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## Modest Growth With Heightened Risk

Nebraska Business Forecast Council

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## MODEST GROWTH WITH HEIGHTENED RISK

*By the Nebraska Business Forecast Council*

### U.S. Macroeconomic Outlook

**T**he U.S. economy continues to face a period of modest growth and heightened risk. Growth in manufacturing, the recent engine of domestic economic expansion, has slowed in response to a weakening global economy. More centrally, the United States continues to struggle with restructuring towards a more production-based economy. As part of this transformation, real wages continue to stagnate (and fall relative to Asian competitors), government services and the housing sector continue to be rationalized, and households face a growing need to directly pay more of the costs for their health care, retirement and education. As this restructuring continues, the U.S. economy remains vulnerable to overseas events. Such risks run high as European and Asian economies unwind from past excesses. The risk is most evident in Europe but there is also potential for a substantial slowdown in China. Chinese growth in recent years has become increasingly dependent on government directed overinvestment in both infrastructure and real estate. This government-lead economic model is no longer sustainable. The U.S. economy also faces risks in regards to fiscal policy. There is a great need for a broad-based reduction in federal government spending in the United States following rapid spending growth over the last 15 years. Significant spending cuts would greatly benefit the U.S. economy in the medium and long-run but could discourage economic growth during 2013. However, a failure to follow through on spending cuts also would discourage economic growth in 2013, by eroding confidence in the economy. The fiscal crisis therefore is likely to discourage growth during 2013, unless spending cuts are calibrated very skillfully.

Despite these trends and risks, the economy is most likely to grow in 2013 and beyond, at a modest pace. European policymakers have recently taken steps to delay or perhaps help avoid a collapse of the Spanish and Italian economies. Falling oil and gasoline prices should stimulate spending on other goods and services, and encourage businesses most impacted by fuel costs. The housing sector also appears to have bottomed and is showing the first signs of recovery. Household demand for durable goods also should remain solid as aging autos and other items need to be replaced, especially given that household finances have improved steadily in recent years. Finally, U.S. businesses have built strong balance sheets and can continue to pursue opportunities for growth within a slow economy.

What would this modest growth scenario look like? The Council's expectation is that real gross domestic product (GDP) growth will be just 2.0% in 2012, rising to 2.5% in 2013 and 2.3% in 2014. Growth in 2013 and 2014 represent 'trend' growth. Trend growth will fall below 3% in the United States as more of the baby boom generation reaches retirement and the labor force grows slowly. Job growth will be 1.2% in 2012 and 2013, before declining to 1.0% in 2014. While job growth is challenged at the moment, it was rapid early in the year, so the U.S. economy is already well along its way to reaching 1.2% job growth in 2012. Unemployment will continue decline slowly, aided as much by scheduled and early retirements as by job growth. Inflation will cool, given falling commodity prices. The inflation rate is expected to be 1.5% in 2012 and 2.0% in both 2013 and in 2014.

## Nebraska Outlook

**T**able 1 summarizes the Nebraska economic outlook. 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 sharply in 2012, in part due to the current drought.

**Table 1— Key Economic Growth Rates**

	Nonfarm Employment	Nonfarm Personal Income (nominal)	Net Farm Income (nominal)
2011	0.4%	4.6%	36.7%
2012	1.0%	3.5%	-35.2%
2013	1.4%	3.0%	17.1%
2014	1.4%	4.0%	0.0%

Note: Nominal income growth includes inflation.

There was strong income growth in Nebraska in 2011 due to both an elevated inflation rate (3.1%) and the temporary cut in the payroll tax contribution rate (these contributions are subtracted from personal income). Non-farm income growth will be more modest in 2012 through 2014. Record farm incomes in 2011 reflect an improvement in the relative value of commodities in the global economy. Thus, while farm incomes will decline sharply in 2012 strong farm incomes can reemerge if more normal weather patterns return.

### Employment

Early this year, the U.S. Bureau of Labor Statistics made a significant downward revision of its estimates for job growth in 2011. This revision is reflected in Table 2. Our previous forecast, based on pre-revision figures, had estimated solid 2011 job growth in Nebraska. Revisions suggest job growth was anemic during the year. Job growth is expected to improve in Nebraska, rising to 1.0% this year and reaching moderate growth of 1.4% in both 2013 and 2014. However, annual employment forecasts are lower in our current forecast, reflecting the persistent weakness in U.S. job growth in recent years.

