

Nebraska Economic Outlook



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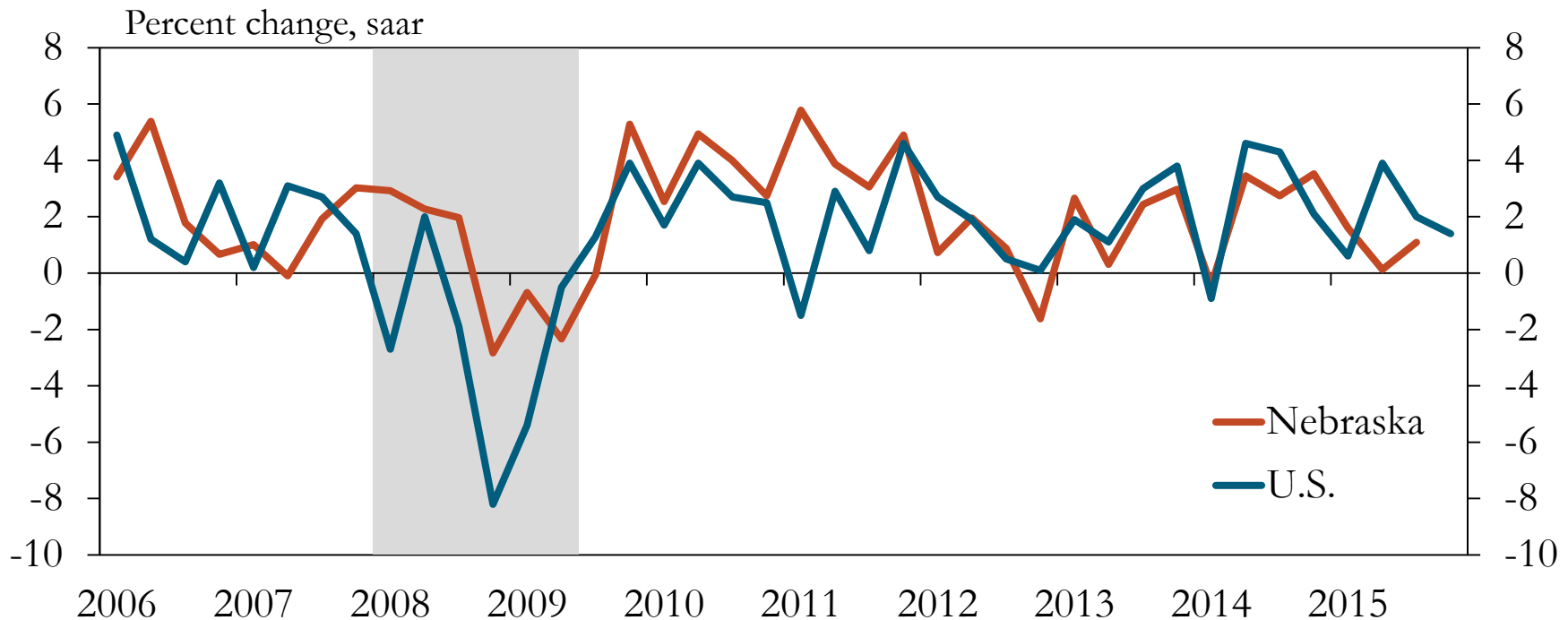
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Economic growth in Nebraska generally has been positive, but has slowed recently.

Nebraska Real GDP Growth



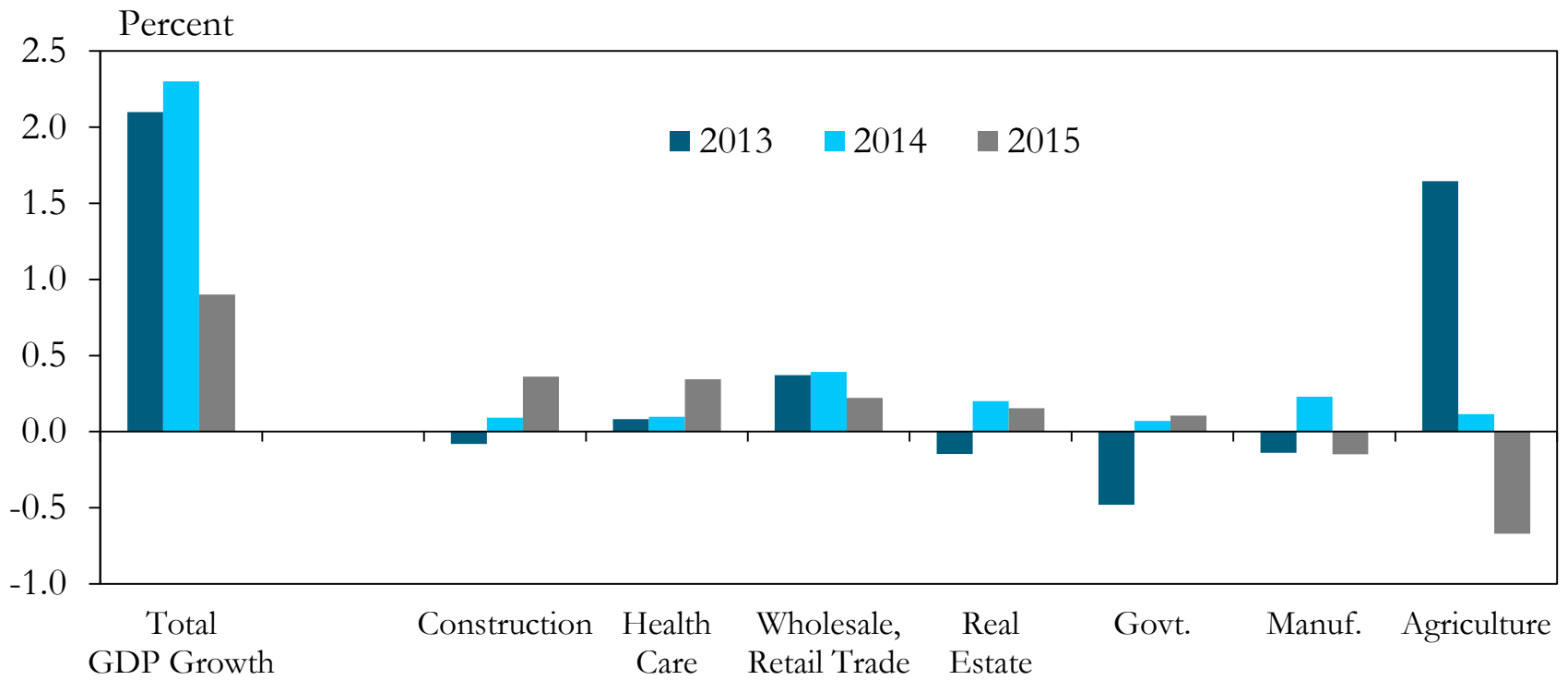
Source: BEA, Macroadvisers, and Haver Analytics

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The drag on economic growth in Nebraska has come from agriculture and manufacturing.

