

## Results of the April Survey of Nebraska Business: May 9, 2014

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**Summary:** Respondents to the April 2014 Survey of Nebraska Business remained positive in their outlook for sales and employment at their business. More respondents expected sales to rise (31%) than decline (18%) in the next six months. Further, more respondents expected to add (10%) than to reduce (4%) employment. Respondents also were more focused on the market challenges facing their businesses. When asked about the most important issue facing their business, 6.5 in 10 focused on core business operations issues such as customer demand, the cost of supplies, labor quality, competition, improved business practices, and credit availability. 3.5 in 10 focused on public policy issues such as taxes, the Affordable Care Act and other regulations. Respondents from the Omaha Metropolitan Area also had a positive outlook for the economy over the next six months.

### Survey of Nebraska Business

The Survey of Nebraska Business is sent to 500 Nebraska business establishments each month. The survey asks business owners and managers whether they expect to expand sales and employment over the next 6 months. The survey also asks “What is the most important issue facing your business today?” Individual responses to that question fall into a set of roughly 10 categories of business and public policy issues. Surveyed businesses are randomly selected from all industries, including agriculture. Businesses of all sizes are surveyed. In April, responses were received from 106 of the 500 surveyed businesses. This is a 21% response rate and is sufficient for analysis of the results.

Respondents to the April 2014 Survey of Nebraska Business remained positive in their outlook for employment and sales. Responses are summarized in Table 1 below. Results indicate that nearly half of respondents expected that sales will remain unchanged over the next six months, while 31% expect sales to increase and 18% sales to decline. For employment, 85% anticipate no change in employment over the next 6 months, while 10% expect to add jobs and 4% to reduce employment.

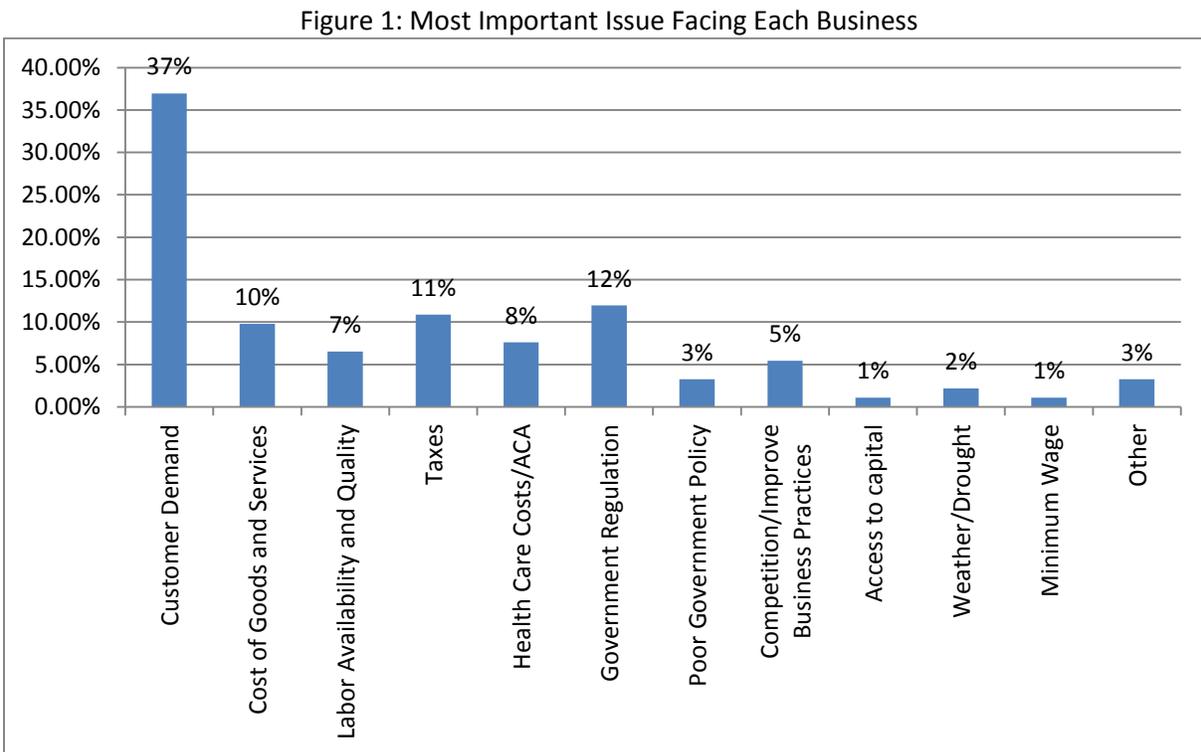
Table 1: Business Expectations for the Next Six Months

	Change Over the Next Six Months	
	Sales	Employment
Increase	31%	10%
Stay the Same	51%	86%
Decrease	18%	4%

Note: Column totals may not sum to 100% due to rounding.

