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AN UNDERACHEIVING ECONOMY

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By the Nebraska Business Forecast Council

U.S. Macroeconomic Outlook

A number of positive developments point to the potential for strong economic growth in the United States in 2013 and beyond. First and foremost, the nascent recovery in the housing sector is driving growth in construction sector employment. Durable goods purchases by households also are rebounding. This rebound is linked to faster rates of household formation and the continued recovery of automobile sales. Further, steady employment growth and recent improvements in hourly wages are supporting a modest expansion in consumer spending. A recovery in revenues is also allowing for a modest expansion of state and local government employment. Finally, an easing of the European debt crisis and re-acceleration of the Chinese economy should encourage renewed growth in exports and business investment over the next few years.

These positive factors point to strong growth in the United States economy. Yet, the U.S. economy is likely to disappoint, generating moderate recovery and a slow decline in unemployment rather than rapid economy growth. The reason is that federal policy-makers face too daunting of a task: the need to make difficult cuts in federal spending, and to make them at a gradual, unpopular pace. More precisely, there is a great need to address the budget deficit, but cuts in spending need to be gradual. The U.S. economy can withstand planned cuts in discretionary spending in 2013 but larger cuts in 2013 would be detrimental to growth. As a result, annual deficits will need to remain elevated.

Yet there is also a danger that the federal government will fail to make enough cuts in 2013, and credibly plan for sufficient cuts in 2014 and beyond. Specifically, concerns about the deficit will continue to damage economic growth if the federal government fails to enact entitlement reforms, or chooses to substitute entitlement reforms for planned cuts in discretionary spending. Both types of cuts are required to make a significant dent in annual budget deficits, and restore confidence among consumers and investors. To be sure, cuts in discretionary spending will harm short-term economic growth during early 2013 in a Keynesian sense (much like the recent termination of the 2% payroll tax cut), but the growth effects from an improved deficit outlook would rapidly overtake these short-term issues, thereby promoting growth.

A combination of planned discretionary spending cuts in 2013, and entitlement reform, would “thread the needle” and allow for strong economic growth in 2013. Unfortunately, we anticipate only moderate progress on the federal budget deficit, resulting from a failure to cut entitlements, a failure to follow through with discretionary spending cuts, or both. Real gross domestic product growth was just 1.8% in 2012, and will rise to 2.3% in 2013 and 2.8% in 2014. Job growth was around 1.6% in 2012 and will rise to 1.7% in 2013 and 1.8% in 2014. Unemployment will continue to decline slowly. Continued weakness in the job market will relieve inflationary pressures, despite accommodative monetary policy, and inflation will be 2.1% in 2013 and 2.2% in 2014.

Nebraska Outlook

Table 1 summarizes the Nebraska economic outlook. Job growth is expected to remain modest in Nebraska, helping the state maintain its low unemployment rate and relative economic strength. Note that farm income will drop in 2013, continuing its retreat from record levels in 2011.

Table 1— Key Economic Growth Rates

	Nonfarm Employment	Nonfarm Personal Income (nominal)	Net Farm Income (nominal)
2011	0.4%	5.2%	86.8%
2012	0.9%	3.3%	-30.3%
2013	1.3%	2.7%	-13.5%
2014	1.5%	4.5%	-6.7%

Note: Nominal income growth includes inflation.

There was solid nonfarm income growth in 2012. Nominal growth was estimated to reach 3.3%, more than 1% above the inflation rate of 2.1%. The rate of nonfarm income growth is expected to fall in 2013, despite an acceleration of job growth. This slowdown results from the expiration of the temporary cut in the payroll tax rate (for social security contributions) on January 1, 2013. The additional taxes paid will subtract from income. Non-farm income growth will accelerate in 2014 along with job growth. In 2013 and 2014, farm income will continue to retreat from record 2011 levels, as crop prices moderate.

