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College of Business Administration

60 Years of Service

## THE IMPACT OF THE 1980-82 RECESSION UPON EMPLOYMENT IN NEBRASKA'S MANUFACTURING SECTOR

Economists and businessmen disagree whether the United States has had two recessions or one extended recession since 1980. Economists define a recession as two consecutive quarters of declining real output. If this definition is applied, the recession started in the fourth quarter of 1981 and was over by the second quarter of 1982.

Data in Table 1 and Figure 1 summarize quarterly changes in real Gross National Product (GNP) from 1980 through the third quarter of 1982. Output declined sharply during the second quarter of 1980, then increased for three quarters before falling in the second quarter of 1981. Technically there was no recession until the fourth quarter of 1981. Furthermore, the substantial gain recorded in the first quarter of 1981—7.9%—was sufficiently large to offset the 1980 and 1981 declines. The two recessions argument notes that the economy grew at an annual rate of near 5% for three consecutive quarters, uncommon behavior for an extended recession phase. At this point, about the most that can be said is that the economy is no longer falling sharply as it was one year ago. The recovery will probably lack vigor, but this very lack of initial strength may produce a sustained recovery.

The 1980-82 recession has more severely impacted the Nebraska economy than the 1974-75 recession. In 1974-75, Nebraska escaped the devastation inflicted by the recession upon the economy. Nebraska was fortunate because grain and livestock prices were relatively high compared with prices received in the 1960s and early 1970s. The state was also benefiting from certain spill-over effects resulting from the western energy boom. While Ne-

braska lacks energy resources similar to those in Wyoming or Colorado, the state did benefit from the movement of materials and energy products from the Rocky Mountain Region to the east. One such benefit to Nebraska was increased employment in the transportation sector, particularly the railroad employment.

Nebraska was not nearly as fortunate in 1980-82 as it was in 1974-75. Grain and livestock prices are depressed. Recent prices for corn at \$2.15 per bushel compare unfavorably with a 1974 price of more than \$3.00, and, as most realize, the general price level has more than doubled since the 1974-75 recession, leaving the Nebraska farmer or rancher in an unenviable position.

Before the 1980-82 recession, the notion developed that Nebraska was largely immune to recessions or that recessions arrived in Nebraska after striking nationally. After all, the state came through the last national recession with very little impact upon its economy. The 1980-82 recession seems to be dispelling the notion that Nebraska is impervious to recessions. In fact, the 1980-82 recession has been more severely felt in Nebraska than nationally.

This article reviews and compares (continued on page 3)

Table 1  
REAL GROSS NATIONAL PRODUCT  
PERCENTAGE CHANGE  
(Annual Rate)

1980:1	1980:2	1980:3	1980:4
+1.5	-9.6	+1.7	+4.3
1981:1	1981:2	1981:3	1981:4
+7.9	-1.5	+2.2	-5.3
1982:1	1982:2	1982:3	
-5.1	+2.1	+1.5*	

\*Preliminary.

Figure 1  
REAL GROSS NATIONAL PRODUCT  
PERCENTAGE CHANGE  
(Annual Rate)

