

Nebraska Economist: “Producing” Growth

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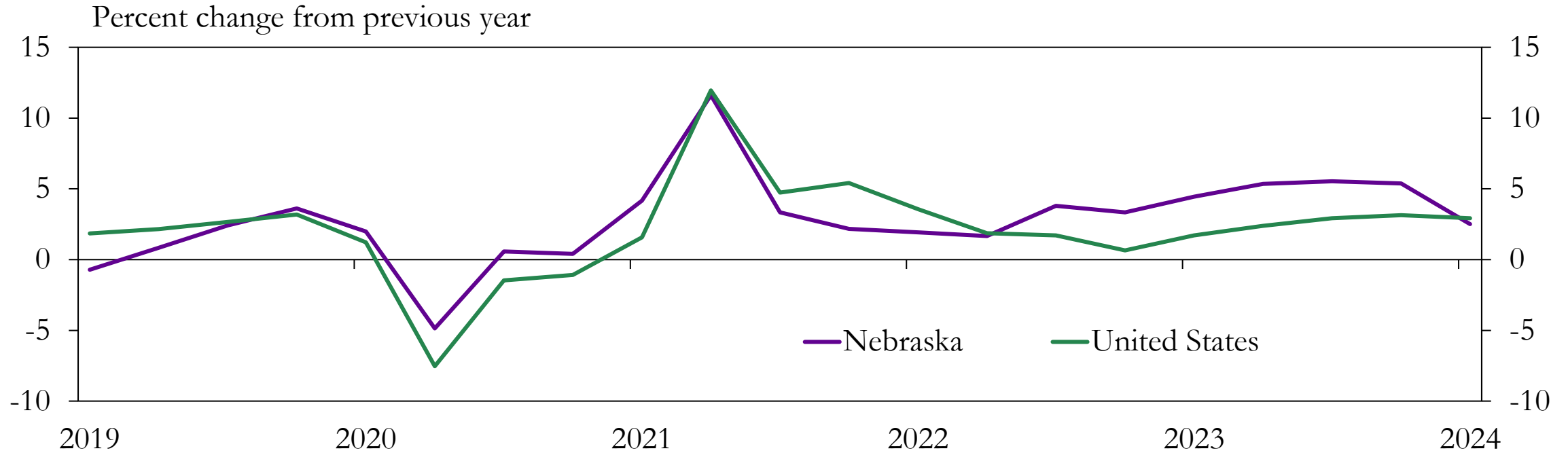


Summary

- In contrast to the nation, goods-producing industries have accounted for much of the recent economic growth in Nebraska.
- Persistent demand growth for food, alongside construction, have been significant drivers of growth, both recently and longer-term.
- Concentration in manufacturing has generally been a source of strength, particularly in rural areas.

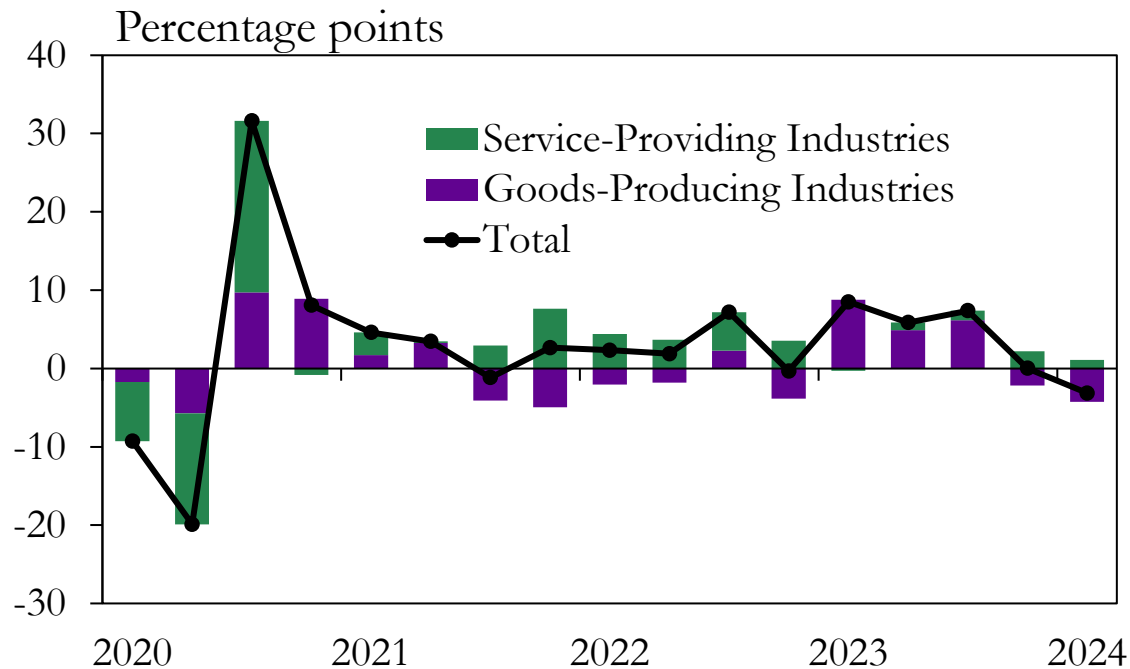
Economic growth has remained steady, but slightly stronger on average in Nebraska than the nation.

