



Nebraska Economic Analysis

2024 | NEBRASKA DEPARTMENT OF LABOR



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Executive Summary

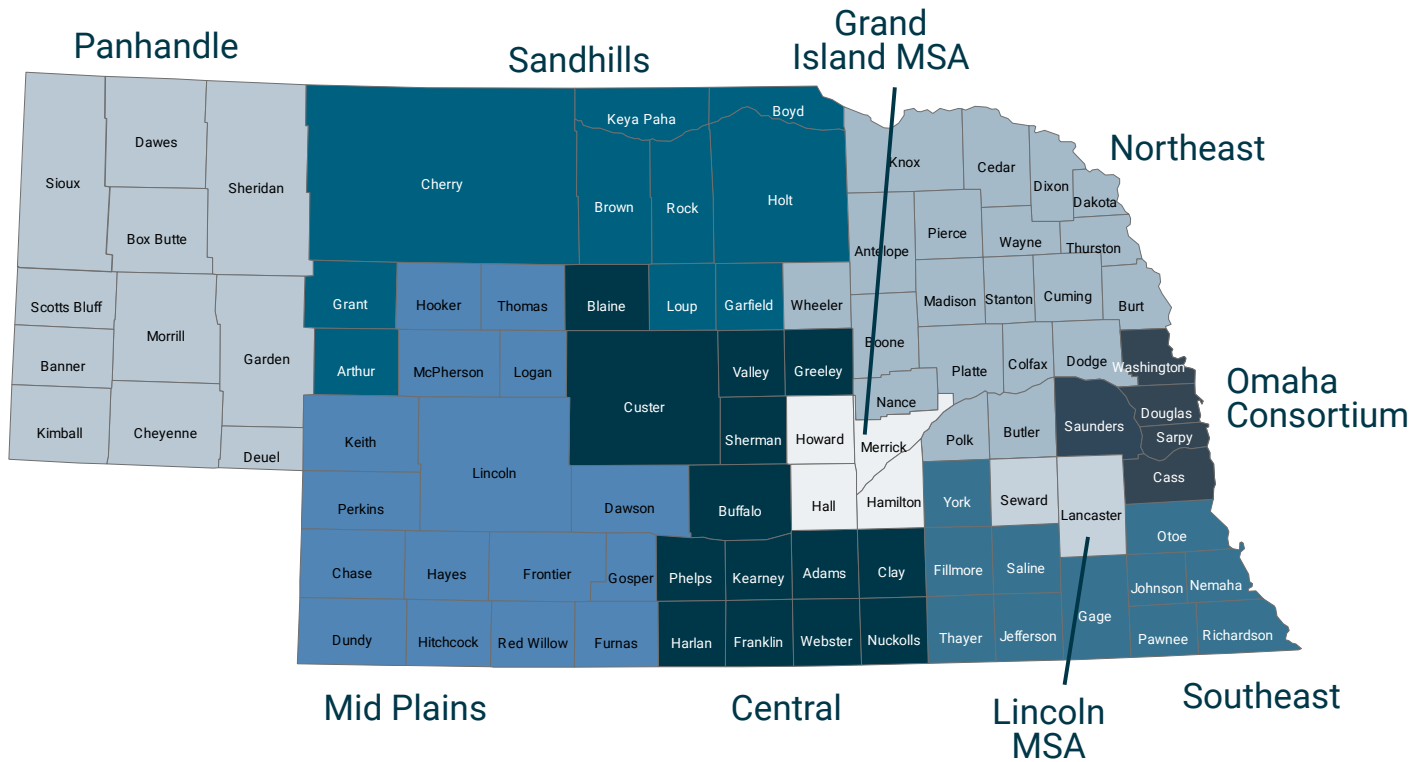
By many measures, Nebraska's economy showed strength throughout 2023. Nebraska's 2.3% annual unemployment rate in 2023 was the sixth lowest of all states and well below the 3.6% **national rate**. Additionally, after surpassing pre-pandemic levels in late 2022, Nebraska's total nonfarm employment hit a new record high on multiple occasions in 2023 and early 2024. (1) Employment covered by unemployment insurance was over one million for the first time in Nebraska in the second quarter of 2023. The annual average weekly wages, which can vary from quarter to quarter due to seasonal employment and wage patterns, were \$1,138 averaged over 2023 and have been above \$1,000 since the third quarter of 2021. (2)

Despite the positives, there are some underlying issues that have impacted growth in Nebraska. Inflation in 2022 reached levels that hadn't been seen in over forty years, and although inflation declined somewhat in 2023 and into 2024, continued elevated levels diminished wage increases. (3) Following the unprecedented spike in unemployment insurance claims in 2020, claims levels stabilized in 2022 and remained low in early 2023. However, toward the middle of 2023 and into 2024, **continued claims and benefits paid have trended upward**.

NEworks.nebraska.gov provides counts of job openings and potential candidates within the website. Throughout 2023, the overall ratio showed a very tight labor market with less than one potential candidate per job opening. Currently, NEworks shows just over one candidate per opening, but the labor supply and demand vary significantly by occupation and geography. Certain types of occupations – especially those in healthcare and education – have experienced ongoing worker shortages in Nebraska. Employers responding to the **Nebraska labor availability surveys** regularly report hiring difficulties due to a lack of applicants. Even for occupations that have a ratio of multiple candidates per job opening, there can be many reasons for mismatches between applicants and openings – education and skill levels, pay rates, location, etc. Continued efforts to recruit workers into the state to fill key positions and retrain or “upskill” existing workers will be important to grow Nebraska's workforce.

The Nebraska Economic Analysis Report presents data on employment and wages by industries and occupations; projections; unemployment and other labor market hardship indicators; and growing and in-demand occupations and industries. This report also includes data on demographics such as age, race and ethnicity, educational attainment, veterans, people with disabilities, and poverty. Businesses and economic stakeholders can use this information to better understand the state's labor market, including worker characteristics and wages, as well as industry, employment, and business trends. Job seekers, students, and career counselors can also use this information to identify educational and career paths with high wages and growing employment opportunities in the state of Nebraska.