Contribution to Nebraska Real GDP Growth by Industry



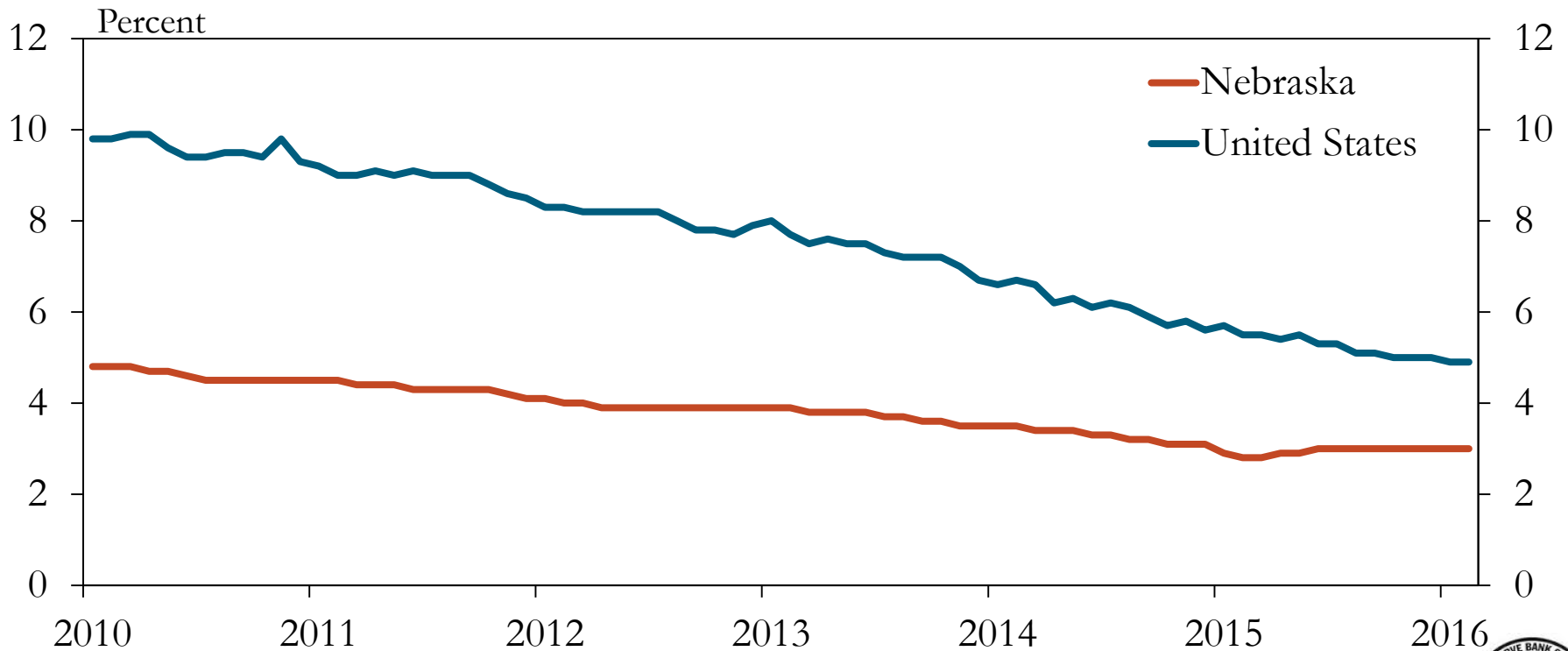
Source: Bureau of Economic Analysis and Haver Analytics.

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Unemployment rates in Nebraska have remained low.

Unemployment Rates



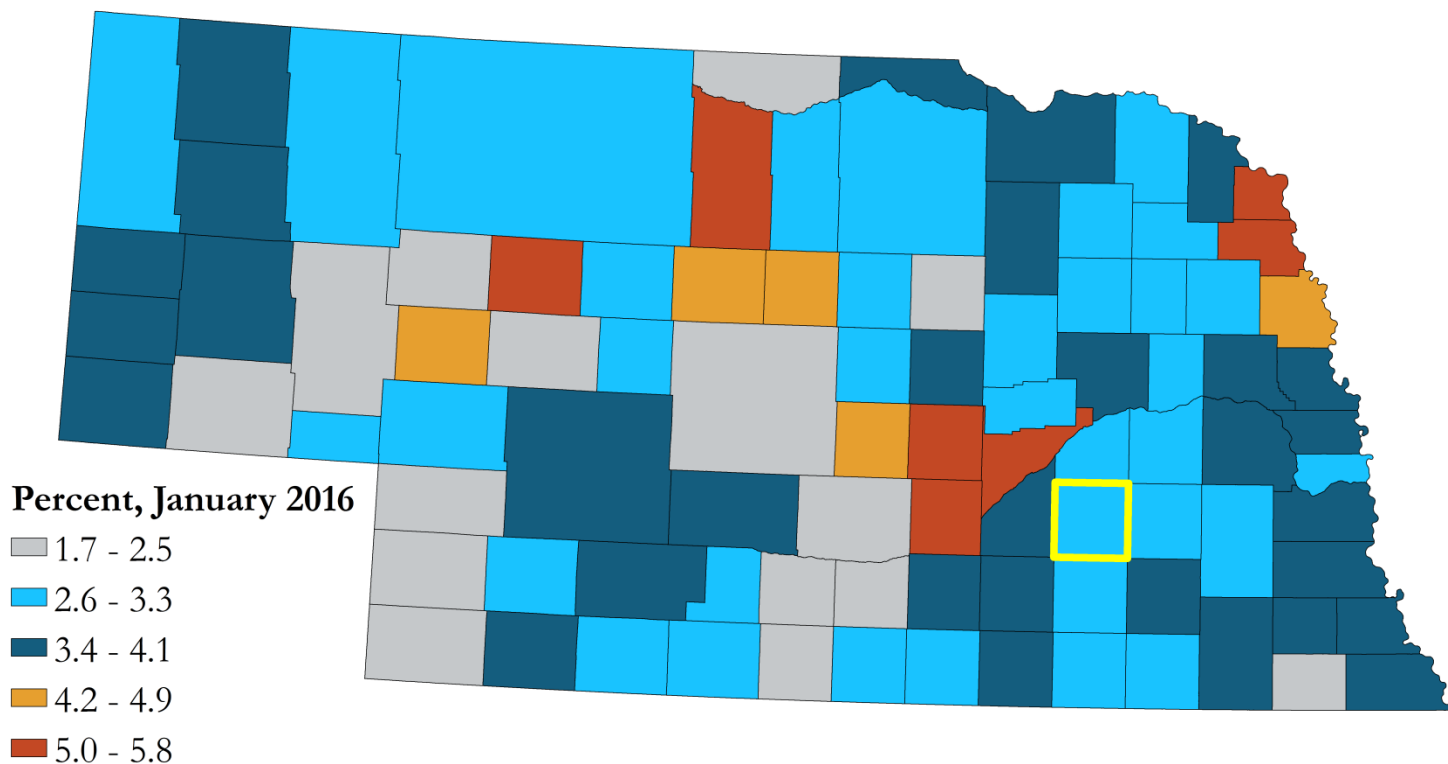
Sources: Bureau of Labor Statistics and Haver Analytics.

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Most counties have an unemployment rate lower than the nation.

