

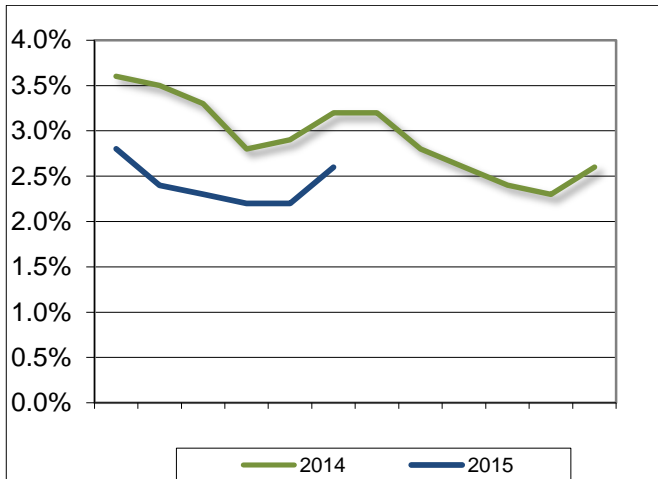
Quarterly Business Indicators

VOLUME 7 NO 1

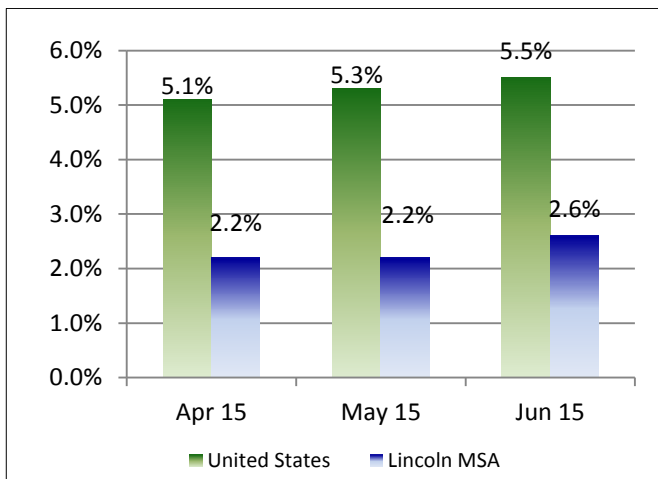
PREPARED BY THE UNL BUREAU OF BUSINESS RESEARCH

2ND QUARTER 2015

**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 2nd quarter of 2015 show a growing Lincoln economy. The rate of growth, however, lagged rapid national growth over the last year.

► The Lincoln MSA unemployment rate is below year-ago levels (Figure 1) and is less than half of the U.S. rate (Figure 2). Non-farm employment, which is measured via a survey of business, grew by 1.5% in Lincoln between the 2nd quarter of 2014 and 2015 (Figure 4). This was solid growth but was below the U.S. growth rate. Further, employment as measured by the household survey was flat (Table 1).

► Among individual industries, manufacturing, other financial services (primarily banking), and professional, scientific and technical services grew rapidly in the Lincoln MSA over the last year (Table 1). Construction and insurance employment grew slowly and there was a decline in state government employment.

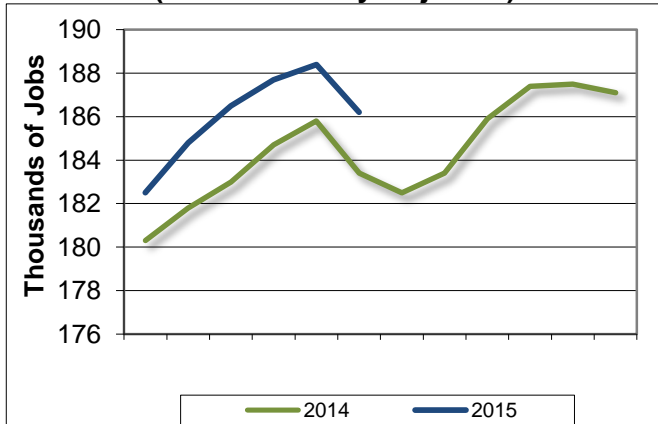
► Taxable sales rose solidly in the Lincoln MSA between the 2nd quarter of 2014 and 2015, matching or exceeding national growth (Figures 9 and 10 and Table 1). Passenger enplanements were another bright spot, up 17.7%. Residential building permits also rose very rapidly in Lincoln (Figure 6), although at a slower pace than nationwide.

