

Business in Nebraska

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Nebraska Advances: The Economic Outlook for the Next Two Years

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Despite low agricultural prices brought by this year's bumper crop, the Nebraska economy continues to advance overall. The outlook for 1995 and 1996 calls for solid gains in employment, income, and retail sales. Employment growth will be near 1.5 percent for 1994 and 1995 but will slow to 1.3 percent in 1996. Depressed farm prices will restrain total personal income growth to 4.1 percent this year. A rebound is expected in 1995 and 1996, with income growth at 5.3 percent each year. Total net taxable retail sales growth has been brisk this year, growing at an estimated 8.1 percent. Sales growth rates will slow to 6.3 percent in 1995 and to 4.9 percent in 1996. Figure 1 represents the results. A numerical summary of the forecast is contained in Table 1. Growth rates for the forecast and for recent history are given in Table 2.

The forecast is predicated on the assumption that there will be an adequate supply of workers in the state to allow the economy to realize its potential growth. It also assumes that while a slowdown in the nation's economic growth is likely, the probability of a recession in 1996 is small.

To facilitate our forecast, we convened a small panel of experts to assess the state of Nebraska's economy. A major concern expressed by members of the consensus group during its finalization of this latest forecast is the state's labor availability. In the September issue of *Business in Nebraska (BIN)*, Lisa Valladao reported that practically all of the increase in the state's total number of employed persons during the 1980s was due to women entering the workforce. I pointed out in the March issue of *BIN* that the state may fast be approaching the upper limit on the labor force participation rate. I further noted that future job growth in Nebraska will depend upon the availability of new qualified workers and, therefore, will require a reversal of the outmigration of young adults.

Any alteration in the consensus panel's assumptions has the potential for modifying the forecast. Should we not be able to attract and/or retain sufficient workers, then the employment numbers presented here will not be reached. If the national economy were to enter a major downturn in 1996, then the Nebraska economy may not perform as predicted.

Figure 1
Key Economic Growth Rates
(percent)

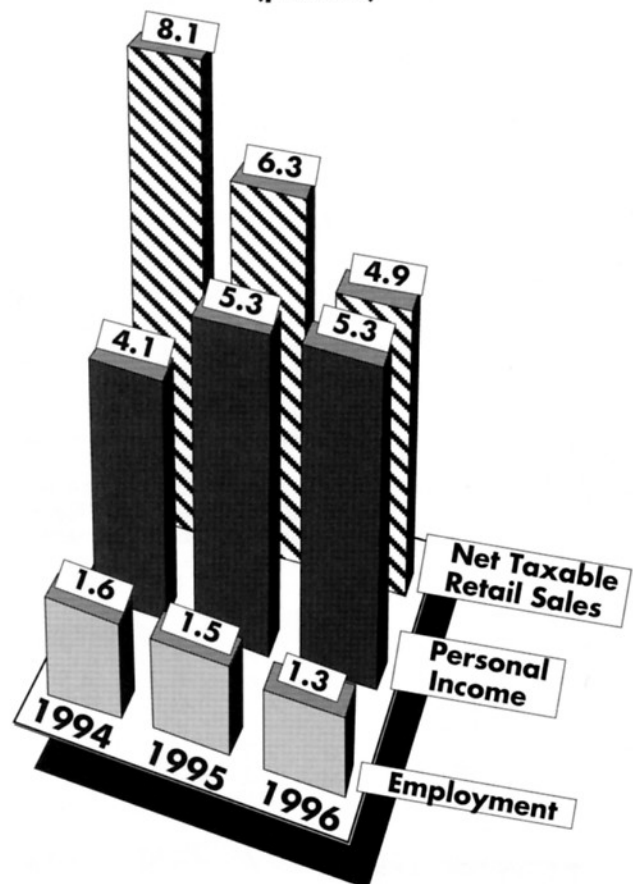


Table 1
Summary of Projections, Nebraska Employment, Personal Income, and Retail Sales
Annual Averages of Monthly Values

| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 |
|--------------------------|---------------|---------|---------|---------|---------|---------|---------|
| Total Employment (Jobs) | 730,026 | 736,171 | 750,153 | 762,703 | 775,133 | 786,481 | 796,361 |
| | (\$ millions) | | | | | | |
| Personal Income* | 27,470 | 28,720 | 30,368 | 31,720 | 33,035 | 34,795 | 36,638 |
| Net Taxable Retail Sales | | | | | | | |
| Total | 1,029 | 1,062 | 1,113 | 1,181 | 1,277 | 1,357 | 1,424 |
| Motor Vehicle Sales | 127 | 120 | 125 | 142 | 154 | 164 | 173 |
| Nonmotor Vehicle Sales | 902 | 942 | 988 | 1,039 | 1,122 | 1,193 | 1,251 |

*Annual Totals

Employment

Recent history and the outlook for Nebraska's employment by industry are presented in Table 3. Note that construction and mining are combined. The construction sector is one of the smaller employment categories, but its year-to-year movements can be large. 1993 was an outstanding year for the Nebraska construction industry, as highway projects and the housing industry were at high levels of activity. The outlook for construction calls for slowing rates of growth. By 1996 small losses in employment could occur unless large new projects come on-line.