Real Gross Domestic Product

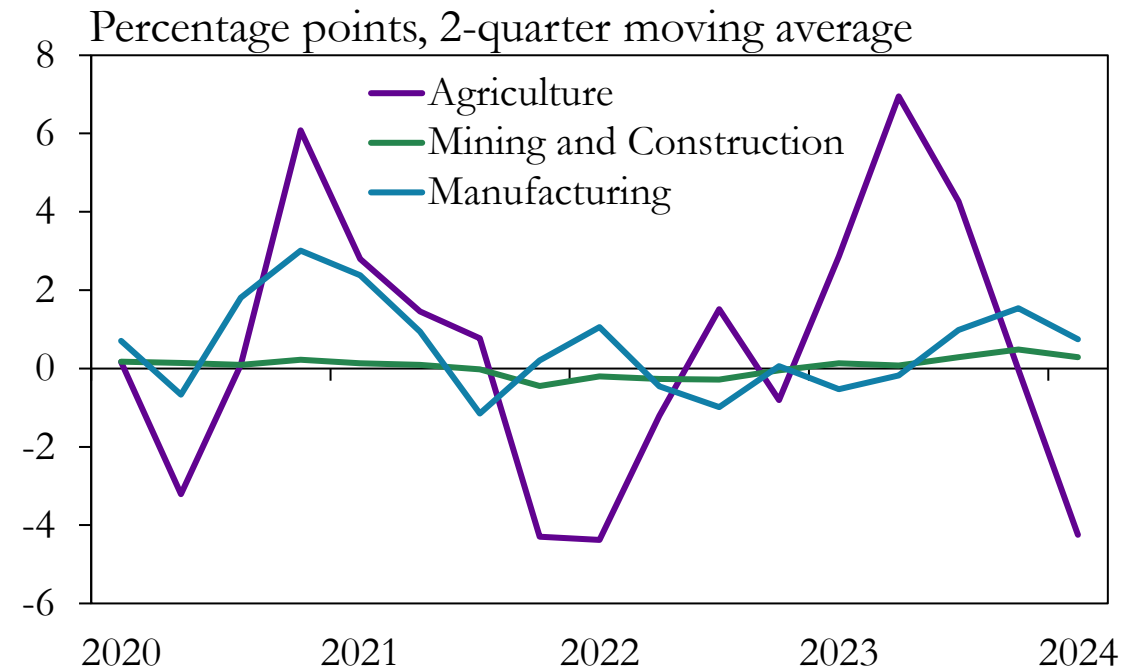


Despite weaker conditions in agriculture recently, economic activity in Nebraska has been supported by goods-producing industries.

Contributions to Quarterly Change in Real GDP, Nebraska

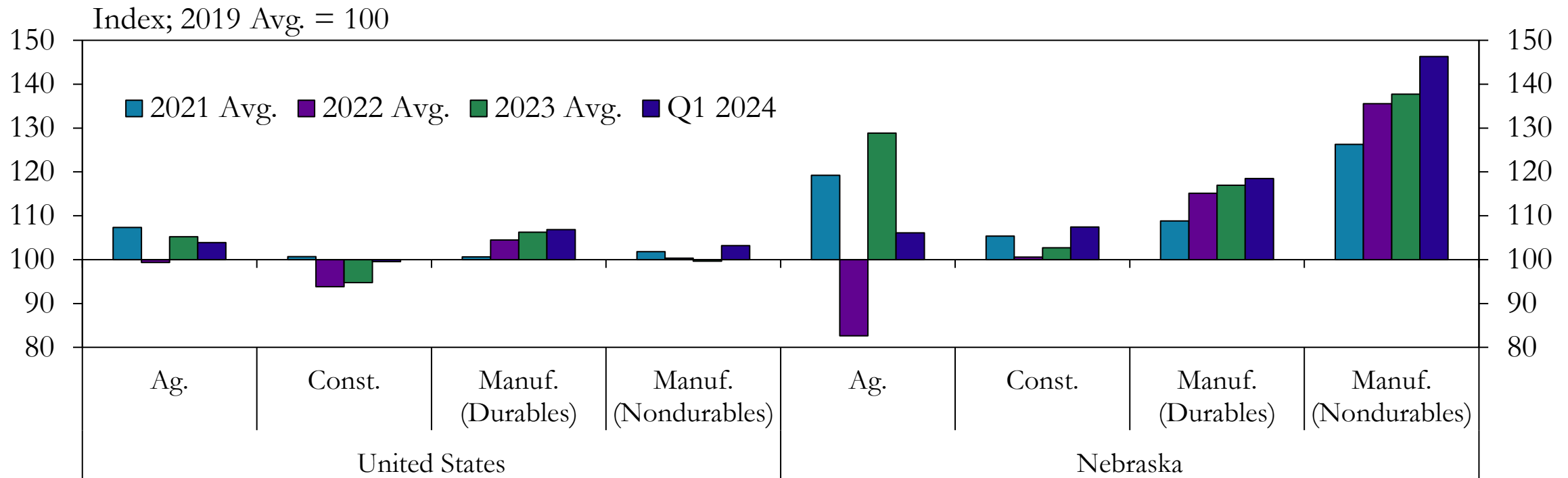


Contributions to Quarterly Change in Real GDP, Nebraska Goods-Producing Industries



