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Nebraska Reacts to the National Recession

John Austin and Members of the Nebraska Business Forecast Council

Overview

National Economy

The task of the Nebraska Business Forecast Council this session was to address the economic consequences of the terrorist attacks on our nation and the implications for Nebraska's economic future. Prior to the attacks in early September, the national economy was teetering on the edge of a downturn. The economy showed no growth in second quarter 2001. Early third quarter data indicated little, if any, improvement. The weeks following the attacks showed a large downturn in economic activity as the nation's attention was diverted to the impact and aftermath of the attacks. The downturn in activity in the last three weeks of September, the end of the third quarter, was enough to guarantee that the third quarter would show economic loss. Similarly, the fourth quarter of 2001, with some exceptions, will undergo reduced economic activity. Consequently, the nation will have suffered at least two quarters of losses in Gross Domestic Product (GDP) when the data are released. The result is that the second half of 2001 eventually will be declared the start of an official recession.

The members of the Council were in general agreement that the nation is in a recession, and that it will be very difficult to determine how long and how deep the recession will be. The assumptions that the Council used for this forecast were that there will be no renewed terrorism in the U.S. that would further set back consumer confidence, and that the nation's economy will turn around during the first half of next year. Inflationary pressure over the forecast period will be minimal. Further, the recovery will be consumer led. Investors must witness a turnaround in consumer spending before they will renew or upgrade investment plans. Overall, the economy in 2002 will show little gain over 2001. The nation will return to near normal growth rates in 2003.

There are more risk factors that bear on the national forecast than usual. No one can truly predict the future. Forecasts are conditioned statements based upon underlying assumptions. If our assumptions are wrong, our forecasts likely will be wrong. The greatest concern is whether consumer confidence will recover in the first half of 2002. If the depths of the decrease in consumer confidence have not been reached in the first half of the year, then the recovery will be

delayed. If there is no recovery in consumer confidence in 2002 at all, then the U.S. will be in for a prolonged downturn. If there are further terrorist actions with severity close to that of September 11th or worse, then the economic outlook will be bleak indeed.

Nebraska Economy

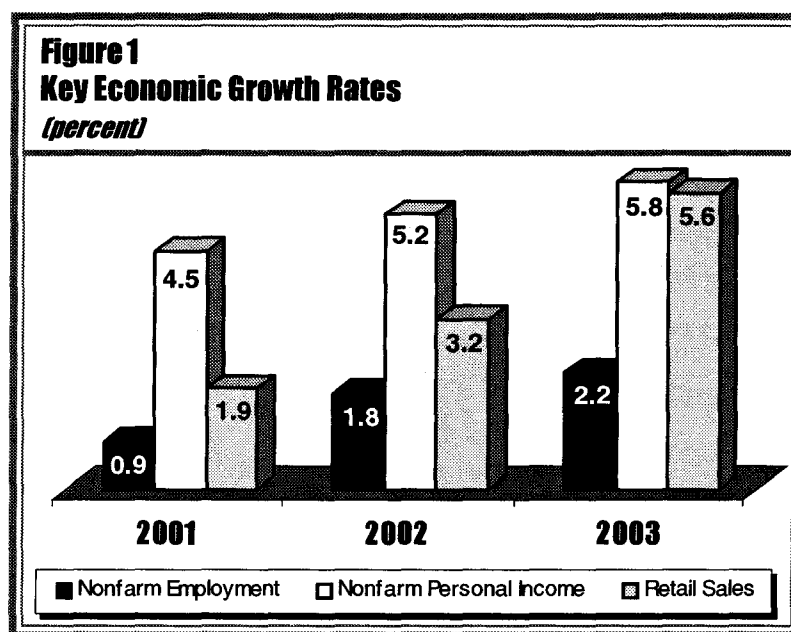
Having made its assumptions about the future of the national economy, it became the job of the Council to assess the impact of the national downturn on the Nebraska economy. Recent research reported in the March 2001 issue of *Business in Nebraska* indicated that the impact of a national recession on Nebraska would depend on the severity of the national downturn. Nebraska's economy will be affected in direct proportion to that of the nation.

The Council's conclusion is that Nebraska's economy will slow down as a result of the nation's recession, especially its durables manufacturing subsector. The Transportation, Communication, and Utilities (TCU) sector is vulnerable because Nebraska's trucking and railroad firms are engaged in hauling the nation's freight. There will be small reductions in employment in wholesale trade and federal government in 2001. Other industries will show some reduction in growth, but will not turn down unless the national recession is prolonged. Overall, employment gains in Nebraska will be near 1 percent in 2001, and will average 2 percent in 2002 and 2003 (Figure 1).

The employment growth forecast for 2001 is below the 2.1 percent annual average growth experienced in the 1990s. However, the growth forecast is consistent with growth during a moderate recession (Figure 2). The growth forecast for 2003 shows a return to long-term average growth.

Nonfarm personal income gains will soften somewhat, with 4.5 percent growth in 2001. That growth rate contrasts to the 5.7 percent average annual growth rate of the 1990s. Nonfarm income gains will increase slowly, nearing 6 percent by the end of the forecast period. Farm income will provide a peculiar cushion for the Nebraska economy. Current net farm income cannot get much worse, but neither will it get much better. Oddly, Nebraska's farm income will dampen the impact of the nation's current downturn, and will dampen the strength of the recovery in 2002, as well.

Nebraska's net taxable retail sales were damaged prior to the national recession. Consequently, sales gains in 2001 will be well below the Council's previous forecast. The 2001 increase of 1.9 percent contrasts with the 5.4 percent average annual growth rate experienced in the 1990s. Recovery in sales growth will begin in 2002, with a return to historic sales growth rates starting in 2003, when the Nebraska economy has fully recovered. Total net taxable retail sales will increase 3.2 and 5.6 percent in 2002 and 2003, respectively.



There is a startling exception to the pattern of net taxable retail sales. Both in Nebraska and in the nation, auto sales boomed in October as auto producers offered zero percent financing and rebates in order to move cars and trucks from sales lots. The incentives worked and have been extended. There is concern that the size of the reductions given by the auto producers was such that overall profitability was impaired. Some analysts believe that auto producers simply encouraged those with plans to buy later in the year or in early 2002 to move up purchases. These analysts argue that auto sales in early 2002 will drop substantially from end-of-year sales in 2001.

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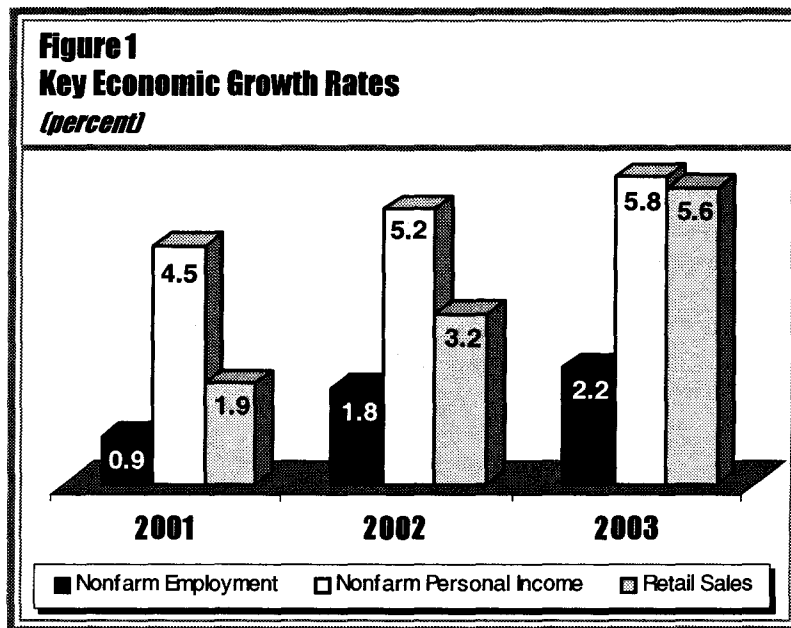
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The following are sector reports by individual Council members.

Nonfarm Employment

Manufacturing

CHARLES LAMPHEAR

Nebraska's manufacturing sector accounts for about 13 percent of the state's total wage and salary employment, making it the fourth largest employment sector in the state. Services employment led manufacturing (35 percent), as did retail trade (21 percent) and government (17 percent). The state's manufacturing employment is expected to decline this year by about 1 percent, to grow slightly in 2002 (0.7 percent), and to show stronger growth in 2003 (2 percent).