Nebraska Economic Development Regions



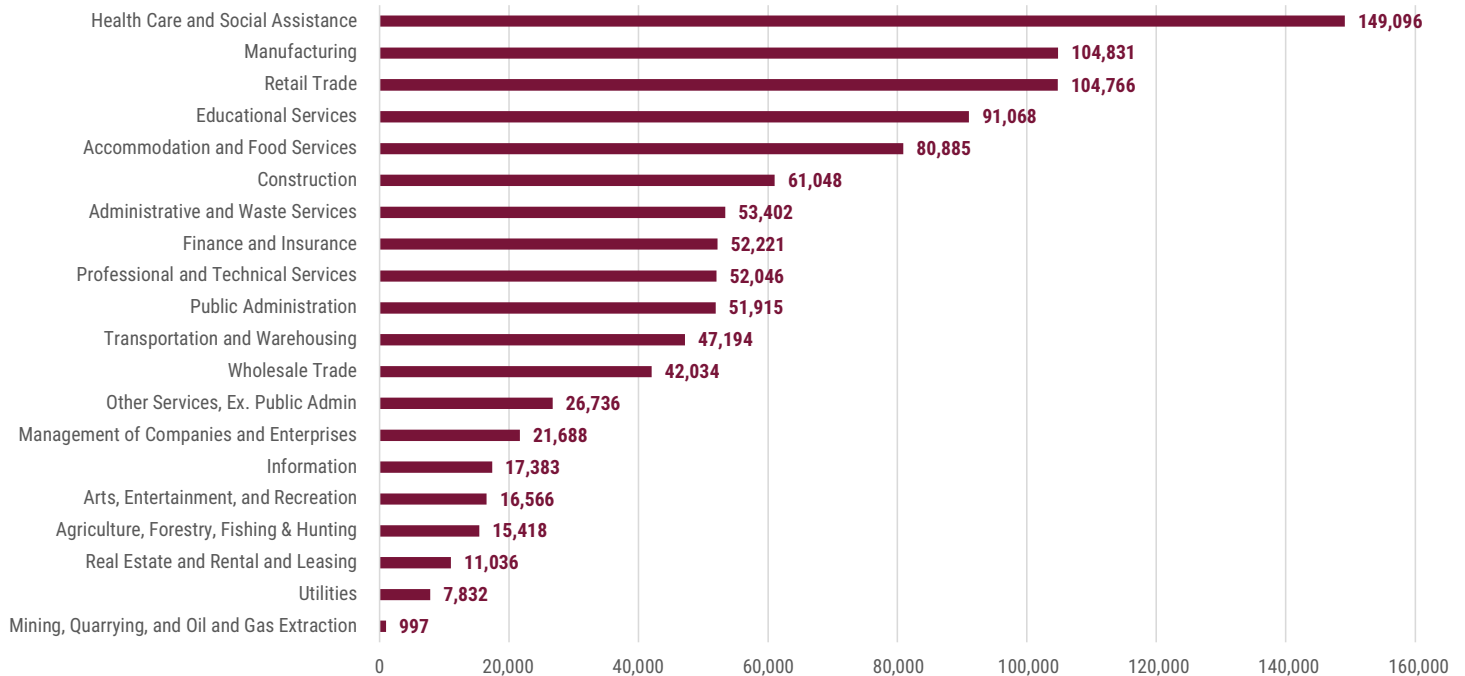
Nebraska Counties and Regions

Nebraska is comprised of 93 counties and contains or partially contains three Metropolitan Statistical Areas (MSAs). The state is divided into nine economic development areas: Omaha Consortium (the Nebraska counties within the Omaha MSA), Lincoln MSA, Grand Island MSA, Northeast, Southeast, Central, Mid Plains, Panhandle, Sandhills.

The population of Nebraska was estimated by the U.S. Census Bureau to be 1,978,379 on July 1, 2023. (4) The population was almost evenly split by gender, 50.3% Male, 49.7% female. (5) The population of Nebraska is 81.8% white and 88.2% non-Hispanic. Further age, race and ethnicity breakdowns of the Nebraska workforce are included on page 11.

Nebraska's Labor Market (Employment, Wages and Projections by Industry and Occupations)

