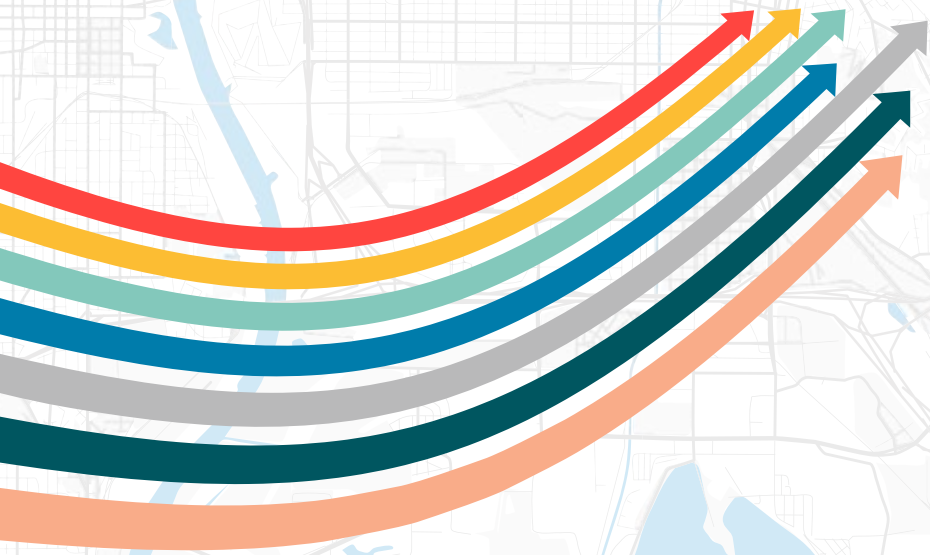




3

**ECONOMIC
INDICATORS**



2. ECONOMIC INDICATORS

Overview

Economic development is an important element in community planning. It is a tool used to foster job creation, increase wages, and expand the local tax base. This chapter examines the data and conditions useful in assessing the MAPA region's economy. Factors discussed in this chapter include labor force characteristics, employment, wages and income, poverty, and cost of living.

Labor Force

Labor force is defined as the population of persons employed and those looking for and available to work. The MAPA region's average labor force total in 2019 was 477,843, an increase of 4.0 percent since 2015. Table 3.1 summarizes the MAPA region's labor force based on 2019 data from the U.S. Bureau of Labor Statistics.



Table 3.1: MAPA Region Labor Force Summary
(2019 Annual Averages)

Jurisdiction	Labor Force	# Employed	# Unemployed	Unemployment Rate
Cass	13,570	13,117	453	3.3%
Douglas	299,587	289,816	9,771	3.3%
Sarpy	96,599	93,801	2,798	2.9%
Washington	11,279	10,950	329	2.9%
Mills	7,509	7,334	175	2.3%
Pottawattamie	49,299	48,101	1,198	2.4%
MAPA Region	477,843	463,119	14,724	3.1%

