

NEBRASKA WORKFORCE TRENDS

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Image by racorn from 123rf

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1,047,709

Total Nonfarm Employment (filled jobs)
Not Seasonally Adjusted
for December 2022

December's nonfarm employment is down 1,301 over the month and up 30,880 over the year. Private industries with the most growth month to month were financial activities (up 1,088); manufacturing (up 440); and trade, transportation, and utilities (up 363). Private industries with the most growth year to year were mining and construction (up 6,481); leisure and hospitality (up 5,041); and trade, transportation, and utilities (up 3,933).

Data Source:
NE- Nebraska Department of Labor. Current Employment Statistics. NEworks.
networks.nebraska.gov/ces.

48,559

Job count on NEworks as of
February 5, 2023

83,605

Total job count on NEworks for the
month of **January 2023**

This number reflects the number of job openings advertised online in Nebraska as of January 2023. It is de-duplicated for statistical analysis.

Data Source:
NE- Nebraska Department of Labor. Online advertised jobs data. NEworks.
networks.nebraska.gov.

Labor Market Information 2022: **A Year in Review**

Scott Hunzeker, Research Administrator

The start of a new year tends to be a time of reflection for happenings from the prior year. Normally this occurs around the time the calendar changes, but due to the lag in two key economic indicators (nonfarm jobs and labor force & unemployment), this review was held until December data became available in January 2023.

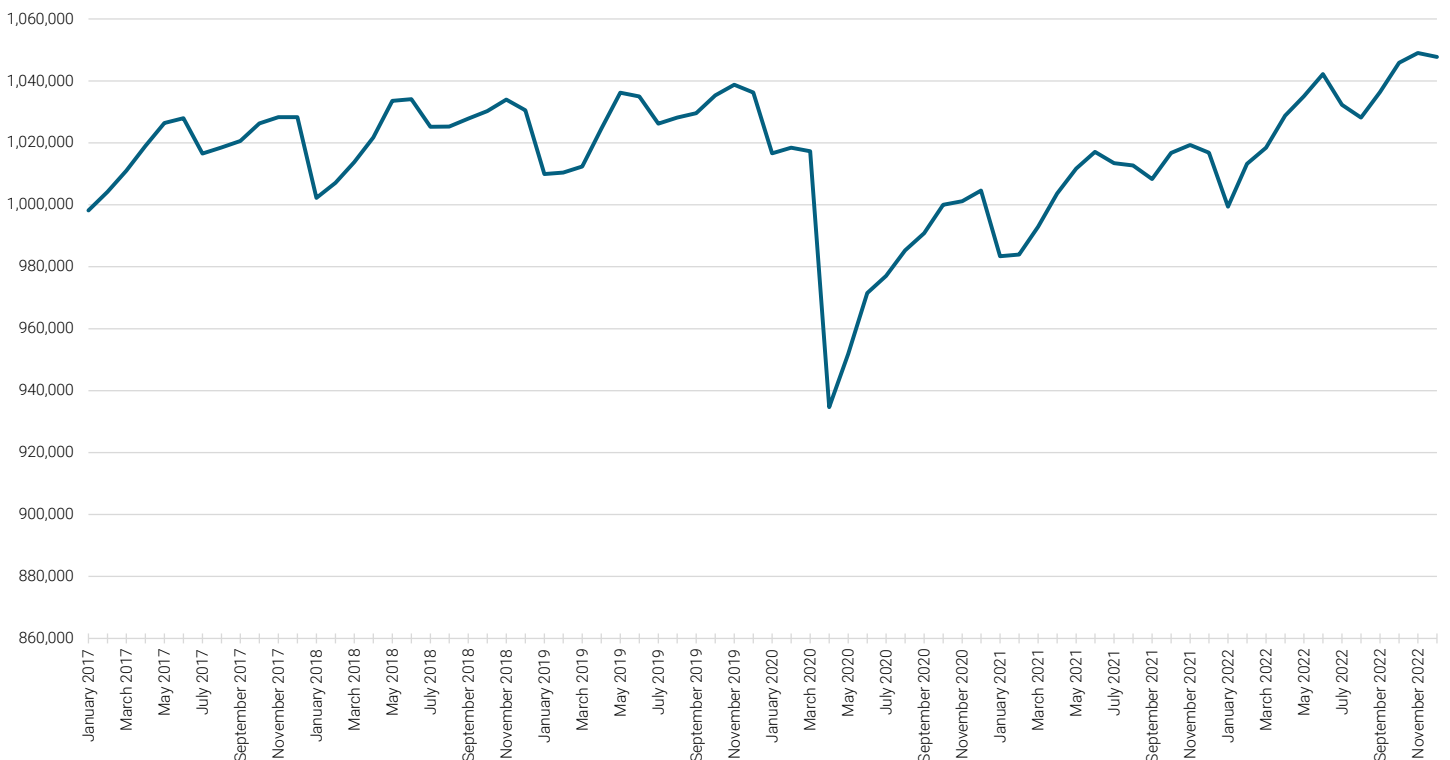
There were many positive trends in Nebraska's labor market data in 2022. Unemployment rates reached historical lows and fell below pre-pandemic levels. Employment increased and many industries regained jobs lost during the pandemic. Average wages increased without impacting job counts, and demand for labor remains strong.