Weakness in the manufacturing sector is almost entirely confined to durables manufacturing. Durables include items that have a useful life of at least three years, such as fabricated metal products, automobile parts, and electronic devices. Following the national trend, the state's employment in durables manufacturing is expected to fall 3.5 percent this year. However, that decline will have little impact on the state's total employment, since durables manufacturing accounts for only about 6 percent of the state's total wage and salary employment. An employment turnaround is expected in 2002 with 0.5 percent growth, followed by 2.2 percent growth in 2003 (Table 1, page 4). There is a reasonable chance that the turnaround in 2002 could be higher if the nation's manufacturing sector shifts from foreign to domestic suppliers for inputs, as a reaction to time delays in parts shipments due to heightened security. A significant amount of Nebraska's durables production is used as inputs to final production.

The nondurables component of manufacturing accounts for about 52 percent of manufacturing employment. The largest employer is food processing at 60 percent of total nondurable employment. Due mainly to a continuation of employment growth in food processing, historically a slow-

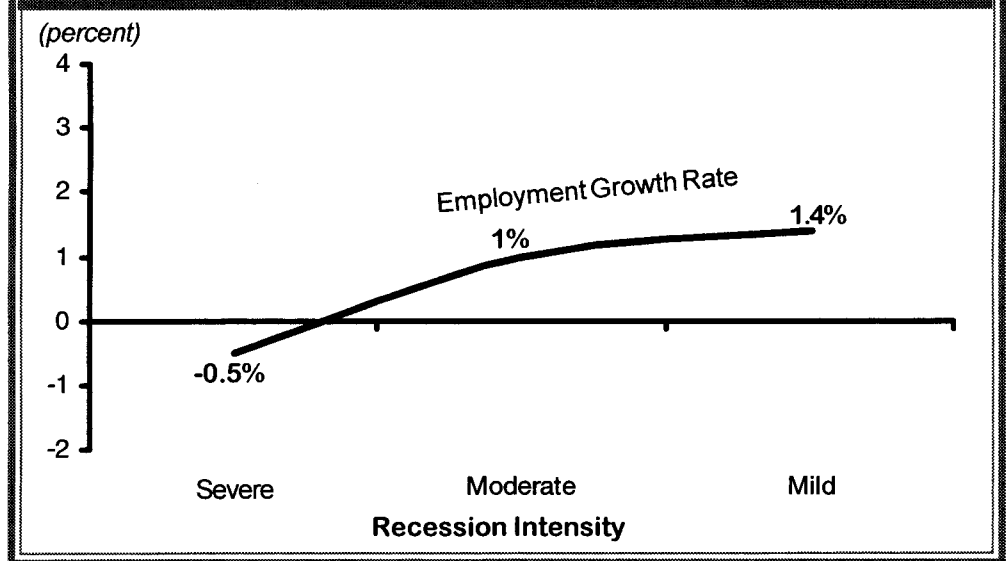
growth industry, growth is expected to be 1.3 percent in 2001, followed by 0.8 and 1.8 percent in 2002 and 2003, respectively.

Construction and Mining

JOHN AUSTIN

Nebraska's construction activity appears to have been largely unaffected by the recent national downturn. Overall, Nebraska's construction and mining employment will increase 2.7 percent in 2001, followed by increases of 3.5 and 4 percent in 2002 and 2003, respectively.

Figure 2
Nebraska's Employment Growth Rates
Associated with National Business Cycles



Low mortgage rates are stimulating sales of new homes. New single-family homebuilders are doing well. Sales of starter homes are especially strong. Step-up homes, the next size after starter homes, are selling well but not at the same pace as starter homes. New high-end home sales are weak. Low mortgage rates should continue to stimulate new housing sales through next year. Improved activity is not restricted to the metro areas and has improved across the state.

Nonresidential building activity remains strong. Several major projects in Omaha are either underway or moving quickly through the planning stages. Builders are looking forward to increased activity in Lincoln. Activity in western Nebraska is reported to be good. Qualified construction workers are readily employed.

Highway construction activity in 2001 parallels that of 2000, making it a soft spot in Nebraska's total construction activity. Total vehicle miles on a year-to-date basis through September are down 0.1 percent compared to the same period a year ago. The highway trust fund total in 2001 is up only 1 percent from its 2000 level.

Transportation, Communications, and Utilities (TCU)

GENE KOEPKE

The transportation industry will feel the impact of a slowing economy. As retail sales and durables manufacturing slow, there certainly will be less to haul. Industry analysts report that there is a strong correlation between a recession and reduced activity in their industry.

While some Nebraska trucking firms report that they are not feeling the consequences of a recession, national data indicate that many less-than-truckload (LTL) carriers are going bankrupt. Some firms are holding back on their seasonal orders for new tractors and trailers. Sales of big trucks were reported in one trade publication as down 30 percent in September.

At a time like this, even when there is no good historical basis for comparison, it is apparent that the Council's

previous forecast was far too optimistic in the projections of job growth in TCU. Data collected to date suggest that the state was experiencing decreased TCU employment prior to September 11th. It is likely that the numbers will get worse in the short term. New estimates of TCU growth for 2001 call for a decrease of 1.5 percent. Projections for the last two years of the forecast period will depend on the willingness of consumers to start spending. If the Council's economic assumptions are met, growth of 1 percent will occur in 2002 followed by growth of 2.5 percent in 2003. If the recovery starts later in 2002 than anticipated, future growth rates will be lower.

Retail Trade

FRANZ SCHWARZ

According to Nebraska Department of Labor statistics, last year's retail trade employment grew 1.5 percent and current year-to-date figures through September show a decrease of 0.3 percent. Retail trade is the second largest industry in terms of the number of jobs. Retail employment is very sensitive to total sales. Retail trade employment growth will follow the pattern of net taxable retail sales, conditioned by the availability of workers.

Table 1
Number of Nonfarm Jobs and Percent Changes by Industry
Annual Averages (whole numbers)

	<i>Total</i>	<i>Manufacturing</i>		<i>Construction</i>	<i>TCU¹</i>	<i>Retail Trade</i>	<i>Wholesale Trade</i>	<i>FIRE</i>	<i>Services</i>	<i>Federal Gov't²</i>	<i>State & Local Gov't</i>
		<i>Durables</i>	<i>Nondurables</i>	<i>& Mining</i>							
1998	892,160	57,479	61,338	42,241	55,872	157,370	54,708	57,996	238,230	32,032	134,894
1999	907,680	57,216	61,014	44,387	57,904	161,051	55,132	60,769	243,778	30,859	135,570
2000	923,852	58,639	61,285	45,601	58,301	163,399	54,822	61,070	252,228	30,742	137,765
2001	932,366	56,587	62,082	46,832	57,718	163,562	54,274	61,559	259,795	30,127	139,831
2002	949,369	56,870	62,578	48,471	58,584	165,362	54,382	62,297	268,888	30,428	141,509
2003	970,155	58,121	63,705	50,410	60,048	167,842	54,600	63,169	278,299	31,037	142,925
<i>Annual Percent Changes</i>											
1998	2.3	1.3	3.6	6.4	4.5	1.4	-0.1	6.1	3.8	-2.5	-1.1
1999	1.7	-0.5	-0.5	5.1	3.6	2.3	0.8	4.8	2.3	-3.7	0.5
2000	1.8	2.5	0.4	2.7	0.7	1.5	-0.6	0.5	3.5	-0.4	1.6
2001	0.9	-3.5	1.3	2.7	-1.0	0.1	-1.0	0.8	3.0	-2.0	1.5
2002	1.8	0.5	0.8	3.5	1.5	1.1	0.2	1.2	3.5	1.0	1.2
2003	2.2	2.2	1.8	4.0	2.5	1.5	0.4	1.4	3.5	2.0	1.0
<i>Average Annual Growth Rates</i>											
1990 to 1992	1.2	-1.7	4.5	2.0	1.0	1.2	-1.0	1.0	2.1	-4.3	2.1
1992 to 1995	2.6	4.8	2.7	6.6	1.7	3.3	0.3	2.1	4.4	-3.8	0.9
1995 to 2000	2.1	1.7	1.0	4.8	3.3	1.5	0.8	3.0	3.6	-1.7	0.5
1990 to 2000	2.1	1.9	2.2	4.8	2.3	2.0	0.3	2.3	3.5	-2.8	0.9

¹Transportation, Communication, & Utilities

²Federal government column has been revised to include military.

Retail trade employment in 2001 is expected to nearly match the 2000 employment levels, and reflect the current estimated net taxable sales figures. Employment growth is expected to slowly approach its long-term growth rate with a 1.1 percent increase in 2002 and a 1.5 percent increase by 2003.

Wholesale Trade

BRYAN SKALBERG

Wholesale trade employment levels appear to directly reflect the economic slowdown during 2001. Durables wholesale trade employment was most affected by the economic conditions. After posting solid and consistent employment growth during most of the 1990s, durables wholesale trade employment likely will post a substantial decline in 2001. After experiencing annual growth of 1.9 percent and 1.5 percent in 1999 and 2000, respectively, year-to-date average employment in durables wholesale trade in 2001 is down a whopping 4.7 percent. While year-end revisions to 2001 employment data may soften the decline, the results should still indicate a dismal year for durables wholesale trade employment. Expect 2001 average employment in durables wholesale trade to be 3 percent below 2000 employment levels.

