Nebraska Business Conditions Survey Report - January 2003

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Business optimism about near-term economic conditions dropped in January from the December high. The drop was slightly greater in the state's metro region that includes Cass, Douglas, Lancaster, Sarpy, and Washington Counties. Statewide, 40 percent of the businesses that participated in the January survey expect economic conditions to improve in the next six months, down from 47 percent in the December survey. Thirty-nine percent of the metro respondents expect near-term economic conditions to improve, down from 46 percent last month. Forty-two percent of the nonmetro respondents expect near-term economic conditions to improve, down from 47 percent in December.

Respondents in the retail trade sector were the least optimistic about future economic conditions. Statewide, only 25 percent of the respondents expect economic conditions to improve, 21 percent and 30 percent, respectively, in the metro and nonmetro regions. In contrast, respondents in durables manufacturing were the most optimistic. Statewide, 62 percent of the respondents expect improvement in near-term economic conditions, 60 percent and 63 percent, respectively, in the metro and nonmetro regions.

Statewide, 40 percent of all respondents expect their sales to increase in the next three months, 44 percent and 37 percent, respectively, in the metro and nonmetro regions. Seventy percent of the respondents in the transportation, communications, and utilities (TCU) sector expect sales to increase in the next three months, 75 percent and 67 percent, respectively, in the metro and nonmetro regions. In contrast, only 25 percent of the respondents in the retail trade sector expect sales to increase in the next three months, 26 percent and 24 percent, respectively, in the metro and nonmetro regions.

Most respondents—63 percent—do not intend to raise prices in the next three months. In spite of the current uncertainty over future fuel and energy costs, 70 percent of TCU respondents do not intend to raise prices in the next three months. However, 43 percent of the respondents in the wholesale trade sector and 38 percent of those in the finance, insurance, and real estate (FIRE) sector expect to raise prices in the next three months.

The number of job hires is expected to nearly double the number of job layoffs in the coming quarter. However, respondents in the nondurables manufacturing sector indicate a slight decline in net employment. This net employment drop contrasts with the 64 percent of respondents that expect sales to increase in the next three months. The indication is that any increase in output/sales can be met by an increase in labor productivity.

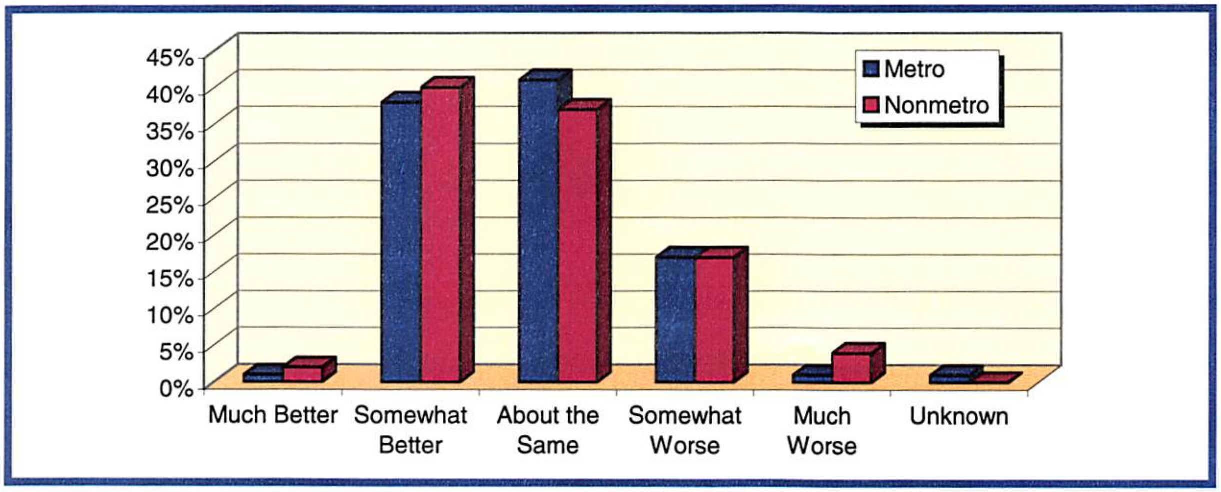
The cost and quality of labor continue to be factors of major concern to both metro and nonmetro respondents. At the sector level, labor is of greatest concern in the construction and TCU sectors. The cost of insurance continues to be a major concern in all sectors, second only to labor.

The Nebraska Business Conditions Survey (NBCS) is conducted each month from a representative sample of businesses drawn from files maintained by the Nebraska Department of Labor, Nebraska Workforce Development.