Nonfarm Jobs

Monthly industry employment (referred to as nonfarm jobs) published by the Current Employment Statistics program (CES) is a closely watched economic indicator.

Prior to the pandemic, Nebraska's total nonfarm employment had been growing steadily since 2010. In April 2020, the number of nonfarm jobs dropped to 934,673. This decline of 104,099 jobs over the historical high from just a few months earlier (November 2019) put the count of jobs at a low not seen since 2011. Ever since then, close attention has been paid to the total job count as well as recovery in each industry sector. Nebraska's monthly press release includes unrounded, not seasonally adjusted data. This provides the most detailed employment levels and gives the context of seasonal variations seen in many industries (e.g., education, retail trade, construction), but limits comparisons between industries or months that have different seasonal patterns.

Monthly Total Nonfarm Employment in Nebraska, 2017 – 2022 (Not Seasonally Adjusted)



The return to pre-pandemic job counts was celebrated in 2022. CES data for January 2022 showed total nonfarm employment at 999,390 – an over-the-year gain of 16,000 jobs from the January 2021 level. Nonfarm jobs have remained above one million since January 2022. In June 2022, nonfarm jobs exceeded the November 2019 level to reach a new high. After seasonal shifts, employment grew again and reached a new peak of 1,049,010 in November (more directly comparable to the prior November 2019 high due to seasonality). Had pre-pandemic growth rates continued through the past few years, employment levels would be even higher.

While overall nonfarm jobs grew in 2022, individual industry sectors each fared differently.

Construction: Construction was one of the few industry sectors that was not obviously impacted by the COVID pandemic. When employment in virtually all other industries decreased in April 2022, construction had a slight increase over-the-month. As a result, over-the-year gains seen in many other sectors are not as large in construction because they are due to growth, not ongoing recovery. Construction employment of 61,637 in November 2022 was a record high.

Manufacturing: Manufacturing in Nebraska was hard hit by the Great Recession in 2008 and 2009. There were trends of slow recovery between 2010 and 2014 when employment levels plateaued and, for a short while, declined again. Since 2016, manufacturing jobs had been gaining again, although employment in the sector can have a lot of variability from month to month. Like most industries, there was a significant decrease in manufacturing employment between March and April 2020. Toward the end of 2021, employment had been at or near pre-pandemic levels.

In January 2022, manufacturing employment exceeded 100,000 jobs and has remained there since. In July 2022, there were 102,879 manufacturing jobs – slightly exceeding the previous high level from December 2007.

Retail Trade: After peaking in 2015, employment in the retail trade sector had been slowly declining. Throughout 2021, over-the-year comparisons of most monthly employment levels were positive due to recovery from the pandemic-related losses. Trends of growth in retail trade continued into 2022 and since February, monthly employment levels have exceeded 2019 for the corresponding month.

Information: By number of employees, information is typically one of the smallest industry sectors in Nebraska. Employment in the sector has generally been declining largely due to shifts in published materials from print to digital formats. Since hitting a record low in April 2020 due to the pandemic, the information sector has had the fastest employment growth rate, other than during a few months in 2021. Employment of 19,705 in December 2022 is the highest in the information industry since late 2007 and early 2008.

Financial Activities: Employment losses due to COVID were not as evident in the financial activities sector compared to most others. Employment levels shifted quite a bit within this sector from month to month and the drop from March to April 2020 could be easily dismissed as 'noise' within the sector. What was significant about this sector were the pre- and post-pandemic employment trends. Prior to 2020, employment had shown gradual growth since 2015 with some cyclical patterns before that. Employment in financial activities peaked in December 2019 and has been dropping since. Unlike most other industries that have recovered jobs lost during the pandemic, financial activities continued to decline. Employment of 72,031 in December 2022 is at a level not seen since 2017.

