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## A TENTATIVE RECOVERY

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## A TENTATIVE RECOVERY

*By the Nebraska Business Forecast Council*

### U.S. Macroeconomic Outlook

**T**he U.S. economy is persevering in its transition to a self-sustaining recovery fueled by private consumer spending and business investment. But, that transition is tenuous, with factors both encouraging and discouraging growth. Among factors encouraging growth, consumer spending and business investment continue to expand, supported by rising wage income and profits. As is typical in an economic recovery, profits have rebounded as businesses which cut costs during the recession are benefiting from rising revenue. The labor market also has begun to recover. While gains have been limited, the U.S. economy has added private sector jobs over the first six months of 2010. Further, the average hours worked per week has grown modestly, buttressing these modest employment gains. The net impact has been growth in total hours worked in the private sector. This underpins growth in income, and ultimately, consumption. These positive trends in profits and wage income should be enough to sustain the economic recovery, especially as Federal Reserve policy continues to accommodate economic growth.

But, the U.S. economy also faces many challenges. These challenges imply that the recovery will be moderate rather than sharp and that the potential exists for a second recession. To begin with, the economy continues to face challenges from the housing and commercial real estate markets. Continued foreclosures and a large inventory of unsold homes and unused commercial properties continue to limit new construction and price growth. As a result, the construction industry, which typically fuels growth

during an economic recovery, is continuing to shed jobs.

The U.S. economy also faces the effects of debt contagion in Europe. Heightened risk of sovereign and bank default will slow European growth, and lower corporate earnings and the appetite for risky investment worldwide. All three factors have limited growth in the U.S. over the last few months and will continue to do so. Finally, the U.S. economy continues to face headwinds due to public policy. Many new regulations have been introduced into the economy during the last two years. Further, over the past decade, the federal government has rapidly increased spending, and significantly expanded health care entitlements. These trends have continued in the last two years. Such spending increases imply higher future tax rates, which discourage investment, work and economic growth. The first such tax increases are likely to occur in the next year. As noted earlier, these challenges imply a modest expansion, and potential for a second recession.

Facing these headwinds we expect modest growth in the U.S. economy over the next 3 years. Real GDP will grow by 3.0% in 2010, by 2.8% in 2011, and by 2.5% in 2012. Employment growth will be tepid and unemployment rates will drop slowly. The consumer price index is expected to rise by 1.5% in 2010, 1.7% in 2011, and 2.5% by 2012. As in recent years, economic conditions will be relatively strong in Nebraska. Nebraska continues to have a favorable industry mix, with strength in agriculture and insurance. Nebraska consumers also face fewer problems from unemployment and falling home prices.

## Nebraska Outlook

**T**able 1 summarizes the Nebraska economic outlook. The outlook is that the sharp job losses of 2009 will be followed by moderate employment and income growth in 2010. Trend employment and income growth are forecast for 2011 and 2012. Farm incomes, which were at record levels in 2008, fell sharply during 2009. But, Nebraska farm income remained above its 10-year average in 2009, and is forecast to rise in 2010, 2011, and 2012.

**Table 1— Key Economic Growth Rates**

	Nonfarm Employment	Nonfarm Personal Income (nominal)	Net Farm Income (nominal)
2009	-2.1%	-0.2%	-33.4%
2010	0.3%	2.7%	11.9%
2011	1.5%	3.8%	3.3%
2012	1.6%	3.8%	1.6%

Note: Nominal income growth includes inflation.

This outlook was prepared in two phases. First, the UNL Bureau of Business Research produced a preliminary economic outlook, using a model developed with UNO economics faculty member Christopher Decker. Second, the Nebraska Business Forecast Council met to produce a final outlook based on the preliminary outlook, each Council member's research on a key sector of the economy, and the group's overall expertise about the Nebraska economy. The resulting Nebraska outlook is detailed below.

### Employment

As seen in Table 2, job growth will return to Nebraska in 2010, and should reach trend growth rates by 2011. Employment will reach pre-recession levels by late-2011. Job growth will be broad-based, returning to most sectors in 2010 and others in 2011. Note also that our current job outlook is less optimistic than our last forecast in January 2010. This is due to concerns about Europe and because final employment data for 2009 indicated heavier job losses than initially estimated.

