

# Nebraska's Economy in the Next Decade

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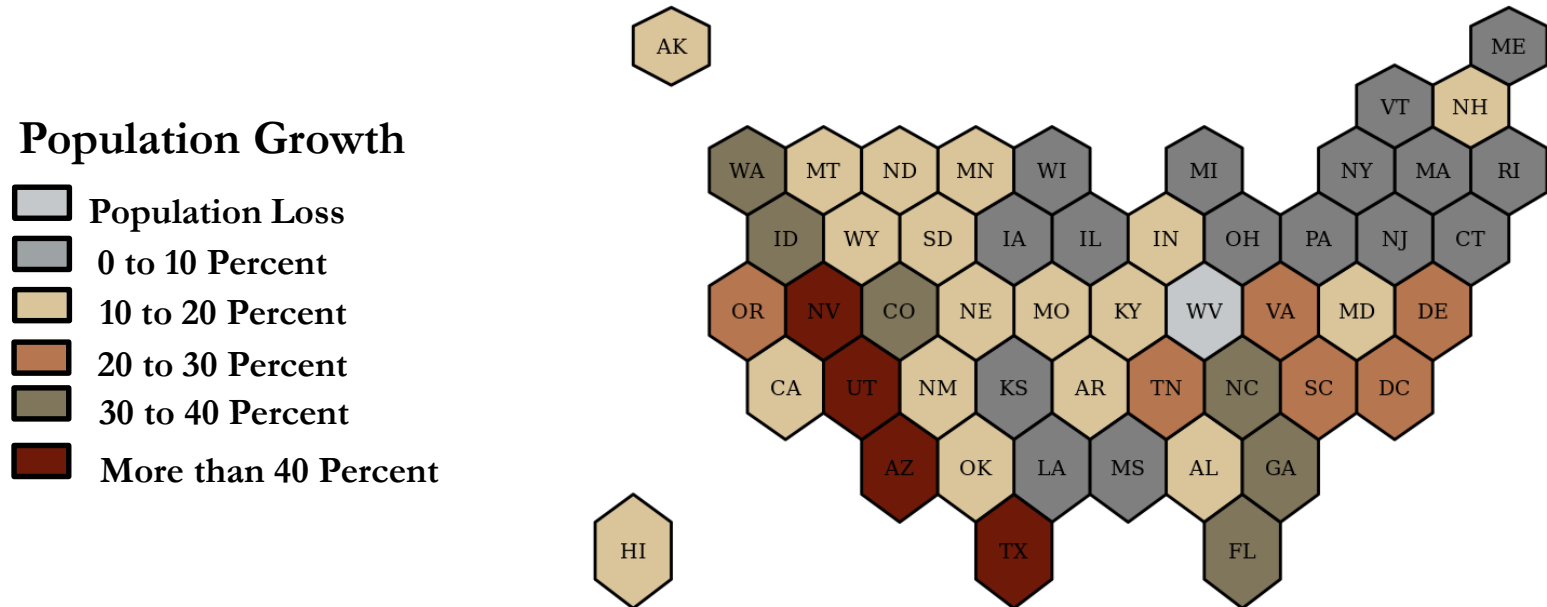
# Summary Themes

- Nebraska's economy appears well-positioned for steady growth over the next decade.
- However, notable disparities seem likely to persist.
  - Urban vs. Rural
  - Ag vs. non-Ag
  - High- vs. Low-Income