Less affected by economic cycles, nondurables wholesale trade employment growth appears to be strong in 2001 despite employment declines in many other industry segments. After declining 2.5 percent between 1999 and 2000, year-to-date 2001 employment is up 1.4 percent. Fourth quarter 2001 shows little promise of strong employment growth. Thus, expect nondurables wholesale trade employment to show a 1 percent increase from 2000 to 2001.

Total wholesale trade combines durables and nondurables wholesale trade. The total will show a sizeable decline in 2001. Although employment growth rates in wholesale trade can vary from year to year, 2001 should mark the first annual employment decline since 1994. Year-to-date average employment currently is 1.6 percent below the 2000 average, so the final quarter of the year likely will not provide employment gains capable of pushing the current year annual average beyond the 2000 level. Data revisions will be forthcoming and likely will show 2001 wholesale trade employment down 1 percent from 2000.

Manufacturing employment continues to fall and the anticipated weak economic forecasts in 2002 and 2003 indicate that prospects for wholesale trade employment will be less than impressive. A 0.2 percent decline in durables

wholesale trade employment in 2002 and a 0.5 percent increase in nondurables wholesale trade are expected. Those estimates equate to a combined 0.2 percent projected growth for total wholesale trade employment in 2002. Economic recovery is expected in 2002, so prospects are more optimistic in 2003. Durables employment will show 0.2 percent growth. Nondurables employment should increase another 0.5 percent, for a combined growth of 0.4 percent in wholesale trade employment in 2003.

Finance, Insurance, and Real Estate (FIRE)

KEITH TURNER

The FIRE sector, as a whole, experienced improved employment growth through the first half of 2001 when compared to the average annual employment levels in 2000. The total sector grew 0.8 percent in the first half of 2001, an improvement over the annual average rate of growth of 0.5 percent experienced in 2000. FIRE employment growth rates are forecast to be 0.8, 1.2, and 1.4 percent in 2001, 2002, and 2003, respectively.

All subsectors except one improved in the first half of 2001. Finance grew 0.2 percent when depository institutions showed a gain of 0.8 percent, but nondepository institutions slipped 0.1 percent. The insurance subsector gain was 0.6 percent with insurance carriers growing 0.7 percent and insurance agents growing 0.1 percent. The real estate subsector showed the best improvement of all subsectors with a 3.5 percent gain, a big improvement over the loss in 2000.

There is an ongoing structural change within the finance sector. Consequently, future shares of depository institution employment compared to nondepository institution employment are likely to shift.

The FIRE sector has shown slow but encouraging growth over the previous year. Recent events may have some impact on the sector, although there are offsetting forces at work. Home purchases likely will be encouraged by very low interest rates. Banking activity may be affected in somewhat the same way. It will take a few months to determine whether long-term economic growth will respond positively to expansionary fiscal and monetary policy.

Services

TOM DOERING

Gains in services sector employment continue to outpace total nonfarm job growth in Nebraska. But, with the general economic slowdown lengthening and deepening, the average annual increase in service industry jobs in the state is

projected to slow to 3 percent in 2001 from 3.5 percent in 2000. A return to 3.5 percent growth is forecast in 2002, with the more rapid gains occurring in the second half of the year. Services employment is projected to rise another 3.5 percent in 2003.

Employment in hotels and other lodging services relies heavily on customers traveling by air for business, convention, and other purposes. The lodging industry was one of those most adversely affected by the terrorist attacks on September 11th in New York and Washington. Deplanements declined 30 percent during September from year-earlier levels at Omaha's Eppley Airfield, and 35 percent at the Lincoln Municipal Airport. But, substitution of ground transportation for air travel has occurred on a large scale, therefore, interstate highway traffic counts rose significantly. September counts on Interstate 80 east of Overton in central Nebraska were up 8.6 percent and 6.2 percent near Sutherland in the west in 2001 over year-ago levels. Across the state, lodging industry employment is forecast to rise only slightly in 2001.

The business services subsector consists of advertising, computer and data processing services, equipment rental and leasing, telemarketing, and temporary employment agencies, etc. For many years, business services has been one of the largest and fastest growing subsectors in Nebraska's services industry. It also pays relatively high wages. Many employers have begun to use temporary employment agencies to fill positions. Thus, employment in one sector, such as durables manufacturing, may decrease when an opening for an existing job is filled with a temporary employee. To the extent that this trend accelerates during the downturn when employers want to avoid committing to long-term employment relations, business services employment growth could accelerate.

The health services industry is the largest employer in the Nebraska services sector and is most likely to continue to grow in an economic recession. It is expected to have steady and significant long-term growth.

Another relatively recession-resistant industry, social services, will grow in 2001. Almost all other service industries are expected to grow at slower rates than the services sector's overall projected employment growth rate in 2001.

Government

JOHN AUSTIN

Increased activity in antiterrorism is likely to result in increased federal government employment, both civilian and military. However, such increases have come too late in the year to prevent another decrease in federal employment in the state in 2001. Federal employment in 2001 will show a decrease due, in part, to an increase in 2000 employment levels from temporary census worker employment. Increases in employment will follow in both 2002 and 2003. As a result, the Council expects employment to decrease 2 percent in 2001, then increase 1 percent in 2002 and 2 percent in 2003.

Recent moves to cut the state government budget suggest that employment in this subsector will experience little or no growth over the forecast period. While there will be increased activity in some areas that fall under federal mandates, other state agencies will be required to cut back. Despite attempts by state government to impose restraints on local governments, employment has continued to increase. The forecast calls for a continuation of increasing employment at local levels. As the impacts of the national recession work their way through the Nebraska economy, both state and local governments will be challenged to find increased revenue sources to fund their budgets. Overall, the total of state and local government employment will increase 1.5 percent in 2001, 1.2 percent in 2002, and 1 percent in 2003.

Income

Nonfarm Personal Income

JOHN AUSTIN

Nebraska's nonfarm personal income will not be immune from the impact of a national recession. The Council has reduced its forecast of 2001 nonfarm personal income growth by a full percentage point. There is a similar reduction in the growth rate projected for 2002 and a reduction of 0.6 percentage point in 2003. Total nonfarm personal income in Nebraska is expected to increase 4.5, 5.2, and 5.8 percent in 2001, 2002, and 2003, respectively (Table 2). Lower inflation expectations will lower the impact of the reductions in real terms after accounting for inflation.

Nonfarm wages and salaries were 57 percent of Nebraska's total nonfarm personal income in 2000. The reduction in the forecast of total employment in the state, coupled with a small reduction in the forecast of wage rate increases, resulted in a full percentage point reduction in the forecast for nonfarm wages and salaries in 2001. There are similar reductions in the forecast growth rates for 2002 and 2003. Weaker labor markets and reduced inflation projections combine to reduce the expected rise in wage rates. Nonfarm wages and salaries now are expected to rise 4.9, 5.9, and 6.5 percent during the forecast period.

Projected growth rates for other labor income (benefits) are reduced more than a full percentage point in each year of the forecast period. Dividends, interest, and rents will have large reductions as the impact of very low short-term interest rates and reduced corporate dividends work their way through the income stream. Similarly the projections for nonfarm proprietors' income growth are reduced substantially in 2001 and 2002. Small businesses likely will suffer from the eco-

nomie downturn. In contrast to the preceding reductions, transfer payments likely will increase as claims for unemployment benefits increase.

Farm Income

BRUCE JOHNSON

The U.S. Department of Agriculture (USDA) recently revised its estimate of 2000 net farm income for Nebraska to \$1,420 million (Table 2). The 2000 estimate is the fourth consecutive year of decline in net farm income, representing a 59 percent drop from the 1996 record year. The 2000 estimate is just 64 percent of the average during the 1990-1999 period. Nebraska's farmers continue to rely heavily on government payments. Of the 2000 net farm income, \$1,406 million (or 99 percent) represented direct government program payments.

