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## SLOW GROWTH AND UNCERTAINTY

*By the Nebraska Business Forecast Council*

### U.S. Macroeconomic Outlook

**A** lingering financial crisis, economic shocks, and economic policy have combined to derail the self-sustaining recovery in the United State economy. Growth has slowed to a crawl and the risk of another recession runs high. What has happened? To begin with, the Great Recession of 2008 and 2009 continues to impact the construction sector and state and local government employment. New housing construction remains depressed, causing construction employment to drift downward. With tax revenues below pre-recession levels, state and local government employment continues a steady decline. The market also continues to face unexpected shocks. The Japanese earthquake, in particular, helped to derail a rapidly growing manufacturing sector. Brinksmanship surrounding the U.S. debt ceiling and a potential U.S. federal government default also derailed confidence in the U.S. economy, providing another negative shock to businesses and households. Finally, long-run economic policy decisions continue to discourage growth. Europe may fall into a second recession because of the ongoing failure of European leaders to resolve the continent's sovereign debt crisis. Failure by U.S. policy makers to identify and agree to a long-run strategy to reduce U.S. federal government debt also has been a major drag on business investment and consumer confidence. Finally, significant increases in regulation in the last two years on the health care, financial services, and industrial sectors have discouraged growth in the United States. As a result of all these factors, consumer spending and business investment are now growing at an anemic pace.

Such growth, of course, is essential to the continued expansion of the economy. As a result, there is a heightened risk that the economy will fall back into recession. At best, the U.S. economy is looking at a period of anemic economic growth at the end of 2011 and the beginning of 2012, with a return to moderate growth later in that year.

While the risk of recession is substantial, the latter scenario of continued anemic growth in the short-run and moderate growth in the long-run is the most likely scenario for the U.S. economy. What would this anemic growth scenario look like? The Council's expectation is that real gross domestic product (GDP) growth will be just 1% nationwide this year, reflecting average growth of 1.5% in the last two quarters of 2011. Real GDP growth will hit 2% in 2012, with growth accelerating throughout the year. Real GDP growth of 3% is expected in 2013. Given job growth that has already occurred in 2011, U.S. job growth will reach 0.8% this year. Growth will reach 0.8% in 2012 and 1.2% in 2013. With baby-boomers beginning to retire and slow labor force growth, the unemployment rate should remain stable despite anemic job growth in late 2011 and 2012. Unemployment rates should decline later in 2012, falling to 8.5% by the end of the year. The consumer price index is expected to rise by 3.0% in 2011 and by 2.3% in 2012 before returning to the Federal Reserve Bank target rate of 2.0% in 2013.

Looking beyond this baseline scenario, a more pessimistic outcome is the most likely alternative. The Council puts the odds of another U.S. recession at one-in-three.

## Nebraska Outlook



Table 1 summarizes the Nebraska economic outlook. The outlook calls for solid employment and income growth in 2011, with job growth accelerating in 2013. Farm incomes will reach record levels in 2011, and will remain strong in 2012 and 2013.

**Table 1— Key Economic Growth Rates**

	Nonfarm Employment	Nonfarm Personal Income (nominal)	Net Farm Income (nominal)
2010	-0.6%	2.2%	49.3%
2011	1.3%	5.4%	35.0%
2012	1.2%	3.9%	-11.1%
2013	1.8%	3.9%	-2.1%

Note: Nominal income growth includes inflation.

Nominal non-farm income growth will be strong in Nebraska in 2011. However, the increase in nominal non-farm income partly reflects an elevated inflation rate (3%) and the temporary cut in social security contribution rates (these contributions normally subtract from personal income). Growth in farm income will be substantial in 2011. Farm income is projected to grow by 35.0% in 2011, reaching a record level of \$5.4 billion. Total income growth, which includes both farm and non-farm income, will be strong in 2011, even after adjusting for inflation. Growth will be moderate in 2012 and 2013.

## Employment

As seen in Table 2, job growth in Nebraska will be moderate in both the current year and 2012. Strong job growth is not expected to return until 2013. The reason is that Nebraska job growth is expected to be weak in late 2011 and early 2012, as the national economy slows to a crawl. This rough patch in U.S. and Nebraska employment growth was not anticipated at the time of our last forecast in February 2011, and our job growth forecast for 2012 has slowed as a result. We next consider job growth by industry.