# Population growth in Nebraska has been stable, but driven by gains in urban areas.

## Population Growth by State, 1999 – 2019

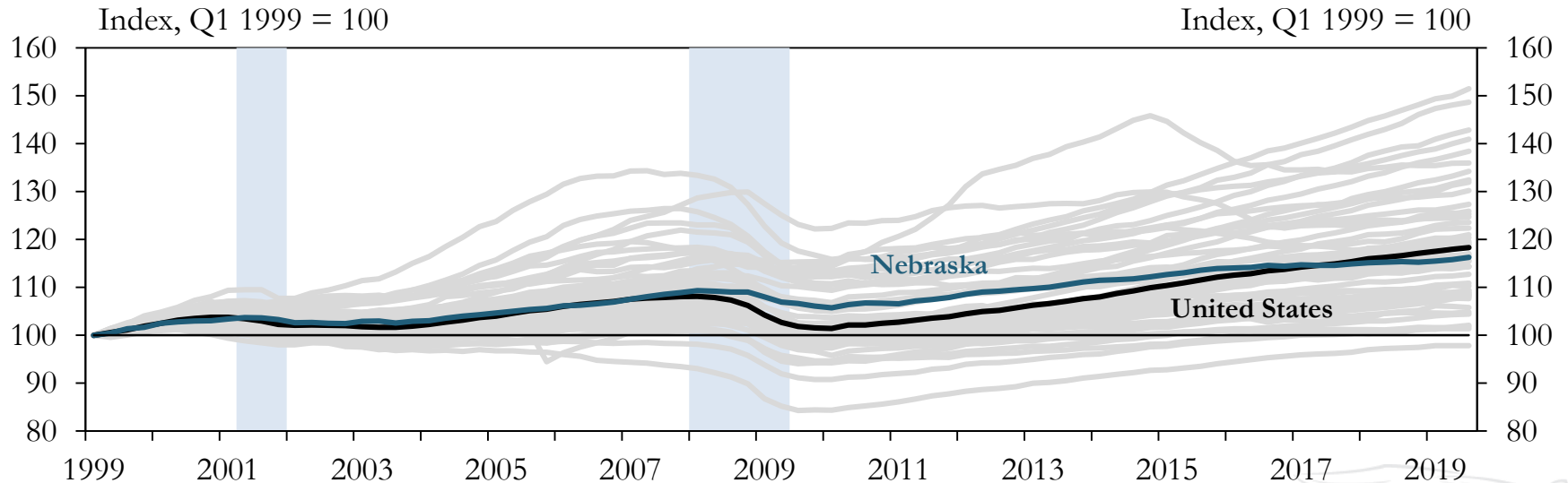


Sources: Census Bureau, BEA, CARTO.com.



# Employment has expanded steadily, but also primarily in Omaha and Lincoln.

## Employment Growth by State

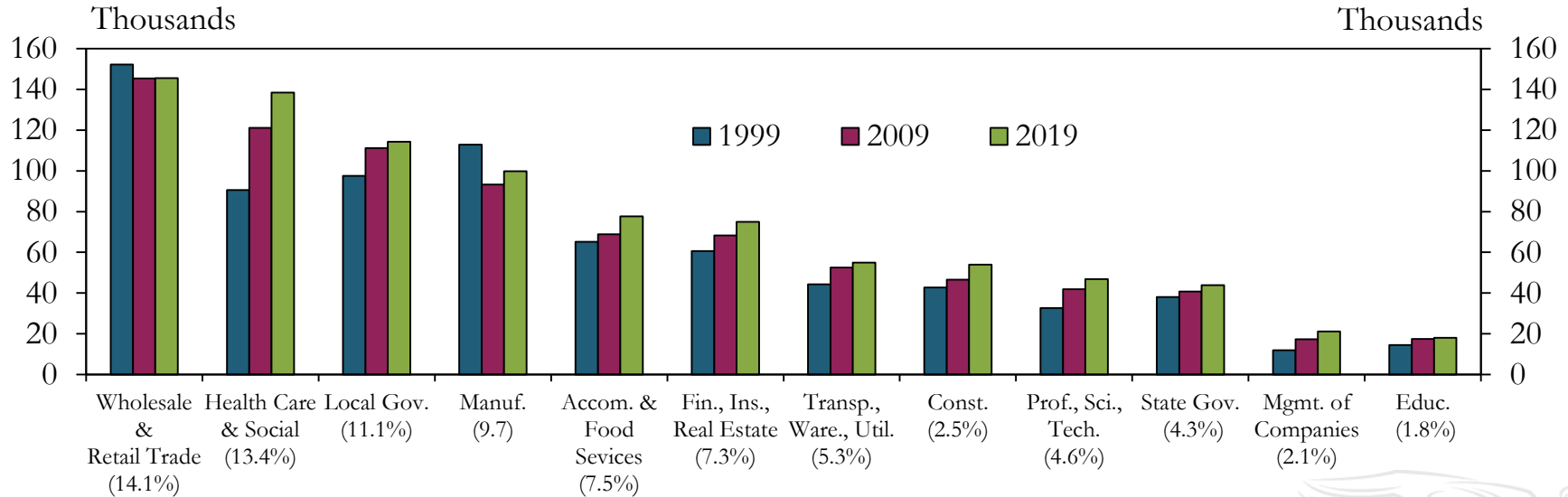


Notes: Gray lines indicate employment growth in the other 49 states and the District of Columbia. Blue bars indicate NBER-defined recessions.  
Sources: BLS, Haver Analytics.



