

NEBRASKA

DEPARTMENT OF
ECONOMIC DEVELOPMENT

Economic Development Data and Applications

Nebraska Department of Economic
Development

Nebraska Data Users Conference:
Aug 19, 2015

Introduction

- Explore important economic indicators and measures needed to make decisions or forecast the economy
- Provide sources of data
- Discuss basic applications of data

Outline of Presentation

- Key economic indicators and measures and where to find these data
- Application examples
- Links to data sources

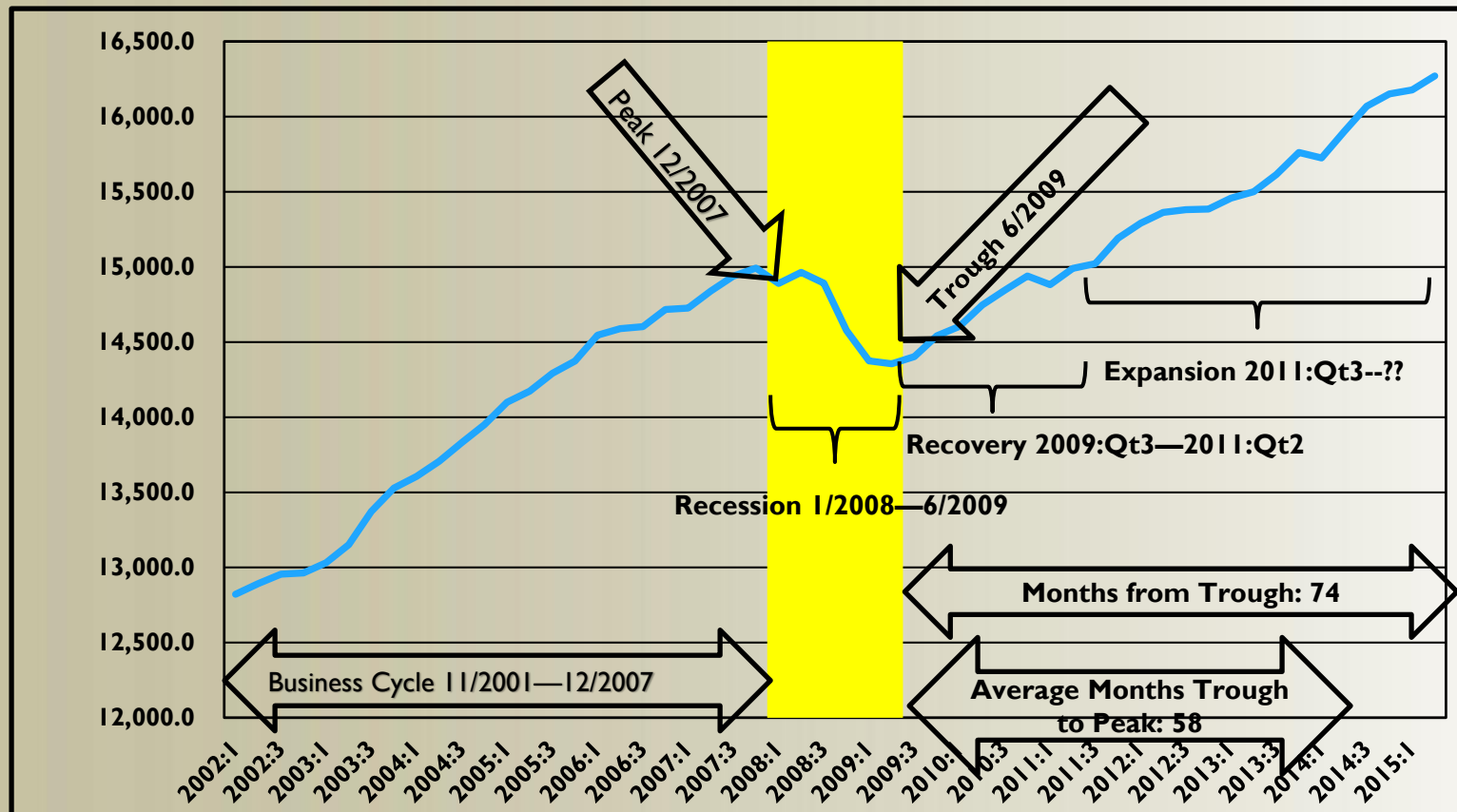
Motivation for Indicators

- Economic growth is not a steady phenomena
 - Periods of above average growth
 - Periods of negative growth
- Business cycles are measured in terms of economic output, Gross Domestic Product
 - But all economic data is affected by business cycles

Business Cycles

- Phases of a Business Cycle
 - Peak: high point before drop
 - Recession: start of drop to trough
 - Trough: low point
 - Recovery: start of increase to previous peak
 - Expansion: previous peak to new peak

THE CURRENT BUSINESS CYCLE



Source: BEA, NBER Business Cycle Dating Committee

Economic Indicators and Data

- GDP: total value of all goods & services made in the US
 - Spending on personal consumption ($\approx 67\%$)
 - Spending on Investments ($\approx 17\%$)
 - Exports ($\approx 11\%$)
 - Imports ($\approx -15\%$)
 - Government spending ($\approx 20\%$)

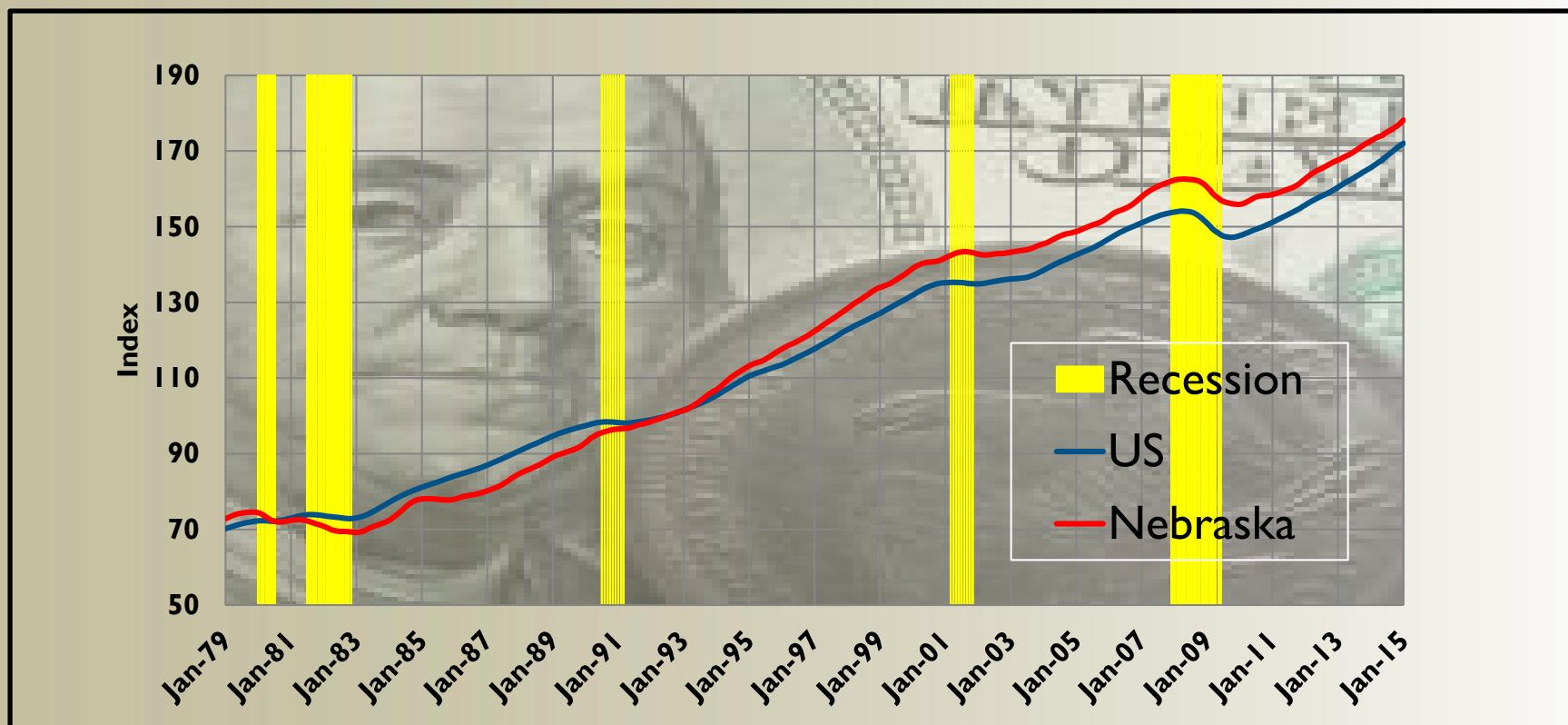
Uses of GDP Data

- Best overall indicator of economy's direction
- Businesses use GDP to
 - Develop business plans
 - Make hiring decisions
 - Forecast sales growth
- Investors use GDP to
 - Refine investment strategies

Economic Indicators and Data

- Gross State Product
- GDP is also reported by BEA for each state on an annual basis
- Federal Reserve Bank of Philadelphia calculates monthly index based on GDP to give early indication of each state's GDP growth.

