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60 Years of Service

The Impact of the 1974-75 and the 1980-82 Recessions upon Employment in Nebraska

Undoubtedly, the 1980-82 recession will be associated with serious employment difficulties. The repercussions of this recession were registered in the number of business failures which occurred during the period. Dun and Bradstreet reported that the nation's number of business failures for the first half of 1982 was up 45 percent from 1981's first half. Fewer employment opportunities, augmented by the financial difficulties encountered by many businesses, resulted in circumstances not unlike those characteristic of the 1930s.

The employment crisis generated by the 1980-82 recession was national in scope. Fortunately, Nebraska's employment was not as severely afflicted as was the nation's. However, it cannot be said that the state escaped unscathed.

This article reviews the impact of the 1980-82 recession upon employment in Nebraska's major economic sectors. A more embracing inquiry is also provided by comparing and contrasting the employment status of the 1980-82 recession to the previous 1974-75 recession.

Because the adversity of the recession was not felt uniformly across the state (dissimilarities were noted among the regions and various industries), both state and metropolitan data are examined.

Two metropolitan areas are designated, namely, the standard metropolitan statistical area (SMSA) for Lincoln and for Omaha. Lincoln SMSA includes all of Lancaster County. Omaha SMSA is defined as Douglas and Sarpy Counties in Nebraska and Pottawattamie County in Iowa. The inclusion of Pottawattamie County was necessitated simply because comparable data for the Omaha area was otherwise unavailable.

All primary industries are included in the study, with the exception of farm, construction, and industries with fewer than 2,000 workers. Farm and construction were omitted because these industries have distinctive seasonal fluctuations which are captured in the data; hence, comparability is impaired. Industries focused include manufacturing; trade; services; finance, insurance, real estate; government; and transportation, communication, and utilities. Employment statistics were obtained from the Nebraska Department of Labor.

EMPLOYMENT STATUS IN NEBRASKA

The 1974-75 recession's impact on statewide employment was substantially different from the impact noted during the 1980-82 period. Nebraska was more fortunate in the earlier recession in that employment did not suffer as drastically. The information contained in Table I summarizes the statewide and metropolitan labor force

characteristics for both the 1974-75 and 1980-82 recessionary periods.

According to the Department of Labor's definition, the civilian labor force consists of all employed persons sixteen years of age or older, plus all those unemployed but actively seeking work. Excluded from the labor force count are discouraged workers no longer actively seeking employment. The unemployment rate is the percentage of the civilian labor force not employed.

The state civilian labor force grew by 73,450 (or approximately eleven percent)—going from 668,300 during January 1974 to 741,750 during July 1975. Although the labor force grew during the subsequent 1980-82 recession, the increase was significantly less than that noted during the prior period. The labor force increased by 34,942 from January 1980 to October 1982, a 4.7 percent gain. This was less than one-half of that reported during the earlier period (Table I).

Both Lincoln and Omaha registered gains in labor force participation during 1974-75. However, neither metropolitan area's growth paralleled that achieved by the state. Lincoln's labor force expansion of 4.8 percent, an increase of 4,490, was considerably less than the state's 11 percent increase. Omaha reported only a

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TABLE 1
Nebraska Labor Force Characteristics

	<u>Jan. '74</u>	<u>July '75</u>	<u>Jan.'80</u>	<u>Oct. '82</u>
Civilian Labor Force				
Nebraska	668,300	741,750	738,848	773,790
Lincoln-SMSA	92,673	97,163	108,134	109,295
Omaha-SMSA	245,957	246,522	278,726	278,707
Farm Employment				
Nebraska	74,050	115,250	55,077	74,331
Lincoln-SMSA	2,293	3,502	1,601	2,125
Omaha-SMSA	3,884	5,801	2,548	3,375
Total Employment				
Nebraska	648,400	713,200	707,918	730,100
Lincoln-SMSA	90,676	93,878	104,395	103,951
Omaha-SMSA	236,792	232,737	264,115	258,796
Unemployment Rate				
Nebraska	3.0	3.8	4.2	5.6
Lincoln-SMSA	2.2	3.4	3.5	4.9
Omaha-SMSA	3.7	5.6	5.2	7.1