The service sector is Nebraska's largest employment sector. Growth in service employment will be 2.6 percent in 1995 and 2.5 in 1996. By the latter year service employment will exceed 200,000 jobs. Jobs in the service sector range from the familiar barber and beauty shop services, to telemarketing, to medical and legal services. It is an industry that includes many minimum wage jobs and some of the most highly paid jobs. The service

sector offers many part-time jobs. The work week in the service sector averages over 30 hours.

Nebraska's second largest employment sector is retail trade. Growth in retail jobs roughly will parallel overall job growth. After increasing 1.7 percent in 1994, retail jobs will increase 1.3 percent in both 1995 and 1996.

The third largest employment sector is state and local government. While state government jobs have been slow to increase, local government jobs have continued to expand. In 1994 the total of state and local government jobs will expand 0.8 percent. In the next two years the growth rate will be 1 percent in each year.

Manufacturing is an important employment sector, with total employment exceeding 100,000. Durable manufacturing accounts for just over 50,000 jobs in 1994. Durable manufacturing is the more volatile component of the manufacturing sector. Growth in 1993 was just enough to offset the job losses of 1991 and 1992, bringing employment back to 1990 levels. The growth rate in 1994 is expected to nearly match the 1993 rate of increase. In 1995 growth will slow to 2 percent, while in 1996 growth is expected to halt.

Nondurable manufacturing employment will not grow as rapidly as durable manufacturing employment in 1994. Instead it will increase 1.5 percent. In 1995 and 1996 growth will be 0.9 percent each year. Over half of the jobs in nondurable manufacturing are in the food processing industry.

Table 2
Summary of Projections, Nebraska Employment,
Personal Income, and Retail Sales
Average Annual Growth Rates

| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 |
|--------------------------|-----------|------|------|------|------|------|------|
| | (percent) | | | | | | |
| Total Employment | 3.1 | 0.8 | 1.9 | 1.7 | 1.6 | 1.5 | 1.3 |
| Personal Income | 8.7 | 4.6 | 5.7 | 4.5 | 4.1 | 5.3 | 5.3 |
| Consumer Price Index | 5.4 | 4.2 | 3.0 | 3.0 | 2.6 | 3.0 | 3.5 |
| Net Taxable Retail Sales | | | | | | | |
| Total | 4.3 | 3.2 | 4.8 | 6.1 | 8.1 | 6.3 | 4.9 |
| Motor Sales | 0.9 | -5.8 | 4.0 | 13.7 | 8.9 | 6.5 | 5.0 |
| Nonmotor Sales | 4.8 | 4.5 | 4.9 | 5.1 | 8.0 | 6.3 | 4.9 |

There are three employment sectors that are similar in size. All three offer about 50,000 jobs each. Two of the sectors—transportation, communications, and utilities (TCU) and wholesale trade—are expected to grow slowly at 0.2 and 0.5 percent, respectively, in 1995 and 1996. The third sector is finance, insurance, and real estate (FIRE). Jobs in this sector will grow more rapidly than in the first two sectors. In 1995 and 1996 we expect jobs in the FIRE sector to grow 1.7 percent each year.

The smallest of the major employment sectors is the federal government, comprising just over 17,000 jobs. Federal jobs in Nebraska are expected to expand 0.8 percent in 1994 and only 0.2 percent in each of the next two years. This expectation can easily be altered by a relocation of federal personnel to or from other states.

Overall job growth in Nebraska in 1994 will nearly match 1993 growth at 1.6 percent. In the following two years job growth will decrease slightly each year, reaching 1.3 percent in 1996.

Personal Income

The pattern of income growth will differ slightly from the employment growth picture. A slowdown in income growth in 1994 will result from a second year of net income losses in the agriculture sector. A recovery in farm income will lead to 5.3 percent gains in total personal income in both 1995 and 1996. After accounting for inflation, real total personal income growth will be 2.3 percent in 1995 and 1.8 percent in 1996.