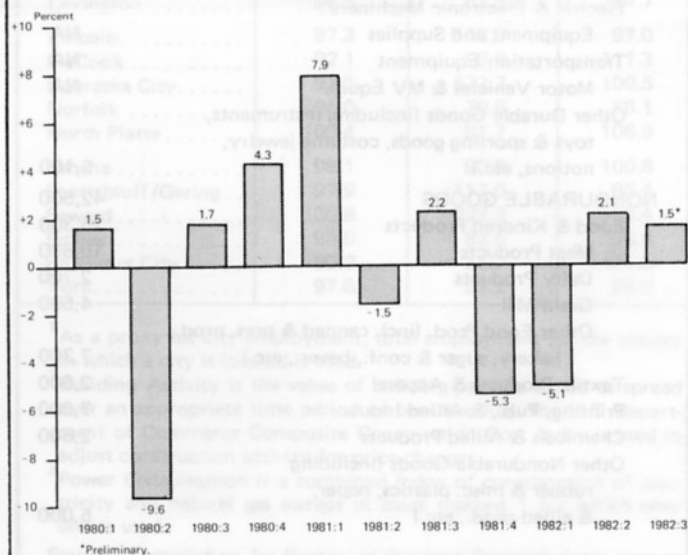


Table 2  
MANUFACTURING EMPLOYMENT

Industry	Jan. '74	July '75	% Change	Jan. '80	Preliminary July '82	% Change
<b>UNITED STATES</b>						
(in millions)						
MANUFACTURING--TOTAL	20,355.0	18,007.0	-10.2	20,777.0	18,725.0	-9.9
DURABLE GOODS	12,065.0	10,425.0	-13.6	12,600.0	11,077.0	-12.1
Lumber & Wood Products	642.9	573.9	-10.7	717.4	630.8	-12.1
Furniture & Fixtures	544.4	432.7	-20.5	498.0	429.1	-13.8
Stone, Clay, & Glass Products	682.0	615.1	-9.8	678.2	589.1	-13.1
Primary Metal Industries	1,339.9	1,138.3	-15.0	1,207.2	909.1	-24.7
Fabricated Metal Products	1,500.8	1,286.2	-14.3	1,696.8	1,426.9	-15.9
Machinery, except Electrical	2,174.8	2,005.0	-7.8	2,538.5	2,262.3	-10.9
Electric & Electronic Equipment	2,068.1	1,702.0	-17.7	2,162.9	2,004.7	-7.3
Transportation Equipment	1,800.2	1,623.2	-9.8	1,975.8	1,738.6	-12.0
Instruments & Related Products	519.2	481.3	-7.3	697.7	708.3	1.5
Misc. Manufacturing Industries	437.2	395.5	-9.5	427.7	378.4	-11.5
NONDURABLE GOODS	8,290.0	7,582.0	-8.5	8,177.0	7,648.0	-6.5
Food and Kindred Products	1,677.5	1,703.4	1.5	1,659.9	1,672.9	0.8
Meat Products	334.4	339.5	1.5	357.3	341.1	-4.5
Dairy Products	202.3	202.5	0.1	175.2	172.3	-1.7
Grain Mill	142.6	138.3	-3.0	143.8	136.6	-5.0
Tobacco Manufacturers	80.1	72.0	-10.1	69.1	60.8	-12.0
Textile Mill Products	1,033.4	884.7	-14.4	884.0	727.0	-17.8
Apparel & Other Textile Products	1,359.5	1,191.4	-12.4	1,282.0	1,095.9	-14.5
Paper & Allied Products	709.0	632.9	-10.7	703.5	659.4	-6.3
Printing & Publishing	1,109.7	1,065.2	-4.0	1,266.3	1,262.4	0.3
Chemicals & Allied Products	1,043.3	1,006.8	-3.5	1,113.1	1,075.0	-3.4
Petroleum & Coal Products	190.9	204.6	7.2	208.6	209.3	-0.3
Rubber & Misc. Plastics Products	685.0	571.0	-16.6	750.3	689.8	-8.1
Leather & Leather Products	286.3	249.8	-12.7	240.3	195.7	-18.6
<b>NEBRASKA</b>						
MANUFACTURING--TOTAL	89,800	84,400	-6.0	100,065	83,500	-16.6
DURABLE GOODS	47,300	40,800	-13.7	52,255	42,310	-19.0
Construction Material	3,500	4,100	17.1	4,739	4,039	-14.8
Lumber & Wood Products, except Furniture	NA	NA	NA	2,119	1,393	-34.3
Stone, Clay, Glass, & Concrete Products	NA	NA	NA	2,620	2,646	1.0
Furniture & Fixtures	2,800	1,800	-35.7	1,795	1,433	-20.2
Metals	8,600	8,100	-5.8	9,609	7,600	-20.9
Primary Metal Industries	NA	NA	NA	1,941	1,447	-25.4
Fabricated Metal Products, except						
Mach. & Tran. Equip.	NA	NA	NA	7,668	6,153	-19.8
Machinery except Electrical	27,300	22,400	-17.9	13,618	11,004	-19.2
Farm Machinery & Equip.	NA	NA	NA	8,117	6,032	-25.7
Electric & Electronic Machinery,						
Equipment and Supplies	NA	NA	NA	10,999	8,312	-24.4
Transportation Equipment	NA	NA	NA	5,900	4,415	-25.2
Motor Vehicles & MV Equip.	NA	NA	NA	3,128	2,207	-29.4
Other Durable Goods (including instruments, toys & sporting goods, costume jewelry, notions, etc.)	5,100	4,400	-13.7	5,595	5,507	-1.6
NONDURABLE GOODS	42,500	43,600	2.6	47,810	41,190	-13.8
Food & Kindred Products	25,300	28,000	10.7	28,141	22,870	-18.7
Meat Products	10,800	12,900	19.4	14,027	11,240	-19.9
Dairy Products	2,700	2,500	-7.4	1,852	1,529	-17.4
Grain Mill	4,500	5,700	26.7	4,644	4,504	-3.0
Other Food Prod. (incl. canned & pres. prod., bakery, sugar & conf., bever., etc.)	7,300	6,900	-5.5	7,618	5,597	-26.5
Textile Products & Apparel	2,600	2,300	-11.5	2,351	2,000	-14.9
Printing, Pub., & Allied Indus.	7,000	6,400	-8.6	7,651	8,133	6.3
Chemicals & Allied Products	2,600	2,100	-19.2	2,522	2,812	11.5
Other Nondurable Goods (including rubber & misc. plastics, paper, & allied prod., etc.)	5,000	4,800	-4.0	7,145	5,375	-24.8