Nebraska Unemployment Rates by County



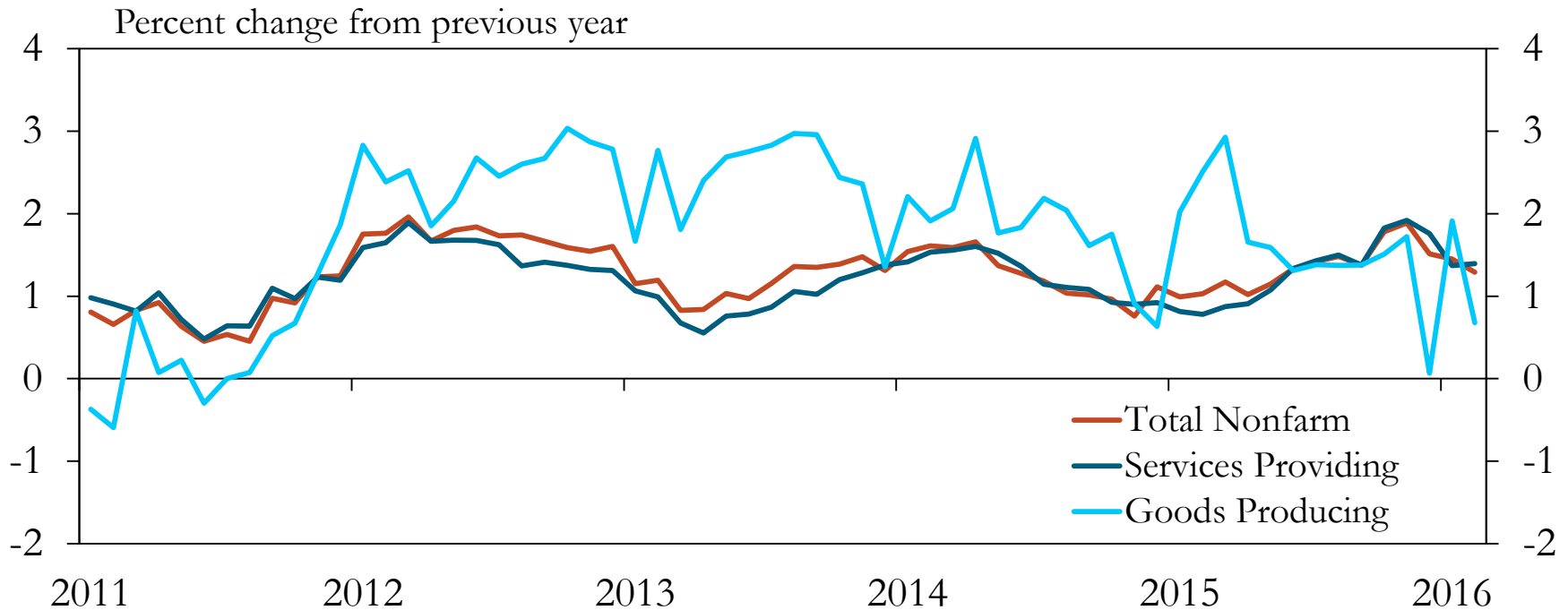
Source: Bureau of Labor Statistics

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Job growth has also been relatively steady.

Nebraska Employment Growth



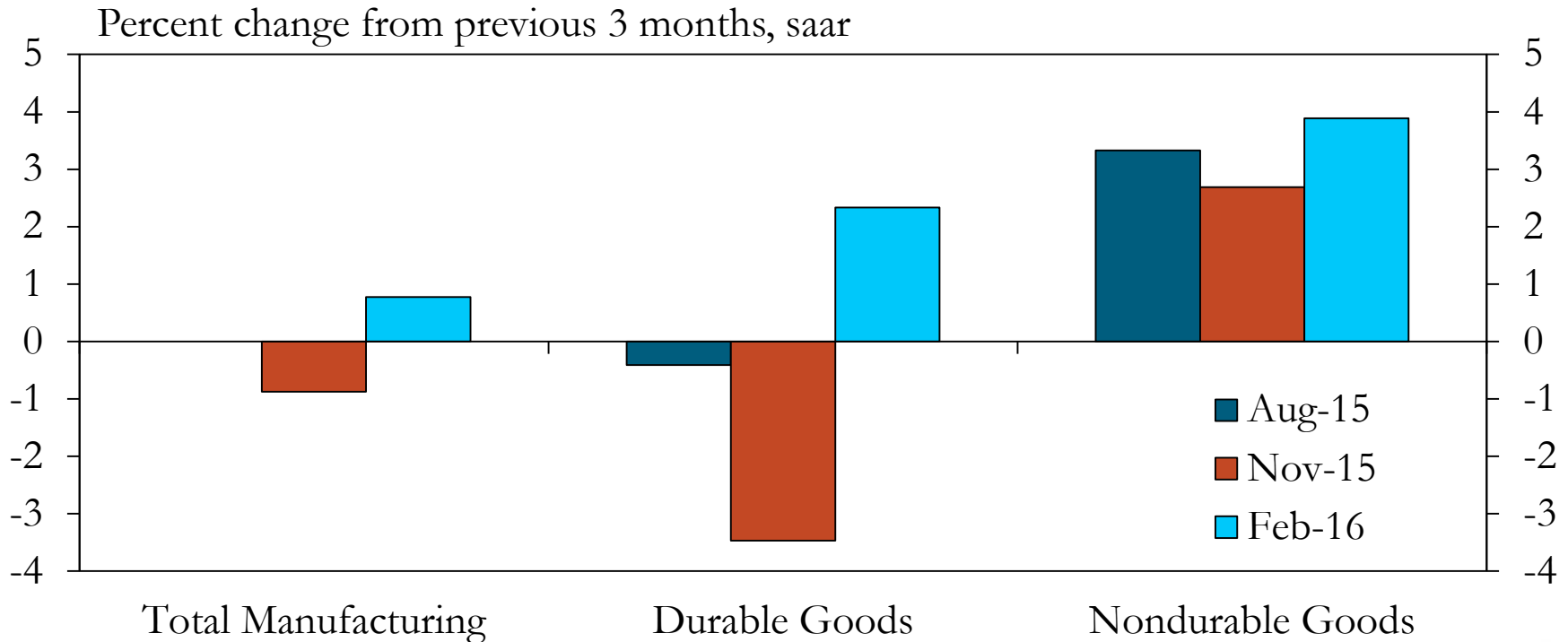
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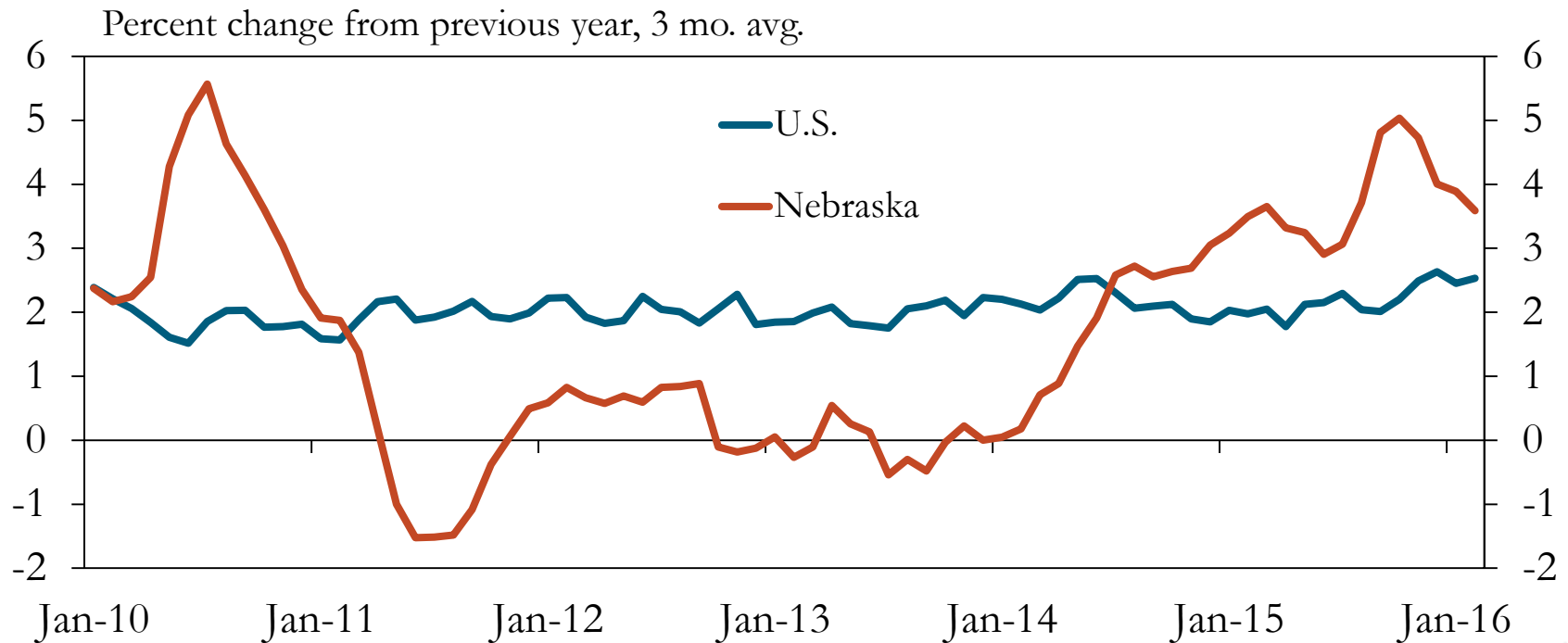
Manufacturing employment has even improved somewhat in recent months.