# Service-based industries in urban areas have accounted for a large share of job growth.

## Nebraska Employment by Industry



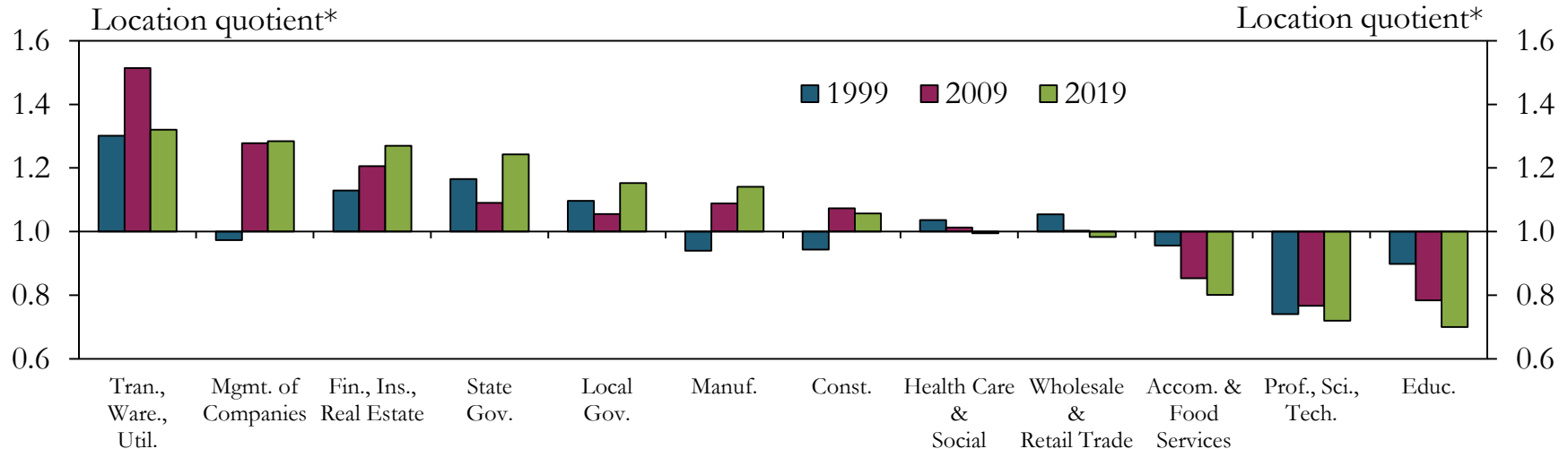
Note: Percentages denote the share of total statewide employment in 2019.

Sources: BLS, Haver Analytics.



# The concentration of industries in Nebraska has shifted slightly over the past two decades.

## Nebraska Industry Concentration (Relative to U.S.)



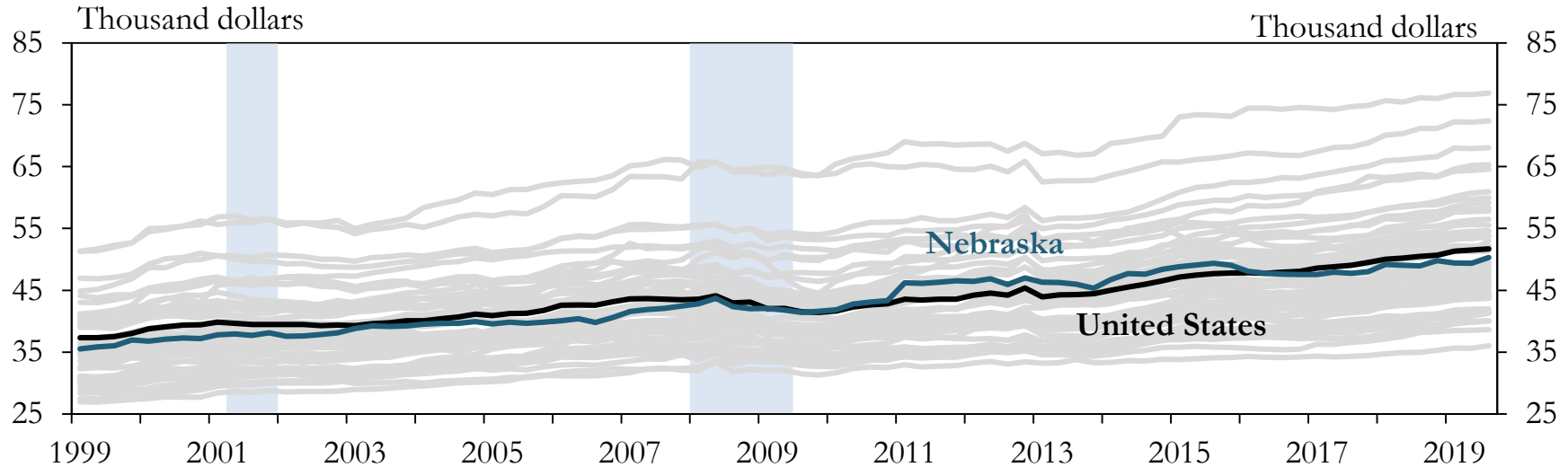
Note: Location quotients compare the share of industrial employment in Nebraska in a given industry to the share of industrial employment nationally in the same industry. A value of 1 means the share of a given industry is the same in Nebraska as it is nationally.