In order to forecast future incomes, we need a forecast of future inflation. We have assumed that inflation as measured by the Consumer Price Index (CPI) will increase only 2.6 percent in 1994. The

increases will be 3.0 percent and 3.5 percent, respectively, in 1995 and 1996.

The components of personal income are presented in Table 4. The total given in the far right column is simply the sum of the components.

The largest component of total personal income is wages and salaries. Growth in wages and salaries follows gains in employment and increases in inflation. Growth in wages and salaries is expected to be 4.4 percent in 1994, 4.5 percent in 1995, and 4.7 percent in 1996. The real increases in wages and salaries are 1.8, 1.5, and 1.2 percent, respectively. These real increases nearly match the increases in total employment.

Other labor income will outpace the advances in wages and salaries. Other labor income includes benefits paid to workers. Advances in medical insurance costs are likely to lead the advance in benefits costs.

Transfer payments include Social Security and welfare costs. Transfer payment growth has outpaced advances in inflation and wages and salaries for years. With the growth in the number of persons of retirement age, rapid growth in transfer payments will continue indefinitely.

Dividends, interest, and rent (DIR) was influenced by the national recession and its aftermath in the early 1990s. Moderate growth has returned to DIR. We expect that real growth will be near 1 percent.

Farm proprietors' income is a relatively small part of total personal income, but is often a major item when it comes to the rate of growth in total personal income. Once again that is the case for 1994. It long has been anticipated that Nebraska will have a bumper corn crop in 1994. Corn prices also are

Table 3
Number of Jobs and Percent Change, by Industry (not seasonally adjusted)

Annual Average of Monthly Numbers

| | Const & Mining | Durables | Nondurables | TCU | Wholesale Trade | Retail Trade | FIRE | Services | Federal Gov't | State & Local Gov't | Total |
|-----------------------|----------------|----------|-------------|--------|-----------------|--------------|--------|----------|---------------|---------------------|---------|
| 1990 | 28,596 | 48,522 | 49,286 | 46,276 | 53,392 | 134,145 | 48,426 | 177,966 | 18,040 | 125,378 | 730,026 |
| 1991 | 29,105 | 47,588 | 51,680 | 47,505 | 51,475 | 135,107 | 48,479 | 179,730 | 17,616 | 127,888 | 736,171 |
| 1992 | 29,760 | 46,922 | 53,791 | 47,165 | 52,362 | 137,457 | 49,429 | 185,605 | 17,076 | 130,587 | 750,153 |
| 1993 | 32,700 | 48,487 | 54,448 | 47,079 | 52,104 | 140,371 | 50,274 | 187,753 | 17,278 | 132,209 | 762,703 |
| 1994 | 34,010 | 50,182 | 55,264 | 47,269 | 52,364 | 142,742 | 51,006 | 191,653 | 17,423 | 133,221 | 775,133 |
| 1995 | 34,327 | 51,186 | 55,772 | 47,363 | 52,626 | 144,657 | 51,883 | 196,668 | 17,450 | 134,550 | 786,481 |
| 1996 | 34,173 | 51,191 | 56,280 | 47,458 | 52,889 | 146,573 | 52,760 | 201,682 | 17,477 | 135,879 | 796,361 |
| <i>Percent Change</i> | | | | | | | | | | | |
| 1990 | 6.8 | 3.7 | 3.0 | 1.7 | 1.6 | 2.1 | 1.1 | 5.0 | 1.9 | 2.8 | 2.1 |
| 1991 | 1.8 | -1.9 | 4.9 | 2.7 | -3.6 | 0.7 | 0.1 | 1.0 | -2.4 | 2.0 | 0.8 |
| 1992 | 2.3 | -1.4 | 4.1 | -0.7 | 1.7 | 1.7 | 2.0 | 3.3 | -3.1 | 2.1 | 1.9 |
| 1993 | 9.9 | 3.3 | 1.2 | -0.2 | -0.5 | 2.1 | 1.7 | 1.2 | 1.2 | 1.2 | 1.7 |
| 1994 | 4.0 | 3.5 | 1.5 | 0.4 | 0.5 | 1.7 | 1.5 | 2.1 | 0.8 | 0.8 | 1.6 |
| 1995 | 0.9 | 2.0 | 0.9 | 0.2 | 0.5 | 1.3 | 1.7 | 2.6 | 0.2 | 1.0 | 1.5 |
| 1996 | -0.4 | 0.0 | 0.9 | 0.2 | 0.5 | 1.3 | 1.7 | 2.5 | 0.2 | 1.0 | 1.3 |

expected to be low, however, as other corn-producing states also bring in bumper crops. Those farmers who locked in future prices in the spring when prices were higher will do very well. While total receipts will be high due to the size of the crop, net receipts to grain farmers will be low due to low prices and a continued cost squeeze.