Professional & Business Services: After reaching a new record high in July 2022, employment in professional and business services has trended downward. Employment in December 2022 was just above 2018 levels. The professional and business services sector includes a wide range of detailed industry activities, some of which have differing seasonal patterns. Ongoing recovery may have shifted the timing and employment levels of some detailed industries within the sector.



Image by wavebreakmediamicro from 123rf

Education & Health Services: As the name implies, the education & health services sector includes two subsectors: educational services and health care and social assistance. In the CES program, educational services only includes private education employment; public education is included in the state and local government estimates. Healthcare and social assistance made up nearly 90% of the employment in this sector and, as a result, is mostly responsible for moving the trendline. In 2022, healthcare & social assistance started January near the record high that was reached a month before and trended up to a new record in July 2022. After a few months of decline in August and September, employment in healthcare and social assistance bounced back since October. Employment in educational services is very seasonal; year-to-year comparisons tend to give the best indication of employment trends. However, pandemic impacts in educational services have somewhat shifted the timing of employment shifts within educational services. While a new record high employment level was reached in October 2022 and many months showed over-the-year growth, employment drops during the summer months were more pronounced in 2022 showing losses in June, July, and August when compared to 2021.

Leisure & Hospitality: The leisure and hospitality sector includes many of the detailed industries that were most impacted by the COVID pandemic, including performing arts, spectator sports, museums, food establishments, hotels and motels, and others. In January 2022, employment was over 6,000 lower than the pre-pandemic, January 2020 level. By July 2022, employment in leisure and hospitality was less than 1,000 jobs lower than the historical high set in June 2019. In December 2022, employment was just below the November 2019 level.

Unemployment Rate

When preliminary December 2021 data was originally published, Nebraska's seasonally adjusted unemployment rate was 1.7%. This was the fifth consecutive month with a record low unemployment rate in Nebraska and the historical low for any state since records began in 1976. The unemployment rate of 1.7% was also half of the rate (3.4%) from a year prior.

However, like 2020, benchmark revisions to the 2021 data tended to be more impactful than in most prior years. Many of the same factors that occurred at the onset of the pandemic were happening in reverse: pandemic-related unemployment programs ended, claimants were getting back to work, and employment gains in several industries were outside of normal ranges due to economic recovery. Statistical models that had been changed to account for employment losses now had to be adjusted again to capture the corresponding recovery. Following the annual benchmarking process, the revised December 2021 rate was 2.3%-- no longer a record low for the country, but matching a historical low for Nebraska which last occurred in 1998.

Nebraska's seasonally adjusted unemployment rate declined for four consecutive months – each a new historical low for the state – before reaching 1.9% in April 2022. The unemployment rate remained at 1.9% through June before gradually increasing. Throughout 2022, Nebraska's unemployment rate was among the lowest in the country. In December 2022, the Nebraska's unemployment rate was 2.6% - the highest level since April 2021, but still among the lowest rates in the nation and well below the pre-pandemic average for Nebraska, which was typically closer to 3%.

Labor Force, Employment & Unemployment Levels

The labor force is quite simply the sum of employment (individuals who are working or on specific types of absences from work during the monthly reference period) and unemployment (those who are not employed but have made recent attempts to find a job). While focus on the unemployment rate can sometimes lead to trends in the labor force going unnoticed, quite a bit of attention was paid to originally published labor force data in 2021 that showed a decrease (compared to pre-pandemic levels) in the number of individuals participating in the labor force. These individuals 'missing' from the labor force were a hot topic throughout 2021.

There was a general consensus that many people had, in fact, stopped participating in the labor force, but the size of this decrease, demographic characteristics, and reasons for no longer working (or seeking employment) were not as clear in real time. When the benchmark process was completed, some of the concerns of a declining labor force were alleviated by upward revisions to employment levels.

Revised total labor force levels in the last few months of 2021 were only a few hundred individuals lower than the historical high set in March 2020. An over-the-month increase in the labor force in January 2022 led to a new high for Nebraska. A trend of monthly increases— each setting a new record employment level in Nebraska— continued through June. For the remainder of 2022, the total leveled off and remained within a few hundred of the June level, before reaching a high of 1,064,029 in December 2022. While Nebraska's total labor force reaching a record high in 2022 was positive news, underlying employment and unemployment levels provided a different storyline in the first half of the year compared to the second half.