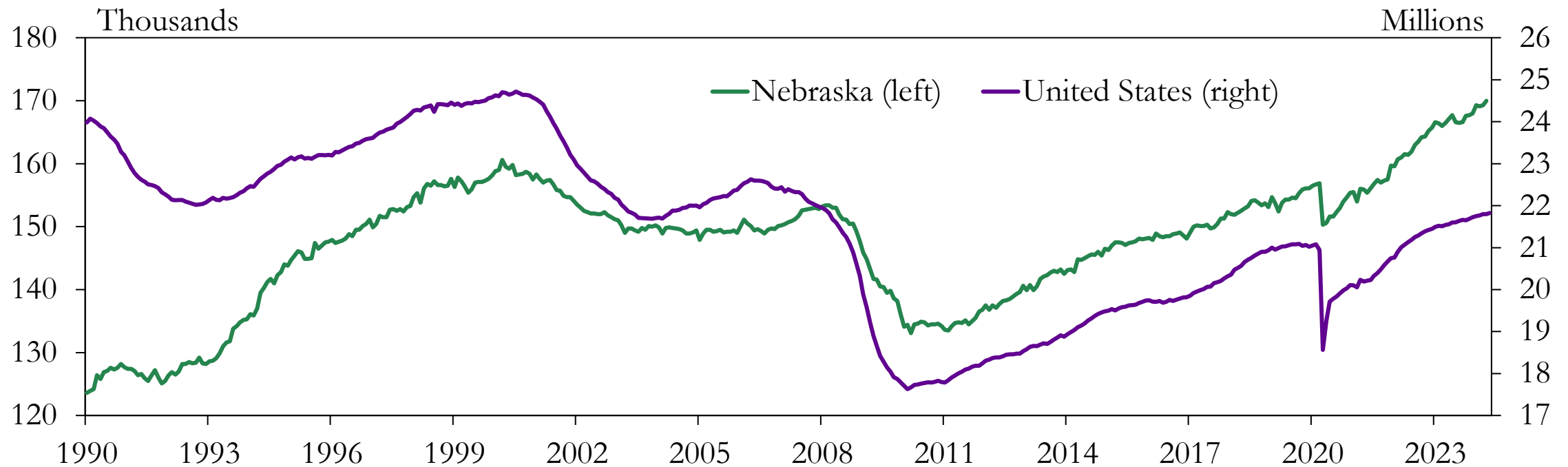
Economic output in manufacturing and construction has continued to increase at a steady pace.

Real GDP, Goods-Producing Industries



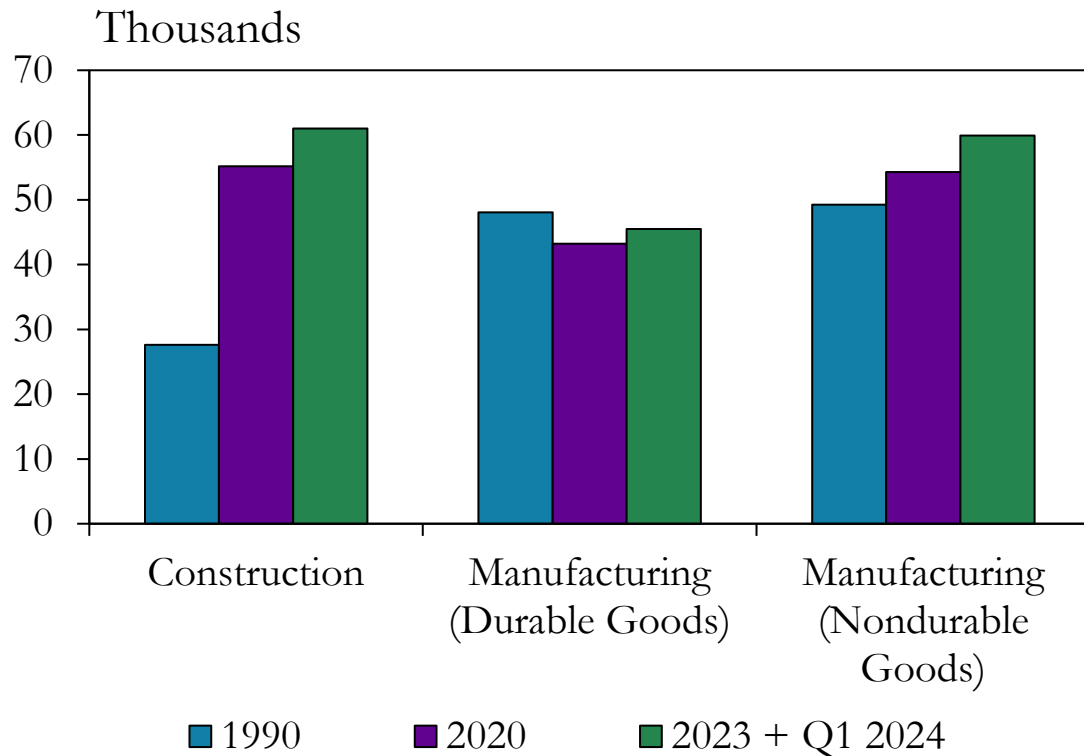
Employment in Nebraska's goods-producing industries has also outperformed the nation, both recently and historically.