The other major part of Nebraska's farm income is derived from meat production. Cattle prices have been low for a long time. Feed prices were high in the spring, raising costs of feedlot operations at that time. The result will be that net incomes from meat production will be somewhat lower this year compared to last.

As a result of low grain and cattle prices, we are estimating a drop of 7.5 percent in net farm proprietors' income in 1994. In 1995, we expect net farm income to recover to near 1993 levels. That recovery will bring total personal income growth up substantially. In 1996, net farm income will rise to near 1992 levels.

Growth in total personal income will be restrained in 1994 by the downturn in farm income. Even so, growth will exceed 4 percent and will outpace inflation. Real total personal income will grow 1.5 percent. In 1995 the recovery in farm income will allow personal income to rise 5.3 percent, a performance repeated in 1996. In real terms, total personal income will increase 2.3 percent in 1995 and 1.8 percent in 1996. Nonfarm personal income, a figure not presented or calculable from Table 4, increases steadily from 5.1 percent in 1994, to 5.2 percent in 1995, to 5.4 percent in 1996.

Retail Sales

Nebraska's net taxable retail sales figures are given in Table 1, and growth rates are stated in Table 2. Motor vehicle sales boomed in Nebraska in 1993 as our state shared in the national car-buying frenzy. In 1994 motor vehicle sales gains are expected to moderate, with a gain of 8.9 percent. In the next two years gains in motor vehicle sales will continue to moderate, eventually reaching 5 percent in 1996.

Nonmotor vehicle net taxable retail sales is the lion's share of total net taxable retail sales. It also tends to be the component that increases steadily. Nonmotor vehicle sales gains will reach 8.0 percent in 1994. However, gains will slow to 6.3 percent in 1995 and 4.9 percent in 1996.

Total net taxable retail sales will increase 8.1 percent in 1994, 6.3 percent in 1995, and 4.9 percent in 1996. The decreases in growth rates will be accelerated in real terms. In 1994 real growth will be 5.5 percent, but then decrease to 3.3 percent in 1995 and 1.4 percent in 1996. We are tentative in our statement of real sales because we are using the national overall CPI to deflate sales figures. The coverage of the CPI does not closely match the mix found in Nebraska's net taxable retail sales, but the inflation rates should be similar.

National Economic Outlook

The ties between the national economy and the Nebraska economy are somewhat tenuous. Nevertheless, the national rate of inflation will be closely related to the Nebraska rate of inflation. Local interest rates are determined in national markets. Nebraska goods are sold in national markets. The exchange rate for the dollar will influence Nebraska exports such as grains.

**Table 4
Nebraska Personal Income Seasonally Adjusted at Annual Rates**

Annual Averages (\$ millions)

| | Wages & Salaries | Proprietors' Income | | Other Labor Income | Personal Contribution/ Social Insurance | DIR | Transfer Payments | Resident Adjustment | Total Personal Income |
|------|------------------|---------------------|---------|--------------------|--|-------|-------------------|---------------------|-----------------------|
| | | Farm | Nonfarm | | | | | | |
| 1989 | 13,816 | 1,642 | 1,876 | 1,315 | -1,346 | 4,797 | 3,516 | -339 | 25,276 |
| 1990 | 14,853 | 2,093 | 1,957 | 1,460 | -1,396 | 5,028 | 3,833 | -359 | 27,470 |
| 1991 | 15,600 | 2,092 | 2,060 | 1,617 | -1,511 | 5,066 | 4,173 | -377 | 28,720 |
| 1992 | 16,559 | 2,235 | 2,237 | 1,775 | -1,591 | 5,010 | 4,554 | -410 | 30,368 |
| 1993 | 17,294 | 2,154 | 2,407 | 1,953 | -1,698 | 5,175 | 4,866 | -430 | 31,721 |
| 1994 | 18,055 | 1,992 | 2,563 | 2,129 | -1,831 | 5,372 | 5,207 | -452 | 33,035 |
| 1995 | 18,869 | 2,137 | 2,730 | 2,322 | -1,957 | 5,586 | 5,576 | -469 | 34,795 |
| 1996 | 19,757 | 2,218 | 2,894 | 2,536 | -2,086 | 5,827 | 5,978 | -485 | 36,638 |

