Quarterly Business Indicators: 2nd Quarter 2014

Lincoln Partnership for Economic Development

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Summary of Business Conditions

► The Quarterly Business Indicators for the 2nd quarter of 2014 show a surging Lincoln economy. Nearly all segments of the Lincoln MSA economy are growing, and many growing strongly.

► The Lincoln MSA unemployment rate continues to decline (Figure 1) and remains less than half of the U.S. rate (Figure 2). Employment growth is very strong. Non-farm employment, which is measured via a survey of business, grew by a rapid 2.6% in the Lincoln MSA between the 2nd quarter of 2013 and 2014 (Figure 4). Local employment estimates based on a survey of households indicated 1.6% growth in employed persons (Table 1).

► Taxable sales rose solidly in the Lincoln MSA between the 2nd quarter of 2013 and 2014 (Figures 9 and 10 and Table 1). Building permits also rose in Lincoln, by 13.5% over the last year (Figure 6). This compares to slow growth nationwide.

► Among individual industries, construction, other financial services (primarily banking), health care and education, and state government employment all grew rapidly in the Lincoln MSA over the last year, both in absolute terms and relative to the nation (Table 1). Job growth in most other key industries was just below the national average (Table 1).

► There were just a few weak spots in the Lincoln economy. Insurance employment declined (Table 1). Also, average weekly work hours worked fell by 0.9% in the Lincoln MSA over the last year (Figure 8) while rising slightly nationwide.
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 2013 to Q2 2014)

Figure 6: Growth in Building Permits
Lincoln MSA vs. United States (Q2 2013 to Q2 2014)

Figure 8: Growth in Average Weekly Work Hours
Lincoln Metropolitan Area (Q2 2013 to Q2 2014)
By the Numbers - 2014

Open Projects
- Leads generated in 2014 (New Companies) 24
- Leads generated in 2014 (Existing Companies) 2
- Site visits in 2014 4
- Current open projects 40

Key Activities
► The business accelerator sponsored by the Lincoln Chamber Economic Development Corp. and LPED, has announced the seven startups accepted into the 2014 summer program. This year’s cohort includes local startups Adolade, DigiWidgets, MusicSpoke and Pixobot, along with out-of-state startups Turnstile Cards, Commissioner.io, and Athletepreneur, which all will be moving to Lincoln to participate. To capitalize on Lincoln’s growing list of sports-related startups and mentors, including Hudl, opendorse, Lockr, EliteForm, Hail Varsity, Bulu Box, Powderhook and others, NMotion actively targeted sports-focused startups to bring into the program. Each startup will use the 100 days of the program starting on June 2 to work with teams and mentors to test and validate the market, build and prototype solutions, and prepare for a demo day showcase to be held on Sept. 9 at Nebraska Innovation Campus in Lincoln. For additional information on the 2014 NMotion teams see:

► Dr. Eric Thompson of the UNL Bureau of Business Research recently updated a series of reports profiling each Lincoln target industry sector, conducting comparative analysis against peer communities across the country. The target industries profiled are: Advanced Manufacturing, Business Services & Information, Healthcare, Insurance & Finance, Life Sciences & Agriculture and Transportation & Logistics. The reports are available at: www.SelectLincoln.org/Publications.

► 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.

Source: Lincoln Partnership for Economic Development and Nebraska Department of Economic Development
Table 1: Statistical Summary

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<tbody>
<tr>
<td>Nonfarm Employment (1000s), NSA¹</td>
<td>181.1</td>
<td>182.8</td>
<td>180.3</td>
<td>179.4</td>
<td>181.8</td>
<td>184.1</td>
<td>185.7</td>
<td>185.8</td>
<td>184.7</td>
<td>180.0</td>
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<td>183.1</td>
<td>184.5</td>
<td>188.0</td>
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<td>Employment (Household Survey) (1000s), NSA¹</td>
<td>172.1</td>
<td>171.9</td>
<td>169.8</td>
<td>171.2</td>
<td>170.4</td>
<td>171.7</td>
<td>171.4</td>
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<td>172.4</td>
<td>173.7</td>
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<td>Labor Force (1000s), NSA¹</td>
<td>178.1</td>
<td>178.2</td>
<td>176.8</td>
<td>178.2</td>
<td>176.1</td>
<td>177.3</td>
<td>176.8</td>
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<td>175.8</td>
<td>175.4</td>
<td>177.3</td>
<td>178.6</td>
<td>179.0</td>
<td>181.1</td>
<td>178.7</td>
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<td>Unemployment Rate, NSA¹</td>
<td>3.4%</td>
<td>3.6%</td>
<td>4.0%</td>
<td>3.9%</td>
<td>3.2%</td>
<td>3.1%</td>
<td>3.1%</td>
<td>3.0%</td>
<td>3.1%</td>
<td>3.6%</td>
<td>2.9%</td>
<td>3.0%</td>
<td>3.3%</td>
<td>16.4%</td>
<td>17.6%</td>
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<td>Net taxable sales (excluding motor vehicles) ($millions), NSA²</td>
<td>$288.2</td>
<td>$307.6</td>
<td>$312.2</td>
<td>$304.7</td>
<td>$318.4</td>
<td>$317.0</td>
<td>$305.9</td>
<td>$307.0</td>
<td>$352.9</td>
<td>$261.3</td>
<td>$265.3</td>
<td>$308.7</td>
<td>$310.5</td>
<td>$19.6</td>
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<td>Average Weekly Hours, NSA (private workers)¹</td>
<td>33.3</td>
<td>33.9</td>
<td>34.7</td>
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<td>34.2</td>
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</table>

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

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.fueleconomy.gov) 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)