Sources: BLS, Haver Analytics, authors' calculations.



# Personal incomes have increased steadily, and at a rate similar to the nation...

## Real Per Capita Personal Income by State



Note: Gray lines indicate real per capita personal income in the other 49 states and the District of Columbia.

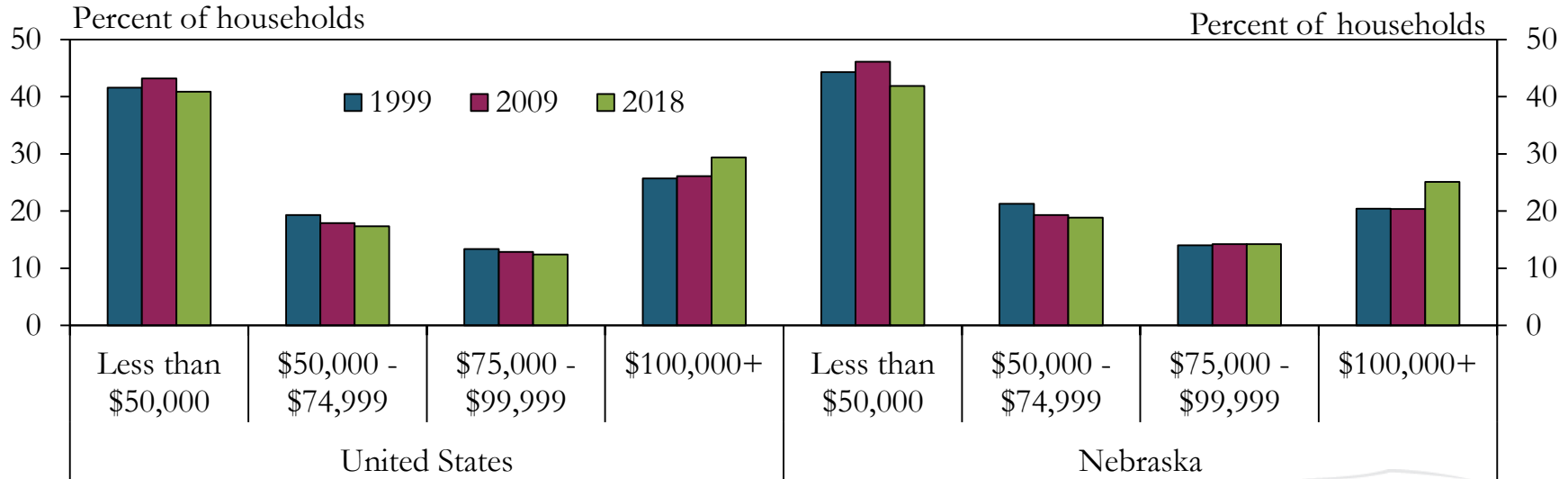
Blue shading indicates NBER-defined recessions.

Sources: BEA, Haver Analytics.