Coincident Index



Source: Federal Reserve Bank of Philadelphia

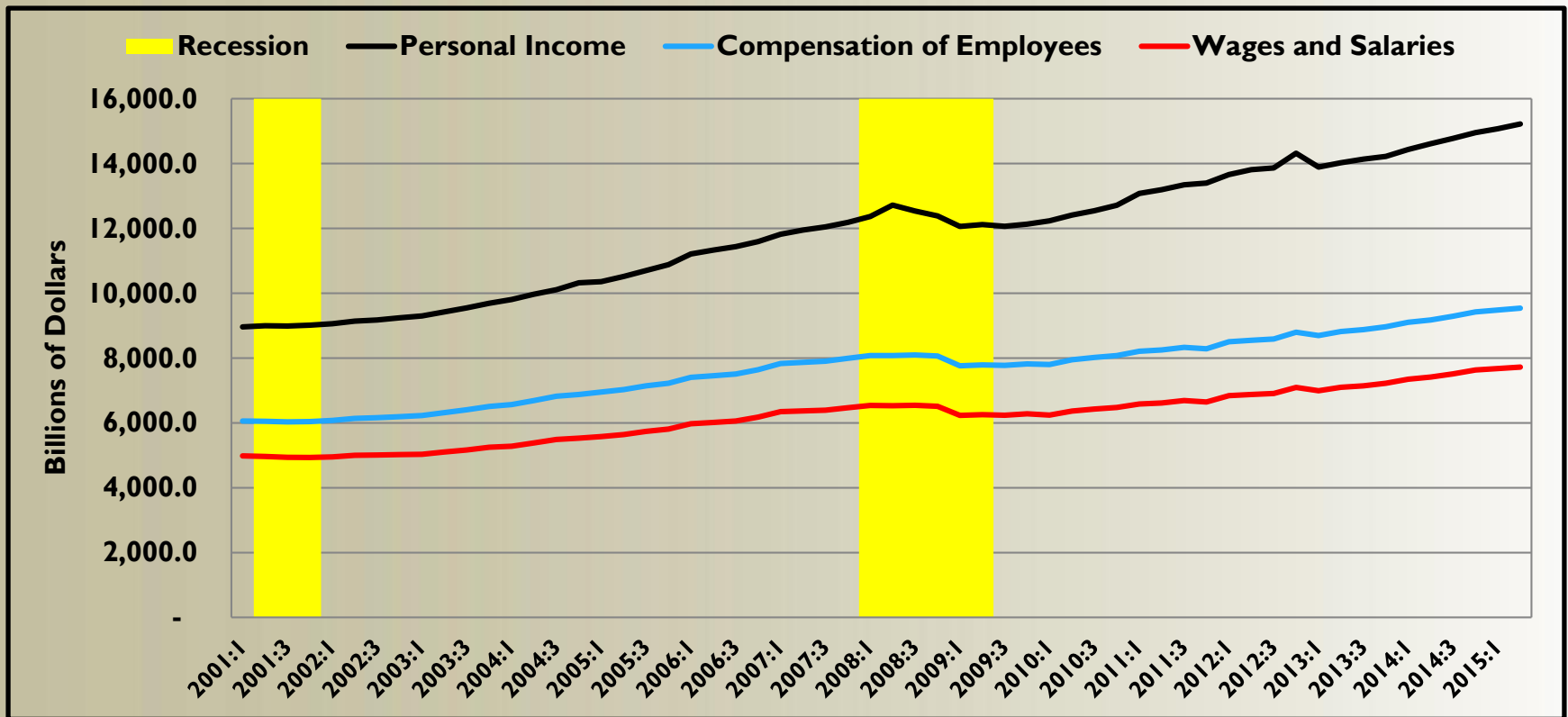
Personal Income & Spending

- Personal income is the money received by households before taxes
 - Employee compensation (57.2%)
 - Proprietor's income (8.9%)
 - Rental income (2.8%)
 - Dividend and interest income (15.5%)
 - Transfer payments (15.6%)

Personal Income & Spending

- Disposable personal income
- Personal spending on goods and services
- Personal savings
- Per capita personal income
- Real personal income

Personal Income



Source: BEA, National Economic Accounts

Uses of Personal Income Data

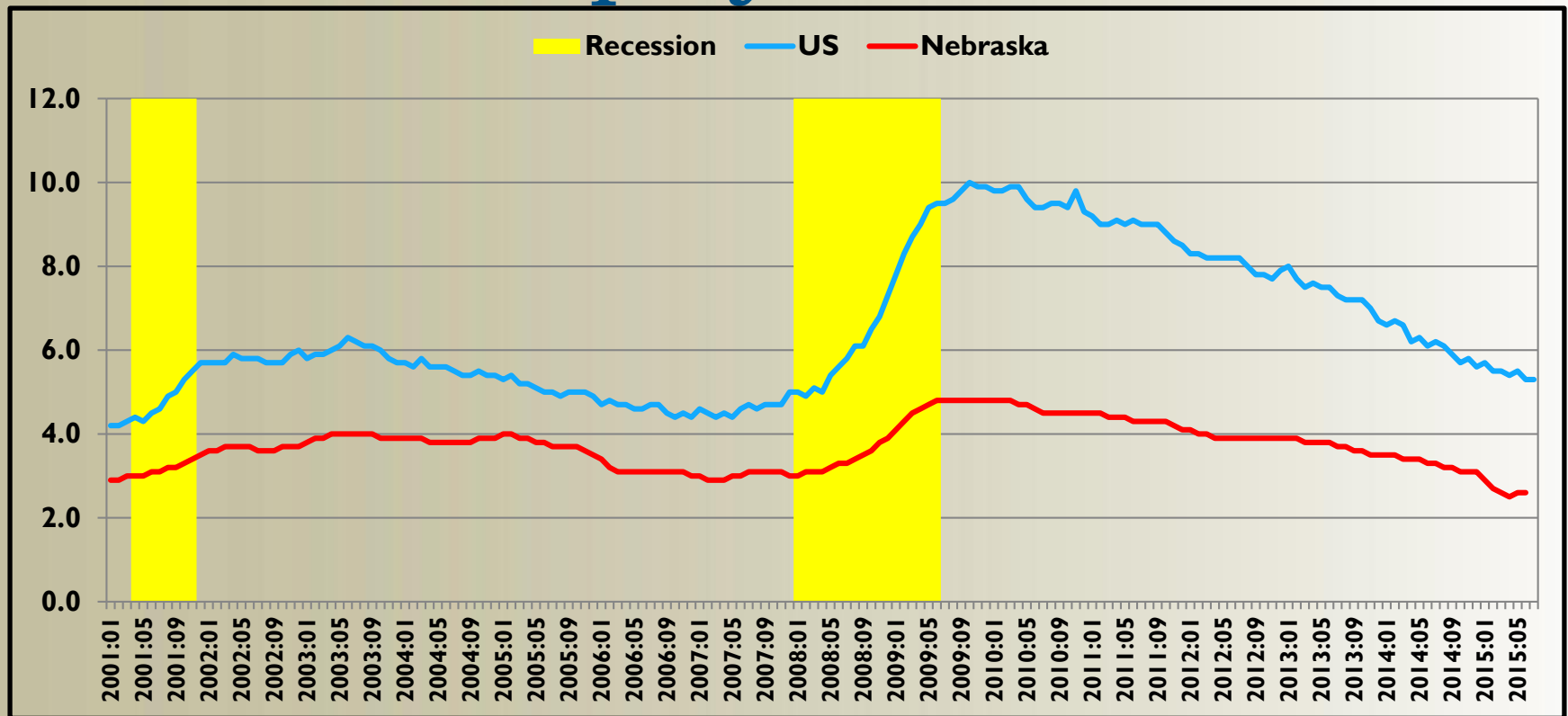
- Indicator of consumers ability to spend
- Businesses uses
 - Indicator of future demand for goods & services
 - Indicator financial stress
 - Indicator of increasing or decreasing inflation