Employment

Table 2 compares the current forecast for nonfarm employment with our previous forecast from July 2012. Both forecasts call for an acceleration of job growth in 2013 and 2014 relative to 2012. The year 2012 marked a transition year between the slow growth of 2011 and the faster "trend" growth of 2013 and 2014. Growth in 2012 was limited by this transition as well as by the severe drought that occurred in Nebraska during the year. Faster growth is still anticipated for 2013 and 2014, assuming that the severe drought has abated.

Table 2— Comparison of Non-Farm Employment Forecasts

	July 2012 Forecast	Current Forecast
2011	0.4%	0.4%
2012	1.0%	0.9%
2013	1.4%	1.3%
2014	1.4%	1.5%

Construction and Mining

The Nebraska economy benefited from a housing recovery in 2012. Both building permits and housing starts surged during the year, and construction sector employment grew as a result. This trend is only beginning. Given the severe contraction of housing activity during the "Great Recession," the Nebraska housing sector can grow rapidly for several more years before returning to trend levels. However, new housing construction activity is not expected to return to the "bubble" levels that persisted in the early 2000s. New home construction naturally will be accompanied by new commercial property development, to provide services to new and growing neighborhoods. We therefore also anticipate solid growth in smaller commercial projects, and related employment, in Nebraska during 2013 and 2014. There also will be activity in major commercial projects, though some projects, such as the Haymarket Arena in Lincoln, will come to an end. Finally, infrastructure spending will contribute modestly to growth during 2013 and 2014. Strong car sales will generate revenue for road building, as will the general sales tax revenues that have been earmarked for roads. The specific forecast is that construction employment grew by 4.0% (1,600 jobs) in 2012 and will grow by 3.0% (1,300 jobs) in both 2013 and 2014.

Manufacturing

Following a period of relatively poor performance from May through October, the U.S. manufacturing sector experienced solid growth in November and December and appears headed for a period of moderate growth in 2013. While Hurricane Sandy might explain part of the recent growth, the continuing improvement in the U.S. housing sector and moderate growth in consumer spending are the most likely drivers. Improvement in the overall outlook for the global economy will also be a driver of increases in U.S. manufacturing output in 2013 and 2014, particularly now that fiscal cliff concerns have abated. However, new regulations will likely constrain employment growth at some firms. Concerns among small manufacturers, those with less than 50 employees, regarding how to respond to requirements of the Affordable Care Act, which take effect in 2014, will likely be a drag on employment growth.

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	45.0	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	41.0	107.2	46.4	21.5	62.4	322.6	16.7	142.9
2004	917.7	48.4	47.0	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	50.0	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	944.6	47.1	42.6	50.6	41.2	104.4	52.6	17.5	68.4	351.7	16.5	152.0
2010	940.1	42.5	41.4	50.3	40.6	103.9	51.3	17.0	68.9	354.4	17.3	152.3
2011	944.0	41.1	42.5	50.6	40.5	104.1	51.2	16.9	69.5	359.5	16.6	151.6
Forecast Number												
2012	952.7	42.7	44.0	50.2	40.7	105.0	50.8	16.7	68.9	364.5	16.6	152.4
2013	965.0	44.0	44.5	50.5	40.9	105.5	51.8	16.6	69.4	371.8	16.4	153.6
2014	979.8	45.3	45.4	51.0	41.1	106.1	52.8	16.6	70.1	380.4	16.3	154.8
Forecast Number												
2012	0.9%	4.0%	3.5%	-0.7%	0.5%	0.9%	-0.7%	-1.0%	-0.8%	1.4%	0.0%	0.5%
2013	1.3%	3.0%	1.1%	0.5%	0.4%	0.4%	1.8%	-0.5%	0.7%	2.0%	-1.0%	0.8%
2014	1.5%	3.0%	2.0%	1.0%	0.5%	0.6%	2.1%	-0.5%	1.0%	2.3%	-1.0%	0.8%

Source: http://data.bls.gov/cgi-bin/dsrv, 2013

In Nebraska, the state's ethanol industry will continue to adjust to the 2012 drought and its impact on corn prices and production costs. Ethanol profit margins have been very low and are expect to remain so until the 2013 crop is harvested and, hopefully, provides some relief to current high corn prices. High corn prices and ethanol production costs make it more likely producers will use credits received in previous years for production beyond the requirements of the Renewable Fuels Standard (RFS) to meet a significant portion of the 2013 national mandate. The use of these credits would lower ethanol production in 2013 and lead to the possible shut down of some plants for extended periods.