**Table 2— Comparison of Non-Farm Employment Forecasts**

	February 2011 Forecast	Current Forecast
2010	-0.1%	-0.6%
2011	1.3%	1.3%
2012	1.8%	1.2%
2013	N/A	1.8%

## Construction and Mining

The Nebraska housing market remains in distress, creating strong headwinds for both the construction and financial services industry. As a consequence, construction employment has continued to drift downward at a modest rate during 2011. Further, growth this year has not been aided by either commercial construction or infrastructure spending. Commercial construction activity has remained steady, but well below pre-recession levels. Infrastructure spending also has remained steady throughout the year. Looking forward, we expect only a modest rebound in housing and commercial construction activity next year, beginning later in the year. That modest recovery will continue into 2013, though even in that year construction activity will remain well below long-term averages. The year 2013, however, should be a strong year for transportation construction, as the plan approved last year to utilize state general revenue (a portion of the sales tax) to fund highway construction begins to take effect in the state. Nebraska construction activity, as a result, should experience solid growth in 2013. Construction industry employment is expected to decline by 0.5% in 2011, for the year as a whole. Construction industry employment will be flat in 2012, as modest improvements in housing and commercial construction activity keep employment steady. Growth is expected to return in 2013, with employment growing by 1.5% or about 600 jobs.

## Manufacturing

Supply chain disruptions and geopolitical shocks slowed the growth of the manufacturing industry in the second and third quarters of 2011. However, manufacturing activity will improve as the impact of these events fades. In particular, steady, but not robust growth in manufacturing activity will return in 2012. Manufacturing activity in Nebraska should be especially solid given its links to agriculture. In particular, Nebraska's manufacturing sector is expected to outperform the nation in terms of employment growth as the demand for food and food products continues to increase globally. This is because Nebraska manufacturing is both a key supplier to the agricultural industry and a key processor of agricultural products.

**Table 3—Number of Nonfarm Jobs and Percent Changes by Industry Annual Averages (in thousands of jobs)**

	Nonfarm Total	Construction, Mining & Natural Resources	Durables	Non- durables	Wholesale Trade	Retail Trade	Trans- portation and Utilities	Inform- ation	Financial	All Services	Federal Gov't	Local Gov't
2000	910.7	45	58.7	55.2	41.7	111.2	44.9	26.8	60.3	312.5	16.6	137.9
2001	916.8	45.3	54.7	56.3	42.5	110.5	45.2	25.8	60.2	319.5	16	140.8
2002	908.1	46.1	50.6	55.5	41.5	108.9	44.9	23.2	61.4	317.1	16.3	142.6
2003	910.5	47.4	47.3	55.1	41	107.2	46.4	21.5	62.4	322.6	16.7	142.9
2004	917.7	48.4	47	54	40.8	106.9	48.9	21.1	63.2	327.4	16.5	143.4
2005	930.2	47.8	48.4	52.9	40.6	107.2	52.3	20.2	64.5	335.2	16.3	144.7
2006	941.5	48.4	49.7	51.8	40.8	106.4	53.4	19.5	66.7	342.9	16.2	145.9
2007	957.4	50.5	50	51.4	41.1	107.5	56.2	19.4	68.7	350.3	15.9	146.5
2008	965.0	50.1	49.3	52.1	42.0	107.0	56.1	18.7	69.2	356.5	16.1	147.8
2009	944.6	47.1	42.6	50.6	41.2	104.4	52.6	17.5	68.4	351.7	16.5	152.0
2010	939.4	42.5	41.3	50.3	40.6	103.9	51.5	16.9	68.5	354.5	17.3	152.1
<b>Forecast Number</b>												
2011	951.8	42.3	43.0	51.1	40.8	105.1	53.6	17.0	68.2	362.7	15.9	152.1
2012	963.6	42.3	43.9	51.5	40.8	105.8	56.1	16.9	68.5	369.2	15.9	152.7
2013	980.5	42.5	44.8	51.9	40.9	106.8	58.6	16.7	69.5	378.0	15.9	154.2
<b>Forecast Number</b>												
2011	1.3%	-0.5%	4.1%	1.8%	0.5%	1.2%	4.1%	0.5%	-0.5%	2.3%	-8.0%	0.0%
2012	1.2%	0.5%	2.1%	0.8%	0.0%	0.6%	4.7%	-0.5%	0.5%	1.8%	0.0%	0.4%
2013	1.8%	1.5%	2.1%	0.8%	0.3%	1.0%	4.4%	-1.0%	1.5%	2.4%	0.0%	1.0%