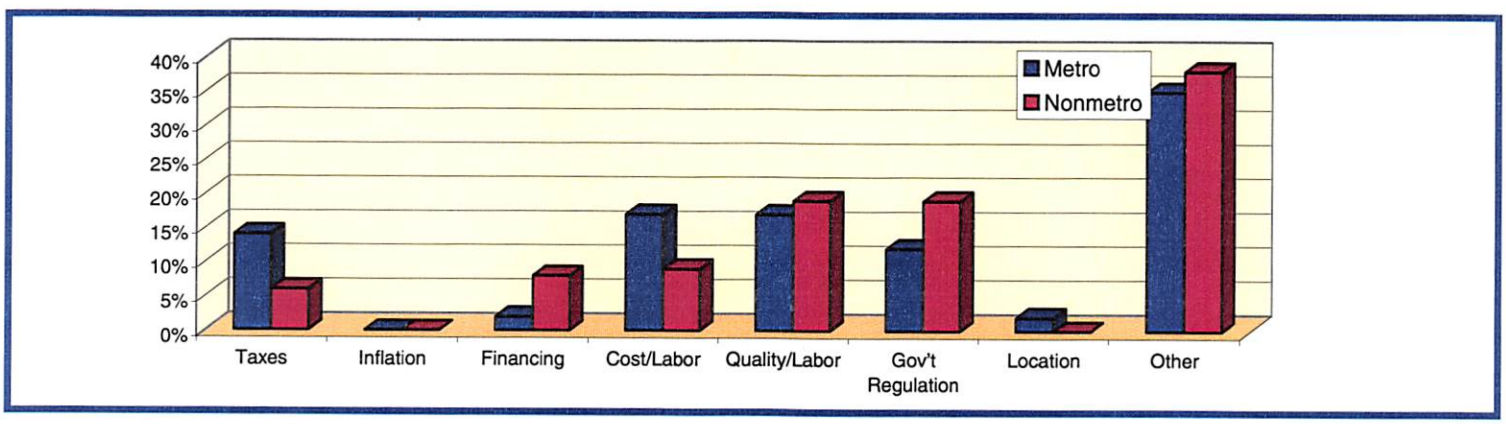
Future NBCS Report release dates:
March 11, 2003
April 8, 2003
May 13, 2003

Nebraska Business Conditions Survey Detail - July 2002

Question 1 - Opinion of the general economic conditions in six months:

