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Lincoln Partnership for Economic Development

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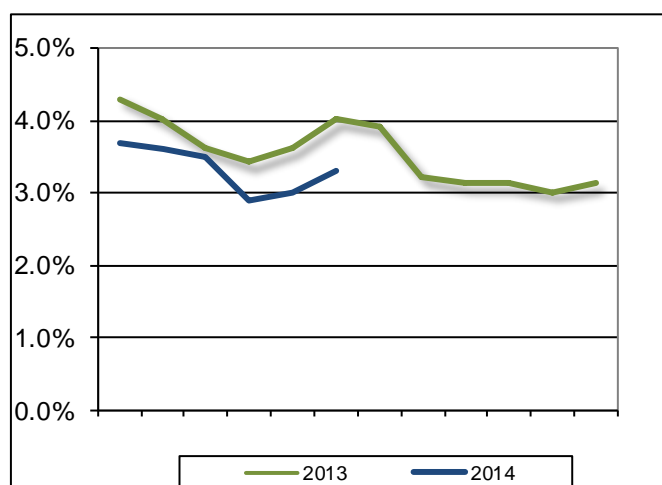
Quarterly Business Indicators

VOLUME 6 NO 1

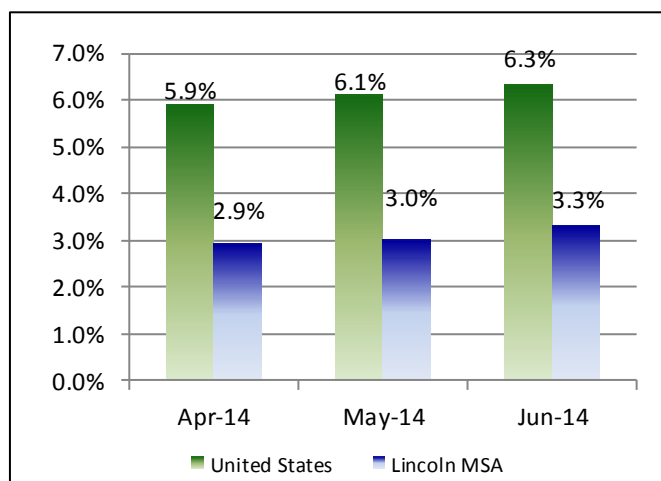
PREPARED BY THE UNL BUREAU OF BUSINESS RESEARCH

2ND QUARTER 2014

**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 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).

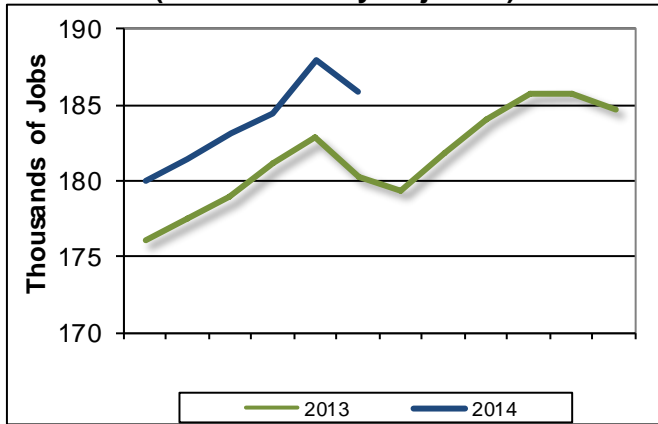
► Taxable sales rose solidly in the Lincoln MSA between the 2nd quarter of 2013 and 2014 (Figures 9 and 10 and Table 1). Building permits also rose in Lincoln, by 13.5% over the last year (Figure 6). This compares to slow growth nationwide.

► 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).

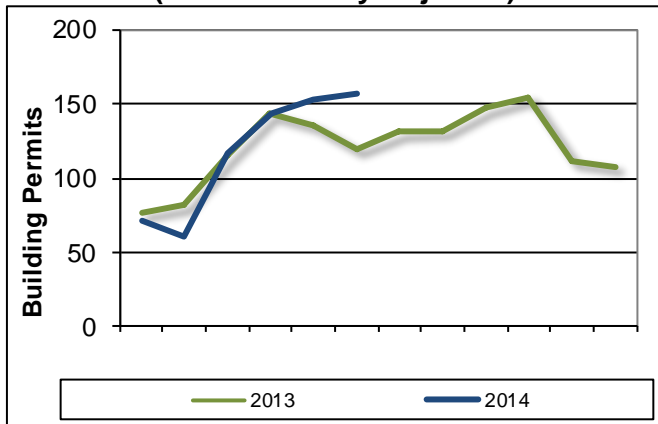
► There were just a few weak spots in the Lincoln economy. Insurance employment declined (Table 1). Also, average weekly work hours worked fell by 0.9% in the Lincoln MSA over the last year (Figure 8) while rising slightly nationwide.