Nebraska Manufacturing Employment



Wages in Nebraska strengthened through 2015.

Average Hourly Earnings – Private Sector



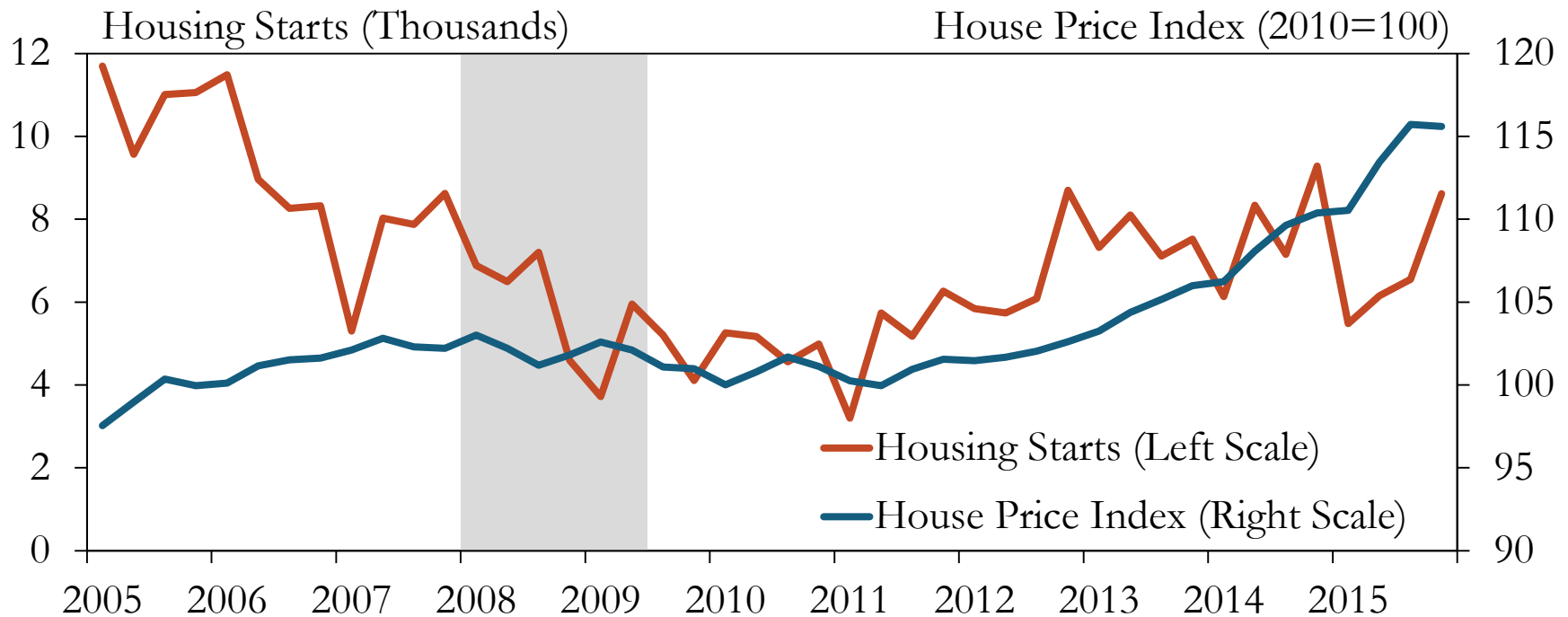
Sources: Bureau of Labor Statistics and Haver Analytics.

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Real estate markets in Nebraska also continued to improve through 2015.

Nebraska Residential Real Estate



Sources: Federal Home Loan Mortgage Corporation, Bank of Tokyo-Mitsubishi UFJ, and Haver Analytics

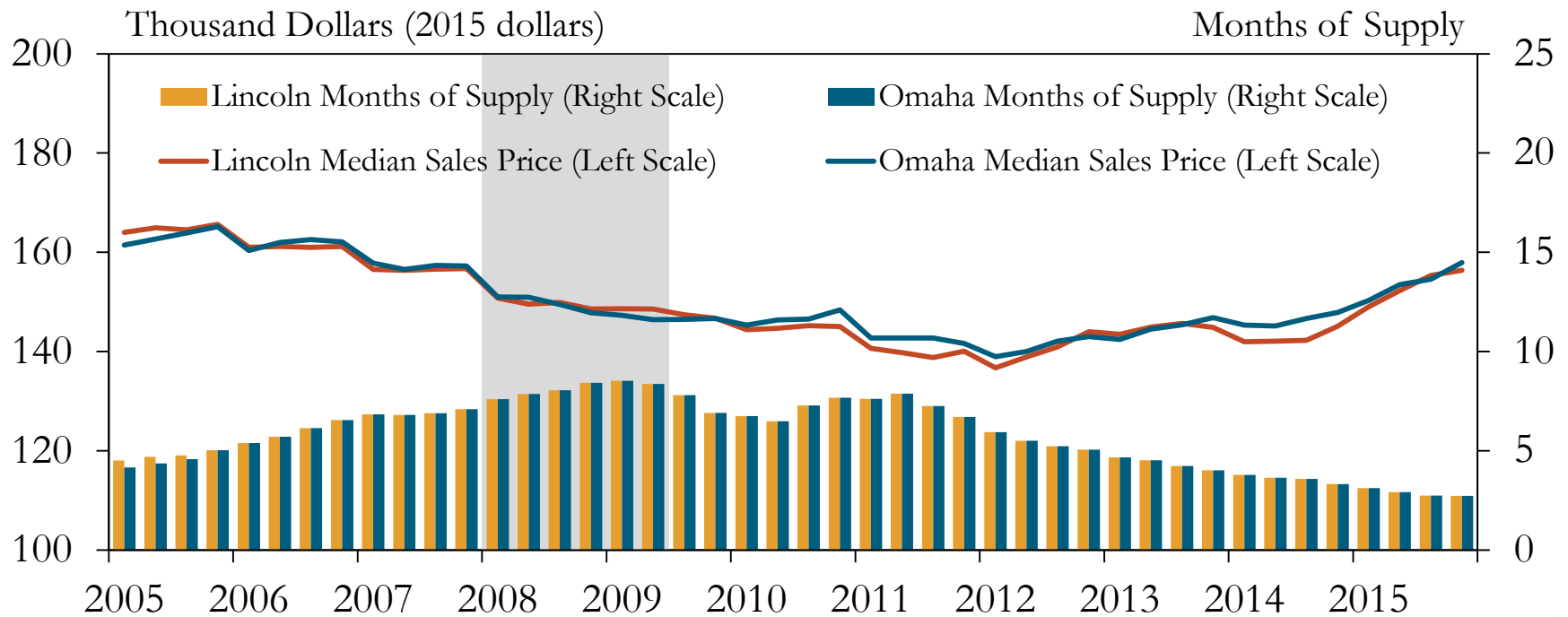
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The supply of homes in Nebraska's metro areas is considerably lower than before the recession.

