

NEBRASKA WORKFORCE TRENDS

MAY 2021 ISSUE | NEBRASKA DEPARTMENT OF LABOR



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Image by Adeolu Eletu from Unsplash

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DEPARTMENT OF LABOR



Openings & Expansions **March**

Kermit Spade, Research Analyst

| Business Category | Business Name | Location |
|---|---|------------|
| Arts, Entertainment, & Recreation | BAT Academy (Opening) | West Point |
| Finance, Insurance, Real Estate, & Rental/Leasing | Shelter Insurance (Opening) | Fremont |
| Food Services | Reinita Restaurant (Opening) | Fremont |
| Health Care & Social Assistance | Hilltop Fitness and Performance (Opening) | Crete |
| | Norfolk Audiology (Expansion) | Norfolk |
| Other Services | Touchdown Sports Salon (Opening) | Beatrice |
| Wholesale & Retail Trade | Bomgaars Supply Inc (Opening) | Beatrice |
| | Daisies and Dragons (Opening) | Sidney |
| | LandMark Implement (Opening) | Hebron |
| | Pedalers Corner (Opening) | Sidney |
| | Platte Valley Equipment (Opening) | Fremont |
| | Tailgate Motor Co. (Opening) | Fremont |
| | Tienda Dos Hermanos (Opening) | Norfolk |
| | Uniquities Gift Shop (Opening) | Norfolk |

Source: Nebraska Department of Labor

Openings and expansions listed are a sampling of activity reported for that month. Some activity may have occurred outside the month. If you have an opening or expansion to report, contact us at LMI_NE@nebraska.gov.

Measuring Nebraska's Business Pulse

Laura L. Cooper, Research Analyst

Like measuring a person's heart rate can provide insight into their overall health, analyzing business activity is one sign of a community's economic health. Although drastic changes during 2020 impacted consumer, business, and government activities, Nebraska's gross domestic product (GDP) was showing signs of recovery by the end of 2020. However, the state of Nebraska covers 77,347 square miles, which is larger than many countries. (1) Within its borders, Nebraska holds a wide variety of business environments, industries, population densities, cultures, weather conditions, and terrain, making it hard to encapsulate its economy with a single number.

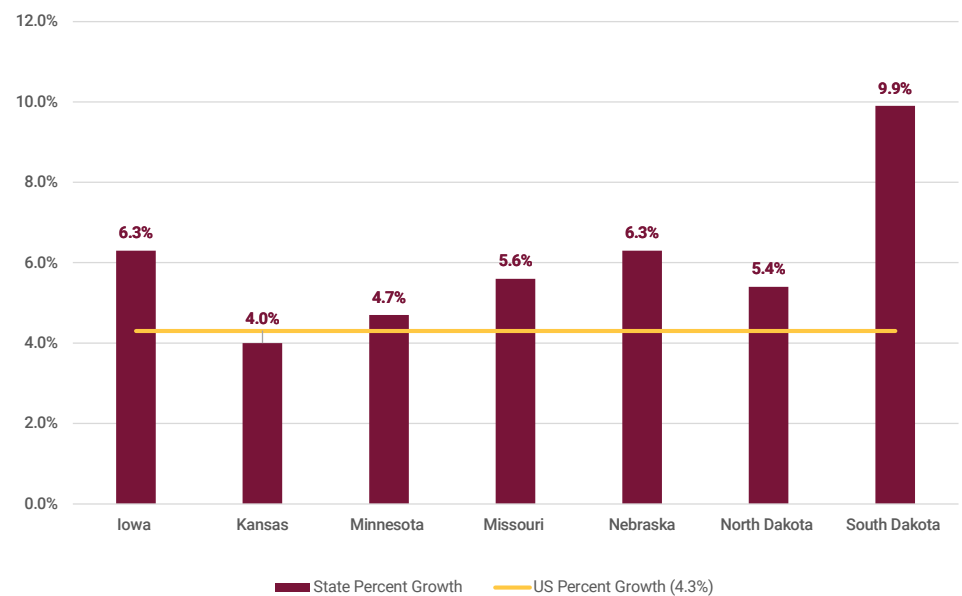
Signs of Recovery in Nebraska and the Great Plains Region

On March 26, 2021, the United States Bureau of Economic Analysis (BEA) released preliminary real (inflation-adjusted) GDP figures for 2020. The GDP measures economic activity in a nation or a state based on the goods and services produced. Declines in GDP last year struck all 50 states and the District of Columbia. Losses between the beginning of 2019 and the end of 2020 ranged from -0.1% in Utah to -8.0% in Hawaii. Nebraska's real GDP at the end of 2020 was 2.1% lower than at the end of 2019. (2)

