

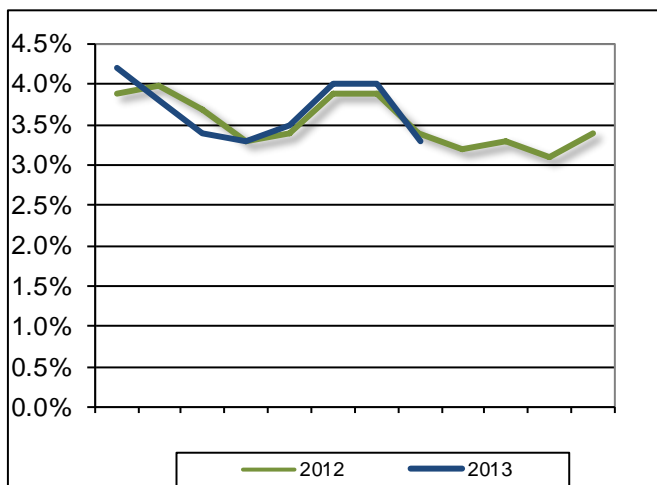
Quarterly Business Indicators

VOLUME 5 NO 2

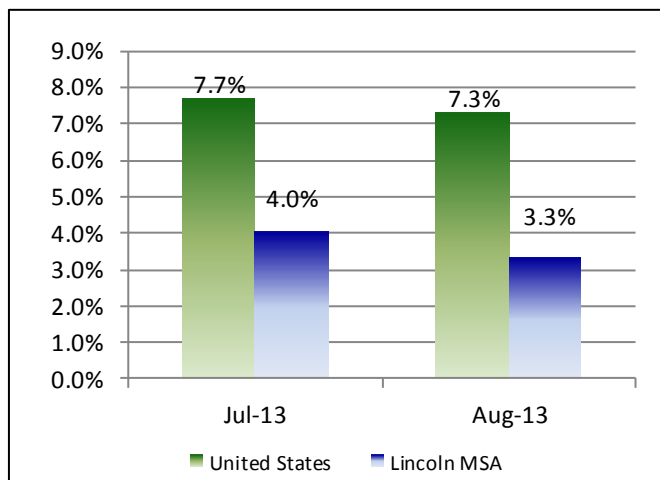
PREPARED BY THE UNL BUREAU OF BUSINESS RESEARCH

3RD QUARTER 2013

**Figure 1: Unemployment Rate
 Lincoln Metropolitan Area
 (Not Seasonally Adjusted)**



**Figure 2: Unemployment Rate
 Lincoln MSA vs. United States
 (Not Seasonally Adjusted)**



Summary of Business Conditions

► The Quarterly Business Indicators for the 3rd quarter of 2013 show solid progress in the Lincoln, Nebraska economy. Improvements in the economy are broad-based.

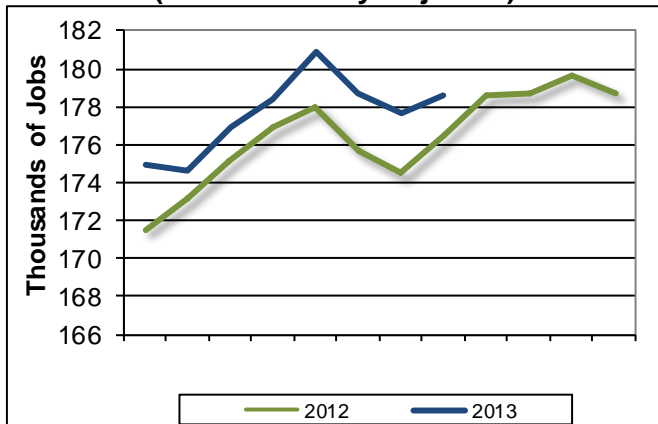
► The Lincoln MSA unemployment rate remains at year ago levels (Figure 1) but is still half of the U.S. rate (Figure 2). Lincoln is experiencing solid labor market growth. Non-farm employment grew by 1.5% in the Lincoln MSA between the 3rd quarter of 2012 and 2013, which is slightly below the 1.7% growth rate nationwide (Figure 4). However, average hours worked rose by 0.4% in the Lincoln MSA over the last year (Figure 8) versus a 0.4% decline nationally. Building permits also are up 17.4% in the Lincoln MSA compared to last year (Figure 6).