Omaha and Lincoln Residential Real Estate

Four Quarter Moving Average



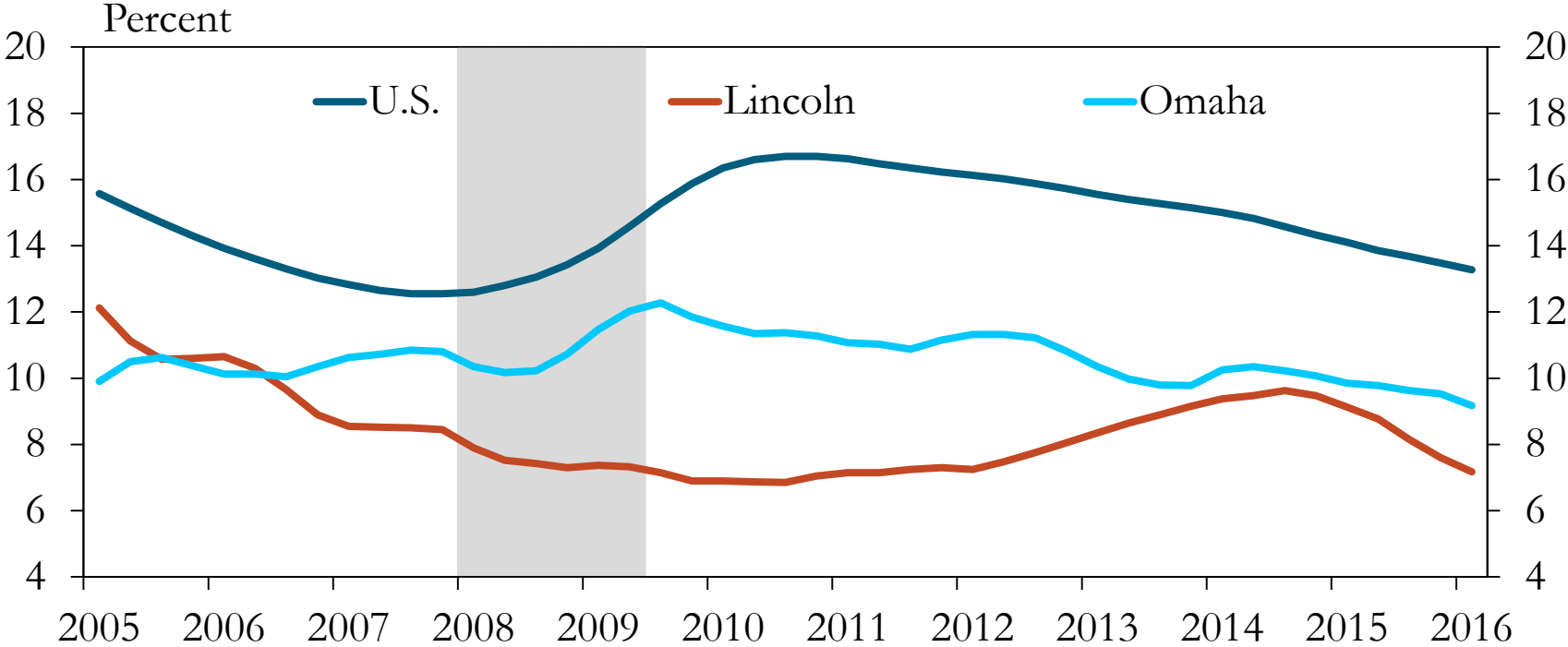
Sources: National Association of Realtors and Haver Analytics

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Commercial real estate also strengthened in 2015.

Office Vacancy Rates Four Quarter Moving Average

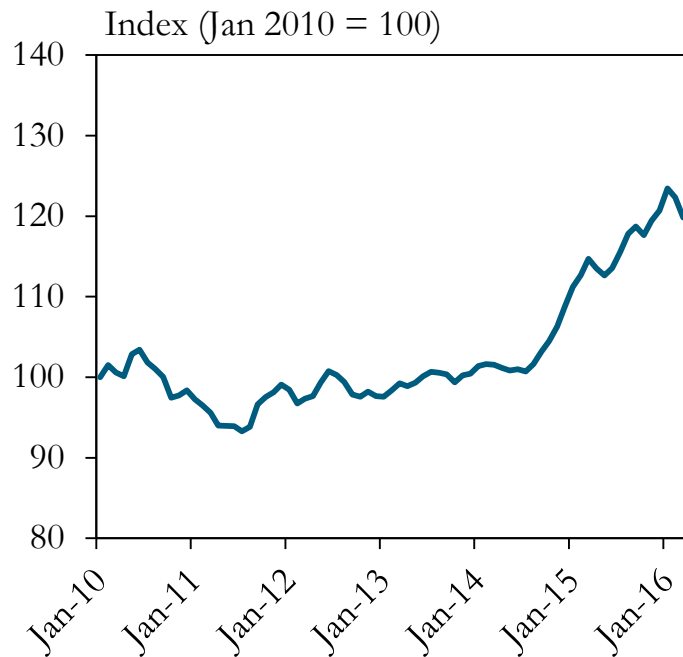


Sources: Torto-Wheaton Research and Haver Analytics.

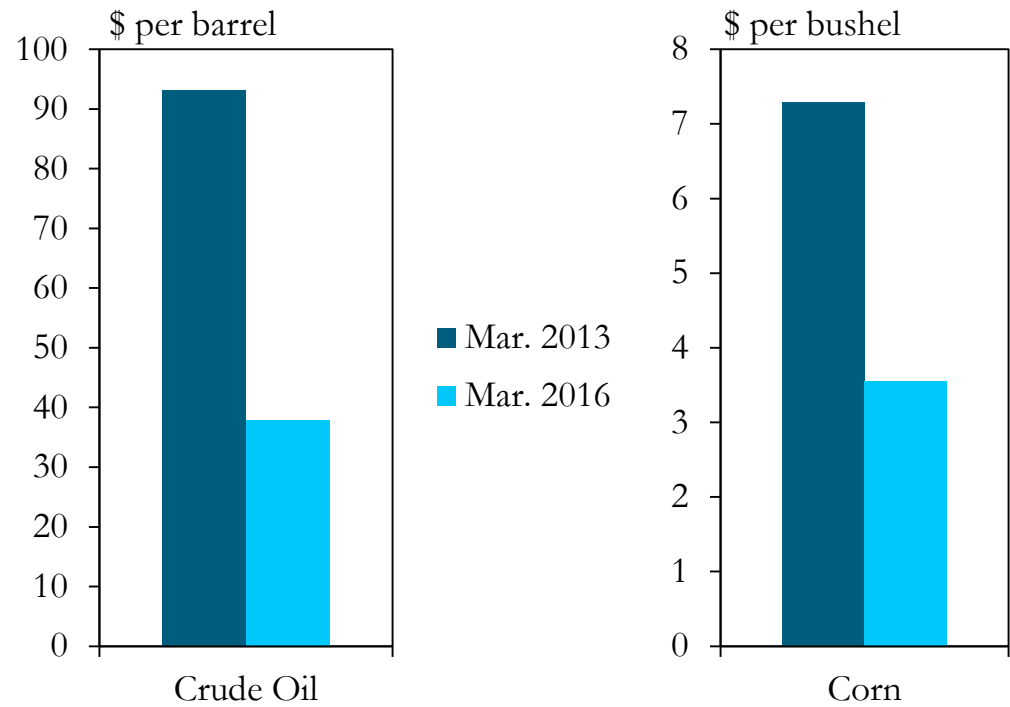


Nebraska's economy, however, continues to face headwinds.