TABLE 2
Non-agricultural Wage and Salary Employment

	Nebraska (1976 Benchmark)			Nebraska (1981 Benchmark)		
	Jan. '74	July '75	Percent Change	Jan. '80	Oct. '82	Percent Change
	Total Non-agricultural Wage and Salary	538,500	564,400	+ 4.8	623,508	611,278
Manufacturing	91,200	84,100	- 7.8	99,893	83,329	- 16.6
Durable	48,900	41,000	- 16.2	52,428	40,586	- 22.6
Non-durable	42,300	43,100	+ 1.9	47,465	42,743	- 10.0
Transportation, Communication, and Utility	38,900	39,100	+ 0.5	46,859	42,926	- 8.4
Trade	138,600	144,800	+ 4.5	163,534	161,452	- 1.3
Wholesale	38,300	40,600	+ 6.0	48,531	47,740	- 1.6
Retail	100,300	104,200	+ 3.9	115,003	113,712	- 1.1
Finance, Insurance, and Real Estate	32,600	34,900	+ 7.1	41,419	41,210	- 0.5
Services (Except Domestic)	93,600	101,700	+ 8.7	113,739	123,651	+ 8.7
Government	118,200	128,200	+ 8.5	130,040	133,859	+ 2.9
	Lincoln-SMSA (1977 Benchmark)			Lincoln-SMSA (1981 Benchmark)		
	Jan. '74	July '75	Percent Change	Jan. '80	Oct. '82	Percent Change
	Total Non-agricultural Wage and Salary	83,297	86,217	+ 3.5	98,780	97,530
Manufacturing	13,227	12,446	- 5.9	13,906	12,008	- 13.6
Durable	5,527	5,216	- 5.6	6,320	5,301	- 16.1
Non-durable	7,700	7,230	- 6.1	7,586	6,707	- 11.6
Transportation, Communication, and Utility	5,513	5,550	+ 0.7	7,319	6,885	- 5.9
Trade	17,526	17,888	+ 2.1	22,115	22,436	+ 1.5
Wholesale	3,540	3,825	+ 8.1	5,164	5,124	- 0.8
Retail	13,986	14,063	+ 0.6	16,951	17,312	+ 2.1
Finance, Insurance, and Real Estate	5,690	5,943	+ 4.4	6,953	6,870	- 1.2
Services (Except Domestic)	13,845	14,578	+ 5.3	17,044	17,497	+ 2.7
Government	23,894	24,881	+ 4.1	27,614	28,827	+ 4.4
	Omaha-SMSA (1976 Benchmark)			Omaha-SMSA (1981 Benchmark)		
	Jan. '74	July '75	Percent Change	Jan. '80	Oct. '82	Percent Change
	Total Non-agricultural Wage and Salary	230,297	234,680	+ 1.9	264,613	258,023
Manufacturing	39,469	31,862	- 19.3	37,229	32,232	- 13.4
Durable	20,496	16,127	- 21.3	19,888	15,535	- 21.9
Non-durable	18,973	15,735	- 17.1	17,341	16,697	- 3.7
Transportation, Communication, and Utility	21,452	21,159	- 1.4	24,307	22,758	- 6.4
Trade	59,029	60,350	+ 2.2	68,306	65,868	- 3.6
Wholesale	17,848	18,536	+ 3.9	20,989	21,434	+ 2.1
Retail	41,181	41,814	+ 1.5	47,397	44,434	- 6.3
Finance, Insurance, and Real Estate	18,173	19,444	+ 7.0	24,610	23,863	- 3.0
Services (Except Domestic)	45,017	49,232	+ 9.4	57,782	61,164	+ 5.8
Government	36,357	41,343	+ 13.7	42,680	42,637	- 0.1

(continued from page 1)

meager gain of 565 participants, or a 0.2 percent advance. This noticeable regional variation in labor force growth indicates that, for the 1974-75 recession, the non-metropolitan areas scarcely felt the recession.

For 1980-82, Lincoln's labor force realized a 1.1 percent increase of 1,161; again, this gain was notably below that of the state. As in the prior recession, Lincoln fared better than Omaha, which reported no growth in labor force. Omaha's labor force actually decreased by 19 workers during this period.

