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State's Business Climate Remains Healthy

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Nearly 43 percent of all the businesses that participated in the latest Nebraska Quarterly Business Conditions Survey (NQBCS) indicated an increase in 1st quarter 1998 revenues over year-ago levels (Table 1). Finance, Insurance, and Real Estate (FIRE) led all industry groups, with 57 percent reporting an increase in 1st quarter revenues over year-ago levels. The lowest proportion of firms in an industry group reporting an increase was *other* at 32 percent. The *other* category includes construction, mining, and agricultural services, fisheries, and forestry. Of these three industries, mining had the lowest incidence of firms with increases, with 20 percent reporting 1st quarter 1998 revenues ahead of year-ago levels. Thirty-seven percent of the respondents for construction reported revenue gains for 1st quarter 1998 over year-ago levels. Table 1 also compares 1st quarter 1998 revenues with 4th quarter 1997 revenues. Much of the variation shown in Table 1 between 1st quarter 1998 revenues and 4th quarter 1997 revenues is due to seasonal factors.

Table 1
Revenue Activity 1st Quarter 1998[1]

	1st Quarter 1998 Compared to 4th Quarter 1997 %	1st Quarter 1997 %
All Establishments—*number reporting*	1,561	
Revenues increased	35	43
Revenues decreased	35	28
Revenues stayed the same	30	29
Manufacturing—*number reporting*	219	
Revenues increased	38	41
Revenues decreased	33	27
Revenues stayed the same	29	32
Wholesale Trade—*number reporting*	177	
Revenues increased	36	41
Revenues decreased	38	32
Revenues stayed the same	26	27
Retail Trade—*number reporting*	415	
Revenues increased	29	39
Revenues decreased	42	31
Revenues stayed the same	29	30
FIRE—*number reporting*	103	
Revenues increased	48	57
Revenues decreased	12	14
Revenues stayed the same	40	29
TCU—*number reporting*	99	
Revenues increased	39	53
Revenues decreased	31	22
Revenues stayed the same	30	25
Services—*number reporting*	371	
Revenues increased	40	47
Revenues decreased	29	26
Revenues stayed the same	31	27
Other—*number reporting*	177	
Revenues increased	21	32
Revenues decreased	43	32
Revenues stayed the same	36	36

[1]Based on survey responses through June 5, 1998.

Table 2
Current Quarter Revenues by Industry Group Compared to Year-Ago Levels *(percent)*

	1996				1997								1998	
	3rd Qtr		4th Qtr		1st Qtr		2nd Qtr		3rd Qtr		4th Qtr		1st Qtr	
	↑	↓	↑	↓	↑	↓	↑	↓	↑	↓	↑	↓	↑	↓
All Respondents	52	25	51	27	47	27	48	25	49	26	49	24	43	28
Manufacturing	52	29	55	26	53	23	57	26	53	26	55	22	42	27
Wholesale Trade	49	22	48	31	43	30	50	26	46	26	48	24	41	32
Retail Trade	46	31	43	33	40	33	44	28	42	29	44	27	39	31
FIRE[1]	63	12	57	18	60	15	54	19	57	24	64	14	57	14
TCU[2]	NA	NA	73	11	65	16	51	30	55	24	63	20	53	22
Services	55	24	52	27	48	26	47	25	52	26	50	24	47	26
Other	NA	NA	44	22	45	26	39	20	48	21	37	24	32	32

Notes: ↑ = Increase in current quarter revenues over year-ago levels.
↓ = Decrease in current quarter revenues over year-ago levels.
NA = Not available

[1]Finance, Insurance, and Real Estate
[2]Transportation, Communications, and Utilities

Table 2 summarizes business revenue reports for the entire survey period of 3rd quarter 1996 through 1st quarter 1998. Table 2 shows that the percent of respondents reporting gains in current quarter revenues over year-ago levels changed little from 3rd quarter 1996 through 4th quarter 1997. The biggest change was the drop from 49 percent in 4th quarter 1997 to 43 percent in 1st quarter 1998. But, the six-percentage point spread falls well within the sampling error range, indicating no statistically significant change. In workaday terms, this means that statewide the business climate has remained virtually unchanged, with positive growth on balance.

Table 3 takes a look at business revenue conditions at the regional level for 1997 and 1st quarter 1998. The Northeast and Southeast regions, in particular, may be showing some early signs of market slowdown. However, it is too early to tell whether this represents a trend or a survey aberration.

Table 3
Current Quarter Revenues by Region Compared to Year-Ago Levels For All Respondents *(percent)*

	1997								1998	
	1st Qtr		2nd Qtr		3rd Qtr		4th Qtr		1st Qtr	
	↑	↓	↑	↓	↑	↓	↑	↓	↑	↓
Metro										
Lincoln MSA[1]	47	25	53	27	53	29	53	22	46	26
Omaha MSA[2]	48	30	48	29	51	24	57	19	47	25
Nonmetro										
Central	49	27	45	23	47	32	43	28	40	33
Mid Plains	40	19	35	17	35	27	43	22	39	31
Northeast	51	24	49	21	47	25	41	31	38	28
Panhandle	44	29	48	27	52	22	46	26	42	25
Southeast	45	26	52	20	53	21	45	25	38	32

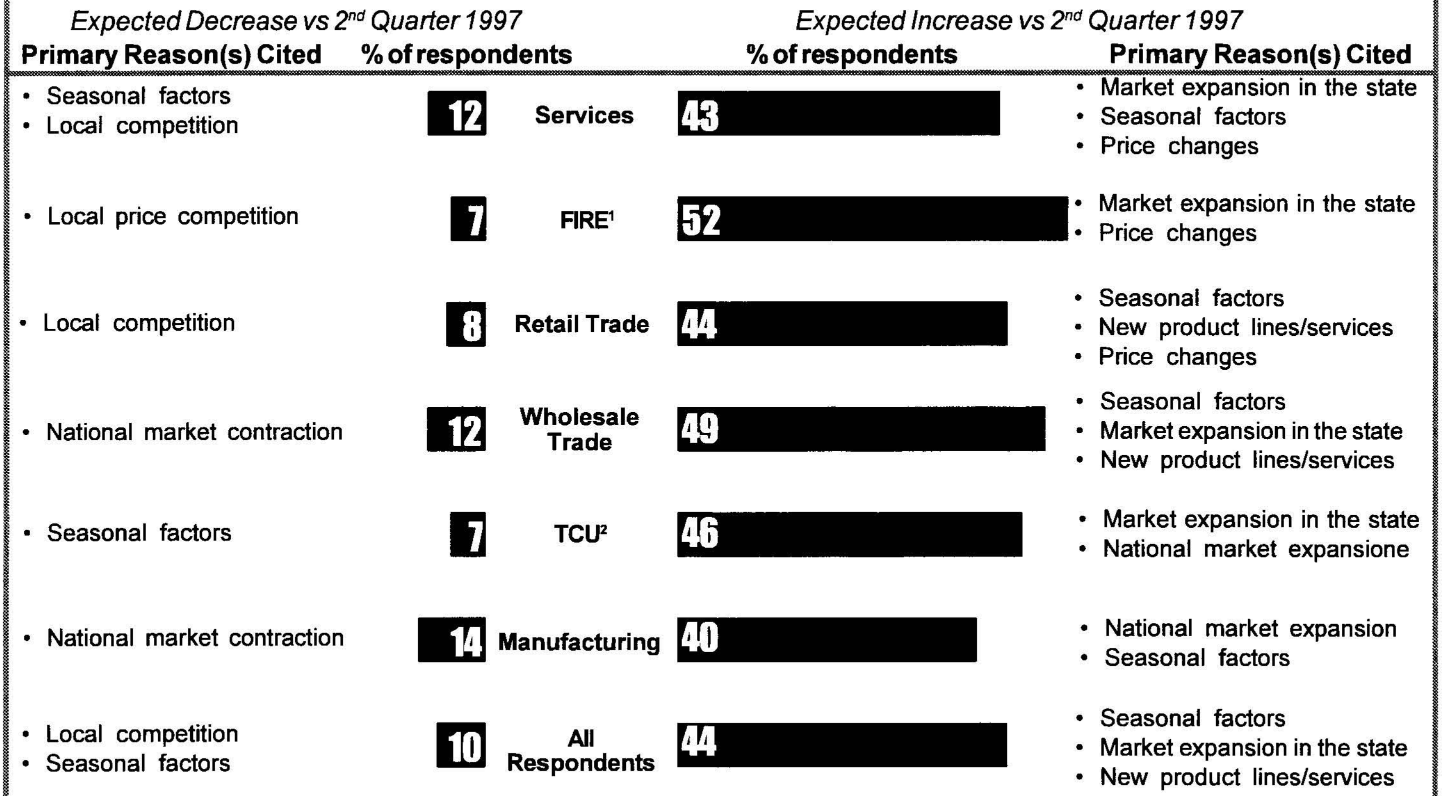
Notes: ↑ = Increase in current quarter revenues over year-ago levels.
↓ = Decrease in current quarter revenues over year-ago levels.
NA = Not available

[1]Includes Lancaster County.
[2]Includes Cass, Douglas, Sarpy, and Washington Counties.

Figure 1 shows the percent of respondents by sector that expect 2nd quarter 1998 revenues to increase or decrease over 2nd quarter 1997 levels. These are expected outcomes since respondents were completing the survey during 2nd quarter 1998. Forty-four percent of all respondents expect 2nd quarter 1998 revenues to exceed year-ago (2nd quarter 1997) levels. The 44 percent figure is not statistically different from comparable rates for previous quarterly reports, again evidence that state-wide the business climate is strongly positive. Forty-four percent of the respondents for the Southeast region expect 2nd quarter 1998 revenues to exceed year-ago levels, indicating no downturn in business conditions for that region (not shown in Figure 1). However, 37 percent of the respondents for the Northeast region expect 2nd quarter 1998 revenues to exceed year-ago levels, providing more, but still inconclusive, evidence that the Northeast regional economy might be experiencing a slight slowdown.