(continued from page 1) the employment impact in manufacturing of the two recessions. The impact nationally and upon the Nebraska economy is reviewed in detail in order to determine similarities and dissimilarities.

### THE IMPACT OF THE 1974-75 AND 1980-82 RECESSIONS—UNITED STATES

Total manufacturing employment declined 2 million in both recessions, from 20 million to slightly more than 18 million. For simplicity, employment changes in the 1974-75 recession are measured from January 1974 to July 1975. Although the recession started late in the fourth quarter of 1973 and ended in April of 1975, employment and unemployment lag output trends. The 1980-82 recession is more difficult to date because of the up-down changes in real output. Arbitrarily, the beginning of the current recession is dated as January 1980, the end July 1982, the last date data were available as this is written. It appears that the recession ended in the second quarter of 1982, although the upturn so far has been compared to past recovery periods. Employment information in Table 2 (p. 2) reflects the above-noted dates.

Nationally, manufacturing employment declined approximately 10% in both recessions (Table 2). Durable goods manufacturing was more severely impacted than nondurable goods, as one would expect. Durable goods employment fell 13% in the 1974-75 recession, 12% in the 1980-82 recession. More than 1.5 million jobs were lost in durable goods manufacturing in both recessions.

Nondurable goods are not as cyclical and consequently employment changes are not as volatile as in durable goods. The reason for this lack of volatility, of course, is associated with the fact that nondurable goods cannot be stored indefinitely as durable goods can, nor can consumption be postponed indefinitely as in the case of durable goods. During the 1974-75 recession 600,000 jobs were lost in nondurable goods. A similar number of jobs were lost in the 1980-82 nondurable goods sector. The decline in employment constituted a decrease of 8.5% in the 1974-75 recession, and to date the decline in nondurable goods employment constitutes a loss of 6.5%.

The most severely impacted durable goods sector in 1974-75 was the furniture and fixtures category. Employment in this sector declined 20% from January 1974 to July 1975. Also severely impacted was the electric and electronic equipment group which declined 17.7% (see Table 2). Employment in the primary metals industry declined 15% in the 1974-75 recession, while fabricated metal products declined 14.4%. All of these sectors declined more than the durable goods sector itself.