2023 Average Employment by Industry

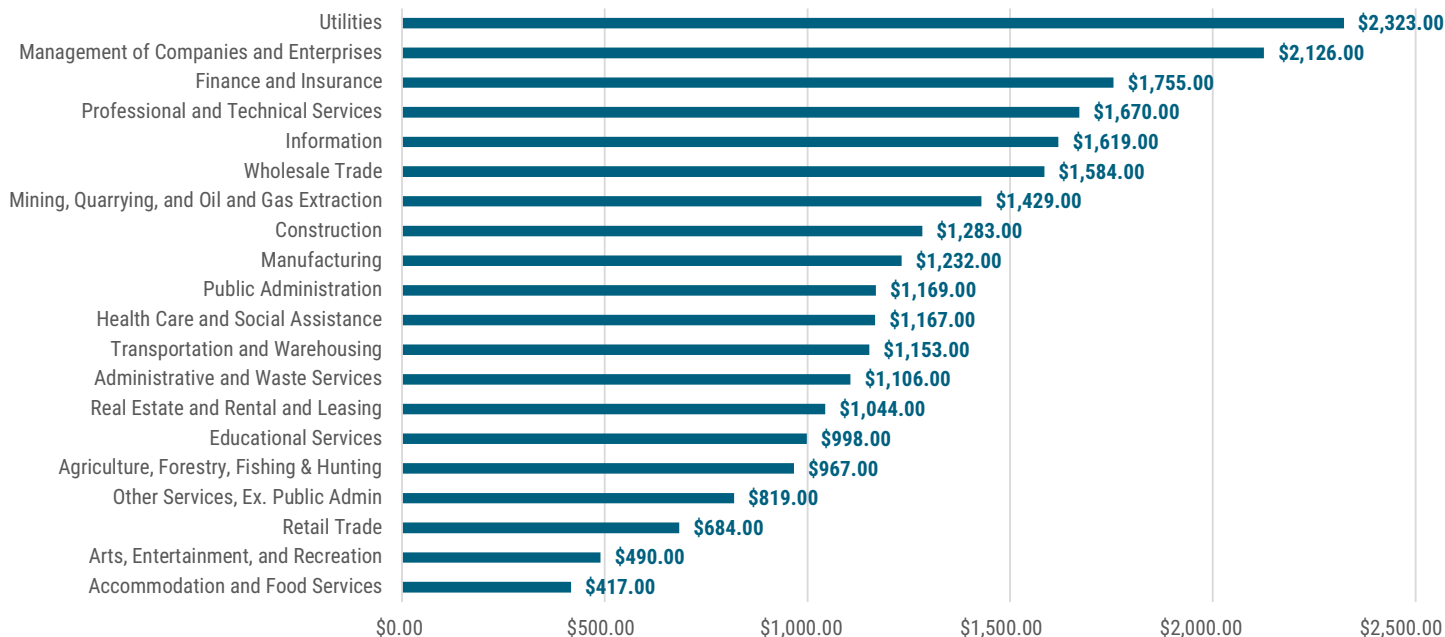


Source: Nebraska Department of Labor. Quarterly Census of Employment and Wages. networks.nebraska.gov. [Online] 3rd Quarter 2023. www.networks.nebraska.gov.

The most common industry groups in Nebraska by employment level are health care and social assistance, manufacturing and retail trade. In terms of average weekly wages, those industries were ranked 11th, 9th and 18th, respectively, out of the 20 industry groups in the preliminary 2023 Quarterly Census of Employment and Wages (QCEW) annual dataset. (2)



2023 Average Weekly Wage by Industry



Source: Nebraska Department of Labor. Quarterly Census of Employment and Wages. networks.nebraska.gov. [Online] 3rd Quarter 2023. www.networks.nebraska.gov.

Over the year, Nebraska's average covered employment grew by 2.4% while wages grew 3.4% across all industries. The largest over the year employment growth by percentage change was in the art, entertainment, and recreation (8.1%), construction (4.8%), and accommodation and food services (4.2%) industries. As for average weekly the wages the largest growth by percentage change was in mining, quarrying, and oil and gas extraction (9.5%), construction (6.2%), and public administration (5.9%). (2)

Although average weekly wage by industry is consistent across all regions of the state, the concentration of workers by industry can vary. Most of the top five industries by employment in the state are the same top five across the regions with the exceptions being public administration, agriculture, construction and transportation and warehousing, which make it into the top five in a few regions.

Local governments, economic development agencies, and policymakers can use QCEW data to make decisions about economic development, workforce training programs, and other policy initiatives. These numbers can help to identify growing or declining industries. QCEW data also provides insights into the local labor market structure, helping to identify strengths and weaknesses. This information can be used to attract new businesses and industries, support existing employers, and foster job creation.

The most common occupation groups in Nebraska by employment level are Office and Administrative Support; Transportation and Material Moving; and Sales and Related occupations. In terms of median wages, those industries are ranked 17th, 16h and 19th , respectively, out of the 22 occupation groups in the Occupational Employment and Wage Statistics dataset. (6)

Occupational wage data shows the employment levels and wage distribution. This helps in crafting policies that aim to promote economic development and address wage disparities. The data can also aid in planning for infrastructure, public services, and educational programs that align with the economic needs and occupational growth in the area. Companies can use wage data to benchmark their salary offerings against local standards, ensuring they are competitive in attracting and retaining talent. Businesses looking to expand or invest in a region can use OEWS data to assess the availability and cost of labor. Educational institutions and workforce development agencies use this data to design training programs that align with the local job market needs, ensuring that the workforce is equipped with relevant skills. OEWS data also helps identify occupations with high demand but insufficient supply of skilled workers. This information is critical for developing targeted training and educational programs to bridge these gaps.

Employment by Occupational Group

Occupational Group	Employment
Office and Administrative Support	123,990
Transportation and Material Moving	91,610
Sales and Related	88,260
Food Preparation and Serving Related	80,220
Management	68,440
Production	66,690
Healthcare Practitioners and Technical	60,380
Educational Instruction and Library	56,550
Business and Financial Operations	54,590
Construction and Extraction	46,380
Installation, Maintenance, and Repair	42,730
Healthcare Support	35,440
Computer and Mathematical	32,210
Building and Grounds Cleaning and Maintenance	31,120
Personal Care and Service	22,200
Protective Service	15,500
Community and Social Service	13,700
Architecture and Engineering	11,710
Arts, Design, Entertainment, Sports, and Media	11,030
Life, Physical, and Social Science	8,350
Legal	5,960
Farming, Fishing, and Forestry	3,480

Median Wages by Occupation Group

Occupational Group	Wages
Management	\$101,386
Computer and Mathematical	\$87,875
Legal	\$81,905
Architecture and Engineering	\$81,198
Healthcare Practitioners and Technical	\$71,619
Business and Financial Operations	\$67,292
Life, Physical, and Social Science	\$64,752
Educational Instruction and Library	\$53,346
Installation, Maintenance, and Repair	\$51,985
Protective Service	\$50,295
Construction and Extraction	\$49,649
Arts, Design, Entertainment, Sports, and Media	\$48,914
Community and Social Service	\$47,891
Production	\$44,315
Transportation and Material Moving	\$41,813
Farming, Fishing, and Forestry	\$41,802
Office and Administrative Support	\$40,522
Healthcare Support	\$36,588
Sales and Related	\$34,876
Building and Grounds Cleaning and Maintenance	\$33,306
Personal Care and Service	\$30,006
Food Preparation and Serving Related	\$29,064