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

	January 2012 Forecast	Current Forecast
2011	1.7%	0.4%
2012	1.3%	1.0%
2013	1.7%	1.4%
2014	-	1.4%

### Construction and Mining

Early signs of recovery in the housing market bode well for the Nebraska construction industry. Modest improvements in both building permits and housing starts for single-family homes and town homes will lead to modest improvement in employment in new home construction. Improvements in new home construction will reinforce the modest rebound already underway in the private commercial construction sector. Public commercial construction projects will remain flat as large projects in Lincoln continue to proceed but fewer new projects come on line. Infrastructure spending is expected to remain flat in 2012, but improve in 2013 as highway projects funded with general funds begin. The net result is improvement in construction activity and employment in 2012 through 2014. Job growth will be solid but construction employment is not expected to recover to pre-recession levels in the foreseeable future. Pre-recession construction employment reflected a speculative “bubble” in the housing sector. This bubble was not as pronounced in Nebraska as in other states, but was present. The Nebraska economy and population will need to grow substantially before the state is able to support pre-recession levels of construction employment. The specific forecast is that construction employment will grow by 3.0% (1,200 jobs) in 2012 and 2.0% (between 800 and 900 jobs) in 2013 and 2014.

### Manufacturing

Nebraska manufacturing employment began to rebound from recession lows during 2011. Nebraska’s recovery was part of a national manufacturing recovery that began in 2010 and reached sufficient strength to generate new employment in 2011. Nebraska lost approximately 10,000 manufacturing jobs during the recession, and just 1,400 new jobs were added during the 2011. This suggests additional room for employment growth during the forecast period. However, as is often the case, rising labor productivity implies that employment may not fully recover even as manufacturing output rebounds. Further, growth will be limited due to the weakness in Europe, the negative impact on exports of a strong U.S. dollar, slower growth in emerging markets, and uncertainty regarding efforts to address federal budget deficits.

**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
<b>Forecast Number</b>												
2012	953.8	42.3	43.4	50.3	40.7	104.4	51.2	17.0	69.8	366.3	16.4	151.9
2013	967.2	43.2	43.8	50.6	40.8	104.8	52.3	17.0	70.9	374.8	15.9	153.1
2014	980.4	44.0	44.2	51.1	41.0	105.4	53.9	16.8	71.6	382.6	15.5	154.3
<b>Forecast Number</b>												
2012	1.0%	3.0%	2.0%	-0.5%	0.5%	0.3%	0.0%	0.3%	0.5%	1.9%	-1.0%	0.2%
2013	1.4%	2.0%	1.0%	0.5%	0.2%	0.4%	2.2%	0.0%	1.5%	2.3%	-3.0%	0.8%
2014	1.4%	2.0%	1.0%	1.0%	0.5%	0.5%	3.0%	-1.0%	1.0%	2.1%	-3.0%	0.8%

Source: <http://data.bls.gov/cgi-bin/dsrv>, 2012

The outlook for most of Nebraska’s manufacturing firms remain positive over the next few years and out into the long run. While much of the state’s manufacturing sector will continue to benefit from Nebraska and the Midwest’s large farm economy, the state’s ethanol industry is adjusting to the recent expiration of the federal Volumetric Ethanol Excise Tax Credit, lower oil prices, and lower gasoline sales. Firms producing products for the wind generation industry will likely see a significant drop in demand unless the U.S. production tax credit for renewable energy is extended.

Durable goods employment, which includes workers who produce business machinery and consumer products expected to last three or more years, will grow by 2.0% in 2012. This is the equivalent of 900 net new jobs. The rate of growth will decline to just 1.0% in 2013 and 2014, naturally slowing as the recovery matures. Non-durable goods employment will decline by 0.5%, or 800 jobs, in 2012. This reflects weakness in

a variety of sectors, including food processing and pharmaceuticals. Non-durable goods retained most of its employment during the “Great Recession” so there is less room for a bounce back in employment. Growth will return to the industry sometime in 2013. Total annual job growth is expected to reach 0.5% (300 jobs) in 2013 and 1.0% (500 jobs) in 2014.