However, the United States' economy has been showing modest signs of recovery from impacts of the 2020

recession. Nationally, GDP estimates rose 33.4% in the third quarter of 2020, and another 4.3% in the fourth quarter. (3) In fact, GDPs improved by at least 1.2% in every state from the third to the fourth quarters of 2020. According to the BEA, changes in real GDP over the last quarter of 2020 ranged from +1.2% in the District of Columbia to +9.9% in South Dakota. Recovery in all Great Plains region states except for Kansas outpaced the national average of 4.3%, as shown in the chart. Preliminary data for the last two quarters of 2020 indicated that Nebraska's GDP was up by 6.3%, which ranked sixth-best in the nation during this time period.

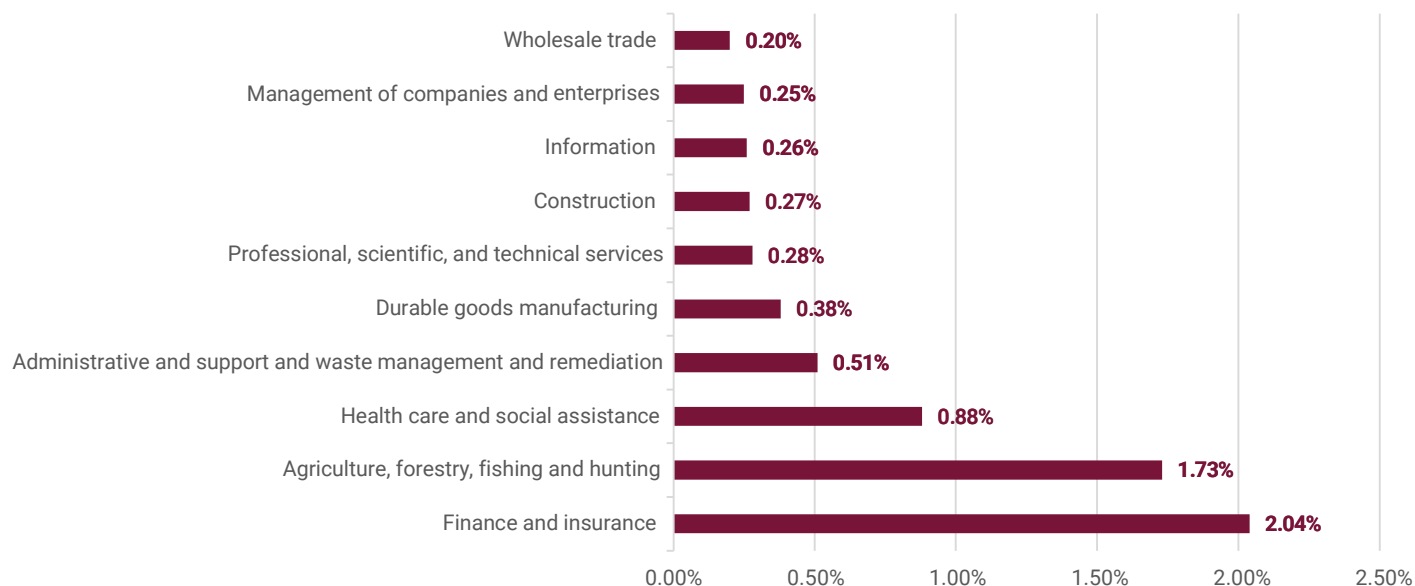
Growth in Real GDP by State Compared to US Average, Q3 - Q4 2020



Source: U.S. Bureau of Economic Analysis. Gross Domestic Product by State, 4th Quarter 2020.

According to economists with the Federal Reserve Bank of Kansas City, “throughout the crisis and recession, Nebraska’s economy has outperformed that of many other states and the nation as a whole.” (4) A breakout of BEA data by industry sector showed that Nebraska’s GDP growth at the end of 2020 was led by the finance and insurance sector (2.0%); the agriculture, forestry, fishing and hunting sector (1.7%); and the health care and social assistance sector (0.9%). (2)

Nebraska's Top 10 Industry Sectors by Percent Growth in Real GDP, Q3 - Q4 2020



Source: U.S. Bureau of Economic Analysis. Gross Domestic Product by State, 4th Quarter 2020.