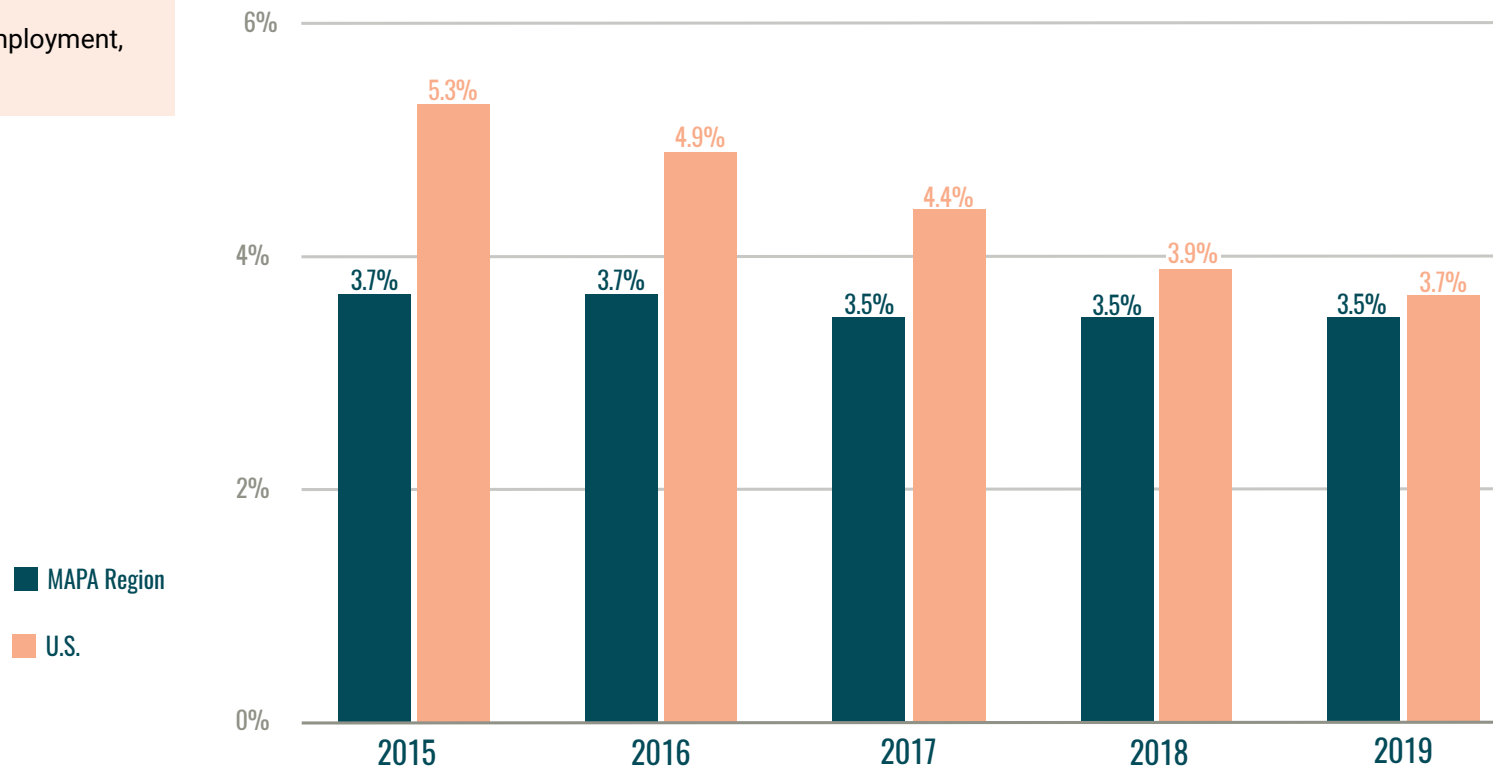
Source: U.S. Bureau of Labor Statistics



Historically, the MAPA region has maintained an unemployment rate below the national average. Even in the years following the economic recession that began in 2008, unemployment in the Omaha-Council Bluffs area was at times half that of the U.S. Jobs were shed during the recession years but overall, the MAPA region's economy has demonstrated resilience and an ability to weather economic turmoil relatively well.

The average unemployment rate in the MAPA region in 2019 was 3.1 percent – mainstream economists have identified 4.0 percent as an acceptable rate of unemployment generally. Four of the region's six counties had rates below 3.0 percent; Cass and Douglas Counties each had a rate of 3.3 percent. Figure 3.1 compares the MAPA region's average annual unemployment rate to the U.S. over a five-year period.

Figure 3.1: Five-Year Unemployment, 2015 to 2019

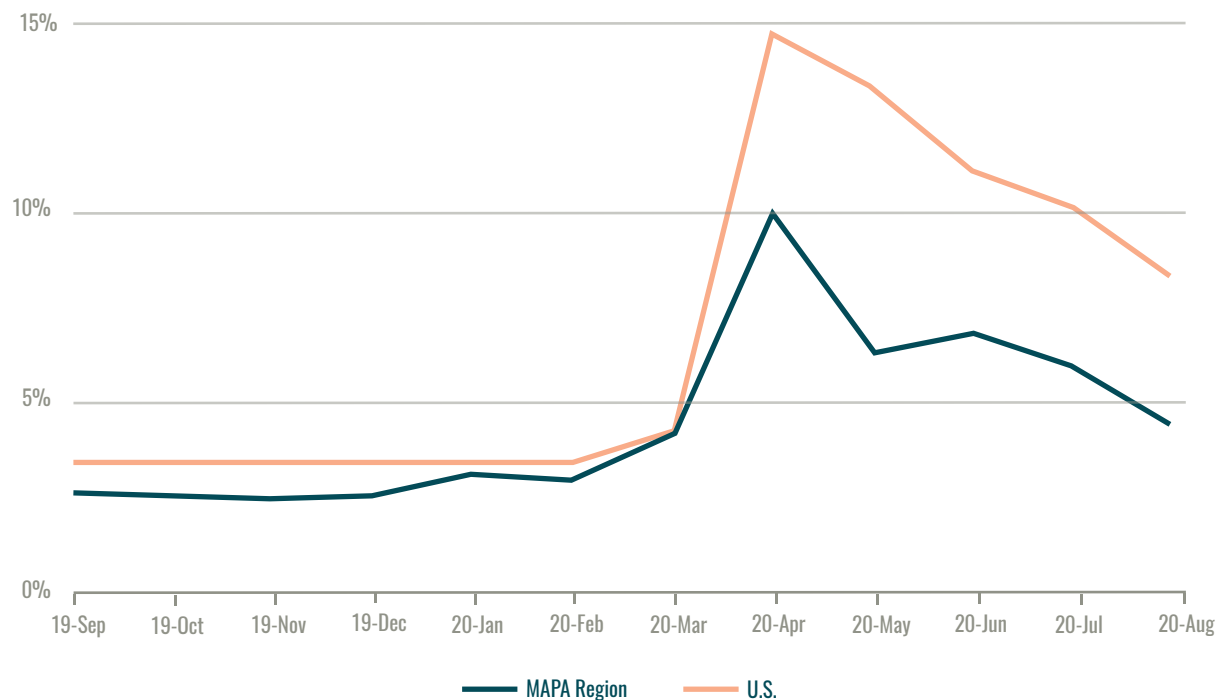


Although low unemployment is generally what state and local governments strive to achieve, there are some adverse consequences to employers and long-term economic growth, the most significant of which is a labor shortage. Companies that are growing in regions with low unemployment have difficulty finding new employees to fill jobs, even jobs that offer higher wages and benefits. This challenges local governments and economic developers in their ability to invite business expansion and attraction.

Despite resilience in previous economic downturns, the ongoing COVID-19 pandemic has not spared the MAPA region from hardship

experienced similarly across the U.S. COVID-19 has resulted in the unemployment or furlough of thousands in the MAPA region. In April 2020, one month after the implementation of government-issued restrictions and temporary business closures, unemployment spiked to slightly more than 10 percent in the six-county region. Although monthly unemployment has not been as severe as that recorded nationally, the MAPA region has experienced joblessness at a rate that is unprecedented to local governments. Figure 3.2 compares the region’s monthly unemployment with the U.S. over a 12-month period that data is available.

Figure 3.2: 12-Month Unemployment, September 2019 to August 2020



COVID-19 has increased unemployment to record levels as shut-downs and social distancing have impacted the economy. It is unclear currently how long-lasting the effects of the current recession will be on the MAPA region's economy. Many people experiencing unemployment struggle to pay for crucial needs like rent and utilities, causing ripple effects through the economy.

Employment

The economy of the MAPA region is very diversified, thanks largely to regional assets that include centralized location, availability and cost of energy, high labor force participation, and affordable cost of living. Much of the labor activity and production output in the MAPA region can be associated with the following industry clusters.

Omaha is the corporate headquarters to four companies listed on the Fortune 500, which is an annual list compiled by Fortune magazine that ranks the nation's largest 500 corporations by total revenue. Omaha's Fortune 500 companies include Berkshire Hathaway, Mutual of Omaha, Peter Kiewit Sons', and Union Pacific. Four corporations listed on the Fortune 1000 are headquartered or maintain significant operations in Omaha – these include Green Plains, TD Ameritrade, Valmont Industries, and Werner Enterprises.