Will the state's current strong economic pace continue, especially given the growing and widespread labor shortages that are adversely affecting both local and national businesses? Survey results on jobs follows on page four.

Figure 1
Respondents Expecting Revenue Changes in 2nd Quarter 1998



[1]Finance, Insurance, & Real Estate
[2]Transportation, Communication, & Utilities

First Quarter 1998 Survey Finds Jobs Aplenty But Few Available Workers

Charles Lamphear

Falling unemployment rates, rising wages, and declining populations—characteristics of most rural communities throughout the Midwest—are indications that skilled and mobile workers are taking advantage of the current regional and national labor shortages to move up the economic ladder. Nebraska business conditions survey findings for 1st quarter 1998 are consistent with this evidence.

More companies are offering cash to encourage workers to move. Many of these companies are located in the nation's largest urban centers.

The current tight regional and national labor markets likely will have a disproportionate impact on small businesses lacking the financial resources to offer large bonuses to new workers and on rural areas where a larger share of small businesses are located. Also, tight labor markets and the resulting increase in hourly wages will likely have an adverse impact on both small and large businesses that are characterized by low value added-to-output ratios. We can expect to see more consolidations and, possibly, more business closures and relocations.

Nebraska Quarterly Business Conditions Survey (NQBCS) results indicate the creation of 1,720 new full-time jobs during 1st quarter 1998 (Table 1). Expanding the survey findings to a state total, an estimated 15,700 new full-time jobs were created statewide during 1st quarter 1998 (Table 2). The 15,700 estimate for 1st quarter 1998 is down by 7,400 to 7,800 jobs from the 4th quarter 1997 estimate of 23,500 and the 1997 quarterly average of 23,100. There is no indication that the 1st quarter decline in new full-time job hires is due to any weakness in business conditions (see business revenues article on page one). The decline may be due to seasonal factors, or more likely, it is due to a tightening labor market.

Sixty-two percent (nearly two of every three) of the new full-time job hires occurred in the state's metro counties. For 1997 as a whole, about 60 percent of new full-time job hires occurred in the state's metro counties. The 62 percent estimate for 1st quarter 1998 falls well within the range of survey error, meaning that the state's relative distribution of new full-time job hires between metro and nonmetro counties remains constant.

Table 1
Number of New and Replacement Hires
1st Quarter 1998[1]

	State		*Metro[2]*		*Nonmetro*	
	Full-time	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*
Replacement hires	3,562	1,953	1,971	1,279	1,591	674
New job hires	1,720	476	1,074	229	646	247
Total	5,282	2,429	3,045	1,508	2,237	921

[1]Based on a survey of over 1,500 reporting businesses with combined employment of nearly 90,000 workers.
[2]Metro includes Cass, Douglas, Lancaster, Sarpy, and Washington Counties.

Table 2
Estimates of Statewide Full-time New Job Hires[1]

	1st Quarter 1998	*4th Quarter 1997*	*Quarterly Average 1997*
Metro[2]	9,815	13,181	13,548
Nonmetro	5,903	10,306	9,595
State	15,718	23,487	23,143

[1]Based on a survey of over 1,500 reporting businesses with a combined employment of nearly 90,000 workers.
[2]Metro includes Cass, Douglas, Lancaster, Sarpy, and Washington Counties.

First quarter 1998 survey results indicate 3,562 full-time replacement hires (Table 1). The statewide total estimate is 32,552 (not shown). The statewide estimated quarterly average for 1997 was 30,800. Forty-five percent of the full-time replacement hires for 1st quarter 1998 occurred in the state's nonmetro counties, statistically unchanged from the 1997 quarterly average for nonmetro counties. For the last five quarters, the nonmetro counties' share of full-time replacement hires has averaged over six percentage points above their share of new full-time job hires. Because of the tight labor market situation, especially for rural areas, nonmetro businesses may be concentrating most of their hiring efforts on existing job openings and replacement hires.

Table 3 gives 1st quarter 1998 survey results for full-time new and replacement hires by occupation. At the state level, about 26 percent of the new full-time job hires occur in the professional group, which is statistically unchanged from the 1997 quarterly average. The professional group includes executives/administrators, managers, professional specialists, and marketing/sales. About 31 percent of new full-time job hires in metro counties for 1st quarter 1998 are for professional occupations. The comparable rate for nonmetro counties is about 20 percent. Nearly 19 percent of the state's full-time replacement hires occur in the professional group. Comparable percentages for the metro and nonmetro counties are 27 and 8 percent, respectively.

Table 3
Number of New and Replacement Hires by Occupation
1st Quarter 1998 (Full-time Positions)[1]

	State		*Metro[2]*		*Nonmetro*	
Occupation	*New Position Hires*	*Replacement Hires*	*New Position Hires*	*Replacement Hires*	*New Position Hires*	*Replacement Hires*
Executives/Administrators	41	19	32	12	9	7
Managers	126	55	71	34	55	21
Professional Specialists	206	284	167	220	39	64
Marketing/Sales	82	301	59	268	23	33
Administrative Support/Clerical	129	310	89	206	40	104
Service Workers	326	692	177	464	149	228
Transportation/Material Movers	60	256	25	55	35	201
Production/Craft/Repair	340	692	193	216	147	476
Operators/Fabricators/Laborers	410	953	261	496	149	457
Total	1,720	3,562	1,074	1,971	646	1,591

[1]Based on a survey of over 1,500 reporting businesses with combined employment of nearly 90,000 workers.
[2]Metro includes Cass, Douglas, Lancaster, Sarpy, and Washington Counties.

Table 4
Full-time Job Turnover Rates Per 1,000 Jobs for 1997 and 1st Quarter 1998

	1997 Annual Average	*1st Quarter 1998*
State	44	40
Metro[1]	48	40
Lincoln MSA	45	39
Omaha MSA[2]	50	41
Nonmetro	39	39
Central	44	48
Mid Plains	29	33
Northeast	38	34
Panhandle	39	23
Southeast	35	46

[1]Metro includes Cass, Douglas, Lancaster, Sarpy, and Washington Counties.
[2]Omaha MSA includes Cass, Douglas, Sarpy, and Washington Counties.

Replacement hires provide one measure of job turnover. Table 4 shows job turnover rates by region for 1997 and 1st quarter 1998. The 1997 rate represents a quarterly average. For 1st quarter 1998, the Central region had the highest turnover rate at 48 full-time replacement hires per 1,000 jobs. The Panhandle region had the lowest rate at 23, but the Panhandle's 1997 quarterly average rate was 39. Turnover rates vary considerably from quarter to quarter. For example, the Panhandle's turnover rate for 1st quarter 1997 was 27, but in 2nd quarter 1997 it jumped to 54. The reasons for wide swings in job turnover rates from quarter to quarter include labor mobility, retirements, labor availability, wages, and businesses' overall success in hiring replacements. The 1st quarter 1998 turnover rates for the state's regions that are shown in Table 4 are within the statistical range of each region's quarter-to-quarter variation for 1997.

Table 5 shows that survey respondents reported a total of 1,831 full-time jobs unfilled during 1st quarter 1998. Expanding the survey results for a statewide estimate, 16,733 jobs remained unfilled during the quarter. Respondents indicated that 41 percent of these jobs remained unfilled because of the lack of qualified applicants. The 16,733 estimate of unfilled full-time jobs for 1st quarter 1998 is 57 percent above the quarterly average for 1997—10,640.

Table 6 provides statewide estimates of unfilled full-time jobs for 1997 and 1st quarter 1998. The unfilled job estimates are divided into the professional group (defined earlier) and a group called *other*. The *other* group includes the occupational categories in Table 3 that are not in the professional group. To be sure, data from just one quarter is inadequate to draw any firm conclusions, but the comparison of 1st quarter 1998 and the quarterly average for 1997 for unfilled full-time jobs seems to indicate that the job shortage is most acute among nonprofessional occupations in nonmetro counties.

Preliminary employment data from the Nebraska Department of Labor show that total nonfarm employment between 1st quarter 1997 and 1st quarter 1998 dropped in 63 of the state's 93 counties (Figure 1). For the same period, Labor Department statistics show that 44 of the counties that lost employment during this period also experienced declines in unemployment rates. *Usually, a decline in employment leads to an increase in the unemployment rate.* Finally, according to U.S. Bureau of the Census county population estimates, 51 of the state's 88 nonmetro counties lost population during 1997. What do these various statistics indicate? One likely explanation, noted earlier, is that skilled and mobile workers are migrating out of rural areas to large urban centers in order to take advantage of perceived better job and career opportunities. Supporting this explanation are some quotes by recent survey respondents.

"Difficult to find good qualified people that want to work in production agriculture."

"The state is just plain short of people."

"We are growing our business with 10% employment growth expected over next 3-6 months. No applicants to be found."

"Not enough qualified auto mechanic technicians. Current schools do not provide in-depth experience."

"It is extremely difficult to find qualified employees in the market."

"Lack of qualified people who are willing to work 40 hours a week."

"Hard to find employees without background records to be able to hire."

"It is very difficult to ever get a response to a job ad. We really do not know where to go to hire employees for our firm."

