Business in Nebraska

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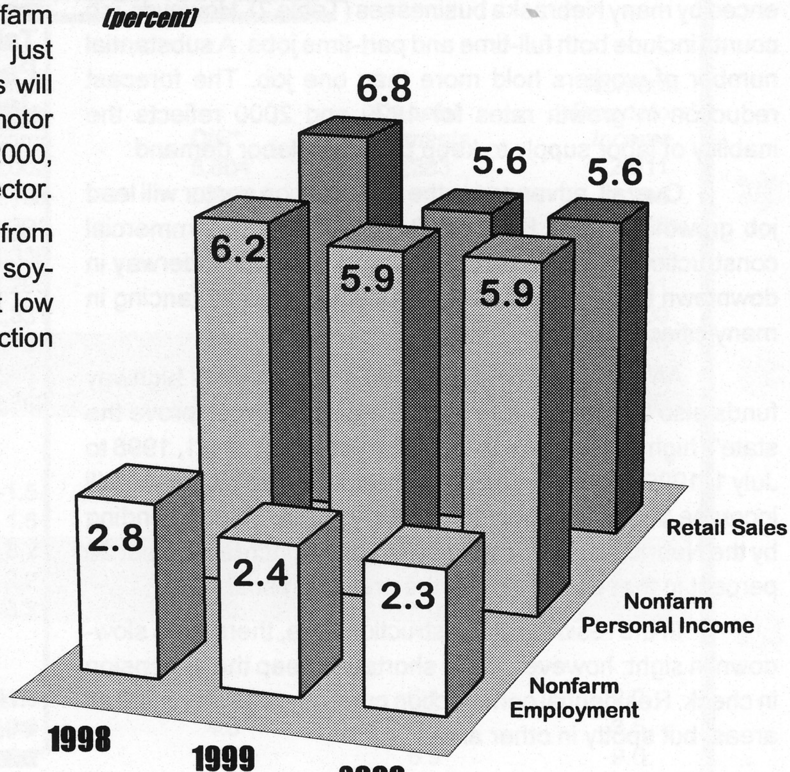
Strong Economic Advances in 1998 Followed by Slower Growth in 1999 and 2000

John Austin and the Nebraska Business Forecast Council

As data accumulate, it becomes more apparent that 1998 will be recorded as a year of strong economic growth in the nonfarm sector. Total nonfarm employment will advance 2.8 percent in 1998. Led by gains in wages and salaries, Nebraska's total nonfarm personal income will advance 6.2 percent in 1998, just under the pace set in 1997. Net taxable retail sales will increase by 6.8 percent in 1998, led by advances in motor vehicle sales (Figure 1). Growth will slow in 1999 and 2000, largely due to labor shortages and a weakened farm sector.

Nebraska's farm sector currently is suffering from problems of abundance. Record crops of corn and soybeans in Nebraska are being brought to market at low prices. Large crops nationwide combined with a reduction of exports to Asia have set the stage for low commodity prices. Meat prices also are low due to an abundance of available product. The impact on the farm sector will be a reduction in overall net farm income in 1998. The full impact of reduced farm income on the state's economy, however, will not be felt until 1999.

Figure 1
Key Economic Growth Rates
(percent)



Nonfarm Employment

Growth in nonfarm jobs statewide will reach 2.8 percent in 1998, followed by 2.4 percent in 1999 and 2.3 percent in 2000 (Table 1). The growth in 1998 is remarkable considering the continued difficulties with labor availability experi-

Table 1
Number of Jobs and Percent Changes by Industry

	Cons't & Mining	Manufacturing Durables	Manufacturing Nondurables	TCU	Wholesale Trade	Retail Trade	FIRE	Services	Federal Gov't	State & Local Gov't	Total
Annual Averages (whole numbers)											
1992	29,760	46,922	53,791	47,165	52,362	137,457	49,429	185,605	17,076	130,588	750,153
1993	31,778	48,752	55,032	47,338	51,998	141,160	50,506	191,681	17,312	131,655	767,212
1994	34,598	51,999	56,754	48,443	51,806	146,971	51,706	202,348	17,214	134,356	796,194
1995	36,009	54,017	58,199	49,596	52,787	151,428	52,648	210,964	16,409	134,310	816,367
1996	37,796	54,780	58,855	50,201	52,948	154,873	53,079	220,848	16,003	135,387	834,768
1997	39,708	56,764	59,228	53,448	54,763	155,202	54,655	229,409	16,259	136,367	855,802
1998	42,726	57,786	61,301	55,800	57,994	157,064	57,388	237,209	16,324	136,260	879,851
1999	45,717	58,826	62,527	58,143	60,314	158,164	59,970	245,748	16,095	135,776	901,281
2000	48,688	59,885	63,465	60,469	62,123	158,955	62,369	254,841	15,870	135,295	921,960
Annual Percent Changes											
1996	5.0	1.4	1.1	1.2	0.3	2.3	0.8	4.7	-2.5	0.8	2.3
1997	5.1	3.6	0.6	6.5	3.4	0.2	3.0	3.9	1.6	0.7	2.5
1998	7.6	1.8	3.5	4.4	5.9	1.2	5.0	3.4	0.4	-0.1	2.8
1999	7.0	1.8	2.0	4.2	4.0	0.7	4.5	3.6	-1.4	-0.4	2.4
2000	6.5	1.8	1.5	4.0	3.0	0.5	4.0	3.7	-1.4	-0.4	2.3
Average Annual Growth Rates—Percent Changes											
1986 to 1990	2.1	4.1	2.5	2.0	3.3	2.4	0.8	4.9	0.7	1.7	2.9
1990 to 1992	2.0	-1.7	4.5	1.0	-1.0	1.2	1.0	2.1	-2.7	2.1	1.4
1992 to 1995	6.6	4.8	2.7	1.7	0.3	3.3	2.1	4.4	-1.3	0.9	2.9
1995 to 1997	5.0	2.5	0.9	3.8	1.9	1.2	1.9	4.3	-0.5	0.8	2.4

enced by many Nebraska businesses (Table 2). However, job counts include both full-time and part-time jobs. A substantial number of workers hold more than one job. The forecast reduction in growth rates for 1999 and 2000 reflects the inability of labor supply to keep pace with labor demand.

Overall, advances in the construction sector will lead job growth. While a large and visible share of commercial construction growth is related to major projects underway in downtown Omaha, commercial construction is advancing in many cities across the state.

An easing of the tight-fisted grip on federal highway funds also bodes well for plans to maintain and improve the state's highway system. In the fiscal year from July 1, 1998 to July 1, 1999, federal highway funds available to Nebraska will increase $60 million over the previous fiscal year. Spending by the Nebraska Department of Roads will increase about 20 percent in that period versus the previous fiscal year.

In the residential construction area, there is no slowdown in sight; however, labor shortages keep the expansion in check. Residential construction currently is strong in urban areas, but spotty in other areas.

Table 2
Percent Change in Employment
January-October 1998 vs January-October 1997

	State Rate
Nonfarm Employment (W&S)	2.8
Construction & Mining	7.6
Manufacturing	
Durables	1.8
Nondurables	3.5
TCU[1]	4.4
Trade	
Retail	5.9
Wholesale	1.2
FIRE[2]	5.0
Services	3.4
Government	
Federal	0.4
State	-1.7
Local	0.6

[1]Transportation, Communication, and Utilities
[2]Finance, Insurance, and Real Estate

Reaching the projected growth rates in construction will depend critically upon the ability of contractors to attract workers. Nebraska's technical schools will contribute to the supply of skilled construction workers plus, construction workers will be drawn from other industries.