The industry clusters referenced are frequent among the major employers of the Omaha-Council Bluffs region. Table 3.2 lists these major employers with a workforce of at least 1,000 employees. The majority of major employers in the MAPA region are based in Omaha or urban Pottawattamie and Sarpy Counties. Figure 3.3 illustrates the county-to-county commuter flows for the MAPA region. Douglas County represents the largest share of jobs in the region and has the largest in-flows of commuters on a daily basis.



Agribusiness	Located in two Midwestern states, the Omaha-Council Bluffs region is a significant agriculture and value-added agriculture hub. Agribusiness companies located in the MAPA region include Cargill, ConAgra Brands, Gaviola, Kellogg's, Novozymes, Omaha Steaks, Scoular, Syngenta, Tyson, and Valmont Industries among others.
Finance and Insurance	Four of the region's top 10 major employers are anchored in the finance and insurance industry. According to the U.S. Bureau of Economic Analysis, the finance and insurance industry represented 14 percent (\$8.8 billion) of the Omaha-Council Bluffs region's Gross Domestic Product (GDP) output in 2018.
Health Care	CHI Health, Nebraska Medicine, and Methodist Health System each employ at least 5,000 workers in the region. The University of Nebraska Medical Center (UNMC) in Omaha is Nebraska's public medical and research university – UNMC and its teaching hospital partner Nebraska Medicine have an annual economic impact of \$4.5 billion on Nebraska according to an independent study.
Logistics	Major U.S. markets that can be reached in a day's drive from the MAPA region include Chicago, Denver, Kansas City, Minneapolis, and St. Louis. Other markets on both U.S. coasts and Canada and Mexico can be reached in two to three days via interstate and rail. The region's centralized location is advantageous to transportation and distribution firms like Union Pacific and Werner Global Logistics, both headquartered in Omaha.
National Defense	Offutt Air Force Base, which is the largest employer in the Omaha-Council Bluffs region, houses U.S. Strategic Command (STRATCOM) and the 55th Wing of the U.S. Air Force. The military presence in the region has attracted defense contractors such as Northrop Grumman and Lockheed Martin. There are approximately 8,000 military and civilian personnel working at Offutt and roughly 4,400 secondary jobs attributed to the base's operation according to the Greater Omaha Chamber.



Table 3.2: Omaha-Council Bluffs Major Employers in 2020

Company	Number of Employees	Industry
Offutt Air Force Base	5,000 and over	Public Administration
CHI	5,000 and over	Health Care and Social Assistance
Nebraska Medicine	5,000 and over	Health Care and Social Assistance
Methodist Health System	5,000 and over	Health Care and Social Assistance
Fiserv	2,500 to 4,999	Information
Union Pacific Railroad	2,500 to 4,999	Transportation and Warehousing
First National Bank	2,500 to 4,999	Finance and Insurance
TD Ameritrade	1,000 to 2,499	Finance and Insurance
PayPal	1,000 to 2,499	Finance and Insurance
Creighton University	1,000 to 2,499	Educational Services
Boys Town	1,000 to 2,499	Health Care and Social Assistance
Blue Cross and Blue Shield of Nebraska	1,000 to 2,499	Finance and Insurance
Horseshoe Casino Council Bluffs	1,000 to 2,499	Arts, Entertainment, and Recreation
Valmont Industries	1,000 to 2,499	Manufacturing
Harrah's Council Bluffs Casino	1,000 to 2,499	Arts, Entertainment, and Recreation



Children's Hospital	1,000 to 2,499	Health Care and Social Assistance
WholeStone Farms	1,000 to 2,499	Manufacturing
Kiewit Corp.	1,000 to 2,499	Construction
Baxter Auto Group	1,000 to 2,499	Retail Trade
Ameristar Casino Hotel	1,000 to 2,499	Arts, Entertainment, and Recreation
CSG International	1,000 to 2,499	Information
ConAgra	1,000 to 2,499	Manufacturing
Omaha Steaks	1,000 to 2,499	Retail Trade
Nebraska Furniture Mart	1,000 to 2,499	Retail Trade
Physicians Mutual Insurance Co.	1,000 to 2,499	Finance and Insurance
Werner Enterprises Inc.	1,000 to 2,499	Transportation and Warehousing
Intrado	1,000 to 2,499	Administrative and Support
Bank of the West	1,000 to 2,499	Finance and Insurance
Lozier Corp.	1,000 to 2,499	Wholesale Trade
Lincoln Financial Group	1,000 to 2,499	Finance and Insurance
Cox Communications	1,000 to 2,499	Information
HDR, Inc.	1,000 to 2,499	Professional, Scientific, and Technical Services
Nebraska Beef	1,000 to 2,499	Retail Trade