Nebraska's new, larger labor force was primarily due to increases in employment levels following the significant drops in April 2020 due to the pandemic. There were over one million employed individuals in August 2020 and employment grew every month from May 2020 through June 2022. The June 2022 level reached a new historical high of 1,043,281 employed.

Unemployment levels followed the opposite pattern. After unprecedented jumps in unemployment in April 2020, levels continued to drop gradually before reaching a recent low in May 2022. Historical low unemployment occurred in 1990 when both population and labor force were significantly lower, but throughout 2022, monthly unemployment was at levels not seen in nearly 20 years.

Labor supply and demand data has shown a lack of available workers in Nebraska to fill open positions, especially in certain industries and occupations. This was reinforced by the drop in the count of unemployed individuals and related drop in the unemployment rate. Although not as severe as originally reported in 2021, some individuals who historically would have been counted as unemployed are no longer seeking work and are therefore not included in labor force estimates. Unfortunately, the increased unemployment rate in Nebraska in the latter half of 2022 was a shift of employed individuals to unemployed, rather than an influx of jobseekers who had previously not been seeking work. Wage increases alone may not be enough to convince all of these individuals to seek work.

The labor force peak in June 2022— the last of three consecutive months of a 1.9% unemployment rate— was a result of employment hitting a historical high and unemployment increasing after a low in May. Starting in June, the total labor force remained steady, but employment levels decreased as unemployment increased roughly the same amount.



Image by fizkes from 123rf

Wages

In an effort to recruit new employees and retain the ones they had, many employers began increasing pay rates in 2022. Individuals looking to change jobs and realizing the leverage they had in a tight labor market were able to demand higher pay. The Occupational Employment & Wage Statistics (OEWS) survey publishes detailed employment and wages data by occupation, but is not designed to compare wages over time. As a result, it isn't possible to get detailed comparisons of wage changes across different occupations. There are, however, a few data sources that provide insight into wage changes overall.

Current Employment Statistics (CES) is a closely watched economic indicator for monthly nonfarm employment, but also produces lesser-known estimates of average hours worked per week, average hourly wages, and average weekly earnings for select industries. One of the most comprehensive categories is for 'total private' (non-government) employment.

Prior to the pandemic, increases in average hourly wages of 3-5% over-the-year for total private jobs as reported by CES were common; the five-year average from 2015 through 2019 was 3.8%. In January 2022, the over-the-year increase for average hourly wages in private employment was 10.6%-- the highest increase seen since 2008 when this wage data series started. Additionally, the average increase for January through July 2022 was 8.5%-- more than double the pre-pandemic average. The rate of increase dropped to more 'normal' levels in August through November of 2022.

Increases in Nebraska's average weekly wage in 2022 were a positive sign for workers. However, the growth did not keep up with inflation rates throughout the year, so the spending power for many employees may have actually decreased. Additionally, continued wage increases could put a strain on employers and may not cause inflation rates to drop as quickly as desired.

While the CES program provides some relatively current information on average pay, published data are estimated and subject to revision. Data from the Quarterly Census of Employment & Wages (QCEW) program aren't as current, but are based on quarterly payroll reports submitted by employers covered by unemployment insurance. Hours paid are not required as part of the quarterly payroll reports, so the most detail that QCEW can provide is an average weekly wage (total quarterly wages divided by 13 weeks in a quarter).

Wages vary from quarter to quarter and typically tend to be highest in the fourth quarter when annual bonuses and other year-end payouts are made. As a result, year-over-year comparisons give the best indication of wage change. In roughly the five years prior to the pandemic, the average annual increase in average weekly wage as measured by QCEW data was around 3%, but there were a few instances where wages had declined compared to the prior year.

Starting in second-quarter 2020 (the first that was fully impacted by the pandemic), QCEW data showed over-the-year increases higher than prior to the pandemic. Nebraska's average weekly wage in fourth-quarter 2020 was \$1,078: the first time it was over \$1,000 and an increase of 11.4% from 2019. After a few quarters of normal seasonal declines, average weekly wages have been above \$1,000 since third-quarter 2021, and a new record high of \$1,142 was hit in fourth-quarter 2021. QCEW data from the first two quarters of 2022 show over-the-year increases of 9.0% and 5.9%— well above recent historical averages.

Wage Claims by the Numbers

NDOL is responsible for administering the Wage Payment and Collection Act, which involves conducting investigations regarding possible wages owed to employees. Wage complaints are filed through the Department of Labor's website, dol.nebraska.gov, and a team of labor law investigators is responsible for determining the amount of wages owed, if any. Since 2019, wage investigations have resulted in over \$2.4 million in wages recovered to employees.