The nature of the employment decline in the 1980-82 recession is somewhat different in the durable goods sector. The largest single decline has been in the primary metals industry, where 24.7% of those working in this sector in January 1980 were unemployed in July of 1982. This decline in employment is more than twice that recorded by durable goods. The primary metals industry includes steel and iron, an industry which has been severely impacted worldwide. Other industries within the primary metals group which have been substantially impacted include aluminum and other metal products.

Fabricated metals has also suffered disproportionately more in the 1980-82 recession than other durable goods manufactures. Employment in this industry decreased nearly 16% from January of 1980 to July of 1982. The furniture and fixtures sector is

down 13.8% in the second recession. Employment dropped from 498,000 in January of 1980 to approximately 429,000 in July of 1982. This is a substantial drop, but not as large as that recorded during the 1974-75 recession. Stone, clay and glass products is also down more than the durable goods average, the decrease amounting to 13.1% (see Table 2). The employment decrease in the lumber and woods product area amounted to 12.1% during the 1980-82 recession. This decrease matched that recorded by the durable goods category.

Employment in the instruments and related products sector has increased during the 1980-82 recession, bucking the trend toward declining employment levels. The increase is less than 2%, from 698,000 in January of 1980 to 708,000 in July of 1982. This sector recorded a 7.3% decrease in employment during the 1974-75 recession. Employment fell from 519,000 in January of 1974 to 481,000 in July of 1975. The instruments and related products industry was the only major category recording an increase in employment in the 1980-82 recession.

As noted above, recessions are not as devastating upon employment in the nondurable goods sector as they are upon employment in the durable goods sector. The 1980-82 recession is no exception to this generalization. Employment declined by more than one-half million in the 1980-82 recession in nondurable goods industries, the decrease amounting to 6.5%. In 1974-75 this sector lost 700,000 jobs, or a decrease of 8.5%.

Food and kindred products is usually not as severely impacted by recessions as other industries, and the 1980-82 recession is no exception. During the 1974-75 recession, the food and kindred products industry recorded a 1.5% increase in employment despite a rather nasty recession, while a 1.0% increase was recorded in 1980-82. In terms of lost output, the 1974-75 recession was more severe than the 1980-82 recession. Meat products, a sub-classification of the food and kindred products category, recorded employment gains during the 1974-75 recession. Employment in dairy products and grain milling has been predominately down during the past two recessions. Dairy products managed a small, 0.1% increase in the 1974-75 recession, but recorded a decrease in employment during the 1980-82 recession. Grain milling recorded a loss of employment during both recessions.

During the 1974-75 recession, the petroleum and coal production industry was not adversely affected by the recession. Employment increased 7.2% in this industry as the nation responded to a growing energy crisis. The petroleum and coal industry recorded a small increase during the 1980-82 recession of 0.3%, much less than the gain in the 1974-75 recession.

The 1974-75 recession was particularly severe in its impact upon employment in rubber and miscellaneous plastic products. Rising petroleum prices hit this industry hard in the short run. Textile mill products was also severely impacted by the 1974-75 recession, along with leather and leather products and apparel and other textile products (see Table 2).

The 1980-82 recession also had an impact upon the textile industry. Employment decreases during the current recession were more than 150,000 jobs, or approximately 17.8% of total employment in January of 1980. Apparel and other textile products have also been severely impacted by the recession as consumers limit or postpone purchases.

Printing and publishing has escaped (continued on page 6)

## Review and Outlook

Output from Nebraska's economy declined 3.0% July-August 1982. This decline follows two smaller monthly increases. The Bureau of Business Research's net physical volume index in August 1982 was approximately 3% below year-previous levels and 6% below August 1980 levels.

All sectors of the Nebraska economy declined July-August, with the exception of the government sector which recorded a small 0.6% increase. The agricultural component of the state's economy dropped 2.3%, according to the Bureau's index. Prices continued weak for Nebraska and U.S. farmers and ranchers. Nebraska agricultural prices declined 0.8%, while U.S. prices declined 1.2% on a month-to-month basis. Compared with one year

ago, Nebraska agriculture prices were down 4.6%, while U.S. prices were down 3.6%.