► Taxable sales rose solidly in the Lincoln MSA between the 3rd quarter of 2012 and 2013 (Figures 9 and 10). Motor vehicle sales are up 12.5% while other taxable sales are up 6.3% (Table 1).

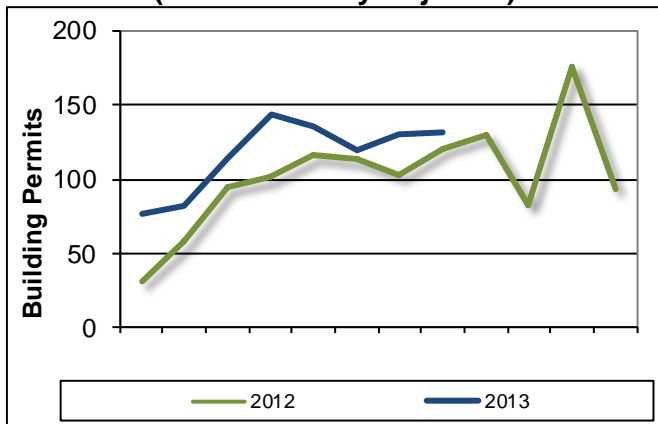
► Among individual industries, manufacturing and insurance employment were unchanged in Lincoln between the 3rd quarter of 2012 and 2013 (Table 1). Professional, scientific and technical services employment also was flat over the year. This result is concerning since professional, scientific and technical services are a source of high wage jobs. State government employment declined during the year, by 1.0%. Among growing industries, construction employment expanded by 2.5% while other financial services (primarily banking) grew by 4.1%. Health care employment expanded by 1.5%.