With the exception of a bubble in the growth of nondurable manufacturing jobs in 1998, the growth rate in the manufacturing sector will be below the growth rate for total jobs. In 1999 and 2000 growth in durable and nondurable manufacturing employment will be 2 percent or less.

Transportation, communication, and utilities (TCU) is expected to grow faster than total employment for the entire forecast period. Nebraska continues to be a favorable location for trucking company operations. After years of decline, railroad employment is now advancing. Projects to expand rail capacity require not only additional railroad workers, but also additional contract construction workers.

The two sets of growth rates for the trade sector show a marked contrast. Wholesale trade is advancing sharply, while retail trade is growing slowly. In fact, retail trade employment in many rural areas is decreasing. It is difficult to explain the advances in wholesale trade. Much of the job gains in wholesale trade are in nonmetro areas, possibly due to an expansion of co-op and farm implement dealer activity.

The number of finance, insurance, and real estate (FIRE) jobs is growing rapidly. There is speculation that consolidation of rural banks has led to fewer jobs in rural areas and more jobs in urban areas.

Growth in the number of service jobs has eased from the frenzied pace of recent years. Nevertheless, service job growth is expected to remain near 3.5 percent annually in each of the forecast years. Increased service job growth will be enhanced by reliance on consultants or contract employees by all levels of government.

Despite the failure of Proposition 413 in the recent election, a restrained attitude toward state and local government financing persists. With the exception of a small advance in federal employment in the state in 1998, a contraction of government employment in all three forecast years is expected.

Nonfarm Personal Income

Nonfarm personal income will grow about 6 percent annually over the forecast period, led by rapid advances in wages and salaries (Table 3).

Total wages and salaries will advance by at least 7 percent in each of the forecast years. The growth will come from the increased number of jobs and from a substantial

Table 3
Nonfarm Personal Income and Selected Components, 1992 to 2000

Annual Averages ($ millions)	*Nonfarm Personal Income*	*Total Wages & Salaries*	*Other Labor Income*	*DIR**	*Transfer Payments*	*Nonfarm Proprietors' Income*
1992	28,673	16,618	2,002	5,804	4,383	2,011
1993	30,068	17,294	2,193	5,887	4,719	2,244
1994	31,434	18,384	2,321	5,762	4,902	2,505
1995	33,265	19,640	2,330	6,069	5,210	2,607
1996	35,328	20,885	2,295	6,559	5,547	2,751
1997	37,632	22,319	2,331	7,061	5,809	3,000
1998	39,970	23,993	2,406	7,344	6,071	3,224
1999	42,314	25,672	2,483	7,674	6,313	3,418
2000	44,808	27,469	2,562	8,058	6,566	3,589
Annual Percent Changes						
1996	6.2	6.3	-1.5	8.1	6.5	5.5
1997	6.5	6.9	1.6	7.7	4.7	9.0
1998	6.2	7.5	3.2	4.0	4.5	7.5
1999	5.9	7.0	3.2	4.5	4.0	6.0
2000	5.9	7.0	3.2	5.0	4.0	5.0
Average Annual Growth Rates—Percent Changes						
1986 to 1990	6.3	6.7	11.6	5.9	6.1	2.0
1990 to 1992	5.9	5.3	10.9	4.3	8.6	3.5
1992 to 1995	5.1	5.7	5.2	1.5	5.9	9.0

increase in the average wage. Wage inflation in the state will exceed the overall rate of inflation. Rough calculations suggest that wage rates are growing twice as fast as prices.

Other labor income (benefits) has broken its historical linkage to wages and salaries. In the past, it could reliably be predicted that growth in benefits would outpace growth in wages and salaries. Today, that relationship is reversed. Increasingly, employers are asking employees to participate in the funding of benefits, particularly medical insurance. Other labor income will grow by half the rate of total wages and salaries in the forecast period.

Growth in dividends, interest, and rent (DIR) has been limited by low interest rates. Dividend growth also will be limited as corporations move toward higher proportions of retained earnings. With a small increase in interest rates expected in the future, DIR growth rates will increase gradually over the forecast period.

Transfer payments growth is slowing as inflation has eased. The escalator for Social Security payments is linked to the rate of growth in the consumer price index (CPI). The CPI has slowed to less that 2 percent in 1998; therefore, Social Security payment increases have slowed as well. Further, since people born during the Depression are the new retirees, growth in the number of new retirees will ease. The Depression era was characterized by low birth rates.

Nonfarm proprietors mostly are those operating small businesses. Their incomes boomed in 1997 and in early 1998. The forecast calls for a slowdown in the rate of growth in the forecast period.

Farm Income

Federal payments to Nebraska farmers have been increased by $200 million in late 1998. When the increase is added to the 1998 base payment, the total federal payment becomes $450 million. Despite the federal payment transfusions, aggregate net farm income (USDA basis) for Nebraska could drop to about $1.8 billion in 1998, an amount some $400 million below 1997 net farm income. Net farm income could advance to $2 billion in 1999 and remain there in 2000. All these forecasts are well below previous expectations. Major improvements will depend on rebounds in the agricultural export markets.

Previous optimism in the outlook for agricultural exports relied on the growth of the Asian markets. Those markets have been severely depressed by economic downturns, especially in Japan, a major trading partner in the region. Increases in the exports of American agricultural goods will rely on rebounds in the Asian economies.

In contrast, massive problems in the Russian economy may benefit American agriculture. Food aid to Russia will help relieve some of the surpluses here at home. Given the depth of the Russian economic difficulties, food aid could become a long-term commitment.

Nebraska grain farmers selling at depressed harvest prices will see little return on their efforts this year. However, not all Nebraska farmers sell at cash prices at harvest time. Some farmers use on-farm storage as a way to avoid depressed harvest prices. Others, notably larger commercial farmers, sell shares of their crops in the futures market. The producers that forward contracted early enough will receive good prices for that portion of their 1998 crop.

Beef prices remain relatively low due to large numbers of cattle on feed nationwide. Numbers of Nebraska cattle on feed have declined compared to last year. Low feed costs keep profitability in cattle feeding from nose-diving.

Nebraska ranchlands have become an attractive refuge for Southern Plains cattle during recent drought periods. Cattle that would have been kept on Federal lands in western states also are coming to Nebraska.

Low price and income conditions could result in a larger than normal number exiting farming in the months ahead. However, at this stage there remains a core of financial strength and economic staying power in the commercial farm sector.

Table 4
Net Taxable Retail Sales, Annual Totals
($ millions)

	Total	*Motor Vehicle*	*Other*
1992	13,389	1,488	11,901
1993	14,173	1,699	12,474
1994	15,229	1,813	13,416
1995	15,873	1,883	13,990
1996	16,853	2,068	14,785
1997	17,815	2,205	15,610
1998	19,028	2,403	16,625
1999	20,087	2,547	17,539
2000	21,204	2,700	18,504
Annual Percent Changes			
1996	6.2	9.8	5.7
1997	5.7	6.6	5.6
1998	6.8	9.0	6.5
1999	5.6	6.0	5.5
2000	5.6	6.0	5.5
Average Annual Growth Rates—Percent Changes			
1986 to 1990	5.8	4.8	5.9
1990 to 1992	3.6	-0.5	4.1
1992 to 1995	5.8	8.2	5.5
1995 to 1997	5.9	8.2	5.6

Net Taxable Retail Sales

Total net taxable retail sales will grow 6.8 percent in 1998, led by a jump in motor vehicle sales (Table 4). Total sales growth will drop to 5.6 percent in both 1999 and 2000 due to slowing growth in motor vehicle sales, combined with the delayed impact of reduced net farm income in 1998. With inflation low, the majority of the net taxable retail sales, gains will be real (inflation adjusted) advances.