# ... but disparities have intensified somewhat alongside national trends.

## Real Household Income



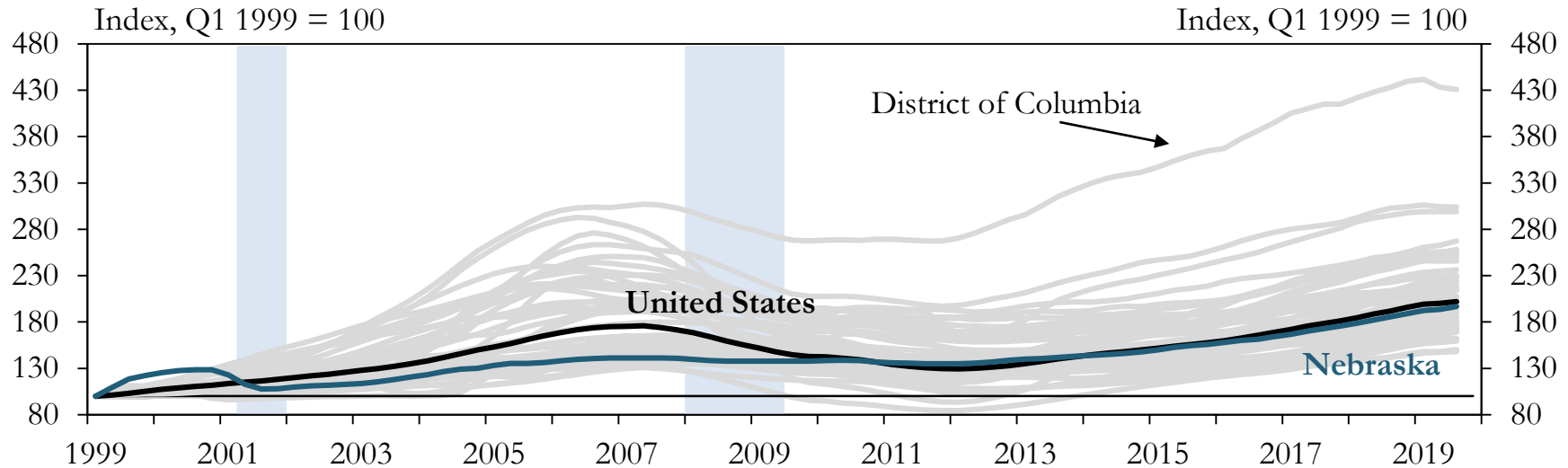
Sources: Census Bureau ACS 1-year sample Public Use Microdata, IPUMS-USA, authors' calculations.





# Home prices have continued to rise, accelerating in recent years.

## Median Home Prices by State



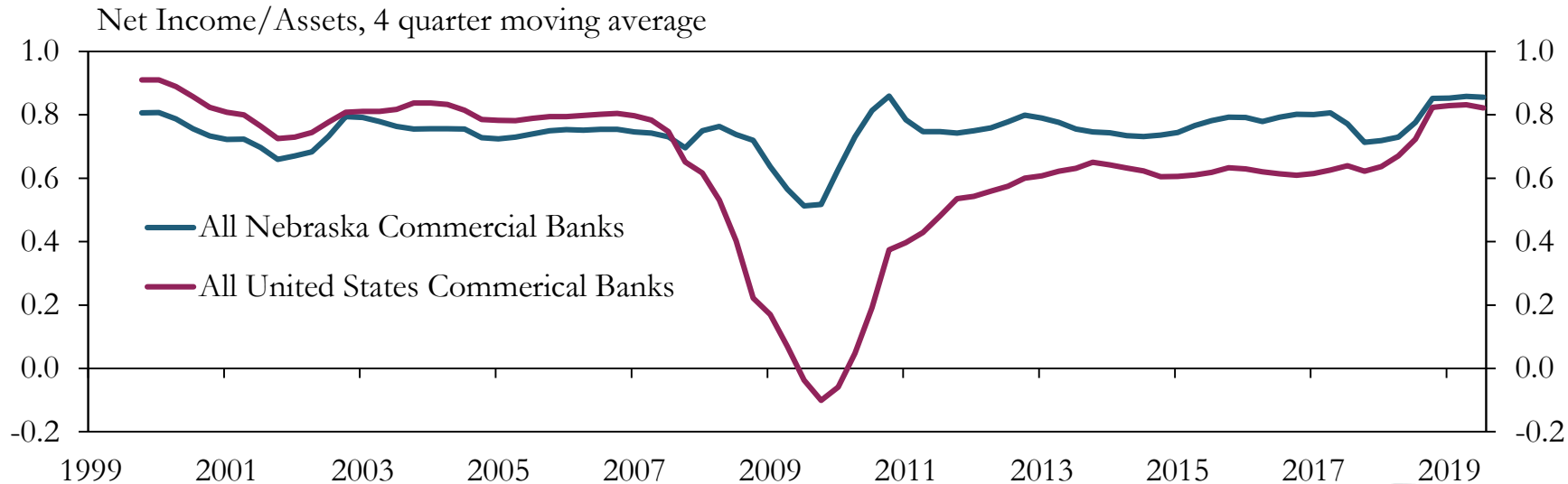
Note: Gray lines indicate home price in the other 49 states and the District of Columbia; North Dakota not shown as no data is available prior to 2004. Blue shading indicates NBER-defined recessions.

Sources: Census Bureau, BEA, Haver Analytics.