**Table 2— Comparison of Non-Farm Employment Forecasts**

	Jan 2010 Forecast	Current Forecast
2009	-1.3%	-2.1%
2009	0.9%	0.3%
2011	1.9%	1.5%
2012	N/A	1.6%

### Construction and Mining

Nebraska construction activity bottomed in 2009, and is recovering slowly. The non-residential construction sector has been a continuing source of weakness. Several major construction projects in Nebraska wound down in 2009, and a surplus of commercial buildings has limited new construction activity. Public projects, however, have aided growth. There has been a modest improvement in housing starts in 2010 as the economy has recovered but not a strong recovery. Infrastructure spending has been one bright spot for the construction sector. Road construction and other infrastructure projects should show modest growth in 2010 as Federal stimulus spending supports new projects.

Overall, in 2010, two segments of the construction sector – residential construction and road building – will grow. By 2011, all three segments of the construction industry will be expanding, and a solid recovery should be underway in new home construction. This will continue in 2012, though road construction activity will fall that year. As a result, we anticipate 1.0% growth in construction jobs in 2010, and solid growth in 2011 and 2012. As seen in Table 3, construction employment fell by 2,500 jobs (or 5%) in 2009. Job growth of 1.0% is expected in 2010, with growth of 2.0% for 2011 and 2.5% for 2012.

### Manufacturing

The manufacturing industry began to grow again in 2009, but the recovery was too slow to prevent substantial job losses, as the industry cut cost in a bid to survive a severe global recession. As a result, there were steep job losses in the Nebraska manufacturing industry in 2009. For example, employment in the Nebraska durable goods industry declined by 13% during the year. Continued growth in manufacturing activity has begun to generate new manufacturing employment in Nebraska. Preliminary estimates suggest that manufacturing employment grew during March and April of 2010. But, employment growth will be modest over the year, given that manufacturers still have room to grow employment by expanding weekly hours, and using temporary worker agencies. Year-over-year, manufacturing employment will be flat in 2010, with modest increases in non-durable goods offsetting modest job losses in the durable goods sector.

**Table 3—Number of Nonfarm Jobs and Percent Changes by Industry Annual Averages (in thousands of jobs)**

	Nonfarm Total	Construction, Mining & Natural Resources	Durables	Non- durables	Wholesale Trade	Retail Trade	Trans- portation and Utilities	Inform- ation	Financial	All Services	Federal Gov't	Local Gov't
2000	910.7	45	58.7	55.2	41.7	111.2	44.9	26.8	60.3	312.5	16.6	137.9
2001	916.8	45.3	54.7	56.3	42.5	110.5	45.2	25.8	60.2	319.5	16	140.8
2002	908.1	46.1	50.6	55.5	41.5	108.9	44.9	23.2	61.4	317.1	16.3	142.6
2003	910.5	47.4	47.3	55.1	41	107.2	46.4	21.5	62.4	322.6	16.7	142.9
2004	917.7	48.4	47	54	40.8	106.9	48.9	21.1	63.2	327.4	16.5	143.4
2005	930.2	47.8	48.4	52.9	40.6	107.2	52.3	20.2	64.5	335.2	16.3	144.7
2006	941.5	48.4	49.7	51.8	40.8	106.4	53.4	19.5	66.7	342.9	16.2	145.9
2007	957.4	50.5	50	51.4	41.1	107.5	56.2	19.4	68.7	350.3	15.9	146.5
2008	965.0	50.1	49.3	52.1	42.0	107.0	56.1	18.7	69.2	356.5	16.1	147.8
2009	944.4	47.6	42.7	50.7	41.0	104.3	52.4	17.5	68.2	351.6	16.5	152.1
<b>Forecast Number</b>												
2010	946.8	48.1	42.4	51.0	40.8	104.0	51.4	16.8	67.6	355.1	16.5	153.0
2011	961.3	49.0	44.4	51.5	41.2	104.3	53.7	16.8	67.8	362.2	16.0	154.4
2012	976.7	50.3	46.0	51.7	41.6	104.8	56.1	17.0	68.5	369.5	15.8	155.5
<b>Forecast Number</b>												
2010	0.3%	1.0%	-0.6%	0.5%	-0.6%	-0.3%	-1.9%	-3.8%	-0.8%	1.0%	0.5%	0.6%
2011	1.5%	2.0%	4.7%	1.1%	1.0%	0.3%	4.5%	0.0%	0.2%	2.0%	-3.5%	0.9%
2012	1.6%	2.5%	3.5%	0.4%	1.0%	0.5%	4.5%	1.0%	1.0%	2.0%	-1.1%	0.7%