Motor vehicle retail sales have advanced sharply in 1998. On a year-to-date basis through August 1998, sales were 10.5 percent ahead of 1997. The pace of the sales advance will not be sustained for the full year. Instead, 1998 motor vehicle sales will drop to the expected 1999-2000 pace of about 6 percent later this year.

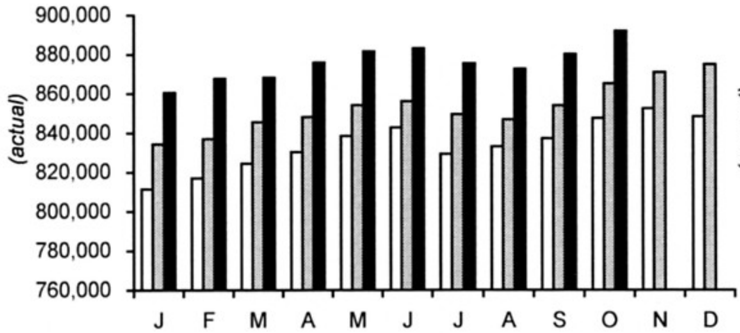
Other (nonmotor vehicle) retail sales have also shown strong growth in the first half of 1998. On a year-to-date basis through August, other retail sales were 6.9 percent ahead of last year. The pace of sales likely will drop to the historical average of 5.5 percent for the balance of the year, resulting in a full-year advance of 6.5 percent in 1998. Growth in other retail sales in 1999 and 2000 will be similar to growth in 1998.

BBR is grateful for the help of the Nebraska Business Forecast Council. Serving in this session were: Phil Baker, Nebraska Department of Labor; Tom Doering, Nebraska Department of Economic Development; Bruce Johnson, Department of Agricultural Economics, UNL; Gene Koepke, Department of Marketing and Management, UNK; Don Macke, Nebraska Rural Development Commission; Franz Schwarz, Nebraska Department of Revenue; Charles Lamphear and John Austin, Bureau of Business Research.

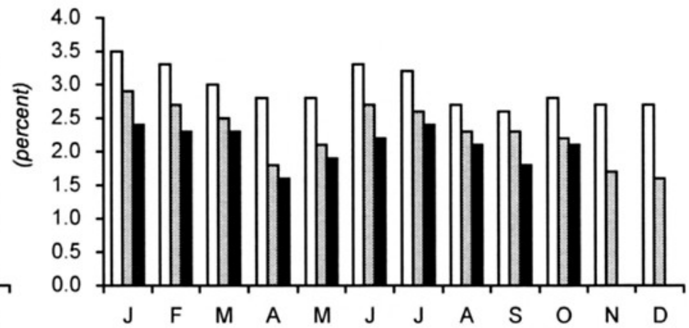
Nebraska Stats

1996 1997 1998

Total Nonfarm Employment

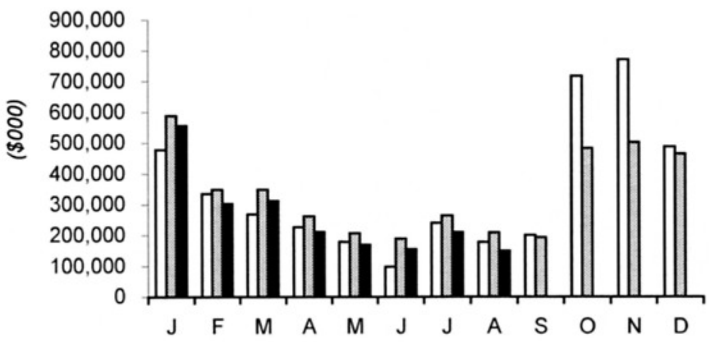


Unemployment Rate



1996 1997 1998

Cash Receipts—Crops



Cash Receipts—Livestock

Net Taxable Retail Sales* for Nebraska Cities ($000)