The preliminary USDA estimate in 2001 is similar to that of 2000 in Nebraska, even though some national increase is expected. Higher profit levels from the livestock sector are negated by higher costs for key inputs and planned reduction of farm program payments in Nebraska. Farm program pay-

Table 2
Nonfarm Personal Income and Selected Components, and Net Farm Income (USDA)
(\$ millions)

Annual Averages							
	<i>Nonfarm Personal Income</i>	<i>DIR¹</i>	<i>Transfer Payments</i>	<i>Nonfarm Wages & Salaries</i>	<i>Other Labor Income</i>	<i>Nonfarm Proprietors' Income</i>	<i>Net Farm Income USDA Basis</i>
1998	41,748	9,243	5,467	23,426	2,783	3,337	1,830
1999	43,867	9,498	5,690	24,880	2,867	3,591	1,744
2000	46,138	10,006	5,886	26,299	2,958	3,761	1,420
2001	48,193	10,256	6,298	27,581	3,047	3,911	1,562
2002	50,689	10,564	6,708	29,195	3,139	4,126	1,484
2003	53,649	11,039	7,077	31,092	3,233	4,415	1,707
Annual Percent Changes							
1998	6.9	10.1	5.4	6.4	3.2	6.2	-11.8
1999	5.1	2.8	4.1	6.2	3.0	7.6	-4.7
2000	5.2	5.3	3.5	5.7	3.2	4.7	-18.6
2001	4.5	2.5	7.0	4.9	3.0	4.0	10.0
2002	5.2	3.0	6.5	5.9	3.0	5.5	-5.0
2003	5.8	4.5	5.5	6.5	3.0	7.0	15.0
Average Annual Growth Rates							
1990 to 1992	5.6	3.4	8.7	5.5	9.1	3.9	0.1
1992 to 1995	5.9	5.4	5.9	5.6	3.6	11.3	-13.1
1995 to 2000	5.7	5.7	4.7	6.3	1.7	6.0	-3.0
1990 to 2000	5.7	5.2	5.8	6.0	3.7	7.1	-5.5

¹DIR: Dividends, Interest, and Rent
Note: The nonfarm personal income and net farm income columns are from different sources. The two columns do not add to total personal income. Data shown exclude adjustments for place of residence and personal contributions for social insurance.

ments are expected to be about \$225 million less in 2001 than in 2000. However, relatively good crop yields across much of the state should increase the 2001 income level about 10 percent. Despite some improvement in 2001 cash prices and yield levels over 2000, the 10 percent increase in expected net farm income in 2001 pales in terms of income levels experienced in the 1990s. The 2001 level still would be only 70 percent of the 1990s decade average.

Economic uncertainty creates considerable difficulty in forecasting 2002 net farm income. The last year of the current farm program is 2002—with payment reductions sequenced in. While export and domestic demands may improve in 2002, the war on terrorism creates high-risk conditions that can slow, or even reverse, agricultural commodity demand in both market areas. All things considered, a 5 percent decline in 2002 net farm income is forecast. The decline primarily will reflect reduced farm program payments planned in the last year of the current program.

USDA projects some improvement in both domestic and export markets in 2003. Farm program income support levels may be significantly reduced in emerging new farm program legislation. While some will argue that food security is even more critical than ever, the farm program will be competing hard with other important federal mandates. An improvement of net farm income of 15 percent is forecast. This represents a relatively modest dollar amount from historically depressed lows.

Net Taxable Retail Sales

FRANZ SCHWARZ

The slowdown in other net taxable retail sales started in August 2000. As a result, other net taxable retail sales grew only 1.5 percent during the second half of the year. This slow growth has continued with a year-to-date growth rate of 1.6 percent through July. There is great variability of the growth rates between months. Annual other net taxable retail sales are projected to increase by 2 percent in 2001 (Table 3). Sales will improve notably during the second half of 2002. Annual other net taxable retail sales will increase 3.5 percent in 2002. Other net taxable retail sales will be near or even above the historical growth rates by the end of 2003—5.3 percent above 2002.

Motor vehicle net taxable retail sales are 1 percent above year-ago levels on a year-to-date basis through July. Motor vehicle net taxable retail sales were 8.2 percent below year-ago levels in the first quarter of 2001. From April through July 2001, motor vehicle net taxable sales were 7.4 percent above year-ago levels during the April-July 2001 period. Small increases are expected for the rest of the year, with exceptions for the months of October and November, due to marketing incentives. The effect of these incentives will be more on the timing of the sales and less on the total volume of sales; i.e., some sales will be drawn from early 2002. Further, the incentives will result in substitution of new versus used motor vehicle purchases. Annual net taxable motor vehicles retail sales will increase 1.2 percent in 2001. Annual sales in 2002 will increase 0.8 percent, with no substantial improvement until the second half of the year. It is likely that 2003 will be an excellent year for net taxable motor vehicle retail sales, and the annual total is forecast to be 7.5 percent above the 2002 level. Motor vehicle net taxable retail sales is the more volatile component of total net taxable retail sales, but it comprised only 13 percent of total net taxable retail sales in 2000.

Table 3
Net Taxable Retail Sales, Annual Totals
(\$ millions)

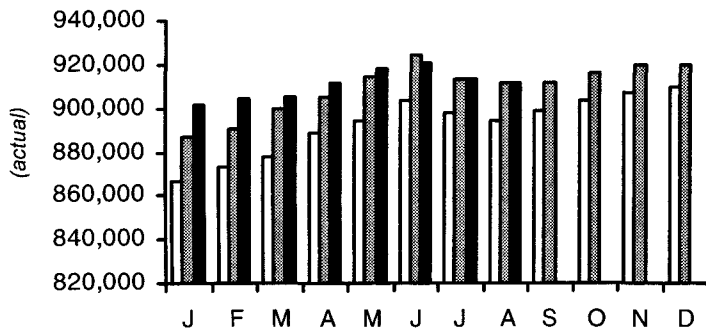
	<i>Total Sales</i>	<i>Motor Vehicle Retail Sales</i>	<i>Other Retail Sales</i>
1998	19,005	2,417	16,588
1999	19,806	2,520	17,286
2000	20,443	2,605	17,838
2001	20,831	2,636	18,195
2002	21,489	2,657	18,832
2003	22,686	2,857	19,830
<i>Annual Percent Changes</i>			
1998	6.7	9.6	6.3
1999	4.2	4.3	4.2
2000	3.2	3.4	3.2
2001	1.9	1.2	2.0
2002	3.2	0.8	3.5
2003	5.6	7.5	5.3
<i>Average Annual Growth Rates</i>			
1990 to 1992	3.6	-0.5	4.1
1992 to 1995	5.8	8.2	5.5
1995 to 2000	5.2	6.7	5.0
1990 to 2000	5.4	6.8	5.2

BBR is grateful for the help of the Nebraska Business Forecast Council. Serving this session were: Tom Doering, Department of Economic Development; Bruce Johnson, Department of Agricultural Economics, UNL; Gene Koepke, Department of Management and Marketing, UNK; Donis Petersan, Nebraska Public Power District; Franz Schwarz, Nebraska Department of Revenue; Bryan Skalberg, Nebraska Department of Labor; Keith Turner, Department of Economics, UNO (emeritus); Charles Lamphear and John Austin, BBR.

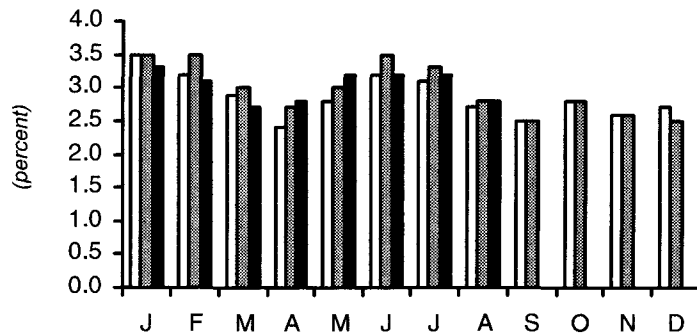
Nebraska Stats

1999 2000 2001

Total Nonfarm Wage & Salary Employment



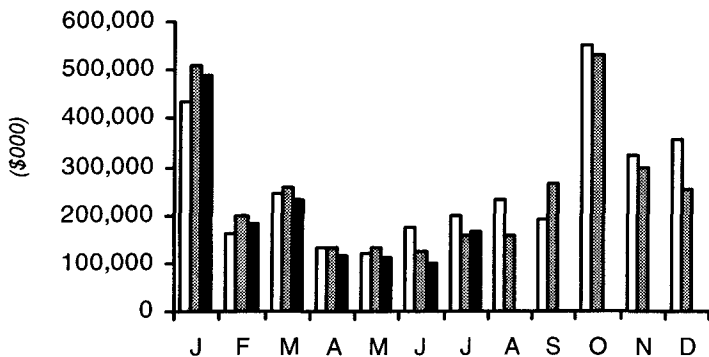
Unemployment Rate



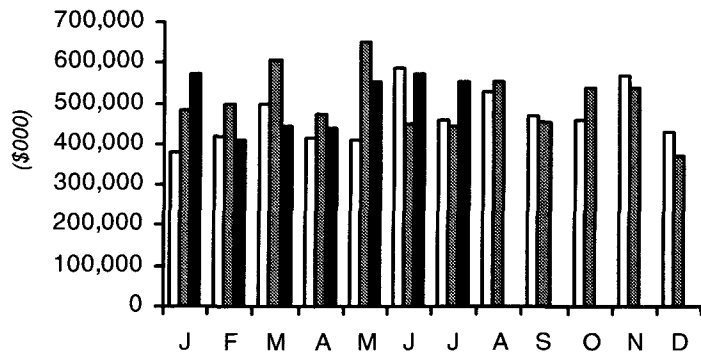
Note: All 1999 and January-March 2000 data are benchmarked. April-March 2000 data are estimates and will be benchmarked in early 2002. Data for April-December 2001 are estimates until benchmarked in 2003. All estimates are the most current revised data available.