Nebraska manufacturing industries that sell primarily to the region's farm sector are likely to see some drop off in sales as farm incomes return to more normal levels after record or near record years in 2011 and 2012. However, the overall positive outlook for the national economy and manufacturing should enable Nebraska's manufacturing sector to achieve steady, moderate growth in 2013 and 2014. Durable goods employment is expected to grow by 1.1% in 2013 and 2.0% in 2014. Growth will be slower in non-durable goods employment, with growth reaching 0.5% in 2013 and 1.0% in 2014.

Transportation and Utilities

Transportation is a very pro-cyclical industry, meaning that industry employment falls sharply during recession and recovers during economic recovery. Sector employment declined sharply during 2009 and continued to drift lower from 2010 through 2012. Trend growth will return to the industry in 2013 and 2014 as the economy continues to recover. Trend growth is strong in Nebraska due to the state's location on the I-80 corridor, low entry costs, skilled workforce, available educational training programs, and strong entrepreneurial tradition.

The rate of trend growth; however, is expected to moderate due to continued difficulty in finding workers for the transportation industry, particularly in trucking. Industry growth is expected to be broad-based among individual components of the industry. Warehousing employment is expected to grow. Both the trucking and rail sectors will grow as industrial activity in the United States expands. Transportation industry employment fell by 0.7% in 2012 but the industry is projected to add 1,000 jobs in both 2013 and 2014, expanding by 1.8% in 2013 and 2.1% in 2014.

Wholesale Trade

Wholesale trade employment has followed a unique pattern over the last decade. Given the industry's rising labor productivity, the long-term employment trend in the wholesale industry is flat. Employment rises and falls from year to year. 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, rather than state business cycle trends. Wholesale trade employment rose by 200 jobs in 2012 and we expected the industry to add 200 additional jobs in both 2013 and 2014. In percentage terms, wholesale trade employment will grow by 0.4% in 2013 and 0.5% in 2014.

Retail Trade

Retail trade employment grew by 0.9% in 2012, the largest increase since 2007. This solid expansion occurred due to a sharp improvement in retail sales in Nebraska during the year, as retail activity continued to bounce back after the "Great Recession." Growth in retail employment requires strong sales growth due to rising labor productivity trends in the industry. Labor productivity is growing rapidly due to the introduction of labor saving technology and the growing importance of big box stores in Nebraska retail trade. To see this, note that retail trade employment declined by nearly 7,000 jobs between 2000 and 2009. Due to rising labor productivity, retail trade is unlikely to be an engine of job growth going forward. However, growth in retail sales should be sufficient in 2013 and 2014 to support modest retail job growth. Retail trade employment is expected to grow 0.4%, or 500 jobs, in 2013 and by 0.5%, or 600 jobs, in 2014.

Information

The information industry contains a diverse group of businesses including newspapers, media outlets, sound studios, and technology-oriented businesses such as telecommunications, data processing, web site development, and web publishing. There has been substantial productivity growth in nearly all of these types of businesses, most notably in publishing and telecommunications. As a result, information employment in Nebraska has fallen steadily for the last decade. Demand for information services is rising but labor productivity is rising faster. Rising labor productivity is a positive for the economy but a negative for job growth within the industry. This trend is expected to continue as the economy recovers and information industry employment continues its slow, steady decline. Information employment is expected to have declined by 1.0% in 2012 and is projected to drop by 0.5%, in both 2013 and 2014.