The nonagriculture component of the Nebraska economy declined 3.2% July-August, according to the Bureau's net physical volume index. Construction recorded a 1.5% decrease on a month-to-month basis. Nebraska's construction industry has been severely impacted by high interest rates and the recession. In August 1982 the construction component of the index was approximately 20% below the year-previous level. The construction component of the index has moved up slightly from the May 1982 lows but remains well below peak levels recorded in the late 1970s.

The manufacturing component of the state's economy declined 0.4% July-August 1982. (continued on page 5)

Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume indicator and its components adjusted for price changes using appropriate price indexes—see Table 5, page 5.

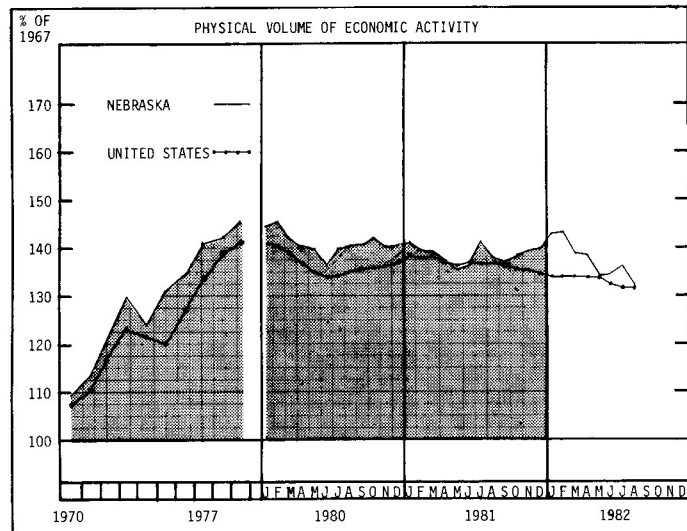
ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES				
1. CHANGE FROM PREVIOUS YEAR				
August 1982	Current Month as Percent of Same Month Previous Year		1982 Year to Date as Percent of 1981 Year to Date	
	Nebraska	U.S.	Nebraska	U.S.
Indicator				
Dollar Volume	100.6	100.9	103.6	102.8
Agricultural	114.4	103.3	132.4	104.8
Nonagricultural	98.7	100.8	99.9	102.7
Construction	80.4	98.5	71.4	93.1
Manufacturing	83.9	89.6	89.2	94.0
Distributive	102.0	104.8	103.1	106.0
Government	109.8	107.1	110.3	109.6
Physical Volume	96.8	96.1	99.2	96.9
Agricultural	119.9	107.1	139.9	110.6
Nonagricultural	93.5	95.7	94.1	96.5
Construction	79.7	97.6	69.3	90.4
Manufacturing	82.5	88.0	87.2	91.4
Distributive	96.3	98.9	96.4	99.2
Government	102.2	98.8	101.8	98.2

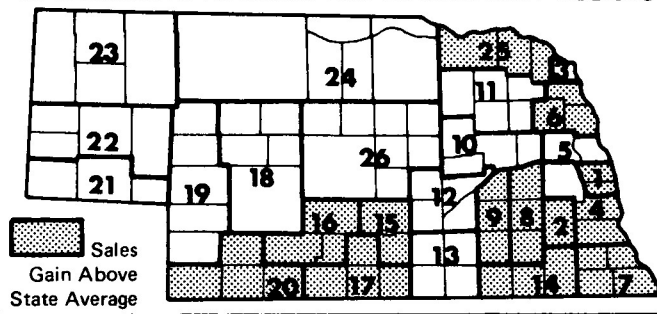
2. CHANGE FROM 1967		
Indicator	Percent of 1967 Average	
	Nebraska	U.S.
Dollar Volume	365.8	363.3
Agricultural	383.9	356.4
Nonagricultural	362.9	363.6
Construction	206.2	309.3
Manufacturing	311.7	288.9
Distributive	386.6	408.4
Government	412.5	371.0
Physical Volume	132.2	132.0
Agricultural	153.6	146.1
Nonagricultural	128.9	131.5
Construction	62.7	94.0
Manufacturing	129.5	117.3
Distributive	132.0	139.5
Government	147.3	146.1