Labor Force Indicators

- Employment Situation
 - Household survey
 - Civilian labor force
 - Unemployment rate
 - Labor force participation rate
 - Employment-population ratio
 - Duration of unemployment

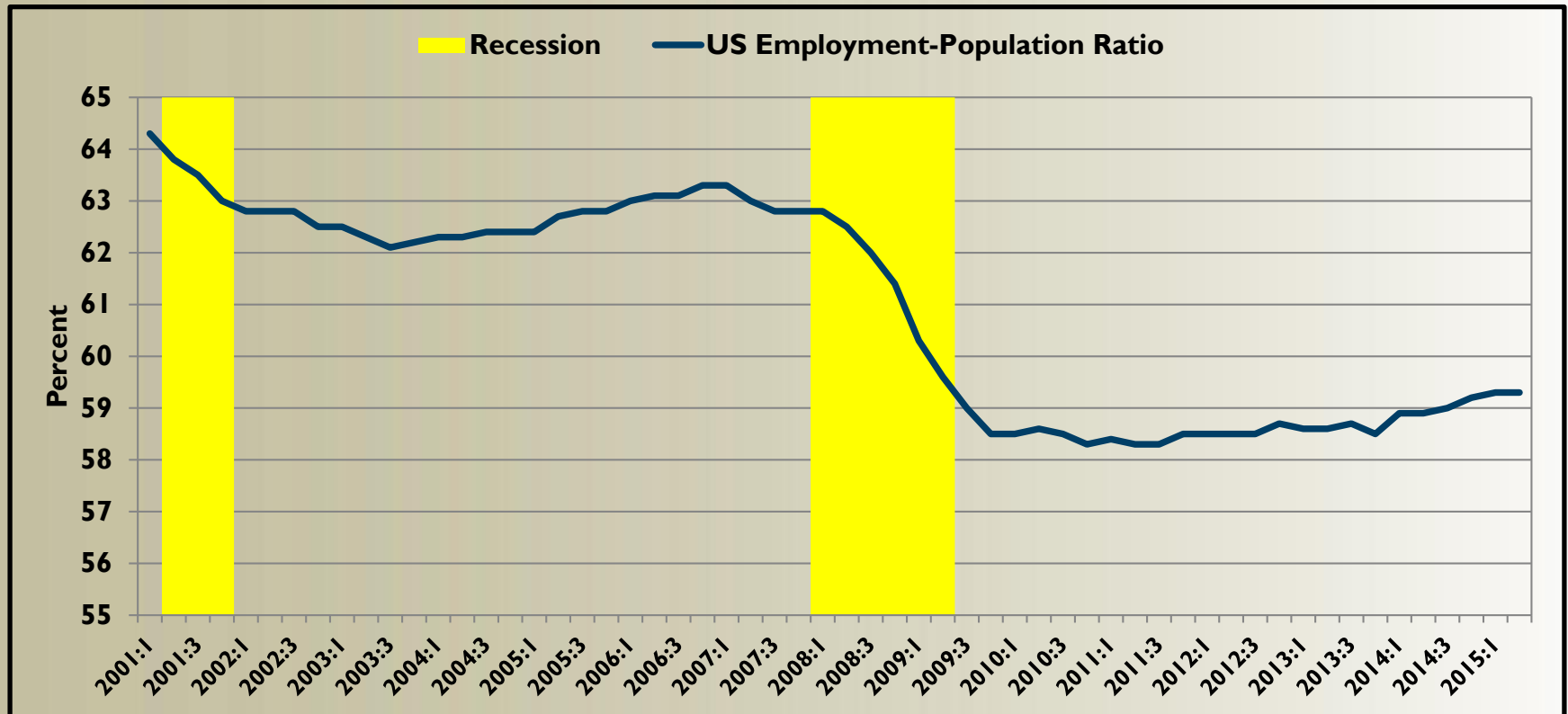
Source: BLS, Dept. of Labor

Unemployment Rate



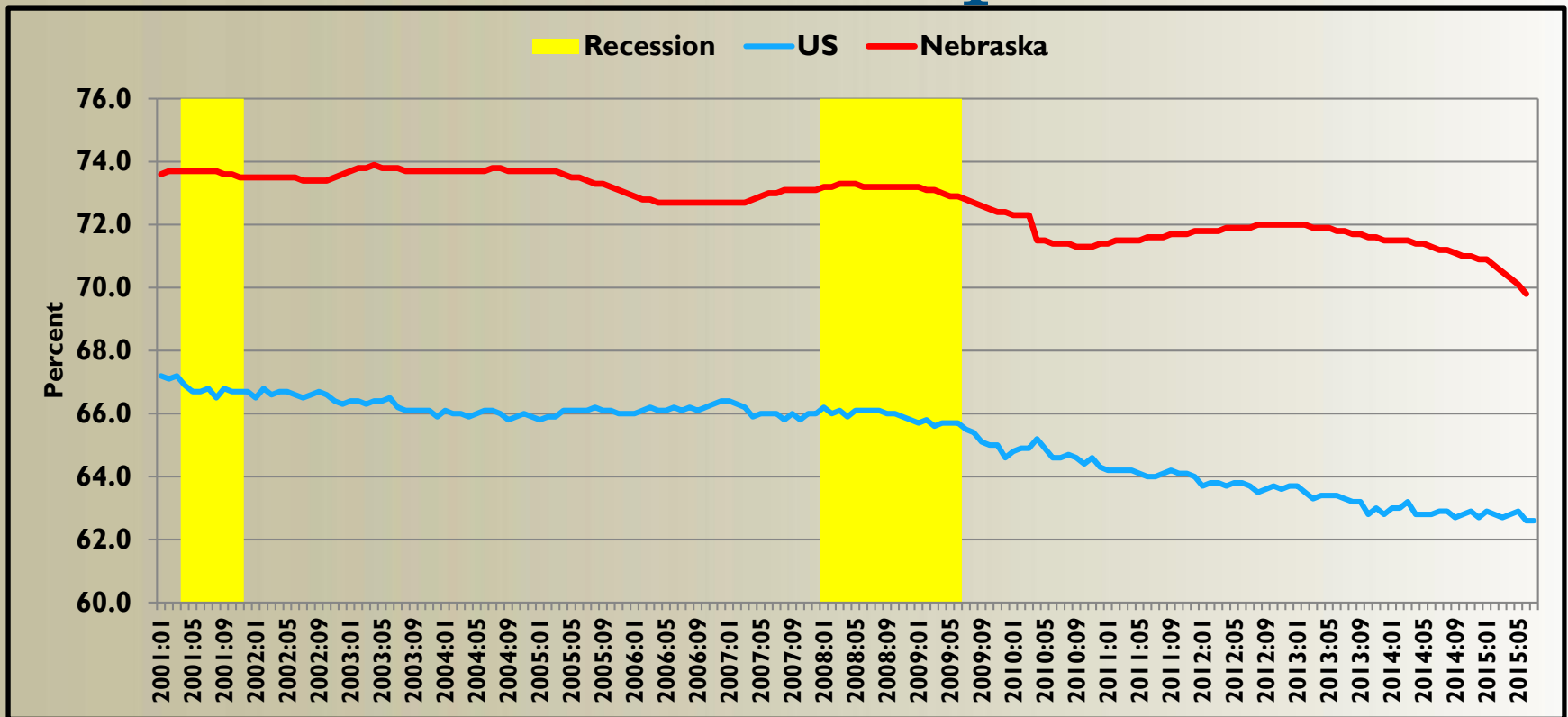
Source: BLS

Employment-Population Ratio