	July 1998 $	YTD $	YTD % Chg. vs Yr. Ago	August 1998 $	YTD $	YTD % Chg. vs Yr. Ago
Ainsworth, Brown	2,144	12,687	3.5	1,886	14,573	3.6
Albion, Boone	1,975	12,450	1.1	1,779	14,229	0.8
Alliance, Box Butte	6,409	41,468	-0.6	6,171	47,639	-0.5
Alma, Harlan	820	4,813	3.0	690	5,503	2.1
Arapahoe, Furnas	787	5,363	10.1	702	6,065	9.3
Arlington, Washington	166	1,264	1.0	217	1,481	2.7
Arnold, Custer	237	1,862	2.9	243	2,105	2.9
Ashland, Saunders	1,588	8,289	0.0	1,466	9,755	1.3
Atkinson, Holt	1,249	7,164	13.0	928	8,092	11.9
Auburn, Nemaha	2,360	16,461	-2.5	2,358	18,819	-1.9
Aurora, Hamilton	2,719	18,149	0.9	2,678	20,827	1.5
Axtell, Kearney	62	488	-10.1	53	541	-10.7
Bassett, Rock	631	3,205	2.6	504	3,709	3.5
Battle Creek, Madison	699	4,301	-2.7	610	4,911	-2.2
Bayard, Morrill	458	3,146	10.6	471	3,617	10.3
Beatrice, Gage	11,151	72,443	0.2	10,725	83,168	0.6
Beaver City, Furnas	138	938	13.7	135	1,073	14.3
Bellevue, Sarpy	19,565	126,463	6.2	19,596	146,059	6.0
Benkelman, Dundy	604	4,019	7.6	515	4,534	7.1
Bennington, Douglas	427	2,994	11.9	412	3,406	11.9
Blair, Washington	7,087	45,264	3.8	6,234	51,498	3.2
Bloomfield, Knox	706	4,574	4.6	676	5,250	5.1
Blue Hill, Webster	459	3,263	7.5	467	3,730	5.5
Bridgeport, Morrill	1,200	7,590	-1.6	1,199	8,789	0.4
Broken Bow, Custer	4,087	26,544	1.9	3,678	30,222	1.6
Burwell, Garfield	945	5,274	3.4	785	6,059	3.4
Cairo, Hall	346	2,217	45.2	252	2,469	38.0
Central City, Merrick	1,744	12,030	3.3	1,628	13,658	3.2
Chadron, Dawes	4,857	30,435	26.9	5,022	35,457	26.4
Chappell, Deuel	496	3,091	8.0	415	3,506	8.3
Clarkson, Colfax	389	2,858	-6.8	354	3,212	-9.6
Clay Center, Clay	461	2,464	17.8	426	2,890	18.3
Columbus, Platte	21,590	138,928	2.4	22,181	161,109	2.6
Cozad, Dawson	3,223	20,737	1.5	3,016	23,753	1.5
Crawford, Dawes	778	3,699	-1.6	715	4,414	-2.4
Creighton, Knox	1,116	7,346	11.0	1,083	8,429	9.0
Crete, Saline	3,213	21,206	-4.5	3,545	24,751	-2.4
Crofton, Knox	464	2,686	-0.3	419	3,105	-1.4
Curtis, Frontier	370	2,464	15.1	329	2,793	12.0
Dakota City, Dakota	325	2,727	-2.9	329	3,056	-5.7
David City, Butler	1,399	9,421	-0.2	1,444	10,865	1.1
Deshler, Thayer	380	2,260	45.6	335	2,595	46.2
Dodge, Dodge	239	1,659	2.2	227	1,886	2.7
Doniphan, Hall	745	8,655	75.9	843	9,498	72.5
Eagle, Cass	617	2,858	7.9	559	3,417	9.1
Elgin, Antelope	365	2,883	-0.8	368	3,251	-1.1
Elkhorn, Douglas	2,585	15,476	7.1	2,684	18,160	8.0
Elm Creek, Buffalo	591	2,402	16.3	351	2,753	14.6
Elwood, Gosper	588	3,133	8.0	528	3,661	6.1
Fairbury, Jefferson	3,475	21,583	7.7	3,316	24,899	8.5
Fairmont, Fillmore	143	1,089	-5.0	119	1,208	-5.7
Falls City, Richardson	2,473	16,963	-2.9	2,579	19,542	-1.6
Franklin, Franklin	527	3,925	32.5	528	4,453	29.9
Fremont, Dodge	22,555	141,829	4.4	21,716	163,545	4.6
Friend, Saline	508	3,187	-4.5	431	3,618	-2.5
Fullerton, Nance	485	3,504	-6.5	606	4,110	-5.3
Geneva, Fillmore	1,964	12,091	-2.8	1,690	13,781	-2.1
Genoa, Nance	301	2,061	26.1	286	2,347	24.0
Gering, Scotts Bluff	3,717	24,165	9.7	3,675	27,840	8.3
Gibbon, Buffalo	910	5,676	1.7	872	6,548	3.6
Gordon, Sheridan	1,948	11,608	-5.6	1,734	13,342	-6.0
Gothenburg, Dawson	2,501	15,371	2.3	2,312	17,683	2.3
Grand Island, Hall	52,080	341,902	6.4	52,527	394,429	6.2
Grant, Perkins	1,097	6,980	-2.6	1,000	7,980	-2.0
Gretna, Sarpy	3,635	21,618	-1.3	3,704	25,322	-1.7
Hartington, Cedar	1,813	11,346	2.5	1,588	12,934	2.3
Hastings, Adams	21,890	139,494	2.7	21,520	161,014	3.2
Hay Springs, Sheridan	343	2,217	0.5	328	2,545	0.2
Hebron, Thayer	1,978	13,069	-0.6	1,914	14,983	-0.9
Henderson, York	886	4,606	9.2	562	5,168	5.8
Hickman, Lancaster	286	1,717	10.6	242	1,959	8.4
Holdrege, Phelps	4,574	30,549	-3.9	4,209	34,758	-4.2
Hooper, Dodge	371	2,403	1.1	379	2,782	3.6
Humboldt, Richardson	571	3,320	-4.4	536	3,856	-2.7
Humphrey, Platte	780	5,042	3.0	821	5,863	4.2
Imperial, Chase	2,235	14,399	9.4	1,969	16,368	9.1
Juniata, Adams	189	1,377	-12.3	160	1,537	-12.5
Kearney, Buffalo	33,249	210,929	8.0	34,354	245,283	7.6
Kenesaw, Adams	166	1,863	171.2	162	2,025	118.4
Kimball, Kimball	1,898	11,166	-0.1	1,615	12,781	-1.4
La Vista, Sarpy	8,679	57,395	12.8	8,898	66,293	12.3
Laurel, Cedar	294	2,229	-10.8	295	2,524	-12.1
Lexington, Dawson	7,546	49,207	1.9	7,256	56,463	2.0
Lincoln, Lancaster	214,309	1,334,575	6.7	205,873	1,540,448	6.7
Louisville, Cass	973	5,127	40.6	909	6,036	44.9
Loup City, Sherman	687	4,370	11.1	646	5,016	11.8
Lyons, Burt	604	3,164	2.5	628	3,792	3.8
Madison, Madison	742	5,227	1.8	719	5,946	2.1
McCook, Red Willow	12,174	76,788	3.3	11,528	88,316	3.3
Milford, Seward	1,088	6,287	0.8	824	7,111	1.0
Minatare, Scotts Bluff	158	1,079	-26.1	144	1,223	-25.3
Minden, Kearney	1,891	11,878	-2.2	1,741	13,619	-2.6
Mitchell, Scotts Bluff	688	5,071	-17.7	675	5,746	-16.3
Morrill, Scotts Bluff	478	3,364	9.1	448	3,812	9.4
Nebraska City, Otoe	6,701	43,574	6.9	6,886	50,460	6.7
Neligh, Antelope	1,504	9,757	-5.7	1,334	11,091	-5.2
Newman Grove, Madison	311	2,013	-11.2	358	2,371	-8.6
Norfolk, Madison	29,873	196,076	1.3	29,885	225,961	1.1
North Bend, Dodge	476	3,474	1.3	454	3,928	0.8
North Platte, Lincoln	23,616	148,881	4.6	23,521	172,402	4.3
O'Neill, Holt	4,466	28,890	0.1	4,025	32,915	-0.9
Oakland, Burt	802	4,750	7.9	822	5,572	8.7
Ogallala, Keith	7,696	39,017	4.7	6,483	45,500	4.9
Omaha, Douglas	486,082	3,151,171	6.4	495,062	3,646,233	6.8
Ord, Valley	1,938	13,299	1.6	2,031	15,330	2.8
Osceola, Polk	906	5,318	4.0	816	6,134	4.2
Oshkosh, Garden	529	3,188	10.7	519	3,707	11.5
Osmond, Pierce	456	2,862	6.8	590	3,452	9.1
Oxford, Furnas	412	3,010	-21.2	337	3,347	-20.4
Papillion, Sarpy	6,629	44,931	9.9	6,711	51,642	10.4
Pawnee City, Pawnee	339	2,112	-0.9	275	2,387	0.0
Pender, Thurston	901	4,742	-5.2	800	5,542	-3.7
Pierce, Pierce	736	4,501	0.7	694	5,195	0.7
Plainview, Pierce	633	4,436	-9.7	619	5,055	-7.1
Plattsmouth, Cass	3,553	22,824	1.3	3,489	26,313	1.7
Ponca, Dixon	628	3,578	3.4	559	4,137	2.4
Ralston, Douglas	3,328	22,200	2.6	3,241	25,441	2.3
Randolph, Cedar	434	3,039	18.2	422	3,461	17.3
Ravenna, Buffalo	857	5,472	3.9	737	6,209	1.9
Red Cloud, Webster	751	4,792	-10.5	710	5,502	-9.7
Rushville, Sheridan	529	3,672	2.8	456	4,128	-0.1
Sargent, Custer	201	1,315	0.0	165	1,480	-0.7
Schuyler, Colfax	2,251	13,605	4.6	1,660	15,265	3.4
Scottsbluff, Scotts Bluff	21,537	138,862	-3.5	20,957	159,819	-3.4
Scribner, Dodge	477	3,150	-2.7	568	3,718	-1.5
Seward, Seward	4,915	31,795	-2.3	4,673	36,468	-3.2
Shelby, Polk	323	2,118	-6.4	306	2,424	-4.1
Shelton, Buffalo	755	4,721	21.7	632	5,353	20.6
Sidney, Cheyenne	8,935	48,407	3.2	9,132	57,539	2.3
South Sioux City, Dakota	8,165	54,486	0.4	7,941	62,427	-1.0
Springfield, Sarpy	540	2,890	46.4	594	3,484	53.2
St. Paul, Howard	1,205	8,386	-4.3	1,265	9,651	-3.2
Stanton, Stanton	640	4,212	5.2	626	4,838	6.1
Stromsburg, Polk	1,219	6,274	-14.4	1,411	7,685	-9.9
Superior, Nuckolls	1,662	11,016	-2.3	1,599	12,615	-1.5
Sutherland, Lincoln	323	2,274	14.6	274	2,548	13.4
Sutton, Clay	962	5,995	-15.7	885	6,880	-14.1
Syracuse, Otoe	1,200	7,572	5.2	1,144	8,716	5.0
Tecumseh, Johnson	863	5,794	-12.0	869	6,663	-11.3
Tekamah, Burt	1,148	7,495	0.9	1,150	8,645	-0.1
Tilden, Madison	551	3,016	1.1	471	3,487	0.2
Utica, Seward	305	2,017	33.4	256	2,273	29.1
Valentine, Cherry	4,996	27,688	5.3	4,549	32,237	5.5
Valley, Douglas	1,469	7,816	-11.8	1,197	9,013	-9.7
Wahoo, Saunders	2,372	16,019	-10.9	2,307	18,326	-11.2
Wakefield, Dixon	350	2,362	-6.2	382	2,744	-5.4
Wauneta, Chase	307	2,122	-0.3	286	2,408	-0.4
Waverly, Lancaster	899	5,670	11.9	905	6,575	15.0
Wayne, Wayne	2,973	21,226	2.5	3,628	24,854	3.6
Weeping Water, Cass	655	4,654	5.4	725	5,379	6.8
West Point, Cuming	3,939	25,950	-2.6	3,670	29,620	-2.7
Wilber, Saline	489	3,064	-2.8	482	3,546	-2.2
Wisner, Cuming	633	3,958	-8.3	660	4,618	-8.9
Wood River, Hall	419	2,920	-2.7	512	3,432	-4.6
Wymore, Gage	405	2,735	-4.1	367	3,102	-4.1
York, York	11,112	69,431	13.4	11,150	80,581	13.6