Table 5
Total Unfilled Positions and Positions Unfilled Due to Lack of Qualified Applicants 1st Quarter 1998[1] (Full-time Positions)

	State		Metro[2]		Nonmetro	
Occupation	Total Unfilled	Unfilled Due to Lack of Qualified Applicants	Total Unfilled	Unfilled Due to Lack of Qualified Applicants	Total Unfilled	Unfilled Due to Lack of Qualified Applicants
Executives/Administrators	10	3	6	2	4	1
Managers	51	32	27	15	24	17
Professional Specialists	185	116	118	72	67	44
Marketing/Sales	162	30	133	10	29	20
Administrative Support/Clerical	89	51	80	47	9	4
Service Workers	329	138	237	74	92	64
Transportation/Material Movers	122	90	37	23	85	67
Production/Craft/Repair	276	209	135	109	141	100
Operators/Fabricators/Laborers	607	82	168	55	439	27
Total	1,831	751	941	407	890	344

[1]Based on a survey of over 1,500 reporting businesses with combined employment of nearly 90,000 workers.
[2]Metro includes Cass, Douglas, Lancaster, Sarpy, and Washington Counties.

"We need more people to hire! There is no one out there with skills for $10-$15 hr. jobs."

"We will grow our business this year if we can find employees."

"We are a fast growing company, but finding qualified candidates in telecommunications is getting more difficult."

"Advertised for 6 weeks. Received 4 applications."

"The lack of qualified applicants has been ongoing problem in the Omaha market. We get better ad responses in the rural areas."

"Need tech. workers for all areas of company—bench technicians, field service technicians, and customer service workers."

"We can't seem to find enough qualified applicants to apply."

"No one responds to our help wanted ads."

Table 6
Estimates of Unfilled Full-time Jobs Statewide for 1997 and 1st Quarter 1998

	1997 Quarterly Average		1998 1st Quarter	
	Professional	*Other*	*Professional*	*Other*
Metro[1]	2,097	5,214	2,596	6,004
Nonmetro	864	2,465	1,133	7,000
State	2,961	7,679	3,729	13,004

[1] Metro includes Cass, Douglas, Lancaster, Sarpy, and Washington Counties.

Figure 1
Nonfarm Employment Change from 1st Quarter 1997 to 1st Quarter 1998, by County

Tight Labor Markets Pushing Wages Still Higher

Charles Lamphear

A tight labor market is a double-edged sword—good news for workers; possibly bad news for businesses.

First quarter 1998 Nebraska Quarterlly Conditions Survey (NQBCS) results show that the average hourly wage rate for new full-time position hires for the 3-month period was $11.51 (Tables 1 and 2). The $11.51 rate compares with a 1997 annual average wage rate of $11.46 per hour, indicating a constant average wage for new full-time positions. What has changed is the average hourly wage rate for full-time replacement hires. The 1st quarter 1998 average hourly rate was $9.38. That rate compares to a 1997 annual average wage rate of $9.06 per hour (Table 2). The wage gap between full-time new hires and full-time replacement hires has narrowed. This outcome is expected in a tight labor market. It certainly is good news for workers, since they now have more discretionary income to spend. However, higher average wages can be a problem especially for both small and large business that are operating on thin profit margins.

Table 2 also gives 1997 and 1st quarter 1998 wage comparisons for the state's metro and nonmetro counties. For nonmetro counties, the 1997 average wage was $10.35 per hour. The comparable wage rate for 1st quarter 1998 was $9.58 per hour, indicating a decline in the average hourly wage rate for new hires and a change in the occupational mix of new hires for 1997 and 1st quarter 1998.

Table 1
Average Hourly Wages for New and Replacement Hires
1st Quarter 1998[1]

	State		Metro[2]		Nonmetro	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Replacement hires	$ 9.38	$6.50	$ 9.71	$6.75	$8.97	$6.04
New hires	11.51	7.79	12.66	8.45	9.58	7.17

[1]Based on a survey of over 1,500 reporting businesses with combined employment of nearly 90,000 workers.
[2]Metro includes Cass, Douglas, Lancaster, Sarpy, and Washington Counties.

Table 2
Average Hourly Wages for Full-time New and Replacement Hires
For 1997 and 1st Quarter 1998[1]

	Annual Average 1997		1st Quarter 1998	
	New Hires	Replacement Hires	New Hires	Replacement Hires
State	$11.46	$9.06	$11.51	$9.38
Metro[2]	12.48	9.35	12.66	9.71
Nonmetro	10.35	8.69	9.58	8.97

[1]Based on a survey of over 1,500 reporting businesses with combined employment of nearly 90,000 workers.
[2]Metro includes Cass, Douglas, Lancaster, Sarpy, and Washington Counties.

Tables 3 and 4 show average hourly wages by occupation for new hires and replacement hires for 1st quarter 1998. Table 5 gives state level 1997 and 1st quarter 1998 wage comparisons by occupation for new and replacement hires.

Higher wages and hiring bonuses are common features of today's labor market. Fast-food chains are offering $100 bonuses to students to sign on as part-time workers. Nationally, $5,000 to $10,000 signing bonuses are now common for many full-time professional positions. It has been reported that one company offered an individual a Jeep Cherokee as a bonus to switch jobs. More and more workers who are seeking career changes and higher salaries are realizing that they can encourage competition among employers by shopping for the best deal. The growing number of job services available on the Web is increasing the opportunity for workers to shop for the best job. In short, skilled and qualified workers clearly are in control of today's labor market.

Table 3
Average Hourly Wages for New Position Hires by Occupation
1st Quarter 1998[1]

	State		*Metro[2]*		*Nonmetro*	
Occupation	*Full-time*	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*
Executives/Administrators	$22.21	$ —	$21.85	$ —	$23.50	$ —
Managers	15.16	8.16	17.26	11.25	12.46	6.40
Professional Specialists	16.73	13.65	17.04	13.14	15.39	15.67
Marketing/Sales	16.51	7.61	16.84	7.53	15.65	7.79
Administrative Support/Clerical	9.34	7.18	9.57	7.40	8.80	6.82
Service Workers	8.68	6.37	9.23	6.15	8.04	6.52
Transportation/Material Movers	12.48	6.55	17.86	6.33	8.63	6.76
Production/Craft/Repair	10.35	9.73	12.05	11.07	8.11	8.16
Operators/Fabricators/Laborers	9.45	8.51	9.90	10.46	8.65	7.41

[1]Based on a survey of over 1,500 reporting businesses with combined employment of nearly 90,000 workers.
[2]Metro includes Cass, Douglas, Lancaster, Sarpy, and Washington Counties.

Table 4
Average Hourly Wages for Replacement Hires by Occupation
1st Quarter 1998[1]

	State		*Metro[2]*		*Nonmetro*	
Occupation	*Full-time*	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*
Executives/Administrators	$22.86	$ —	$23.70	$ —	$21.42	$ —
Managers	16.77	17.93	18.64	27.00	13.75	12.50
Professional Specialists	14.94	10.17	15.55	10.08	12.84	10.35
Marketing/Sales	9.10	6.80	8.94	6.87	10.41	5.42
Administrative Support/Clerical	9.02	7.19	9.68	7.81	7.72	6.00
Service Workers	7.22	5.91	7.62	6.06	6.42	5.71
Transportation/Material Movers	13.70	7.77	10.67	7.66	14.54	7.99
Production/Craft/Repair	8.48	6.69	9.91	6.73	7.83	6.64
Operators/Fabricators/Laborers	8.31	6.44	8.38	6.98	8.22	5.59

[1]Based on a survey of over 1,500 reporting businesses with combined employment of nearly 90,000 workers.
[2]Metro includes Cass, Douglas, Lancaster, Sarpy, and Washington Counties.

Table 5
1997 and 1st Quarter 1998 Wage Comparisons by Occupation for Full-time New and Replacement Hires

	1997 Annual Average		1st Quarter 1998	
	New Hires	Replacement Hires	New Hires	Replacement Hires
Executives/Administrators	$20.11	$21.95	$22.21	$22.86
Managers	16.72	16.63	15.16	16.77
Professional Specialists	17.22	14.90	16.73	14.94
Marketing/Sales	13.01	9.70	16.51	9.10
Administrative Support/Clerical	9.51	8.85	9.34	9.02
Service Workers	8.64	6.86	8.68	7.22
Transportation/Material Movers	10.08	12.43	12.48	13.70
Production/Craft/Repair	9.58	8.63	10.35	8.48
Operators/Fabricators/Laborers	9.35	7.90	9.45	8.31

What is the impact of tight labor markets and higher wages on Nebraska's businesses? The plain answer is, a lot. Is a business relocation to another area of the country the answer? Probably not. Keep in mind that the current labor shortage is not limited to Nebraska or even to the Midwest. It is a national phenomenon that is being driven by several important demographic factors:

1) slower growth in the working-age population;