Financial Services

The financial services industry comprises a diverse group of related industries including finance, insurance, and real estate. While financial services employment grew steadily from 2001 through 2007, estimated employment in 2012 is essentially the same as in 2007. The industry was impacted by a severe financial crisis, a housing crisis and significant new regulations during that period. While the financial crisis has subsided and the housing crisis is abating, the industry continues to face new regulations due to Dodd-Frank legislation. As a result, modest job growth is expected going forward.

Financial services employment is expected to have declined by 600 jobs in 2012, reversing a 600 job increase during 2011. Growth will recover in 2013 but full trend growth will not return until 2014. Financial services employment is expected to grow by 0.7% in 2013 and 1.0% in 2014.

Services

The services industry accounted for an estimated 38% of Nebraska employment in 2012. The large services industry contains a diverse group of businesses, including some of the fastest growing parts of the economy such as professional, scientific and technical services. The services industry also contains health care, the largest sector in the Nebraska economy as measured by employment, as well as hospitality businesses, encompassing lodging, food services, drinking places, and arts, entertainment, and recreation.

The services industry overall also is among the fastest growing portions of the economy. In fact, this large, growing industry accounted for an estimated 57% of net job growth in Nebraska during 2012. All major components of the Nebraska services industry added employment in 2012, and are expected to add employment in 2013 and 2014. Health care employment is expected to grow by 2.0% to 2.5% per year. Similar rates of employment growth are expected for the hospitality industry. Growth will be slower in the 'other services' category, which includes personal services such as haircuts or repair services. The pro-cyclical business and professional services industry, which includes businesses that provide services to other businesses, will grow around 2.0%. Overall, services industry employment growth was expected to be 1.4% in 2012, but will accelerate to 2.0% in 2013 and 2.3% in 2014. This translates to an estimated 7,300 jobs in 2012 and 8,600 in 2014. Faster income growth in 2014 will support faster growth in services employment.

Government

Recent efforts to reduce growth in federal spending are expected to accelerate in 2013, yielding a decline in federal government employment over the next few years. Significant cuts are expected in many individual agencies, either through reducing services or by using information technology to consolidate field offices. The net result of spending cuts will be a modest decline in federal government employment in 2013 and 2014. Federal government employment was unchanged in Nebraska during 2012 and is expected to decline by 1.0% in both 2013 and 2014. While the federal government is accelerating its cuts, state and local government spending and employment are set to increase modestly in 2013. State and local governments have been curtailing spending for several years and are set to return to trend growth rates given healthy growth in tax revenues. State and local government employment grew below trend in 2012, by 0.5%. Going forward, state and local government employment is expected to grow at the rate of population growth, as the need for services rises with population. Specifically, state and local government employment is expected to grow by 0.8% in both 2013 and 2014.

Personal Income

Nebraska experienced solid nonfarm income growth during 2012. Nominal income (including inflation) grew by 3.3% during the year while inflation ran at 2.1%, for 1.2% growth in real nonfarm income in the state. As seen in Table 4, the pace of income growth will fall in 2013, with the expiration of the temporary cut in social security contributions on January 1, 2013. Social security contributions are subtracted from personal income, so income growth will slow in 2013 as full contributions are restored. This is the reason that the rate of nonfarm income growth is expected to fall in 2013 even as the employment growth rate rises. Non-farm income growth will accelerate to 4.5% in 2014. Note that the outlook for nonfarm income in the current forecast is similar to the previous forecast. Farm income fell sharply in 2012, after achieving record levels in 2011. However, farm income in 2012 will still reach the second highest level of record. Farm income is expected to decline further in 2013 and 2014 as high crop prices in 2011 and 2012 moderate. The outlook for 2013 and 2014 assume a return to more normal weather patterns.