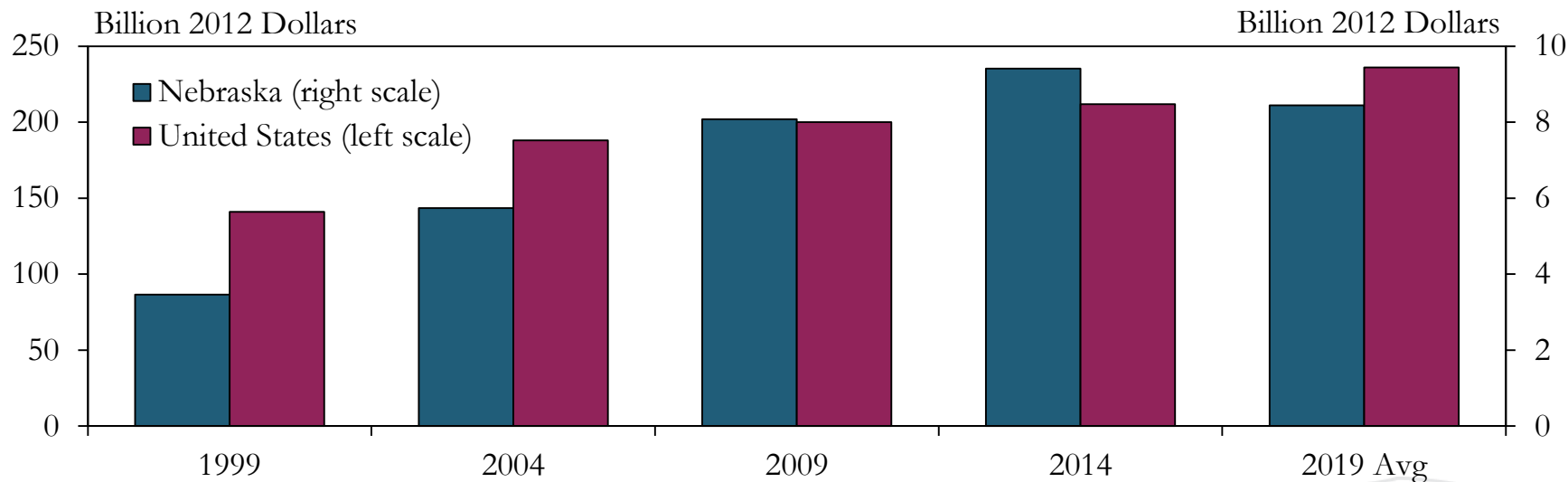
# The strength and stability of Nebraska's economy has supported returns in banking.

## Banking Return on Assets



# Despite the recent slowdown, agriculture in Nebraska has expanded sharply since the 1990s.

## Agriculture GDP

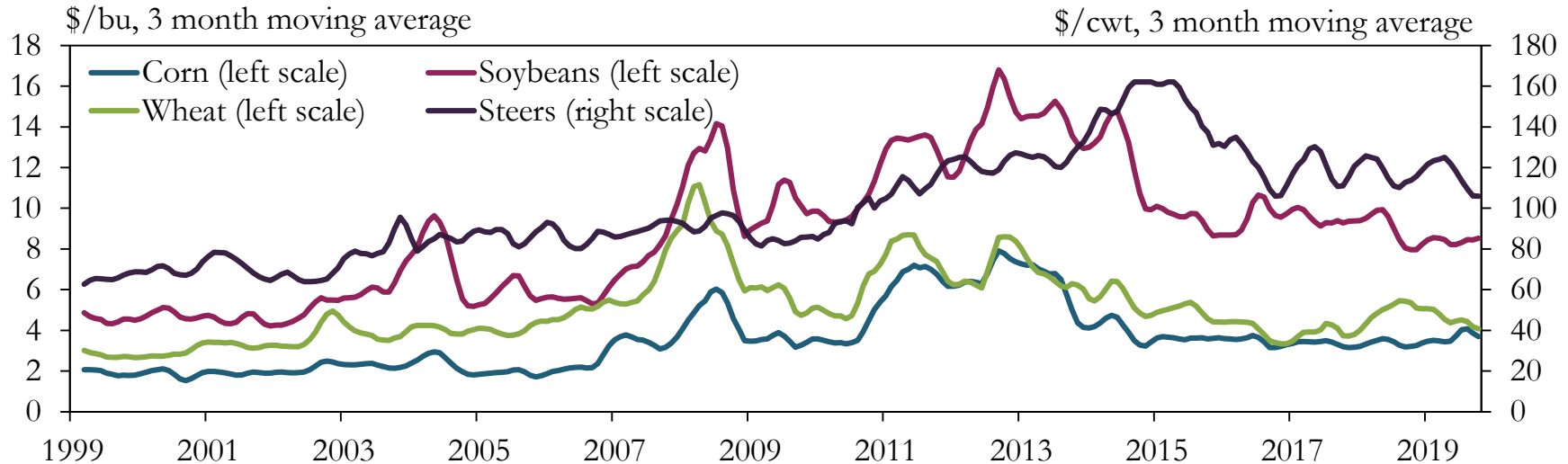


Note: Agricultural GDP also includes forestry, fishing, and hunting.  
Sources: BEA, Haver Analytics.