Despite these early signs of recovery in many industry sectors, some continued to lose ground. The three sectors showing the largest declines in Nebraska from the third to fourth quarters of 2020 were accommodation and food services (-0.3%), utilities (-0.2%), and government (-0.2%). Although Nebraska’s overall economy has been performing well compared to most other states, challenges continue for some specific sectors and areas of the state. (2)

Historical Employment Changes by Economic Region

The Quarterly Census of Employment and Wages program (QCEW) is a collaboration between the U.S. Bureau of Labor Statistics (BLS) and state workforce agencies. It collects a census of data from administrative records of unemployment insurance-covered employers. In Nebraska, metrics are reported for Nebraska’s nine economic development regions as defined in 2013.

Snapshots of business numbers from the Nebraska Department of Labor’s QCEW data collected in 2014 and 2019 indicated that each of Nebraska’s economic development regions had generally solid but mixed levels of economic strength. We will look at three measures of business activity from state QCEW data covering this time period:

1. Average annual employment
2. Total number of business establishments
3. Total gross wages

Only in-state data is included. Note that the Omaha Consortium is the portion of the Omaha Metropolitan Statistical Area (MSA) that excludes data from Iowa.

Total Employment by Economic Development Region

Between 2014 and 2019, QCEW employment numbers rose by nearly 30,000 jobs statewide, an increase of 3.2%. However, gains and losses were unevenly distributed across Nebraska's various economic development regions. Four of the nine regions saw increases in total employment from 2014 to 2019: the Lincoln MSA (+5.9%), the Omaha Consortium (+5.5%), the Northeast Region (+1.5%), and the Central Region (+0.7%). The largest decline in employment for the period occurred in Nebraska's Panhandle Region (-8.3%). Employment numbers for each region statewide are shown in the table below. (5)

Change in Average Employment by Economic Development Region, 2014 - 2019

| Economic Development Region* | 2014 | 2019 | % Change |
|------------------------------|---------|---------|----------|
| Grand Island MSA | 42,496 | 42,103 | -0.9% |
| Lincoln MSA | 169,094 | 179,026 | 5.9% |
| Mid Plains Region | 43,553 | 42,519 | -2.4% |
| Northeast Region | 107,831 | 109,460 | 1.5% |
| Omaha Consortium | 411,140 | 433,889 | 5.5% |
| Panhandle Region | 36,202 | 33,189 | -8.3% |
| Sandhills Region | 10,544 | 10,458 | -0.8% |
| Southeast Region | 45,865 | 45,380 | -1.1% |
| Total All Regions | 930,141 | 959,853 | 3.2% |

*Nebraska Economic Development Regions, as defined in 2013. The Omaha Consortium excludes portions of the Omaha MSA located in Iowa.
Source: Nebraska Department of Labor, Quarterly Census of Employment and Wages.

Business Establishments by Economic Development Region

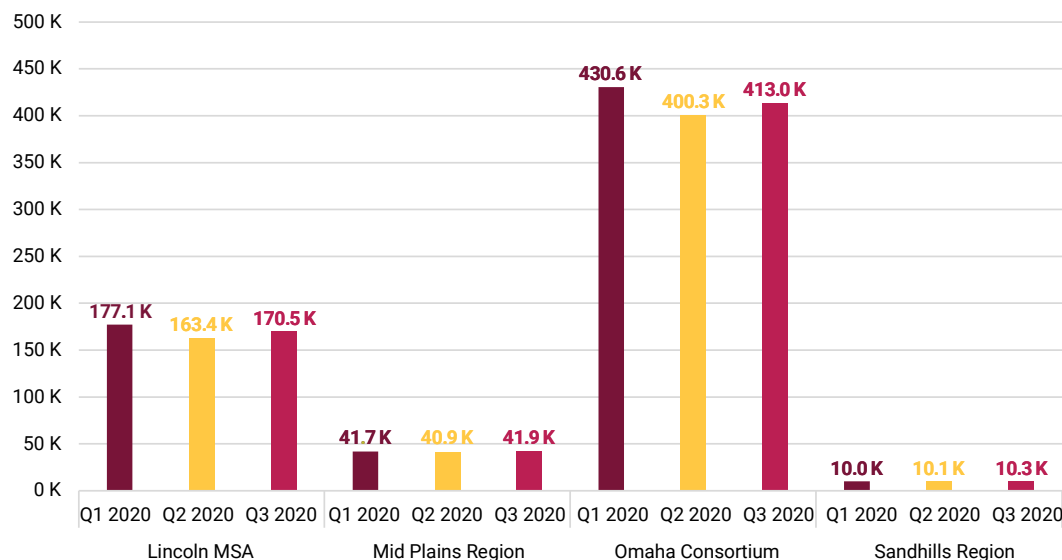
Although Nebraska's statewide economy has historically tended to be more stable than many states, its pre-pandemic count of business establishments declined between 2014 and 2019 in all but the two most populous economic development regions: the Omaha Consortium (+3.9% change in number of business establishments from 2014 to 2019) and the Lincoln MSA (+1.5%). Three regions saw declines greater than 5% during this period: the Southeast Region (-5.6% change in number of business establishments), the Mid Plains Region (-7.5%), and the Panhandle Region (-8.1%). These values contributed to an overall decline of -0.7% in the number of business establishments statewide. (5)