Lincoln Metropolitan Area

**Figure 3: Non-Farm Employment
Lincoln Metropolitan Area
(Not Seasonally Adjusted)**



**Figure 5: Building Permits
Lincoln Metropolitan Area
(Not Seasonally Adjusted)**

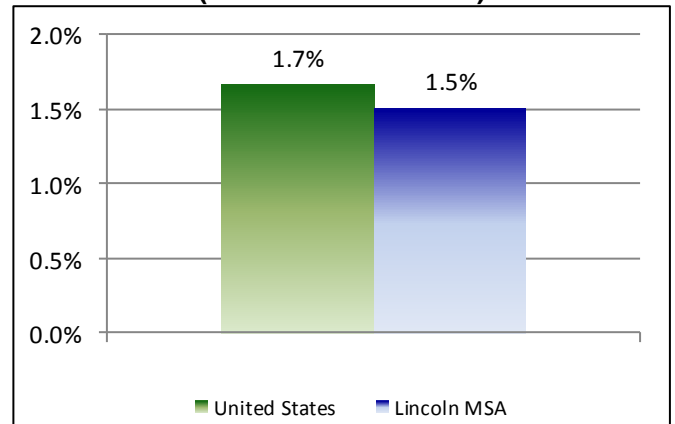


**Figure 7: Average Weekly Work Hours
Lincoln Metropolitan Area
(Not Seasonally Adjusted)**

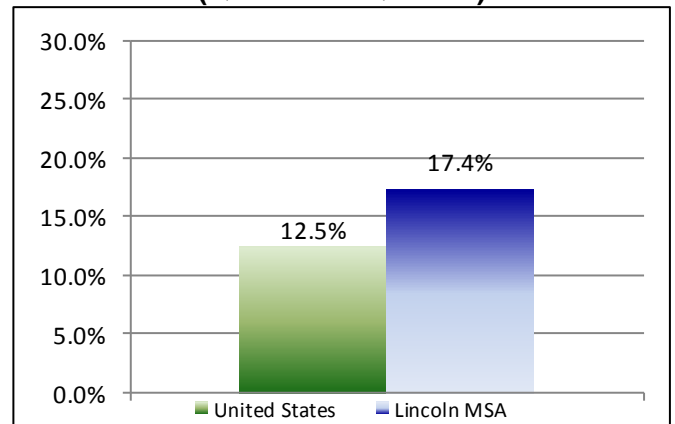


Lincoln MSA versus United States

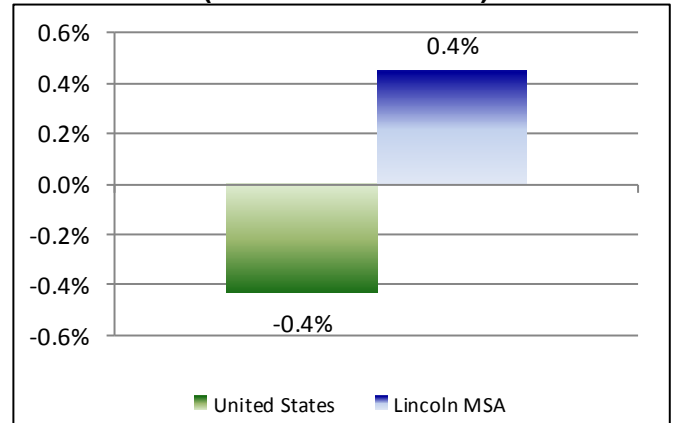
**Figure 4: Growth in Non-Farm Employment
Lincoln MSA vs. United States
(Q3 2012 to Q3 2013)**



**Figure 6: Growth in Building Permits
Lincoln MSA vs. United States
(Q3 2012 to Q3 2013)**

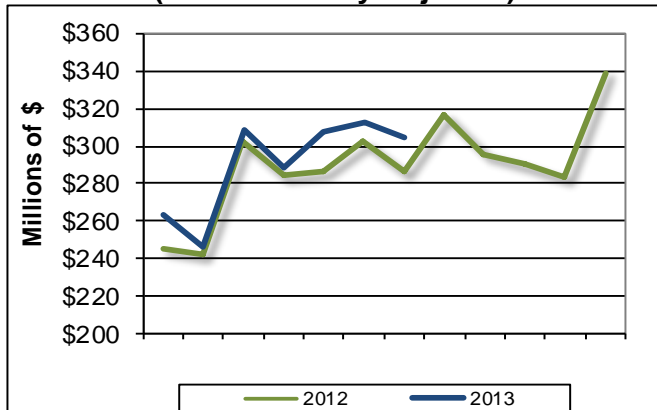


**Figure 8: Growth in Average Weekly Work Hours
Lincoln Metropolitan Area
(Q3 2012 to Q3 2013)**



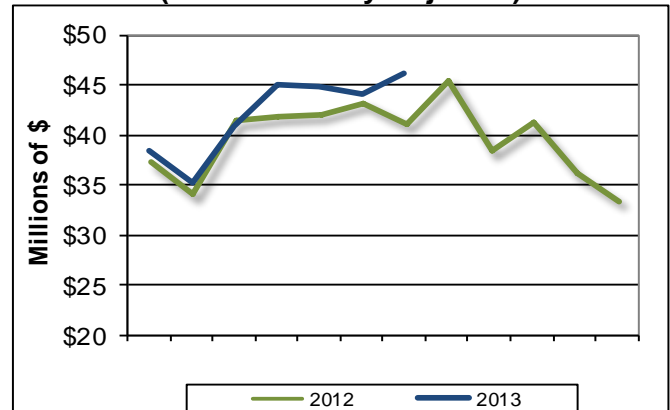
Taxable Sales (Excl. Motor Vehicle)

Figure 9: Taxable Sales
Lincoln Metropolitan Area
(Not Seasonally Adjusted)



Motor Vehicle Taxable Sales

Figure 10: Taxable Sales
Lincoln Metropolitan Area
(Not Seasonally Adjusted)



By the Numbers - 2013

Open Projects

• Leads generated in 2013 (New Companies)	23
• Leads generated in 2013 (Existing Companies)	4
• Site visits in 2013	10
• Current open projects	21

Key Activities

► Lincoln continues to perform well in the jobs sector. Lincoln has the fifth lowest unemployment rate in the United States with a 3.3 percent rate in August, 2013. The Lincoln metro area has 178,900 people employed, which is 3,000 more than in August of 2012.