Lincoln Metropolitan Area

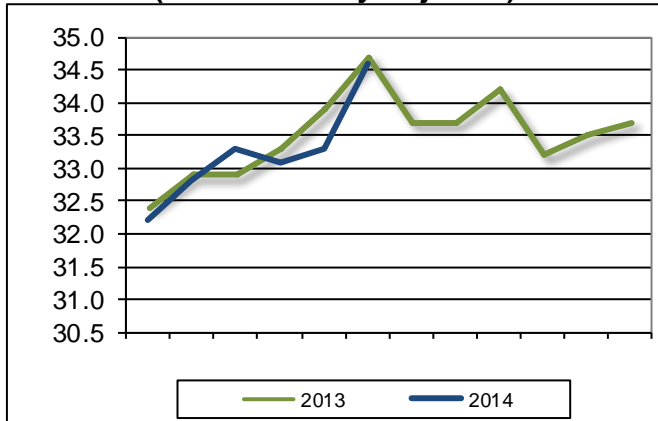
**Figure 3: Non-Farm Employment
Lincoln Metropolitan Area
(Not Seasonally Adjusted)**



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

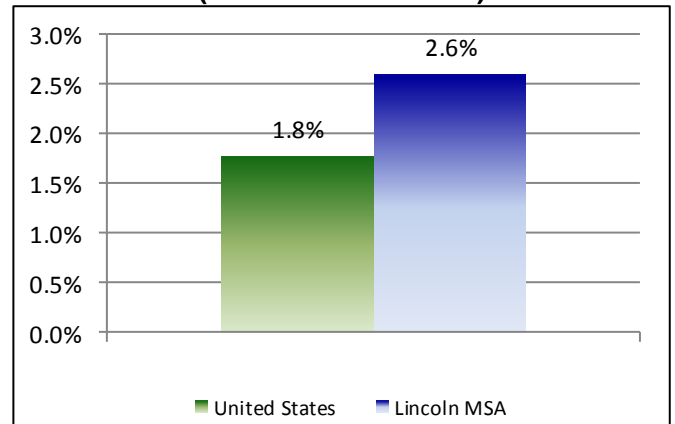


**Figure 7: Average Weekly Work Hours
Lincoln Metropolitan Area
(Not Seasonally Adjusted)**

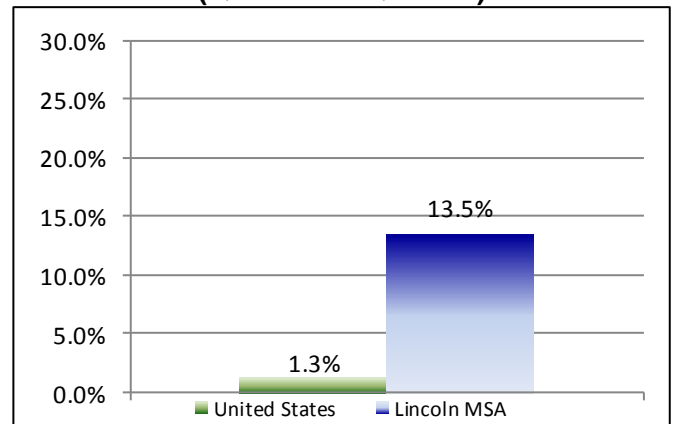


Lincoln MSA versus United States

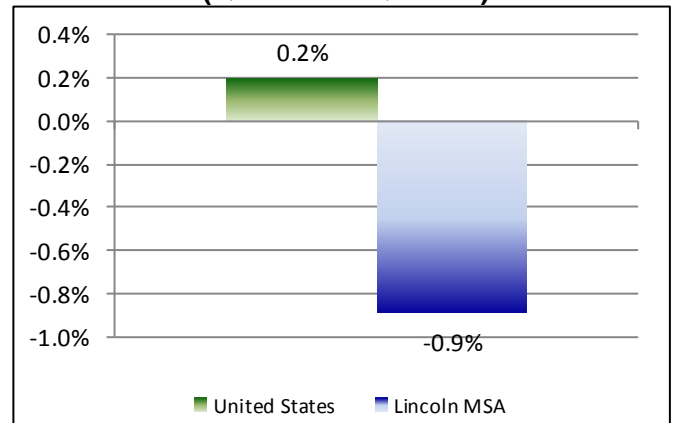
**Figure 4: Growth in Non-Farm Employment
Lincoln MSA vs. United States
(Q2 2013 to Q2 2014)**



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

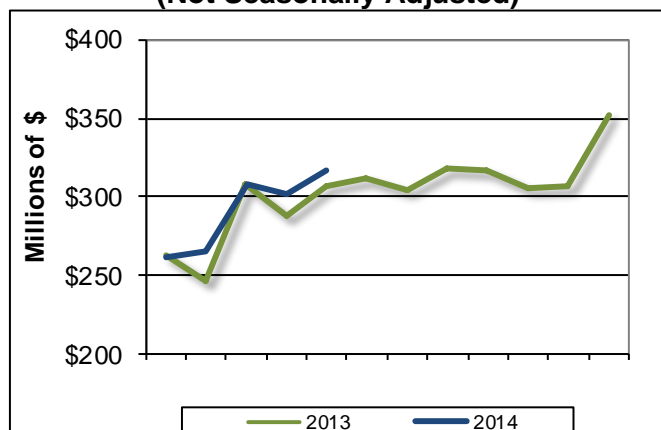


**Figure 8: Growth in Average Weekly Work Hours
Lincoln Metropolitan Area
(Q2 2013 to Q2 2014)**



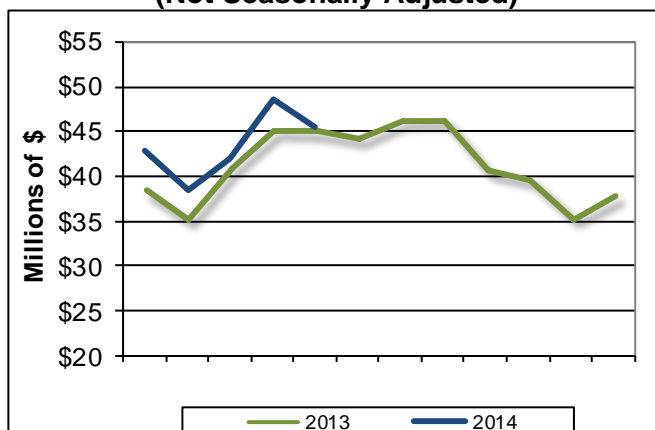
Taxable Sales (Excl. Motor Vehicle)

**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 - 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 Lincoln Metro area continues to have strong job growth with 185,900 non-farm jobs in the most recent reporting period of June, 2014; 5,600 more than June, 2013. Lincoln has the sixth lowest unemployment rate in the United States with a 3.3 percent rate in June, 2014.

► Company expansions continue to drive primary job growth in Lincoln in 2014. Two significant construction projects: Hexagon Lincoln and Industrial Acoustics Corporation (GTExhaust) announced expansions last year and are slated to be operational late this year. Cleaver Brooks held a ground breaking ceremony celebrating the addition of 40,000 square feet to their Lincoln facility adding an additional 40 jobs. TMCO, Inc. continues to grow both their physical presence in Lincoln and their number of employees. TMCO is demolishing part of their existing facility to add additional, efficient manufacturing space, adding 15 employees this year. The company has nearly doubled their workforce to over 200 employees in the last decade. In terms of jobs, PCE, Inc. continues their tremendous growth by adding a reported 100 jobs and making significant investment in their companies. Significant projects were also reported at Kinney Manufacturing, National Research Corp. and Hockenbergs Equipment & Supply.