1999 2000 2001

Cash Receipts—Crops



Cash Receipts—Livestock



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

	June 2001			July 2001				June 2001			July 2001		
	YTD (\$000)	YTD (\$000)	Chg. vs Yr. Ago	YTD (\$000)	YTD (\$000)	Chg. vs Yr. Ago		YTD (\$000)	YTD (\$000)	Chg. vs Yr. Ago	YTD (\$000)	YTD (\$000)	Chg. vs Yr. Ago
Ainsworth, Brown	1,844	9,544	6.3	1,758	11,302	7.2	Kenesaw, Adams	225	2,006	38.2	220	2,226	36.7
Albion, Boone	1,933	9,615	-2.9	1,728	11,343	-1.4	Kimball, Kimball	2,068	10,961	3.2	2,127	13,088	3.2
Alliance, Box Butte	6,164	33,667	0.2	6,065	39,732	-0.1	La Vista, Sarpy	10,795	61,417	2.7	9,567	70,984	1.2
Alma, Harlan	851	3,664	6.4	637	4,301	7.5	Laurel, Cedar	510	2,233	2.4	305	2,538	3.7
Arapahoe, Furnas	949	4,933	4.4	889	5,822	5.3	Lexington, Dawson	8,180	45,491	2.6	8,602	54,093	3.7
Arlington, Washington	224	1,508	15.7	208	1,716	13.3	Lincoln, Lancaster	227,258	1,276,079	0.4	216,753	1,492,832	0.3
Arnold, Custer	343	1,490	-17.6	264	1,754	-14.2	Louisville, Cass	601	2,905	0.2	477	3,382	-8.4
Ashland, Saunders	1,644	7,993	0.9	1,587	9,580	1.4	Loup City, Sherman	666	2,899	13.1	469	3,368	12.2
Atkinson, Holt	1,345	6,415	3.6	955	7,370	2.0	Lyons, Burt	561	2,490	1.1	460	2,950	1.6
Auburn, Nemaha	2,532	14,432	-0.2	2,250	16,682	-0.5	Madison, Madison	924	4,881	3.3	820	5,701	1.7
Aurora, Hamilton	2,718	14,781	6.5	2,292	17,073	5.5	McCook, Red Willow	11,134	57,243	-18.6	10,363	67,606	-18.3
Axtell, Kearney	152	471	30.5	79	550	28.8	Milford, Seward	866	5,952	16.5	1,049	7,001	15.3
Bassett, Rock	749	2,829	5.2	681	3,510	3.8	Minatare, Scotts Bluff	203	904	-5.2	156	1,060	-4.8
Battle Creek, Madison	774	4,673	36.3	785	5,458	31.5	Minden, Kearney	2,234	11,012	2.8	2,114	13,126	4.8
Bayard, Morrill	486	2,795	4.2	403	3,198	2.6	Mitchell, Scotts Bluff	621	3,206	-17.6	533	3,739	-14.4
Beatrice, Gage	12,659	72,442	4.4	12,460	84,902	4.3	Morrill, Scotts Bluff	592	3,137	-3.6	553	3,690	-2.8
Beaver City, Furnas	133	730	-5.3	123	853	-6.4	Nebraska City, Otoe	6,628	36,561	0.9	5,934	42,495	-0.1
Bellevue, Sarpy	27,126	141,715	16.5	26,630	168,345	17.8	Neligh, Antelope	1,776	8,518	6.2	1,396	9,914	5.8
Benkelman, Dundy	817	3,775	7.0	697	4,472	9.3	Newman Grove, Madison	354	1,865	10.6	299	2,164	11.0
Bennington, Douglas	962	3,770	7.0	726	4,496	9.9	Norfolk, Madison	33,290	184,128	0.3	32,575	216,703	1.1
Blair, Washington	8,305	46,185	10.9	7,288	53,473	10.9	North Bend, Dodge	585	3,271	6.6	523	3,794	7.9
Bloomfield, Knox	649	3,484	16.6	588	4,072	17.1	North Platte, Lincoln	27,500	144,364	4.2	26,268	170,632	4.0
Blue Hill, Webster	433	2,530	-0.7	440	2,970	3.3	O'Neil, Holt	5,268	26,340	1.8	4,851	31,191	1.5
Bridgeport, Morrill	1,200	6,768	0.3	1,188	7,956	-1.4	Oakland, Burt	660	3,664	3.7	575	4,239	4.6
Broken Bow, Custer	4,198	22,378	-3.4	3,848	26,226	-2.2	Ogallala, Keith	6,818	32,686	-0.1	8,306	40,992	3.5
Burwell, Garfield	1,254	5,200	17.0	1,281	6,481	20.4	Omaha, Douglas	532,621	2,977,093	1.3	514,901	3,491,994	1.7
Cairo, Hall	348	1,837	6.9	365	2,202	6.4	Ord, Valley	2,512	12,713	6.0	2,076	14,789	6.8
Central City, Merrick	2,091	11,177	5.0	1,754	12,931	6.1	Osceola, Polk	556	3,029	-1.0	421	3,450	-1.8
Ceresco, Saunders	1,226	6,851	-10.4	1,251	8,102	-8.5	Oshkosh, Garden	540	2,778	10.8	437	3,215	8.6
Chadron, Dawes	5,691	40,994	49.5	5,665	46,659	43.3	Osmond, Pierce	493	2,235	-15.5	420	2,655	-13.1
Chappell, Deuel	538	2,876	-2.1	478	3,354	1.8	Oxford, Furnas	461	2,806	6.5	364	3,170	4.1
Clarkson, Colfax	423	2,453	-1.5	358	2,811	-1.7	Papillion, Sarpy	8,276	45,542	4.1	7,191	52,733	2.9
Clay Center, Clay	238	1,369	-26.0	231	1,600	-22.9	Pawnee City, Pawnee	284	1,892	6.1	268	2,160	4.0
Columbus, Platte	22,313	121,189	-2.6	22,034	143,223	-1.7	Pender, Thurston	936	4,636	6.0	671	5,307	2.2
Cozad, Dawson	3,267	17,715	-4.0	2,940	20,655	-4.4	Pierce, Pierce	842	4,233	17.2	640	4,873	15.4
Crawford, Dawes	819	3,252	1.6	849	4,101	2.2	Plainview, Pierce	735	4,102	1.1	587	4,689	1.6
Creighton, Knox	1,149	6,532	14.9	1,087	7,619	11.9	Plattsmouth, Cass	3,701	20,577	2.5	3,803	24,380	2.9
Crete, Saline	3,108	17,421	5.9	2,887	20,308	6.1	Ponca, Dixon	354	1,707	12.2	332	2,039	15.0
Crofton, Knox	595	2,455	17.1	519	2,974	17.4	Ralston, Douglas	3,912	21,107	5.5	3,263	24,370	5.7
Curtis, Frontier	465	2,299	11.1	457	2,756	15.1	Randolph, Cedar	466	2,540	6.9	388	2,928	6.9
Dakota City, Dakota	545	2,594	2.9	468	3,062	3.2	Ravenna, Buffalo	582	3,734	8.9	504	4,238	6.6
David City, Butler	1,788	10,165	11.2	1,675	11,840	9.8	Red Cloud, Webster	733	4,103	-1.0	731	4,834	-0.1
Deshler, Thayer	334	1,951	10.9	339	2,290	10.1	Rushville, Sheridan	556	2,604	2.0	379	2,983	-0.1
Dodge, Dodge	428	1,734	16.1	234	1,968	15.2	Sargent, Custer	330	1,433	12.7	212	1,645	12.7
Doniphan, Hall	771	5,136	-21.5	452	5,588	-25.0	Schuyler, Colfax	2,279	11,759	8.5	2,028	13,787	8.9
Eagle, Cass	896	2,502	6.2	573	3,075	4.1	Scottsbluff, Scotts Bluff	23,821	129,952	0.2	24,255	154,207	1.2
Elgin, Antelope	451	2,676	11.2	400	3,076	8.3	Scribner, Dodge	515	2,385	0.7	430	2,815	2.0
Elkhorn, Douglas	3,032	13,878	1.7	2,739	16,617	2.0	Seward, Seward	4,757	27,576	-4.1	4,642	32,218	-2.9
Elm Creek, Buffalo	391	2,102	-5.4	374	2,476	-4.1	Shelby, Polk	374	2,395	1.0	425	2,820	2.2
Elwood, Gosper	401	1,627	-1.5	340	1,967	-3.3	Shelton, Buffalo	580	3,053	16.6	408	3,461	13.7
Fairbury, Jefferson	3,318	18,105	-5.2	2,957	21,062	-4.6	Sidney, Cheyenne	9,966	52,160	3.2	10,934	63,094	3.0
Fairmont, Fillmore	177	1,018	-8.5	262	1,280	1.5	South Sioux City, Dakota	9,068	48,095	4.7	9,102	57,197	6.4
Falls City, Richardson	2,789	15,379	3.2	2,480	17,859	3.2	Springfield, Sarpy	581	3,347	-15.1	567	3,914	-15.1
Franklin, Franklin	670	3,470	1.5	588	4,058	3.1	St. Paul, Howard	1,560	8,417	18.3	1,411	9,828	16.3
Fremont, Dodge	25,171	140,678	-0.3	23,632	164,310	-0.7	Stanton, Stanton	668	3,924	10.4	697	4,621	11.2
Friend, Saline	733	3,871	43.5	459	4,330	39.9	Stromsburg, Polk	1,171	5,529	-7.3	1,102	6,631	-5.9
Fullerton, Nance	578	3,260	2.4	632	3,892	5.0	Superior, Nuckolls	1,813	9,240	0.0	1,649	10,889	0.9
Geneva, Fillmore	1,686	8,893	3.4	1,434	10,327	5.4	Sutherland, Lincoln	416	2,445	6.5	364	2,809	5.6
Genoa, Nance	333	2,001	13.4	295	2,296	13.9	Sutton, Clay	887	5,047	-1.3	856	5,903	1.0
Gering, Scotts Bluff	4,795	24,918	0.2	4,462	29,380	-0.3	Syracuse, Otoe	1,347	6,973	2.1	1,214	8,187	1.7
Gibbon, Buffalo	978	5,137	5.2	787	5,924	4.7	Tecumseh, Johnson	947	5,514	7.9	843	6,357	7.9
Gordon, Sheridan	1,915	9,505	-2.1	1,679	11,184	-2.0	Tekamah, Burt	1,134	6,371	5.1	1,039	7,410	6.3
Gothenburg, Dawson	2,851	14,515	1.6	2,906	17,421	2.3	Tilden, Madison	296	1,542	-8.4	250	1,792	-8.4
Grand Island, Hall	56,985	316,049	0.5	54,735	370,784	0.6	Utica, Seward	377	2,264	21.5	402	2,666	23.4
Grant, Perkins	1,574	7,966	25.7	1,493	9,459	26.7	Valentine, Cherry	6,286	31,022	23.8	6,008	37,030	24.0
Gretna, Sarpy	3,529	17,281	6.9	3,147	20,428	5.8	Valley, Douglas	2,019	7,832	-22.9	2,198	10,030	-14.0
Hartington, Cedar	1,882	10,018	19.0	1,768	11,786	18.1	Wahoo, Saunders	2,474	14,437	2.2	2,623	17,060	4.8
Hastings, Adams	21,691	124,143	-0.7	20,546	144,689	-1.0	Wakefield, Dixon	362	2,324	14.5	353	2,677	13.1
Hay Springs, Sheridan	397	2,281	5.7	409	2,690	5.3	Wauneta, Chase	308	1,891	-1.4	314	2,205	1.1
Hebron, Thayer	1,327	6,745	-28.9	1,113	7,858	-25.7	Waverly, Lancaster	932	5,844	34.5	1,013	6,857	27.1
Henderson, York	888	4,056	1.2	998	5,054	5.7	Wayne, Wayne	3,984	23,392	9.9	3,768	27,160	9.3
Hickman, Lancaster	315	1,428	-2.5	253	1,681	-2.6	Weeping Water, Cass	719	4,106	9.5	650	4,756	9.4
Holdrege, Phelps	5,386	27,610	3.1	4,870	32,480	4.0	West Point, Cuming	5,183	29,594	39.5	4,906	34,500	39.5
Hooper, Dodge	442	2,470	5.6	387	2,857	5.1	Wilber, Saline	531	2,921	8.4	452	3,373	8.7
Humboldt, Richardson	349	2,018	0.8	298	2,316	1.0	Wisner, Cuming	738	3,803	2.0	633	4,436	1.3
Humphrey, Platte	884	4,537	5.1	814	5,351	7.2	Wood River, Hall	624	2,618	13.8	483	3,101	13.2
Imperial, Chase	2,265	11,068	2.7	1,974	13,042	3.3	Wymore, Gage	450	2,796	6.7	418	3,214	6.3
Juniata, Adams	258	1,581	17.4	213	1,794	16.3	York, York	10,749	59,023	-0.8	10,830	69,853	-0.3
Kearney, Buffalo	39,709	209,592	2.0	38,765	248,357	2.3							