Wages by Economic Development Region

Total wages paid to unemployment insurance-covered employees across the state of Nebraska rose from \$37.9 billion to \$45.4 billion between 2014 and 2019, an increase of 20%. An analysis of QCEW data for the state's economic development regions revealed double-digit increases in total wages paid during this time period in eight of Nebraska's nine regions. Only the Panhandle Region saw a decline wages (-0.5%) from 2014 to 2019. (5)

Eight of Nebraska's nine economic development regions experienced a drop in total employment between the first and second quarters of 2020. The losses ranged from -1.9% in the Mid Plains Region to -7.8% in the Lincoln MSA. Although many factors may have affected business activity, this timeframe aligned with the beginning of the COVID-19 pandemic, which caused significant economic disruption nearly everywhere worldwide. In contrast to Nebraska's other regions, the Sandhills Region actually boasted a slight increase in employment, at +1.7%. Whether this was related to population density, travel patterns, or other factors is a matter for additional future research. (5)

Average Quarterly Employment (in Thousands), Q1 - Q3 2020



Source: Nebraska Department of Labor, Quarterly Census of Employment and Wages.

From the second to the third quarter of 2020, total employment increased throughout all nine of Nebraska's economic development regions. The most significant increases were seen in the Grand Island MSA (5.5%) and the Central Region (4.7%). (5) A comparison of values for the regions with the two highest and two lowest rates of employment change from the first quarter of 2020 to the third are shown in the chart.

The Final Word

Historically, economic crises have typically brought less volatility in Nebraska than experienced in many other states. "While significant business and economic challenges still remain, the stability of Nebraska's economy is likely to position the state well for a return to steady growth in coming months," predicted economists at the Federal Reserve Bank of Kansas City in March 2021. (4) Growing industry sectors and thriving economic regions support Nebraska's economic health; however, it will be important to look beyond the statewide averages and keep an eye out for the unique challenges and opportunities that may exist within the state's various economic development regions.

Sources:

1. Lincoln Journal Star. 16 countries that fit inside the state of Nebraska. Journal Star. [Online] Sept 3, 2020. https://journalstar.com/news/state-and-regional/nebraska/16-countries-that-fit-inside-the-state-of-nebraska/collection_b2313082-a325-574f-a7ff-c391c38a8b8c.html#1.
2. U.S. Bureau of Economic Analysis. Gross Domestic Product by State, 4th Quarter 2020. BEA. [Online] March 26, 2021. <https://www.bea.gov/news/blog/2021-03-26/gross-domestic-product-state-4th-quarter-2020>.
3. News Release. BEA. [Online] March 25, 2021. [https://www.bea.gov/news/2021/gross-domestic-product-third-estimate-gdp-industry-and-corporate-profits-4th-quarter-and#:~:text=Real%20gross%20domestic%20product%20\(GDP,real%20GDP%20increased%2033.4%20percent.](https://www.bea.gov/news/2021/gross-domestic-product-third-estimate-gdp-industry-and-corporate-profits-4th-quarter-and#:~:text=Real%20gross%20domestic%20product%20(GDP,real%20GDP%20increased%2033.4%20percent.)
4. Federal Reserve Bank of Kansas City. Nebraska's Economy Outperforms through Crisis and Recession. Nebraska Economist. [Online] March 31, 2021. <https://www.kansascityfed.org/omaha/nebraska-economist/nebrasas-economy-outperforms-through-crisis-and-recession/>.
5. Nebraska Department of Labor, Office of Labor Market Information. Quarterly Census of Employment and Wages (QCEW). NEworks. [Online] 2021. [Cited: March 29, 2021.] <https://networks.nebraska.gov/vosnet/analyzer/resultsNew.aspx?session=ind202>.