### *Transportation and Utilities*

Transportation is a very pro-cyclical industry, meaning that industry employment falls sharply during recession and recovers rapidly during economic recovery. The sector declined sharply during 2009 and 2010 and was stagnant in 2011. Industry employment is again expected to be stagnant in 2012, before employment growth returns to trend in 2013 and 2014. 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.

Growth is expected to be broad-based among individual components of the industry. Warehousing employment is expected to grow. The trucking sector also will grow as industrial activity in the United States expands solidly, and with continued strength in Nebraska's agricultural industry. A major issue facing the trucking industry, in fact, will be the need to attract more workers to trucking occupations. Finally, growth will be muted in the rail industry given changing conditions in the energy industry. Together, the industry will return to growth in 2013, again becoming a leading growth sector in the Nebraska economy. Transportation and utility employment is expected to be unchanged in 2012, and then grow by 2.2% in 2013 and by 3.0% 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. Employment declined by 100 jobs in 2011 but we anticipate modest growth in industry employment going forward. Wholesale trade employment will grow by 0.5% in 2012, 0.2% in 2013, and 0.5% in 2014.

### ***Retail Trade***

Retail trade employment was largely unchanged in Nebraska during 2011, despite solid increases in retail sales. These trends reflect rising labor productivity in the retail 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 during the last decade. Retail trade is unlikely to be an engine of job growth going forward. However, over the next few years, growth in retail sales should be sufficient to support modest employment growth. Retail trade employment is expected to grow by 0.3%, or 300 jobs, in 2012 by another 0.4% in 2013, and by 0.5% 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. However, most information businesses also are cyclically sensitive, so output will rebound strongly as the economy recovers. This may yield a temporary recovery in information employment though the long-term trend will remain job loss. Information employment is expected to grow by 0.3% (100 jobs) in 2012, remain steady in 2013 and decline by 1.0% in 2014.

### ***Financial Services***

The financial services industry comprises a diverse group of related industries including finance, insurance, and real estate. Within financial services, real estate and portions of the finance industry have been severely impacted by the contraction of the housing sector. However, other parts of the financial services industry, such as insurance, have expanded or at least remained steady during the recent recession and the first few years of recovery. The industry has continued to expand slowly as a result. Solid job growth will only return to the financial services industry when the housing sector recovers.

Financial services employment expanded modestly in 2011 and is expected to expand modestly in 2012 as the housing recovery gets underway. Strong growth should return in 2013 as the housing recovery gains momentum. Financial services employment is expected to grow by 0.5% in 2012, 1.5% in 2013, and by 1.0% in 2014.

### ***Services***

The services industry accounted for 38% of Nebraska employment in 2011. The services industry also contains a diverse group of businesses. Services includes some of the fastest growing parts of the economy such as professional, scientific and technical services and other types of business services, as well as the largest sectors in the economy such as health care.

Services also include hospitality businesses, encompassing lodging, food services, drinking places, and arts, entertainment, and recreation businesses.

The services industry overall is also among the fastest growing portions of the economy. In fact, this large, growing industry accounted for all net job growth in Nebraska during 2011. All major components of the Nebraska services industry are expected to add employment in 2012, 2013 and 2014. Health care employment is expected to grow by 1.5% to 2.0% per year. Similar rates of growth are expected for the hospitality industry, and for the ‘other services’ category. The pro-cyclical business and professional services industry, which includes businesses that primarily provide services to other businesses, will grow more rapidly. The annual growth rate will be between 2.5% and 3.0%. Overall, growth in the industry will be solid but not rapid. Overall services employment is expected to grow by 1.9% in 2012, 2.3% in 2013 and by 2.1% in 2014, which are the equivalent of 7,000 to 8,000 jobs per year. Thus, the services industry will continue to account for the majority of Nebraska job growth.