*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				Motor Vehicle Sales				Other Sales				
	June 2001 (\$000)	July 2001 (\$000)	YTD (\$000)	% Chg vs Yr. Ago	June 2001 (\$000)	July 2001 (\$000)	YTD (\$000)	% Chg vs Yr. Ago	June 2001 (\$000)	July 2001 (\$000)	YTD (\$000)	% Chg vs Yr. Ago	June 2001 (\$000)	July 2001 (\$000)	YTD (\$000)	% Chg vs Yr. Ago	
Nebraska	245,891	250,757	1,571,735	1.0	1,565,650	1,486,078	10,141,485	1.6	Howard	862	923	5,707	-9.2	2,081	1,758	12,546	13.8
Adams	4,379	3,703	25,411	-5.0	22,517	21,197	150,411	-0.5	Jefferson	1,234	1,317	7,586	-7.8	4,543	4,083	28,530	-1.6
Antelope	1,066	1,048	7,662	7.3	2,834	2,236	15,823	7.3	Johnson	593	552	3,677	1.3	1,270	1,097	8,656	6.2
Arthur	49	136	559	18.4	(D)	(D)	(D)	(D)	Kearney	1,058	871	7,079	-4.2	2,523	2,325	14,480	4.8
Banner	177	278	1,365	40.3	(D)	(D)	(D)	(D)	Keith	1,520	1,210	9,373	-7.4	7,661	9,185	44,819	2.7
Blaine	78	146	894	-8.2	(D)	(D)	(D)	(D)	Keya Paha	130	340	1,213	-4.5	260	155	937	34.6
Boone	699	1,014	6,339	-2.1	2,649	2,200	14,997	1.6	Kimball	721	760	4,325	-12.7	2,143	2,173	13,419	3.4
Box Butte	1,664	1,739	11,317	2.4	6,539	6,483	42,111	0.5	Knox	1,007	1,260	8,201	-6.5	3,167	2,864	19,329	11.7
Boyd	311	268	1,982	10.5	804	671	4,043	4.4	Lancaster	32,906	33,250	203,727	1.0	231,182	220,464	1,518,840	0.7
Brown	457	319	3,401	-7.9	2,046	1,864	11,963	6.2	Lincoln	4,519	5,038	32,660	5.0	28,810	27,285	177,675	3.9
Buffalo	5,524	6,456	38,747	-0.8	42,879	41,397	267,448	2.6	Logan	90	228	1,188	7.1	(D)	(D)	(D)	(D)
Burt	1,194	1,075	7,372	-0.8	2,819	2,534	17,078	10.6	Loup	136	132	802	21.3	(D)	(D)	(D)	(D)
Butler	1,110	1,310	8,060	11.1	2,350	2,054	15,112	9.3	McPherson	86	187	786	27.8	(D)	(D)	(D)	(D)
Cass	4,141	3,999	25,365	1.2	7,760	7,108	46,823	2.3	Madison	4,687	4,277	28,040	-5.9	35,706	34,770	232,333	1.7
Cedar	1,366	1,302	9,286	-6.9	3,291	2,791	19,398	13.5	Merrick	1,066	1,006	7,666	-1.1	3,005	2,626	17,897	7.3
Chase	792	728	5,481	1.6	2,598	2,300	15,427	1.2	Morrill	1,003	725	5,781	-1.1	1,728	1,632	11,386	0.3
Cherry	874	939	6,854	12.5	6,597	6,199	38,511	23.0	Nance	614	471	3,752	-1.0	992	989	6,525	9.9
Cheyenne	1,856	1,586	11,077	-6.1	10,341	11,249	65,309	2.9	Nemaha	980	998	7,234	3.6	2,873	2,435	18,587	-0.1
Clay	1,077	978	7,143	-9.5	2,216	2,114	14,784	-0.6	Nuckolls	628	894	4,801	-1.2	2,735	2,695	16,831	8.0
Colfax	1,059	998	8,290	-7.2	3,196	2,801	19,535	5.1	Otoe	2,138	2,552	14,521	-0.8	8,686	7,508	53,982	0.6
Cuming	1,412	1,641	10,087	-5.6	6,542	6,063	42,628	29.9	Pawnee	307	333	2,847	5.9	540	435	3,545	4.6
Custer	1,617	2,078	12,415	5.0	5,721	4,916	34,087	-1.8	Perkins	370	519	4,243	-1.1	1,899	1,740	11,143	23.0
Dakota	3,203	2,895	17,110	-1.9	10,354	10,147	64,910	6.7	Phelps	1,342	2,050	10,937	5.7	5,823	5,215	34,819	4.9
Dawes	1,226	902	6,853	10.2	6,511	6,514	50,763	38.7	Pierce	1,021	887	6,945	-5.0	2,187	1,734	12,801	2.6
Dawson	3,235	3,649	22,801	-9.4	14,994	15,004	95,437	1.3	Platte	4,250	4,250	29,246	-7.6	23,952	23,524	153,018	-1.5
Deuel	453	351	2,293	-11.8	1,226	1,241	7,705	2.7	Polk	827	752	5,748	-18.1	2,224	2,060	13,959	-2.3
Dixon	927	878	5,775	2.4	858	792	5,555	13.0	Red Willow	1,475	1,728	10,791	-9.3	11,554	10,721	69,919	-18.0
Dodge	5,248	5,459	32,277	0.4	27,504	25,475	177,954	-0.2	Richardson	1,454	1,113	8,107	-0.5	3,353	2,907	21,792	3.5
Douglas	67,692	69,628	407,401	6.5	544,533	525,671	3,559,164	1.6	Rock	408	317	2,282	5.6	774	694	3,604	3.0
Dundy	358	525	2,803	9.1	838	701	4,532	7.9	Saline	1,629	1,809	12,013	-2.0	4,776	4,088	30,765	10.2
Fillmore	1,071	895	6,854	-7.4	2,697	2,576	17,396	5.8	Sarpy	21,566	21,272	129,179	8.5	54,899	53,186	341,211	10.0
Franklin	395	458	3,694	6.4	976	860	5,884	5.5	Saunders	2,879	3,111	19,938	-4.4	6,789	6,745	43,732	0.3
Frontier	588	710	3,821	10.8	849	834	5,138	14.8	Scotts Bluff	4,470	5,130	30,466	-6.9	30,168	30,033	192,631	0.5
Furnas	810	660	5,734	-3.4	2,657	2,378	16,511	8.9	Seward	2,145	2,181	15,128	3.3	6,310	6,344	43,861	1.6
Gage	3,408	3,260	21,234	3.7	14,470	14,000	95,996	7.2	Sheridan	917	956	5,824	-0.2	3,209	2,809	19,043	0.1
Garden	259	252	2,262	7.9	875	681	4,605	4.5	Sherman	494	495	3,463	21.6	877	597	4,330	12.3
Garfield	253	159	1,640	6.4	1,254	1,281	6,481	20.4	Sioux	247	260	1,664	-13.6	180	138	850	-1.6
Gosper	243	385	2,594	-3.6	479	424	2,405	-2.3	Stanton	815	873	5,707	9.3	871	891	6,189	17.9
Grant	199	172	1,036	2.0	363	315	2,077	16.1	Thayer	634	924	5,493	-10.1	2,343	2,009	13,980	-15.9
Greeley	378	562	2,970	18.1	875	724	4,852	9.7	Thomas	183	121	1,003	-3.2	396	290	1,921	8.4
Hall	7,311	7,601	46,716	-5.6	59,170	56,429	384,322	0.3	Thurston	461	540	3,335	-0.4	1,110	766	6,514	7.6
Hamilton	1,288	1,157	9,088	-12.7	3,105	2,619	19,326	4.5	Valley	464	637	4,581	4.4	2,803	2,338	16,222	4.9
Harlan	665	669	4,331	28.4	1,221	1,038	5,995	6.0	Washington	3,583	3,167	21,894	3.1	9,042	7,892	59,402	12.3
Hayes	117	156	1,301	-5.8	(D)	(D)	(D)	(D)	Wayne	929	1,033	7,784	-2.2	4,172	3,882	28,244	9.4
Hitchcock	387	473	3,404	-4.0	733	661	4,554	7.8	Webster	452	478	3,488	-15.4	1,430	1,317	8,814	2.0
Holt	1,638	1,593	10,390	-13.0	7,570	6,399	42,942	1.1	Wheeler	105	146	1,204	10.5	76	74	490	-22.5
Hooker	258	60	914	7.3	653	647	2,543	5.3	York	2,129	1,962	14,286	-1.4	12,100	12,205	77,750	-0.4