► One area of concern for the Lincoln economy is weekly hours (Figures 7 and 8). There was a

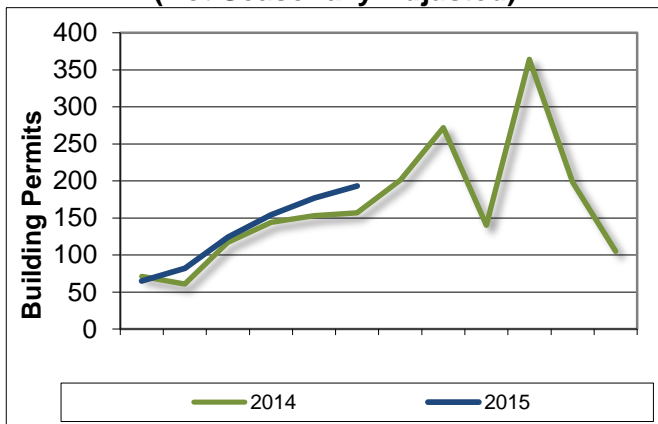
significant decline between the 2nd quarter of 2014 and 2015.

Lincoln Metropolitan Area

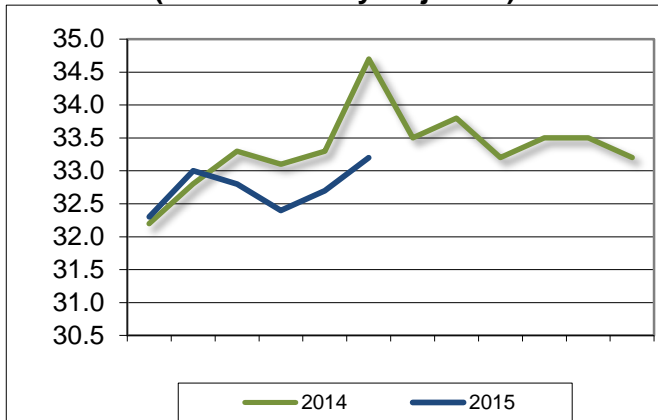
**Figure 3: Non-Farm Employment
Lincoln Metropolitan Area
(Not Seasonally Adjusted)**



