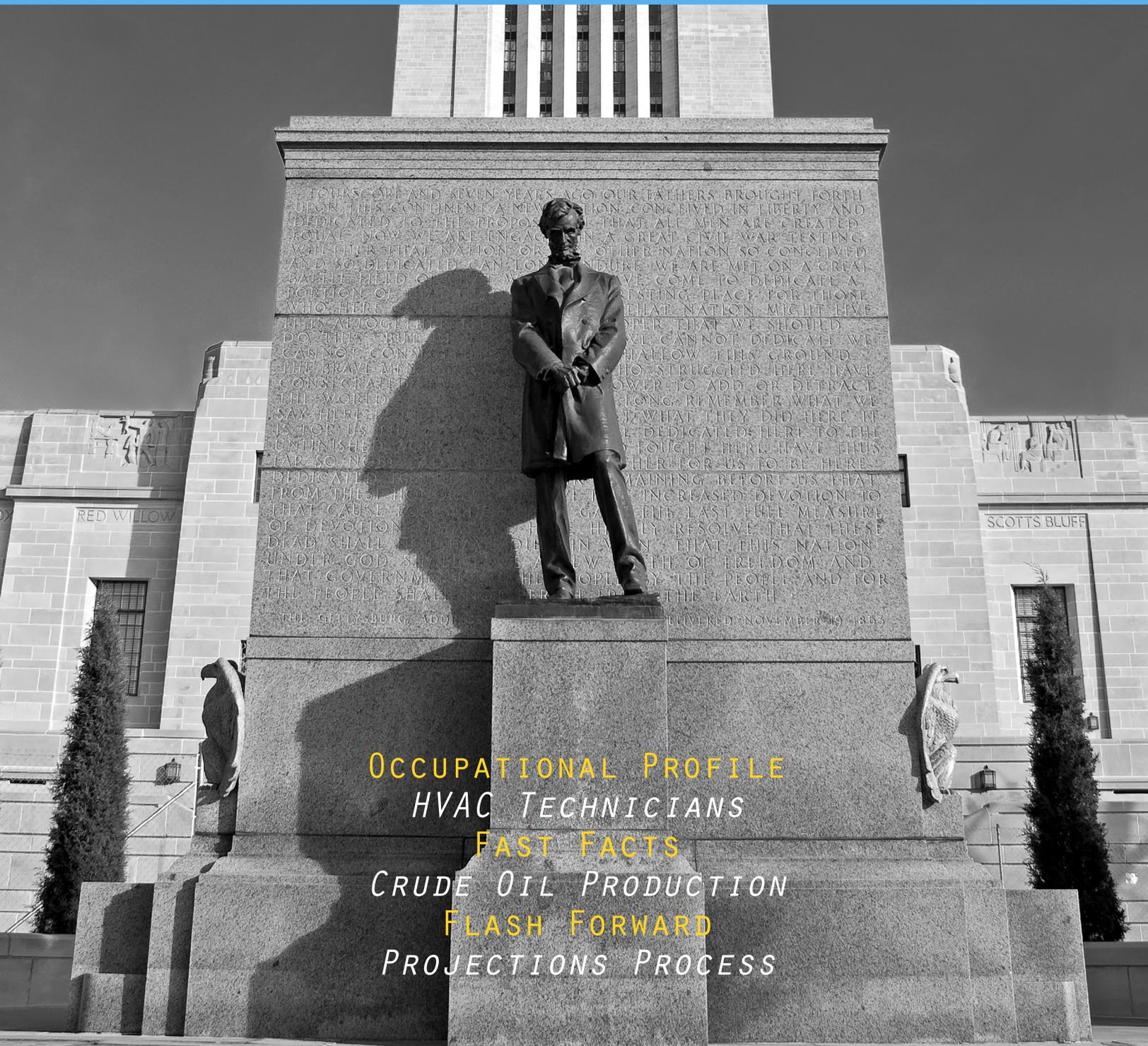


NEBRASKA WORKFORCE TRENDS

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AUGUST 2014



OCCUPATIONAL PROFILE
HVAC TECHNICIANS
FAST FACTS
CRUDE OIL PRODUCTION
FLASH FORWARD
PROJECTIONS PROCESS

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CREDITS

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HELPFUL LINKS

UNEMPLOYMENT IN BRIEF
MONTHLY UNEMPLOYMENT RATE
PREVIOUS ISSUES
NETWORKS
GLOSSARY

JUNE UNEMPLOYMENT DATA

Byron Lefler, Research Analyst

LINCOLN MSA (not seasonally adjusted)

June Unemployment Rate: 3.3%

June Total Non-farm: 186,099

Manufacturing: 13,795

Largest OTM Increases:

Mining & Construction: 338 (4.2%)