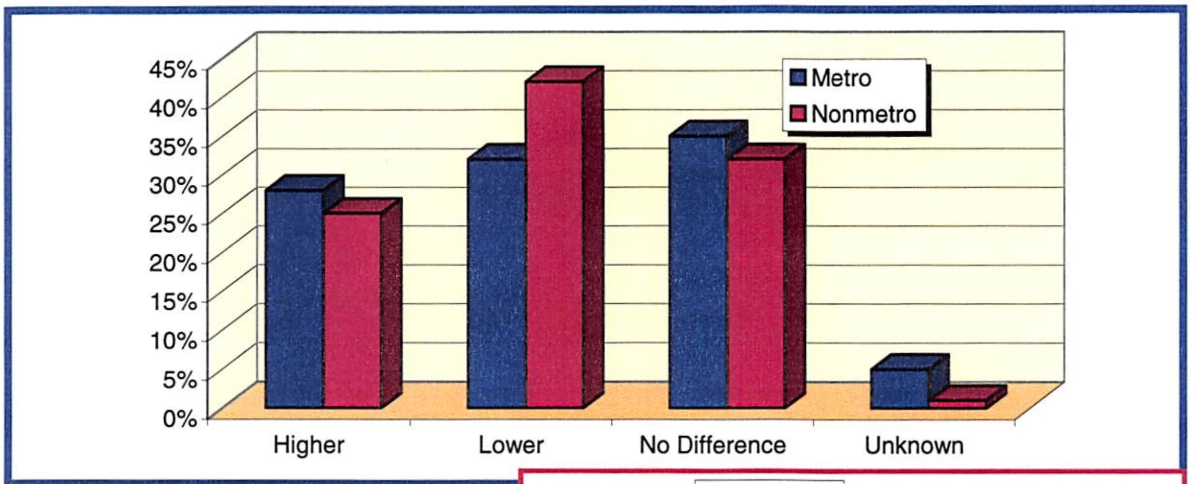


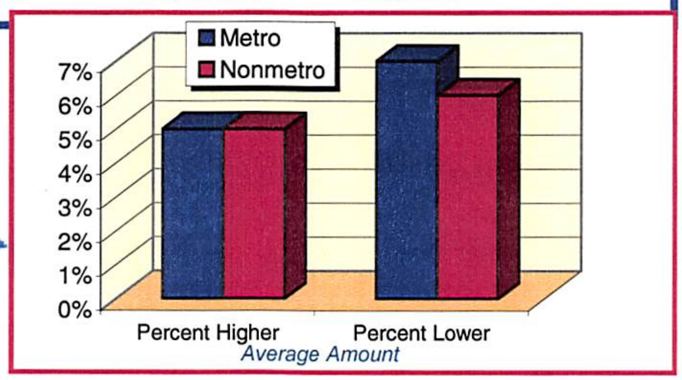
Question 2 - Most important issue facing business today:



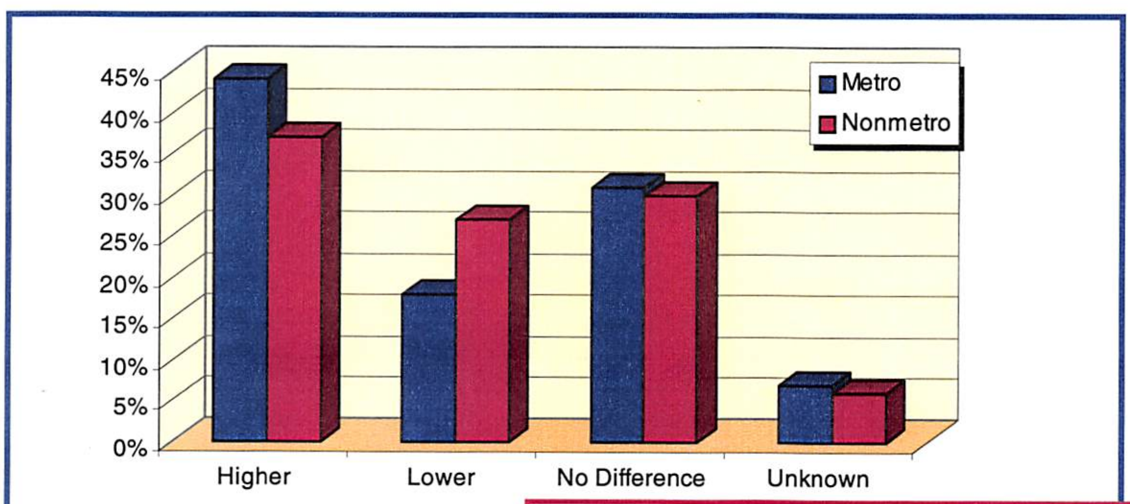
Source: Nebraska Workforce Development, Nebraska Department of Labor

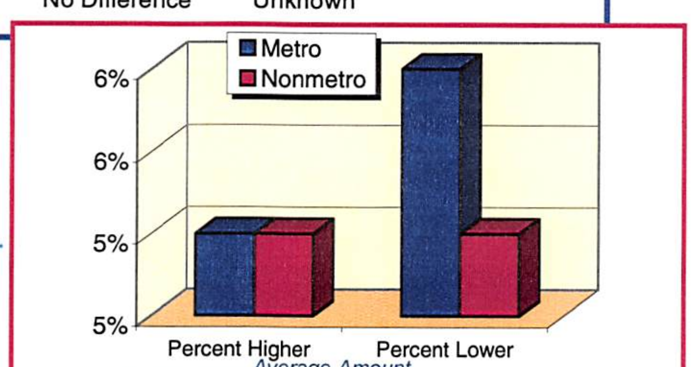
Question 3 - **Expected real volume (number of units) of goods/services sold this month compared to the last three months:**