2) a decline in the participation rate for working age males; and

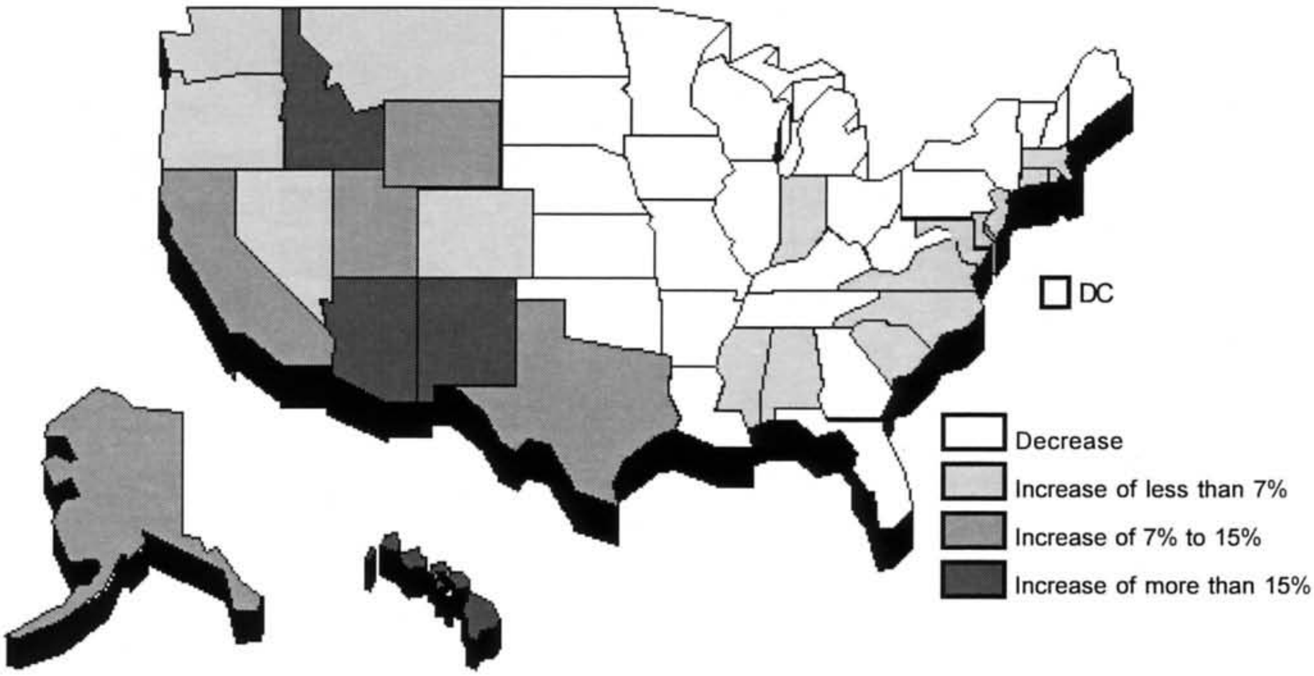
3) slower growth in female participation rates.

This demographic dynamic is occurring at the same time that the nation's economy is growing at a rate above the long-term average rate. Assuming that a national recession is not imminent, the current labor situation will continue to impact businesses for at least the foreseeable future.

NQBCS is a joint project of the Nebraska Departments of Economic Developmemt and Labor and BBR. The following individuals contributed either to the oversight of conducting the 1st quarter survey or to the tabulation of survey results used in this report: Phil Baker, Jolee Wheatley, Jane Sutherland, and Clarence Waldman, Nebraska Department of Labor; Tom Doering and Stu Miller, Nebraska Department of Economic Development; and David Bennett, Annette Miller, and Charles Lamphear, BBR.

Projections of Public School Enrollments and High School Graduates

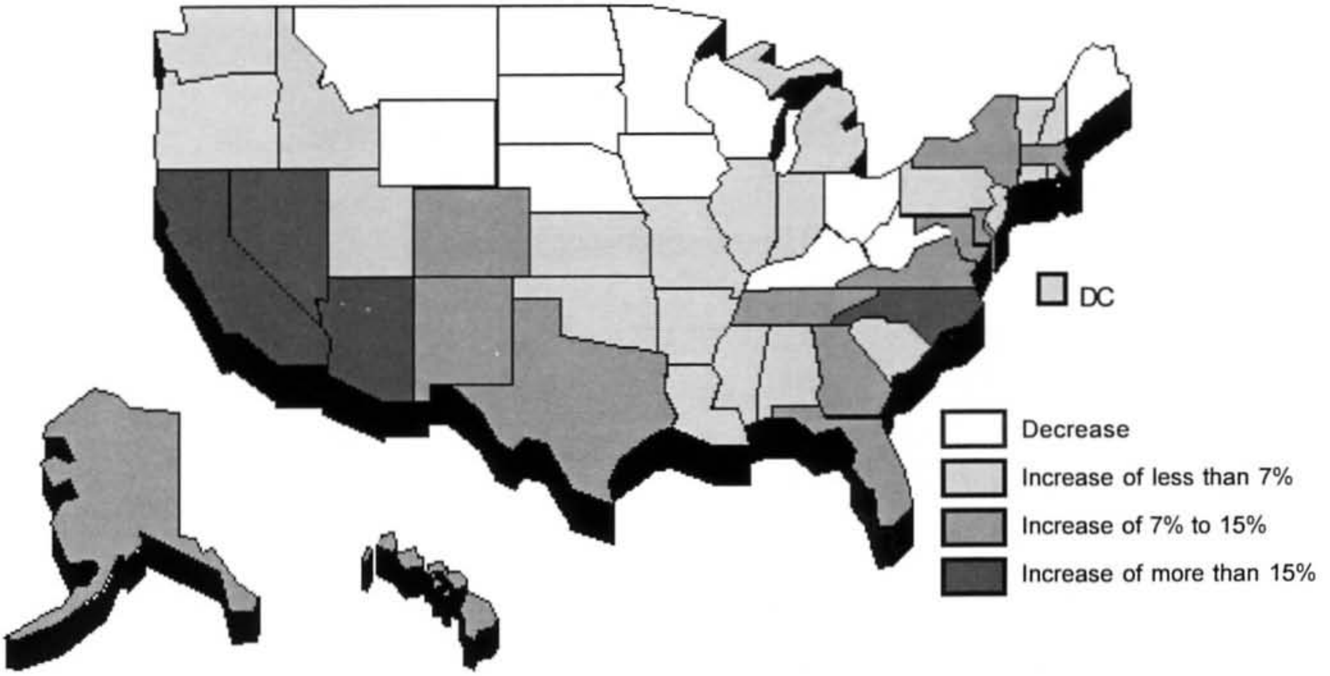
Percent Change in Grades K-8 Enrollment in Public Schools, by State—Fall 1996 to Fall 2008



Grades K-8 Enrollment in Public Schools for Selected Midwest States (in thousands)

	Actual		*Projected*		
	1990	***1995***	***2000***	***2005***	***2008***
Iowa	345	344	330	321	318
Kansas	320	329	325	325	324
Minnesota	546	586	569	546	544
Missouri	588	636	639	625	618
Nebraska	198	203	198	197	197
South Dakota	95	101	99	99	99

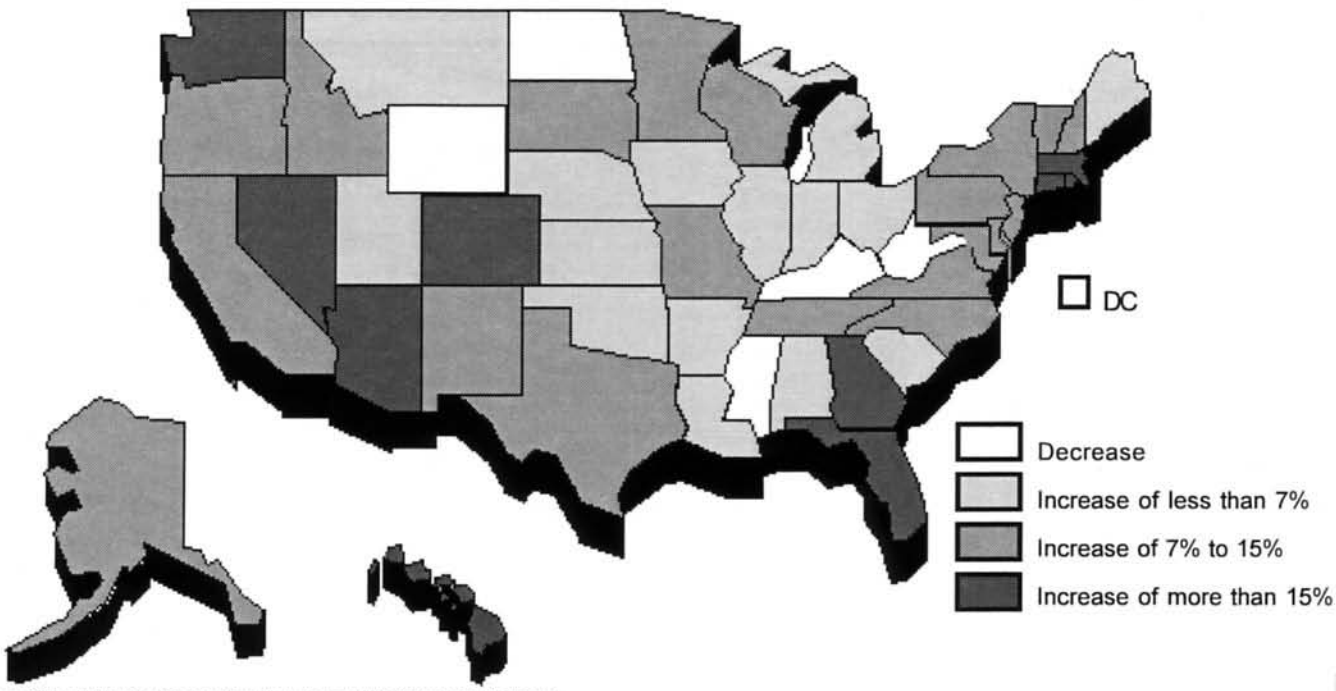
Percent Change in Grades 9-12 Enrollment in Public Schools, by State— Fall 1996 to Fall 2008



Grades 9-12 Enrollment in Public Schools for Selected Midwest States
(in thousands)