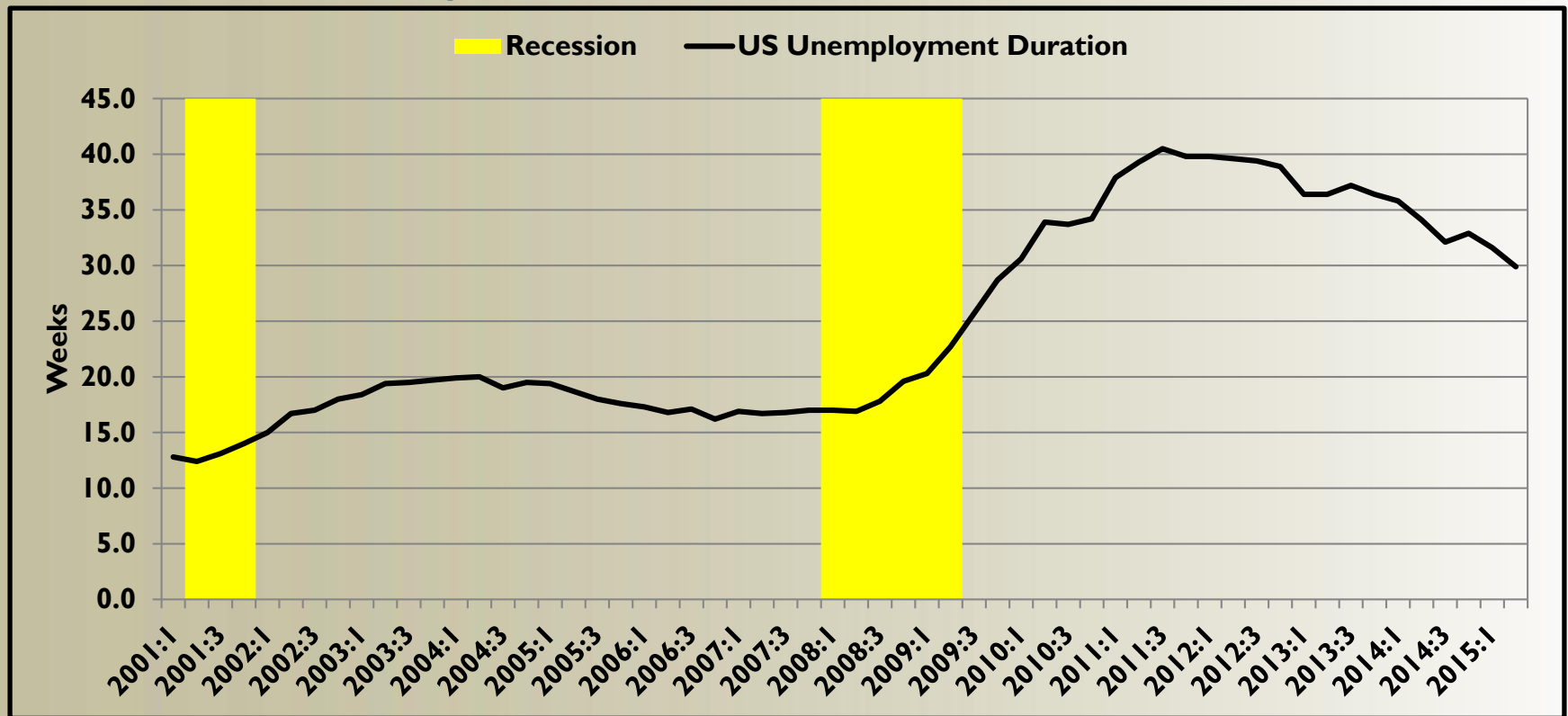
Source: BLS

Labor Force Participation Rate



Source: BLS

Unemployment Benefits: Duration

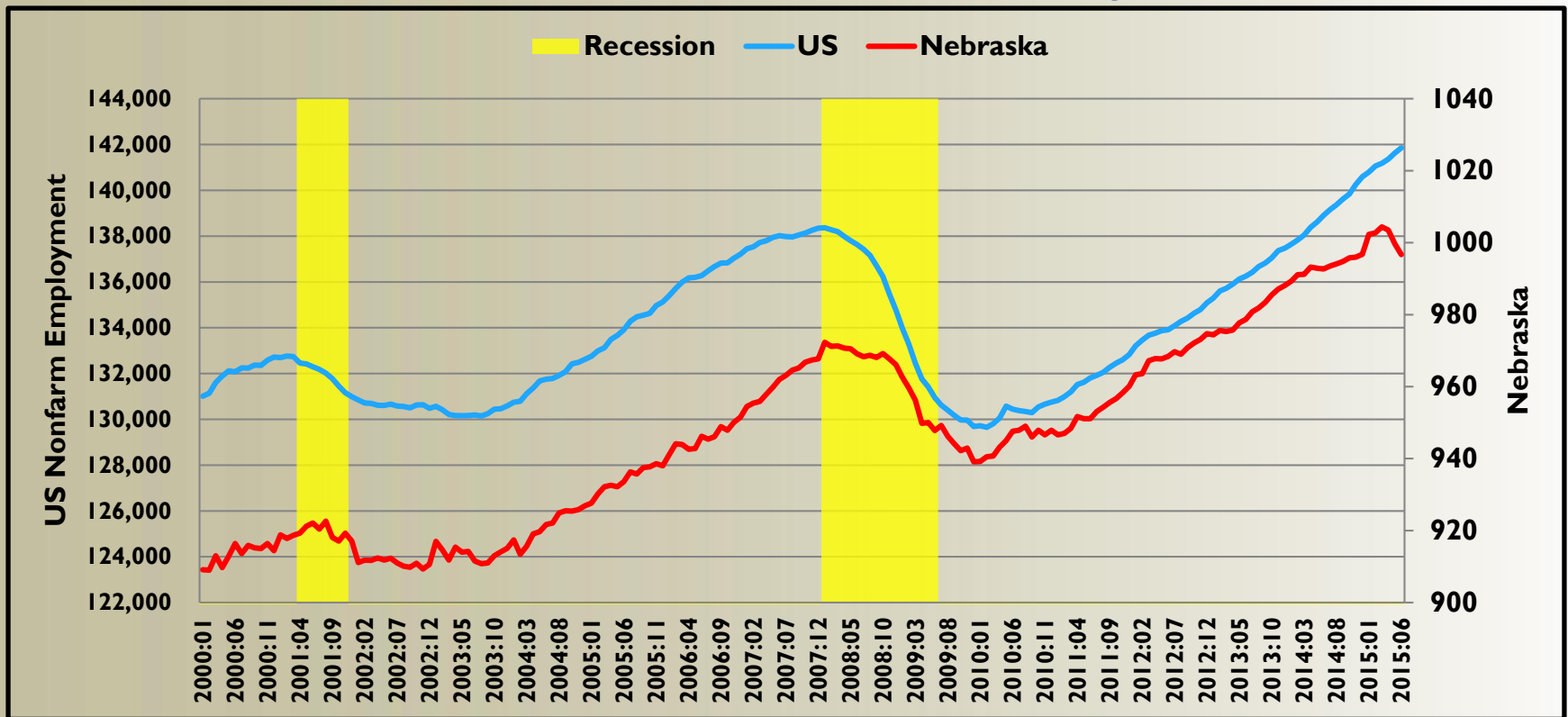


Source: BLS

Labor Force Indicators

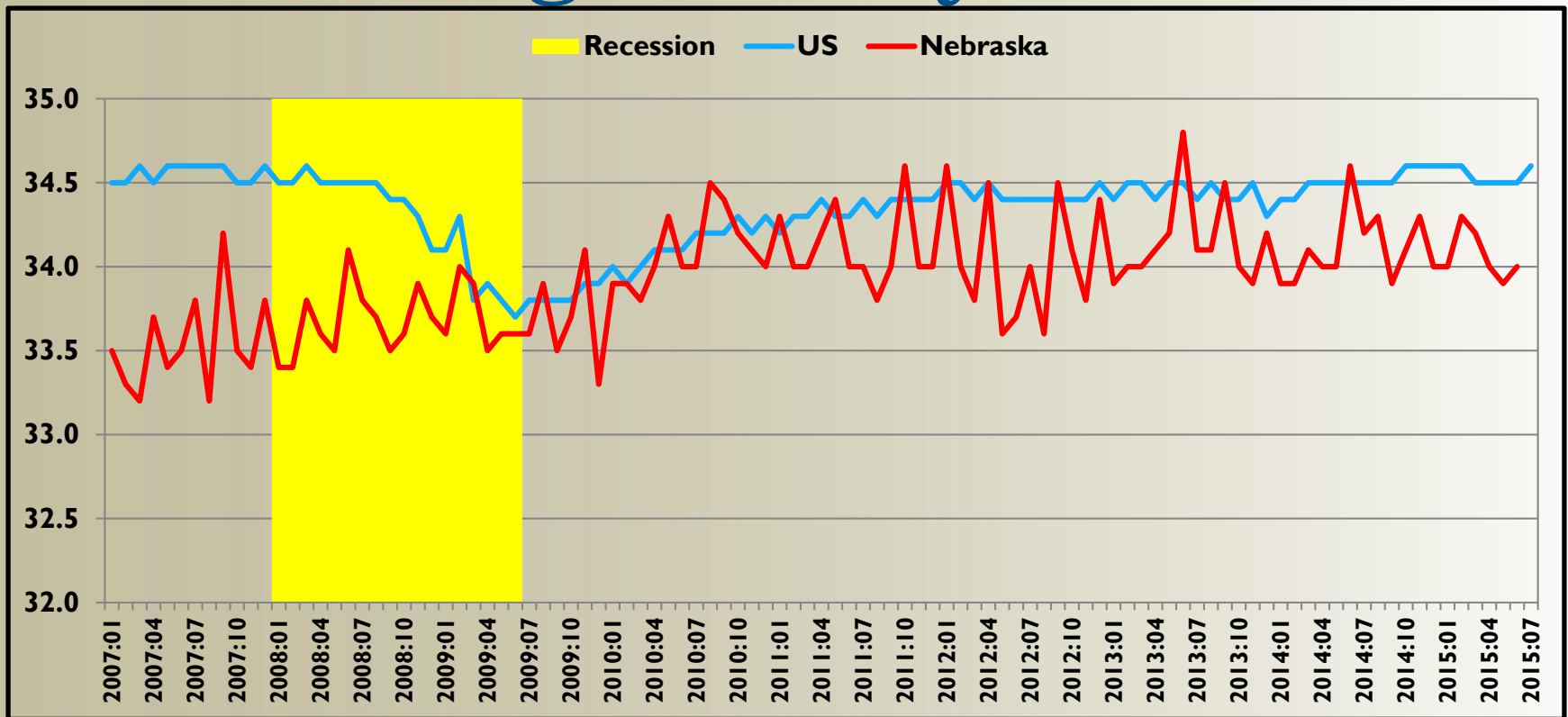
- Employment Situation
 - Establishment survey
 - Total nonfarm employment
 - Employment by industry
 - Average weekly hours
 - Average hourly earnings