Goods-Producing Employment

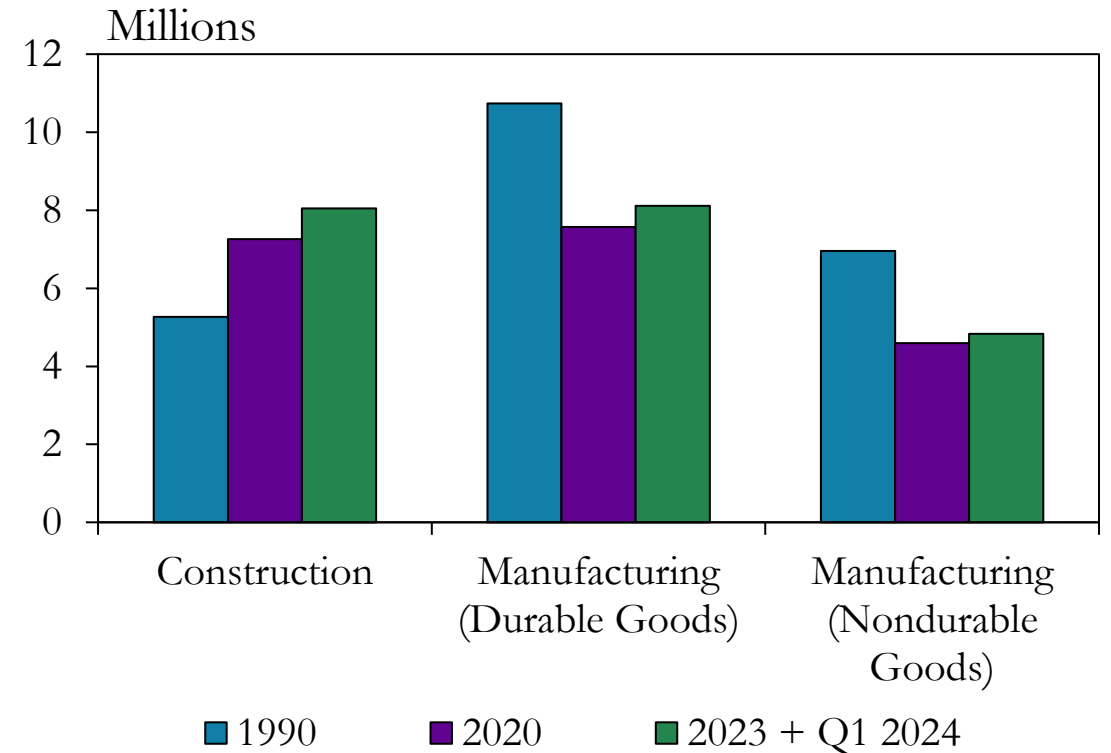


Employment growth has been most pronounced in the categories of construction and “nondurable” goods.