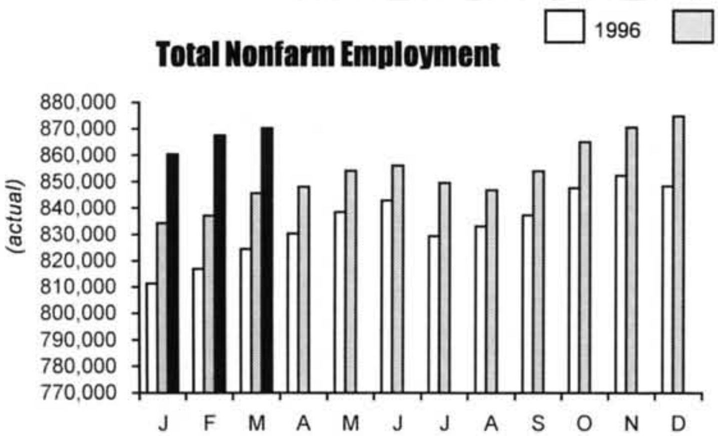
	Actual		*Projected*		
	1990	***1995***	***2000***	***2005***	***2008***
Iowa	139	158	161	152	148
Kansas	117	134	145	146	145
Minnesota	211	249	272	262	250
Missouri	228	254	270	274	271
Nebraska	76	87	91	90	88
South Dakota	34	43	45	43	42

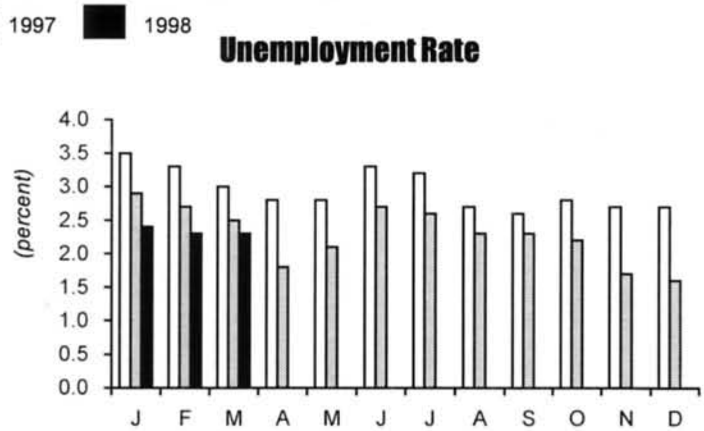
Percent Change in Number of Public High School Graduates, by State—1995-1996 to 2007-2008

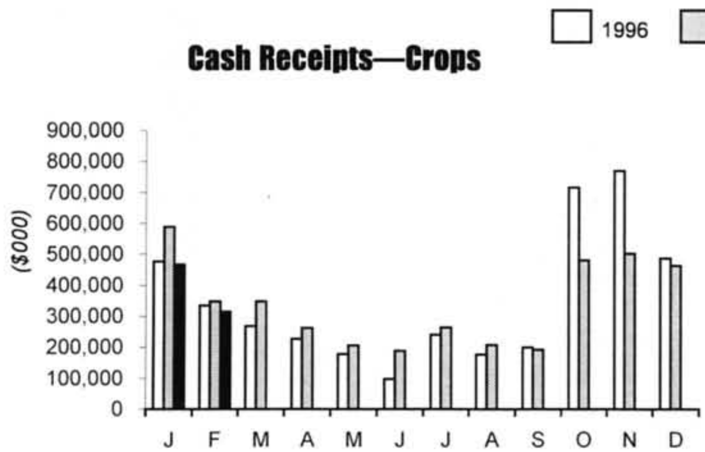


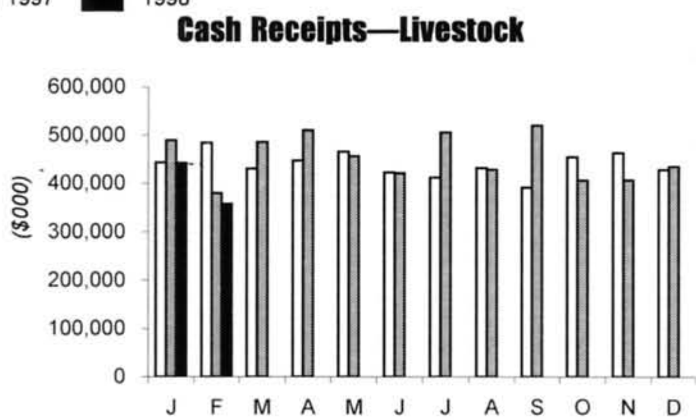
Source: Office of Educational Research and Improvement, U.S. Department of Education

Nebraska Stats









Net Taxable Retail Sales* for Nebraska Cities ($000)

	February 1998 ($000)	YTD ($000)	YTD % Change vs Yr. Ago
Ainsworth,Brown	1,556	3,141	0.0
Albion,Boone	1 488	3,071	0.1
Alliance,Box Butte	5,224	10,598	-2.3
Alma,Harlan	614	1,167	3.5
Arapahoe,Furnas	593	1,205	2.3
Arlington,Washington	150	366	-2.1
Arnold,Custer	284	531	9.5
Ashland,Saunders	797	1,597	-2.8
Atkinson,Holt	734	1,618	7.8
Auburn,Nemaha	2,037	4,231	-4.2
Aurora,Hamilton	2,293	4,665	-2.9
Axtell,Kearney	51	119	-9.2
Bassett,Rock	298	658	8.9
Battle Creek,Madison	567	1,203	-11.2
Bayard,Morrill	392	876	14.8
Beatrice,Gage	9,461	18,887	1.4
Beaver City,Furnas	104	205	7.9
Bellevue,Sarpy	15,257	30,349	3.8
Benkelman,Dundy	468	909	8.6
Bennington,Douglas	328	566	21.2
Blair,Washington	5,918	11,645	-3.3
Bloomfield,Knox	589	1,226	21.0
BlueHill,Webster	435	873	17.3
Bridgeport,Morrill	907	1,816	-6.8
BrokenBow,Custer	3,249	6,862	-1.6
Burwell,Garfield	569	1,198	14.6
Cairo,Hall	208	411	24.5
Cambridge,Furnas	613	1,300	-37.0
Central City,Merrick	1,432	2,896	3.7
Chadron,Dawes	3,891	7,589	19.6
Chappell,Deuel	458	844	18.4
Clarkson,Colfax	360	762	12.1
Clay Center,Clay	325	707	29.0
Columbus,Platte	17,415	34,949	-0.3
Cozad,Dawson	2,671	5,454	9.6
Crawford,Dawes	372	753	-4.9
Creighton,Knox	927	1,942	4.9
Crete,Saline	2,645	5,641	-3.8
Crofton,Knox	295	598	-0.5
Curtis,Frontier	300	622	23.4
Dakota City,Dakota	313	676	-7.7
David City,Butler	1,191	2,402	-3.9
Deshler,Thayer	262	576	64.6
Dodge,Dodge	154	335	8.1
Doniphan,Hall	530	1,841	77.0
Eagle,Cass	175	401	2.0
Elgin,Antelope	370	744	-9.6
Elkhorn,Douglas	1,918	3,593	10.5
Elm Creek,Buffalo	256	565	4.4
Elwood,Gosper	343	745	27.6
Fairbury,Jefferson	2,632	5,453	-2.7
Fairmont,Fillmore	118	229	-32.0
Falls City,Richardson	2,151	4,318	-8.0
Franklin,Franklin	513	1,084	67.8
Fremont,Dodge	17,953	35,927	6.2
Friend,Saline	480	880	-7.8
Fullerton,Nance	481	1,027	-6.0
Geneva,Fillmore	1,465	2,847	-11.9
Genoa,Nance	269	567	32.8
Gering,Scotts Bluff	2,839	6,259	16.8
Gibbon,Buffalo	782	1,562	1.0
Gordon,Sheridan	1,355	2,811	-13.1
Gothenburg,Dawson	1,969	3,944	0.0
Grand Island,Hall	44,557	88,654	5.2
Grant,Perkins	853	1,787	3.4
Gretna,Sarpy	2,496	4,511	-4.6
Hartington,Cedar	1,382	2,943	0.9
Hastings,Adams	17,718	35,192	-0.6
Hay Springs,Sheridan	278	632	1.3
Hebron,Thayer	1,767	3,548	4.9
Henderson,York	486	913	7.5
Hickman,Lancaster	200	408	-1.0
Holdrege,Phelps	3,645	7,551	-6.9
Hooper,Dodge	290	649	-7.2
Humboldt,Richardson	428	887	-3.9
Humphrey,Platte	529	1,072	0.8
Imperial,Chase	1,583	3,369	10.5
Juniata,Adams	199	401	-24.9
Kearney,Buffalo	25,806	53,090	6.3
Kenesaw,Adams	301	644	283.3
Kimball,Kimball	1,315	2,701	3.9
LaVista,Sarpy	7,019	14,443	15.4
Laurel,Cedar	277	543	-15.0
Lexington,Dawson	6,829	13,213	-3.8
Lincoln,Lancaster	170,551	347,626	5.1
Louisville,Cass	403	761	16.0
Loup City,Sherman	529	1,137	17.2
Lyons,Burt	356	775	4.3
Madison,Madison	579	1,253	-10.2
McCook,Red Willow	9,573	19,599	0.2
Milford,Seward	613	1,855	-3.5
Minatare,Scotts Bluff	120	266	-48.0
Minden,Kearney	1,410	2,742	-5.3
Mitchell,ScottsBluff	741	1,445	-6.0
Morrill,ScottsBluff	373	775	5.2
Nebraska City,Otoe	5,435	10,891	12.2
Neligh,Antelope	1,173	2,413	-3.0
Newman Grove,Madison	254	504	-17.1
Norfolk,Madison	24,863	50,843	3.5
North Bend,Dodge	397	798	-7.3
North Platte,Lincoln	18,164	37,124	3.9
O'Neill,Holt	3,368	7,086	-4.0
Oakland,Burt	568	1,220	-0.7
Ogallala,Keith	4,167	8,636	-3.0
Omaha,Douglas	402,733	812,305	3.7
Ord,Valley	1,732	3,437	3.6
Osceola,Polk	633	1,228	-2.9
Oshkosh,Garden	384	841	11.4
Osmond,Pierce	279	550	13.6
Oxford,Furnas	416	850	-29.3
Papillion,Sarpy	5,276	10,763	-0.6
Pawnee City,Pawnee	266	568	-8.2
Pender,Thurston	587	1,127	-5.8
Pierce,Pierce	529	1,151	0.1
Plainview,Pierce	578	1,208	-23.3
Plattsmouth,Cass	2,848	5,747	-3.1
Ponca,Dixon	469	929	-1.2
Ralston,Douglas	2,720	5,571	7.3
Randolph,Cedar	388	788	30.7
Ravenna,Buffalo	708	1,498	17.9
Red Cloud,Webster	564	1,172	-16.2
Rushville,Sheridan	447	995	5.4
Sargent,Custer	136	305	-21.6
Schuyler,Colfax	1,696	3,588	3.5
Scottsbluff,Scotts Bluff	17,153	35,163	-8.8
Scribner,Dodge	374	760	8.3
Seward,Seward	4,137	8,194	-7.7
Shelby,Polk	280	543	-13.1
Shelton,Buffalo	582	1,216	43.7
Sidney,Cheyenne	5,812	11,843	6.0
South Sioux City,Dakota	7,003	14,285	-2.9
Springfield,Sarpy	266	428	15.7
St. Paul,Howard	1,030	2,196	-4.9
Stanton,Stanton	531	1,105	-7.3
Stromsburg,Polk	660	1,265	-15.2
Superior,Nuckolls	1,252	2,653	-15.3
Sutherland,Lincoln	262	566	13.7
Sutton,Clay	852	1,627	-21.6
Syracuse,Otoe	1,021	1,881	16.5
Tecumseh,Johnson	730	1,476	-24.8
Tekamah,Burt	980	1,880	-7.3
Tilden,Madison	376	771	-4.9
Utica,Seward	286	586	54.6
Valentine,Cherry	3,365	6,683	0.7
Valley,Douglas	686	1,510	-7.8
Wahoo,Saunders	1,922	4,037	-13.3
Wakefield,Dixon	285	586	-17.7
Wauneta,Chase	266	643	-0.2
Waverly,Lancaster	799	1,507	-15.4
Wayne,Wayne	2,671	5,583	-4.1
Weeping Water,Cass	675	1,259	16.1
West Point,Cuming	3,355	6,834	-9.8
Wilber,Saline	425	846	-4.0
Wisner,Cuming	502	1,000	-6.0
Wood River,Hall	335	703	29.0
Wymore,Gage	370	742	-5.2
York,York	8,170	17,247	9.2