Source: Greater Omaha Chamber



Figure 3.3: County-to-County Commuting Flows, Omaha-Council Bluffs MSA

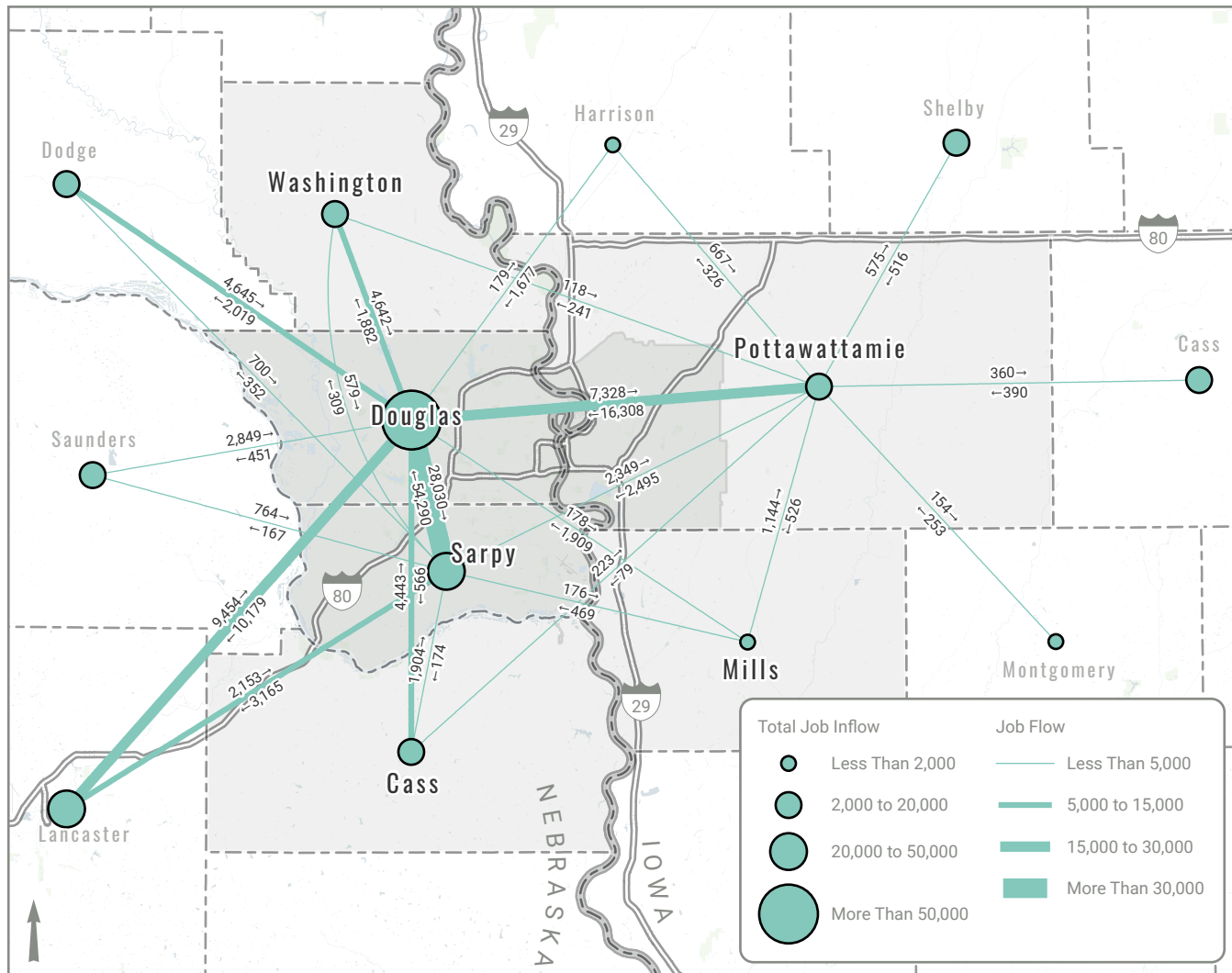


Table 3.3: Employment by Industry (Ages 16+)

Industry	MAPA Region	% of Employed Population (MAPA Region)	% of Employed Population (U.S.)
Agriculture, forestry, fishing, and mining	5,105	1.1%	1.8%
Construction	32,429	7.0%	6.5%
Manufacturing	37,663	8.2%	10.2%
Wholesale trade	12,791	2.8%	2.6%
Retail trade	53,911	11.7%	11.3%
Transportation and warehousing, and utilities	27,001	5.9%	5.2%
Information	10,104	2.2%	2.1%
Finance and insurance, and real estate and rental and leasing	46,102	10.0%	6.6%
Professional, scientific, and management, and administrative and waste management services	51,906	11.3%	11.4%
Education services, and health care and social assistance	110,228	23.9%	23.1%
Arts, entertainment, and recreation, and accommodation and food services	37,681	8.2%	9.7%
Other services, except public administration	19,443	4.2%	4.9%
Public Administration	16,749	3.6%	4.6%
Total Employed Population	461,113	100.0%	100%

Source: U.S. Census Bureau, 2018 ACS 5-Year Estimates



The distribution of employed workers by industry in the MAPA region is similar generally to the employed population of the U.S. The MAPA region has a higher concentration of its employment in financial activities, 10.0 percent compared to 6.6 percent in the U.S. This is offset by a relatively smaller share of total employment in manufacturing (8.2% vs. 10.2%) and public administration (3.6% vs.

4.6%). Overall, the largest percentage of employment in the region is in education, health care, and social assistance at 23 percent. The figures shown in Table 3.3 reaffirm what was noted in previous pages – much of the region’s employment is centered in education, health care, and finance.