# However, reduced agricultural commodity prices continue to weigh on farm profits.

## Agricultural Commodity Prices

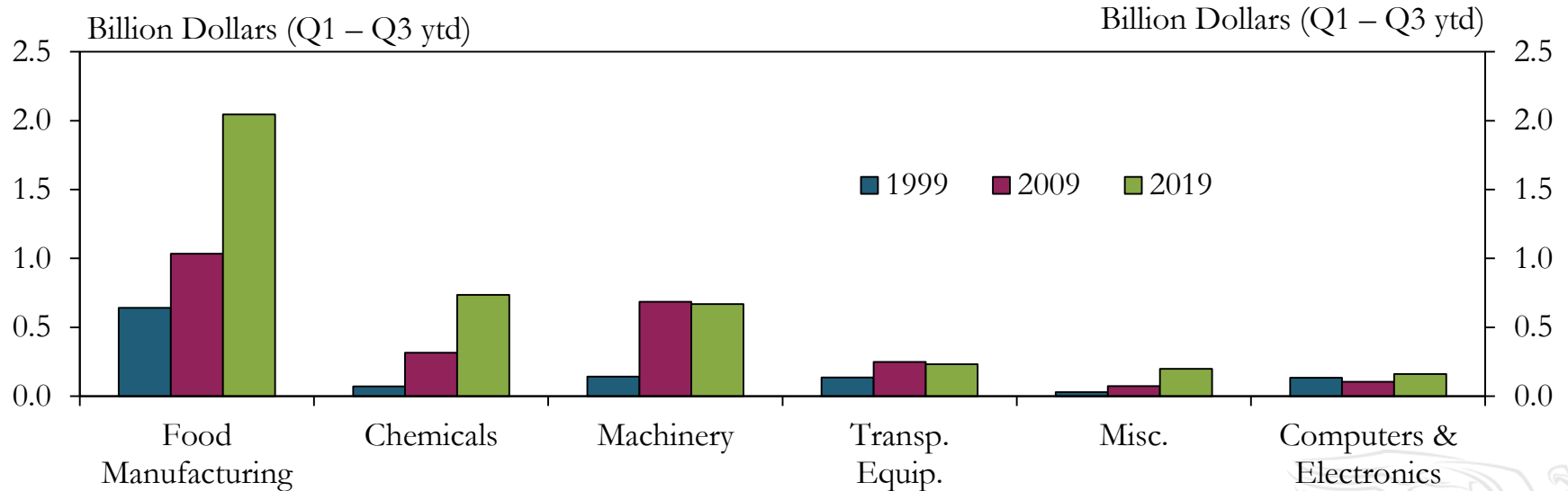


Sources: *Wall Street Journal*, Haver Analytics.