Employment in Goods-Producing Industries, Nebraska

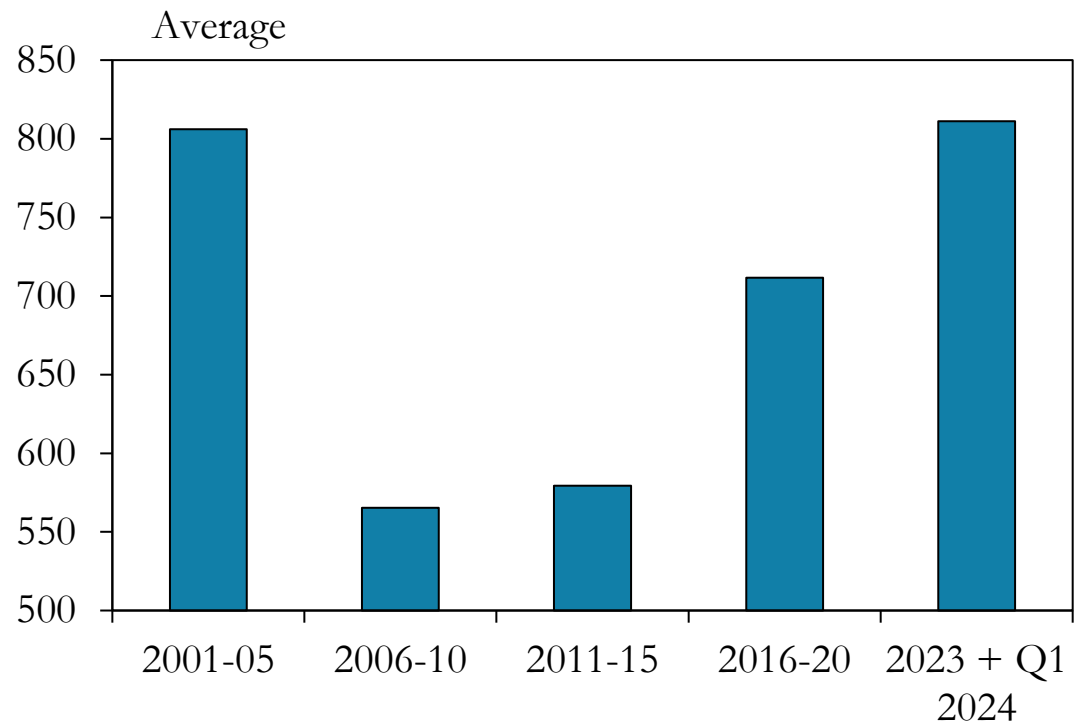


Employment in Goods-Producing Industries, United States

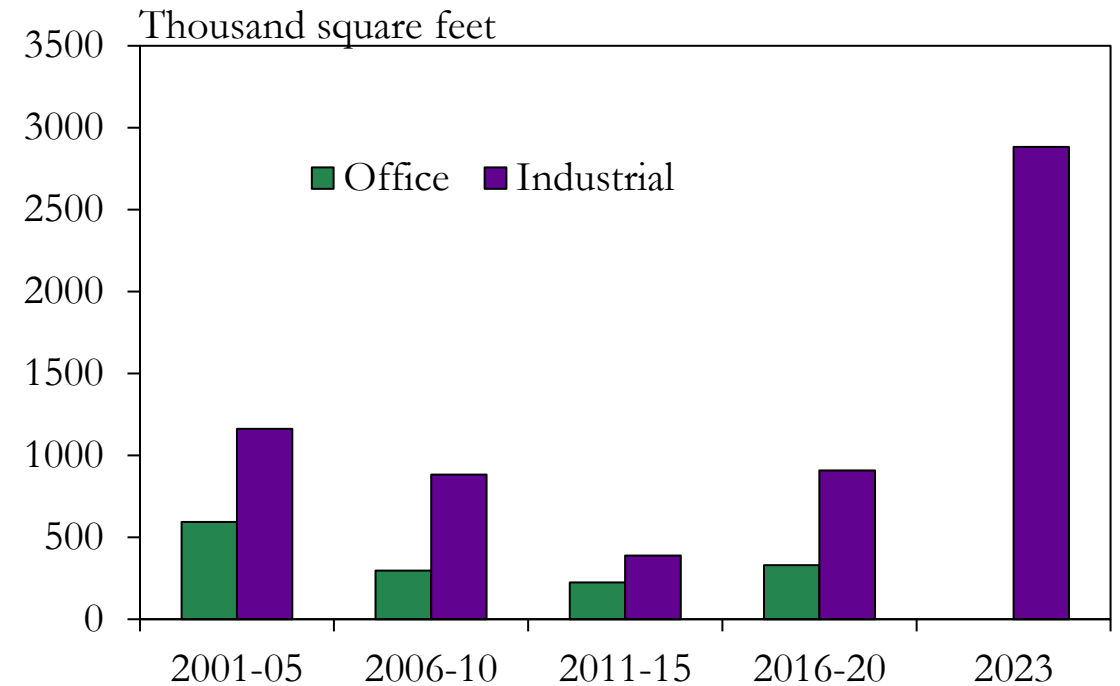


Demand for housing and commercial real estate, particularly industrial buildings, has supported construction activity.

Nebraska Housing Permits



Omaha CRE New Completions

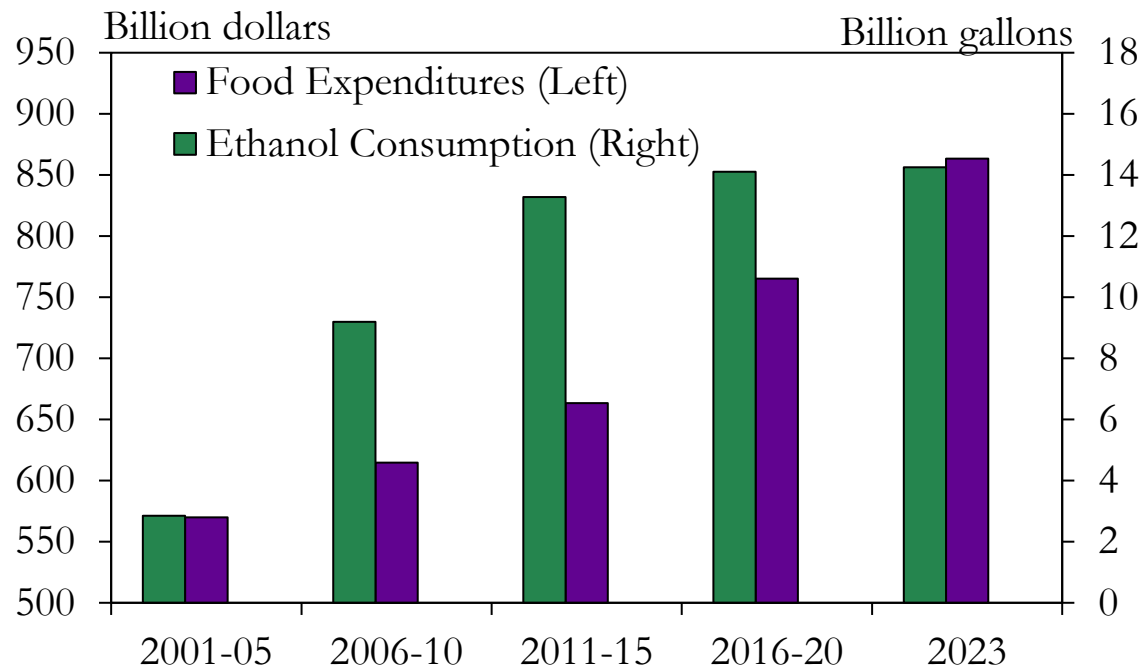


Note: Per CBRE data, there were zero new completions of office space in 2023.