Fast Facts: Nebraska Labor Market Snapshot

Rachel Stevens, Research Analyst

999,778

Total non-farm employment in Nebraska as of March 2021. (1)

73,690

Total number of business establishments with employees operating in Nebraska as of the third quarter of 2020. (2)

5.5%

Overall employment growth projected in Nebraska between 2018 and 2028. (3)

10.2%

Percentage of Nebraska's employed, civilian workers ages 16 and older who were self-employed in 2019. (4)

33.2%

Percentage of Nebraskans ages 25 and over who had a bachelor's degree or higher level of educational attainment in 2019. (4)

68.1%

Nebraska's civilian labor force participation rate as of March 2021. The civilian labor force participation rate reflects the percentage of the state's total civilian, noninstitutionalized population who were either employed or unemployed but actively seeking work. In comparison, the nationwide civilian labor force participation rate was 61.5%. (5)

49.7%

Women's share of overall employment in Nebraska during the second quarter of 2020. (7)

169,260

Number of Nebraska workers employed by federal, state, or local governments as of March 2021. This equated to 16.9% of overall non-farm employment statewide. (1)

40.5%

Rate of employment growth projected between 2018 and 2028 in Nebraska for occupational therapy assistants. This was the largest percent increase projected during this time period for any occupation statewide. Measured by numeric increase, the fastest-growing occupation was projected to be registered nurses, with 2,950 new jobs (+11.1%) expected from 2018 to 2028. (3)

38,813

Number of Nebraska jobs advertised online on NEworks as of May 1, 2021. (6)

\$50,261

Average annual wages for Nebraska workers as of the first quarter of 2021. (8)

177

Number of occupations classified by the Nebraska Department of Labor as H3—high wage, high skill, high demand—as of 2020 data. The top H3 occupation by demand rank was heavy and tractor-trailer truck drivers. (9)

Sources:

1. Nebraska Department of Labor. Current Employment Statistics program (CES). [Online] March 2021. neworks.nebraska.gov.
2. Quarterly Census of Employment and Wages. [Online] Q3 2020. neworks.nebraska.gov.
3. Long-Term Occupation Employment Projections (Statewide). [Online] July 2020. neworks.nebraska.gov/gsipub/index.asp?docid=440.
4. U.S. Census Bureau. American Community Survey, 2019 1-Year Estimates Subject Tables. Tables S2407 & S1501. [Online] data.census.gov.
5. Nebraska Department of Labor. Local Area Unemployment Statistics program (LAUS). [Online] March 2021. neworks.nebraska.gov.
6. NEworks. Online advertised jobs data. [Online] May 2021. neworks.nebraska.gov.
7. U.S. Census Bureau. QWI Explorer Application. [Online] qwexplorer.ces.census.gov/static/explore.html.
8. Nebraska Department of Labor. Occupational Employment Statistics (OES). [Online] Q1 2021. neworks.nebraska.gov.
9. High Wage, High Skill, and High Demand (H3) Occupations. [Online] July 2020. neworks.nebraska.gov/gsipub/index.asp?docid=1165.