3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES (Adjusted for Price Changes)			
Region Number and City	City Sales*	Sales in Region*	
	Aug. 1982 as percent of Aug. 1981	Aug. 1982 as percent of Aug. 1981	Year to date '82 as percent of Year to date '81
<i>The State</i>	90.5	92.5	94.3
1 Omaha	96.5	97.8	97.2
Bellevue	95.0		
2 Lincoln	88.8	91.7	95.4
3 So. Sioux City	85.0	88.7	89.5
4 Nebraska City	102.9	97.2	94.5
5 Fremont	92.7	95.9	93.9
Blair	96.8		
6 West Point	100.1	98.8	97.9
7 Falls City	96.0	91.7	94.4
8 Seward	91.5	101.3	94.8
9 York	93.5	99.3	94.9
10 Columbus	77.4	83.9	90.5
11 Norfolk	92.5	96.3	92.5
Wayne	99.2		
12 Grand Island	91.8	91.1	91.2
13 Hastings	82.2	86.6	89.0
14 Beatrice	100.9	103.9	94.4
Fairbury	122.3		
15 Kearney	93.6	95.8	96.1
16 Lexington	101.8	98.1	95.4
17 Holdrege	80.6	93.3	95.2
18 North Platte	102.8	102.6	92.3
19 Ogallala	94.2	94.1	90.3
20 McCook	100.6	104.4	95.0
21 Sidney	89.0	87.3	92.2
Kimball	78.9		
22 Scottsbluff/Gering	87.0	90.3	90.1
23 Alliance	79.5	86.8	88.3
Chadron	77.6		
24 O'Neill	97.1	95.5	89.3
25 Hartington	95.9	96.8	94.4
26 Broken Bow	83.6	94.1	89.3

\*State totals include sales not allocated to cities or regions. The year-to-year ratios for city and region sales may be misleading because of changes in the portion of unallocated sales. Region totals include, and city totals exclude, motor vehicle sales. Sales are those on which sales taxes are collected by retailers located in the state. Compiled from data provided by Nebraska Department of Revenue.



1982 YEAR TO DATE AS PERCENT OF 1981 YEAR TO DATE IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS





(continued from page 4)

The deterioration in Nebraska's manufacturing industry has been substantial and sudden. The decline was persistent but gradual from September 1981 through April 1982, but a sharp contraction in Nebraska's manufacturing economy developed in the second quarter of 1982. In August 1982 the manufacturing component of the Bureau's net physical volume index stood at 129.5 (1967=100), compared with a reading of 157.0 in August of 1981 and 159.6 in August of 1980. The index was as high as 164.9 during the third quarter of 1981.

Retail sales recorded a 3.8% dollar volume decrease in August compared with one year ago. Total retail sales were \$782 million compared with \$813 million one year ago.

The commodity component of the consumer price index increased 4.0% over the interval August 1981-August 1982. When the unadjusted retail sales are corrected for price changes, retail sales declined 7.5%.

Motor vehicle sales recorded an increase in August over year-previous levels. On a dollar volume basis, motor vehicle sales were \$84 million in 1982 compared with \$72 million one year before. This is the fifth consecutive monthly increase in motor vehicle sales. When adjusted for price changes, motor vehicle sales were up 13.6%.