Source: <http://data.bls.gov/cgi-bin/dsrv>, 2011

A variety of factors will benefit agriculture and Nebraska's manufacturing industry in the years to come. Rapidly growing incomes in developing Asian and Latin American economies should increase food consumption and rapidly expand the demand for U.S. agricultural machinery and food products. The U.S. dollar should fall further against many Asian currencies, particularly if China moves to devalue its currency. Nebraska beef producers and processors will continue to regain access to Asian markets lost during the last decade due to concerns about "mad cow" disease. Nebraska's large crop sector and cattle sectors also have made the state a preferred location for firms seeking to be part of the renewable energy industry.

These conditions, and a gradual improvement in the national and global manufacturing sector, point to a moderate recovery in Nebraska's manufacturing employment in 2012 and 2013, building on the rapid improvements that occurred in late 2010 and early 2011. Durable goods employment is expected to rise 4.1% in 2011 and 2.1% in 2012 and 2013.

Non-durable goods employment will grow by 1.6% in 2011 for the year as a whole. However, in 2012 and 2013, the rebound in non-durable goods employment will be modest, in part because non-durable goods experienced relatively modest job losses during the recession. Non-durable goods employment is forecast to grow by 0.8% in both 2012 and 2013.

### *Transportation and Utilities*

Transportation is a very pro-cyclical industry, meaning that industry employment falls sharply during recession and recovers rapidly during economic recovery. The sector, which declined sharply during 2009, is growing rapidly in 2011. Industry growth, in fact, is expected to exceed 4% over each of the next three years. Such rapid growth reflects recovery from recession but also reflects the strong trend growth rate of transportation in Nebraska. Trend growth rates are strong due to the state's central location along the I-80 corridor, low entry costs and a strong entrepreneurial tradition in the industry, educational training programs, and favorable demographics.

Among individual components of the industry, growth will be most rapid in rail and warehousing. Rail firms are currently hiring, in part to rebuild from retirements and downsizing during the recession. Job growth should continue throughout the three year period though the pace of growth will decelerate throughout. Warehousing employment, which benefits from strength in both rail and trucking, is growing at near a double-digit rate in 2011, and should continue to expand at trend rates in 2012 and 2013. Trucking job growth, however, has been modest in 2011, but is expected to accelerate to above 4% in 2012 and 2013. Together, the three sectors of the industry will deliver steady overall growth for the 2011 to 2013 period. Transportation and utility employment will grow by 4.1% in 2011, 4.7% in 2012, and 4.4% in 2013.

### ***Wholesale Trade***

Wholesale trade employment has followed a unique pattern over the last decade. Employment rises and falls from year to year, and does not closely track growth in the overall economy. Trends in the industry may be hard to identify because many wholesale businesses are tied to wider regional markets as well as the local markets within the state. This means growth in industry activity from year to year will depend on the ability of Nebraska businesses to maintain and gain customers from their competitors, rather than state business cycle trends. Employment is expanding and we anticipate growth of 0.5%, or 200 jobs, in 2011. No growth is forecast for 2012 and employment is expected to increase by another 100 jobs in 2013.

### ***Retail Trade***

Retail sales grew rapidly during the first half of 2011. This growth in part reflects price inflation but also the economy's continuing recovery from the Great Recession. With this recovery in sales there has also been a partial recovery in retail employment, which fell by more than 3% during the recession. Retail employment is expected to grow by 1.2% for 2011 overall, though growth will be slow in the second half of the year as overall economic growth is weak. Retail job growth will accelerate later in 2012, but will grow by just 0.6% in 2012 overall. Growth will reach 1.0% in 2013, as aggregate economic growth accelerates. By the end of 2013, retail employment will remain below pre-recession levels and the industry is not expected to be a major source of job growth in the future.

### ***Information***

The information industry contains a diverse group of businesses including newspapers, media outlets, sound studios, and technology-oriented businesses such as telecommunications, data processing, web site development, and web publishing. There has been substantial productivity growth in nearly all of these types of businesses, most notably in publishing and telecommunications. As a result, information employment in Nebraska has fallen steadily for the last decade. However, most information businesses also are cyclically sensitive, so output will rebound strongly as the economy recovers and information employment is expected to grow by 0.5% in 2011. Beginning in 2012, job loss is expected to return, with employment declining by 0.5% in 2012 and 1.0% in 2013.

