

2014

Quarterly Business Indicators 3RD QUARTER 2014

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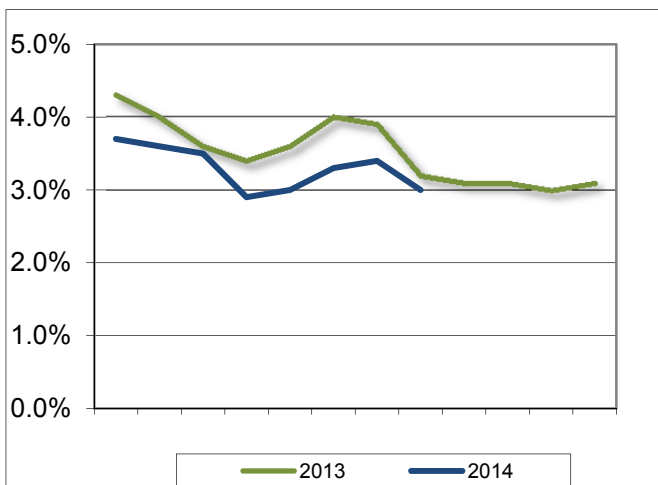
Quarterly Business Indicators

VOLUME 6 NO 2

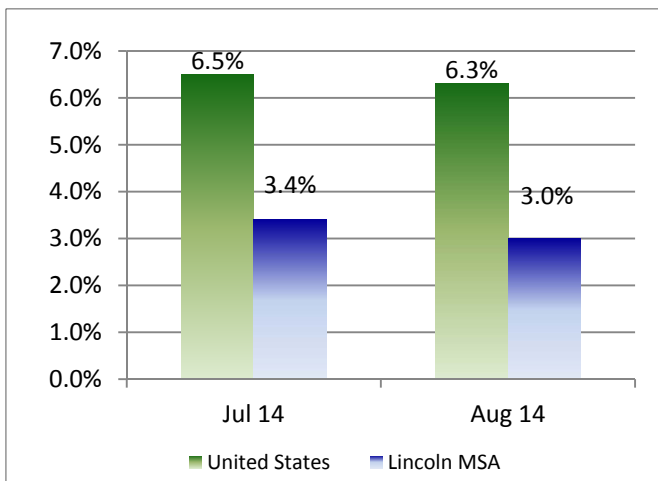
PREPARED BY THE UNL BUREAU OF BUSINESS RESEARCH

3RD 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 3rd quarter of 2014 continue to show a surging Lincoln economy. Most segments of the Lincoln MSA economy are growing, and many are growing rapidly.

► The Lincoln MSA unemployment rate continues to decline (Figure 1) and remains half of the U.S. rate (Figure 2). Employment growth is strong. Non-farm employment, which is measured via a survey of business, grew by 2.6% in the Lincoln MSA between the 3rd quarter of 2013 and 2014 (Figure 4).

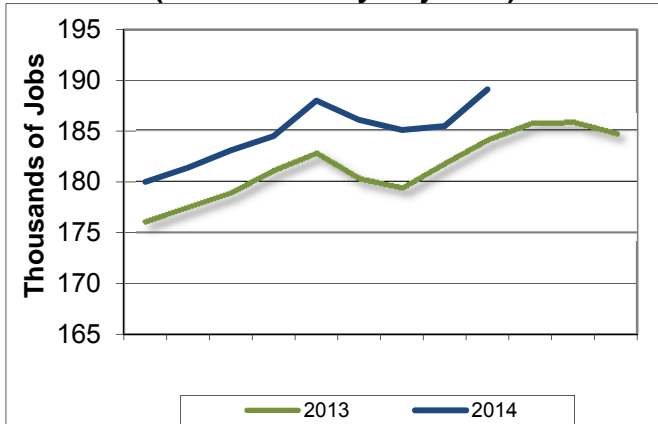
► Among individual industries, construction, manufacturing, other financial services (primarily banking), health care and education, and state government employment all grew rapidly in the Lincoln MSA over the last year (Table 1).

► Taxable sales rose solidly in the Lincoln MSA between the 3rd quarter of 2013 and 2014 (Figures 9 and 10 and Table 1). Motor vehicle sales in particular grew rapidly. Building permits also rose very rapidly in Lincoln (Figure 6) due to a large number of permits for multi-family structures issued in July and August.