Underemployment and Labor Availability

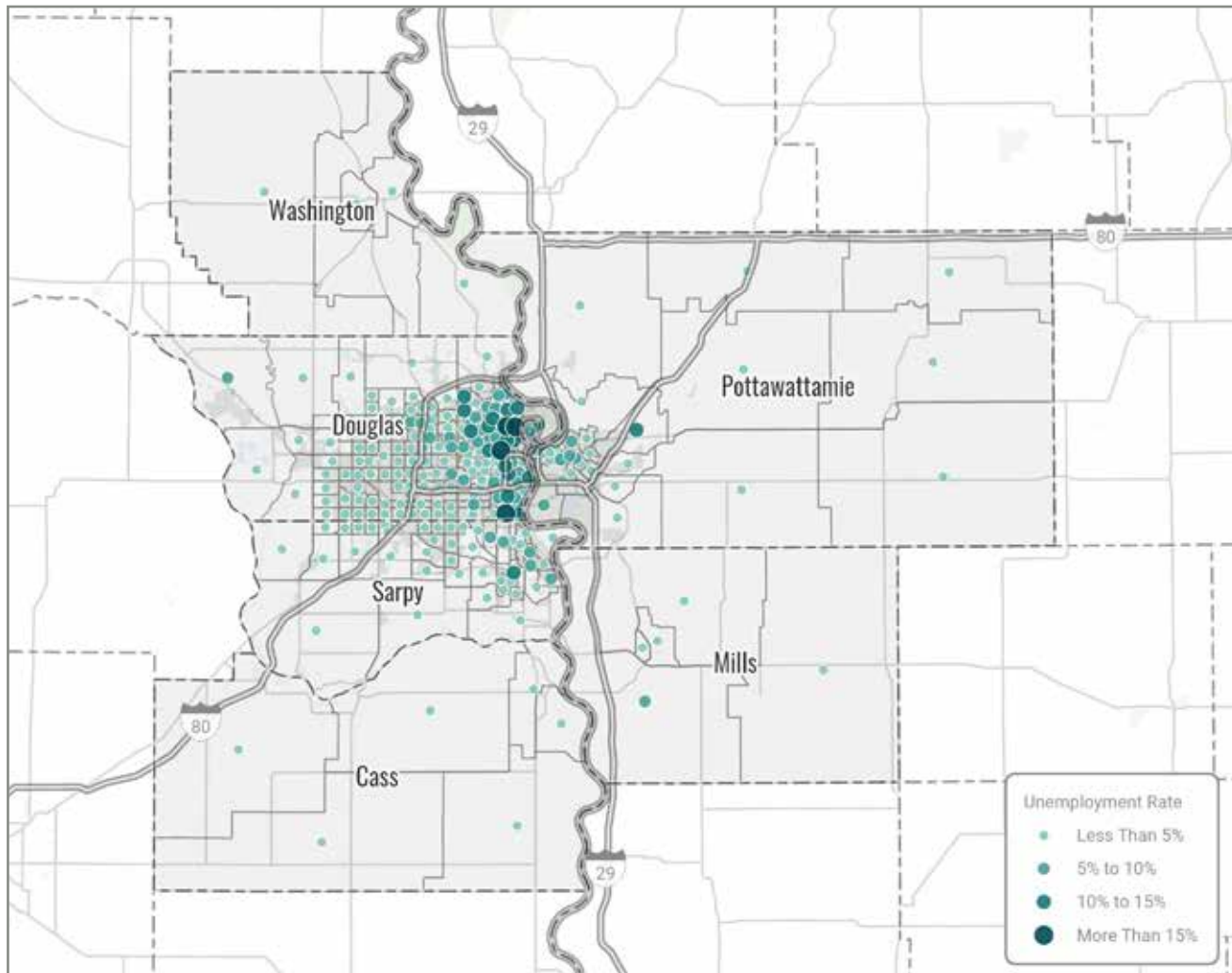
Low unemployment has been a positive attribute mostly of the MAPA region, but the prevalence of underemployment has been prominent. Many people either lack the skills for higher-paying jobs, or have the skills or degree necessary but cannot find a job within their desired career path. The Prosper 2.0 initiative by the Greater Omaha Chamber of Commerce has made underemployment a key priority in business development within the region. Prioritized initiatives to alleviate the existence of underemployment include skills training, continuing education, and recruitment of new businesses to the region.

Challenges to finding employment are very common in certain areas of the region even during periods of economic growth, most notably North Omaha, South Omaha, and in an area west of down-

town Council Bluffs. While the region’s unemployment is normally low and stable, particular census tracts have rates of unemployment more than 20 percent. Figure 3.4 illustrates the distribution of unemployment in the urbanized portion of MAPA region in December of 2019. Certain socioeconomic hurdles exist for persons living in these neighborhoods, many of which do not have reliable transportation to commute to work, or cannot find employment opportunities within the existing transit service area. These barriers have been identified in numerous planning efforts, including MAPA’s **Fair Housing Equity Assessment**, the **Equitable Growth Profile**, and the regional **Affirmatively Furthering Fair Housing** efforts among the cities of Omaha, Bellevue, and Council Bluffs.