Total employment, farm and non-farm, for Nebraska grew roughly 9.9 percent during the 1974-75 time span—from 648,400 to 713,200. In sharp contrast, total employment for the 1980-82 period grew only 3.1 percent—from 707,918 to 730,100. Despite the longer time interval identified with the latter recession, employment growth was measured to be approximately three times greater during 1974-75 than during 1980-82.

It should be noted that much of the total employment gain recorded for both periods was attributed to gains in farm employment. The seasonal disturbances inherent in agricultural employment data, rather than economic growth, were markedly responsible for the seeming surge in employment for 1980-82. Increases in farm employment accounted for 87 percent of the state's 1980-82 total employment growth and for 64 percent of its 1974-75 growth.

Similar to the state, metropolitan area employment was more critically afflicted by the 1980-82 recession. However, a distinct departure exists in the magnitude of the impact upon metropolitan versus statewide employment.

Lincoln realized a total employment increase of 3,202—from 90,676 during January 1974 to 93,878 during July 1975. Of this increase, only 1,209 (or approximately one-half) of the addition was explained by farm employment. During 1980-82, the story for Lincoln was quite the contrary. During the latter period, Lincoln's total employment declined by 444; the 524 farm employment gain was more than offset by a 968 decline in all non-farm employment.

During 1974-75, Omaha responded to the recession in a fashion strikingly different from Lincoln and Nebraska. During this period, Omaha was the only area of the three to register a decrease in its number of employed. Omaha's total employment during 1974-75 declined by 4,055 workers, a negative 1.7 change during the period. A heavier loss of jobs was reported during the more recent recession; from January 1980 to October 1982, 5,319 jobs were lost—a two percent decline.

Omaha's non-farm employment also fell in both recessions. However, the rate of decline in non-farm jobs was actually less serious during the 1980-82 recession than during the earlier recession. In this respect, Omaha's response to recessionary pressure was again atypical of that noted for either the Lincoln or Nebraska economy. When non-agricultural job loss is measured by percentage rate, the erosion of non-farm job opportunities was more serious for Lincoln and the state during the 1980-82 recession; the opposite was true for Omaha. Employment in Omaha's non-farm industries declined 2.6 percent during 1974-75, while, during 1980-82, the rate of decline was slightly less—approximately 2.4 percent.

The unemployment rate is commonly referenced by economists and the media as a job-market barometer. A review of the unemployment rate for Nebraska and its metropolitan centers reconfirms that joblessness was more prevalent for the 1980-82 recession.

The unemployment rate figures indicated in Table 1 reveal a distinct pattern. Regardless of whether this pattern is attributed to factors peculiar to these two recessionary periods, two definite relationships are evident. For both time spans investigated, the Lincoln unemployment rate was held below that of the state, while the Omaha rate successively exceeded that of the state. To a great extent, Lincoln's lower unemployment rate can be credited to its industrial composition.

In comparison to the Nebraska and Omaha economies, Lincoln's government sector employs a proportionately greater number of the non-farm wage and salary workers. Government employment accounts for roughly thirty percent of the non-agricultural wage and salary jobs for Lincoln, 17 percent for Omaha, and 22 percent for the state. The fact that government is more heavily represented in the Lincoln economy—plus the fact government was one of the state's few economic sectors to realize employment growth for 1980-82—explains why the recession's impact on the Lincoln economy was cushioned, to a certain degree.

A substantial number of the state's non-agricultural wage and salary jobs are found in the metropolitan area. In general, 50 to 75 percent of the available jobs in primary industry are located in Nebraska's two major urban outlets. Because the combined Lincoln and Omaha industries constitute such a large proportion of Nebraska's commercial employment, there may be a clear divergence in the recessionary impact upon metropolitan versus statewide employment. Moreover, the employment levels for Lincoln and Omaha tend to respond differently to economic influences, due to the industrial composition uniquely identified with each city.

When comparing the impact of the two recessions upon Lincoln's, Nebraska's, and Omaha's employment, it is clear that a significant change-about occurred. By scanning the total non-agricultural wage and salary employment figures tabulated in Table 2, it is apparent that all three areas lost jobs during 1980-82, while, during 1974-75, non-agricultural employment for each area increased.