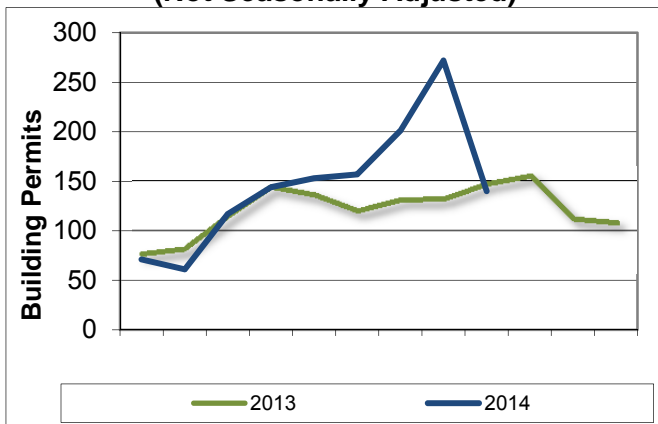
► There were, however, weak spots in the Lincoln economy. Insurance employment declined (Table 1) and job growth in the high-wage professional, scientific and technical services lagged national growth. Average weekly work hours fell in the Lincoln MSA over the last year while changing little at the national level (Figure 8). Enplanements at the Lincoln Airport also decline between the 3rd quarter of 2013 and 2014 (Table 1).

Lincoln Metropolitan Area

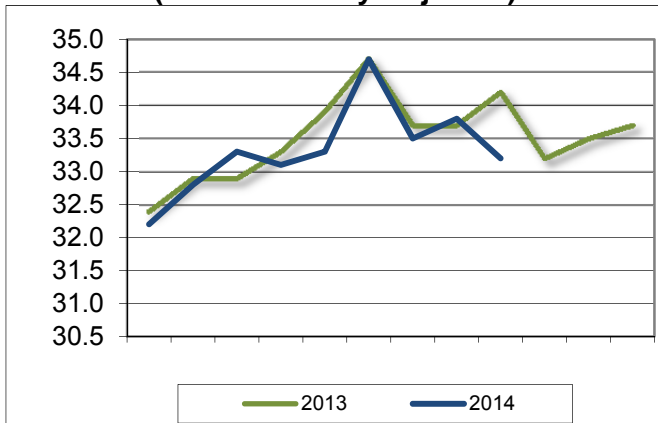
**Figure 3: Non-Farm Employment
Lincoln Metropolitan Area
(Not Seasonally Adjusted)**



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

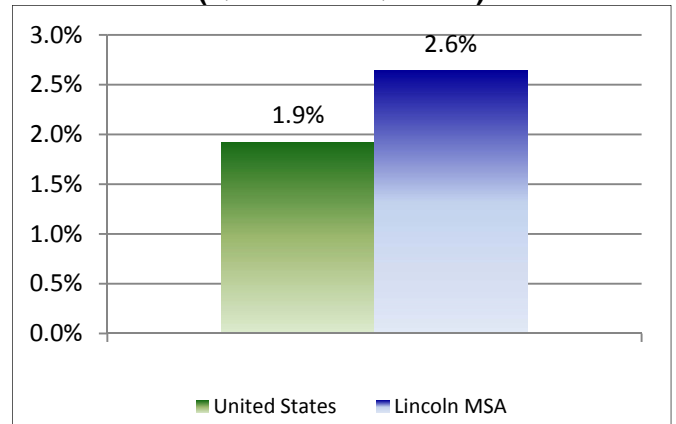


**Figure 7: Average Weekly Work Hours
Lincoln Metropolitan Area
(Not Seasonally Adjusted)**

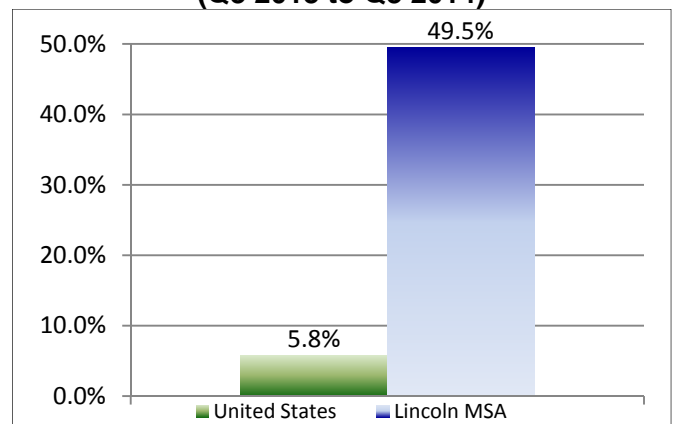


Lincoln MSA versus United States

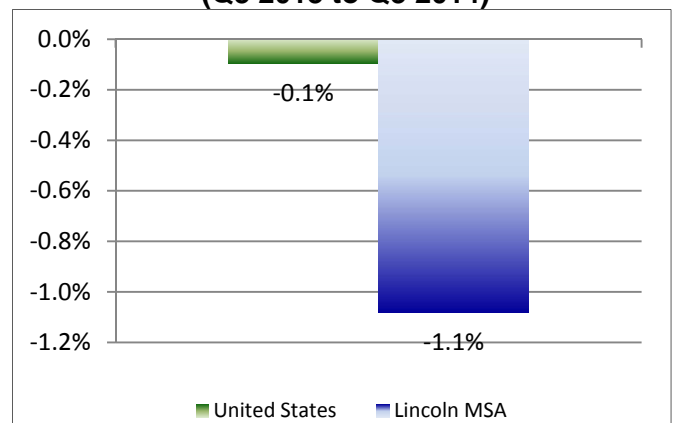
**Figure 4: Growth in Non-Farm Employment
Lincoln MSA vs. United States
(Q3 2013 to Q3 2014)**