4,841 – Wage complaints filed with NDOL from 2019 - 2022

1,401 – Wage complaints received in 2022

\$120,000 – Largest amount of wages recovered to a single employee in 2022

\$794,403.95 – Wages paid during the course of investigations in 2022

61% – Cases investigated in 2022 resulting in wages being paid to the complainant

Annual Benchmarking Revisions

There are a variety of trends to keep an eye on moving into 2023:

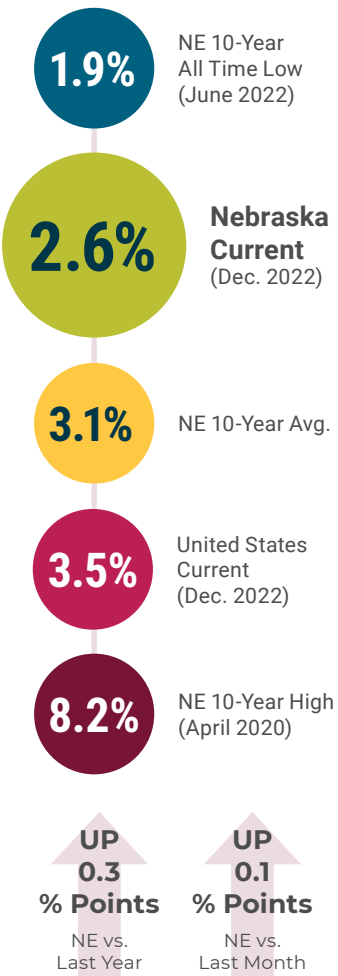
It is important to remember that both the Current Employment Statistics (CES) and Local Area Unemployment Statistics (LAUS) are estimated based on statistical models that use the best data available at the time. Both programs undergo an annual benchmarking process where data is revised based on new information that was not originally available. Although much of the volatility experienced during the pandemic has subsided, statistical models used input data based on unprecedented drops and subsequent recovery. Benchmark revisions for the last two years have been larger than normal.

Economic Indicators

Kermit Spade, Research Analyst

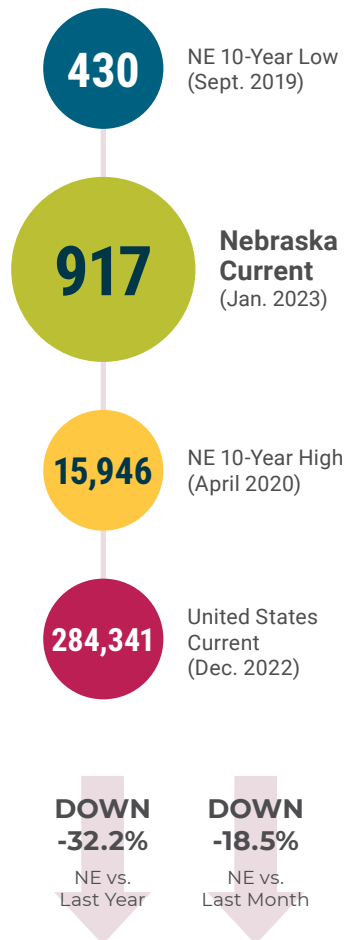
Unemployment Rate

Seasonally Adjusted



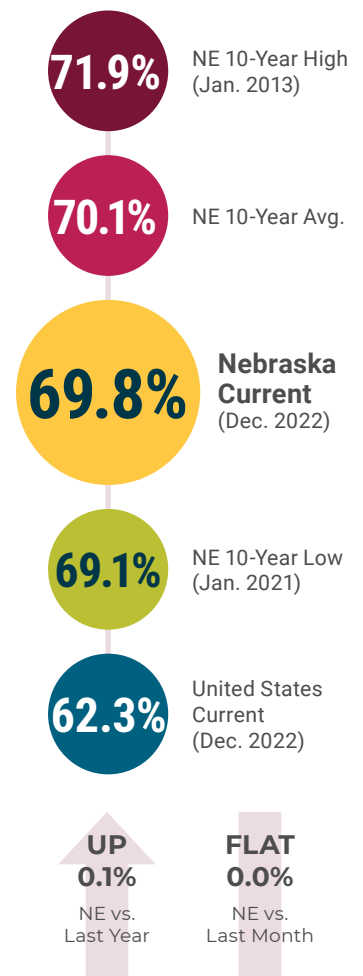
Initial Unemployment Claims

Monthly Avg. Number of Claims per Week



Labor Force Participation Rate

Seasonally Adjusted



The unemployment rate represents the number of unemployed persons as a share of the labor force. Unemployed persons are those ages 16 years and older who had no work during the reference period, but who were available for and actively seeking work.