Value of U.S. Dollar



Commodity Prices

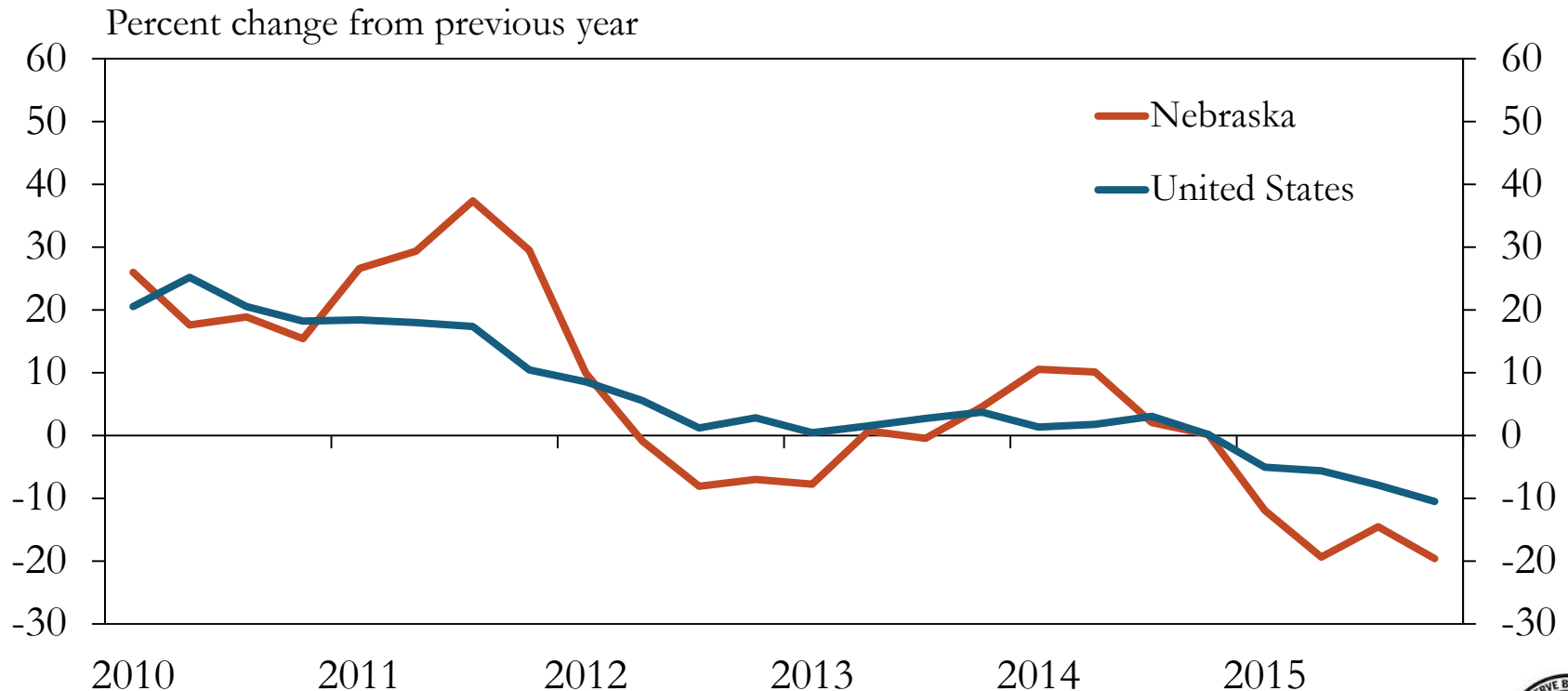


Sources: Federal Reserve Board, *Wall Street Journal*, and Haver Analytics.



A stronger dollar has reduced U.S. and Nebraska exports.

Value of Exports



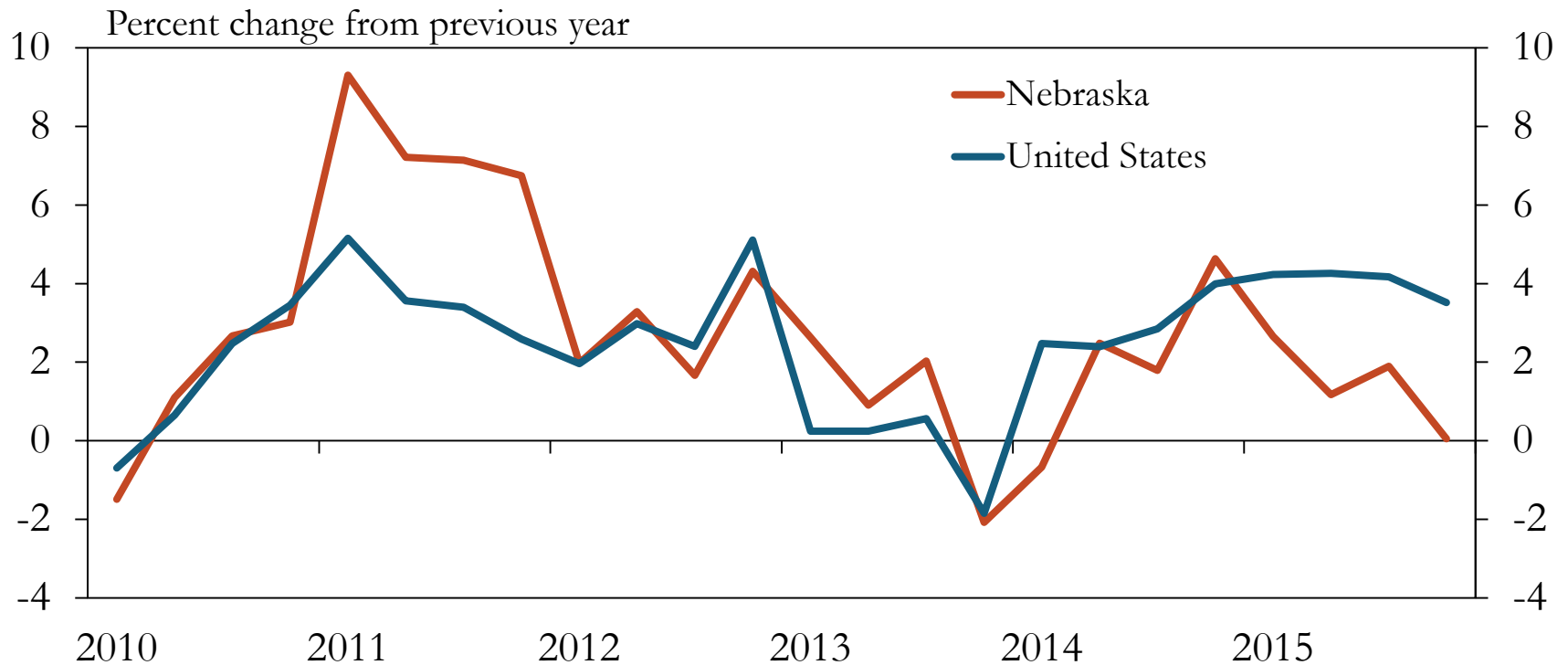
Sources: WISER Trade, U.S. Census Bureau, and Haver Analytics.