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

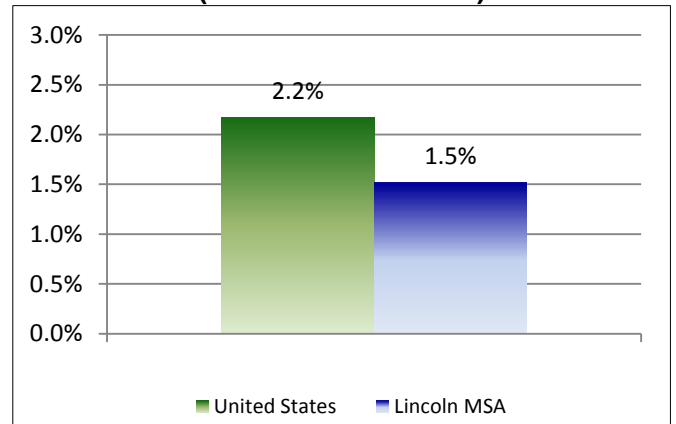


**Figure 7: Average Weekly Work Hours
Lincoln Metropolitan Area
(Not Seasonally Adjusted)**

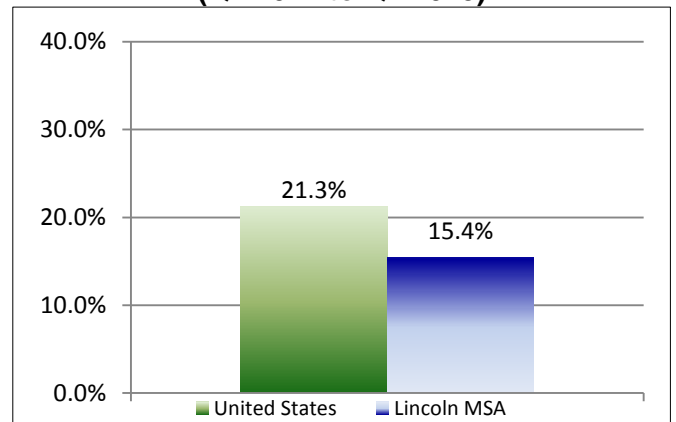


Lincoln MSA versus United States

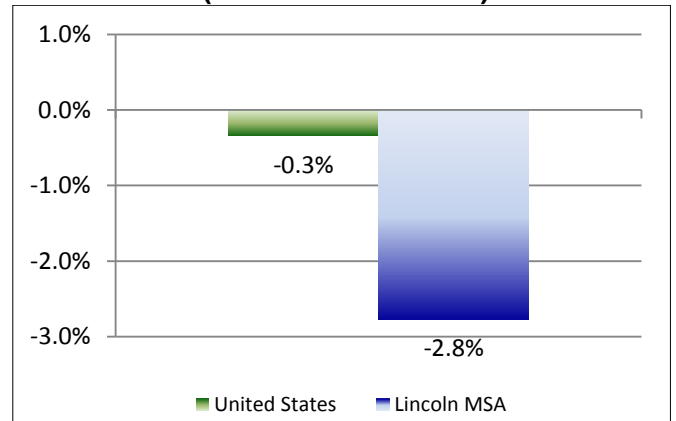
**Figure 4: Growth in Non-Farm Employment
Lincoln MSA vs. United States
(Q2 2014 to Q2 2015)**



**Figure 6: Growth in Building Permits
Lincoln MSA vs. United States
(Q2 2014 to Q2 2015)**

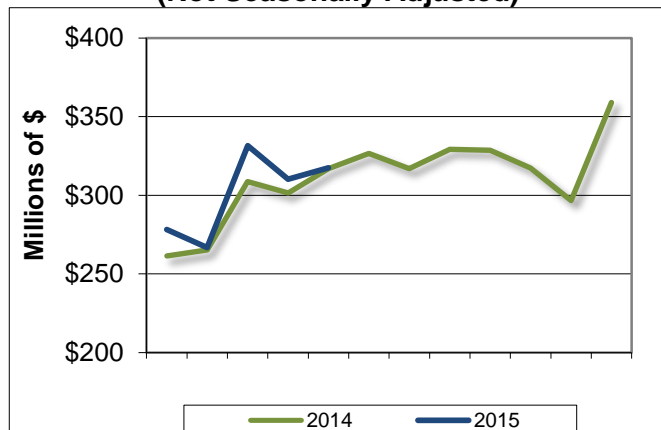


**Figure 8: Growth in Average Weekly Work Hours
Lincoln Metropolitan Area
(Q2 2014 to Q2 2015)**



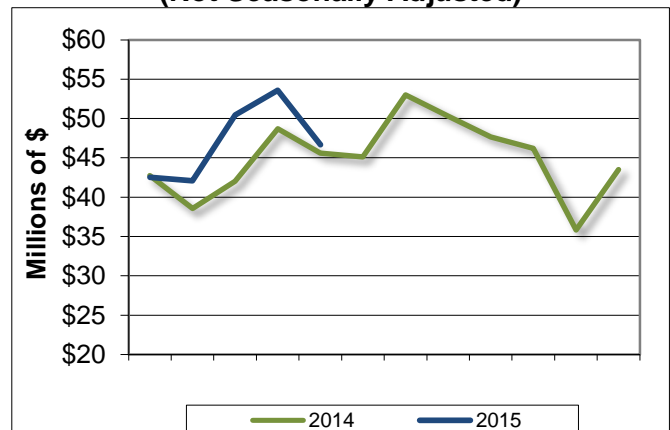
Taxable Sales (Excl. Motor Vehicle)