(For more on defining 'labor force,' see Labor Force Participation Rate.)²

NE- Nebraska Department of Labor. Local Area Unemployment Statistics (LAUS). Unemployment Rate (%). NEworks. <https://networks.nebraska.gov>.
U.S.- U.S. Bureau of Labor Statistics. Labor Force Statistics from the Current Population Survey. (Seas) Unemployment Rate. Series ID LNS14000000. <https://data.bls.gov/PDQWeb/ce>

An initial claim is a request for determination of UI program eligibility filed by an unemployed individual following a separation from an employer. It can serve as an indicator of emerging labor market conditions in the area.¹

NE- U.S. Employment & Training Administration. Initial Claims in Nebraska (NEICLAIMS). Retrieved from Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/NEICLAIMS>.
U.S.- U.S. Employment & Training Administration. Initial Claims (ICNSA). Retrieved from Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/ICNSA>.

The labor force participation rate measures the labor force (people working or looking for work) as a percentage of the total civilian, noninstitutionalized population, age 16 and over.³

NE- U.S. Bureau of Labor Statistics. Labor Force Participation Rate for Nebraska (LBSSA31). Retrieved from Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/LBSSA31>.
U.S.- U.S. Bureau of Labor Statistics. Civilian Labor Force Participation Rate (CIVPART). Retrieved from Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/CIVPART>.

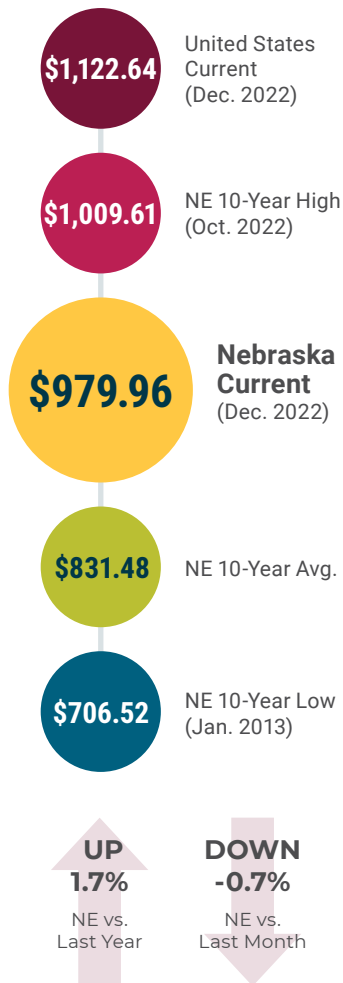
Data Sources: [Retrieved: January 2023.]