Total Nonfarm Employment



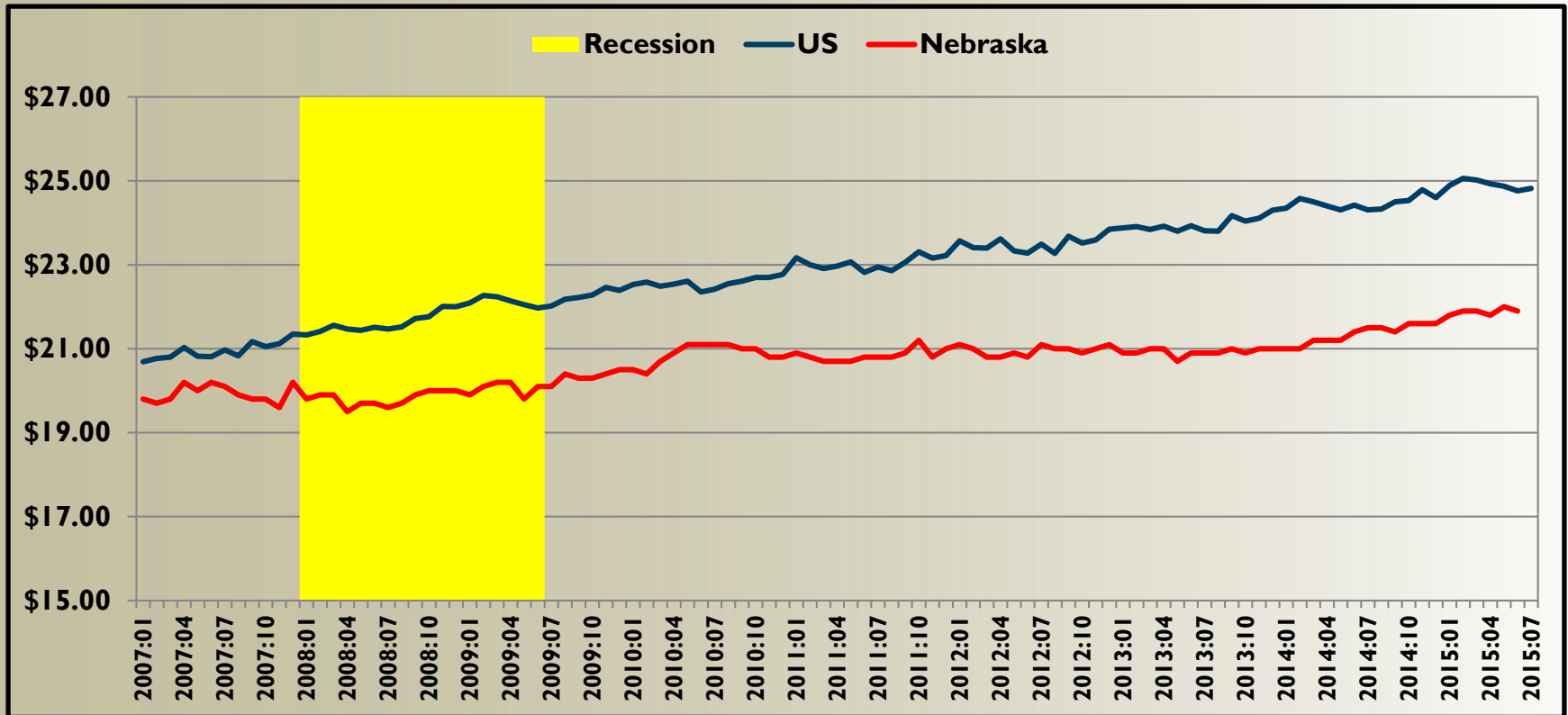
Source: BLS

Average Weekly Hours



Source: BLS

Average Hourly Earnings: All Employees

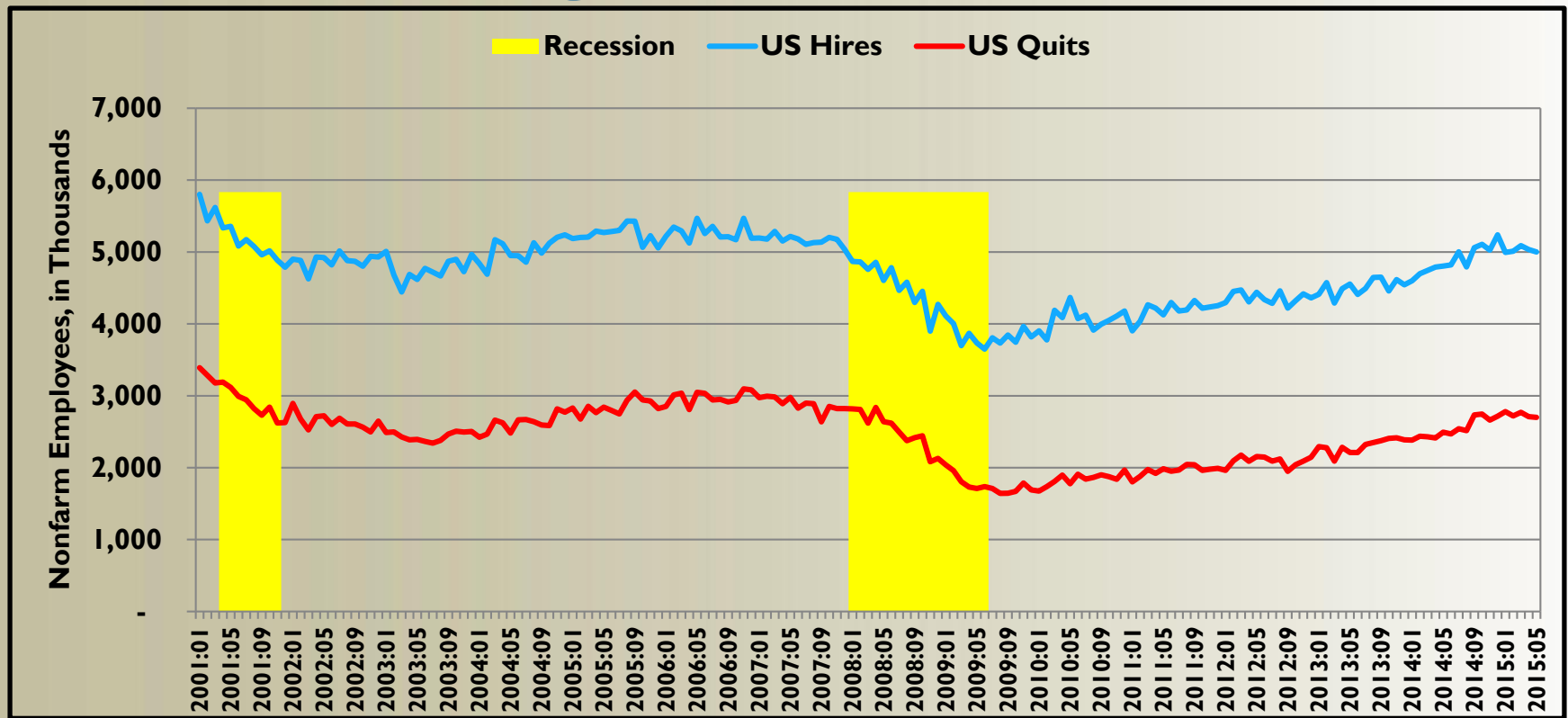


Source: BLS

Labor Force Indicators

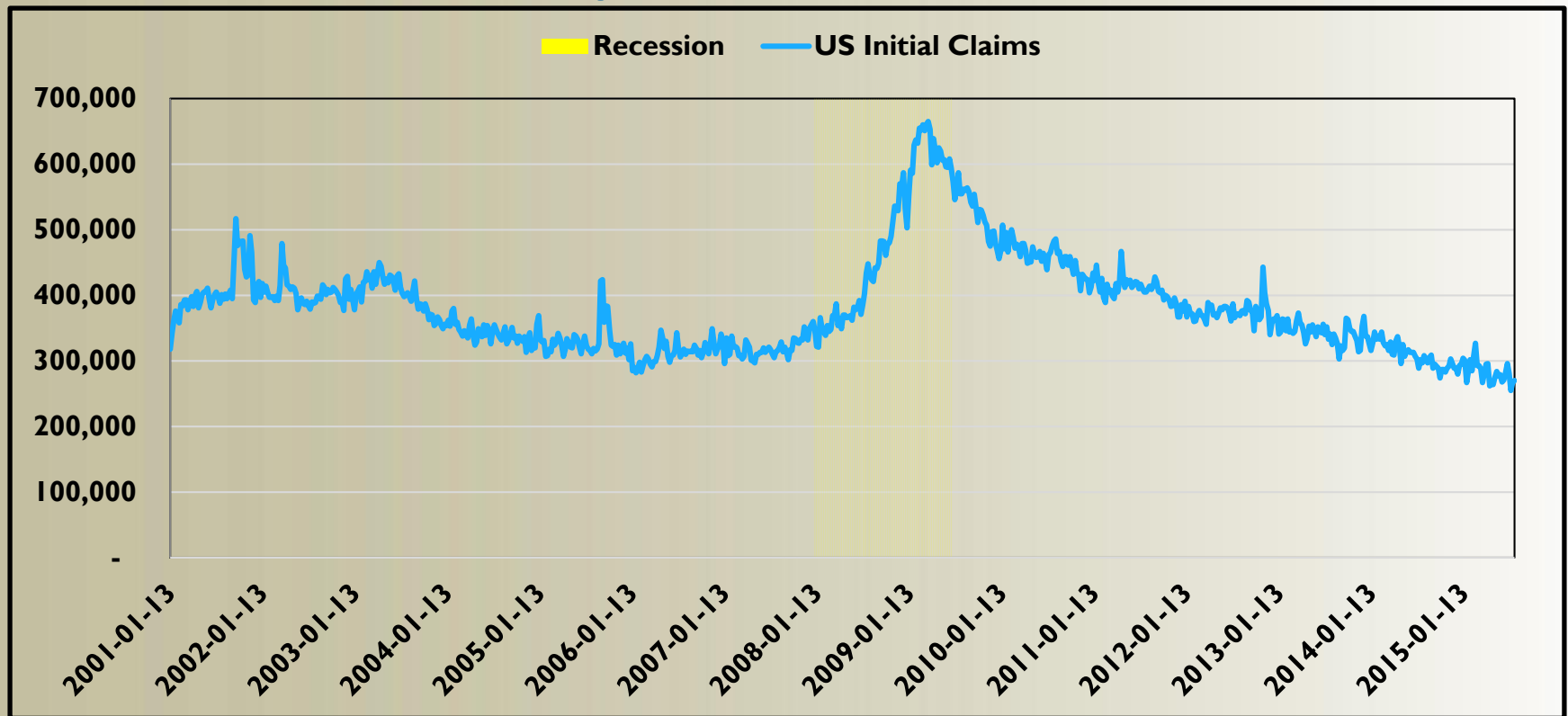
- Weekly claims for unemployment insurance
 - Number of new filers for unemployment insurance
 - Overall number of workers receiving state unemployment benefits