### Government

Recent efforts to reduce growth in federal spending are expected to accelerate in 2013, as the U.S. government addresses its “fiscal cliff.” Belt tightening is expected to yield declining 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 is that federal government employment is expected to decline by 1.0% in 2012, with the decline accelerating to 3.0% in 2013 and 2014. While the federal government is beginning its cuts, state and local governments have been curtailing spending for several years. State and local tax revenue are beginning to recover but governments are expected to follow through on planned austerity through the rest of the current fiscal year, which will end in mid-2012. For this reason, state and local government employment is expected to grow by just 0.2% in 2012. Growth will return to trend in 2013 but to a new trend in an economy where property values rise more slowly than in the last decade. State and local government employment is expected to grow by 0.8% in both 2013 and 2014.

## Personal Income

Nebraska experienced both real income growth and higher inflation during 2011. The net result was rapid growth in nominal income (including inflation). As seen in Table 4, the pace of income growth will fall in 2012 as inflation cools from 3.1% in 2011 to 1.5% in 2012. Nonfarm income growth will slow further in 2013, as the temporary cut in social security contributions is expected to expire in January 2013. Social security contributions are subtracted from personal income, so income growth will slow as full contributions are restored. As with employment, the current outlook for nonfarm income is below our previous forecast, reflecting slower expected growth in employment and income from work. Farm income is expected to fall sharply in 2012, after achieving record levels in 2011. Drought conditions and the rising value of the U.S. dollar are the primary reasons for the decline. Farm incomes are expected to improve in 2013 and 2014 as more normal weather conditions are likely to return.

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

Nonfarm Income		
	January 2012 Forecast	Current Forecast
2011	5.6%	4.6%
2012	4.1%	3.5%
2013	3.3%	3.0%
2014	-	4.0%

  

Farm Income		
	January 2012 Forecast	Current Forecast
2011	36.7%	36.7%
2012	-16.7%	-35.2%
2013	2.2%	17.1%
2014	-	0.0%

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 as time passes due to higher inflation and improving job growth. Proprietor income growth also will accelerate as the economy recovers from recession. However, other labor income (i.e., benefits) will lag wage and profit growth throughout the period 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)
<b>Millions of Dollars</b>										
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	\$3,584
2005	195.3	\$57,139	\$10,177	\$8,210	\$32,094	\$7,836	\$5,187	-\$1,043	\$5,051	\$2,972
2006	201.6	\$61,065	\$11,471	\$8,833	\$33,906	\$8,144	\$5,595	-\$1,021	\$5,327	\$2,008
2007	207.3	\$64,803	\$13,029	\$9,344	\$35,860	\$8,340	\$5,811	-\$1,113	\$5,155	\$2,941
2008	215.3	\$68,820	\$14,639	\$10,040	\$37,165	\$8,838	\$6,015	-\$1,167	\$5,321	\$4,057
2009	214.5	\$66,806	\$12,191	\$11,001	\$36,637	\$9,029	\$6,026	-\$1,128	\$5,102	\$3,276
2010	218.1	\$68,913	\$12,653	\$11,573	\$37,241	\$9,282	\$6,269	-\$1,132	\$5,565	\$3,951
2011	224.9	\$72,051	\$13,429	\$11,869	\$38,527	\$9,563	\$5,888	-\$1,209	\$5,760	\$5,400
<b>Forecast Number</b>										
2012	228.3	\$74,561	\$14,101	\$12,462	\$39,505	\$9,786	\$6,073	-\$1,239	\$6,019	\$3,500
2013	232.8	\$76,820	\$14,524	\$13,023	\$40,947	\$10,124	\$6,923	-\$1,284	\$6,410	\$4,100
2014	237.5	\$79,888	\$14,959	\$13,609	\$42,532	\$10,496	\$7,233	-\$1,334	\$6,859	\$4,100
<b>Forecast % (nominal growth)</b>										
2012	1.5%	3.5%	5.0%	5.0%	2.5%	2.3%	3.1%	2.5%	4.6%	-35.2%
2013	2.0%	3.0%	3.0%	4.5%	3.6%	3.4%	14.0%	3.6%	6.5%	17.1%
2014	2.0%	4.0%	3.0%	4.5%	3.9%	3.7%	4.5%	3.9%	7.0%	0.0%

Source: <http://www.bea.gov>, 2012. Note: Nominal income growth includes inflation.