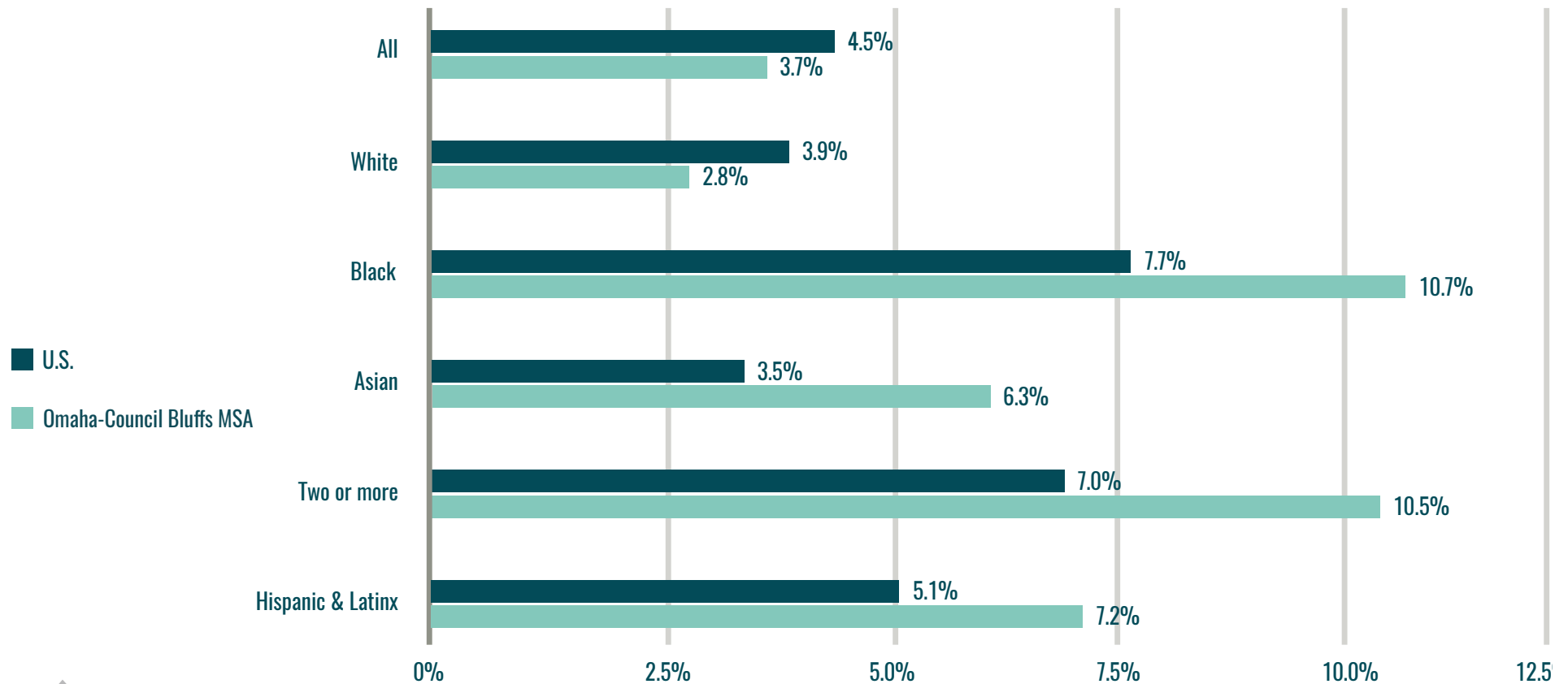


Figure 3.4: Distribution of Unemployment in the MAPA Region



Racial inequities in employment persist when looking at unemployment by race and ethnicity. Total unemployment and unemployment among Whites in the Omaha-Council Bluffs metropolitan area are below the national average. However, unemployment for every minority group in the region is higher than the U.S., especially among Blacks (Figure 3.5).

Figure 3.5: Unemployment Rate by Race/Ethnicity, Omaha-Council Bluffs MSA (2019)



Jobs and Wages

According to the Bureau of Labor Statistics, the total number of jobs in the MAPA region has increased gradually from more than 456,000 in 2015 to more than 472,000 in 2019, a five-year increase of 3.4 percent. By comparison, the number of jobs in the U.S. increased by 6.4 percent in the same period. The average annual wage per job in the MAPA region in 2019 was \$47,029, an impressive increase of

9.1 percent since 2015. The region's wages have been behind generally those in the U.S. In 2019, the average annual wage in the MAPA region was 79 percent of the U.S. This is balanced somewhat by a higher purchasing power due to a relatively low cost of living. Table 3.4 provides an overview of jobs and wages in the MAPA region and by county.

Table 3.4: Jobs and Wages by Jurisdiction, 2019

Jurisdiction	2019 Jobs	5-Year % Change	2019 Average Annual Wage	5-Year % Change	Average Annual Wage as % of U.S. in 2019
Cass	5,811	6.2%	\$39,518	13.0%	66.7%
Douglas	341,762	2.9%	\$54,281	10.6%	91.7%
Sarpy	73,183	7.9%	\$48,742	14.9%	82.3%
Washington	7,720	-5.5%	\$51,255	-2.2%	86.6%
Mills	3,593	-6.7%	\$44,389	8.0%	75.0%
Pottawattamie	40,229	2.8%	\$43,989	13.7%	74.3%
MAPA Region	472,298	3.4%	\$47,029	9.1%	79.4%

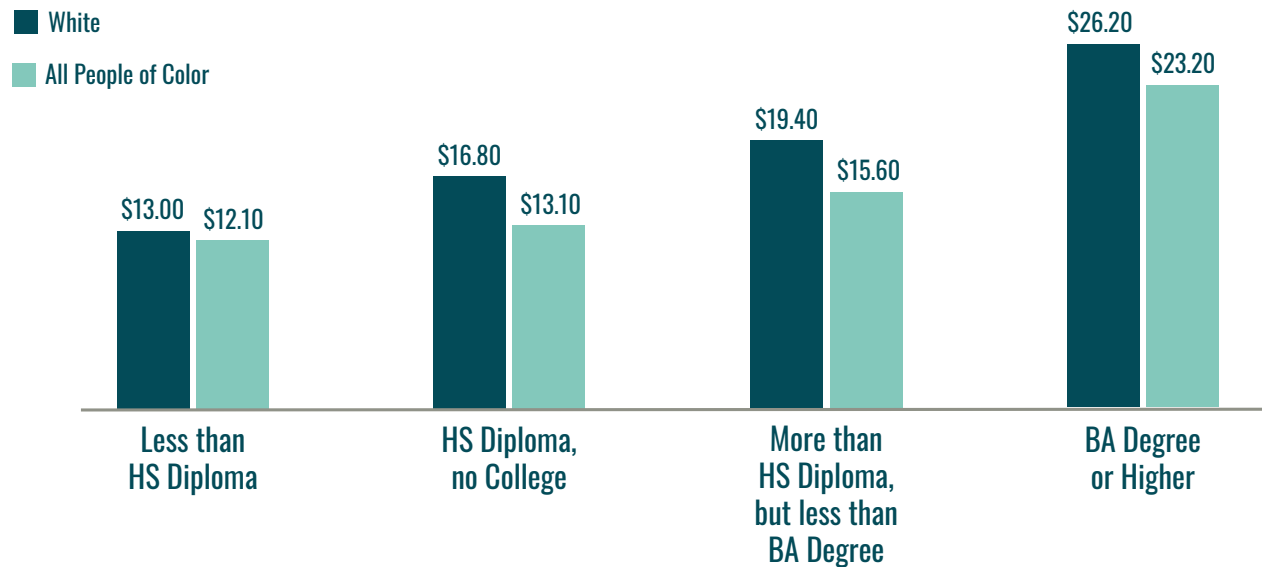
Source: U.S. Bureau of Labor Statistics



For the typical worker in the Omaha-Council Bluffs region – the one right in the middle of the wage distribution – wages have been stagnant (at \$19.90/hour) since 2000 according to an equity analysis conducted by PolicyLink in 2015 on behalf the Heartland 2050 Equity and Engagement Committee. Looking at wage growth by race, the analysis found that wages were stagnant for White workers (median wage of \$20.50/hour), and increased just barely for Black workers (from \$16.30 to \$16.70/hour), while wages decreased for Latino workers (from \$15.00 to \$13.80/hour), and increased substantially for Asian or Pacific Islander workers (from \$18.50 to \$21.20/hour).