Map Facts

Rachel Stevens,
Research Analyst

Unemployment Rates by State

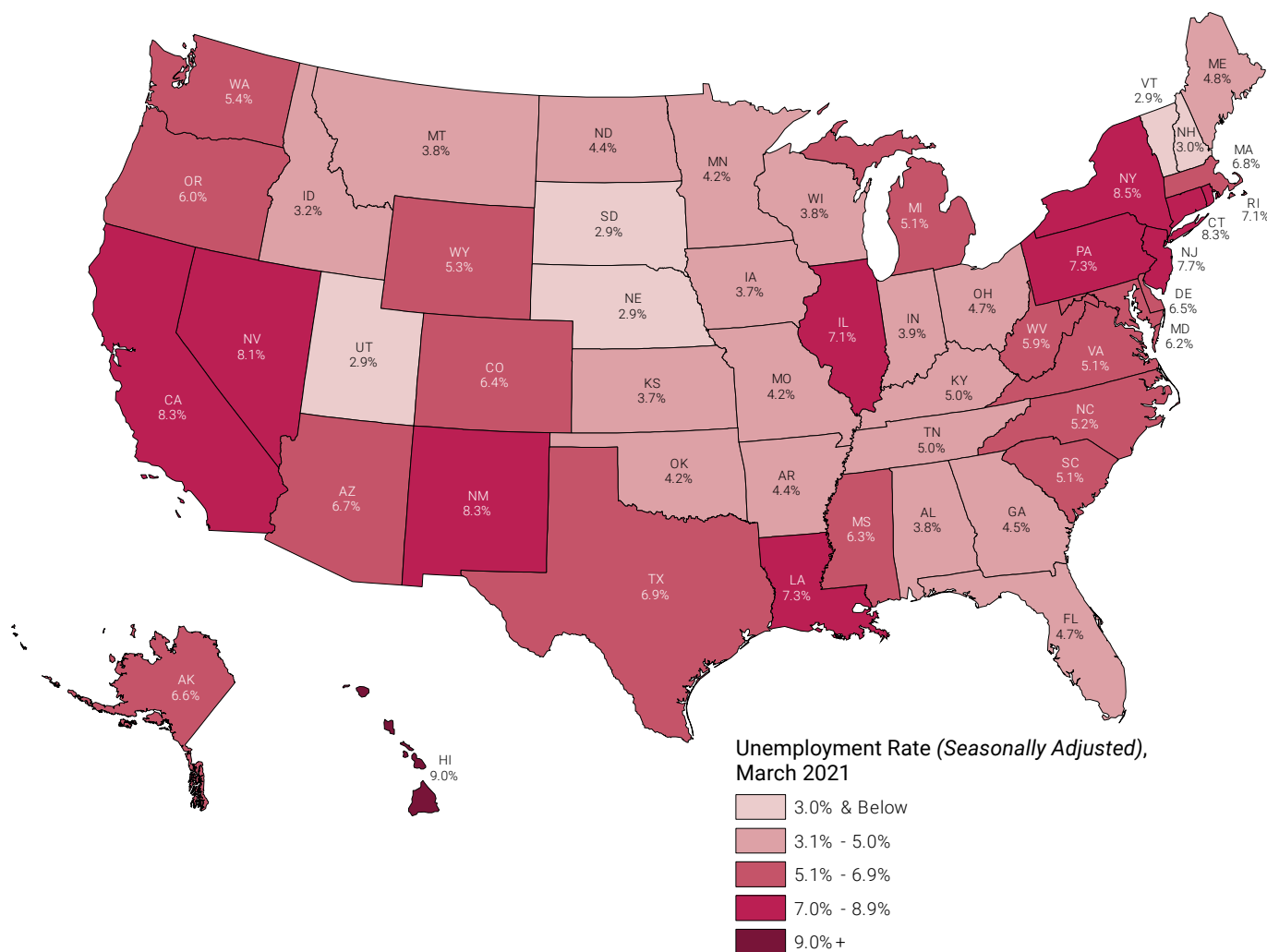
In March 2021, Nebraska was tied with South Dakota, Utah, and Vermont for the nation's lowest seasonally adjusted unemployment rate, at 2.9%. This was down 0.2% on the month from Nebraska's 3.1% unemployment rate in February of 2021.

Hawaii had the highest seasonally adjusted unemployment rate of any state at 9.0%, followed by New York at 8.5%, and New Mexico, Connecticut, and California, each at 8.3%.

The national unemployment rate for March 2021 was 6.0%, which was a 0.2% drop from the prior month, but 1.6% above the March 2020 rate. The unemployment impact of the COVID-19 pandemic first became

evident in April 2020, with a jump in the nationwide unemployment rate from 4.4% in March 2020 to 14.8% in April 2020.

A total of 27 states had seasonally adjusted unemployment rates lower than the nationwide figure in March 2021, while 11 states and Washington, D.C. had higher rates, and 12 states matched national unemployment. March unemployment rates were lower than those seen in February in 40 states and Washington, D.C.



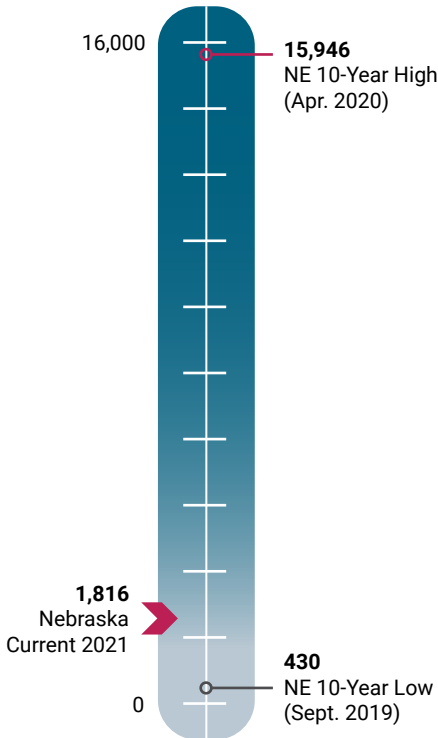
All data from: U.S. Bureau of Labor Statistics. Local Area Unemployment Statistics program (LAUS). April 2021.