Leisure and Hospitality: 311 (1.8%)

OMAHA MSA (not seasonally adjusted)

June Unemployment Rate: 4.1%

June Total Non-farm: 484,493

Manufacturing: 32,959

Largest OTM Increases:

Manufacturing: 617 (1.9%)

Leisure and Hospitality: 513 (1.1%)

NEBRASKA (not seasonally adjusted)

June Total Non-farm: 996,169

Manufacturing: 97,831

Nebraska (smoothed seasonally adjusted)

June Unemployment Rate: 3.5%

Change (OTM): -0.1%

Change (OTY): -0.5%

Economic Regions (not seasonally adjusted)

Central: 3.1% (+0.2 OTM)

Grand Island: 3.4% (+0.3 OTM)

Mid Plains: 3.4% (+0.3 OTM)

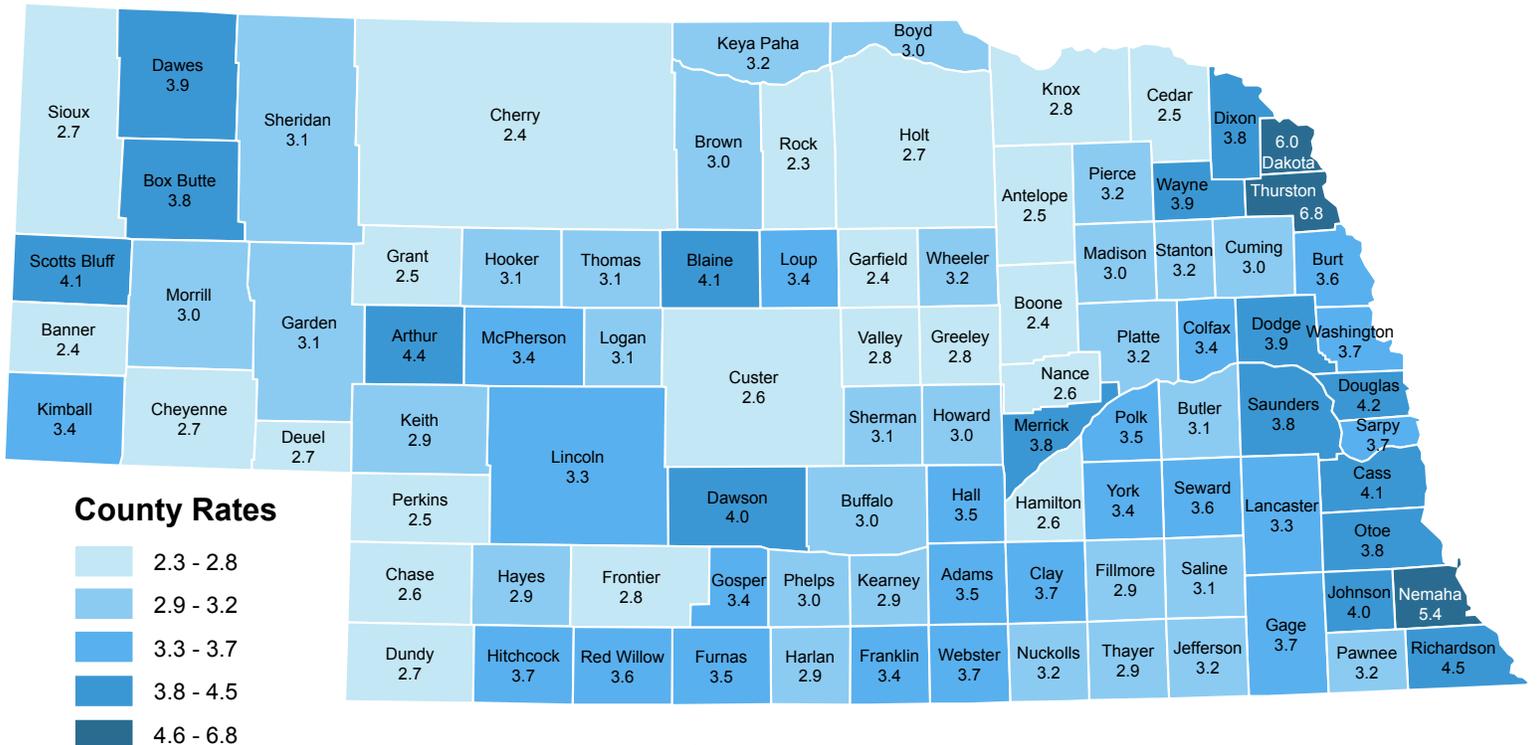
Northeast: 3.6% (+0.2 OTM)

Panhandle: 3.6% (+0.4 OTM)

Sandhills: 2.7% (+0.1 OTM)