### ***Financial Services***

The financial services industry comprises a diverse group of related industries including finance, insurance, and real estate. Within financial services, real estate and portions of the finance industry have been severely impacted by the contraction of the housing sector. At the same time, other parts of the financial industry have remained steady in recent years. In particular, Nebraska is a national leader in the insurance industry, and has a number of strong, growing regional banks.

Last year and during 2011, losses due to the housing sector have been sufficient to outweigh improving sectors of the industry. Job loss is forecast for 2011. In 2012, incremental improvements in the housing sector should be sufficient to help the industry return to growth. The industry should return to trend growth in 2013, as the housing sector continues to recover. Employment in the financial services industry will decline by 0.5% in 2011, but grow by 0.5% in 2012 and 1.5% in 2013.

### ***Services***

The services industry accounted for 38% of Nebraska employment in 2010. The services industry also contains a diverse group of businesses. Services includes some of the fastest growing parts of the economy such as professional, scientific and technical services and other types of business services, as well as the largest sectors in the economy such as health care. Services also include hospitality businesses,

encompassing lodging, food services, drinking places, and arts, entertainment, and recreation businesses.

Portions of the services industry are pro-cyclical while others portions grow steadily in all economic conditions. Cyclical segments of the industry include business services and hospitality. These sectors are expected to grow steadily as the economic recovery continues, though growth will be tepid in late 2011 and early 2012. Business services such as accountants, consultants, lawyers, engineers, and administrative services will grow as business demand continues to recover. Hospitality businesses such as accommodations, food services, and arts, entertainment and recreation will grow faster as consumer spending rebounds. At the same time steady-growth sectors of the economy such as health care and education will continue to contribute to growth. With broad-based growth across the services industry, the industry should remain an engine of job growth in Nebraska over the next three years. Services industry employment is expected to grow by 2.3% in 2011 and by 1.8% in 2012. Growth will accelerate to 2.4% in 2013. These growth rates amount to between 6,000 and 9,000 new jobs per year, a significant share of overall Nebraska job growth.

### Government

Compared to the census year of 2010, federal government employment will be sharply lower in 2011. Federal government employment in Nebraska will be 8.0% lower in 2011. Growth is expected to remain unchanged in 2012 and 2013 as large federal budget deficits force cuts to government programs. State and local budget deficits will have an even more pronounced effect on employment in Nebraska. During most years, state and local government employment grows by a steady 1% in Nebraska, or by very close to that rate. However, in 2011 the state of Nebraska and many of its local governments will need to slash spending to maintain balanced budgets. School districts in particular face a loss of federal stimulus money that has helped to maintain funding during the recession. State and local governments will continue to face budget pressures in 2012, resulting in limited employment growth. State and local government employment will be unchanged in 2011 and grow by just 0.4% in 2012. Growth will return to the trend rate of 1.0% in 2013.

## Personal Income

Nebraska has been experiencing both real income growth and higher inflation during 2011. The net result is that nominal income growth (including inflation) will be rapid in Nebraska in 2011. Farm income growth will be very strong, aided by a spike in commodity prices. As seen in Table 4, nominal farm income will grow by an estimated 35.0% in 2011. Growth in nonfarm income will be 5.4% during 2011. This growth rate, however, is as much the result of special factors as of solid economic growth. To begin with, the inflation rate will reach 3% in 2011, so a 5.4% nominal growth rate implies only 2.4% growth in real nonfarm income. Further, a significant share of the growth in real nonfarm income will result from temporary cuts in social security contributions. These contributions are normally deducted from personal income. Looking beyond 2011, income growth should moderate. Farm income will fall slightly as commodity prices moderate. Nonfarm income growth will fall as inflation falls. Income growth will be lower than our previous forecast due to slower job growth in 2012 and the expiration of social security contribution cuts in 2013.

**Table 4— Comparison of Forecasts for Nominal Income**

Nonfarm Income		
	February 2011 Forecast	Current Forecast
2010	2.5%	2.2%
2011	5.0%	5.4%
2012	5.2%	3.9%
2013	N/A	3.9%
Farm Income		
	February 2011 Forecast	Current Forecast
2010	58.6%	49.3%
2011	5.9%	35.0%
2012	-4.4%	-11.1%
2013	N/A	-2.1%

Note: Nominal income growth includes inflation.