A closer inspection of the percent change columns under the Nebraska section in Table 2 reveals three distinctive relationships. During 1974-75, manufacturing was the only primary industrial sector to register an employment decline. During the 1980-82 recession, the manufacturing sector not only registered the largest percentage decrease in jobs, but this employment decline was also more drastic than that recorded for the prior recession. The non-durable goods sub-category of manufacturing actually gained employment during 1974-75. This contrasts to 1980-82, when a considerable number of jobs was lost. The durable goods sub-category also realized a large decrease in employment during the latter period. In addition, of all the primary industrial sectors listed, only two—government and services—realized employment growth during 1980-82.

Some of the same problems associated with statewide manufacturing employment also showed up in Lincoln. Manufacturing, including both durable and non-durable divisions, was the only major non-farm industry in Lincoln to lose jobs during 1974-75. Looking at the 1980-82 recession, manufacturing, along with several of Lincoln's primary industries (e.g., wholesale trade; transportation, communication, and utility; finance, insurance, and real

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Review and Outlook

Nebraska's net physical volume output index increased 4.3 percent October-November 1982, the largest monthly gain recorded in several months. A substantial increase in the marketing of agricultural commodities was responsible for approximately two-thirds of the increase in the index, but it is important to note that the non-agricultural component of the index was up a more modest 1.3 percent.

The agricultural component of the index recorded a 33.5 percent increase on a month-to-month basis. Marketing of agricultural commodities in November amounted to \$767.7 million. When corrected for seasonal variations, marketings totaled \$586.5 million—up 47.2 percent above the October

level—an unusually large month-to-month increase. On a year-to-date basis, Nebraska cash farm marketings were down 6.2 percent; nationally, they were up 8.2 percent.

Agricultural prices received by Nebraska farmers and ranchers increased 2.2 percent on a month-to-month basis. Despite this monthly increase, prices received for Nebraska agricultural products in November 1982 were 2.9 percent below November 1981.

As noted above, the non-agricultural component of the index increased 1.3 percent October-November 1982. The construction component recorded a decline of 1.5 percent, while the manufacturing component of the index declined 0.1 percent. Distributive trade recorded a 2.2 percent in-

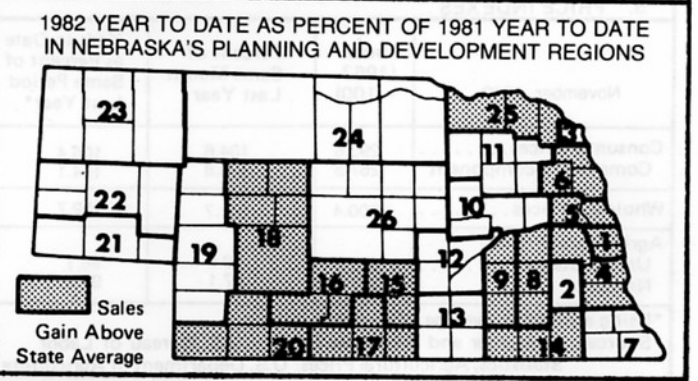
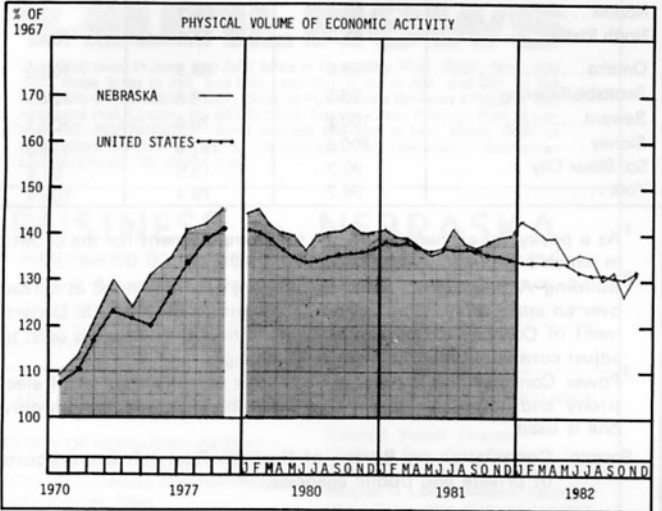
Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume 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				
November, 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	101.2	101.7	102.5	102.2
Agricultural	76.0	108.9	115.9	102.7
Nonagricultural	105.0	101.5	100.7	102.2
Construction	93.3	103.1	75.7	94.7
Manufacturing	83.8	90.1	87.5	92.5
Distributive	108.9	105.4	104.3	105.9
Government	121.6	105.6	110.7	108.5
Physical Volume	95.4	97.6	98.0	96.8
Agricultural	78.3	109.4	120.8	106.7
Nonagricultural	98.2	97.2	95.0	96.5
Construction	91.1	100.7	73.8	92.4
Manufacturing	82.1	88.8	85.7	90.3
Distributive	104.1	100.8	98.0	99.5
Government	100.0	98.9	101.4	98.4