Southeast: 3.6% (+0.3 OTM)

JUNE COUNTY UNEMPLOYMENT RATES



Sources:

1. Bureau of Labor Statistics Current Employment Statistics Program (CES)
2. Bureau of Labor Statistics Local Area Unemployment Statistics (LAUS)



OCCUPATIONAL PROFILE: HVAC TECHNICIANS

Ed Jaros, Research Analyst

Nebraskans experience a wide variety of weather each year. Sub-zero lows and triple-digit highs are facts of life, as are snow, tornadoes, flooding and crushing humidity. Thankfully, modern technology enables many Nebraskans to keep most of these things outside. Homes and workplaces are kept full of climate-controlled air, rendering temperature extremes an inconvenience rather than a threat. This comfort is made possible by heating, air conditioning, and refrigeration mechanics and installers (HVAC technicians).

HVAC technicians work on the various machines and systems that filter and control the air inside of buildings. They work in a huge variety of settings, from enormous warehouses to residential homes. The Bureau of Labor Statistics (BLS) highlights what this entails:

- Use blueprints or design specifications to install or repair HVAC systems
- Connect systems to fuel and water supply lines, air ducts, and other components
- Install electrical wiring and controls and test for proper operation
- Inspect and maintain customers' HVAC systems
- Test individual components to determine necessary repairs
- Repair or replace worn or defective parts
- Determine HVAC systems' energy use and make recommendations to improve efficiency
- Travel to worksites

The Occupational Employment Statistics (OES) program estimates that as of fourth quarter 2013, there were 1,550 HVAC technicians employed in Nebraska, earning a median wage of \$44,843 annually. The NDOL Projections program expects that by 2022, there will be over 2,300 HVAC technicians working in the state. During this period, turnover and growth are anticipated to generate about 85 openings per year in this occupation.

The BLS highlights the most common pathways into this profession stating: "Because HVAC systems are increasingly complex, employers generally prefer applicants with postsecondary education or those who have completed an apprenticeship. Some states and localities require technicians to be licensed.

A growing number of HVAC technicians receive postsecondary instruction from technical and trade schools or community colleges that offer programs in heating, air conditioning, and refrigeration. These programs generally last from 6 months to 2 years and lead to a certificate or an associate's degree."

Several Nebraska schools and training providers offer training and degrees/certificates relevant to this field. Information about these training programs can be found at <http://traininglink.dol.state.ne.us>. The BLS also makes mention that apprenticeships, 3-5 year mixtures of study and on-the-job learning with an experienced mentor, are also a way to get started as an HVAC technician.

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FAST FACTS: Crude Oil Production

Kermit Spade, Research Analyst



251,337,000

In the month of April 2014, the U.S. produced 251,337,000 barrels of crude oil. (1)

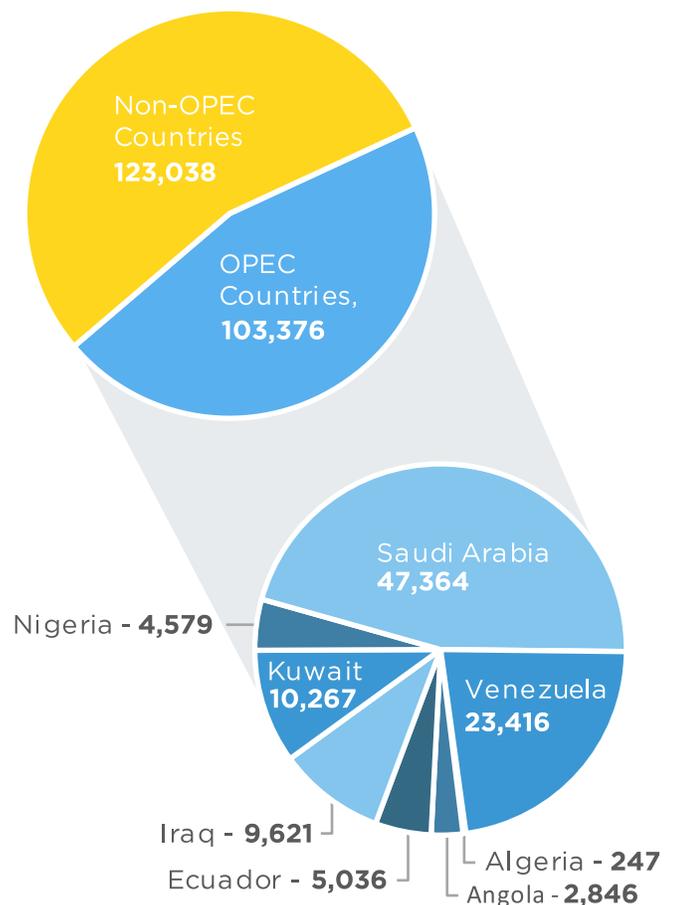
226,414,000

In the month of April 2014, the U.S. imported 226,414,000 barrels, 47.4 percent of its crude oil. (1)