Percent Changes

| | | | | | | | | | |
|------|-----|------|-----|------|-----|------|-----|-----|-----|
| 1990 | 7.5 | 27.5 | 4.3 | 11.1 | 3.7 | 4.8 | 9.0 | 5.8 | 8.7 |
| 1991 | 5.0 | -0.1 | 5.3 | 10.7 | 8.2 | 0.7 | 8.9 | 5.0 | 4.6 |
| 1992 | 6.1 | 6.8 | 8.6 | 9.8 | 5.3 | -1.1 | 9.1 | 8.9 | 5.7 |
| 1993 | 4.4 | -3.6 | 7.6 | 10.0 | 6.7 | 3.3 | 6.9 | 4.9 | 4.5 |
| 1994 | 4.4 | -7.5 | 6.5 | 9.0 | 7.8 | 3.8 | 7.0 | 5.1 | 4.1 |
| 1995 | 4.5 | 7.3 | 6.5 | 9.1 | 6.9 | 4.0 | 7.1 | 3.7 | 5.3 |
| 1996 | 4.7 | 3.8 | 6.0 | 9.2 | 6.6 | 4.3 | 7.2 | 3.5 | 5.3 |

So it is of more than passing interest to track the national economy.

It is most likely that when the current recovery has run its course, the year of most rapid growth will have been 1994. Real gross domestic product (GDP) is expected to grow 3.5 percent in 1994. After that we can look forward to growth rates at 3 percent or less for real GDP. A recent survey of the National Association of Business Economists members shows a forecast of only 2.5 percent real growth in 1995. Considering the current strength of the economy, that forecast appears a bit pessimistic.

Slow overall economic growth will be in part a response to the Federal Reserve's posture toward fighting inflation. In the current recovery, the Fed has stayed ahead of the game, keeping the inflation rate low by slowing advances in the nation's money supply and putting upward pressure on short-term interest rates. Because long-term interest rates are related to inflation expectations, long-term rates are a bit lower than they would have been if inflation had been allowed to advance more rapidly.

The slow GDP growth is reminiscent of the lackluster economy of the mid-to-late 1980s. This time around the slow growth has been accompanied by very low inflation rates. At this point, a continued lackluster performance through 1996 is more likely than an outright downturn that year. While the occurrence of a recession in a presidential election year is rare (it happened to Carter in 1980), it is still possible. I view the possibility of a recession in 1996, however, as a very slim one.

How Do We Compare?

Periodically we look over our shoulders to see how our current forecast compares to our previous forecast. The most important influence on the changes in our forecast is more information about 1994 than was available in our June forecast. Our total employment forecast for 1994 and 1995 nudges up our previous forecast slightly. There are some changes in the mix of employment forecasts inspired by more current data on 1994. Important among these is more optimism on manufacturing employment, a reduction in 1994 service employment, and a reversal in the outlook for federal government employment from slightly negative to slightly positive.

The more interesting changes in our forecast are in the personal income area. We have reduced our

outlook for the growth in total personal income 0.6 percentage points in 1994. Our 1995 forecast for total income growth increases 0.2 percentage points.

The reduction in growth does not come from the biggest component of personal income—wages and salaries. We have raised our forecast for that vital component slightly over the previous forecast. Instead, the downward reduction comes from a small component of total personal income, the farm income component. In our previous forecast we expected a 2.0 percent rise in farm proprietors' income. We now expect a reduction of 7.5 percent. A large reduction in a small component has brought the total down. The recovery in farm income that we now expect for 1995 will result in a slight increase in the growth rate for total personal income in 1995. The net result of all these changes is that our revised total personal income figure is only 0.3 percent below our previous forecast.

Our forecast for net taxable retail sales in 1994 is well above our old forecast. We had expected more slippage in the motor vehicle sales numbers. Instead they have remained strong. Our current forecast for 1994 increases motor vehicle sales 1.9 percent. There was some sentiment on the panel to increase the forecast further. Some optimism carries into the 1995 forecast, where our growth rate is increased another one percentage point. Perhaps even more important is the increase in nonmotor vehicle net taxable retail sales. This latter component is 88 percent of 1994 sales. Our forecast for nonmotor sales has increased three percentage points in 1994 due to large reported gains in sales year-to-date. Again our optimism persists into 1995, with the growth in nonmotor vehicle sales increased 1.3 percentage points. The result of these changes is that the forecast for total net taxable retail sales has increased 4.0 percent in 1995. □□

We are grateful for the help of the consensus group that served during the current round of forecasts. Group members are Ernie Goss, Department of Economics and Finance, Creighton University; Bruce Johnson, Department of Agricultural Economics, UN-L; Stu Miller, Nebraska Department of Economic Development; Donis Petersan, Nebraska Public Power District; Keith Turner, Department of Economics, University of Nebraska at Omaha; Dan Ransdell and Franz Schwarz, Nebraska Department of Revenue; Charles Lamphear and John Austin, Bureau of Business Research, UN-L.