*Does not include motor vehicle sales. Motor vehicle net taxable retail sales are reported by county only.

Source: Nebraska Department of Revenue

Net Taxable Retail Sales for Nebraska Counties ($000)

	Motor Vehicle Sales				Other Sales			
	July 1998 $	August 1998 $	YTD $	% Chg. vs Yr. Ago	July 1998 $	August 1998 $	YTD $	% Chg. vs Yr. Ago.
Nebraska	257,286	212,910	1,648,658	10.5	1,412,207	1,403,176	10,578,206	6.9
Adams	4,547	3,413	27,639	5.6	22,471	22,206	166,826	3.6
Antelope	1,261	792	8,331	-2.1	2,389	2,060	17,640	-1.6
Arthur	61	48	520	33.3	(D)	(D)	(D)	(D)
Banner	74	168	930	-19.1	(D)	(D)	(D)	(D)
Blaine	148	147	768	0.5	48	52	490	-23.7
Boone	809	796	6,834	-3.7	2,420	2,184	18,053	-1.9
Box Butte	1,450	1,676	12,561	5.1	6,731	6,492	49,966	-0.5
Boyd	294	209	1,980	4.2	521	463	4,141	-8.0
Brown	607	366	3,382	14.3	2,234	1,957	15,240	3.5
Buffalo	6,682	4,817	40,132	9.4	36,781	37,402	269,031	7.5
Burt	1,073	1,177	8,255	2.3	2,712	2,770	19,364	2.4
Butler	1,022	1,199	8,374	10.1	1,889	1,792	14,622	1.7
Cass	4,048	3,826	27,475	11.8	7,267	7,223	51,306	4.5
Cedar	1,560	1,031	9,793	-3.0	2,936	2,730	21,610	1.3
Chase	780	451	4,985	-5.7	2,573	2,279	19,106	7.5
Cherry	1,348	710	7,438	18.4	5,235	4,755	33,909	5.8
Cheyenne	1,589	1,288	9,707	4.2	9,209	9,427	59,644	2.1
Clay	819	1,034	7,847	3.5	2,358	2,184	17,114	-0.2
Colfax	1,357	1,215	9,577	6.2	2,997	2,347	21,643	0.8
Cuming	1,576	1,293	10,407	-8.8	5,116	4,874	38,705	-3.3
Custer	1,691	1,432	11,968	4.7	5,055	4,552	37,977	2.8
Dakota	2,763	2,180	17,346	7.7	9,063	8,839	70,397	-3.3
Dawes	1,020	839	6,644	16.7	5,636	5,737	39,884	22.4
Dawson	3,435	2,603	24,068	4.0	13,765	13,082	101,139	1.7
Deuel	113	245	2,121	-10.5	1,180	1,074	7,899	19.4
Dixon	1,140	771	6,838	18.3	1,073	1,036	7,822	-0.8
Dodge	5,279	4,247	33,204	5.2	24,452	23,638	178,175	4.3
Douglas	68,289	56,946	428,710	16.0	496,094	504,291	3,715,689	6.6
Dundy	488	311	2,746	7.8	618	527	4,697	4.9
Fillmore	1,183	938	7,791	8.6	2,913	2,278	20,417	-2.3
Franklin	515	456	3,686	7.1	750	740	6,365	18.9
Frontier	551	608	3,770	9.8	683	621	5,246	3.7
Furnas	825	752	5,995	9.3	2,149	1,984	17,150	-6.7
Gage	3,068	2,296	21,589	8.8	12,207	11,751	92,017	0.5
Garden	467	280	2,680	10.8	747	725	5,034	11.8
Garfield	345	215	1,787	23.1	945	785	6,059	3.4
Gosper	443	353	2,722	17.6	630	576	4,048	4.1
Grant	142	110	1,094	17.3	238	184	1,782	25.2
Greeley	449	258	2,962	18.3	717	707	5,239	3.8
Hall	8,520	6,496	51,620	13.0	54,037	54,456	412,440	7.1
Hamilton	1,310	1,003	9,309	-8.0	3,124	3,014	23,926	0.9
Harlan	739	630	4,172	17.6	1,162	960	7,251	3.6
Hayes	220	63	1,262	1.4	(D)	(D)	(D)	(D)
Hitchcock	374	498	3,200	10.2	587	546	4,500	-7.8
Holt	1,947	1,272	12,881	7.3	6,303	5,754	46,523	2.5
Hooker	157	83	951	52.6	470	623	2,663	10.5