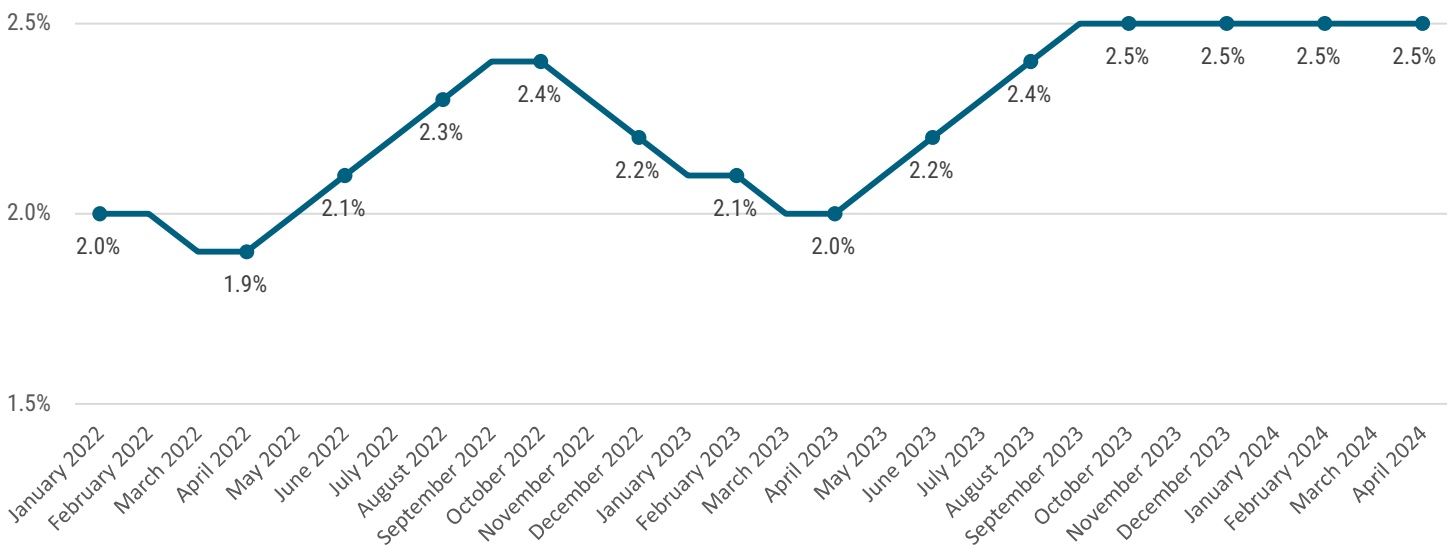
Source: Nebraska Department of Labor, Occupational Employment and Wage Statistics (OEWS), 4th Quarter 2023

Unemployment Rate

The labor force is the total civilian, non-institutionalized population, age 16 years old or older, who are either employed or unemployed but actively seeking employment. Labor force estimates exclude military personnel and all persons confined to institutions including nursing homes, mental institutions, and prisons. The unemployment rate is the number of unemployed persons divided by the size of the labor force. After reaching a historical low rate of 1.9% in early 2022, Nebraska's seasonally adjusted unemployment rate has remained relatively steady, fluctuating between 2.0% and 2.5%. (7) Nebraska's unemployment rate is consistently among the lowest in the country and well below the national rate.

The counts of employed and unemployed in the labor force are based on a survey conducted by the Census Bureau regarding employment status. Both individuals who are claiming unemployment benefits and those who are not claiming can be counted as unemployed based on their survey responses. Individuals who are not working and are not seeking work are not considered part of the labor force and are not included in the unemployment rate calculation.

The unemployment rate is one way to measure the health of an economy. A low unemployment rate can signal a stable, thriving economy, in which most workers are able to find suitable employment. While a low unemployment rate can reflect economic health, a very low unemployment rate can also make it more difficult for businesses to find employees, as the labor pool of unemployed workers is relatively small. Nebraska's low unemployment rate, coupled with its high labor force participation rate, point to a strong, stable economy, which is critical to attracting both employers and employees to the region.



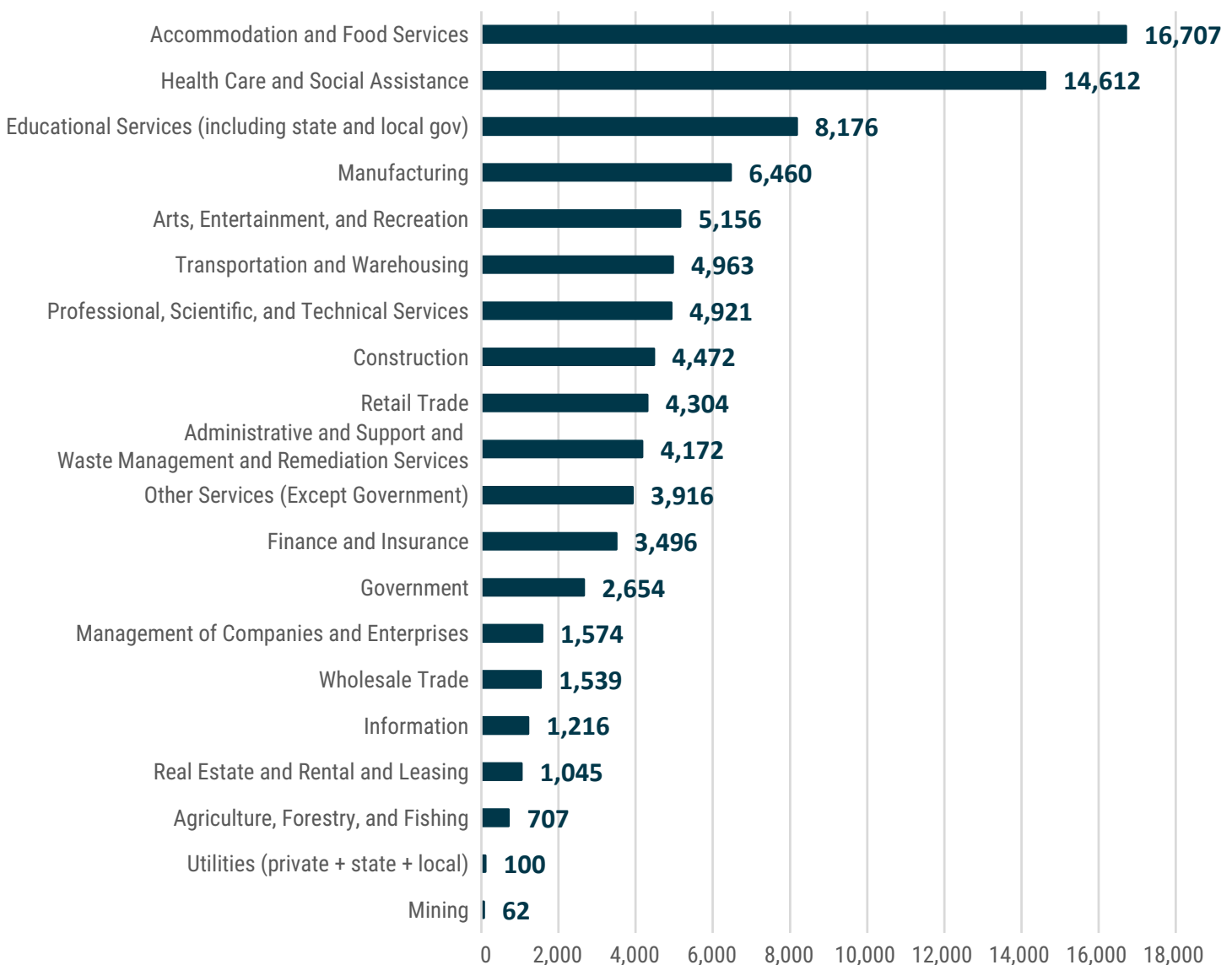
Source: Nebraska Department of Labor, Local Area Unemployment Statistics (LAUS)