► In terms of project successes, Zoetis announced a significant facility expansion, adding a new product line and additional employees to meet the new work load. Olsson Associates announced their upcoming move into a new 80,000 square foot corporate headquarters facility in the West Haymarket, slated to be completed in 2014. GT Exhaust also announced a significant construction project at Lincoln airport with a new \$15 million facility being planned. GT Exhaust was recently purchased by ICA, a British company. GeneSeek a Neogen company is in the process of renovating an existing facility they recently purchased; adding jobs to meet a growing workload. In terms of jobs, Nelnet continues its massive job growth in Lincoln, announcing at its annual meeting in May that it would add another 300 people in Lincoln, bringing its total number to over 1,600 at the Lincoln headquarters. The Lincoln Journal Star is consolidating some Lee corporate functions at various sites in the organization. The Lincoln operation will secure additional work in design and is estimating adding 30 new people.

Source: Lincoln Partnership for Economic Development and Nebraska Department of Economic Development

Teledyne, Imscorp and Vantage Homes have all filed Nebraska Advantage contracts estimating a total of 150 new jobs and nearly \$20 million of investment. Finally, Morio Denki, a company from Japan, announced it would open U.S. operations in Lincoln, establishing a presence in collocating with Daitron.

► Lincoln was recently named as one of five “Emerging Entrepreneurial Hubs” in the nation in the August 2013 edition of *Entrepreneur* magazine. The article notes Startup Weekend events, Fuse Co-Working and the Haymarket District.

► The Partnership released its first ever economic dashboard at the annual breakfast. The project was a partnership with Dr. Eric Thompson of the UNL Bureau of Business Research to develop a community dashboard that measures quantifiable statistics with a series of peer and aspirational communities. The report looks at data in five main categories including: economic performance, innovation, talent, entrepreneurship and quality of life. To obtain a copy of the report, go to www.SelectLincoln.org/Publications.

► Collaborative efforts continue to market Nebraska Innovation Campus as an excellent opportunity for companies desiring a research component and/or a relationship with the University.

► The Partnership is on Twitter. For updates on what’s going on in economic development in Lincoln and/or Nebraska, sign up for updates on Twitter @selectlincoln.

► The Partnership is extremely active in the development and promotion of the new Lincoln brand. For more information, go to www.lifeisright.com.