- Job Openings and Labor Turnover Survey
 - Number of new hires and separations

Job Openings and Labor Turnover



Source: BLS

Weekly Initial Claims



Source: US Dept of Labor, Employment & Training Administration

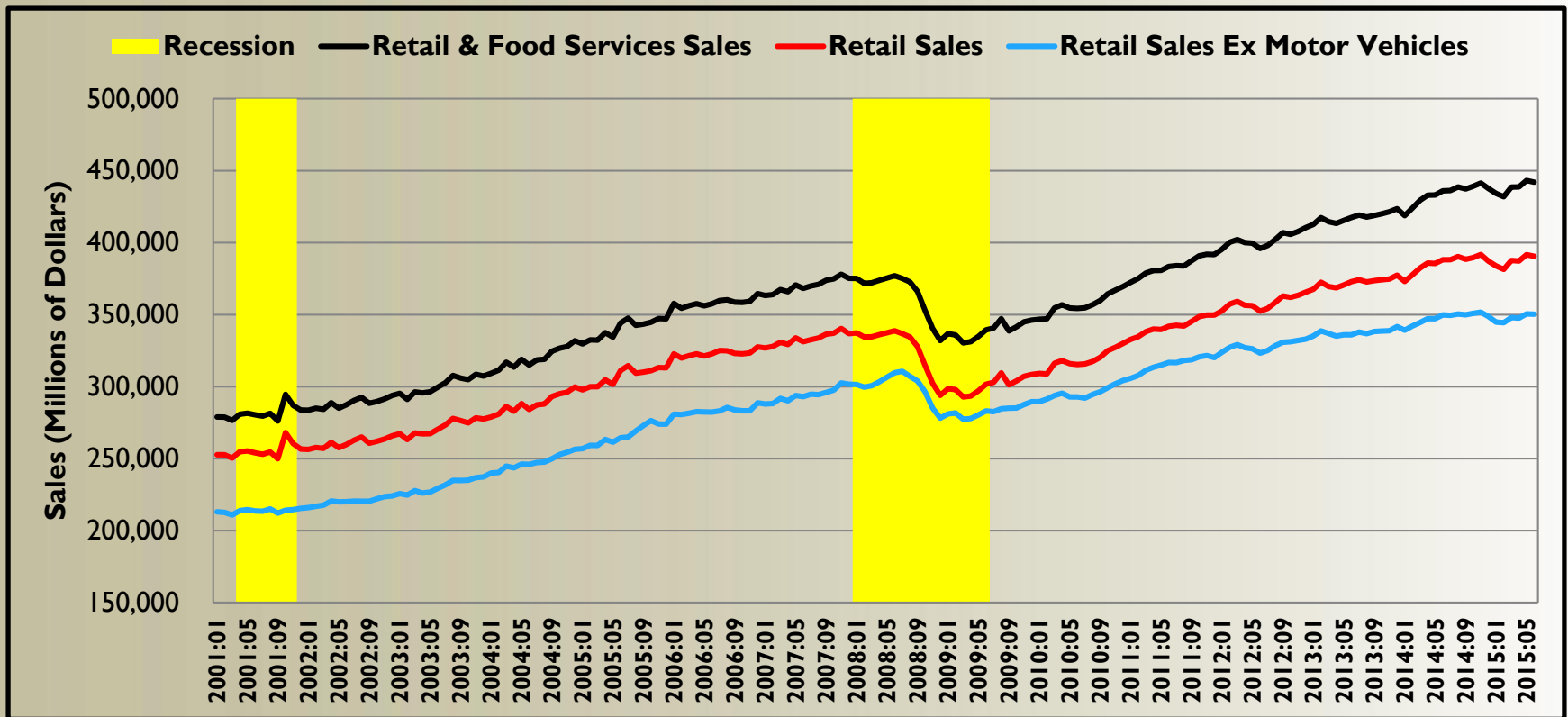
Sources of Data

- Nebraska Department of Labor, Labor Market Information
 - State level data for Nebraska
 - Employment
 - Unemployment
 - Wages
 - Hours