1996
1995
1994

Average Annual Pay Levels for Selected Midwest Metropolitan Areas

The average annual pay of employees in metropolitan areas increased 1.8 percent from 1992 to 1993, according to preliminary data released recently by the Bureau of Labor Statistics of the U.S. Department of Labor. The average annual pay level for the nation's 310 metropolitan areas was \$27,540 in 1993, up from \$27,051 in 1992. Average annual pay for the entire nation was \$26,362.

The following table gives average annual pay levels for selected metropolitan areas in the Midwest for 1992 and 1993. Percent changes in pay levels along with rankings are also given in the table.

The data shown in the table are the product of a Federal-State cooperative program in which State Employment Security Agencies (SESAs) prepare summaries of employment and total pay of workers covered by unemployment insurance (UI) laws and for federal civilian workers covered by the Unemployment Compensation for Federal Employees (UCFE) program. Data for 1993 are preliminary and subject to revision.

| City Business Indicators July 1994 Percent Change from Year Ago | | |
|--|------------|-------------------|
| | Employment | Building Activity |
| The State and Its Trading Centers | | |
| NEBRASKA | 2.2 | 23.5 |
| Alliance | 3.0 | 44.7 |
| Beatrice | 4.6 | 3.8 |
| Bellevue | 1.0 | -17.5 |
| Blair | 1.0 | 85.7 |
| Broken Bow | 4.4 | -29.9 |
| Chadron | 3.4 | -44.2 |
| Columbus | 4.5 | 82.6 |
| Fairbury | 1.9 | 26.0 |
| Falls City | 2.9 | 36.7 |
| Fremont | 3.5 | 227.1 |
| Grand Island | 2.9 | 11.3 |
| Hastings | 2.8 | -15.2 |
| Holdrege | 4.5 | 273.5 |
| Kearney | 4.0 | -38.8 |
| Lexington | 3.1 | -13.7 |
| Lincoln | 1.7 | 109.7 |
| McCook | 2.2 | -4.2 |
| Nebraska City | 4.1 | -12.4 |
| Norfolk | 3.6 | 12.7 |
| North Platte | 2.5 | 129.8 |
| Ogallala | 4.4 | 85.7 |
| Omaha | 1.0 | 13.6 |
| Scottsbluff/Gering | 3.9 | 59.5 |
| Seward | 3.9 | -14.7 |
| Sidney | 2.4 | 36.9 |
| South Sioux City | -0.2 | 45.4 |
| York | 4.1 | -18.8 |