Table 4— Comparison of Forecasts for Nominal Income

Nonfarm Income

	July 2012 Forecast	Current Forecast
2011	4.6%	5.2%
2012	3.5%	3.3%
2013	3.0%	2.7%
2014	4.0%	4.5%

Farm Income

	July 2012 Forecast	Current Forecast
2011	36.7%	86.8%
2012	-35.2%	-30.3%
2013	17.1%	-13.5%
2014	0.0%	-6.7%

Note: Nominal income growth includes inflation.

Nonfarm Personal Income

Table 5 shows forecasts for the major sources of nonfarm income. Wage and salary income, the largest income source, is expected to grow more quickly in 2013 and 2014 as job growth improves. Proprietor income growth also will accelerate as the economy recovers from recession. Other labor income (i.e., benefits) will lag wage growth as employers continue to shift the cost of health care to employees.

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

	Consumer Price Index	Nonfarm Personal Income	Dividends, Interest, & Rent	Total Personal Current Transfer Receipts	Nonfarm Wages & Salaries (Wages & Salaries — Farm Wages)	Other Labor Income	Contributions to Social Insurance	Residential Adjustment	Nonfarm Proprietor Income	Net Farm Income (USDA)
Millions of Dollars										
2000	172.2	$48,546	$10,097	$6,391	$27,111	$5,764	$4,318	-$880	$4,381	$1,453
2001	177.1	$49,534	$10,086	$6,693	$27,573	$5,981	$4,412	-$905	$4,518	$1,914
2002	179.9	$51,202	$10,095	$7,127	$28,474	$6,538	$4,553	-$948	$4,468	$867
2003	184.0	$53,028	$10,101	$7,424	$29,458	$7,136	$4,716	-$1,000	$4,624	$2,762
2004	188.9	$55,019	$9,926	$7,783	$30,857	$7,399	$4,924	-$1,020	$4,998	$3,587
2005	195.3	$57,139	$10,177	$8,210	$32,094	$7,836	$5,187	-$1,043	$5,051	$2,974
2006	201.6	$61,065	$11,471	$8,833	$33,906	$8,144	$5,595	-$1,021	$5,327	$2,020
2007	207.3	$64,835	$13,029	$9,344	$35,892	$8,340	$5,811	-$1,113	$5,155	$2,994
2008	215.3	$68,856	$14,639	$10,040	$37,201	$8,838	$6,015	-$1,167	$5,321	$4,026
2009	214.5	$66,450	$11,712	$10,977	$36,656	$9,039	$6,029	-$1,128	$5,224	$3,289
2010	218.1	$68,743	$11,842	$11,564	$37,212	$9,364	$6,265	-$1,069	$6,096	$3,993
2011	224.9	$72,314	$12,847	$11,897	$38,421	$9,654	$5,772	-$1,105	$6,372	$7,457
Forecast Number										
2012	229.6	$74,722	$13,477	$12,204	$39,533	$9,881	$5,877	-$1,149	$6,654	$5,200
2013	234.4	$76,772	$13,881	$12,667	$41,069	$10,236	$6,908	-$1,193	$7,020	$4,500
2014	239.6	$80,238	$14,506	$13,237	$42,811	$10,639	$7,201	-$1,244	$7,490	$4,200
Forecast % (nominal growth)										
2012	2.1%	3.3%	4.9%	2.6%	2.9%	2.4%	1.8%	4.0%	4.4%	-30.3%
2013	2.1%	2.7%	3.0%	3.8%	3.9%	3.6%	17.5%	3.9%	5.5%	-13.5%
2014	2.2%	4.5%	4.5%	4.5%	4.2%	3.9%	4.2%	4.2%	6.7%	-6.7%

Source: http://www.bea.gov, 2013. Note: Nominal income growth includes inflation.

Growth in dividend, interest, and rent income was solid in 2012 but will fall in 2013 as firms pulled taxable dividend payments forward to 2012. Transfer payments will grow at a solid rate; we do not anticipate that any entitlement reforms that are agreed would impact current payments. Contributions to social insurance will jump in 2013 as temporary rate cuts expire.