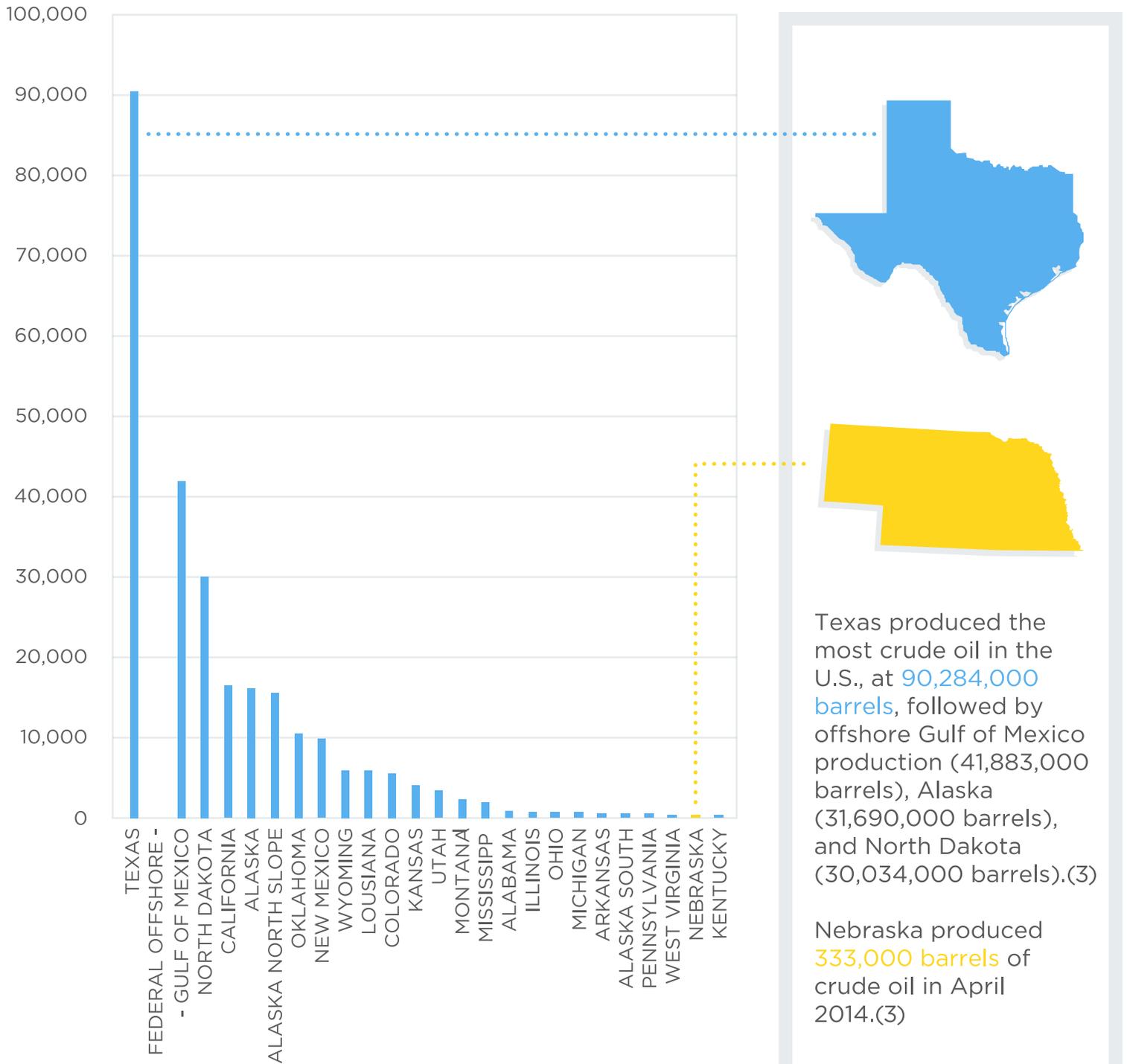
42 One barrel of crude oil is 42 gallons. (3)

OPEC (Organization of the Petroleum Exporting Countries) countries account for 45.7 percent of all crude oil imports to the U.S. and 21.6 percent of total consumption. Persian Gulf countries account for 29.7 percent of imports and 14.1 percent of total crude oil consumption. (1)

Canada accounts for 36.7 percent of all crude oil imports to the U.S. Saudi Arabia, Venezuela, Mexico and Kuwait round out the top 5 countries that import crude oil to the U.S. (1)



U.S. DOMESTIC CRUDE OIL PRODUCTION APRIL 2014 (THOUSANDS OF BARRELS)