Refer to October 1994 issue of *Business in Nebraska* for definitions

Metropolitan Area Average Annual Pay Levels

| | 1992 | 1993 | Percent Change 1992-1993 | Level of Average Annual Pay, 1993 | Rank By Change in Average Annual Pay, 1992-1993 |
|---|---------------|---------------|--------------------------|-----------------------------------|---|
| All Metropolitan Areas | 27,051 | 27,540 | 1.8 | | |
| Cedar Rapids, Iowa | 24,483 | 25,057 | 2.3 | 7 | 10 |
| Cheyenne, Wyoming | 20,957 | 21,567 | 2.9 | 22 | 6 |
| Colorado Spring, Colorado | 22,686 | 23,019 | 1.5 | 16 | 25 |
| Columbia, Missouri | 21,381 | 21,796 | 1.9 | 21 | 16 |
| Davenport-Moline-Rock Island, Iowa-Illinois | 23,814 | 24,315 | 2.1 | 10 | 13 |
| Denver, Colorado | 27,734 | 28,607 | 3.1 | 1 | 3 |
| Des Moines, Iowa | 24,111 | 24,832 | 3.0 | 8 | 4 |
| Dubuque, Iowa | 21,880 | 22,237 | 1.6 | 18 | 22 |
| Fort Collins-Loveland, Colorado | 22,889 | 23,424 | 2.3 | 12 | 10 |
| Greeley, Colorado | 21,807 | 22,181 | 1.7 | 19 | 18 |
| Iowa City, Iowa | 23,110 | 23,510 | 1.7 | 11 | 18 |
| Joplin, Missouri | 18,819 | 19,279 | 2.4 | 29 | 9 |
| Kansas City, Missouri-Kansas | 25,302 | 25,873 | 2.3 | 5 | 10 |
| Lawrence, Kansas | 19,355 | 19,765 | 2.1 | 28 | 13 |
| Lincoln, Nebraska | 21,370 | 21,820 | 2.1 | 20 | 13 |
| Minneapolis-St. Paul, Minnesota-Wisconsin | 27,938 | 28,345 | 1.5 | 2 | 25 |
| Oklahoma City, Oklahoma | 22,629 | 23,048 | 1.8 | 15 | 17 |
| Omaha, Nebraska-Iowa | 22,615 | 22,986 | 1.6 | 17 | 22 |
| Pueblo, Colorado | 19,700 | 20,455 | 3.8 | 27 | 2 |
| Rapid City, South Dakota | 18,505 | 18,820 | 1.7 | 30 | 18 |
| Rochester, Minnesota | 27,416 | 27,624 | 0.8 | 3 | 29 |
| Sioux City, Iowa-Nebraska | 20,376 | 20,516 | 7.0 | 26 | 1 |
| Sioux Falls, South Dakota | 20,608 | 21,184 | 2.8 | 24 | 7 |
| Springfield, Missouri | 20,462 | 20,782 | 1.6 | 25 | 22 |
| St. Joseph, Missouri | 20,602 | 21,229 | 3.0 | 23 | 4 |
| St. Louis, Missouri-Illinois | 26,198 | 26,544 | 1.3 | 4 | 27 |
| Topeka, Kansas | 22,661 | 23,269 | 2.7 | 13 | 8 |
| Tulsa, Oklahoma | 24,189 | 24,611 | 1.7 | 9 | 18 |
| Waterloo-Cedar Falls, Iowa | 22,906 | 23,176 | 1.2 | 14 | 28 |
| Wichita, Kansas | 25,168 | 25,099 | -0.3 | 6 | 30 |

Employment in Nebraska

| | Revised July 1994 | Preliminary August 1994 | % Change vs. Year Ago |
|----------------------|-------------------------|-------------------------------|--------------------------|
| Place of Work | | | |
| Nonfarm | 778,595 | 782,445 | 2.2 |
| Manufacturing | 104,615 | 105,814 | 2.2 |
| Durables | 51,028 | 51,715 | 5.5 |
| Nondurables | 53,587 | 54,099 | -0.9 |
| Mining/Construction | 37,167 | 36,804 | 1.0 |
| TCU* | 47,497 | 48,029 | 2.6 |
| Trade | 196,965 | 198,931 | 1.2 |
| Retail | 142,527 | 143,577 | 1.1 |
| Wholesale | 54,438 | 55,354 | 1.3 |
| FIRE** | 50,879 | 50,764 | -0.1 |
| Services | 194,831 | 195,661 | 4.1 |
| Government | 146,641 | 146,442 | 2.0 |
| Place of Residence | | | |
| Civilian Labor Force | 895,264 | 884,769 | 2.3 |
| Unemployment Rate | 2.9 | 2.4 | |

* Transportation, Communication, and Utilities

** Finance, Insurance, and Real Estate

Source: Nebraska Department of Labor

Price Indices

| | September 1994 | % Change vs. Year Ago | YTD % Change vs. Year Ago |
|--|-------------------|--------------------------|---------------------------------|
| Consumer Price Index - U* (1982-84 = 100) | | | |
| All Items | 149.4 | 3.0 | 2.6 |
| Commodities | 134.8 | 2.7 | 1.6 |
| Services | 164.4 | 3.2 | 3.4 |