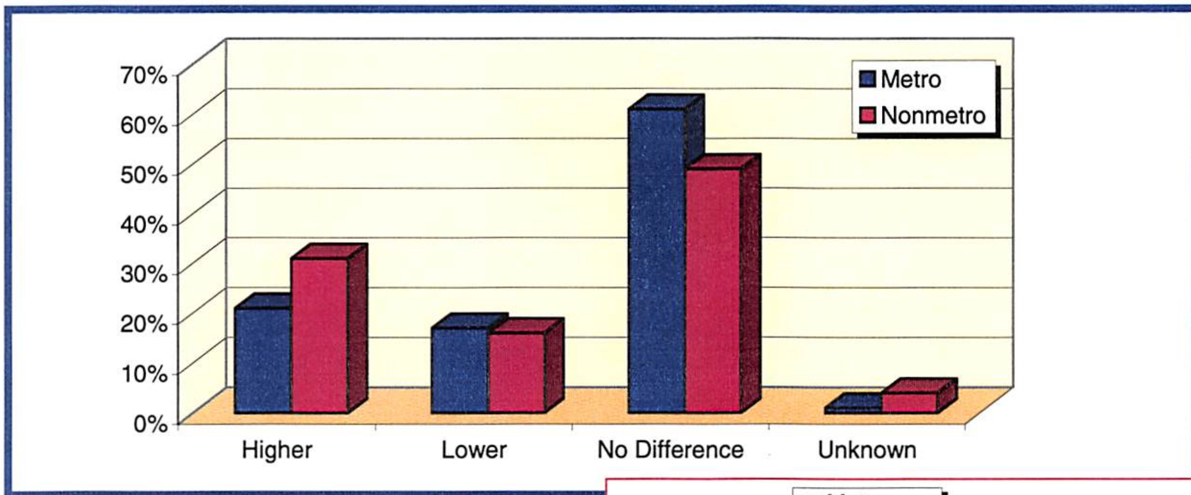
Question 4 - **Anticipated real volume (number of units) of goods/services to be sold in the upcoming three months, compared to this month:**

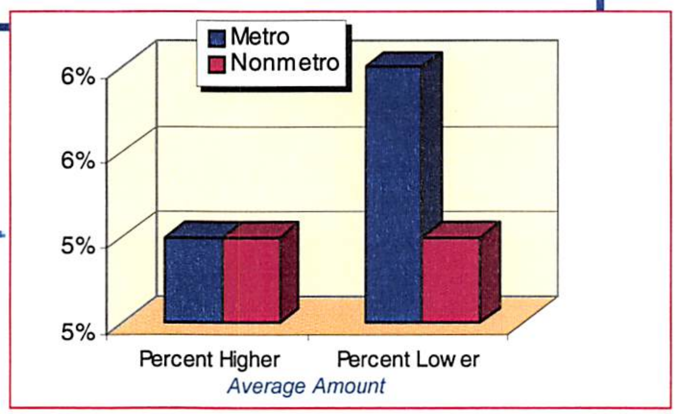




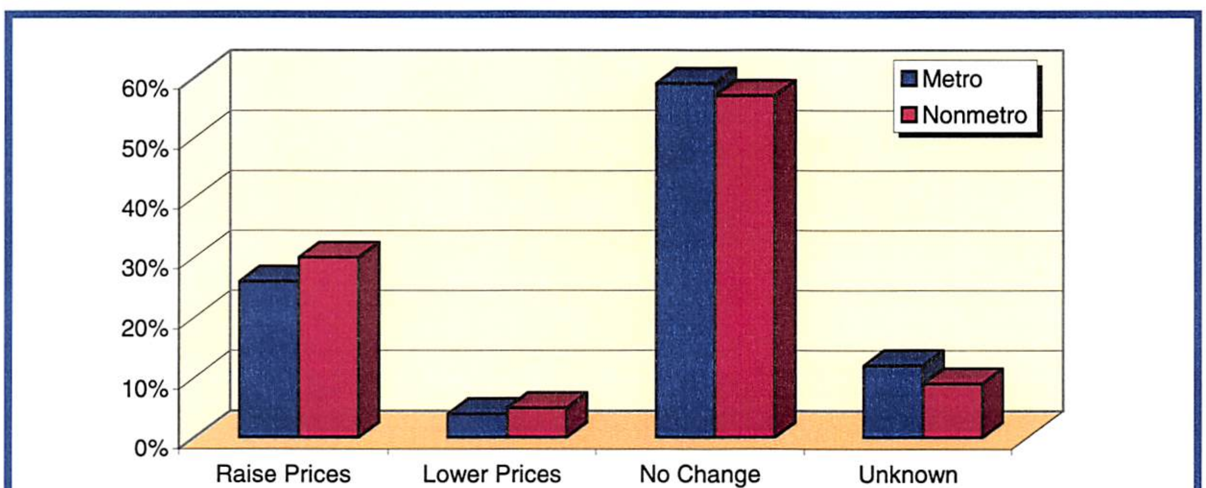
Source: Nebraska Workforce Development, Nebraska Department of Labor