*Does not include motor vehicle sales. Motor vehicle net taxable retail sales are reported by county only.

Source: Nebraska Department of Revenue

Net Taxable Retail Sales for Nebraska Counties ($000)

	Motor Vehicle Sales			Other Sales		
	February 1998 ($000)	YTD ($000)	YTD % Chg. vs Yr. Ago	February 1998 ($000)	YTD ($000)	YTD % Chg. vs Yr. Ago
Nebraska *	164,111	334,263	5.8	1,151,371	2,375,825	6.2
Adams	2,591	5,755	-0.8	18,368	36,548	0.5
Antelope	899	2,184	9.0	1,833	3,693	-4.5
Arthur	44	178	439.4	(D)	0	(D)
Banner	141	273	-6.2	(D)	0	(D)
Blaine	96	177	31.1	59	116	-23.7
Boone	703	1,837	-3.1	1,916	3,933	-2.1
Box Butte	1,656	3,011	10.9	5,469	11,098	-2.8
Boyd	276	597	52.7	400	834	-14.8
Brown	351	812	19.9	1,595	3,227	0.8
Buffalo	3,880	8,479	9.4	28,424	58,482	7.0
Burt	717	1,779	-6.3	2,025	4,160	-4.3
Butler	1,053	2,065	19.8	1,565	3,164	-6.9
Cass	2,630	5,244	3.4	5,052	10,133	-2.5
Cedar	1,237	2,491	12.1	2,249	4,706	1.9
Chase	637	1,342	11.5	1,857	4,032	7.4
Cherry	976	1,972	48.0	3,531	7,041	0.9
Cheyenne	904	1,727	-26.3	6,020	12,278	5.3
Clay	1,019	2,063	0.0	1,989	3,881	-2.4
Colfax	1,012	2,066	4.1	2,402	5,063	3.0
Cuming	971	2,243	-10.8	4,272	8,719	-9.5
Custer	1,139	2,712	5.8	4,131	8,612	0.8
Dakota	1,836	3,580	23.4	7,878	16,107	-5.5
Dawes	825	1,680	44.7	4,263	8,342	16.8
Dawson	2,084	5,759	5.6	11,773	23,165	-0.2
Deuel	269	539	-12.2	856	1,687	31.5
Dixon	1,084	1,780	23.9	898	1,763	-5.2
Dodge	3,360	6,171	-7.0	19,367	38,899	5.5
Douglas	40,993	76,078	7.8	409,846	826,453	3.6
Dundy	336	726	-3.6	489	934	6.0
Fillmore	881	2,029	0.8	2,061	4,128	-11.5
Franklin	328	1,028	3.3	763	1,511	38.6
Frontier	261	889	-4.6	555	1,153	3.0
Furnas	502	1,487	6.4	1,843	3,791	-24.1
Gage	2,471	4,982	20.8	10,492	20,939	0.8
Garden	413	843	57.0	461	1,027	12.0
Garfield	166	487	26.2	569	1,198	14.6
Gosper	212	516	-25.3	381	833	19.7
Grant	162	300	28.8	188	370	72.9
Greeley	370	671	8.6	468	962	-3.9
Hall	4,798	10,255	7.7	45,854	92,058	6.2
Hamilton	1,023	2,348	-20.3	2,590	5,278	-4.6
Harlan	347	820	-19.8	718	1,389	4.8
Hayes	195	402	16.2	(D)	0	(D)
Hitchcock	413	833	5.2	464	1,015	-13.5
Holt	1,571	3,226	44.9	4,560	9,672	-1.7
Hooker	88	188	48.0	168	344	-10.6
Howard	632	1,539	-1.3	1,322	2,782	-5.0
Jefferson	933	1,938	-4.9	3,464	7,085	0.2
Johnson	589	1,081	4.2	1,021	2,082	-19.1
Kearney	931	2,118	10.0	1,541	3,038	-5.6
Keith	1,014	1,865	-14.3	4,514	9,349	-1.8
Keya Paha	59	210	54.4	64	133	-22.7
Kimball	386	766	-23.2	1,357	2,770	5.0
Knox	890	2,067	4.2	2,245	4,742	3.0
Lancaster	18,980	39,056	5.2	172,606	351,976	5.1
Lincoln	3,086	6,439	8.7	18,946	38,722	4.1
Logan	123	314	65.3	(D)	85	(D)
Loup	76	223	4.2	(D)	0	(D)
McPherson	59	188	91.8	(D)	0	(D)
Madison	2,891	6,532	5.5	26,687	54,686	2.4
Merrick	1,026	2,203	22.1	1,872	3,793	3.6
Morrill	412	1,120	-19.1	1,315	2,720	-3.6
Nance	506	1,077	1.0	773	1,637	6.1
Nemaha	827	2,010	40.9	2,213	4,749	-4.6
Nuckolls	525	1,149	-3.8	1,728	3,649	-10.0
Otoe	1,605	3,796	16.9	6,772	13,449	12.1
Pawnee	443	974	27.0	415	864	-10.6
Perkins	486	1,195	11.2	994	2,105	2.5
Phelps	1,215	2,583	-24.1	3,902	8,070	-5.3
Pierce	840	1,754	-7.0	1,438	3,015	-8.7
Platte	3,421	7,147	16.2	18,475	37,035	-0.6
Polk	679	1,671	-3.2	1,734	3,372	-7.2
Red Willow	1,462	2,587	-1.3	9,857	20,157	0.3
Richardson	853	2,013	4.0	2,766	5,619	-9.9
Rock	252	601	29.2	298	658	8.6
Saline	1,251	2,783	21.8	3,984	8,141	-3.7
Sarpy	10,971	21,206	6.7	31,434	62,613	6.7
Saunders	2,560	4,873	1.3	4,604	9,744	-5.9
Scotts Bluff	3,364	6,872	-6.2	21,272	44,017	-6.1
Seward	1,728	3,404	8.6	5,265	11,088	-4.9
Sheridan	636	1,660	18.1	2,321	4,941	-6.3
Sherman	351	775	-14.8	585	1,277	3.6
Sioux	196	616	40.0	85	183	-20.4
Stanton	791	1,408	-1.3	659	1,339	-13.0
Thayer	724	1,817	7.6	2,437	4,990	5.3
Thomas	66	257	100.8	206	487	-25.8
Thurston	551	1,067	24.4	710	1,378	-8.1
Valley	372	900	-10.4	1,900	3,751	4.9
Washington	2,301	4,141	3.2	6,414	12,765	-4.4
Wayne	828	1,897	5.3	2,787	5,856	-4.2
Webster	443	910	-17.6	1,126	2,243	-2.0
Wheeler	180	408	-16.6	76	145	45.0
York	1,698	3,664	-13.3	9,008	19,110	9.3

*Totals may not add due to rounding
(D) Denotes disclosure suppression

Source: Nebraska Department of Revenue

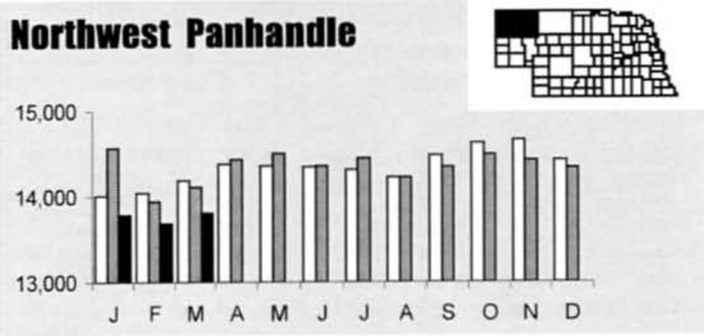
Note on Net Taxable Retail Sales

Users of this series should be aware that taxable retail sales are not generated exclusively by traditional outlets such as clothing, discount, and hardware stores. While businesses classified as retail trade firms account for, on average, slightly more than half of total taxable sales, sizable portions of taxable sales are generated by service establishments, electric and gas utilities, wholesalers, telephone and cable companies, and manufacturers.