U* = All urban consumers

Source: U.S. Bureau of Labor Statistics

Net Taxable Retail Sales of Nebraska Regions and Cities

| Region Number and City) | City Sales (2) | | Region Sales (2) | | Year to Date % Change vs. Year Ago |
|----------------------------|-----------------------|--------------------------|-----------------------|--------------------------|--|
| | August 1994 (000s) | % Change vs. Year Ago | August 1994 (000s) | % Change vs. Year Ago | |
| NEBRASKA | 1,139,427 | 4.6 | 1,310,383 | 5.2 | 8.1 |
| 1 Omaha | 397,402 | 5.8 | 501,088 | 7.9 | 9.0 |
| Bellevue | 14,808 | 5.3 | * | * | * |
| Blair | 6,288 | 13.2 | * | * | * |
| 2 Lincoln | 159,003 | 8.0 | 183,261 | 8.1 | 8.7 |
| 3 South Sioux City | 7,235 | 1.6 | 10,328 | 1.4 | 10.3 |
| 4 Nebraska City | 4,578 | -1.5 | 23,092 | -2.7 | 4.1 |
| 6 Fremont | 20,715 | 7.8 | 35,227 | 4.4 | 6.0 |
| West Point | 2,947 | -4.3 | * | * | * |
| 7 Falls City | 2,253 | -0.7 | 9,860 | 0.0 | 2.9 |
| 8 Seward | 4,508 | -8.9 | 16,062 | -5.3 | -0.7 |
| 9 York | 8,378 | 2.5 | 17,108 | 0.5 | 4.1 |
| 10 Columbus | 18,618 | 2.5 | 30,736 | 0.5 | 7.7 |
| 11 Norfolk | 24,961 | 10.8 | 41,166 | 6.3 | 7.7 |
| Wayne | 3,808 | 7.8 | * | * | * |
| 12 Grand Island | 45,856 | 6.3 | 61,882 | 4.9 | 9.7 |
| 13 Hastings | 19,399 | 2.7 | 29,516 | -0.2 | 4.7 |
| 14 Beatrice | 8,848 | 4.6 | 19,105 | 8.8 | 0.0 |
| Fairbury | 2,809 | 15.2 | * | * | * |
| 15 Kearney | 28,242 | 3.0 | 37,671 | 0.8 | 9.3 |
| 16 Lexington | 7,075 | 1.1 | 19,176 | 2.0 | 4.7 |
| 17 Holdrege | 4,655 | 1.6 | 8,848 | 1.2 | -1.3 |
| 18 North Platte | 21,606 | 5.3 | 26,778 | 4.9 | 9.9 |
| 19 Ogallala | 5,868 | 1.5 | 11,383 | 0.0 | 4.5 |
| 20 McCook | 8,700 | -1.0 | 12,576 | 0.5 | 2.0 |
| 21 Sidney | 6,728 | 3.7 | 11,636 | 3.7 | 5.0 |
| Kimball | 1,775 | -9.1 | * | * | * |
| 22 Scottsbluff/Gering | 22,036 | 2.2 | 31,180 | 5.0 | 4.5 |
| 23 Alliance | 5,634 | 7.5 | 17,509 | 11.4 | 4.0 |
| Chadron | 3,931 | 11.9 | * | * | * |
| 24 O'Neill | 3,799 | -6.0 | 14,801 | -5.5 | 2.1 |
| Valentine | 3,477 | -3.1 | * | * | * |
| 25 Hartington | 1,419 | -12.8 | 9,252 | 6.7 | 1.5 |
| 26 Broken Bow | 3,604 | -1.8 | 11,556 | -3.4 | 0.0 |

See October issue of *Business in Nebraska* for definitions
Compiled from data provided by the Nebraska Department of Revenue



Seasons Greetings and Best Wishes for the Coming Year

The Bureau of Business Research Staff



Reminder!

The Bureau of Business Research will be closed from December 23, 1994 through January 2, 1995

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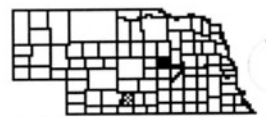
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County of the Month

Greeley

Greeley—County Seat



Next County of Mo.

License plate prefix number: 62

Size of county: 570 square miles, ranks 61st in the state

Population: 3,006 in 1990, a change of -13.2 percent from 1980

Median age: 36.6 years in Greeley County, 33.0 years in Nebraska in 1990

Per capita personal income: \$17,073 in 1992, ranks 61st in the state

Net taxable retail sales (\$000): \$11,177 in 1993, a change of -9.0 percent from 1992; \$7,362 during January - August 1994, a change of 1.3 percent from the same period one year ago

Number of business and service establishments: 70 in 1991; 65.7 percent had less than five employees

Unemployment rate: 3.3 percent in Greeley County, 2.9 percent in Nebraska for 1993

Nonfarm employment (1993):

| | State | Greeley County |
|-------------------------|--------------------|----------------|
| Wage and salary workers | 762,703 | 683 |
| | (percent of total) | |
| Manufacturing | 13.5% | 4.1% |
| Construction and Mining | 4.3 | 3.2 |
| TCU | 6.2 | * |
| Retail Trade | 18.4 | 13.3 |
| Wholesale Trade | 6.8 | 14.2 |
| FIRE | 6.6 | * |
| Services | 24.6 | 14.9 |
| Government | 19.6 | 44.4 |
| Total | 100.0% | 100.0% |

* Data not available because of disclosure suppression

Agriculture:

Number of farms: 394 in 1992, 461 in 1987

Average farm size: 772 acres in 1992

Market value of farm products sold: \$39,597 million in 1992 (\$100,500 average per farm)