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Personal income growth in Nebraska has also weakened.

Real Personal Income



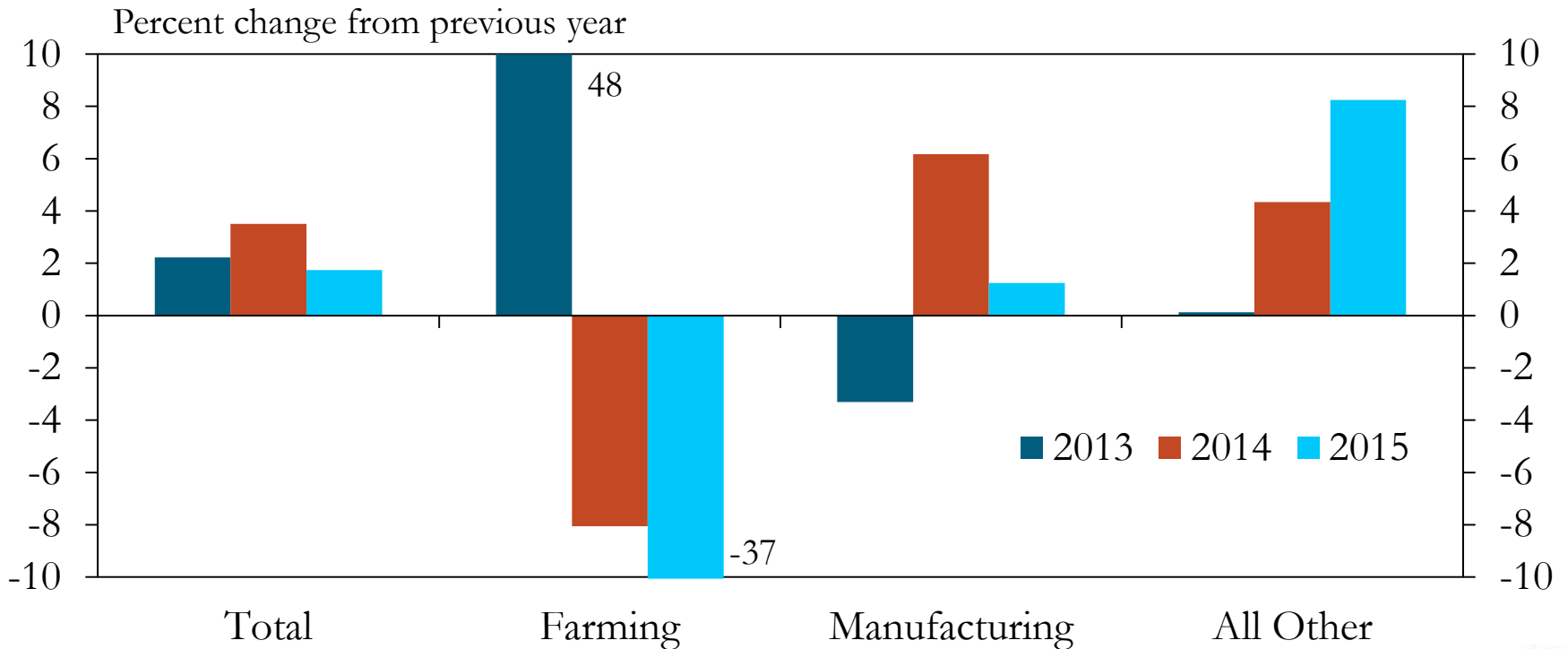
Sources: Bureau of Economic Analysis and Haver Analytics.

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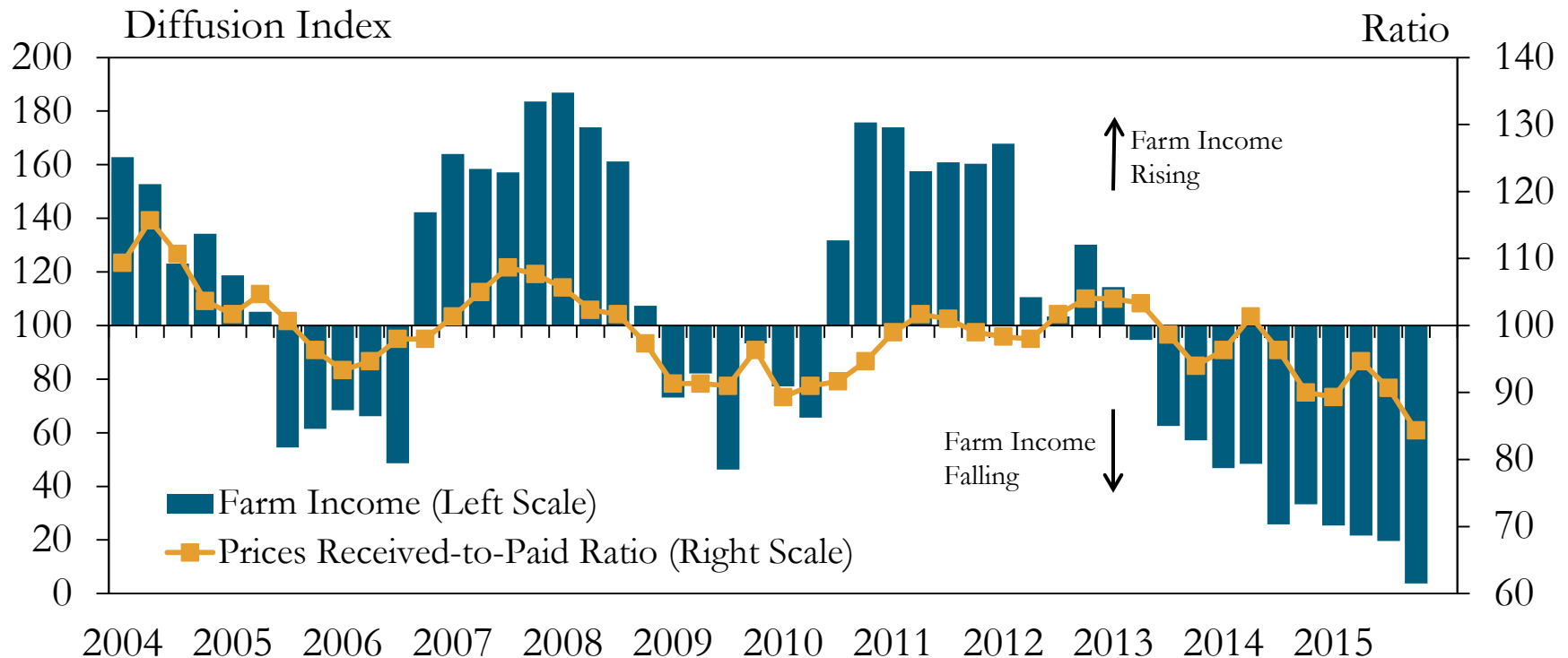
Much of the recent weakness has been driven by a softening farm economy.

Nebraska Personal Income Growth by Industry



Farm income has declined for three consecutive years.