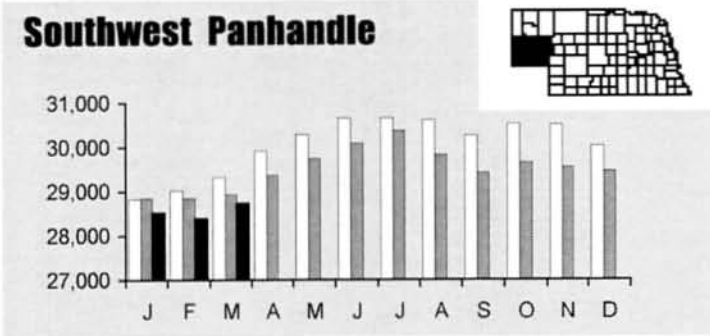
Regional Employment—1996 to March 1998

1996 1997 1998

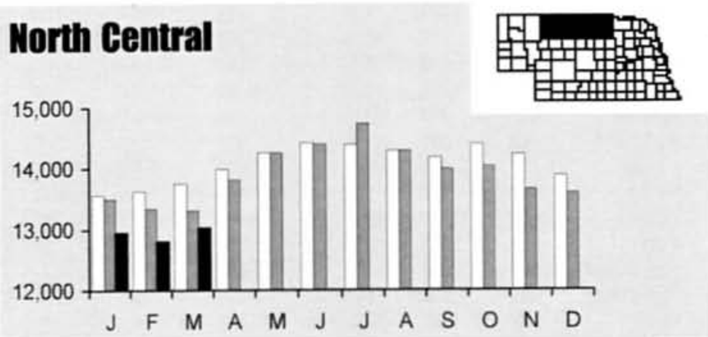
Northwest Panhandle



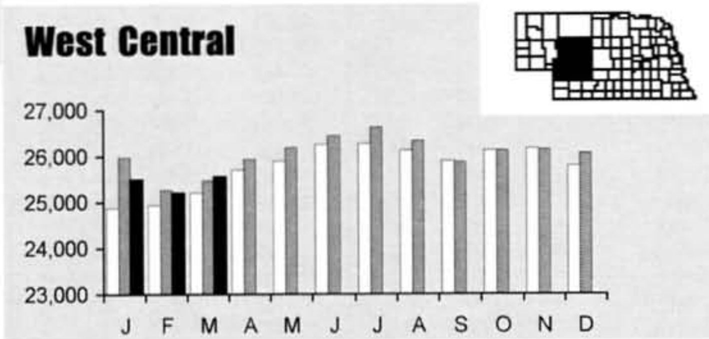
Southwest Panhandle



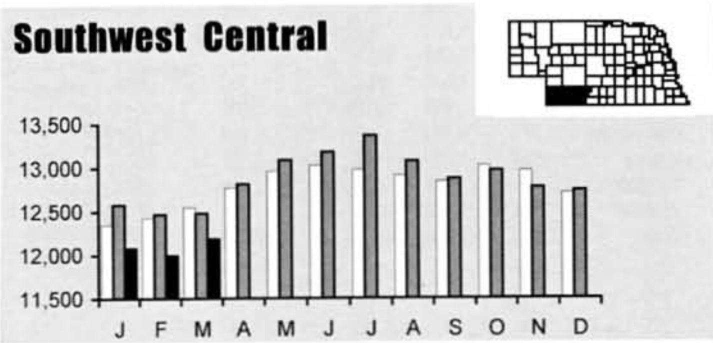
North Central



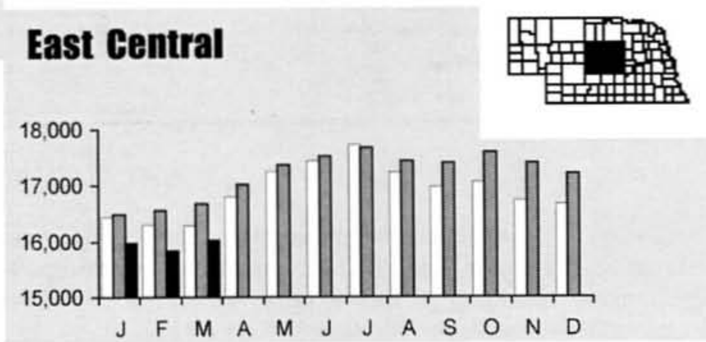
West Central



Southwest Central



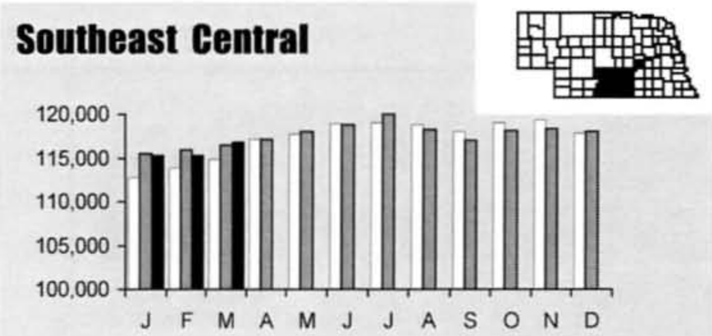
East Central



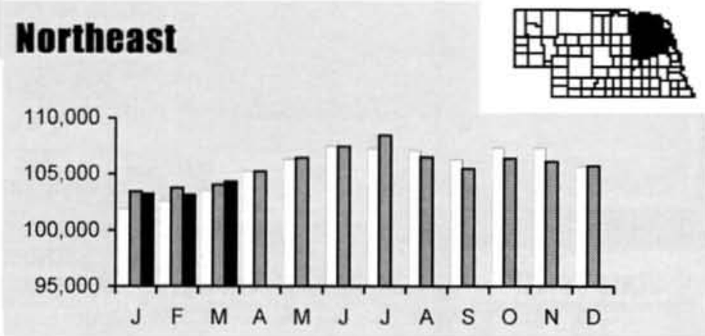
Regional Employment—1996 to March 1998

1996 1997 1998

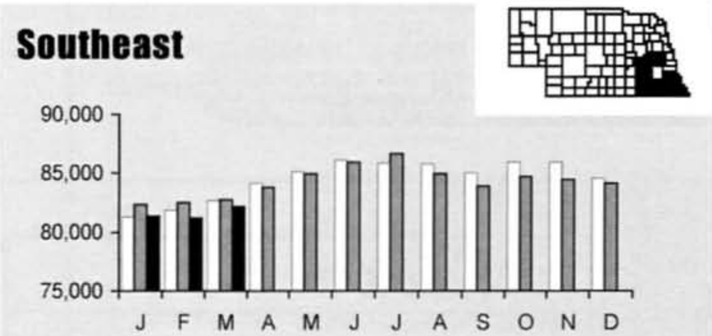
Southeast Central



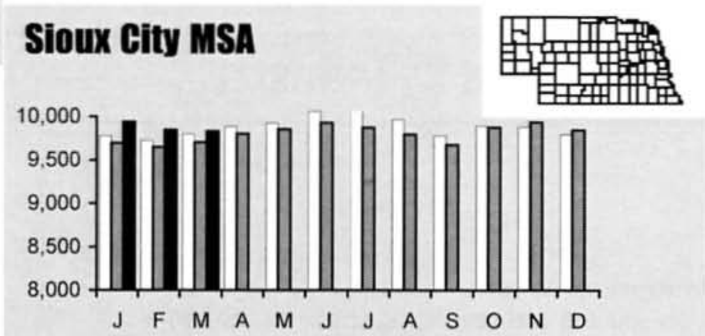
Northeast



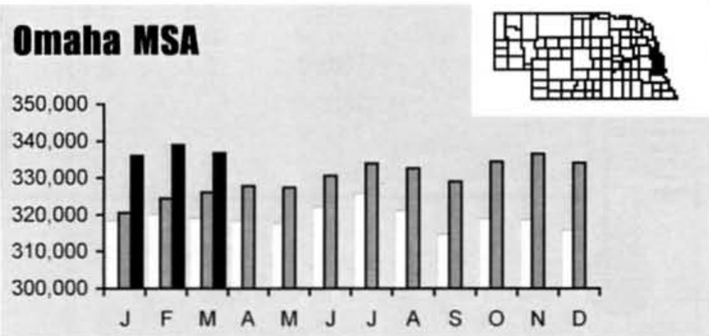
Southeast



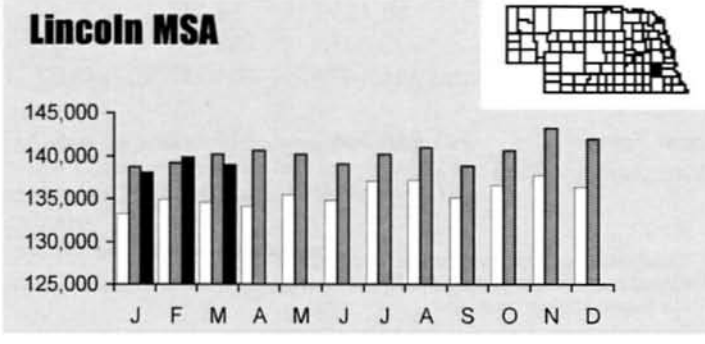
Sioux City MSA



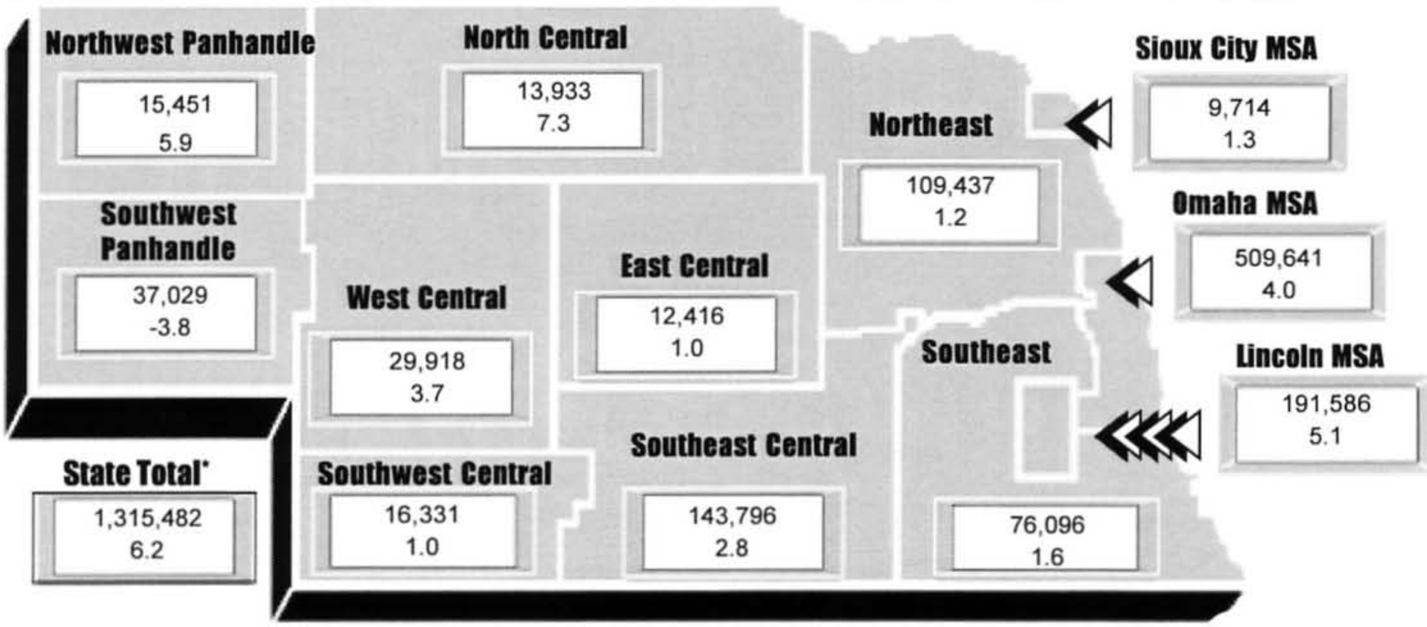
Omaha MSA



Lincoln MSA



February 1998 Regional Retail Sales ($000) Percent Change from Year Ago



*Regional values may not add to state total due to unallocated sales

Employment by Industry

	Revised February 1998	*Preliminary March 1998*	*% Change vs Yr. Ago*
Nonfarm Emp (W&S)	867,634	870,280	2.9
Construction & Mining	39,163	39,328	6.8
Manufacturing	118,426	117,961	2.9
Durables	57,574	57,092	2.4
Nondurables	60,852	60,869	3.5
TCU*	54,556	54,925	5.4
Trade	211,680	211,490	2.0
Retail	154,703	154,429	0.4
Wholesale	56,977	57,061	6.6
FIRE**	56,161	56,318	4.4
Services	233,501	235,341	3.5
Government	154,147	154,917	0.9
Labor Force	916,866	919,412	0.7
Unemployment Rate	2.3	2.3	

* Transportation, Communication, and Utilities
** Finance, Insurance, and Real Estate
Source: Nebraska Department of Labor

Price Indices

*Consumer Price Index - U**
(1982-84 = 100)

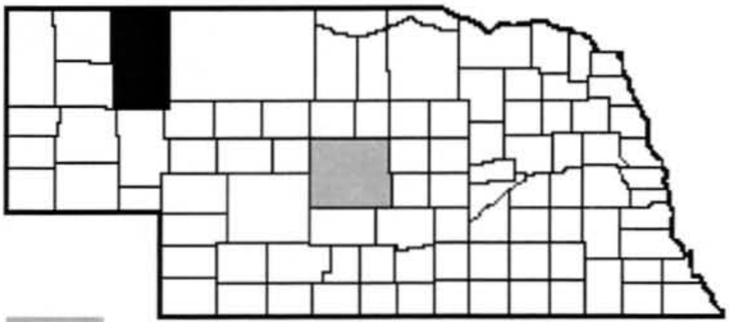
	April 1998	*% Change vs Yr. Ago*	*YTD % Change vs Yr. Ago*
All items	162.5	1.4	1.5
Commodities	142.0	-0.2	-0.2
Services	183.2	2.7	2.7

*U = All urban consumers
Source: U.S. Bureau of Labor Statistics

County of the Month

Sheridan

Rushville-County Seat