Texas produced the most crude oil in the U.S., at **90,284,000 barrels**, followed by offshore Gulf of Mexico production (41,883,000 barrels), Alaska (31,690,000 barrels), and North Dakota (30,034,000 barrels).⁽³⁾

Nebraska produced **333,000 barrels** of crude oil in April 2014.⁽³⁾

Sources:

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MAP FACTS

Median Age by ZIP Code

Ed Jaros, Research Analyst

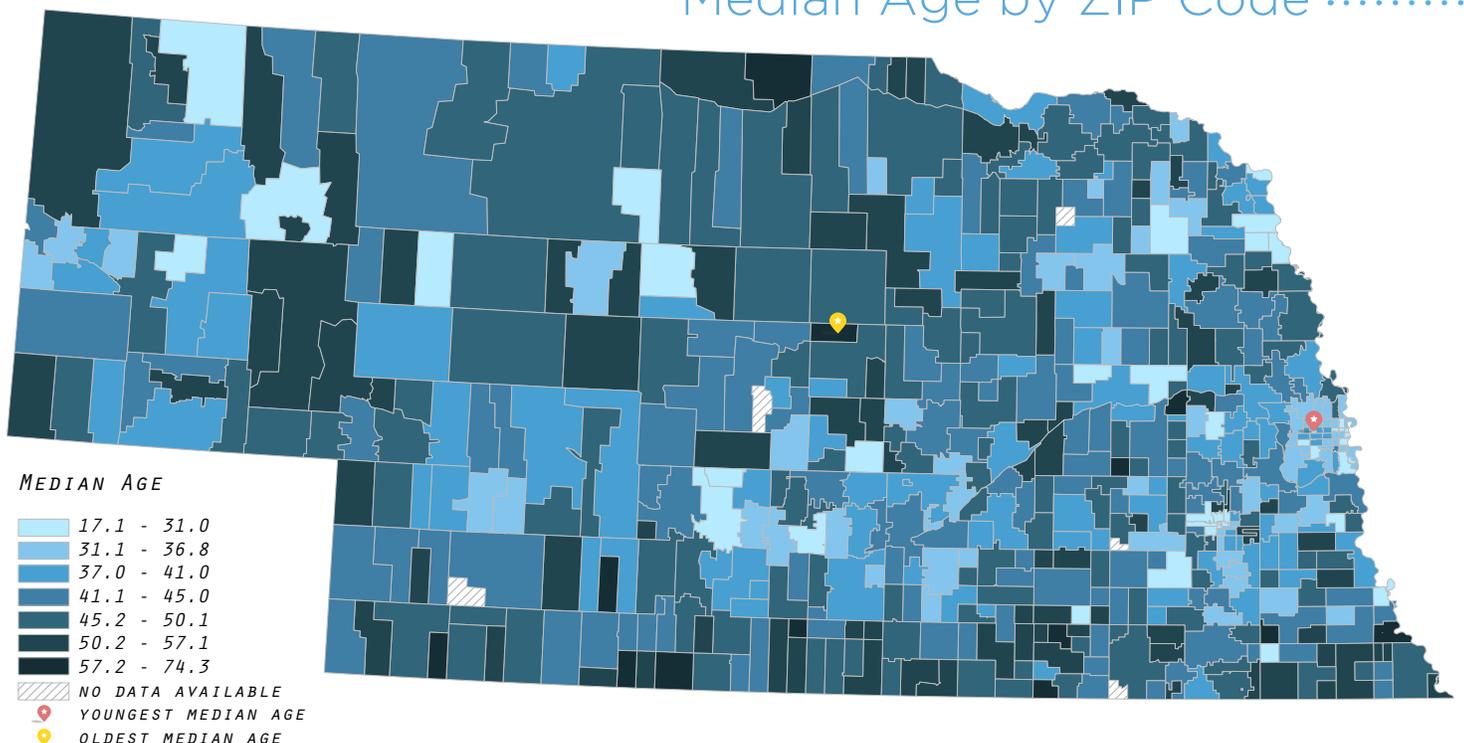
This is a map of Nebraska's ZIP code areas colored by the median age of the people living there. Age data comes from the 2012 American Community Survey 5-year estimates, which represent the years 2008-2012.

Since ZIP codes are smaller than counties, there are pockets of both very old and very young median ages throughout the state. The divide often clear between urban and rural areas is absent here. However, metropolitan areas tend to have fewer ZIP code areas with median ages above 45.

The oldest median age measured by the Census Bureau was in ZIP code 68837 which includes Elyria and the surrounding area to the west. The estimated median age for that area was 74.3 years, with a 90 percent confidence margin of error (MOE) of 16.1 years. Other notably older areas included 69037 near Max with a median age of 70.6 years (4.3 year MOE) and 69171 outside of Gothenburg with a median age of 67.3 (2.4 year MOE).