Source: <http://data.bls.gov/cgi-bin/dsrv>, 2010

Recent increases in the value of the dollar will reduce recent growth in the U.S. manufacturing industry. However, the outlook for manufacturing job growth in Nebraska is shaped to a large extent by the state's large agricultural sector. Food processing firms typically use local agricultural products as inputs and many of Nebraska's machinery manufacturing firms produce agricultural machinery. Both of these manufacturing sectors will benefit from the long-term, positive outlook for food consumption as the world's population and income levels continue to increase. Further, Nebraska's large cattle and crop sectors have made it a preferred location for firms seeking to be part of the renewable energy industry. Finally, Nebraska's potential for wind power production and location among major wind power production states makes it an attractive location for the manufacture of wind tower components.

These conditions point towards a partial recovery of lost manufacturing jobs in the years to come, with strong growth in manufacturing employment in 2011 and 2012. Durable goods employment is expected to fall -0.6% year-over-year from 2009 to 2010. Durable

goods employment is expected to rise by 4.7% in 2011 and 3.5% in 2012, recovering about half of the 6,600 jobs lost during 2009. Non-durable goods employment will grow steadily, rising by 0.5% in 2010, 1.1% in 2011, and 0.4% in 2012. Job losses in the non-durable goods industry were modest in 2009, so the rate of recovery also will be more modest.

### *Transportation and Utilities*

The national recession has impacted Nebraska's rapidly growing transportation sector. Trucking, rail, and warehousing lost 3,700 jobs during 2009. Declining industrial production resulting from the recession led to a decline in the need for transportation services. The need for transportation services is now recovering as industrial production and rest of the national economy grows. This will ultimately lead to growth in transportation employment. Employment will decline again in 2010 but employment is expected to grow by 4.5% from 2010 to 2011 and by another 4.5% in 2012. By 2012, employment will fully recover to pre-recession levels. And, over the long-run, the Nebraska transportation sector will continue to grow.

In the long-run, Nebraska's central location, advantages of the I-80 corridor, low entry costs, educational training programs, and favorable demographics all will support average growth in the industry in the long-run. Nebraska also benefits from an established and still growing cluster of both major firms and small entrepreneurial firms in the transportation sector.

### ***Wholesale Trade***

Wholesale trade employment has changed little over the last decade. Employment drifted both up and down during the period but never by more than a few hundred jobs from year to year. Trends also have not always followed the overall Nebraska economy. Trends in the industry may be hard to identify because many wholesale businesses are tied to wider regional markets as well as the local markets within the state. This means growth in industry activity from year to year will depend on the ability of Nebraska businesses to maintain and gain customers from their competitors. At the same time, rising productivity keeps a cap on total industry employment, so there is no long-term trend of job growth.

Industry employment will change little over the 2010 to 2012 period. Wholesale trade employment is expected to decline by 0.6%, or about 200 jobs, during 2010. Modest growth will return in both 2011 and 2012. Wholesale trade employment is expected to grow by 1.0% in both years. Employment will nearly recover to its pre-recession peak by 2012

### ***Retail Trade***

The year 2009 was difficult for the retail trade industry. Facing declining retail sales, retail trade employment fell by 2.5% during 2009. Retail sales are expected to grow modestly during the slow, steady economic recovery. However, such modest sales growth will not support much growth in retail trade employment. This is because productivity continues to rise rapidly in the industry as larger retailers, which utilize fewer employees per dollar of sales, continue to capture a growing share of the market. Increased on-line sales also limit future growth in retail trade employment. Retail employment is expected to decline by 0.3% during 2010. Modest employment growth will return in 2011 and 2012. Job growth of 0.3% is expected in 2011 and growth of 0.5% will occur in 2012. Employment is not expected to return to pre-recession levels.

### ***Information***

The information industry contains a diverse group of industries including newspapers, media outlets, sound studios, and technology-oriented industries such as telecommunications, data processing, web site development, and web publishing. Most of these industries are cyclically sensitive, and portions of the industry such as media are under substantial long-term pressure as advertising revenues have dropped both due to the recession and due to a shift of advertising to on-line and wireless platforms. There also have been very substantial increases in labor productivity in areas such as telecommunications and publishing. These factors point to both a long-term decline in employment and sharp declines in the current recession. A 3.8% decline is expected in 2010. Employment will be flat in 2011, and employment is expected to grow by 200 jobs, or 1.0%, in 2012.