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 - 2015

Open Projects

- Leads generated in 2015 (new companies) 18
- Leads generated in 2015 (existing companies) 5
- Site visits in 2015 5
- Current open projects 18

Key Activities

- ▶ Lincoln continues to have the lowest unemployment rate in the United States with a 2.6 percent rate in the most recent reporting period of June, 2015. The Lincoln metro area had 186,200 jobs in June, 2015- 2,800 more than June, 2014.
- ▶ A significant number of expansions across several industry sectors continue to drive the job market in Lincoln. Nine existing companies in Lincoln publicly reported expansions already this year outpacing the publicly reported jobs created in all of 2014. The recent announcement of Hudl and Nelnet teaming together to build a new office building in the Haymarket is definitely tremendous news for the future of Lincoln. The addition of potentially over 400 high-tech, high wage jobs over the next several years will make an estimated \$140 million annual economic impact in the city. In the manufacturing sector, Also VMInnovations; an E-Commerce company has announced their decision to remain and grow their headquarters presence in Lincoln. Molex and Hexagon Lincoln continue their strong growth while Ameritas Life Insurance Corp. continues to grow their workforce in Lincoln as well as their Omaha and Wayne, NE offices. Epicorp Technologies, a recently created startup company is involved in agricultural research. Cornhusker Bank is building a new headquarters building at 84th & O Street and along with a significant investment will be hiring additional staff.

Sandhills Publishing continues to grow in northwest Lincoln, adding a significant number of quality jobs.

- ▶ In collaboration with state and local partners, the Partnership staff will return to conducting surveys of primary businesses beginning early in 2016. The goal continues to be the completion of 100 visits and surveys.

- ▶ Lincoln-based accelerator NMotion held its Demo Day on July 28, 2015. The seven startups each pitched their idea to a crowd of over 500.

This year's teams include:

- **BugEater Labs** – Food products based on innovative cricket-based protein
- **Comp'd** – Subscription service for live shows and entertainment
- **Ninjira** – A web-based product for developers to post individual jobs
- **Intellifarm** – Intelligent machinery for agriculture
- **LiveBy (winner of the 2015 JumpStart Challenge)** – Provides data about neighborhoods into a database to be easily accessed by a homebuyer
- **Seamster** – Marketing tool that allows businesses to personalize websites for individual customers
- **SpectatorApp** – A tool for high school booster clubs to streamline the membership signup process

This fall, NMotion will be offering a new Prelaunch Startup Bootcamp at Nebraska Innovation Campus. The course will run on Tuesday evenings beginning September 22 through December 1. The program will help potential entrepreneurs test their ideas in the startup waters by learning about customer discovery, validation, and lean startup. LPED is a sponsor of the NMotion program.