Nebraska Farm Income and Prices



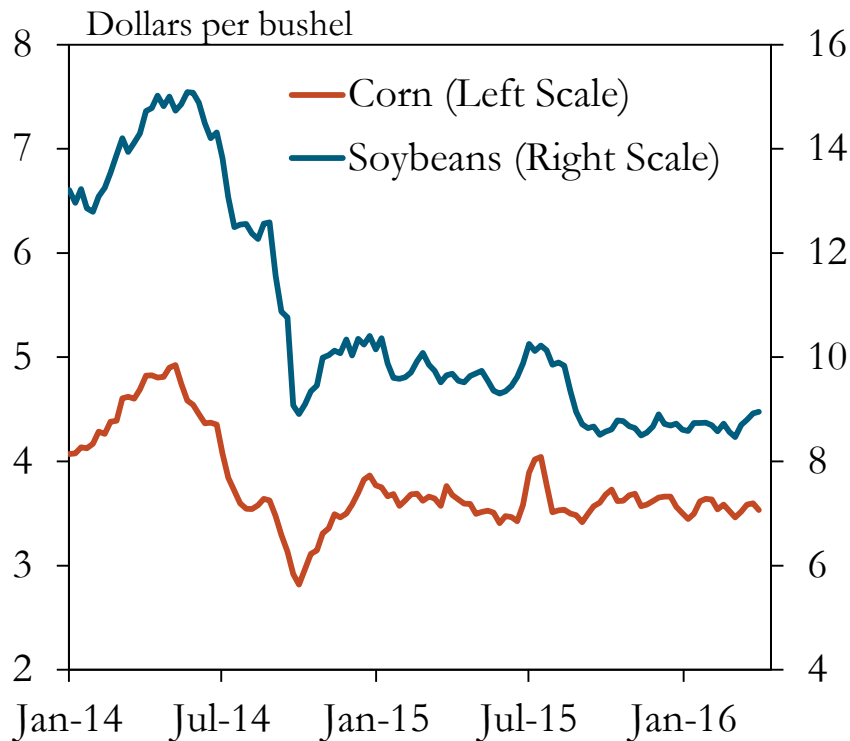
Source: Federal Reserve Bank of Kansas City

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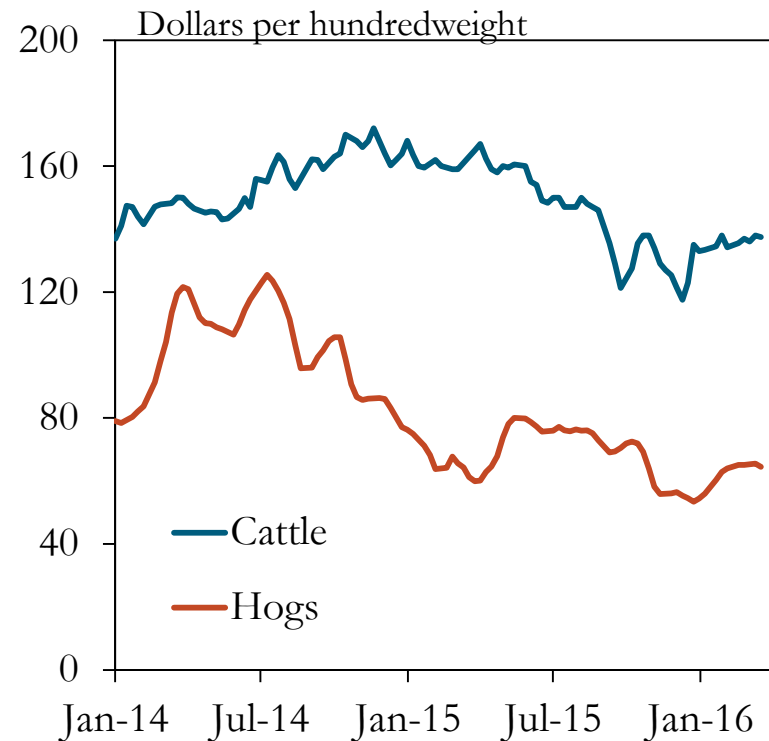


Low agricultural commodity prices could continue to pressure Nebraska's economy.

Crop Prices



Livestock Prices



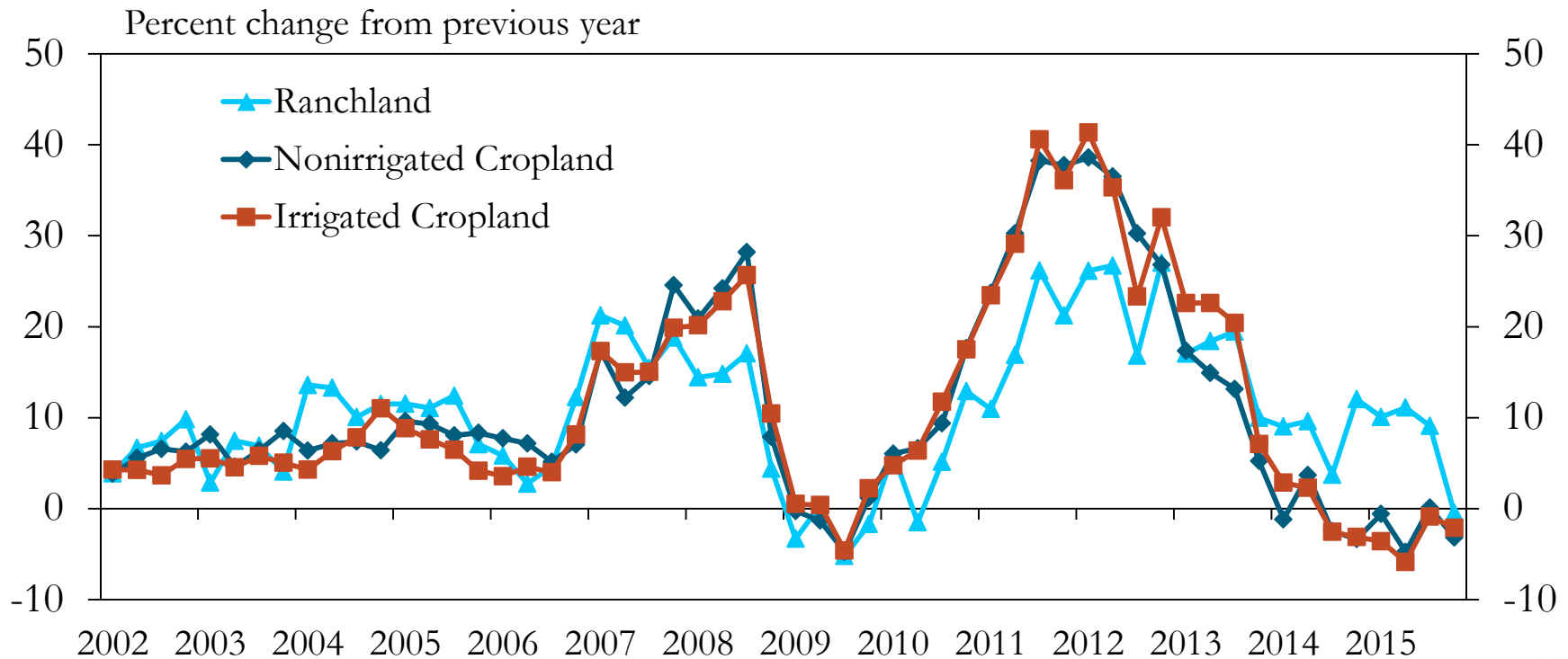
Sources: *Wall Street Journal* and Haver Analytics.

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Farmland values have also declined,
but only modestly thus far.

Nebraska Farmland Values



Source: Federal Reserve Bank of Kansas City

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Concluding Points on the Nebraska Economy

- Areas of strength and weakness in Nebraska's economy have continued to diverge.
- Metro areas continue to grow – rural growth much weaker.
- Export-oriented, commodity-based industries continue to struggle.
- In contrast to recent years, the farm economy is a headwind.



Questions?

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