► 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

																Percent Change Q2 2013 to Q2 2014	
Variable	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Lincoln	U.S.
Lincoln																	
Summary Variables																	
Nonfarm Employment (1000s), NSA ¹	181.1	182.8	180.3	179.4	181.8	184.1	185.7	185.8	184.7	180.0	181.4	183.1	184.5	188.0	185.9	2.6%	1.8%
Employment (Household Survey) (1000s), NSA ¹	172.1	171.9	169.8	171.2	170.4	171.7	171.4	171.1	170.3	168.9	170.8	172.4	173.7	175.6	172.8	1.6%	1.4%
Labor Force (1000s), NSA ¹	178.1	178.2	176.8	178.2	176.1	177.3	176.8	176.3	175.8	175.4	177.3	178.6	179.0	181.1	178.7	1.1%	0.0%
Unemployment Rate, NSA ¹	3.4%	3.6%	4.0%	3.9%	3.2%	3.1%	3.1%	3.0%	3.1%	3.7%	3.6%	3.5%	2.9%	3.0%	3.3%	-16.4%	-17.6%
Net taxable sales (excluding motor vehicles) (\$millions), NSA ²	\$288.2	\$307.6	\$312.2	\$304.7	\$318.4	\$317.0	\$305.9	\$307.0	\$352.9	\$261.3	\$265.3	\$308.7	\$301.5	\$316.9	N/A	3.8%	3.4%
Average Weekly Hours, NSA (private workers) ¹	33.3	33.9	34.7	33.7	33.7	34.2	33.2	33.5	33.7	32.2	32.8	33.3	33.1	33.3	34.6	-0.9%	0.2%
Key Industries																	
Manufacturing Employment (1000s), NSA ¹	13.7	13.7	13.6	13.5	13.7	13.7	13.8	13.8	13.8	13.8	13.7	13.8	13.7	13.8	13.8	0.7%	0.9%
Insurance Employment (1000s), NSA ¹	8	8	8	8	8	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	-1.2%	2.2%
Other Financial Services Employment (1000s), NSA ¹	6.2	6.3	6.3	6.4	6.4	6.4	6.4	6.4	6.5	6.4	6.4	6.5	6.6	6.6	6.7	5.9%	0.1%
Prof. Sci., and Tech. Services Employment (1000s), NSA ¹	8.7	8.6	8.7	8.7	8.7	8.6	8.6	8.7	8.6	8.7	8.8	8.9	8.9	8.9	8.8	2.3%	2.6%
Healthcare and Education (1000s), NSA	28.8	28.9	28.4	28.5	28.6	29	29.3	29.4	29.4	28.9	29.3	29.4	29.7	29.8	29.6	3.5%	1.7%
State Government Employment (1000s), NSA ¹	21.2	21.8	19.1	18.8	19.7	21.7	22.5	22.2	22.1	20.9	21.6	21.8	21.9	22.4	19.5	2.7%	0.4%
Housing and Construction																	
Building Permits, NSA ³	144	136	120	131	132	147	155	112	108	71	61	117	144	153	157	13.5%	1.3%
Median Sale Price of Single-Family Homes, NSA (\$1000s) ⁴	\$134.4	\$138.0	\$141.8	\$145.8	\$143.1	\$145.4	\$141.0	\$138.0	\$139.0	\$137.6	\$136.1	\$135.5	\$138.4	\$142.3	\$140.9	1.8%	9.7%
Construction Employment (1000s), NSA ¹	7.2	7.7	8	7.9	8	7.8	7.9	7.8	7.5	6.9	6.9	7.2	7.8	8	8.3	5.2%	3.4%
Automobile																	
Motor vehicle taxable sales (\$millions), NSA ²	\$45.1	\$45.0	\$44.2	\$46.2	\$46.3	\$40.6	\$39.6	\$35.4	\$37.8	\$42.8	\$38.5	\$42.0	\$48.7	\$45.6	N/A	4.7%	10.6%
Gasoline Price Per Gallon (Regular Unleaded) ⁵	\$3.47	\$3.76	\$3.62	\$3.58	\$3.63	\$3.65	\$3.32	\$3.09	\$3.08	\$3.20	\$3.33	\$3.52	\$3.58	\$3.46	\$3.53	-2.6%	2.1%
Air Travel																	
Enplanements ⁶	11,061	12,706	12,588	12,695	11,826	11,915	12,722	12,198	12,375	9,675	9,730	12,701	11,242	12,965	12,100	-0.1%	3.0%
Deplanements ⁶	11,003	12,070	12,761	12,423	12,962	11,825	12,884	12,370	10,974	10,666	9,712	13,020	11,352	11,797	12,851	0.5%	3.0%

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)