Growth in dividend, interest, and rent income will be solid in 2012, as firms raise dividend payments closer to pre-recession levels. Growth in transfer payments will fall beginning in 2013 as the federal government pursues spending cuts. Contributions to social insurance will jump in 2013 as temporary rate cuts expire.

### *Farm Income*

Nebraska farm income reached a record level in 2011 due to favorable growing conditions, a lower U.S. dollar and strong industry fundamentals such as growing overseas markets and the rising importance of distiller's grain in feedlots. These strong industry fundamentals will persist in 2012 and beyond but other factors will cause farm income to retreat from record levels. First, the rising U.S. dollar in recent months has contributed to declining U.S. agricultural commodities exports and wholesale ethanol prices. Both of these factors will lead to lower prices received for Nebraska agricultural commodities, including both crops and livestock.

Second, drought conditions will impact incomes for livestock and crop producers. For livestock, feed input prices will rise and there are major range areas of the state currently in serious drought conditions, which is significantly reducing forage capacity. For irrigated crop producers, the crop may be in fairly good condition but there will be significantly higher irrigations costs associated with bringing it to harvest. Yields will be poor for non-irrigated producers.

After reaching \$5.4 billion in 2011, farm income will fall back to \$3.5 billion in 2012. This decline in part reflects the severity of current drought conditions. Farm incomes are expected to rebound in 2013 and 2014, as weather conditions improve. However, the ideal conditions and record incomes of 2011 are not expected to be repeated any time soon.

## Net Taxable Retail Sales

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

Non-motor vehicle taxable sales grew solidly in Nebraska in 2011 and solid growth is expected to continue from 2012 through 2014. This trend reflects the continued recovery of the Nebraska economy from the recent recession, Non-motor vehicle taxable sales will grow solidly in line with income and job growth. Non-motor vehicle taxable sales will grow by 4.0% in 2012 and by 3.8% in 2013. The highest growth rate for taxable sales is expected in 2014, which is also the year when income growth will be highest.

Growth in motor vehicle net taxable sales will be robust during 2012, in line with the nationwide recovery in auto sales during the year. This recovery is driven by a need to replace an aging vehicle fleet in both households and small businesses. The recovery is expected to persist in 2013 and 2014 as replacement continues. However, auto sales will grow at a more moderate pace after 2012. Motor vehicle taxable sales are expected to grow at 7.1% in 2012, 5.2% in 2013 and 4.0% in 2014.

Strong growth in vehicle sales, combined with solid growth in non-motor vehicle taxable sales, will produce significant increases in total net taxable sales in Nebraska. Total net taxable sales will grow by 4.4% in 2012, a figure that is consistent with sales tax receipt data so far this year. Total taxable sales are expected to grow by 4.0% in 2013 and 4.6% in 2014. The dip in growth in 2013 is consistent with the expected drop in income growth that year. These rates easily exceed projected inflation rate of 2.0% in 2013 and 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
<b>Millions of Dollars</b>				
2000	172.2	\$20,443	\$2,605	\$17,838
2001	177.1	\$21,057	\$2,897	\$18,160
2002	179.9	\$21,426	\$2,926	\$18,500
2003	184.0	\$22,092	\$2,894	\$19,199
2004	188.9	\$23,618	\$2,885	\$20,733
2005	195.3	\$24,443	\$2,751	\$21,691
2006	201.6	\$24,978	\$2,661	\$22,317
2007	207.3	\$26,237	\$2,902	\$23,335
2008	215.3	\$26,664	\$2,943	\$23,721
2009	214.5	\$25,709	\$2,798	\$22,911
2010	218.1	\$26,683	\$3,021	\$23,662
2011	224.9	\$28,206	\$3,287	\$24,919
<b>Forecast Number</b>				
2012	228.3	\$29,436	\$3,520	\$25,916
2013	232.8	\$30,604	\$3,704	\$26,900
2014	237.5	\$32,016	\$3,852	\$28,165
<b>Forecast % (nominal growth)</b>				
2012	1.5%	4.4%	7.1%	4.0%
2013	2.0%	4.0%	5.2%	3.8%
2014	2.0%	4.6%	4.0%	4.7%

Source: Nebraska Department of Revenue, 2012. Note: Nominal taxable sales growth includes inflation.



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