*Totals may not add due to rounding

(D) Denotes disclosure suppression

Source: Nebraska Department of Revenue

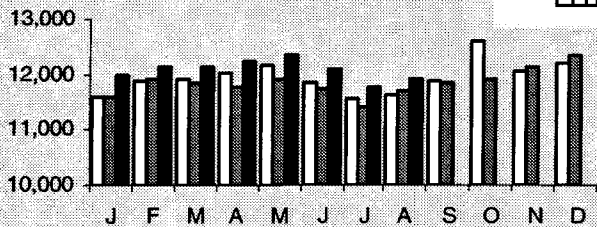
Note on Net Taxable Retail Sales

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 Wage and Salary Employment* 1999 to August** 2001

1999 2000 2001

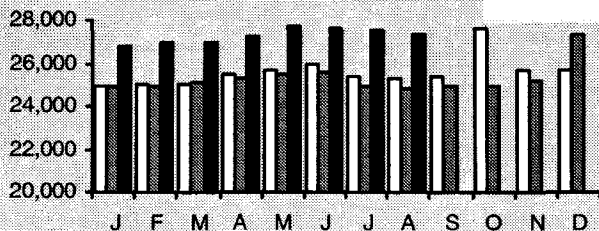
Northwest Panhandle



Note to Readers

The charts on pages 8 and 9 report nonfarm employment by place of work for each region.

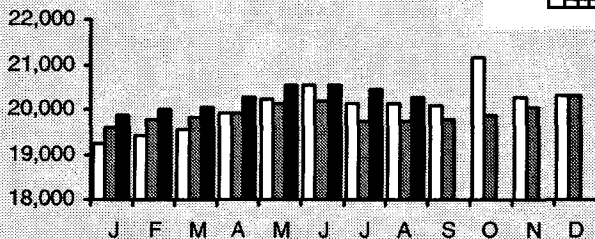
Southwest Panhandle



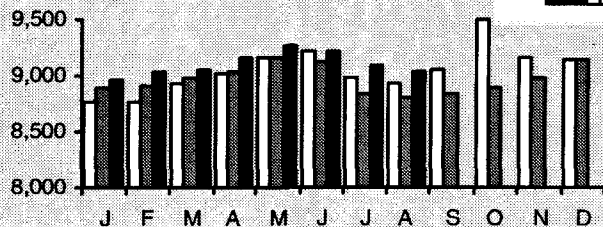
North Central



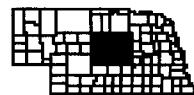
West Central



Southwest Central



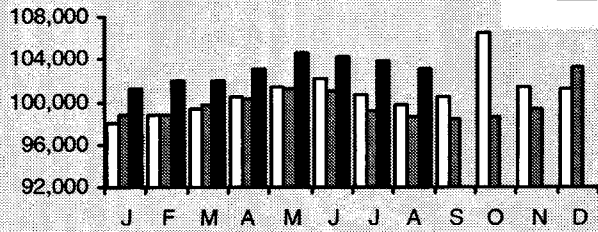
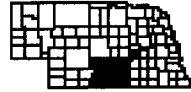
East Central



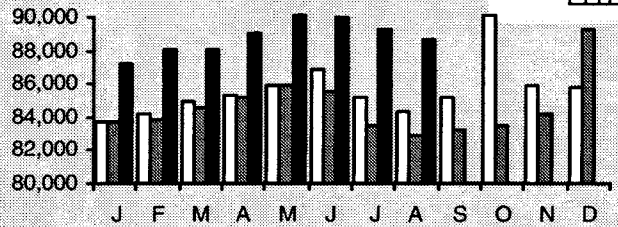
Regional Nonfarm Wage and Salary Employment* 1999 to August** 2001