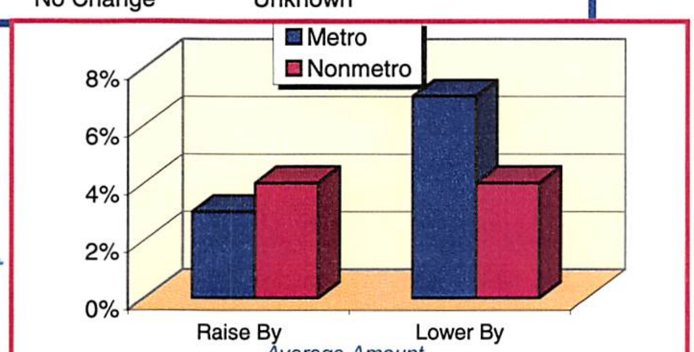
Question 5 - **Current average selling prices, compared to three months ago:**





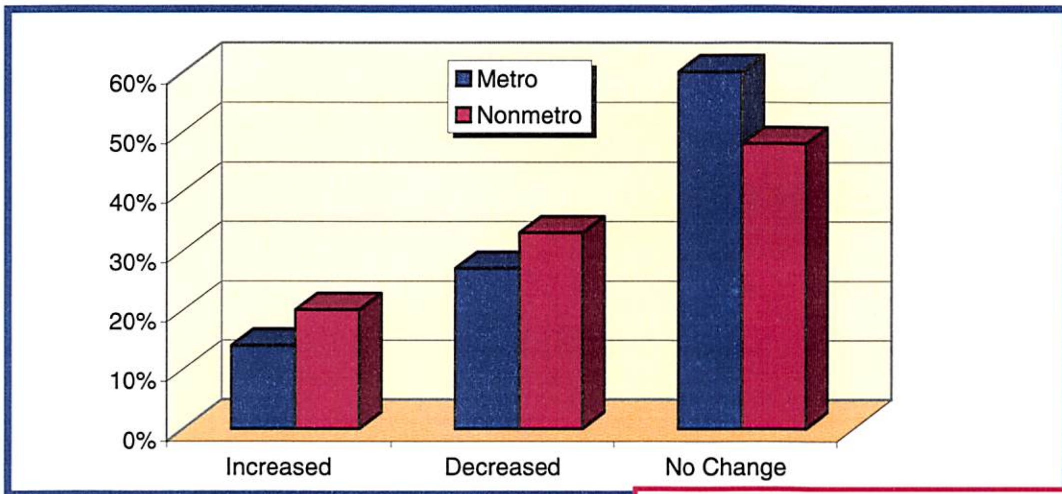
Question 6 - **Expected change in the average selling prices of goods/services in the next three months:**

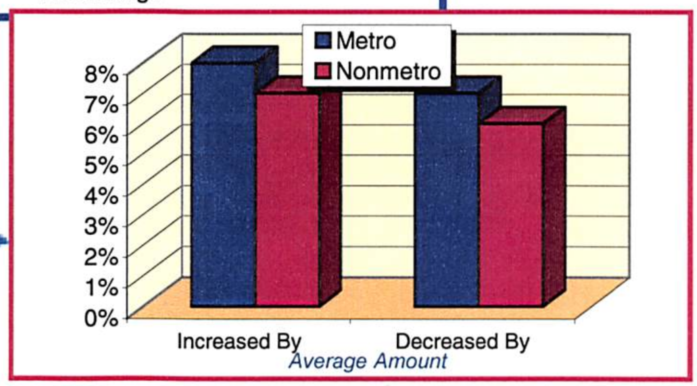




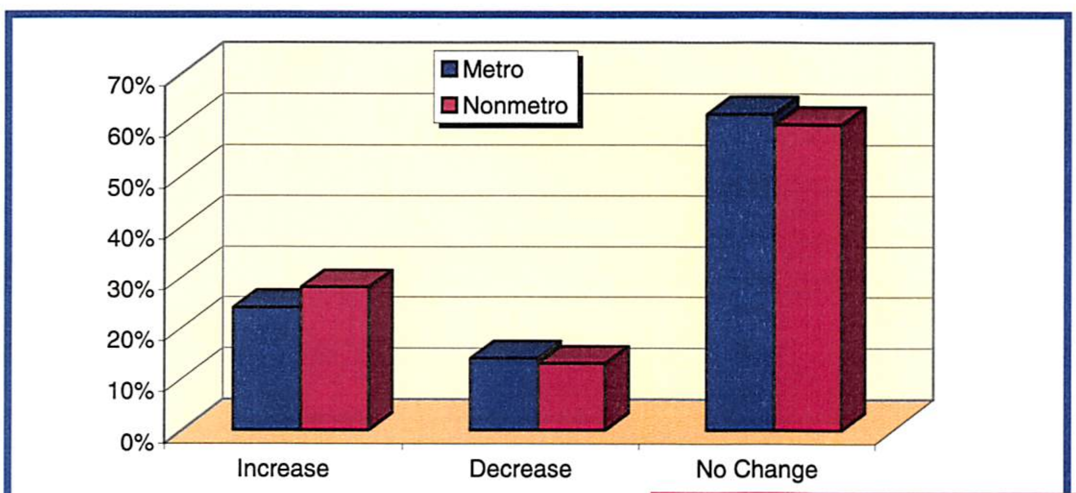
Source: Nebraska Workforce Development, Nebraska Department of Labor