Projections

The Nebraska Department of Labor calculates long-term employment projections by industry using historical employment data and current economic indicators. The chart shows the projected numeric gain in filled jobs. Statewide, employment in all industries is projected to increase by 8.1% from 2020-2030. The projected compound annual growth rate, or year-over-year growth rate, for all Nebraska industries is 0.8%. (8)

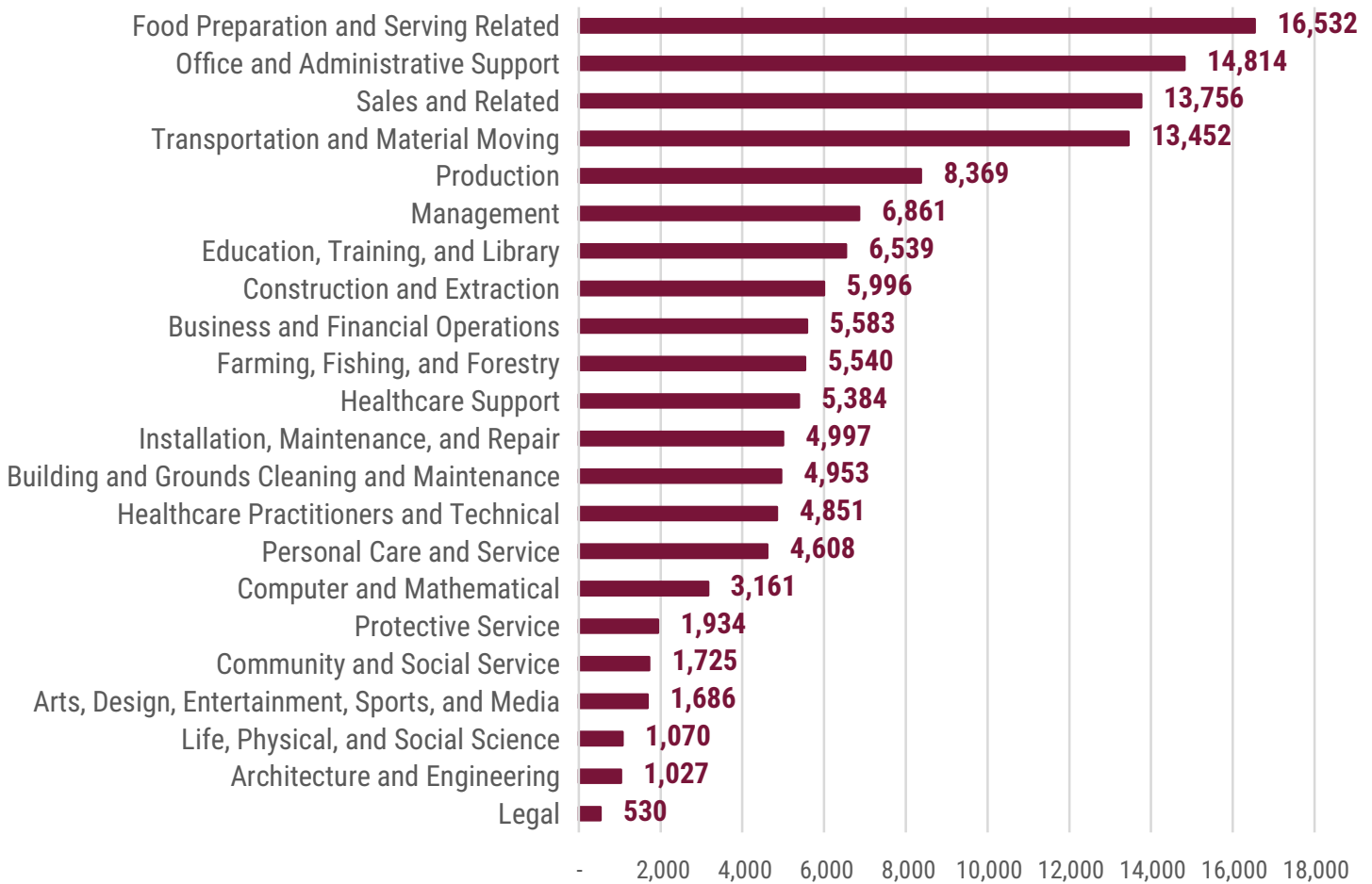
Statewide, the accommodation and food services industry is projected to add the most jobs by 2030: approximately 16,707 new jobs, a 24.7% increase. The arts, entertainment and recreation industry is projected to see the highest percentage of employment growth at 43.8%, representing an increase of almost 5,156 jobs. The professional, scientific, and technical services industry is also projected to see a 10.5% increase in jobs by 2030, and 10.4% growth is expected in the educational services industry. (8)

Projected Change in Employment 2020–2030



Source: NEworks.nebraska.gov. July 2022.