Economic Indicators

Kermit Spade, Research Analyst

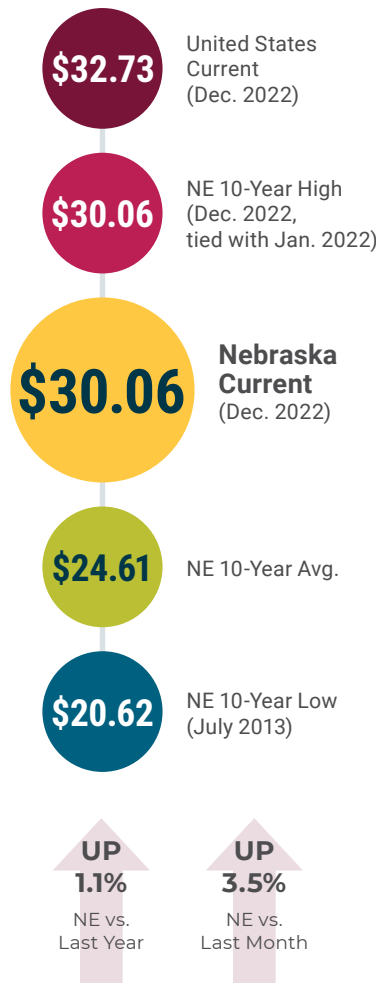
Avg. Weekly Earnings

All Private Employees
Not Seasonally Adjusted



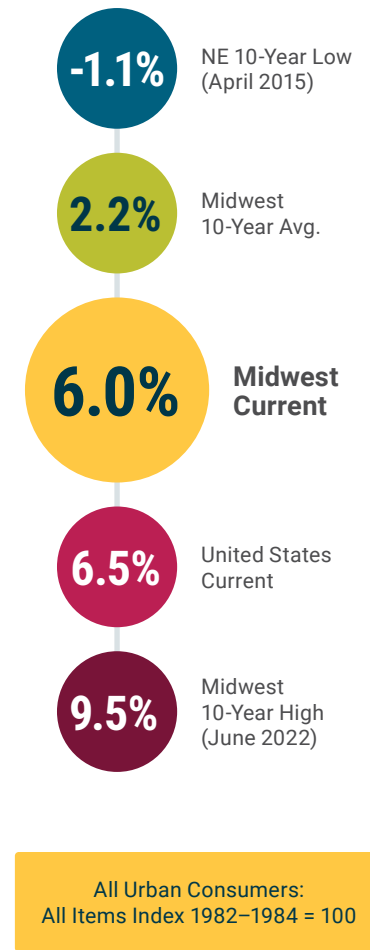
Avg. Hourly Earnings

All Private Employees
Not Seasonally Adjusted



Consumer Price Index

12-Month % Change
Not Seasonally Adjusted



Average weekly earnings represents the mean pay received by workers for services performed over the course of one week.⁴

NE- U.S. Bureau of Labor Statistics. State and Area Employment, Hours, & Earnings. Average Weekly Earnings of All Employees, In Dollars. Nebraska (Statewide): Total Private, Not Seasonally Adjusted. Series ID SMU31000000500000011.

<https://data.bls.gov/PDQWeb/sm>.

U.S.- U.S. Bureau of Labor Statistics. Employment, Hours, & Earnings from the Current Employment Statistics Survey (National). Average Weekly Earnings of All Employees: Total Private, Not Seasonally Adjusted. Series ID CES0500000011.

<https://data.bls.gov/PDQWeb/ce>.

Average hourly earnings represents the mean pay received by workers for services performed during one hour of work.⁵

NE- U.S. Bureau of Labor Statistics. State and Area Employment, Hours, & Earnings. Average Hourly Earnings of All Employees, In Dollars. Nebraska (Statewide): Total Private, Not Seasonally Adjusted. Series ID SMU31000000500000003.

<https://data.bls.gov/PDQWeb/sm>.

U.S.- U.S. Bureau of Labor Statistics. Employment, Hours, & Earnings from the Current Employment Statistics Survey (National). Average Hourly Earnings of All Employees: Total Private, Not Seasonally Adjusted. Series ID CEU0500000003.

<https://data.bls.gov/PDQWeb/ce>

The consumer price index (CPI) is a measure of the average change over time in the prices paid by consumers for goods and services. It is used to determine the real purchasing power of consumers' dollars, and as a measure of inflation.⁶

NE- U.S. Bureau of Labor Statistics. Consumer Price Index for All Urban Consumers: All Items in Midwest (CUUR0200SA0). Retrieved from Federal Reserve Bank of St. Louis.

<https://fred.stlouisfed.org/series/CUUR0200SA0#0>.

U.S.- U.S. Bureau of Labor Statistics. Consumer Price Index for All Urban Consumers: All Items (CPIAUCNS). Retrieved from Federal Reserve Bank of St. Louis.

<https://fred.stlouisfed.org/series/CPIAUCNS>.

Data Sources: [Retrieved: January 2023.]

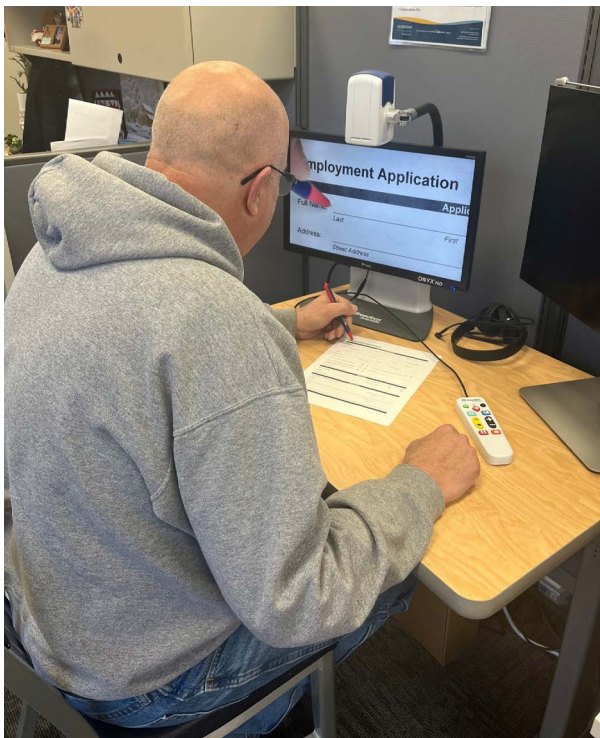
Commission for the Blind Upgrades NDOL Job Center Accessibility Tools