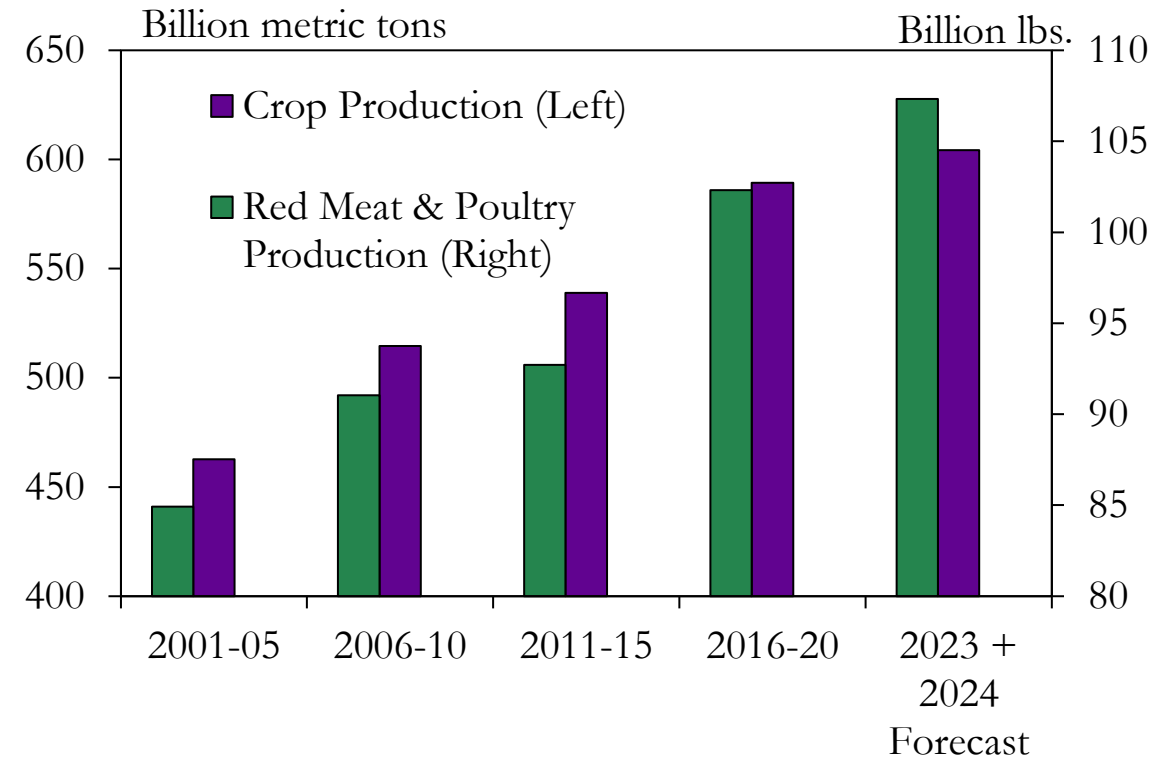
Sources: Census Bureau, Haver Analytics, CBRE-EA.

In agriculture, demand for food and fuel have contributed to persistent increases in agricultural commodity production.

Real U.S. Food Expenditures & Ethanol Consumption

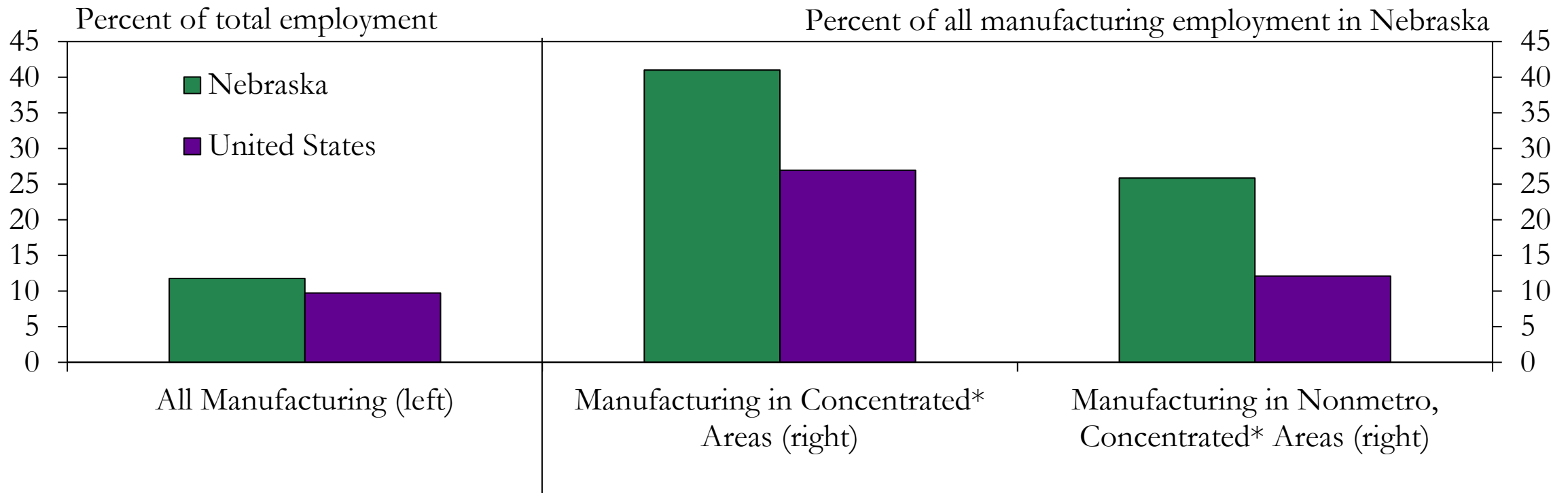


U.S. Crop and Meat Production



Manufacturing in Nebraska is a highly concentrated industry and has outsized importance to rural communities.