2. CHANGE FROM 1967		
Indicator	Percent of 1967 Average	
	Nebraska	U.S.
Dollar Volume	366.6	365.6
Agricultural	278.3	383.0
Nonagricultural	379.8	365.1
Construction	207.1	315.8
Manufacturing	307.1	278.7
Distributive	414.9	414.5
Government	416.2	378.6
Physical Volume	131.9	132.2
Agricultural	117.4	159.6
Nonagricultural	134.0	131.3
Construction	61.7	94.0
Manufacturing	127.7	131.1
Distributive	141.3	141.2
Government	146.5	146.4

3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES (Adjusted for Price Changes)			
Region Number and City	City Sales*	Sales in Region*	
	Nov. 1982 as percent of Nov. 1981	Nov. 1982 as percent of Nov. 1981	Year to date '82 as percent of Year to date '81
<i>The State</i>	89.5	93.7	94.1
1 Omaha	86.5	91.2	95.8
Bellevue	79.3		
2 Lincoln	89.9	94.5	94.0
3 So. Sioux City	80.4	96.8	90.5
4 Nebraska City	94.4	100.4	96.0
5 Fremont	83.1	94.4	94.9
Blair	100.1		
6 West Point	104.4	114.9	100.9
7 Falls City	89.3	101.4	94.6
8 Seward	100.1	105.3	96.0
9 York	88.9	93.2	95.8
10 Columbus	78.8	90.5	92.5
11 Norfolk	89.5	100.5	94.0
Wayne	114.1		
12 Grand Island	94.2	99.1	93.2
13 Hastings	88.3	93.6	90.9
14 Beatrice	81.8	97.0	95.6
Fairbury	107.6		
15 Kearney	94.4	103.7	97.4
16 Lexington	98.9	102.8	97.5
17 Holdrege	105.8	109.5	98.3
18 North Platte	98.1	104.0	94.6
19 Ogallala	98.6	103.3	93.1
20 McCook	108.7	110.5	99.2
21 Sidney	88.1	90.3	91.9
Kimball	81.1		
22 Scottsbluff/Gering	77.1	85.7	89.4
23 Alliance	91.3	97.8	89.5
Chadron	87.5		
24 O'Neill	103.6	108.9	91.6
25 Hartington	113.2	110.0	97.0
26 Broken Bow	87.1	104.9	92.2

*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. Regional 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.



crease; the government component of the index slipped a slight 0.1 percent.

Nebraska retail sales were down 2.7 percent in November 1982, compared with November 1981. Taxable retail sales totaled \$730 million in November 1982, compared with \$751 million one year previous. When adjusted for price changes, total retail sales were down 6.3 percent on a year-to-year basis. Price adjusted retail sales were corrected using the commodity component of the consumer price index which, during the past year, increased 3.8 percent.

Non-motor vehicle retail sales were down 10.5 percent on a price adjusted basis in November 1982, compared with one year previous. November 1982 sales were \$647 million, compared with \$697 million in November 1981.

Motor vehicle sales were up a substantial 48.6 percent on a price adjusted basis in November 1982, compared with one year previous. Motor vehicle sales totaled nearly \$82.9 million for the month, compared with \$53.7 million one year ago.