### ***Financial Services***

The financial services industry comprises a diverse group of related industries including finance, insurance, and real estate. The long-term trend in these industries is for strong, stable growth as the need for financial and insurance services grows in our increasingly complex, service-oriented economy. Nebraska is also a national leader in the insurance industry, and has a number of strong, growing regional banks.

The industry, however, has been impacted by current weakness in the housing sector. Housing related industry segments such as real estate, loan activity, and mortgage brokers were weak in 2009 and will only begin to recover as the housing industry accelerates, most likely in 2011. Even with recovery, employment growth may lag due to rapid increases in productivity. Industry employment is expected to decline by -0.8% in 2010, grow by just 0.2% in 2011, and then recover to 1.0% growth in 2012.

### ***Services***

The services sector accounts for 37% of employment in the Nebraska economy and contains a diverse group of industries. Services includes some of the fastest growing parts of the economy such as professional, scientific and technical services and other types of business services, as well as the largest industries in the economy such as health care. Services also includes the hospitality industry, encompassing lodging, food

services, drinking places, and arts, entertainment, and recreation businesses.

Some segments of the services industry such as health care grow steadily, largely avoiding cyclical patterns. However, portions of the industry closely follow the business cycle, expanding rapidly when the economy expands and declining when the economy is in recession. These cyclical segments of the industry such as business services shed employment during 2009. As a result, total services industry employment declined in 2009 for the first time since 2002.

But, these same cyclical segments of the industry, including business services and hospitality, have begun to recover in 2010. These segments of the industry rely on improvements in business spending and consumer discretionary income. Services industry employment will increase by 1.0% in 2010 compared to 2009, for a gain of 3,500 jobs. Growth will accelerate in 2011 and 2012 due to faster growth in the business services and the hospitality segments, and continued strength in the health care segment. Services sector employment growth is expected to reach 2.0% in each year.

### Government

Federal government employment will be elevated in 2010 due to the decennial Census. Workers hired in 2009 and 2010 will work through the late summer and fall of 2010. But, job gains in 2009 and 2010 will be reversed during 2011. Further, the long-term trend for federal government employment will remain flat, with limited increases in some years offset by modest losses in other years. Federal government employment will rise by 0.5% in Nebraska in 2010, and then decline by 3.5% in 2011. Federal employment is expected to decline by another 1.1% in 2012.

Stimulus funding and an expansion of state funding for local schools helped underpin strong job growth in state and local government employment during 2009. State and local government employment grew by 2.5% in that year. In the coming years, local government employment will continue to expand as the state population grows. However, with stimulus funding ending, and public budgets under stress, employment growth will moderate over the next three years. State and local government employment is expected to grow by 0.6% in 2010, 0.9% in 2011, and 0.7% in 2012.

## Personal Income

Sharply declining employment and proprietor profits led to declining nominal income (income growth which includes inflation) in 2009. Income growth, however, will return in 2010 as employment and weekly hours begin to recover. Income growth will reach trend levels in 2011 and 2012 as employment growth accelerates. Farm income also will begin to recover in 2010, though farm income will not return to record 2008 levels. As seen in Table 4, our outlook for income growth is below the outlook in our previous forecast. A weaker jobs outlook has diminished our income outlook.

**Table 4— Comparison of Forecasts for Nominal Income**

Nonfarm Income		
	Jan 2010 Forecast	Current Forecast
2009	1.5%	-0.2%
2010	3.9%	2.7%
2011	5.0%	3.8%
2012	N/A	3.8%
Farm Income		
	Jan 2010 Forecast	Current Forecast
2009	-33.4%	-33.4%
2010	8.2%	11.9%
2011	3.4%	3.3%
2012	N/A	1.6%

Note: Nominal income growth includes inflation.

### Nonfarm Personal Income

Recession conditions led to declining wage and salary income, proprietor income, and dividend, interest, and rent income in 2009. All three sources of income are expected to grow in 2010 as the economy recovers.