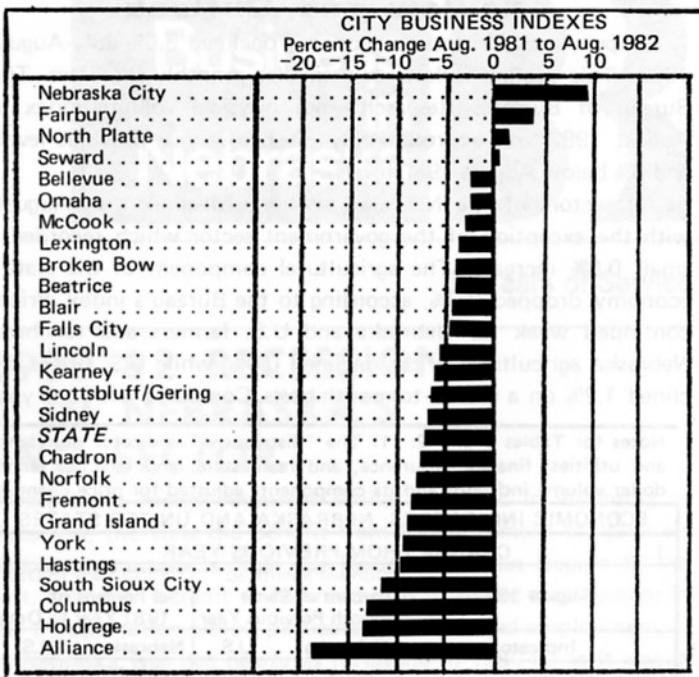
Nonvehicle retail sales declined 5.9% in August on a year-to-year basis. Sales totaled \$697 million in August of 1982, down from \$741 million one year previous. When adjusted for price changes, nonvehicle real retail sales were off 9.5%. This is the fourth consecutive monthly decrease in nonvehicle retail sales.

Data in Table 3 provide an indication of retail sales in Nebraska's larger trade centers. Sales are expressed monthly as a percent of the same month one year ago. Adjustments have been made for price changes.

Cities with increases in retail sales above year-previous levels include: Nebraska City, where retail sales were up 2.9%; North Platte, up 2.8%; Lexington, up 1.8%; Beatrice up 0.9%; McCook, up 0.6%; and West Point, up 0.1%. Omaha did somewhat better than the state although real retail sales were down while Lincoln did not equal the state average. Retail sales in Lincoln were down nearly 12% on a price-adjusted basis, while for the state, sales were down approximately 10%.

City business indexes reflect the strength in retail sales. Nebraska City had the largest increase, up 8.6%. Fairbury, North Platte, and Seward all had positive increases in their respective city business indexes.

D. E. P.



Source: Table 3 (page 4) and Table 4 below.

The State and Its Trading Centers	Percent of Same Month a Year Ago		
	Employment <sup>1</sup>	Building Activity <sup>2</sup>	Power Consumption <sup>3</sup>
<i>The State</i>	97.0	81.0	98.2
Alliance	90.9	31.8	97.5
Beatrice	97.6	43.9	99.8
Bellevue	98.1	103.8	70.2
Blair	97.1	65.3	100.4
Broken Bow	103.5	127.7	100.6
Chadron	103.1	132.9	126.2
Columbus	92.4	89.8	110.9
Fairbury	98.0	32.6	99.1
Falls City	100.8	48.5	99.3
Fremont	95.0	60.9	91.3*
Grand Island	94.8	57.8	97.0
Hastings	96.7	93.7	115.5
Holdrege	96.3	44.8	106.6
Kearney	96.5	74.1	99.3
Lexington	94.5	63.5	84.7
Lincoln	97.3	118.9	97.0
McCook	92.1	98.8	111.3
Nebraska City	97.3	577.7	100.5
Norfolk	94.0	70.6	86.1
North Platte	100.4	91.7	106.9
Omaha	98.1	90.0	100.6
Scottsbluff/Gering	97.9	117.0	96.4
Seward	100.8	223.7	103.4
Sidney	99.0	82.5	98.8
So. Sioux City	99.2	35.7	101.5
York	97.6	31.2	96.6

<sup>1</sup>As a proxy for city employment, total employment for the county in which a city is located is used.

<sup>2</sup>Building Activity is the value of building permits issued as spread over an appropriate time period of construction. The U.S. Department of Commerce Composite Construction Cost Index is used to adjust construction activity for price changes.

<sup>3</sup>Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked \* for which only one is used.

Source: Compilation by Bureau of Business Research from reports of private and public agencies.

August 1982	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices	292.8	105.9	106.9
Commodity component	266.4	104.0	104.2
Wholesale Prices	300.4	101.3	103.2
Agricultural Prices			
United States	244.0	96.4	94.8
Nebraska	250.0	95.4	95.0

\*Using arithmetic average of monthly indexes.  
Sources: Consumer and Wholesale Prices: U.S. Bureau of Labor Statistics; Agricultural Prices: U.S. Department of Agriculture.