# Ongoing demand for food and ag exports has fueled Nebraska's manufacturing sector.

## Manufacturing Exports

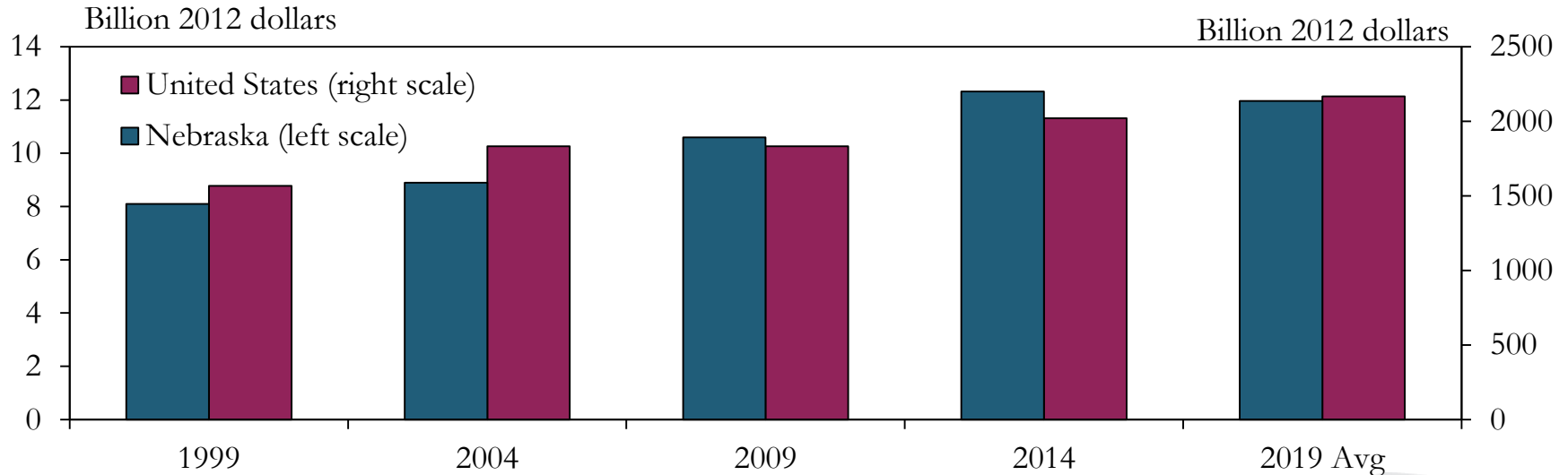


Sources: Wisser Trade, Census Bureau, Haver Analytics.



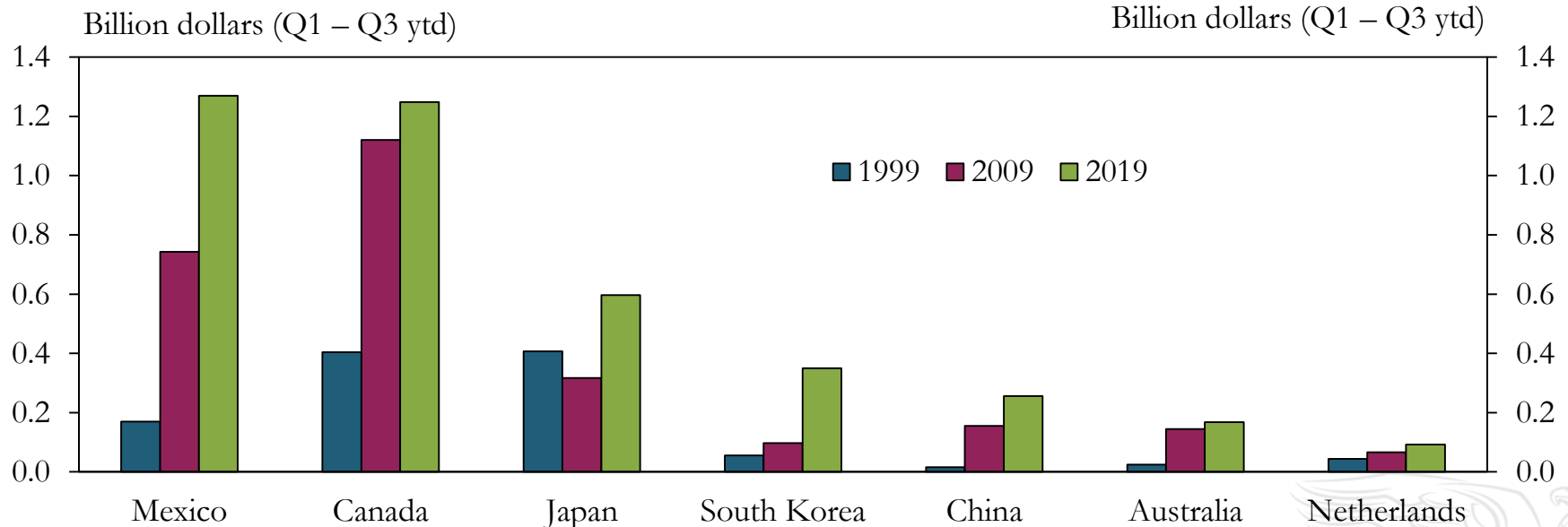
# Manufacturing output has increased despite a more recent slowdown.

## Manufacturing GDP



# A sharp increase in demand from Mexico has supported Nebraska's export-based industries.

## Nebraska's Top Export Partners



Sources: Wisser Trade, Census Bureau, Haver Analytics.



# Concluding Remarks

- Nebraska seems to have listened to John Wooden:
  - “All of life is peaks and valleys. Don’t let the peaks get too high and the valleys too low.”
- Steady growth, amid some disparities, will likely characterize the next decade.