The PolicyLink analysis also concluded that racial gaps remain even among workers with similar education levels. People of color with a bachelor’s degree or higher earn \$3.00 less per hour than their White counterparts, which adds up to about \$6,000 less per year. The fact that racial economic gaps remain even after controlling for education reveals the persistence of racial barriers to economic opportunity – including forms of exclusion that are embedded into institutions and systems.

Median Hourly Wage by Educational Attainment and Race/Ethnicity, 2015



Source: IPUMS Universe includes civilian non-institutional full-time wage and salary workers ages 25 through 64.



Future Employment Growth

By 2050, the MAPA region is expected to have more than 603,000 total jobs. This represents an increase of more than 43 percent, which is lower slightly than the total anticipated population growth. It is likely the majority of these jobs will be in Douglas County, although it is also probable Sarpy County will gain an increasing

share as it continues to grow during the next 25 years. The total employment in Sarpy County is forecasted to grow by more than 129 percent, from greater than 60,000 jobs in 2010 to close to 151,031 in 2050.

Personal Income

Per capita income is a common indicator used typically by local governments to measure the economic well-being of its population. Per capita income consists of the sum of amounts reported separately for wages or salary income, interest, dividends, social security and retirement income, Supplemental Security Income (SSI), public assistance or welfare payments, and other income types. Per capita income is tracked by the Census Bureau.

As of 2018, the per capita income of the MAPA region is \$33,550, which is 102 percent of the U.S. No single county in the MAPA region has a per capita income below 80 percent the U.S. (Table 3.5), which is an eligibility criteria for certain EDA grant programs. However, similar to unemployment, there are specific census tracts in the MAPA region – concentrated in parts of Omaha and Council Bluffs – whose residents have much lower per capita income than county, state, and national averages (Figure 3.6).



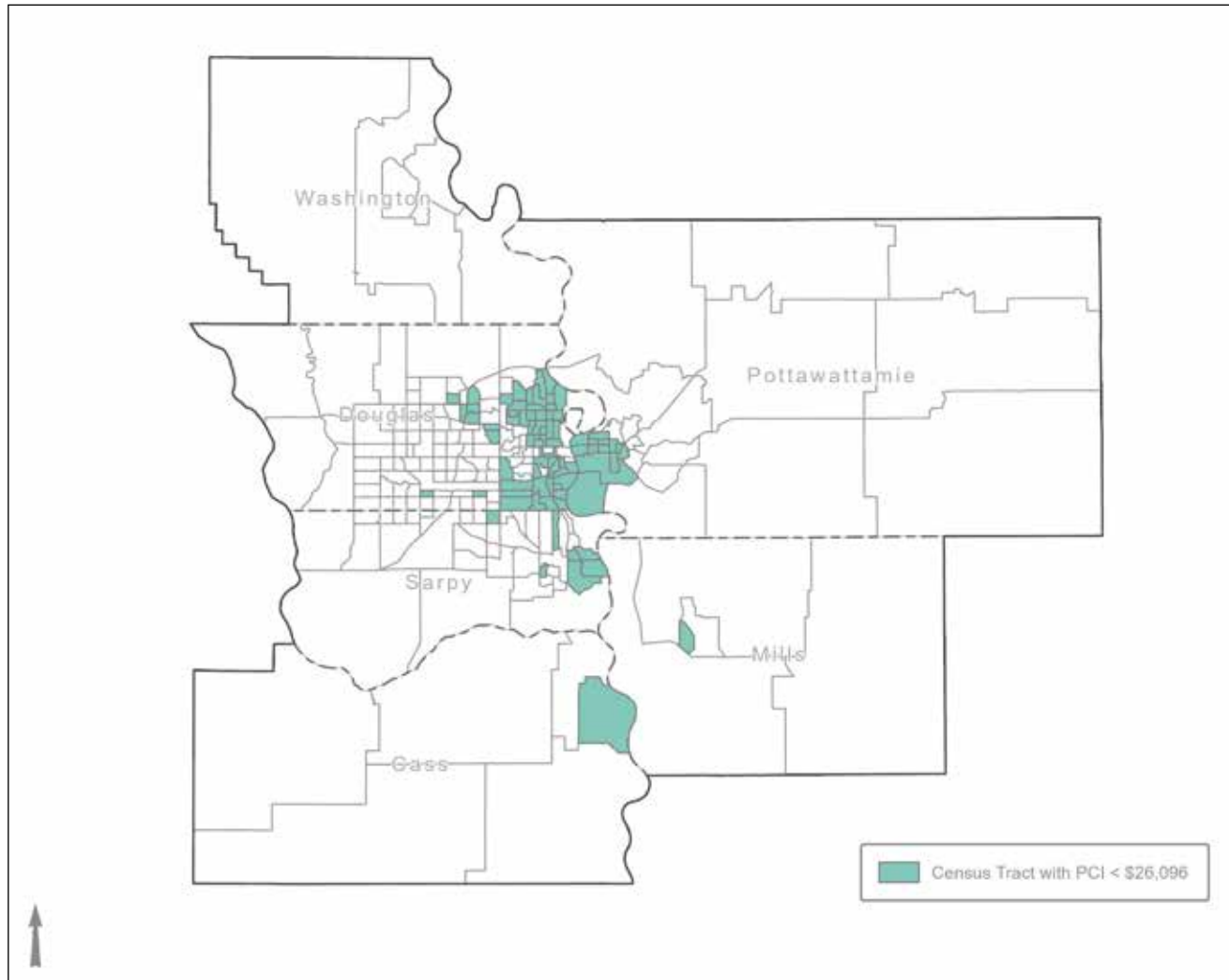
Table 3.5: Per Capita Income by Jurisdiction

Jurisdiction	2018 PCI	% of U.S.
Cass	\$33,178	101.7%
Douglas	\$33,734	103.4%
Sarpy	\$34,928	107.1%
Washington	\$34,178	104.8%
Mills	\$32,867	100.8%
Pottawattamie	\$29,729	91.1%
MAPA Region	\$33,550	102.8%
U.S.	\$32,633	100.0%

Source: U.S. Census Bureau, 2018 ACS 5-Year Estimates



Figure 3.6: Per Capita Income by Census Tract in the MAPA Region



A different and more comprehensive indicator of economic well-being is per capita personal income, which is derived from the income received by persons from all sources. This measure of income is calculated as the personal income of the residents of a given area divided by the area's total population. Per capita personal income

is tracked by U.S. Bureau of Economic Analysis. The MAPA region's per capita personal income between 2008 and 2018 did grow by a combined 33 percent, but its percent of the national rate declined marginally by 1.4 percent (Table 3.6).