**Figure 6: Growth in Building Permits
Lincoln MSA vs. United States
(Q3 2013 to Q3 2014)**

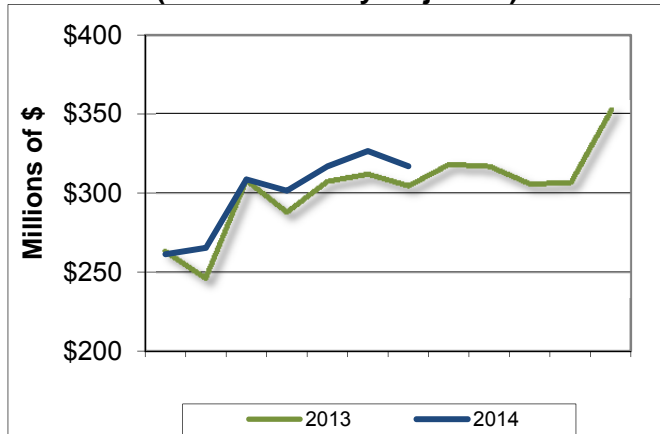


**Figure 8: Growth in Average Weekly Work Hours
Lincoln Metropolitan Area
(Q3 2013 to Q3 2014)**



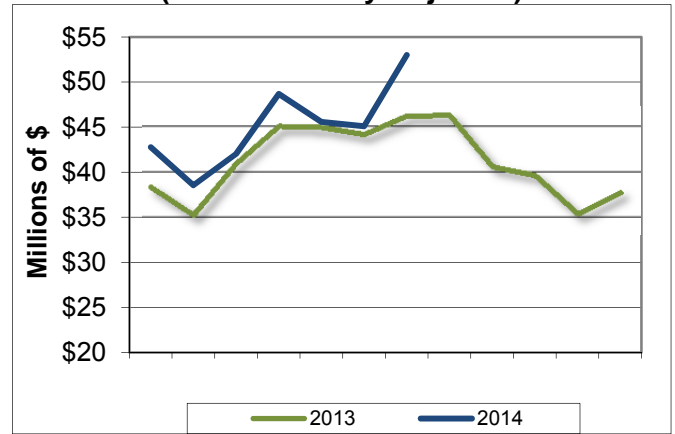
Taxable Sales (Excl. Motor Vehicle)

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) 26
- Leads generated in 2014 (Existing Companies) 2
- Site visits in 2014 6
- Current open projects 35

Key Activities

► Lincoln has the fifth lowest unemployment rate in the United States with a 3.0 percent rate in the most recent reporting period of August, 2014. The Lincoln metro area had 189,100 people employed in September, 2014 an all-time record; 5,000 more than September, 2013.

► The International Economic Development Council (IEDC) Excellence in Economic Development Awards recognizes the world's best economic development programs and partnerships, marketing materials, and the year's most influential leaders. These awards honor organizations and individuals for their efforts in creating positive change in urban, suburban, and rural communities. Award winners were recently recognized at the IEDC Annual Conference in Ft. Worth, TX.

The Partnership submitted three award applications and received the following awards in the 200,000 to 500,000 population category:

- ❖ Gold – SelectLincoln.org – General Purpose Economic Development Website
- ❖ Gold – Lincoln Economic Dashboard – Special Purpose Brochure

- ❖ Bronze – Inc. 5000 Billboard Campaign – General Purpose Promotion

► The Partnership held a familiarization tour for the members of the Lincoln Area Development Partnership (LADP) and Nebraska Dept. of Economic Development employees. The 25+ people on the tour visited Beatrice and Lincoln. While in Lincoln the group learned more about Innovation Campus and the industrial sites at the Lincoln Airpark. The tour is intended to educate members of the DED's staff about different opportunities available throughout region.

► 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.

Startup Week in Lincoln was held October 25-31 as a free, seven-day celebration of our entrepreneurial community. Promoted as a new type of conference that builds momentum and opportunity around entrepreneurship, led by entrepreneurs and hosted in the entrepreneurial spaces around Lincoln. Partnership staff assisted in the planning and implementation of the different events during the week. To see a calendar of the events go to: <http://lincoln.startupweek.co/>

► Please follow the Partnership on Twitter @selectlincoln or check the website for the latest news at www.selectionlincoln.org.