Sales Indicators

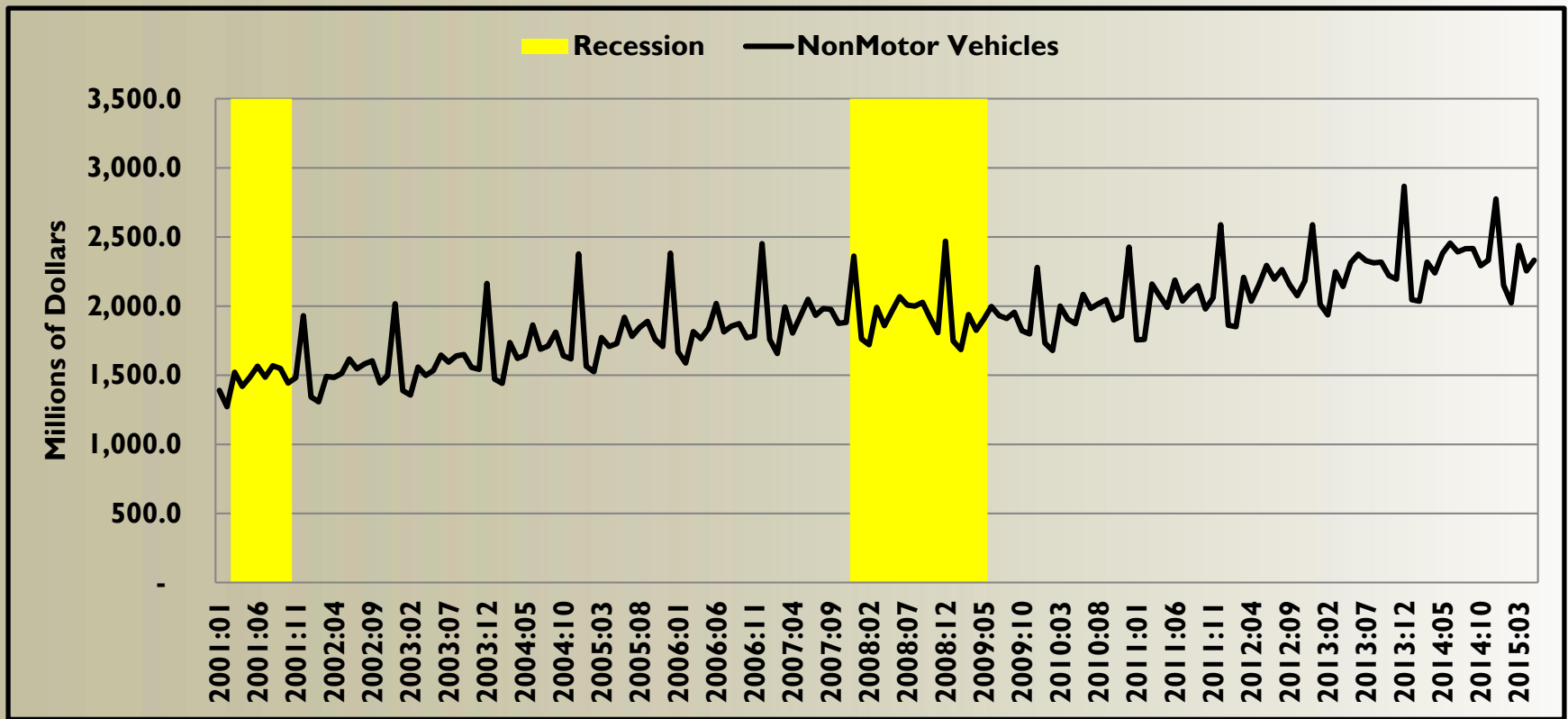
- Retail sales
 - Sales by kind of retail business
 - Change in sales by kind of retail business
- Nebraska net taxable sales
 - Total sales of all goods subject to Nebraska sales tax
 - Motor vehicle and nonmotor vehicle sales