Economic Indicators: April

Kermit Spade, Research Analyst

Initial Unemployment Claims

Monthly Avg. Number of Claims per Week (Regular State Benefits)



DOWN
-88.6%

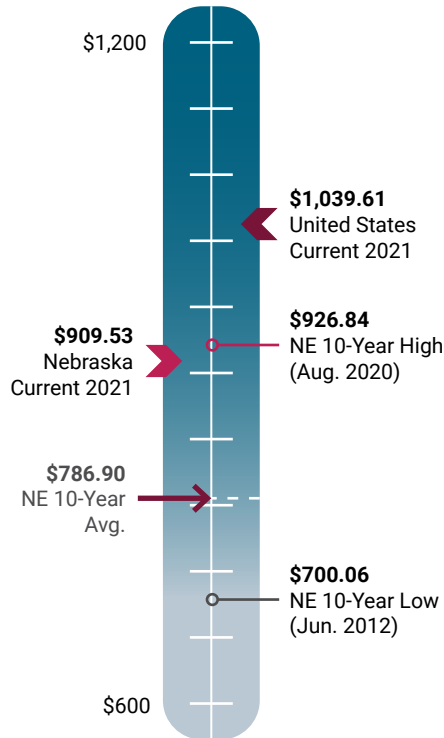
NE Vs.
Last Year

UP
+9.9%

NE Vs.
Last Month

Avg. Weekly Earnings

All Private Employees
Not Seasonally Adjusted



UP
+0.9%

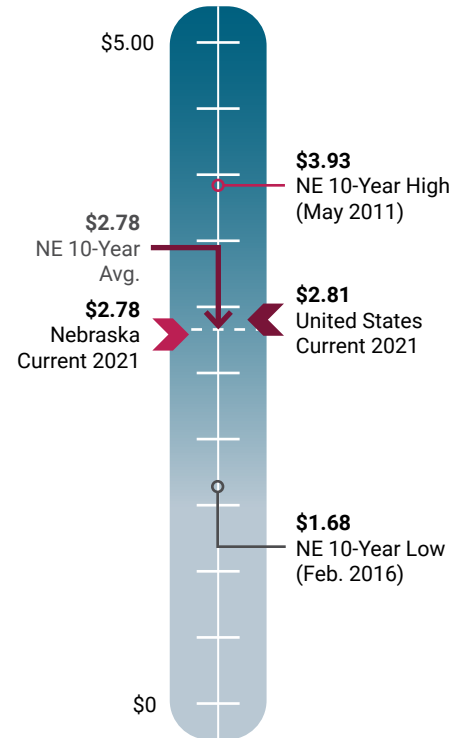
NE Vs.
Last Year

UP
+0.8%

NE Vs.
Last Month

Gas Prices

Avg. Retail Price per Gallon (Regular-Grade Unleaded Gasoline)



UP
+28.7%

NE Vs.
Last Year

UP
+11.6%

NE Vs.
Last Month

642,749 - United States Current 2021

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

Data Sources: [Retrieved: April 2021.]

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>.

Average weekly earnings represents the mean pay received by workers for services performed over the course of one week.²

Data Sources: [Retrieved: April 2021.]

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 SMU3100000500000011.

<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>.

This figure represents the average price consumers paid at the pump for a gallon of regular-grade, unleaded gasoline during the specified timeframe.

The main components affecting the retail price of gasoline are crude oil prices; costs and profits associated with refining, distribution, and marketing; fluctuations in supply and demand; and federal, state, and local taxes.³

Data Sources: [Retrieved: April 2021.]

NE- Nebraska Energy Office. *Average Monthly Retail Motor Gasoline Prices in Nebraska. Regular Unleaded*. http://www.neo.ne.gov/statshtml/97.htm#regular_unleaded.

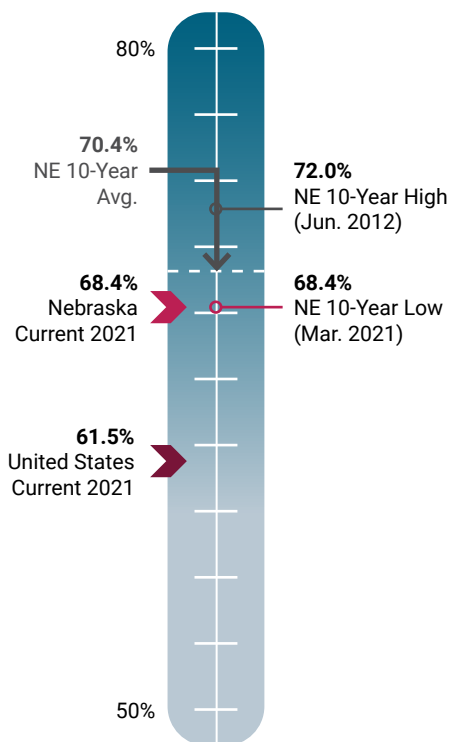
U.S.- U.S. Energy Information Administration. *U.S. Regular All Formulations Retail Gasoline Prices*. https://www.eia.gov/dnav/pet/PET_PRI_GND_A_EPMR_PTE_DPGAL_M.htm.