Source: Lincoln Partnership for Economic Development and Nebraska Department of Economic Development

Table 1: Statistical Summary

Percent Change
Q3 2013 to Q3 2014

Variable	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Lincoln	U.S.
Lincoln																	
Summary Variables																	
Nonfarm Employment (1000s), NSA ¹	179.4	181.8	184.1	185.7	185.8	184.7	180.0	181.4	183.1	184.5	188.0	186.1	185.1	185.5	189.1	2.6%	1.9%
Employment (Household Survey) (1000s), NSA ¹	171.2	170.4	171.7	171.4	171.1	170.3	168.9	170.8	172.4	173.7	175.6	172.9	173.8	172.4	N/A	1.3%	1.5%
Labor Force (1000s), NSA ¹	178.2	176.1	177.3	176.8	176.3	175.8	175.4	177.3	178.6	179.0	181.1	178.8	179.9	177.8	N/A	1.0%	0.3%
Unemployment Rate, NSA ¹	3.9%	3.2%	3.1%	3.1%	3.0%	3.1%	3.7%	3.6%	3.5%	2.9%	3.0%	3.3%	3.4%	3.0%	N/A	-9.9%	-14.7%
Net taxable sales (excluding motor vehicles) (\$millions), NSA ²	\$304.7	\$318.4	\$317.0	\$305.9	\$307.0	\$352.9	\$261.3	\$265.3	\$308.7	\$301.5	\$316.9	\$326.6	\$317.0	N/A	N/A	4.0%	4.2%
Average Weekly Hours, NSA (private workers) ¹	33.7	33.7	34.2	33.2	33.5	33.7	32.2	32.8	33.3	33.1	33.3	34.7	33.5	33.8	33.2	-1.1%	-0.1%
Key Industries																	
Manufacturing Employment (1000s), NSA ¹	13.5	13.7	13.7	13.8	13.8	13.8	13.8	13.7	13.8	13.7	13.8	13.8	13.9	13.9	13.9	2.0%	1.4%
Insurance Employment (1000s), NSA ¹	8	8	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.8	-1.3%	2.6%
Other Financial Services Employment (1000s), NSA ¹	6.4	6.4	6.4	6.4	6.4	6.5	6.4	6.4	6.5	6.6	6.6	6.7	6.7	6.7	6.8	5.2%	0.3%
Prof. Sci., and Tech. Services Employment (1000s), NSA ¹	8.7	8.7	8.6	8.6	8.7	8.6	8.7	8.8	8.9	8.9	8.9	8.9	8.8	8.8	8.8	1.9%	3.0%
Healthcare and Education (1000s), NSA	28.5	28.6	29	29.3	29.4	29.4	28.9	29.3	29.4	29.7	29.8	29.6	29.2	29.3	29.6	2.3%	1.9%
State Government Employment (1000s), NSA 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	19.1	19.9	22.2	1.7%	0.3%
Housing and Construction																	
Building Permits, NSA ³	131	132	147	155	112	108	71	61	117	144	153	157	201	272	140	49.5%	5.8%
Median Sale Price of Single-Family Homes, NSA (\$1000s) ⁴	\$145.8	\$143.1	\$145.4	\$141.0	\$139.0	\$140.7	\$138.6	\$136.4	\$136.5	\$139.1	\$143.6	\$144.1	\$143.6	\$145.5	\$147.3	0.5%	6.9%
Construction Employment (1000s), NSA ¹	7.9	8	7.8	7.9	7.8	7.5	6.9	6.9	7.2	7.8	8	8.3	8.4	8.4	8.3	5.9%	3.8%
Automobile																	
Motor vehicle taxable sales (\$millions), NSA ²	\$46.2	\$46.3	\$40.6	\$39.6	\$35.4	\$37.8	\$42.8	\$38.5	\$42.0	\$48.7	\$45.6	\$45.1	\$53.0	N/A	N/A	14.7%	8.8%
Gasoline Price Per Gallon (Regular Unleaded) ⁵	\$3.58	\$3.63	\$3.65	\$3.32	\$3.09	\$3.08	\$3.20	\$3.33	\$3.52	\$3.58	\$3.46	\$3.53	\$3.50	\$3.38	\$3.33	-6.0%	-1.8%
Air Travel																	
Enplanements ⁶	12,695	11,826	11,915	12,722	12,198	12,375	9,675	9,730	12,701	11,242	12,965	12,100	11,941	10,951	12,379	-3.2%	4.0%
Deplanements ⁶	12,423	12,962	11,825	12,884	12,370	10,974	10,666	9,712	13,020	11,352	11,797	12,851	11,618	11,741	11,937	-5.1%	4.0%

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)