The Nebraska Commission for the Blind and Visually Impaired (NCBVI) has outfitted Nebraska Department of Labor job centers with updated accessibility technology. NCBVI has equipped the job centers with ONYX electronic video magnifiers and LyricQ readers. The LyricQs can instantly read a document to someone who does not have any usable vision, while the magnifiers allow users to adjust the size and brightness of screen content.

The upgrades were made possible by a Vocational Rehabilitation grant and will assist customers seeking reemployment services such as job coaching and Unemployment Insurance benefits, as well as those accessing other programs at NDOL locations across the state. The accessibility tools complement existing accessibility software at the various office locations.

“NCBVI is helping our agency better serve a wide range of customers throughout Nebraska,” said Commissioner of Labor John H. Albin. *“While accessibility has always been a priority, the new tools allow our job centers to update their technology to make in-person service delivery go as smoothly as possible. Everyone in need of our programs should be able to access them without unnecessary roadblocks.”*

NDOL job centers and American Job Center resource rooms with upgraded equipment are located in Scottsbluff, Sidney, North Platte, Lexington, Kearney, Grand Island, Hastings, Columbus, Norfolk, Omaha, Lincoln, Nebraska City, and Beatrice.



“The Nebraska Commission for the Blind is delighted to update the technology at the NDOL job centers so that consumers who are blind or visually impaired can access the many different forms of applications and paperwork without needing the assistance of a human reader,” said NCBVI Deputy Director of Services Erin Brandyberry. *“We appreciate the opportunity to partner with NDOL to improve the options for service delivery.”*

In addition to partnering with NCBVI to equip job centers with accessibility technology, NDOL also offers customers in-person, telephone, and website language translation services to ensure customers of all backgrounds receive important information and assistance. Customers can utilize a Spanish version of NEworks.nebraska.gov, NDOL's job website.

“We will continue to look for ways to reach customers of diverse backgrounds and needs,” Albin said.

Contact information for each job center is available at dol.nebraska.gov/ContactUs. More information on NCBVI is available at ncbvi.nebraska.gov.

NDOL's Lincoln Reemployment Services Now At 1330 N Street

Nebraska Department of Labor (NDOL) services for Lincoln area workers and employers have moved to 1330 N Street, Suite A, effective January 27, 2023. This relocation follows the American Job Center of Lancaster and Saunders County's move to the same location earlier this month. Both agencies had been located at 1111 O Street. NDOL hours will be 8 a.m. to 5 p.m. Monday through Friday. Joining Labor and the American Job Center at the new location are Equus Workforce Solutions, Job Corps, National Able Network, and Nebraska VR.

"The new location is very accessible to our customers and will allow us to continue partnering with organizations that complement our mission of connecting people with employment success," said Commissioner of Labor John H. Albin.

NDOL locations throughout the state provide reemployment services to job seekers, including job fairs and resume and interview assistance. Each location also helps employers find talent and connect with programs that fit their needs.

Programs and services include, but are not limited to:

- On-the-Job Training
- Customized Training
- Youth Earn and Learn
- Reemployment Program
- Registered Apprenticeships
- Dislocated Worker Program
- Labor Market Data
- Veteran Services
- Reentry Services
- Worker Training Grants
- Unemployment Insurance Benefits Assistance
- Assistance with Recruitment and Job Search in NEworks.nebraska.gov
- Senior Community Service Employment Program

For more on these programs, visit an NDOL office or go to dol.nebraska.gov/ReemploymentServices.

More NDOL press releases are accessible at dol.nebraska.gov.

*Labor market information is updated continuously.
For the latest data, visit neworks.nebraska.gov or contact us
at 800-876-1377 or email Imi_ne@nebraska.gov.*

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NEworks.nebraska.gov



Equal Opportunity Employer/Program.
TDD: 1.800.833.7352

Auxiliary aids and services are available upon request to individuals with disabilities.