Manufacturing Employment by Geography, 2023



Note: Concentrated areas are counties where the share of manufacturing employment is at least twice the national share.

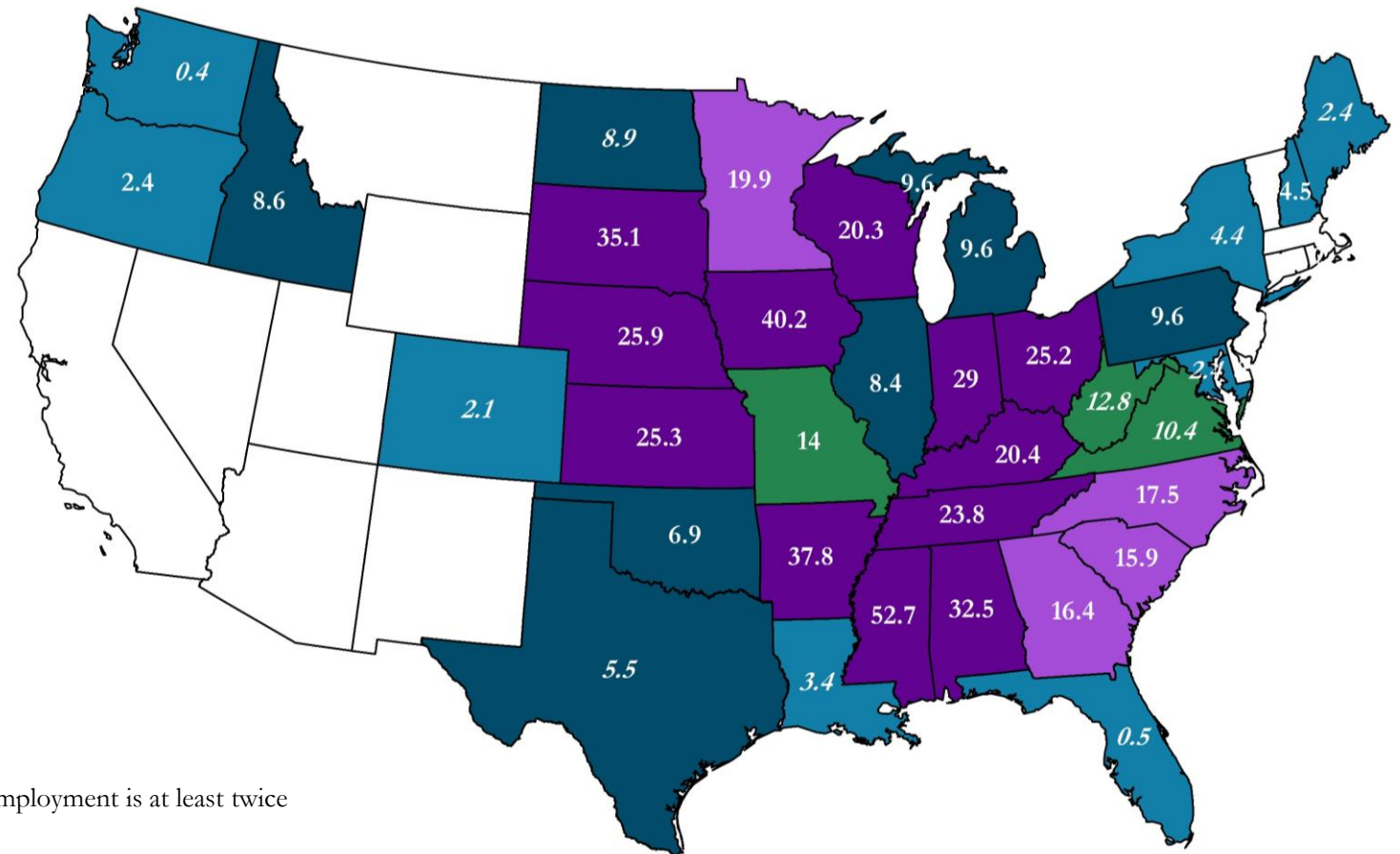
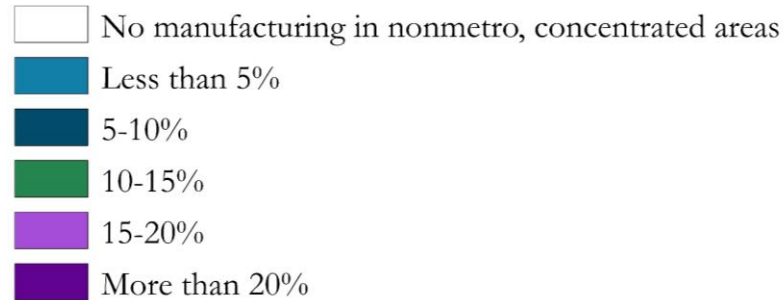
Sources: BLS, staff.

Manufacturing is particularly concentrated in rural areas of Nebraska.

Manufacturing Employment in Nonmetro, Concentrated Areas

In Nebraska, 25.9% of all manufacturing employment is located in nonmetro areas that are concentrated in manufacturing.