Projected Average Annual Openings 2020-2030



Source: *NEworks.nebraska.gov*. July 2022.

The Nebraska Department of Labor calculates long-term occupational projected openings by combining industry projections with staffing patterns from the Bureau of Labor Statistics' Occupational Employment & Wage Statistics program. This combination reveals the occupational employment ratios within industries and forms the basis for long-term occupational projections. The chart shows the average annual openings, and highlights the job openings in the occupation groups, which includes turnover and replacing jobs as well as newly opened positions.

Nebraska's overall occupational employment is projected to increase by 8.1% from 2020 to 2030. The occupational groups projected to have the largest employment growth by percentage are food preparation and serving related occupations (19.8%), personal care and service occupations (15.3%), and computer and mathematical occupations (13.7%). Food preparation and serving related occupations are also projected to see the largest numeric change, adding 16,532 jobs. (8)

Long-term occupational projections can help predict future areas of occupational growth and decline. Students can use this information to inform their education and career planning choices. Occupational projections may be more useful than projections by industry to students and job seekers who are interested in particular jobs, as industry projections can only provide information on total job growth across an industry as a whole. Educators can also use occupational employment projections to direct students towards fields of study and occupations with promising future work opportunities.

Nebraska's Workforce Demographics

In first quarter 2023, the largest age group in Nebraska's workforce was 35-44, which accounted for roughly 22 percent of the total workforce. Next was the 25-34 age group, which made up 20.4% of the workforce, followed by 45-54, with 18.8% of the total. (9)

Age

All the Nebraska economic regions are in line with the state as far as the highest percentage of workers being in the 35-44 age cohort ranging from 23.1% in the Omaha Consortium to 20.2% in the Panhandle. The metro areas of the state have a larger percentage of younger workers while the less-populated regions have a higher percentage of older workers. The Omaha consortium has the highest concentration (21.2%) of young workers age 25-34 in the state. On the opposite end, the Panhandle had the highest concentration of older workers (19.6%) in the 55-64 age cohort followed by the Sandhills (18.6%). Those are the only regions with that age group in the top three cohorts by percentage of their workforce. (9)

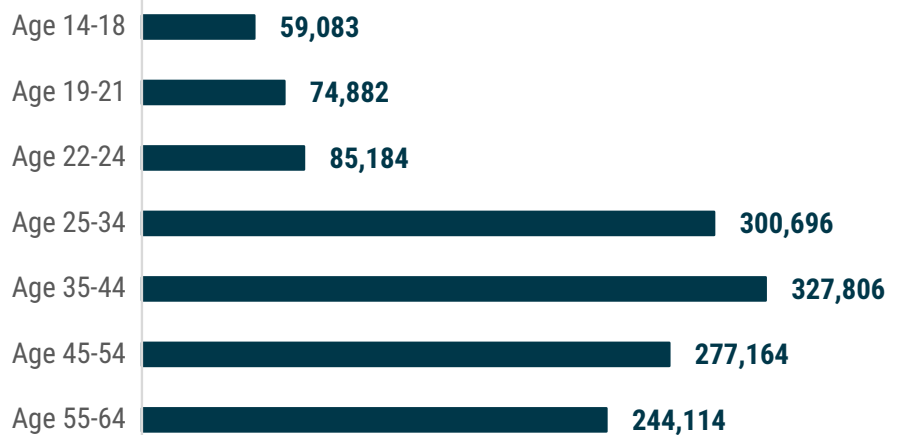
Demographic shifts can foreshadow the state's labor force activity. In areas with an aging labor force, it may prove difficult for businesses to quickly replace retiring workers, especially in occupations requiring specialized skills or experience. The aging baby boomer population may also spur growth in the health care sector and increase demand for healthcare workers statewide.

Race/Ethnicity

In the first quarter of 2023, non-Hispanic whites comprised 88.6% of the state workforce. Black or African American workers accounted for 5.4% of the workforce, the largest racial minority group, followed by Asian at 3.0%. Across all racial groups, 12.0% of Nebraska workers identified their ethnicity as Hispanic or Latino. (9)

From a regional level viewpoint, the breakdown of race and ethnicity closely resembles the statewide by overall percentage. In six of the nine Nebraska regions, "Black or African Americans" make up the largest percentage of racial minority groups, having an average across those six areas of 3.9%, with the largest percentage in the Omaha Consortium (7.7%). The exceptions come by way of "American Indian or Alaska Native" being the largest minority group in the Sandhills (1.5%) and the Panhandle (2.5%), as well as "Asian" being the largest minority group in the Southeast (2.8%). Across all racial groups, the regions with the highest concentration of workforce identifying their ethnicity as Hispanic or Latino were in the Northeast (20.3%) and Grand Island (20.0%) regions, which are almost double the statewide percentage. (9)

Nebraska Workforce by Age



Source: U.S. Census Bureau. LED Extraction Tool. census.gov. [Online] <https://ledextract.ces.census.gov/qwi/all>.