### Nonfarm Personal Income

The sources of nonfarm income growth will vary over the forecast period, as seen in Table 5. With inflation running high in 2011, most components of income growth are robust in that year. The decline in social security contributions in 2011 is also evident. In 2012, moderate job growth will lead to moderate growth in income from work, including wage and salary earnings, other labor income (benefits), and nonfarm proprietor income.

**Table 5—Nonfarm Personal Income and Selected Components and Net Farm Income (USDA) (\$ millions)**

	Consumer Price Index	Nonfarm Personal Income	Dividends, Interest, & Rent	Total Personal Current Transfer Receipts	Nonfarm Wages & Salaries (Wages & Salaries — Farm Wages)	Other Labor Income	Contributions to Social Insurance	Residential Adjustment	Nonfarm Proprietor Income	Net Farm Income (USDA)
<b>Millions of Dollars</b>										
2000	172.2	\$47,557	\$10,108	\$6,088	\$26,649	\$5,546	\$4,225	-\$854	\$4,243	\$1,453
2001	177.1	\$49,535	\$10,086	\$6,693	\$27,573	\$5,981	\$4,411	-\$905	\$4,518	\$1,914
2002	179.9	\$51,202	\$10,095	\$7,127	\$28,474	\$6,538	\$4,553	-\$947	\$4,468	\$867
2003	184.0	\$53,027	\$10,101	\$7,424	\$29,458	\$7,136	\$4,716	-\$1,000	\$4,624	\$2,762
2004	188.9	\$55,020	\$9,926	\$7,783	\$30,857	\$7,399	\$4,924	-\$1,019	\$4,998	\$3,587
2005	195.3	\$57,138	\$10,177	\$8,210	\$32,095	\$7,836	\$5,187	-\$1,043	\$5,051	\$2,973
2006	201.6	\$61,065	\$11,471	\$8,833	\$33,905	\$8,144	\$5,595	-\$1,021	\$5,327	\$2,020
2007	207.3	\$64,804	\$13,029	\$9,343	\$35,861	\$8,340	\$5,812	-\$1,113	\$5,155	\$2,994
2008	215.3	\$67,830	\$13,724	\$10,049	\$37,163	\$8,760	\$5,989	-\$1,164	\$5,286	\$4,026
2009	214.5	\$67,377	\$12,860	\$10,984	\$36,639	\$9,054	\$5,999	-\$1,111	\$4,949	\$2,680
2010	218.1	\$68,872	\$12,932	\$11,698	\$37,149	\$9,309	\$6,152	-\$1,142	\$5,078	\$4,000
<b>Forecast Number</b>										
2011	224.6	\$72,594	\$13,191	\$12,153	\$39,124	\$9,897	\$5,844	-\$1,197	\$5,271	\$5,400
2012	229.8	\$75,441	\$13,520	\$12,639	\$40,706	\$10,396	\$6,090	-\$1,239	\$5,509	\$4,800
2013	234.4	\$78,392	\$13,926	\$13,144	\$42,436	\$10,942	\$6,638	-\$1,286	\$5,867	\$4,700
<b>Forecast % (nominal growth)</b>										
2011	3.0%	5.4%	2.0%	3.9%	5.3%	6.3%	-5.0%	4.8%	3.8%	35.0%
2012	2.3%	3.9%	2.5%	4.0%	4.0%	5.0%	4.2%	3.5%	4.5%	-11.1%
2013	2.0%	3.9%	3.0%	4.0%	4.3%	5.3%	9.0%	3.8%	6.5%	-2.1%

Source: <http://www.bea.gov>, 2011. Note: Nominal income growth includes inflation.

Growth in income from work will accelerate in 2013, as the rate of job growth increases. But, the expiration of social security contribution cuts will cap growth in nonfarm income in that year. With large federal deficits, transfer income will expand modestly, running at around 4% throughout the three years. Income from dividends, interest, and rent will grow slowly as interest rates remain low.

### *Farm Income*

Dramatic economic changes have been occurring over recent years in Nebraska’s agricultural production sector. In particular, farm production and incomes have benefited from rising commodity prices, increasing synergism of key crop and livestock sectors and the state-of-the-art management skill of producers. These factors, along with good crop and livestock seasons, have combined to produce a record farm income in Nebraska in 2011. As is evident in Table 5, farm income is expected to reach \$5.4 billion in 2011.