The youngest ZIP code, not surprisingly, was Boys Town (68010), with a median age of 17.1 years (0.4 year MOE). Other ZIP code areas with median ages under 20 years included 68178 (Creighton University Campus), 68071 (Winnebago Reservation east of Wayne), and 68849 (UNK campus in Kearney).

Median Age by ZIP Code



flash forward THE PROJECTIONS PROCESS

Jodie Meyer, Research Analyst

Occupational and industry employment projections are one of the most widely used data sets produced by the Nebraska Department of Labor. Identifying which industries and occupations are expected to have the largest amount of growth is beneficial to a wide variety of groups from students determining a college major or making career choices, career counselors assisting students and job-seekers, to businesses and educational program planners reviewing curriculum. Each state develops employment projections under a contract with the U.S. Department of Labor, Employment and Training Administration (DOL-ETA) as part of the Workforce Information Grant.

The two types of employment projections, industry and occupational, are produced for two different time frames. Short-term projections are calculated every year for a two-year time frame. The newest set is for 2013-2015. Long-term projections are calculated every other year in even numbered years and are for a ten-year time frame. The newest set is for 2012-2022. These data sets are calculated for each of Nebraska's nine economic regions and statewide. New this year is the addition of the Grand Island Metropolitan Statistical Area (MSA) and the Sandhills region. The statewide data sets were released at the end of June. Short-term industry projections data was also released for the regions at the end of June. Short-term occupational data and long-term data sets for the regions will be released in upcoming months.

Analysts utilize software created by the Projections Managing Partnership (PMP)

to aid in calculating projections. The PMP is comprised of a group of professionals from the U.S. DOL-ETA, the U.S. DOL Bureau of Labor Statistics, the National Association of State Workforce Agencies, and the State Projections Consortium.

The projections process starts with the industry projections. The first step is gathering time series data starting with Quarterly Census of Employment and Wages (QCEW) data. Employment is added to some data series to account for businesses that employ people who are not covered by state unemployment insurance laws. Employment such as railroads, private schools, and many types of agricultural work fall into this category. Some employment is also rearranged to combine private and public owned industries such as education and utilities into one category. Because of these changes made to how the totals are calculated, the data from the projections program is not directly comparable to the QCEW.

Employment time series data is then loaded into the software along with current economic indicators. Past trends are examined and knowledge of current trends in the economy is applied to project employment into the future. The software processes a variety of economic models and allows the analyst to adjust several settings in order to decide on a final projection. The basic process is the same for the short-term and long-term projections except a different model is used for each time frame that is best suited for the time frame. Another difference is that the national industry projections are needed in order to calculate some for the models

for the long-term. This is one reason why the state projections are released after the national data.

Industries are classified by the North American Industry Classification System (NAICS). The lowest level of detail that projections are produced for is the three-digit NAICS level or sub-sector. Industries at the three-digit level add up to the two-digit level called a sector. These sectors then further add up to super-sectors. There are 93 industries multiplied by ten geographies which equal 930 projections for each the short-term and the long-term! All of these calculations take quite a bit of time even with computer software doing much of the work. Analysts still need to decide which models appears to fit the industry the best.

The occupational projections rely more on the software, but there are still things that the analyst needs to review. Industry projections data is merged with staffing patterns from the Bureau of Labor Statistics' Occupational Employment (OES) program to create an industry-occupational matrix. This matrix shows the ratios of employment by occupation in a specific industry and is used to make projections for occupations based on these ratios. Analysts review these staffing patterns to make sure there are no anomalies that could cause strange blips in the projections data. In addition, sometimes there are no staffing patterns available for the state for some industries, so data needs to come from elsewhere.

Occupational projections are classified by the 2010 Standard Occupational Classification (SOC) system. The lowest level of publication detail is the six-digit detailed occupation level. These occupations are further grouped into minor groups, which are at the three-digit level. These minor groups add up to one of 23 major groups. For projections, only 22 major groups are included; projections for military-specific

occupations are not produced.

Where the industry projections produce a base and projected employment number, occupational projections produce a wider variety of figures. The numbers that are most often published are: base employment, projected employment, growth openings, replacement openings, total openings, numeric change, and percent change. The base employment represents the employment level during the base year (2012 or 2013). The projected employment is the total employment level expected at the end of the projection period, 2015 or 2022. The numeric change is the difference between the base and projected employment; the percent change is a reflection of this difference.

