1.0-1.9%
   - 4.0-4.9%
   - 9.0-11.9%
   - 2.0-2.9%
   - 5.0-6.9%
   - 12.0% or more

4. Looking ahead, how will your next three months' real volume (number of units) of goods and/or services compare to this month's sales?
   - Higher
   - Lower
   - No difference
   - Don't know
4a. If higher or lower, by approximately what percent?
   - Less than 1.0%
   - 3.0-3.9%
   - 7.0-8.9%
   - 1.0-1.9%
   - 4.0-4.9%
   - 9.0-11.9%
   - 2.0-2.9%
   - 5.0-6.9%
   - 12.0% or more

5. How do your current average selling prices compare to three months ago?
   - Higher
   - Lower
   - No difference
   - Don't know
6a. If higher or lower, by what percent, on average?
   - Less than 1.0%
   - 3.0-3.9%
   - 7.0-8.9%
   - 1.0-1.9%
   - 4.0-4.9%
   - 9.0-11.9%
   - 2.0-2.9%
   - 5.0-6.9%
   - 12.0% or more

6. In the next three months, do you plan to change the average selling prices of your goods and/or services?
   - Yes, raise prices
   - Yes, lower prices
   - No change
   - Don't know
6a. If you raise or lower prices, by what percent, on average?
   - Less than 1.0%
   - 3.0-3.9%
   - 7.0-8.9%
   - 1.0-1.9%
   - 4.0-4.9%
   - 9.0-11.9%
   - 2.0-2.9%
   - 5.0-6.9%
   - 12.0% or more

7. In the last three months, has the total number of your employees increased, decreased, or stayed about the same?
   - Increased
   - Decreased
   - Stayed the same
7a. If increased or decreased, by approximately what percent?
   - 0.0-4.9%
   - 10.0-19.9%
   - 30.0-39.9%
   - 5.0-9.9%
   - 20.0-29.9%
   - 40.0% or more
7b. If the total number of employees increased or decreased, was the change due primarily to seasonal factors affecting your business?
   - Yes
   - No

8. In the next three months, do you plan to increase, decrease, or maintain your current total number of employees?
   - Increase
   - Decrease
   - Maintain
8a. If increase or decrease, by approximately what percent?
   - 0.0-4.9%
   - 10.0-19.9%
   - 30.0-39.9%
   - 5.0-9.9%
   - 20.0-29.9%
   - 40.0% or more
8b. If you plan to increase or decrease the total number of employees, will the change be due primarily to seasonal factors affecting your business?
   - Yes
   - No

If this survey needs to be sent to the person completing the survey or if the survey needs to be mailed to a different address, please indicate that information below. In addition, if you would like to participate by using the online survey form, please provide your e-mail address. Thank you!

Name: ____________________________
Organization: ____________________
Address: _________________________
_______________________________
E-mail: _________________________