	Motor Vehicle Sales				Other Sales			
	July 1998 $	August 1998 $	YTD $	% Chg. vs Yr. Ago	July 1998 $	August 1998 $	YTD $	% Chg. vs Yr. Ago.
Howard	1,015	740	6,428	-2.8	1,538	1,564	12,268	-3.6
Jefferson	1,365	1,142	9,131	12.7	4,489	4,297	32,427	8.8
Johnson	553	651	4,697	23.6	1,230	1,188	9,297	-7.0
Kearney	1,091	1,162	8,077	0.3	2,145	1,940	15,305	-2.9
Keith	1,260	1,372	8,888	2.0	8,495	7,171	50,004	5.2
Keya Paha	126	38	863	1.9	88	102	693	4.5
Kimball	753	569	3,863	-7.7	1,930	1,635	13,111	-1.4
Knox	1,293	865	8,318	1.0	2,882	2,757	21,513	4.1
Lancaster	34,556	28,433	211,397	13.8	216,711	208,224	1,559,974	6.8
Lincoln	5,265	4,493	33,383	20.2	24,609	24,387	179,659	4.4
Logan	149	174	1,164	55.4	117	(D)	(D)	(D)
Loup	106	65	706	-9.1	(D)	(D)	(D)	(D)
McPherson	32	98	516	-2.1	(D)	(D)	(D)	(D)
Madison	4,805	4,511	33,853	11.0	32,208	32,072	243,077	0.6
Merrick	1,231	1,010	8,160	11.1	2,472	2,402	18,492	4.1
Morrill	725	658	4,858	-12.5	1,671	1,684	12,518	1.8
Nance	713	431	4,004	-1.2	831	924	6,751	3.9
Nemaha	1,232	1,028	7,901	13.8	2,527	2,711	20,880	-1.5
Nuckolls	786	584	4,785	-5.5	2,311	2,138	17,056	-0.2
Otoe	2,693	2,093	16,330	10.1	8,319	8,415	62,365	5.9
Pawnee	525	370	3,352	14.1	495	448	3,843	-2.5
Perkins	676	490	4,313	13.6	1,286	1,142	9,546	-2.3
Phelps	1,683	1,419	11,129	-7.9	4,839	4,442	36,997	-3.3
Pierce	929	896	7,465	-7.7	1,895	1,983	14,308	-1.0
Platte	4,799	3,858	33,109	8.5	22,934	23,607	171,641	2.3
Polk	917	777	6,638	-1.8	2,568	2,632	17,309	-3.2
Red Willow	1,573	1,187	10,676	6.3	12,499	11,841	90,986	3.4
Richardson	1,365	1,308	8,811	7.9	3,236	3,320	25,226	-3.8
Rock	237	277	2,079	8.6	644	518	3,804	3.7
Saline	1,700	1,681	12,449	11.9	4,535	4,778	34,891	-2.5
Sarpy	20,583	16,868	121,614	14.6	40,437	41,318	302,212	9.0
Saunders	3,955	2,679	22,236	10.6	6,218	6,343	45,731	-2.9
Scotts Bluff	5,079	3,639	32,543	4.5	26,640	25,964	199,010	-2.4
Seward	2,398	2,337	16,921	15.2	6,528	5,972	47,811	-1.4
Sheridan	1,050	536	6,504	6.4	3,140	2,817	22,266	-3.3
Sherman	384	369	3,212	-3.5	801	768	5,939	4.1
Sioux	313	179	2,170	32.6	146	133	1,045	-8.7
Stanton	996	713	6,337	6.0	772	760	5,971	3.7
Thayer	944	821	6,704	0.6	2,908	2,819	21,783	0.3
Thomas	96	88	762	-12.8	351	332	2,344	-28.1
Thurston	348	363	3,577	-20.0	1,001	893	6,513	-5.4
Valley	715	431	4,266	1.5	2,176	2,318	17,071	4.7
Washington	3,698	2,741	22,657	12.5	7,686	6,850	56,427	3.0
Wayne	1,047	1,103	8,270	0.8	3,108	3,793	26,017	3.2
Webster	442	398	3,458	-12.6	1,288	1,257	10,064	-4.3
Wheeler	135	117	1,321	-4.2	97	106	793	0.1
York	2,330	2,021	15,314	0.6	12,449	12,241	89,339	12.4

*Totals may not add due to rounding
(D) Denotes disclosure suppression

Source: Nebraska Department of Revenue

Note on Net Taxable Retail Sales

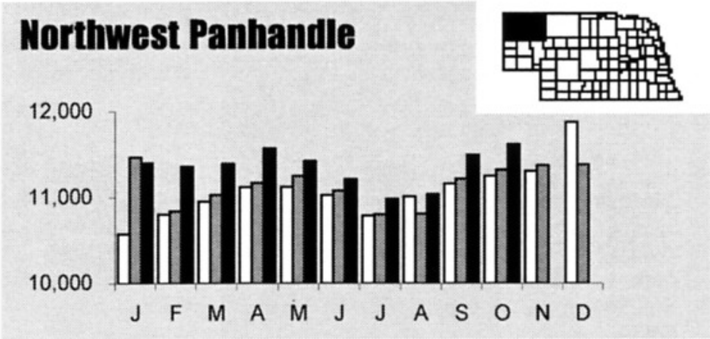
Users of this series should be aware that taxable retail sales are not generated exclusively by traditional outlets such as clothing, discount, and hardware stores. While businesses classified as retail trade firms account for, on average, slightly more than half of total taxable sales, sizable portions of taxable sales are generated by service establishments, electric and gas utilities, wholesalers, telephone and cable companies, and manufacturers.

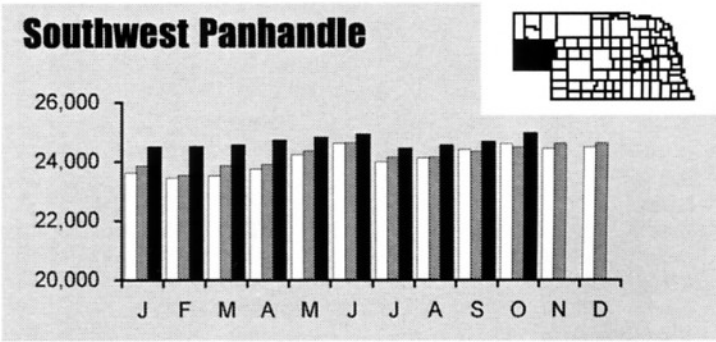
Regional Nonfarm Employment*—1996 to October** 1998