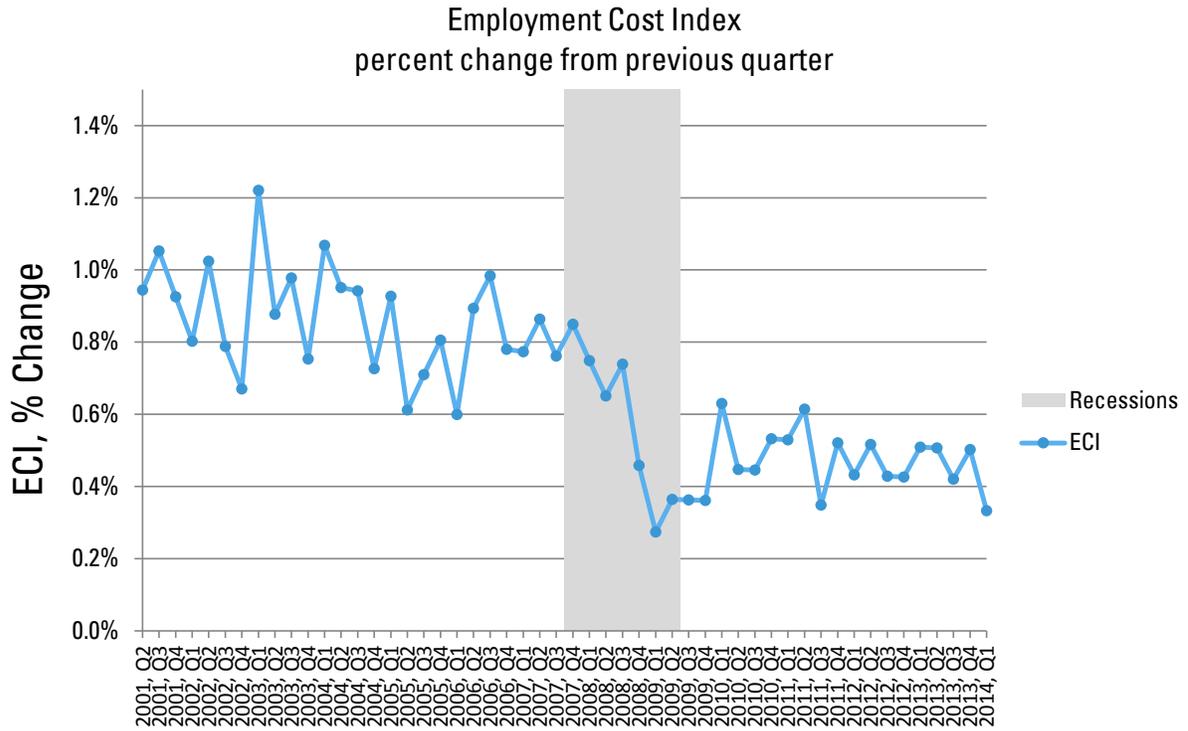
Growth and replacement openings help to paint a picture of the two major components of employment change. Growth openings refer to the number of jobs created by economic expansion. Replacement openings are created by people permanently leaving an occupation through death, retirement, disability, or by transfer to another occupation. The total number of openings comes from adding together growth and replacement openings and can vary from the numeric change.

Just as it takes time to calculate the new projections, full integration of the data into the NEworks website and providing updated products such as Career Ladder Posters and the Projections publication takes time. Projections data is first published on the NEworks website under the data download center and other resources are updated throughout the year.

Look for the new industry and occupational projections for the regions coming soon and for articles highlighting this new data in upcoming issues of Nebraska Workforce Trends.

ECONOMIC INDICATORS EMPLOYMENT COST INDEX

Kermit Spade, Research Analyst



In each new issue of Trends, the Economic Indicators section will feature a chart or graph focused on one of the economic indicators listed on the next page. This month, we'll be focusing on the Employment Cost Index.

The BLS Handbook of Methods defines ECI as “a measure of the change in the cost of labor, independent of the influence of employment shifts among occupations and industry categories. The total compensation series includes changes in wages and salaries and in employer costs for employee benefits. The ECI has been designated as a Principal Federal Economic Indicator by the Office of Management and Budget. The ECI is particularly important in studies of the relationships among prices, productivity, labor costs and employment. The index also is used to determine increases in Medicare payments to hospitals and doctors and as a labor cost escalator in long-term contracts.”