Farm Income

Severe drought struck Nebraska and Mid-west agriculture during 2012, and its effects may linger in Nebraska into 2013 and beyond. The scope of the drought created a broad-based impact on Nebraska's large, diversified agricultural sector. Both crop and livestock sectors were impacted. In fact, many of the greatest impacts of the drought were felt in Nebraska's livestock sector rather than the crop sector. This occurred because the drought was regional in nature, rather than a phenomenon focused on Nebraska. Regional crop losses put substantial upward pressure on crop prices. These sharp price increases helped mitigate the impact of the drought on crop income, particularly for irrigated growers. Irrigated producers with limited drought-related losses may have earned higher than expected incomes. Crop insurance helped stabilize income for many non-irrigated producers.

At the same time, higher crop prices, in combination with the drought, created a great challenge for livestock producers and selected grain processors, like ethanol plants. Livestock producers faced much higher prices for feed. Further, most ranchers needed to purchase much higher volumes of feed as pasturelands were stricken by drought. The result was devastating for profitability and incomes for livestock producers.

After reaching a $7.5 billion in 2011, farm income fell back to $5.2 billion in 2012. Despite the sharp decline, 2012 is still expected to be the second highest year for Nebraska farm income. Incomes will fall further in 2013, back to $4.5 billion as crop prices moderate and lingering moisture deficits impact crop yields. Farm income will fall back to $4.2 billion in 2014, as farm incomes stabilize near the "new normal" for Nebraska.

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 assume no changes in the sales tax base, though we acknowledge that state government is considering broadening that base.

There was strong growth in non-motor vehicle net taxable sales in Nebraska in 2012. Growth was 4.5%, more than 1% greater than growth in non-farm income during the year. This strong growth reflects the business cycle. Non-motor vehicle net taxable sales barely grew during the 2006 to 2009 period, and strong growth in 2012 is part of the process of taxable sales returning to trend as the economy recovers from recession. Growth in non-farm net taxable sales also should exceed non-farm income growth in 2013 before the growth rates converge in 2014.

Growth in motor vehicle net taxable sales reached a robust 10% rate during 2012, in line with the rapid recovery in U.S. auto sales during the year. This recovery reflects growing employment and income as well as a need to replace an aging vehicle fleet in both households and small businesses. Auto sales in the U.S. are beginning to approach pre-recession levels and growth rates should slow in the nation and in Nebraska as a result. Motor vehicle taxable sales are expected to grow by 4.7% 2013 and 5.6% in 2014. The slight improvement in 2014 reflects improvement in income growth during that year.

Strong growth in vehicle sales, combined with solid growth in non-motor vehicle taxable sales, produced strong growth in total net taxable sales in Nebraska in 2012. Growth reached 5.1% during the year. This strong increase will not be sustained in 2013, given slower income growth, but should return in 2014 as the rate of income growth improves. Total net taxable sales are expected to grow by 3.6% in 2013 and 4.7% in 2014.

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

	Consumer Price Index	Total Net Taxable Sales	Motor Vehicle Net Taxable Sales	Non Motor Vehicle Net Taxable Retail Sales
Millions of Dollars				
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
2010	218.1	$26,683	$3,021	$23,662
2011	224.9	$28,206	$3,287	$24,919
Forecast Number				
2012	229.6	$29,656	$3,616	$26,040
2013	234.4	$30,737	$3,786	$26,952
2014	239.6	$32,189	$3,998	$28,191
Forecast % (nominal growth)				
2012	2.1%	5.1%	10.0%	4.5%
2013	2.1%	3.6%	4.7%	3.5%
2014	2.2%	4.7%	5.6%	4.6%

Source: Nebraska Department of Revenue, 2013. Note: Nominal taxable sales growth includes inflation.

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