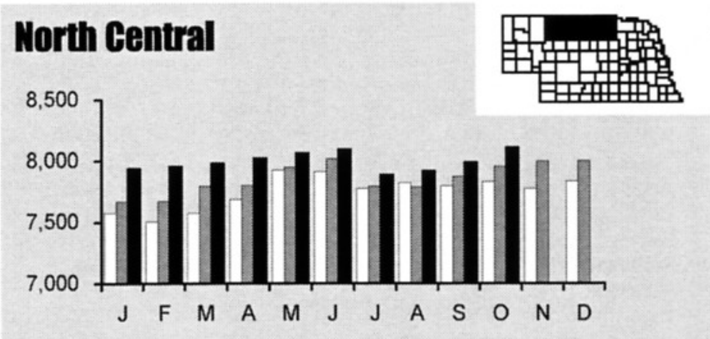
1996 1997 1998

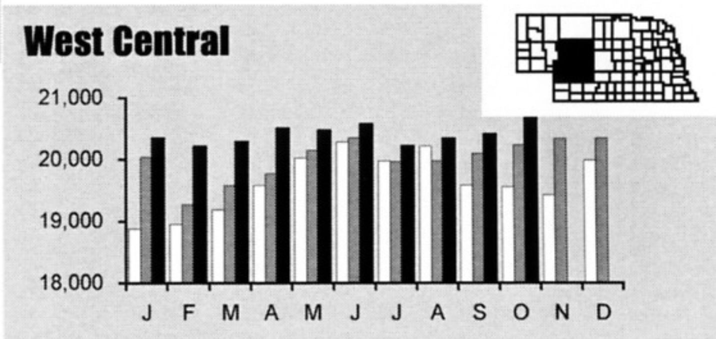
Note to Readers

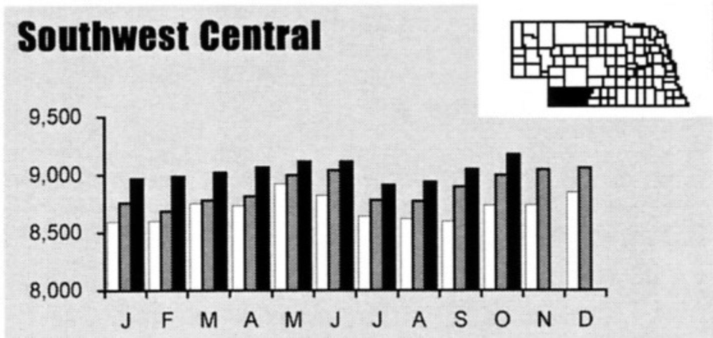
Beginning with this issue, the charts on pages 8 and 9 will report nonfarm employment by place of work for each region. Previously, employment was reported by place of residence.

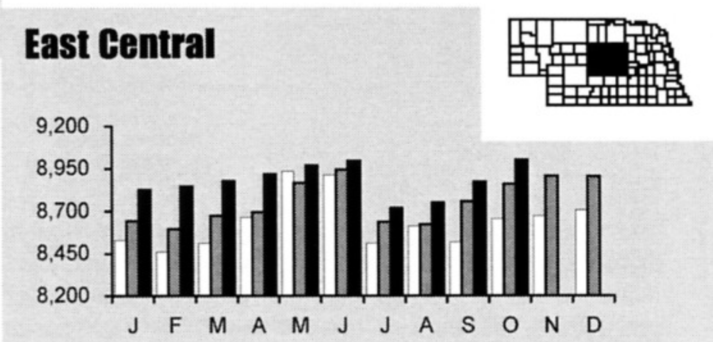








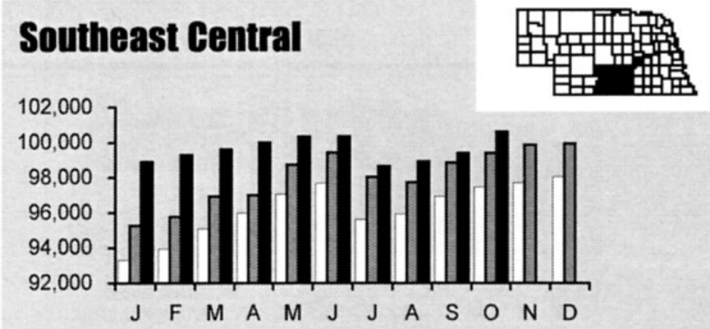




Regional Nonfarm Employment*—1996 to October** 1998

1996 1997 1998

Southeast Central



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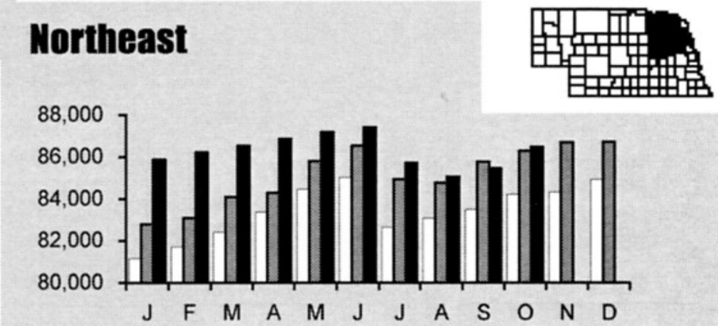
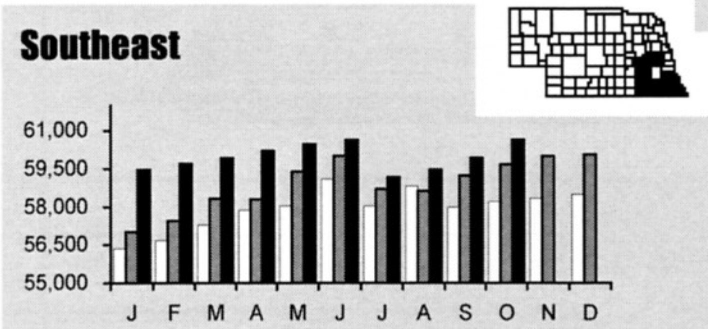
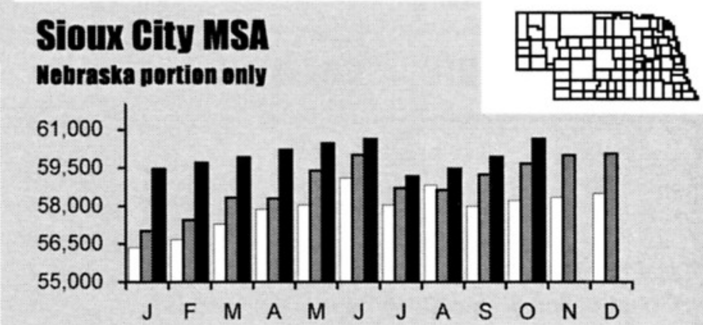