Economic Indicators: April

Kermit Spade, Research Analyst

Labor Force Participation Rate

Seasonally Adjusted

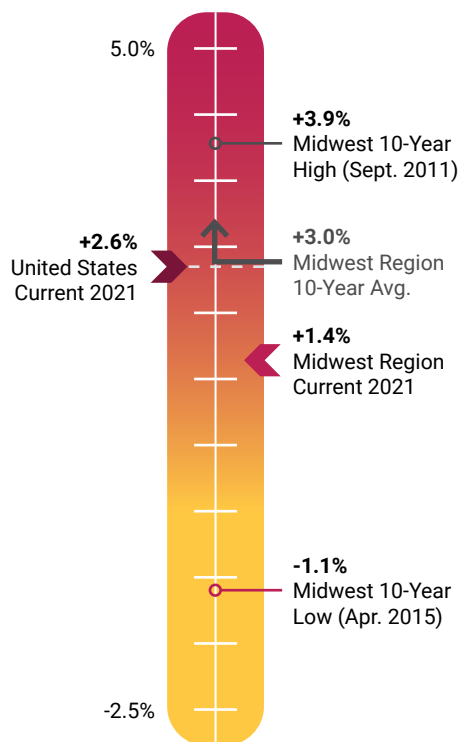


DOWN
-2.7%
NE Vs.
Last Year

DOWN
-0.1%
NE Vs. Last
Month

Consumer Price Index

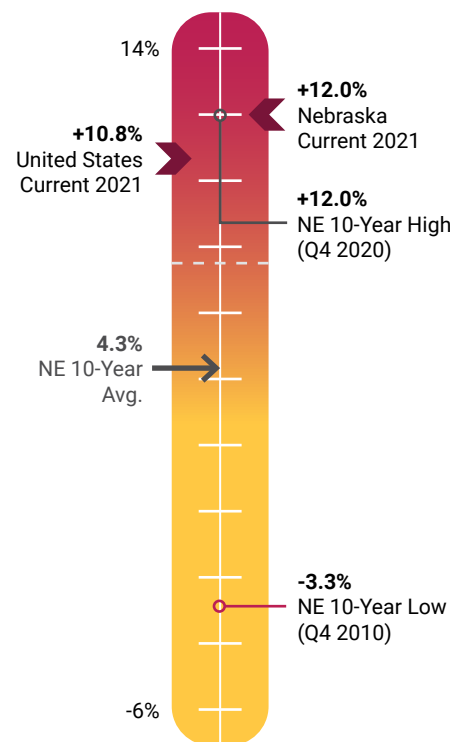
12-Month % Change
Not Seasonally Adjusted



All Urban Consumers:
All Items Index 1982-1984 = 100

Housing Prices

4-Quarter % Change
Seasonally Adjusted



FHFA Purchase-Only
Housing Price Index

The labor force is comprised of all persons age 16 and over in the civilian, noninstitutional population who are either employed or unemployed but available for work and actively seeking employment. It excludes people doing unpaid homemaking or volunteer work, retired people, and people who are not employed and not actively seeking work. The labor force participation rate measures the labor force as a percentage of the total civilian, noninstitutional population, age 16 and over.¹

Data Sources: [Retrieved: April 2021.]

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>.

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

Data Sources: [Retrieved: April 2021.]

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>.

The housing price index (HPI) measures the movement of single-family house prices, based on purchases involving conventional mortgages purchased or securitized by Fannie Mae or Freddie Mac. "Four-quarter" change is relative to the same quarter one year earlier. HPI data are often considered useful for estimating housing affordability and projecting future changes in mortgage default rates.⁵

Data Source: [Retrieved: April 2021.]

Federal Housing Finance Agency. *Housing Price Index Datasets. Quarterly Data: Purchase-Only Indexes*. <https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index-Datasets.aspx#qpo>

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