Table 1: Statistical Summary

Percent Change
Q3 2012 to Q3 2013

Variable	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Lincoln	U.S.
Lincoln																	
Summary Variables																	
Nonfarm Employment (1000s), NSA ¹	174.5	176.5	178.6	178.7	179.7	178.7	174.9	174.6	176.9	178.4	180.9	178.7	177.7	178.6	N/A	1.5%	1.7%
Employment (Household Survey) (1000s), NSA ¹	168.4	169.4	170.1	171.7	172.3	170.7	169.8	170.9	172.7	174.7	174.7	173.1	174.4	172.2	N/A	2.6%	1.4%
Labor Force (1000s), NSA ¹	175.3	175.5	175.7	177.5	177.7	176.7	177.2	177.7	178.8	180.7	181.1	180.3	181.8	178.1	N/A	2.6%	0.2%
Unemployment Rate, NSA ¹	3.9%	3.4%	3.2%	3.3%	3.1%	3.4%	4.2%	3.8%	3.4%	3.3%	3.5%	4.0%	4.0%	3.3%	N/A	0.0%	-10.4%
Net taxable sales (excluding motor vehicles) (\$millions), NSA ²	\$286.6	\$316.9	\$296.0	\$290.3	\$283.5	\$339.5	\$263.4	\$246.6	\$308.3	\$288.2	\$307.6	\$312.2	\$304.7	N/A	N/A	6.3%	5.2%
Average Weekly Hours, NSA (private workers) ¹	33.8	33.5	34.0	33.5	32.9	33.4	32.4	32.9	32.9	33.3	33.9	34.7	33.7	33.9	N/A	0.4%	-0.4%
Key Industries																	
Manufacturing Employment (1000s), NSA ¹	13.4	13.4	13.5	13.5	13.5	13.4	13.4	13.4	13.4	13.4	13.4	13.4	13.4	13.4	N/A	0.0%	0.0%
Insurance Employment (1000s), NSA ¹	8.1	8.1	8	8.1	8.1	8	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	N/A	0.0%	1.0%
Other Financial Services Employment (1000s), NSA ¹	6.1	6.2	6.2	6.1	6.1	6.2	6	6.1	6.2	6.3	6.3	6.4	6.4	6.4	N/A	4.1%	1.7%
Prof. Sci., and Tech. Services Employment (1000s), NSA ¹	8.8	8.8	8.7	8.8	8.7	8.8	8.9	8.9	8.9	8.8	8.8	8.8	8.8	8.8	N/A	0.0%	2.9%
Healthcare and Education (1000s), NSA	25.8	25.9	26.4	26.6	26.8	26.8	26.4	26.7	26.8	26.8	26.9	26.5	26.2	26.3	N/A	1.5%	1.9%
State Government Employment (1000s), NSA ¹	19	19.9	21.6	21.8	21.9	21.7	20.5	20	21.3	21.3	21.9	19.1	18.8	19.7	N/A	-1.0%	-0.7%
Housing and Construction																	
Building Permits, NSA ³	103	121	130	83	176	94	77	82	115	144	136	120	131	132	N/A	17.4%	12.5%
Median Sale Price of Single-Family Homes, NSA (\$1000s) ⁴	\$145.3	\$145.5	\$141.4	\$139.6	\$143.6	\$142.8	\$140.7	\$133.2	\$134.8	\$137.7	\$141.9	\$145.4	\$147.4	\$145.5	\$147.3	1.8%	16.0%
Construction Employment (1000s), NSA ¹	7.6	7.5	7.4	7.4	7.3	7	6.5	6.5	6.8	7.2	7.5	7.7	7.8	7.7	N/A	2.6%	2.9%
Automobile																	
Motor vehicle taxable sales (\$millions), NSA ²	\$41.1	\$45.5	\$38.4	\$41.2	\$36.1	\$33.4	\$38.4	\$35.3	\$40.9	\$45.1	\$45.0	\$44.2	\$46.2	N/A	N/A	12.5%	16.6%
Gasoline Price Per Gallon (Regular Unleaded) ⁵	\$3.49	\$3.71	\$3.87	\$3.69	\$3.40	\$3.29	\$3.21	\$3.67	\$3.65	\$3.47	\$3.76	\$3.62	\$3.58	\$3.63	\$3.65	-1.9%	-2.8%
Air Travel																	
Enplanements ⁶	10,703	11,016	11,944	12,598	12,184	11,325	10,473	9,580	11,445	11,061	12,706	12,588	12,695	11,826	11,915	8.2%	0.2%
Deplanements ⁶	11,033	11,978	11,737	12,534	11,901	10,082	11,772	9,304	11,758	11,003	12,070	12,761	12,423	12,962	11,825	7.1%	0.2%

Notes: N/A indicates data point not yet available for month; NSA indicates data that is not seasonally adjusted; Prof, Sci, and Tech. Services is Professional, Scientific, and Technical Services

¹ Source: U.S. Bureau of Labor Statistics (www.bls.gov)

² Source: Nebraska Department of Revenue for Lincoln MSA data (www.revenue.ne.gov) and U.S. Bureau of Census for U.S. data (www.census.gov/retail/marts/www/timeseries.html)

³ Source: U.S. Bureau of Census (www.census.gov/const/www/permitsindex.html)

⁴ Source: www.zillow.com

⁵ Source: American Automobile Association for Lincoln MSA data (www.fuelgaugereport.com) and U.S. Department of Energy for U.S. data (www.eia.doe.gov)

⁶ Source: Lincoln Airport Authority for Lincoln MSA data and U.S. Bureau of Transportation Statistics for U.S. data (http://www.bts.gov/xml/air_traffic/src/datadisp.xml)