Next County of Month

License plate prefix number: 61

Size of county: 2,453 square miles, ranks 4th in the state

Population: 6,620 in 1997, a change of –1.1 percent from 1990

Per capita personal income: $15,836 in 1996, ranks 81st in the state

Net taxable retail sales ($000): $45,080 in 1997, a change of 6.4 percent from 1996; $6,601 from January through February of 1998, a change of –1.2 percent from the same period the previous year.

Number of covered business and service worksites[1]: 257 in 1997

Unemployment rate: 3.5 percent in Sheridan County, 2.6 percent in Nebraska for 1997

	State	Sheridan County
Nonfarm employment (1997):	820,481	1,848
	(percent of total)	
Construction and Mining	5.2	1.2
Manufacturing	14.2	1.7
TCU	5.2	2.5
Wholesale Trade	6.7	12.6
Retail Trade	19.0	26.1
FIRE	6.4	6.0
Services	26.2	9.0
Government	17.2	41.0

Agriculture:

Number of farms: 658 in 1992, 721 in 1987

Average farm size: 2,252 acres in 1992

Market value of farm products sold: $60.8 million in 1992 ($92,449 average per farm)

[1]Covered worksites and employment refer to business activity covered under the Nebraska Employment Security Law. Information presented has been extracted from the Employer's Quarterly Contribution Report, Nebraska Form UI-11. For further details about covered worksites and employment, see the Nebraska Employers Guide to Unemployment Insurance.

Sources: U.S. Bureau of the Census, U.S. Bureau of Economic Analysis, Nebraska Department of Labor, Nebraska Department of Revenue

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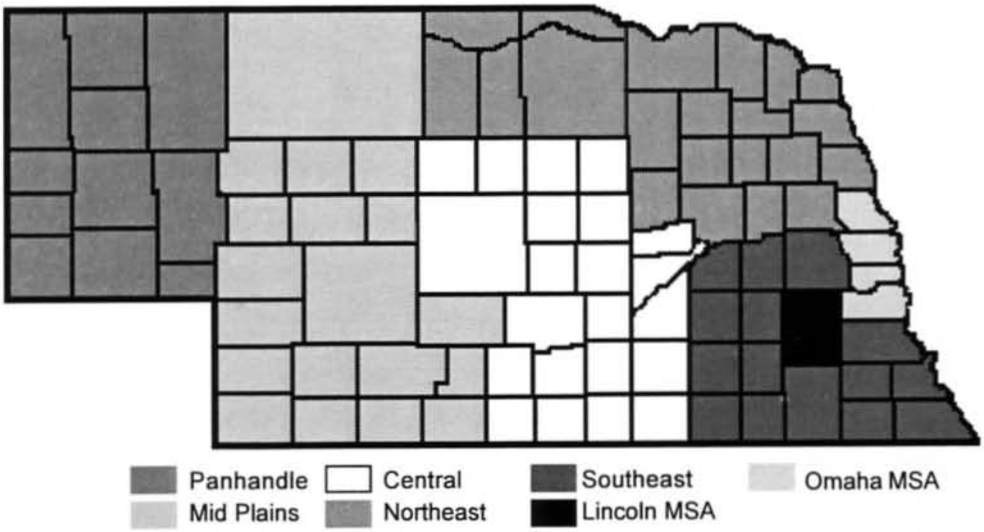
Click—the title of the table and it will be viewable in a portable document format (PDF).

*In addition to individual regions, detailed tables for the entire state, metro, and nonmetro counties are available.

Nebraska Quarterly Business Conditions Survey (NQBCS) Regions



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