While farm income will likely retreat from these record levels in 2012 and 2013, it is worth noting that

Nebraska farm income appears to have reached something of a new plateau, with incomes consistently higher than a decade ago. The reasons for this were outlined above, but are worth exploring in more detail. In particular, high commodity prices are partly the result of poor weather conditions in competing regions but also reflect an important long-term trend of growing incomes in the developing world. The “terms of trade” have shifted in favor of U.S. agriculture, and a good portion of higher commodity prices should be sustained in the long run. Another positive trend has been the rising importance of distiller’s grain in feedlots. Preference for distiller’s grain has made Nebraska an even more attractive location for feeder cattle operations. Lastly, Nebraska’s large farms and relatively flat landscapes have made the state an ideal location for the successful adoption of precision agriculture equipment and techniques.

These trends suggest that the recent surge in farm income can be sustained for years to come. Farm income is projected to fall back, but remain near record levels at \$4.8 million in 2012 and \$4.7 million in 2013.

## Net Taxable Retail Sales

In Table 6, data on net taxable retail sales are divided into motor vehicle sales and non-motor vehicle sales. The distinction is important. Motor vehicle net taxable sales are growing over time, but at an uneven rate from year to year. Non-motor vehicle taxable sales rise steadily, but are affected by business cycles and periodic changes to Nebraska's sales tax base. During the outlook period, we do not anticipate changes in the sales tax base, but the economic recovery will influence trends in taxable sales.

Non-motor vehicle taxable sales are experiencing substantial growth in Nebraska in 2011. This in part reflects a continued recovery from the recent recession, but also is the result of elevated inflation, and rapidly rising farm incomes. In turn, growth will moderate in 2012 and 2013 as inflation falls and as farm incomes settle in near current levels. Non-motor vehicle taxable sales, however, will benefit from faster job growth in 2013, and resulting increases in wages, salaries and proprietor income. Growth will reach 3.0% in 2012 and 3.5% in 2013.

Growth in motor vehicle net taxable sales will be robust during the forecast period. Sales are benefiting from two important trends. First, Nebraska vehicle sales are growing as part of a nationwide recovery in auto purchases. Motor vehicles sales fell sharply during the recent recession, with 2 of 3 U.S.-based automakers falling into bankruptcy. Second, record farm incomes have resulted in surging sales of farm trucks in Nebraska. The result is a 10% increase in motor vehicle net taxable sales in Nebraska in 2011. Annual growth is expected to continue near 5% in 2012 and 2013 as farm incomes remain strong and as U.S. auto sales continue to recover from the recent recession.

Strong growth in vehicle sales, combined with growth in non-motor vehicle taxable sales, will produce significant increases in total net taxable sales in Nebraska. Total net taxable sales will grow by 6.0% in 2011, 3.2% in 2012, and 3.7% in 2013. All rates easily exceed projected inflation rates of 3.0% in 2011, 2.3% in 2012 and 2.0% in 2013. This implies that there will be real growth in net taxable sales and sales tax revenue in Nebraska over the next three years.

**Table 6—Net Taxable Retail Sales, Annual Totals (\$ millions)**

	Consumer Price Index	Total Net Taxable Sales	Motor Vehicle Net Taxable Sales	Non Motor Vehicle Net Taxable Retail Sales
<b>Millions of Dollars</b>				
2000	172.2	\$20,443	\$2,605	\$17,838
2001	177.1	\$21,057	\$2,897	\$18,160
2002	179.9	\$21,426	\$2,926	\$18,500
2003	184.0	\$22,092	\$2,894	\$19,199
2004	188.9	\$23,618	\$2,885	\$20,733
2005	195.3	\$24,443	\$2,751	\$21,691
2006	201.6	\$24,978	\$2,661	\$22,317
2007	207.3	\$26,237	\$2,902	\$23,335
2008	215.3	\$26,664	\$2,943	\$23,721
2009	214.5	\$25,709	\$2,798	\$22,911
2010	218.1	\$26,683	\$3,021	\$23,662
<b>Forecast Number</b>				
2011	224.6	\$28,286	\$3,323	\$24,963
2012	229.8	\$29,195	\$3,482	\$25,712
2013	234.4	\$30,269	\$3,656	\$26,612
<b>Forecast % (nominal growth)</b>				
2011	3.0%	6.0%	10.0%	5.5%
2012	2.3%	3.2%	4.8%	3.0%
2013	2.0%	3.7%	5.0%	3.5%

Source: Nebraska Department of Revenue, 2011. Note: Nominal taxable sales growth includes inflation.

# Our Thanks ...

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