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

Table 1: Statistical Summary

Percent Change
Q2 2014 to Q2 2015

Variable	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Lincoln	U.S.
Lincoln																	
Summary Variables																	
Nonfarm Employment (1000s), NSA ¹	184.7	185.8	183.4	182.5	183.4	185.9	187.4	187.5	187.1	182.5	184.8	186.5	187.7	188.4	186.2	1.5%	2.2%
Employment (Household Survey) (1000s), NSA ¹	174.5	174.6	173.2	174.7	173.5	173.9	176.1	176.3	175.1	172.1	174.8	175.8	175.9	174.4	172.1	0.0%	1.9%
Labor Force (1000s), NSA ¹	179.6	179.8	178.9	180.6	178.5	178.6	180.5	180.5	179.8	177.0	179.1	180.0	179.8	178.4	176.7	-0.6%	1.0%
Unemployment Rate, NSA ¹	2.8%	2.9%	3.2%	3.2%	2.8%	2.6%	2.4%	2.3%	2.6%	2.8%	2.4%	2.3%	2.2%	2.2%	2.6%	-21.3%	-13.1%
Net taxable sales (excluding motor vehicles) (\$millions), NSA ²	\$301.5	\$316.9	\$326.6	\$317.0	\$329.3	\$328.7	\$317.4	\$296.7	\$358.9	\$278.3	\$266.8	\$331.4	\$310.1	\$317.4	N/A	1.5%	0.1%
Average Weekly Hours, NSA (private workers) ¹	33.1	33.3	34.7	33.5	33.8	33.2	33.5	33.5	33.2	32.3	33.0	32.8	32.4	32.7	33.2	-2.8%	-0.3%
Key Industries																	
Manufacturing Employment (1000s), NSA ¹	13.7	13.7	13.8	13.8	14.1	14.1	14.1	14.1	14.2	14.1	14.2	14.2	14.2	14.2	14.2	3.4%	1.4%
Insurance Employment (1000s), NSA ¹	7.7	7.7	7.7	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.7	7.7	7.8	7.8	0.9%	3.4%
Other Financial Services Employment (1000s), NSA ¹	6.7	6.7	6.8	7.2	7.1	7.1	7.1	7.1	7.2	7.1	7.1	7.1	7.2	7.1	7.2	6.4%	1.3%
Prof. Sci., and Tech. Services Employment (1000s), NSA ¹	8.6	8.4	8.5	8.5	8.5	8.5	8.6	8.6	8.6	8.7	8.8	8.9	8.8	8.9	8.9	4.3%	3.6%
Healthcare and Education (1000s), NSA	29.1	29	28.5	28.6	28.7	29.1	29.4	29.5	29.6	29	29.3	29.5	29.6	29.6	29.5	2.4%	2.7%
State Government Employment (1000s), NSA ¹	21.9	22.4	19.5	19.1	19.8	22	22.5	22.3	22.3	20.8	21.4	21.7	22.1	21.7	19.3	-1.1%	0.5%
Housing and Construction																	
Building Permits, NSA ³	144	153	157	201	272	140	364	198	105	65	82	124	154	177	193	15.4%	21.3%
Median Sale Price of Single-Family Homes, NSA (\$1000s) ⁴	\$138.4	\$144.3	\$144.8	\$143.4	\$146.2	\$146.3	\$148.3	\$152.3	\$149.6	\$143.2	\$142.6	\$144.0	\$143.5	\$145.5	\$153.1	3.4%	6.7%
Construction Employment (1000s), NSA ¹	7.7	8	8.3	8.4	8.2	8.1	8.1	7.9	7.6	7.2	7.2	7.4	7.8	8	8.2	0.0%	4.5%
Automobile																	
Motor vehicle taxable sales (\$millions), NSA ²	\$48.7	\$45.6	\$45.1	\$53.0	\$50.3	\$47.6	\$46.2	\$35.8	\$43.5	\$42.5	\$42.1	\$50.4	\$53.6	\$46.7	N/A	6.3%	6.4%
Gasoline Price Per Gallon (Regular Unleaded) ⁵	\$3.58	\$3.46	\$3.53	\$3.50	\$3.38	\$3.33	\$3.12	\$2.96	\$2.57	\$2.00	\$2.18	\$2.41	\$2.39	\$2.55	\$2.66	-29.8%	-29.3%
Air Travel																	
Enplanements ⁶	11,242	12,965	12,100	11,941	10,951	12,379	14,043	12,888	13,329	10,674	10,835	13,858	12,813	15,676	14,017	17.7%	4.3%
Deplanements ⁶	11,352	11,797	12,851	11,618	11,741	11,937	14,248	12,642	12,554	11,034	10,532	14,500	12,913	14,425	14,316	18.1%	4.3%

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)