Retail sales showed real gains after adjustment for price increases at Hartington, O'Neill, McCook, Holdrege, Fairbury, Wayne, Seward, West Point, and Blair. Wayne recorded the largest percentage increase in retail sales in November 1982, when compared with one year ago, with an increase of 14.1 percent. Hartington recorded a large gain in real retail sales during the same interval: 13.2 percent.

Fairbury and Nebraska City led Nebraska communities with gains in their respective city business indexes. A number of other communities recorded declines smaller than the state average of 6.2 percent, but, nevertheless, showed a decline in economic activity.

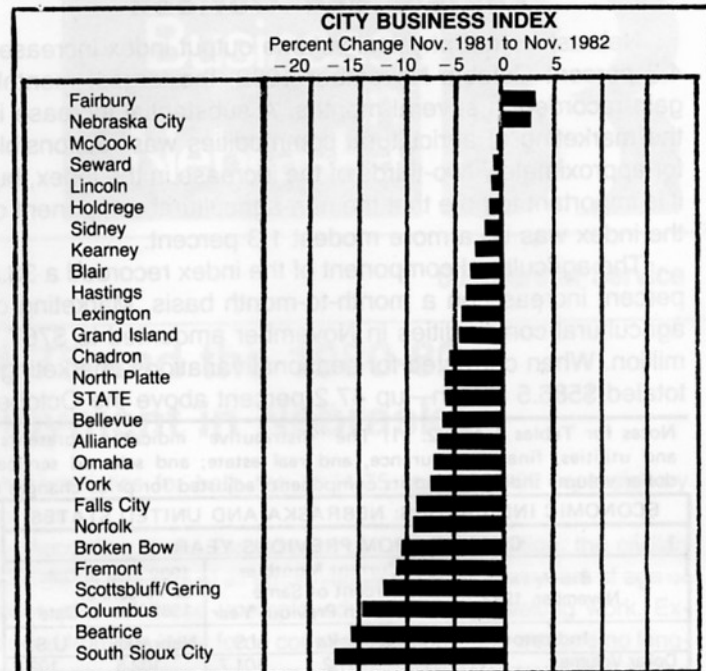
Nationally, there are a number of encouraging signs that the recession is over or nearly over. The composite series of leading economic indicators has recorded gains in eight out of the last nine months. These indicators usually turn before the economy changes directions. Interest rates are down; automobile sales are up, along with the sales of other durable goods; and housing starts have picked up—classic signs of an economic recovery.

For Nebraska and other states, data is not as readily available and as current as it is nationally. Information is compiled at the national level and then disaggregated to the state level with a concomitant time lag in available data. Recovery in Nebraska is expected to develop more slowly than nationally because of the depressed state of commodity prices and a rather large grain surplus.

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5. PRICE INDEXES			
November, 1982	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices	293.6	104.6	106.4
Commodity component	267.8	103.8	104.1
Wholesale Prices	300.4	101.7	102.7
Agricultural Prices			
United States	240.0	99.6	96.1
Nebraska	237.0	97.1	95.4

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



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

4. CITY BUSINESS INDICATORS			
The State and Its Trading Centers	Percent of Same Month a Year Ago		
	Employment ¹	Building Activity ²	Power Consumption ³
The State	96.9	97.6	105.5
Alliance	92.6	96.3	101.8
Beatrice	97.8	27.4	105.6
Bellevue	98.5	199.3	101.1
Blair	97.0	61.2	93.6*
Broken Bow	98.9	45.2	105.2
Chadron	99.9	106.5	120.1
Columbus	91.0	73.9	115.3
Fairbury	98.7	116.7	106.3
Falls City	99.7	41.9	89.8
Fremont	96.3	69.7	82.3*
Grand Island	94.3	105.0	104.3
Hastings	98.7	135.8	94.1
Holdrege	97.1	58.7	99.8
Kearney	98.7	96.4	104.2
Lexington	94.2	70.1	77.4
Lincoln	98.2	234.0	107.6
McCook	92.7	83.4	105.9
Nebraska City	97.5	380.7	91.1
Norfolk	95.2	53.3	99.3
North Platte	91.2	74.8	102.5
Omaha	98.5	83.5	108.9
Scottsbluff/Gering	98.5	78.8	124.3
Seward	100.2	79.8	106.1
Sidney	100.5	197.8	118.3
So. Sioux City	99.2	18.5	96.4
York	96.2	79.4	105.9

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

² 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.