Results in Figure 1 show the top concerns of responding business owners and managers. 6.5 in 10 respondents were related to business operations issues such as customer demand for their product or service, the cost of supplies, labor quality, competition, improved business practices, and credit availability. Customer demand was the most common concern, with over one-third (37%) of respondents naming a customer demand issue. A further 10% of respondents named the rising cost of goods and services as the top concern. Workforce availability and quality was also named by 7% of respondents. Among respondents, 5% named competition from other businesses or a need to improve their own businesses practices as the top concern. Credit availability was mentioned as a concern by 1% of respondents while weather was mentioned by 2%. Another 3% listed firm-specific concerns classified in the “Other” category.

3.5 in 10 businesses listed public policy issues as their top concern, down from the share in both February and March. In April, the top policy concerns were more often related to regulation than to taxes. Health care costs/Affordable Care Act was selected as the top concern by 8% of respondents and other regulatory concerns were mentioned by 12% of respondents. Taxes were listed as the top concern by 11% of respondents. A potential minimum wage increase was mentioned 1% of respondents while 3% mentioned general concerns regarding government policy.



Note: Percentages may not sum to 100% due to rounding

## Omaha Responses to the Survey of Nebraska Business

Table 2 and Figure 2 summarize responses from Omaha Metropolitan Area businesses. The responses are from the months of April and March 2014 surveys. Responses were combined from the last two months in order to generate a sufficient sample size. There were a combined 73 responses from Omaha Metropolitan Area business over March and April.

As seen in Table 2, Omaha Metropolitan Area businesses were positive in their outlook for employment and sales. For sales, 38% expect sales to increase and 21% sales to decline. For employment, 20% expect to add jobs and 4% to reduce employment.

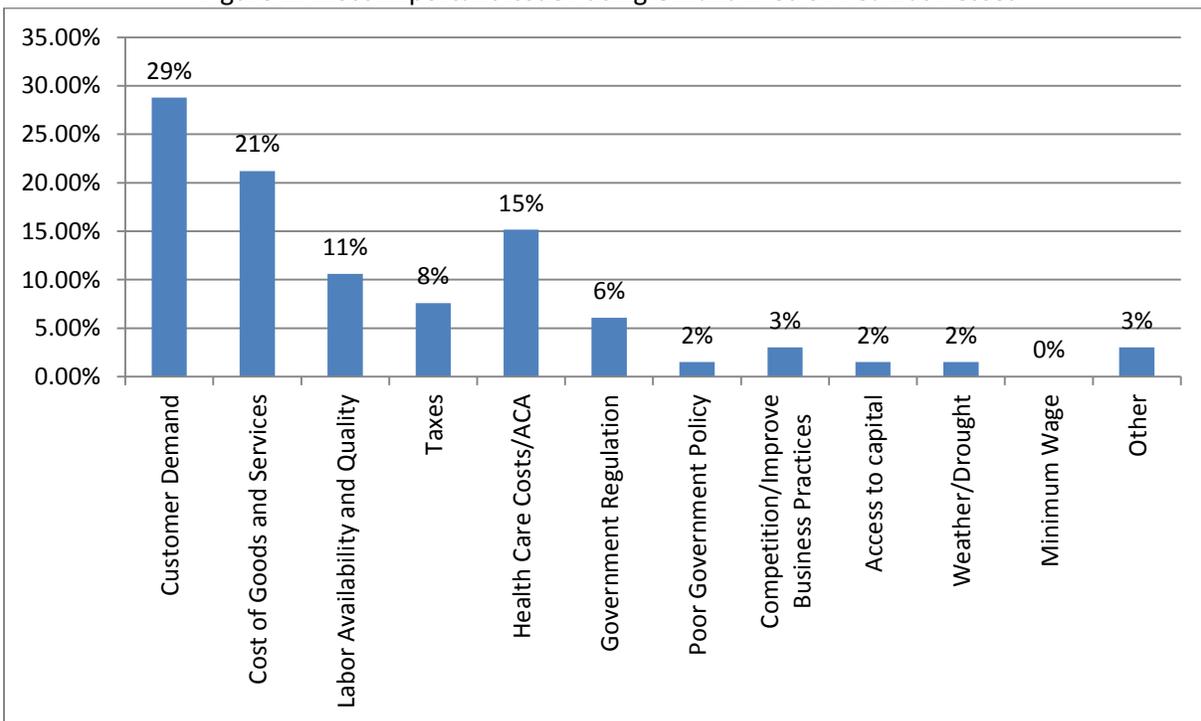
Table 2: Omaha Metro Area Business Expectations for the Next Six Months

	Change Over the Next Six Months	
	Sales	Employment
Increase	38%	20%
Stay the Same	41%	76%
Decrease	21%	4%

Note: Column totals may not sum to 100% due to rounding.

7 in 10 respondents from the Omaha Metropolitan Area mentioned a business operations issue as their top concern. Costs were a particular concern. In particular, a full one-fifth of Omaha Metropolitan Area businesses mentioned rising costs of goods and services as their top concern. Nearly 3 in 10 mentioned customer demand while just over 1 in 10 mentioned labor availability and quality. Among public policy issues, 15% of businesses mentioned health care costs and the Affordable Care Act.

Figure 2: Most Important Issue Facing Omaha Metro Area Businesses



Note: Percentages may not sum to 100% due to rounding