To learn more, visit: <http://www.bls.gov/opub/hom/pdf/homch8.pdf>

Metric	Current Time	Change Over Last Quarter/Month		
		United States	Midwest Region	Nebraska
Real GDP, billions of chained 2009 dollars	1st Quarter, 2014	-1.0%	-	-
Effective Federal Funds Rate	June, 2014	+0.01%	-	-
Balance on the US Current Account, in	1st Quarter, 2014	+27.3%	-	-
Barrel of Crude Oil, WTI-Cushing, Spot Price	June, 2014	+\$3.61	-	-
Employment Cost Index	1st Quarter, 2014	+0.3%	-	-
Producer Price Index: All Commodities	June, 2014	+0.1%	-	-
Average Weekly Manufacturing Hours	June, 2014	-0.1	-	+0.6
House Price Index	1st Quarter, 2014	+0.6%	0.0%	-0.1%
Consumer Price Index, not seasonally	June, 2014	+0.2%	+0.5%	-
Unemployment Rate, seasonally adjusted	June, 2014	-0.2%	-0.1%	-0.1%
New Private Housing Units Authorized by	June, 2014	-4.2%	+6.6%	-8.2%*
Net Taxable Sales	April, 2014	-	-	-3.4%
Money Stock, M2	June, 2014	+0.4%	-	-
University of Michigan, Consumer	June, 2014	+0.7%	-	-

* Data is lagged one month.

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Kermit Spade
Research Analyst

OMAHA

OPENINGS	TYPE OF BUSINESS	JOB #	SOURCE OF INFO
Gentleman's Tuxedos	Formal men's wear	2	Omaha Chamber of Commerce
Premier Bank	Bank	15	OCC
Tidy Dry Cleaners	Dry cleaners	10	OCC
Muscle Maker Grill	Restaurant	8	OCC
Casey's General Store-Blair	Gas station	3	OCC
Blair Rent-it Center	Rental center	3	OCC
Reverb	Concert venue	3	OCC
Jimmy John's	Restaurant	10	OCC
Microsoft Specialty	Technology retail store	8	OCC
US Dept. of Vets Affairs	Outpatient clinic	5	OCC
Omaha Advertising	Advertising agency	3	OCC
Go Kids' Gym	Indoor play center	10	OCC
Hy-Vee Market Café	Restaurant & bar	30	OCC
3E	Electrical supply & equip.	2	OCC
EP Minerals	Mineral processing plant	5	OCC
Smallcakes of Omaha	Cupcake bakery	3	OCC
Spin! Neapolitan Pizza	Restaurant	10	OCC
MULA Mexican Kitchen	Restaurant	10	OCC
Hy-Vee Gas	Convenience store & gas	10	OCC
i9 Sports	Youth sports league	20	OCC
Which Wich Superior Sandw.	Restaurant	10	OCC
Hudl	Sports video editing	5	OCC
Residence Inn-Elkhorn	Hotel	10	Omaha World Herald
M Mabello Beauty Resort	Beauty shop & spa	5	Strictly Business Magazine
ISkate- Rockbrook	Ice skating supplies	3	SBM
Miss Chievious Boutique –Fremont	Boutique	3	Fremont Tribune
Creighton Championship Ctr.	Sports facility	10	OWH
St. Andrew's Pub	Sports bar	5	OWH
The Wire	Apartments	1	OWH
Marriott Hotel	Hotel	20	OWH
Sky Zone	Indoor trampoline park	60	OWH

OMAHA

EXPANSIONS	TYPE OF BUSINESS	JOB #	SOURCE OF INFO
Bench	Moving to warehouse space	5	OCC
Garbo's Salon	Adding 12 stations	12	OCC
Lanoha Developm.	Purchased old Millard Lumber	0	OCC
RBC Wealth Mgmt.	Relocating headquarters	0	OCC
Omaha HD Zoo	Outdoor grassland area	0	OCC
Immanuel Systems	New headquarters	0	OCC
Pacific Life Ins.	Moving headquarters	0	OCC
Dino's Storage	Moving headquarters	0	OCC
CenturyLink	Hiring customer Ser.reps.	150	OCC
AGCO Corp.	Buying Intersystems inc.	250	OWH
Metropolitan CC	Adding 3 trades & tech bldgs.	0	OWH
Sitel	Expanding global satellite TV	200	OWH
Five Stones	Mom's fitness studio	0	SBM
QuikTrip	Added food service counter	5	OWH
All Makes Office Equip.	Redesigned showroom	0	OWH
Green Plains Inc.	Expanded space	0	OWH

924 Jobs in the Omaha area

Southeast

Auburn

- A-1 Cellular

Nebraska City

- Hidden Jem's Antique Mall
- Fort Tuff and Moser's U-Save

York

- LaSalsa's Restaurant
- Prim & Proper
- Holiday Inn Express * Suites
- Locked and Loaded

Mid-Plains

North Platte

- Candy's Cupcakery - expansion

Central

Hastings

- Russ's IGA
- Perkins

Panhandle

Scottsbluff

- Bluffs Buffet

Northeast

Norfolk

- Retreat Salon and Spa
- Meridian Clinical Research
- CRS Mechanical

Columbus

- Brookstone Acres
- Hobby Lobby - Spring 2015

NEBRASKA WORKFORCE TRENDS

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