As seen in Table 5, nonfarm wage and salary income will grow by .9% in 2010. The slow recovery in the labor market will not be enough to push wages higher during the year. Wage growth will accelerate in 2011 and 2012, as job growth accelerates. Nonfarm wage and salary income is expected to grow by 4.2% in 2011 and 4.3% in 2012. Growth in employee benefits (other labor income) will match the pattern of wage and salary income. Other labor income, which includes employer contributions to health insurance, will grow by 2.9% in 2010 before growth accelerates to 5.4% in 2011 and 4.0% in 2012. This implies workers will be responsible for paying a significant share of the increase in health care costs. Non-farm proprietor income will snap back in 2010.

**Table 5—Nonfarm Personal Income and Selected Components and Net Farm Income (USDA) (\$ millions)**

				Total						
	Consumer	Nonfarm	Dividends,	Personal	Nonfarm	Other	Contributions		Nonfarm	Net Farm
	Price	Personal	Interest,	Current	Wages & Salaries	Labor	to Social	Residential	Proprietor	Income
	Index	Income	& Rent	Transfer	(Wages & Salaries	Income	Insurance	Adjustment	Income	(USDA)
				Receipts	— Farm Wages)					
<b>Millions of Dollars</b>										
2000	172.2	\$47,557	\$10,108	\$6,088	\$26,649	\$5,546	\$4,225	-\$854	\$4,243	\$1,453
2001	177.1	\$49,569	\$10,086	\$6,693	\$27,573	\$5,981	\$4,411	-\$871	\$4,518	\$1,914
2002	179.9	\$51,247	\$10,095	\$7,127	\$28,474	\$6,538	\$4,553	-\$902	\$4,468	\$867
2003	184.0	\$53,071	\$10,101	\$7,424	\$29,458	\$7,136	\$4,716	-\$956	\$4,624	\$2,762
2004	188.9	\$55,068	\$9,926	\$7,783	\$30,857	\$7,399	\$4,924	-\$971	\$4,998	\$3,587
2005	195.3	\$57,190	\$10,177	\$8,210	\$32,095	\$7,836	\$5,187	-\$991	\$5,051	\$2,973
2006	201.6	\$61,125	\$11,471	\$8,833	\$33,905	\$8,144	\$5,595	-\$960	\$5,327	\$2,020
2007	207.3	\$64,289	\$12,354	\$9,382	\$35,817	\$8,383	\$5,793	-\$1,064	\$5,209	\$2,994
2008	215.3	\$66,383	\$12,426	\$10,076	\$37,010	\$8,654	\$5,984	-\$1,081	\$5,283	\$4,026
2009	214.5	\$66,220	\$11,691	\$10,940	\$36,728	\$8,858	\$5,988	-\$1,090	\$5,091	\$2,680
<b>Forecast Number</b>										
2010	217.7	\$68,005	\$11,967	\$11,366	\$37,408	\$9,115	\$6,052	-\$1,097	\$5,299	\$3,000
2011	221.4	\$70,569	\$12,389	\$11,553	\$38,976	\$9,602	\$6,367	-\$1,132	\$5,548	\$3,100
2012	227.0	\$73,260	\$12,869	\$11,812	\$40,648	\$9,990	\$6,634	-\$1,167	\$5,742	\$3,150
<b>Forecast % (nominal growth)</b>										
2010	1.5%	2.7%	2.4%	3.9%	1.9%	2.9%	0.9%	0.6%	4.1%	11.9%
2011	1.7%	3.8%	3.5%	1.7%	4.2%	5.4%	5.2%	3.2%	4.7%	3.3%
2012	2.5%	3.8%	3.9%	2.2%	4.3%	4.0%	4.2%	3.1%	3.5%	1.6%

Source: <http://www.bea.gov>, 2010

Note: Nominal income growth includes inflation.

Growth in transfer income is expected to sharply decelerate during the forecast period. With the nation posting record budget deficits, some measure of entitlement reform is expected. Transfer income is expected to grow by 3.9% in 2010, before falling back to 1.7% in 2011 and 2.2% in 2012.

### *Farm Income*

As is evident in Table 5, there has been substantial volatility in farm incomes in recent years. These fluctuations have been due to external factors beyond the producers' control – the dollar exchange rate, the price of oil on world markets, consumer shifts in diet under financial constraints, and global agricultural production levels. The sharp decline in Nebraska farm incomes in 2009 (after hitting record levels in 2008) are a case in point. In 2009, crop commodity prices fell from their high levels in 2008, while both crop and livestock producers faced higher input costs.