³ 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.

(continued from page 3)

estate), experienced job cutbacks. Note that manufacturing employment suffered a more severe job loss during the recent recession—a 13.6 percent decline during 1980-82, in contrast to the more moderate decline of 5.9 percent during 1974-75.

Omaha's manufacturing employment responded differently from Lincoln's and the state's. Manufacturing registered a 19.3 percent decline for the 1974-75 recession, while an employment decrease of 13.4 percent was recorded for 1980-82. In addition, Omaha's non-durable goods industries' employment drop was not only less precipitous during the 1980-82 recession—a 17.1 percent decline during 1974-75, as opposed to a 3.7 percent decline during 1980-82—but its percentage decrease was considerably smaller than that recorded for Lincoln or for the entire state. This can be attributed mainly to the fact Omaha's economy does not possess as heavy a representation of food and kindred products industry as does the state. Nebraska's meatpacking industry was impacted especially hard during 1980-82.

On a statewide basis, three major industries—transportation, communication, and utility; trade; finance, insurance, and real estate—had like reactions for both recessions: during 1974-75, each industry realized employment expansion; during 1980-82, each industry realized job losses. During the recent recession, the trade sector fared surprisingly better in Lincoln than it did in either Omaha or the state. Lincoln was the only area to register an employment increase in its trade industry for 1980-82: a gain of 1.5 percent, contrasted to a -3.6 percent for Omaha and a 1.3 percent loss statewide. Like Nebraska, Lincoln and Omaha lost a considerable number of jobs in both the transportation, communication, and utility and finance, insurance, and real estate industries during 1980-82. It can be noted that, for the latter industry, the state lost proportionately fewer jobs. The sharp employment decreases recorded in the transportation sector for all three areas during the current recession reflect the general slowdown in the economy, and it may reflect the fact that the strength of the western energy boom has become far weaker than was the case for the earlier period.

Government was the only other primary sector besides service that attained statewide employment growth during the 1980-82 term. The expansion rate in government jobs at state level differed

considerably between the 1974-75 recession and the 1980-82 recession. This difference is a differential of nearly three to one when percentage rates are calculated—an 8.5 percent gain in 1974-75 as opposed to a 2.9 percent advance during 1980-82. Lincoln's number of government jobs also increased during the recent recession, while, in marked contrast, Omaha's government sector registered a modest decline of 0.1 percent.

Services was one of the state's few industries to achieve employment growth during both recessions. Unlike any of the other primary industries, service employment continued to increase during the 1980-82 recession—not only at the state level, but in Lincoln and Omaha as well. Of the Nebraska service industries, business service and health service enjoyed rather significant growth, with business service achieving a 17.9 percent increase between January 1980 and October 1982 and health service a 9.5 percent increase during that same period.

CONCLUSION

In comparing the two recessions, it is evident that a greater blow was dealt to the Nebraska job market during the 1980-82 recession than during the 1974-75 recession. The state's civilian labor force and total employment experienced rather remarkable growth during 1974-75, considering the nation was firmly in a recession. Nebraskans were not as lucky during the more recent recession: the state unemployment rate was significantly higher during 1980-82 than during 1974-75; civilian labor force and total unemployment grew only moderately during the entire 33-month span; and, completely contrary to the prior recession, Nebraska's total non-farm wage and salary employment decreased during 1980-82.

In terms of statewide non-farm wage and salary employment, the negative repercussions of the 1974-75 recession were limited to the manufacturing sector. As in the former recession, manufacturing industries lost a substantial number of jobs during 1980-82: a more drastic drop-off was noted during the latter period, with a particularly large decrease in the non-durable goods division. All other primary non-agricultural industries located within the state, with the exception of services and government, also realized job reductions during the 1980-82 recession.

Vicki J. Brickner

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