Nebraska Workforce Race/Ethnicity

Race/Ethnicity	Workforce
American Indian or Alaska Native Alone	14,477
Asian Alone	43,847
Black or African American Alone	79,472
Native Hawaiian or Other Pacific Islander Alone	2,540
Two or More Race Groups	27,737
Hispanic or Latino	176,570
White Alone	1,308,836

Source: U.S. Census Bureau. (2024). Quarterly Workforce Indicators (1990-2023). Washington, DC: U.S. Census Bureau, Longitudinal-Employer Household Dynamics Program, accessed on 4/9/24 at <https://ledextract.ces.census.gov>. 1st quarter 2023

Data on race and ethnicity is useful to estimate diversity within the labor force and in the population more broadly. Businesses, schools, healthcare institutions, and other service providers can use the data to help identify and meet the needs of the populations they serve.

Education

The general population of the state, according to the Census, has the educational attainment for high school graduate or higher at 91.9%, which is greater than the national level (89.6%).

Information on the educational attainment of Nebraska’s workforce may be useful to businesses that are considering expanding into Nebraska. High levels of educational attainment in the population can signal that there is a well-educated labor force, which may be desirable for businesses. Government officials and other stakeholders may also be interested in the population’s educational attainment as a measure of a region’s social development.

Educational Attainment

Graduate or professional degree	11.6%
Bachelor's degree	21.8%
Associate degree	10.9%
Some college, no degree	22.2%
High school graduate (includes equivalency)	25.4%
9th to 12th grade, no diploma	4.4%
Less than 9th grade	3.8%

Source: U.S. Census Bureau, 2018-2022 American Community Survey 5-Year Estimates

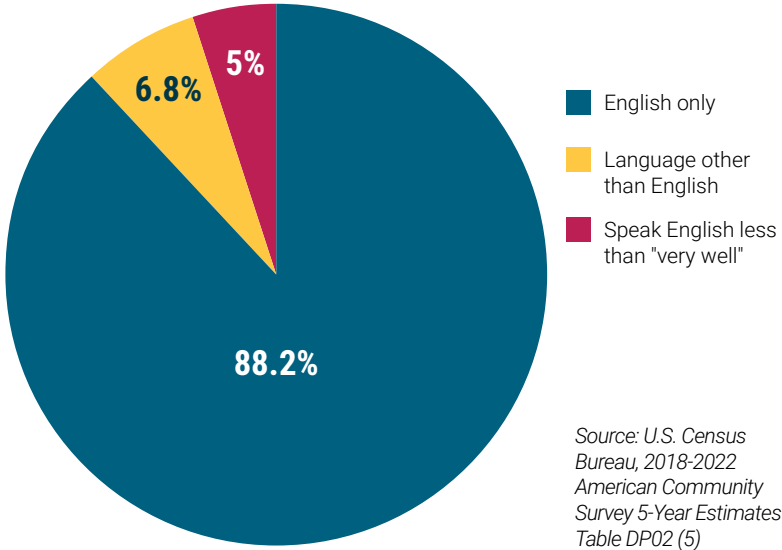
Nebraska’s Social Characteristics

Languages Spoken

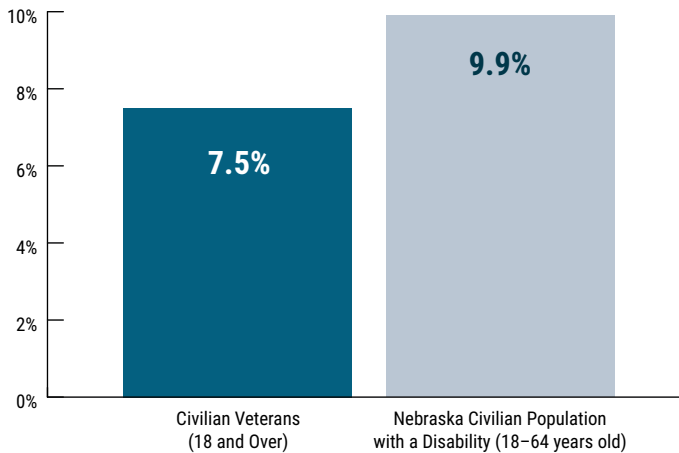
Overall, Nebraska has a small share of residents who speak languages other than English. About 11.8% of the state population speaks a language other than English. A subsection of that group, the 5% in figure 4, speak English less than “very well.” (5)

Although a relatively small percentage, the number of non-English speakers signals the need for community and business adaption. Language barriers can make it difficult for workers to learn new skills and transfer their skills and knowledge across occupations. Businesses and community institutions might therefore choose to expand their investments in outreach efforts, training programs, or other strategies for communicating with and serving non-English-speaking populations.

Language Spoken at Home



Percent of Veterans and Nebraskans with a Disability



Source: U.S. Census Bureau. American Community Survey 5-Year Estimates Table DP02. data.census.gov. [Online] 2022.

Veterans

Nebraska has a higher concentration of veterans (7.5%) than the national level of 6.2%. Veterans can experience barriers to employment that other populations do not. Transferring military skills to civilian employment, lack of civilian work experience, healthcare, service-related disabilities, and mental health challenges can affect veterans' ability to find civilian employment.

A Bureau of Labor Statistics Economic News release from March of 2022, listed disability, lack of education or training, the need for special accommodations on the job, and lack of transportation to and from work as some of these barriers. (10)