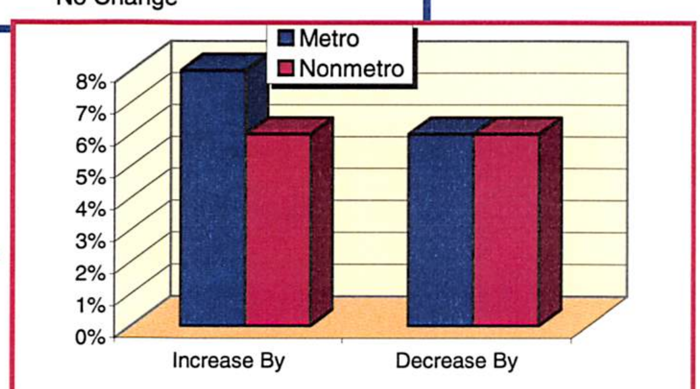
Question 7 - Status of total number of employees in the last three months:





Question 8 - Expected changes in number of employees during the next three months:





Source: Nebraska Workforce Development, Nebraska Department of Labor

Nebraska Business Conditions Survey Detail Tables - January 2003

Q-1 Opinion of the general economic conditions in six months.

	Much Better	Somewhat Better	About the Same	Somewhat Worse	Much Worse	Unknown
Metro	1%	38%	41%	17%	1%	1%
Nonmetro	2%	40%	37%	17%	4%	0%

Q-2 Most important issue facing business today.

	Taxes	Inflation	Financing	Cost/Labor	Quality/Labor	Gov't Regulation	Location	Other
Metro	14%	0%	2%	17%	17%	12%	2%	35%
Nonmetro	6%	0%	8%	9%	19%	19%	0%	38%

Q-3 Expected real volume (number of units) of goods/services sold this month compared to the last three months. Percent Higher/Lower

	Higher	Lower	No Difference	Unknown
Metro	28%	32%	35%	5%
Nonmetro	25%	42%	32%	1%

Average Amount

	Percent Higher	Percent Lower
Metro	5%	7%
Nonmetro	5%	6%

Q-4 Anticipated real volume (number of units) of goods/services to be sold in the upcoming three months, compared to this month. Percent Higher/Lower.

	Higher	Lower	No Difference	Unknown
Metro	44%	18%	31%	7%
Nonmetro	37%	27%	30%	6%

Average Amount

	Percent Higher	Percent Lower
Metro	5%	6%
Nonmetro	5%	5%

Q-5 Current average selling prices, compared to three months ago. Percent Higher/Lower.

	Higher	Lower	No Difference	Unknown
Metro	21%	17%	61%	1%
Nonmetro	31%	16%	49%	4%

Average Amount

	Percent Higher	Percent Lower
Metro	5%	6%
Nonmetro	5%	5%

Q-6 Expected change in the average selling prices of goods/services in the next three months. Percent Raised/Lowered.

	Raise Prices	Lower Prices	No Change	Unknown
Metro	26%	4%	59%	12%
Nonmetro	30%	5%	57%	9%

Average Amount

	Raise By	Lower By
Metro	3%	7%
Nonmetro	4%	4%

Q-7 Status of total number of employees in the last three months. Percent increased/decreased.

	Increased	Decreased	No Change
Metro	14%	27%	60%
Nonmetro	20%	33%	48%

Average Amount

	Increased By	Decreased By
Metro	8%	7%
Nonmetro	7%	6%

Q-8 Expected changes in number of employees during the next three months. Percent Increased/Decreased.

	Increase	Decrease	No Change
Metro	24%	14%	62%
Nonmetro	28%	13%	60%

Average Amount

	Increase By	Decrease By
Metro	8%	6%
Nonmetro	6%	6%

Source: Nebraska Workforce Development, Nebraska Department of Labor