(continued from page 3) the ravages of the 1980-82 recession. The decline in employment in this industry is less than 4,000, a scant 0.3% of total employment in January 1980. The 1974-75 recession had a relatively mild impact upon this industry, with employment declining 4%. Chemicals and allied products also fared reasonably well compared with other nondurable goods industries.

#### THE IMPACT OF THE 1974-75 AND 1980-82 RECESSIONS UPON EMPLOYMENT—NEBRASKA

The 1980-82 recession has had a more devastating impact upon employment in Nebraska's manufacturing sector than the 1974-75 recession. Employment declined by more than 16,000 or 16.6% in the current recession, compared with an employment decrease of 5,000 or 6% in the 1974-75 recession.

Durable goods employment was more severely impacted than nondurable goods in both recessions. During the 1974-75 recession Nebraska lost approximately 7,000 jobs in durable goods, or 13.7% of employment at the outset of the recession. Approximately 10,000 jobs or 19% have been lost during the 1980-82 recession in durable goods manufacturing.

Following national trends, the most severely impacted Nebraska durable goods sector during the 1974-75 recession was furniture and fixtures, where employment declined by more than one-third. In the current recession, employment is off 20%, somewhat more than the decrease in durable goods employment.

The machinery sector of Nebraska's manufacturing base has been hard hit by both recessions. The decrease in the 1980-82 recession is more severe than in the 1974-75 recession. Farm machinery and equipment has been particularly hard hit during the 1980-82 recession, with a decrease in employment of more than 25% being recorded from January of 1980 to July of 1982.

It should be noted that information is not available in all categories at the state level to compare the impact of the 1980-82 recession with the 1974-75 recession. In many cases, information of sufficient detail was simply not available in the earlier period.

A review of the data in Table 2 indicates the severity of the 1980-82 recession. In almost all cases, durable goods employment has been more severely impacted by the current recession than by mid-1970's recession. Nebraska lost 19% of its durable goods jobs in the 1980-82 recession. Some sectors have recorded employ-

ment losses of up to one-third (lumber and wood products), while declines of one-quarter are not uncommon. It remains to be seen whether any long-term impact of the current recession upon employment in durable goods will be felt by the state.

Nondurable goods employment is also being adversely impacted by the 1980-82 recession. Employment in this sector is down more than 6,000 jobs, or 13%. During the 1974-75 recession, employment in nondurable goods manufacturing in Nebraska actually increased 2.6%, or more than 1,000 jobs. The contrast between the two recessions is striking.

Food and kindred products and, in particular, meat products led the employment gain during the 1974-75 recession. Food and kindred products recorded an increase of 10.7%, while meat products recorded an increase of 19.4% during the 1974-75 recession. Employment gains were in line with national trends but were disproportionately more favorable in Nebraska during the earlier recession.

Employment decreases have been recorded in the food and kindred products and meat products area during the 1980-82 recession. Food and kindred products recorded an overall decline of nearly 19%, while employment in meat products declined nearly 20%. Dairy products and grain milling also recorded employment losses during the 1980-82 recession. While employment losses nationally are common during the 1980-82 recession for food and related products industries, the loss of jobs is disproportionately greater in Nebraska than in the nation. Just as Nebraska disproportionately gained jobs in the food and related products industries during the 1974-75 recession, Nebraska is now losing jobs more rapidly in this same important industry.

Other nondurable industries have also lost jobs during the 1980-82 recession (Table 2). The printing and publishing industry, however, stands out as an area bucking the trend toward less and less jobs. Employment in this industry is up more than 500 jobs during the 1980-82 recession. The increase amounts to 6.3% of the January 1980 employment base. The chemical and allied products industry in Nebraska also recorded an employment gain during the 1980-82 recession. Unfortunately, these two industries constitute only about 10% of Nebraska's total manufacturing employment.

D. E. P.

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