Macroeconomic conditions for agriculture are both better and worse in 2010. The global economic recovery, especially in Asia, should aid agricultural

exports. At the same time, financial contagion in Europe has caused a significant appreciation in the U.S. dollar, which hurts agricultural exports.

The net impact of these macroeconomic conditions is at a minimum to stabilize farm incomes and mostly likely to encourage modest growth. We anticipate that farm income will rise to \$3.0 billion in 2010, or an 11.9% increase. Farm income is expected to rise to \$3.1 billion in 2011 and \$3.15 billion in 2012.

At the same time, we anticipate a rebalancing of farm income between the crop and livestock sectors. The year 2010 is evolving to be a year of stronger livestock commodity prices while crop prices are more muted. As a result, livestock producers are returning to income profitability after losses for the past two years. But, the incomes of crop producers will not be as strong. Crop producers should experience solid incomes in 2010 and beyond rather than the high income levels of recent years.

## Net Taxable Retail Sales

In Table 6, data on net taxable retail sales are divided into motor vehicle sales and non-motor vehicle sales. The distinction is important. Motor vehicle net taxable sales are growing over time, but at an uneven rate from year to year. Non-motor vehicle taxable sales rise steadily, but are affected by business cycles and periodic changes to Nebraska's sales tax base. During the outlook period, we do not anticipate changes in the sales tax base, but the economic recession and recovery will influence taxable sales.

Non-motor vehicle taxable sales declined in Nebraska in 2009 as the state was gripped by recession and falling incomes. Taxable sales should rebound this year as income and the overall economy recover. However, like income growth, growth in non-motor vehicle taxable sales will be steady and solid, but not rapid. A growth rate of 4.0% is expected in 2010. Growth of 3.9% is anticipated for in 2011, with 4.0% growth in 2012. All three growth rates will exceed inflation rates.

Motor vehicle net taxable sales also will stage a recovery in 2010. The year 2009, as is well known, was a very difficult year for vehicle sales across the United States. Vehicle sales held up better in Nebraska but the value of net taxable sales still declined by 5.0%. Motor vehicle net taxable sales are expected to bounce back in 2010, growing by 6.0%. The sales recovery is expected to continue in 2011 and 2012, given that interest rates should remain low in the United States over the next three years. Motor vehicle net taxable sales are expected to grow by 6.0% in 2011 and by 5.3% in 2012.

Like, income, growth in overall net taxable sales (from both sources) will rise at a solid pace over the next three years. Growth in overall net taxable sales will reach 4.2% in 2010, and sales tax revenue will more than recover all of the revenue lost in 2009. Growth in net taxable sales will reach 4.1% in both 2011 and in 2012.

**Table 6—Net Taxable Retail Sales, Annual Totals (\$ millions)**

	<b>Consumer Price Index</b>	<b>Total Net Taxable Sales</b>	<b>Motor Vehicle Net Taxable Sales</b>	<b>Non Motor Vehicle Net Taxable Retail Sales</b>
<b>Millions of Dollars</b>				
2000	172.2	\$20,443	\$2,605	\$17,838
2001	177.1	\$21,057	\$2,897	\$18,160
2002	179.9	\$21,426	\$2,926	\$18,500
2003	184.0	\$22,092	\$2,894	\$19,199
2004	188.9	\$23,618	\$2,885	\$20,733
2005	195.3	\$24,443	\$2,751	\$21,691
2006	201.6	\$24,978	\$2,661	\$22,317
2007	207.3	\$26,237	\$2,902	\$23,335
2008	215.3	\$26,664	\$2,943	\$23,721
2009	214.5	\$25,709	\$2,798	\$22,911
<b>Forecast Number</b>				
2010	217.7	\$26,794	\$2,966	\$23,828
2011	221.4	\$27,901	\$3,144	\$24,757
2012	227.0	\$29,058	\$3,311	\$25,747
<b>Forecast % (nominal growth)</b>				
2010	1.5%	4.2%	6.0%	4.0%
2011	1.7%	4.1%	6.0%	3.9%
2012	2.5%	4.1%	5.3%	4.0%

Source: Nebraska Department of Revenue, 2010

Note: Nominal taxable sales growth includes inflation.



# Our Thanks ...

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Serving this session were

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- Bruce Johnson, Department of Agricultural Economics, UNL;
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