Southeast



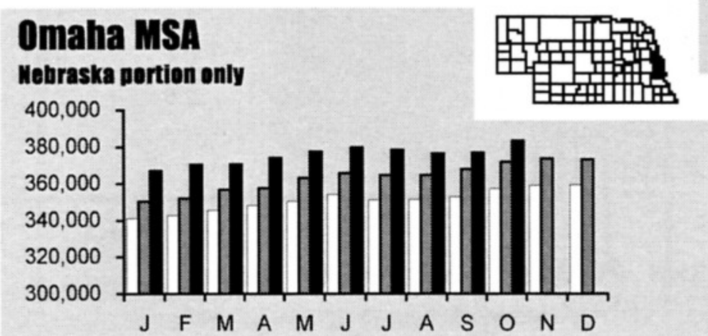
Sioux City MSA

Nebraska portion only

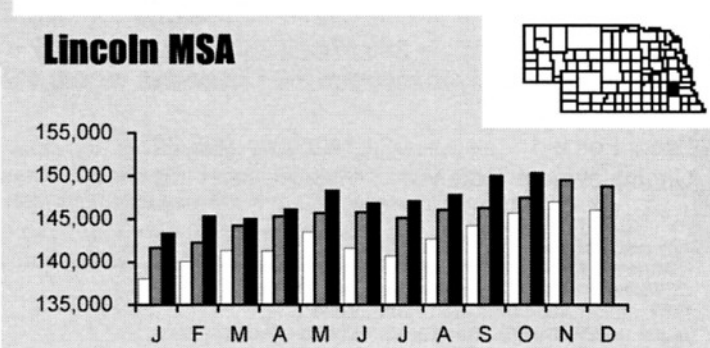


Omaha MSA

Nebraska portion only



Lincoln MSA

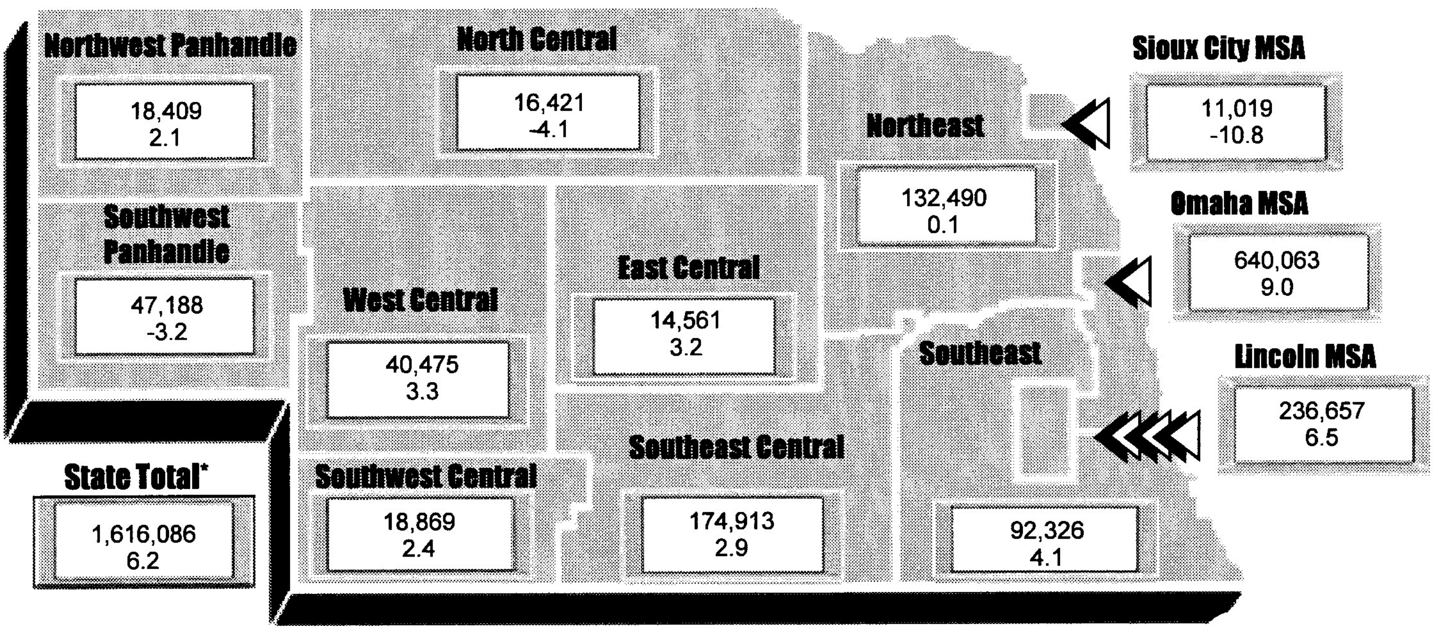


*By place of work

**Current month data are preliminary and subject to revision

Source: Nebraska Department of Labor, Labor Market Information

August 1998 Regional Retail Sales ($000) Percent Change from Year Ago

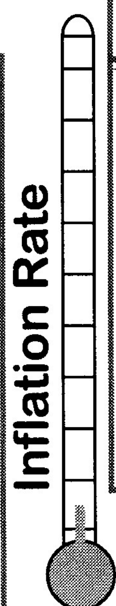


*Regional values may not add to state total due to unallocated sales

Nonfarm Employment by Industry*

	Revised September 1998	*Preliminary October** 1998*	*% Change vs Yr. Ago*
Total Nonfarm	880,078	891,836	2.3
Construction & Mining	44,498	44,652	4.5
Manufacturing	118,617	118,525	1.6
Durables	57,246	57,079	0.2
Nondurables	61,371	61,446	2.9
TCU***	56,321	56,853	4.8
Trade	214,576	217,818	2.0
Wholesale	156,987	159,432	2.4
Retail	57,589	58,386	1.1
FIRE****	57,599	58,075	4.8
Services	236,476	241,095	2.7
Government	151,991	154,818	0.4
Labor Force	924,142	935,397	2.1
Unemployment Rate	1.8	2.1	

*By place of work
**Most recent data available
***Transportation, Communication, and Utilities
****Finance, Insurance, and Real Estate
Source: Nebraska Department of Labor, Labor Market Information



Price Indices

*Consumer Price Index - U**
(1982-84 = 100)
not seasonally adjusted

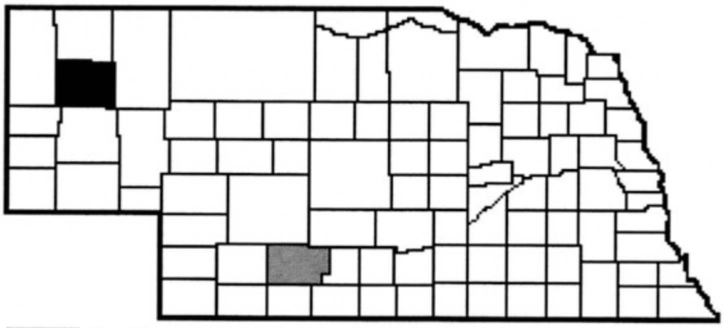
	October 1998	*% Change vs Yr. Ago*	*YTD % Change vs Yr. Ago*
All Items	164.0	1.5	1.5
Commodities	142.6	0.1	0.0
Services	185.5	2.5	2.7

*U = All urban consumers
Source: U.S. Bureau of Labor Statistics

County of the Month

Box Butte

Alliance-County Seat



Next County of Month

License plate prefix number: 65
Size of county: 1,077 square miles, ranks 13th in the state
Population: 12,920 in 1997, a change of –1.6 percent from 1990
Per capita personal Income: $20,471 in 1996, ranks 41st in the state
Net taxable retail sales ($000): $95,669 in 1997, a change of 2.8 percent from 1996; $62,527 from January through August of 1998, a change of 0.6 percent from the same period the previous year.
Number of covered business and service worksites[1]: 428 in 1997
Unemployment rate: 5.1 percent in Box Butte County, 2.6 percent in Nebraska for 1997

	State	Box Butte County
Nonfarm employment (1997):	827,935	4,077
	(percent of total)	
Construction and Mining	4.8	3.8
Manufacturing	14.2	11.3
TCU	5.2	4.8
Wholesale Trade	6.6	8.2
Retail Trade	19.2	21.6
FIRE	6.4	4.8
Services	26.2	21.2
Government	17.5	24.4

Agriculture:

Number of farms: 516 in 1992, 556 in 1987
Average farm size: 1,259 acres in 1992
Market value of farm products sold: $130.2 million in 1992 ($252,231 average per farm)

[1]Covered worksites and employment refer to business activity covered under the Nebraska Employment Security Law. Information presented has been extracted from the Employer's Quarterly Contribution Report, Nebraska Form UI-11. For further details about covered worksites and employment, see the Nebraska Employers Guide to Unemployment Insurance.

Sources: U.S. Bureau of the Census, U.S. Bureau of Economic Analysis, Nebraska Department of Labor, Nebraska Department of Revenue.

bulletin board

Reminder...
BBR offices will be closed on December 24, 1998 and reopen on January 4, 1999.

***New** Nebraska County Population Projections to 2020* are now available. This report contains county-level projections by age category. The cost is $15 per copy which includes postage and handling. Contact BBR to order.

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