Retail Sales



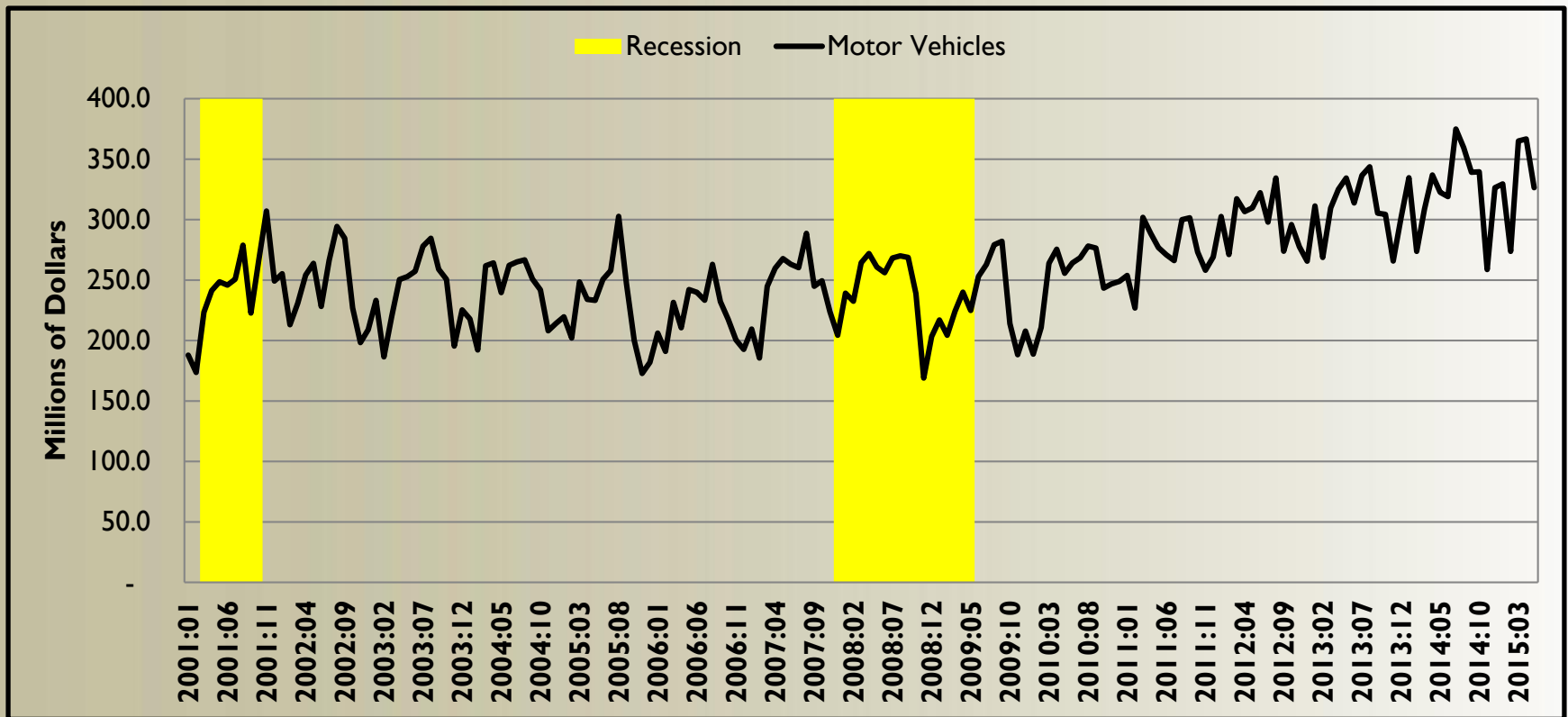
Source: US Census

Net Taxable Sales



Source: Nebraska Department of Revenue

Motor Vehicle Net Taxable Sales

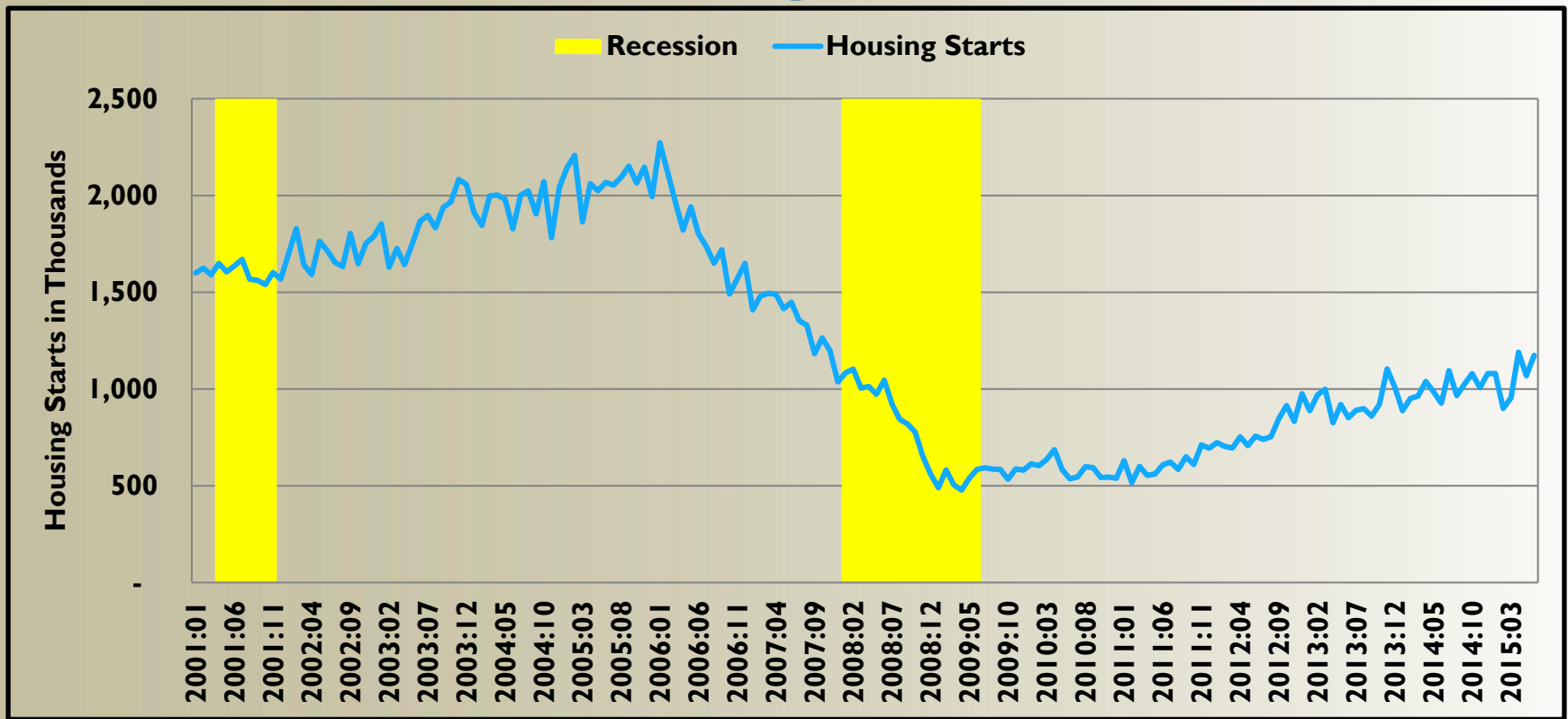


Source: Nebraska Department of Revenue

Sales Indicators

- Housing starts and building permits
 - Number of new homes being built and permits for future construction
- New home sales
 - Number of new single-family homes sold
 - Median and average prices of new homes

Housing Starts

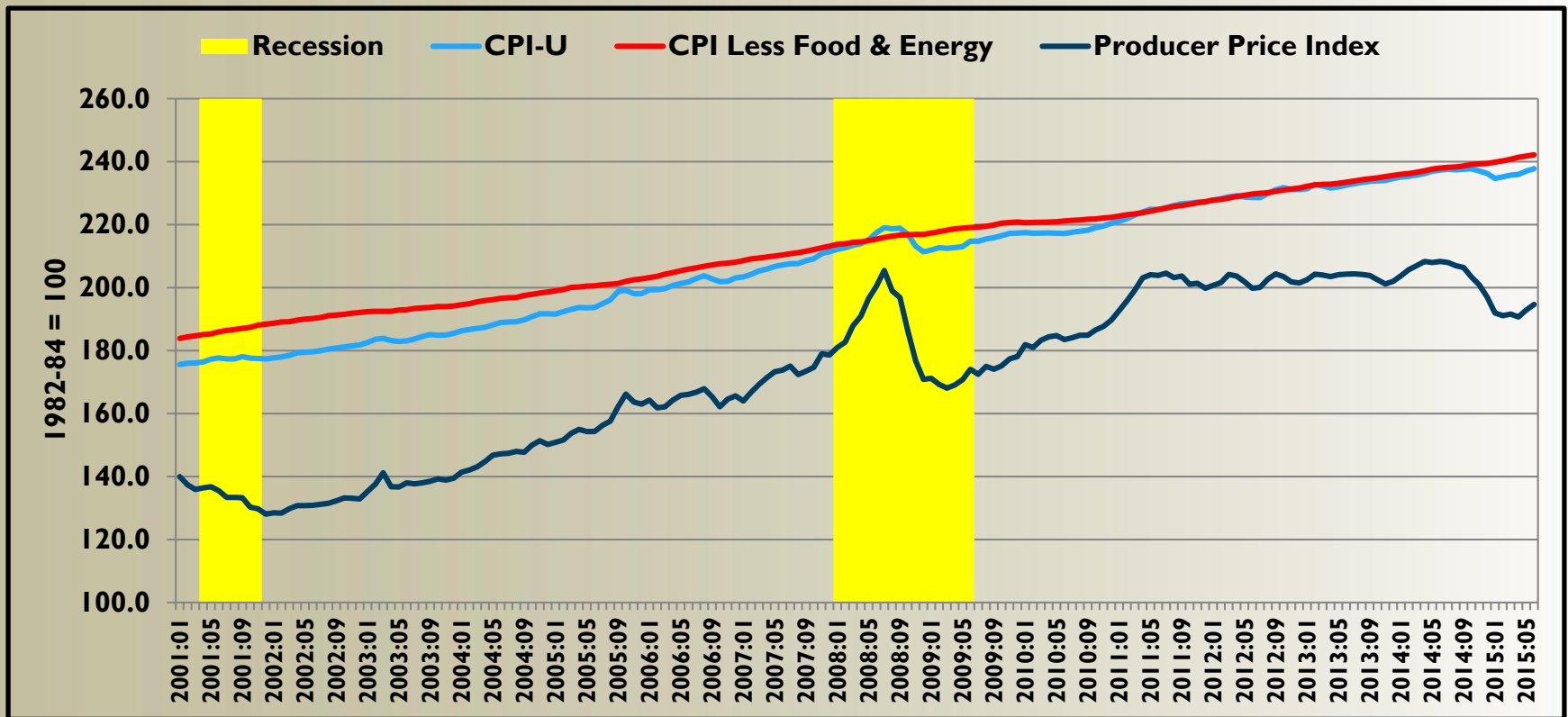


Source: US Census

Price Indicators

- Consumer price index (CPI)
 - Measures changes in prices of consumer goods
- Producer price index (PPI)
 - Measures changes in prices paid by businesses

CPI & PPI Price Indexes



Source: BLS

Links

- Nebraska Department of Economic Development—Research Division:
 - <http://www.neded.org/business/data-a-research>
- GDP data:
 - <http://www.bea.gov/index.htm>
- NBER Business Cycle Data:
 - <http://www.nber.org/cycles/cyclesmain.html>

Links

- State level GDP:
 - <http://www.bea.gov/regional/index.htm>
- State Coincident Indexes:
 - <https://www.phil.frb.org/>
- BLS Employment Situation release:
 - <http://stats.bls.gov/news.release/empsit.toc.htm>

Links

- Job Openings and Labor Turnover
 - <http://www.bls.gov/jlt/>
- Initial Claims data:
 - http://www.oui.doleta.gov/unemploy/claims_arch.asp

Links

- Retail sales data:
 - <http://www.census.gov/retail/index.html>
- Nebraska taxable sales data:
 - <http://www.revenue.nebraska.gov/>
- Housing starts:
 - <http://www.census.gov/construction/nrc/pdf/newresconst.pdf>

Links

- Consumer and Producer Price Indexes
 - <http://www.bls.gov/cpi/>
 - <http://www.bls.gov/ppi/>

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Conclusion