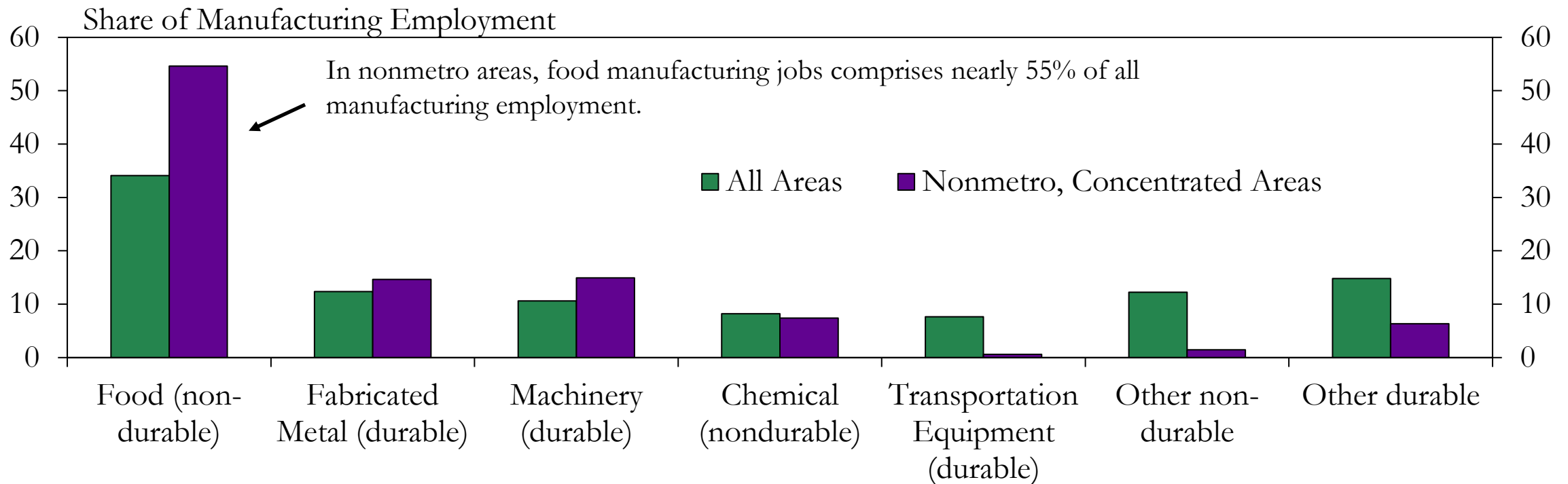
Share of All Manufacturing Employment



Note: Concentrated areas are counties where the share of manufacturing employment is at least twice the national share.
Sources: BLS, staff.

More specifically, food manufacturing, tied to agriculture, is especially important in rural areas.

Nebraska Manufacturing Employment, 2023

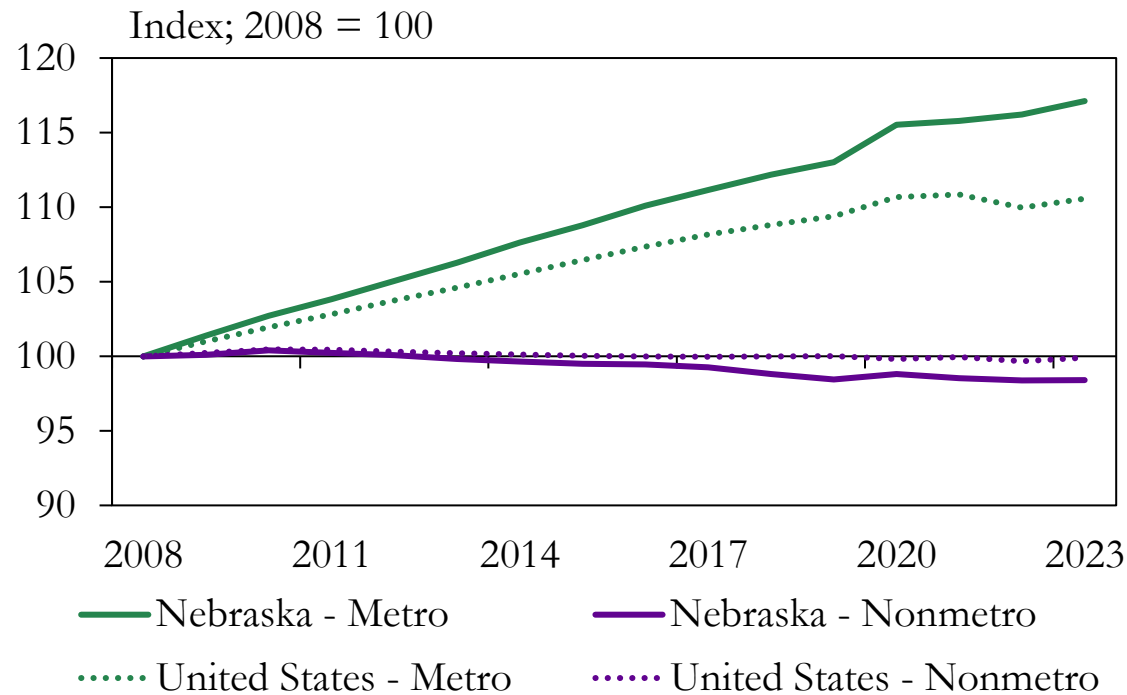


Note: Concentrated areas are counties where the share of manufacturing employment is at least twice the national share. Shares are calculated using data where the manufacturing sub-industry is known. For confidentiality purposes, some county-level sub-industry data is suppressed by the BLS.

Sources: BLS, staff.

Demographic headwinds and labor availability are a notable risk to future growth in nonmetro manufacturing hubs.

Population



Labor Force