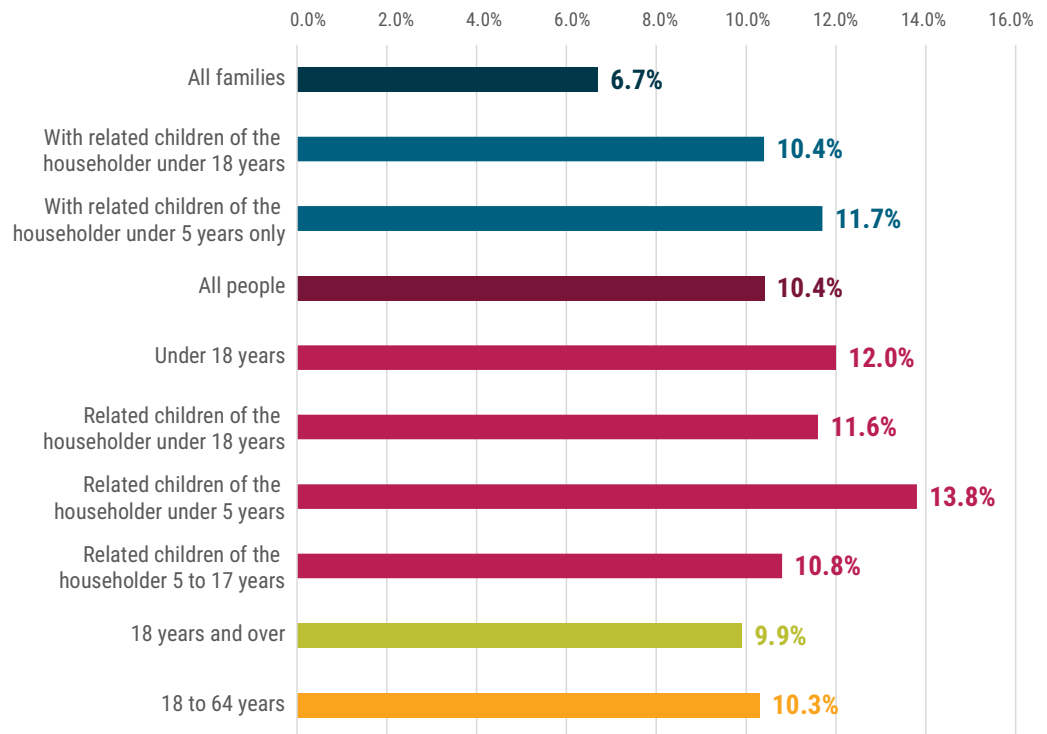
Poverty Levels

Knowing poverty rates is a valuable tool for communities in understanding the economic landscape and making informed decisions. Understanding poverty rates can help families determine their eligibility for aid programs and can also help communities identify areas in need of economic development. Additionally, the comparison of poverty rates between different regions can provide insight into the overall economic health of a state and highlight areas that may benefit from targeted efforts to combat poverty.

When discussing poverty in this report, we use two main breakouts, "all families," and "all people." The "all families" category is the cohort made up of the number of families with multiple relatives in the same housing unit versus "all people,"

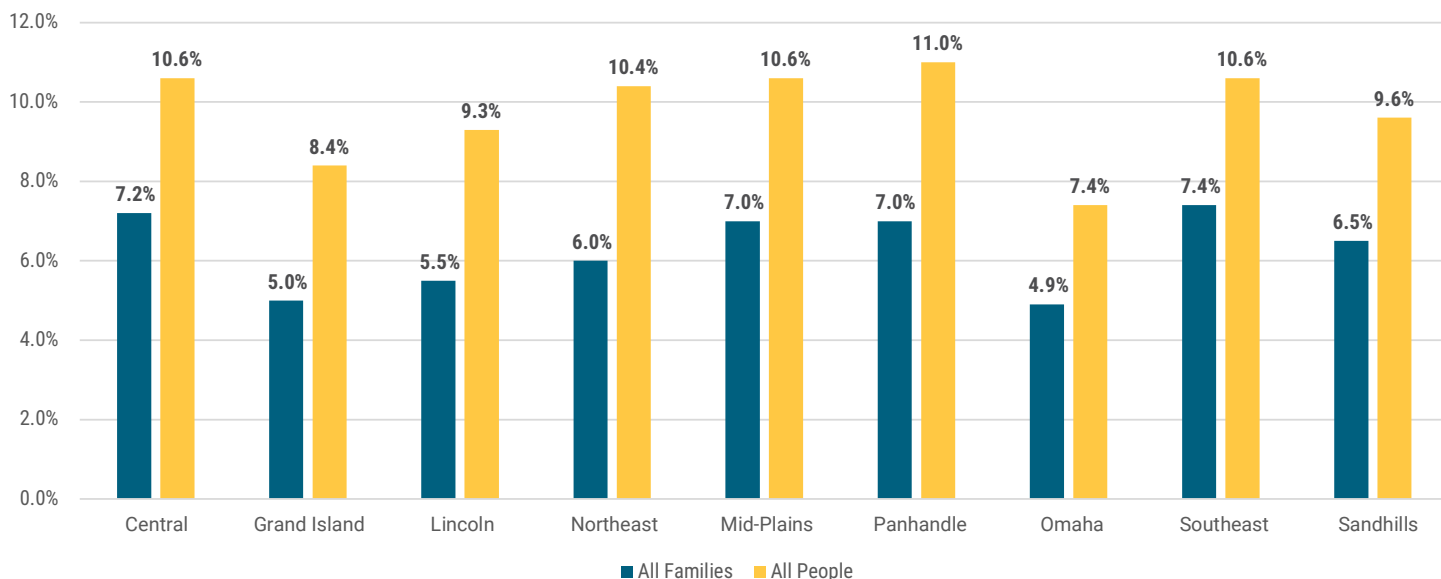
which is the total number of people regardless of their living situation. Statewide, 6.7% of Nebraska families fell below the poverty line in 2022. It's important to note that poverty rates can be influenced by various factors, including the local economy, demographics, and access to resources. Addressing poverty is a complex issue that requires a multi-faceted approach, including investments in education and job training, access to affordable healthcare, and support for low-income families. (11)

Families and People whose Income in the Past 12 Months is Below the Poverty Level (2020 Annual Average)



Source: U.S. Census Bureau. American Community Survey 5-Year Estimates Table DP03. data.census.gov. [Online] 2022.

Poverty in Nebraska by Region



Source: U.S. Census Bureau. American Community Survey 5-Year Estimates Table DP03. data.census.gov. [Online] 2022.

According to the latest Census data, Omaha had the lowest percentage of people (7.4%) and families (4.9%) in poverty, followed by Grand Island (8.4% all people, 5% all families) and Lincoln (9.3% all people, 5.5% all families). The Panhandle had the highest percentage of people in poverty (11%) and the Southeast had the highest percentage of families in poverty (7.4%). (11)

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