1999 2000 2001

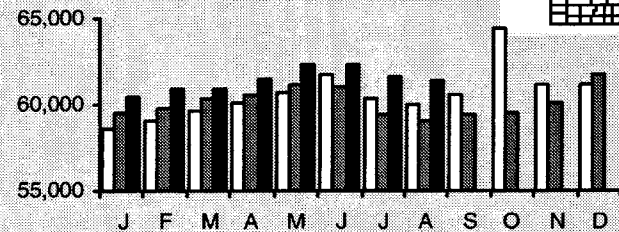
Southeast Central



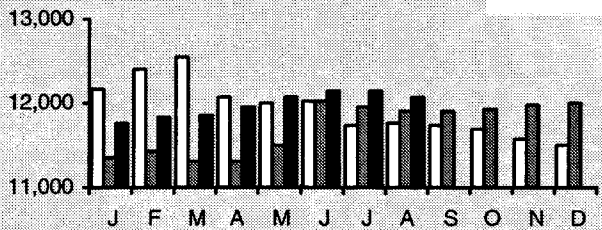
Northeast



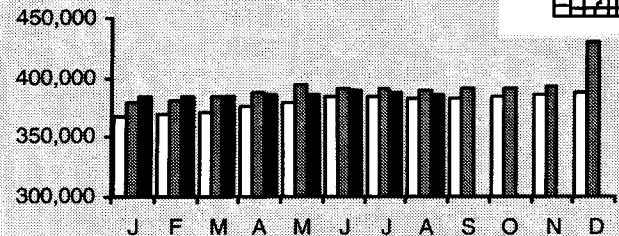
Southeast



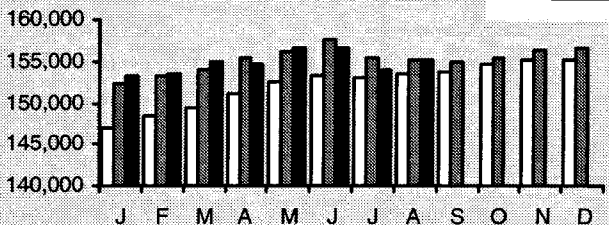
Sioux City MSA Nebraska portion***



Omaha MSA Nebraska portion***

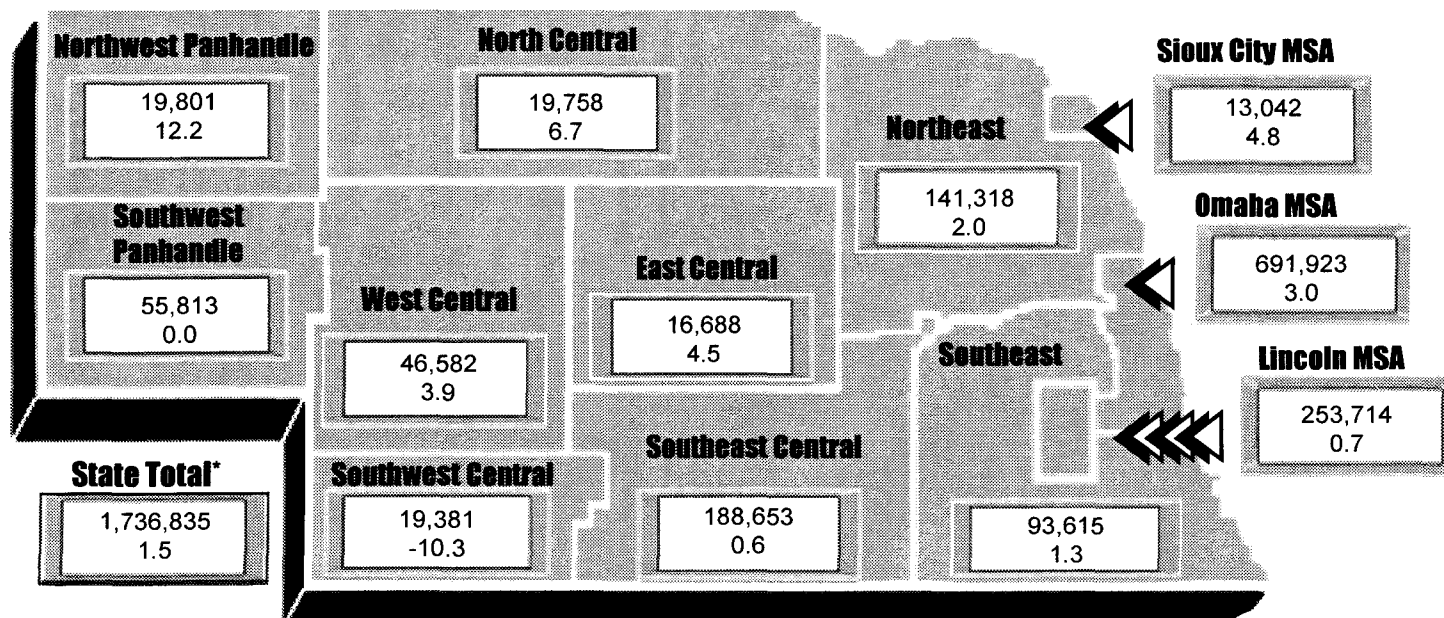


Lincoln MSA



*By place of work
 **Current month data are preliminary and subject to revision
 ***Previously, other than Nebraska data were included in the Omaha and Sioux City MSA
 Note: January-March 2000 monthly employment data are benchmarked. April 2000-March 2001 data are estimates and will be benchmarked in early 2002. Data for April-December 2001 are estimates until benchmarked in early 2003. All estimates are the most current revised data available.
 Source: Nebraska Department of Labor, Labor Market Information - Kathy Copas

July 2001 Regional Retail Sales (\$000) YTD Change vs Yr. Ago



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

Source: Nebraska Department of Revenue

State Nonfarm Wage & Salary Employment by Industry*

	August 2001
Total	911,449
Construction & Mining	48,114
Manufacturing	118,341
Durables	56,110
Nondurables	62,231
TCU**	57,277
Trade	215,714
Wholesale	53,801
Retail	161,913
FIRE***	61,110
Services	260,190
Government	150,703

*By place of work

**Transportation, Communication, and Utilities

***Finance, Insurance, and Real Estate

Source: Nebraska Department of Labor, Labor Market Information

Note: January-March 2000 monthly employment data are benchmarked. April 2000-March 2001 data are estimates and will be benchmarked in early 2002. Data for April-December 2001 are estimates until benchmarked in early 2003. All estimates are the most current revised data available. Labor force data for 2000 and 2001 will be revised.

Consumer Price Index

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

	September 2001	% Change vs Yr. Ago	YTD % Change vs Yr. Ago (inflation rate)
All Items	178.3	2.6	2.8
Commodities	151.5	0.8	1.3
Services	204.9	3.9	3.9

*U = All urban consumers

Source: U.S. Bureau of Labor Statistics

Inflation Rate

2.8

State Labor Force Summary*

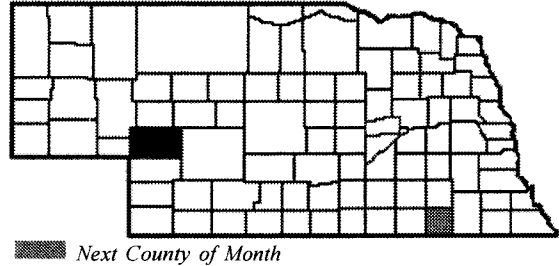
	August 2001
Labor Force	953,930
Employment	926,999
Unemployment Rate	2.8

*By place of residence

Source: Nebraska Department of Labor, Labor Market Information

County of the Month

**Keith
Ogallala - County Seat**



License plate prefix number: 68

Size of county: 1,061 square miles, ranks 14th in the state

Population: 8,875 in 2000, a change of 3.4 percent from 1990

Per capita personal income: \$20,511 in 1998, ranks 58th in the state

Net taxable retail sales (\$000): \$91,973 in 2000 a change of -1.3 percent from 1999; \$54,192 from January through July 2001, a change of 0.8 percent from the same period the previous year.

Unemployment rate: 2.9 percent in Keith County, 3.0 percent in Nebraska in 2000

	State	Keith County
Nonfarm employment (2000)¹:	909,543	3,556
(wage & salary)	<i>(percent of total)</i>	
Construction and Mining	5.0	3.5
Manufacturing	13.2	13.0
TCU	6.4	1.2
Wholesale Trade	6.0	30.9
Retail Trade	18.0	7.2
FIRE	6.7	4.8
Services	27.7	21.8
Government	17.0	17.6

Agriculture:

Number of farms: 375 in 1997; 348 in 1992; 405 in 1987

Average farm size: 1,618 acres in 1997; 1,922 acres in 1992

Market value of farm products sold: \$102.8 million in 1997 (\$274,101 average per farm);

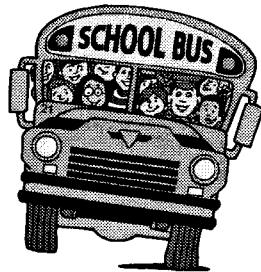
\$82.7 million in 1992 (\$237,520 average per farm)

¹By place of work

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

bulletin board

Expanded Nebraska Public School District Expenditure Data Now Available




BBR has expanded its Nebraska public school district expenditure and property tax database to include school years 1997-98 through 1999-2000 in tabular and interactive map form. Go to www.bbr.unl.edu and *click* on the presentations link.

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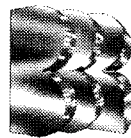


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