Table 3.6: Per Capita Personal Income by Jurisdiction, 2008 and 2018

Jurisdiction	2008 PCPI	% of U.S. (2008)	2018 PCPI	% of U.S. (2018)	% Change (2008-2018)
Cass	\$38,722	94.7%	\$53,602	98.4%	38.4%
Douglas	\$47,907	117.1%	\$63,435	116.5%	32.4%
Sarpy	\$40,273	98.5%	\$50,333	92.4%	25.0%
Washington	\$41,798	102.2%	\$56,640	104.0%	35.5%
Mills	\$44,159	108.0%	\$56,647	104.0%	28.3%
Pottawattamie	\$34,766	85.0%	\$45,604	83.8%	31.2%
MAPA Region	\$41,271	100.8%	\$54,377	99.4%	31.8%
U.S.	\$40,946	100.0%	\$54,685	100.0%	33.6%

Source: U.S. Bureau of Economic Analysis



Household Income

Household income is a measure of the combined incomes of all people sharing a particular household or place of residence. It includes every form of income (e.g. salaries and wages, retirement income, investment gains, etc.), and it is another metric that can be referenced to assess economic welfare. Although there was a slight

decline between 2000 and 2018, the region's median household income was still 12 percentage points above the U.S. in 2018. Similar to personal income, Pottawattamie County's household income is below the U.S. and MAPA region.

Table 3.7: Median Household Income by Jurisdiction, 2000 and 2018

Jurisdiction	2000 MHI	% of U.S. (2000)	2018 MHI	% of U.S. (2018)	% Change (2000-2018)
Cass	\$48,981	116.6%	\$75,177	121.4%	53.5%
Douglas	\$47,522	113.2%	\$64,580	104.3%	35.9%
Sarpy	\$56,704	135.0%	\$79,358	128.1%	40.0%
Washington	\$50,686	120.7%	\$77,838	125.7%	53.6%
Mills	\$42,625	101.5%	\$64,271	103.8%	50.8%
Pottawattamie	\$40,722	97.0%	\$56,337	91.0%	38.3%
MAPA Region	\$47,873	114.2%	\$69,594	112.4%	45.4%
U.S.	\$41,918	100.0%	\$61,909	100.0%	47.7%

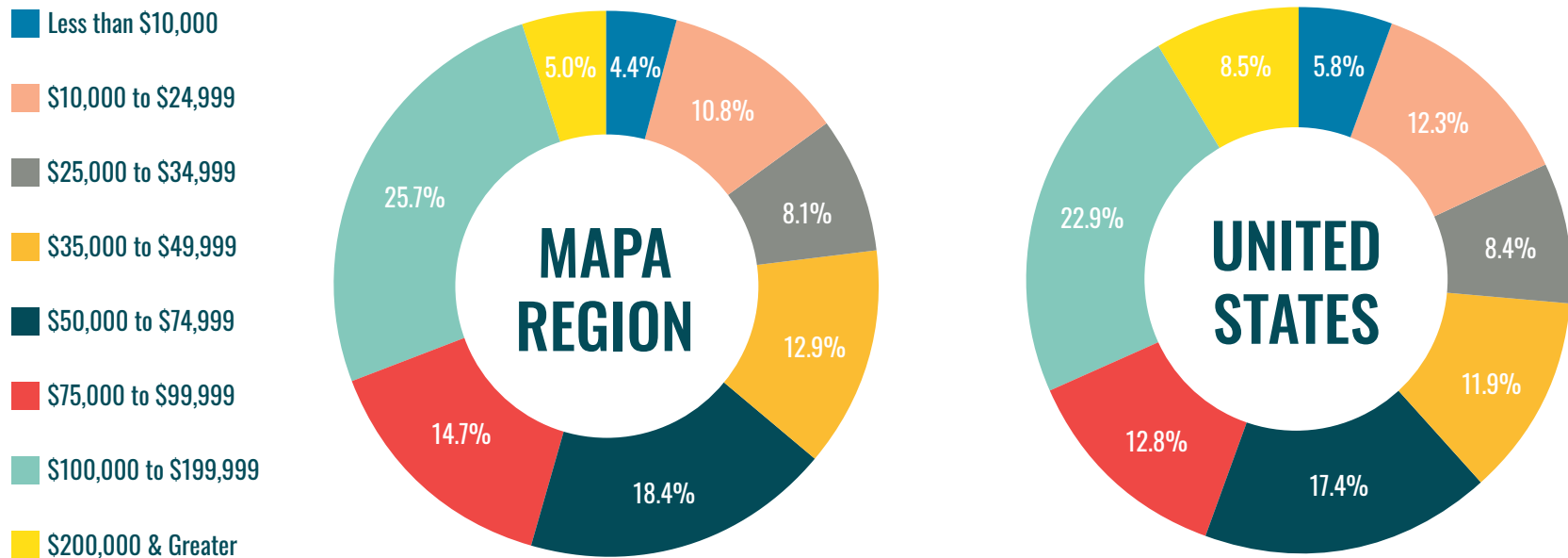
Source: U.S. Census Bureau, 2018 ACS 5-Year Estimates



Household income data collected by the Census Bureau are further delineated into income range cohorts (Figure 3.7). 2018 estimates show that a quarter of the MAPA region's households have an income approximately between \$100,000 and \$200,000.

Approximately 5.0 percent of the region's households earn more than \$200,000 compared to 8.5 percent of the U.S. household population.

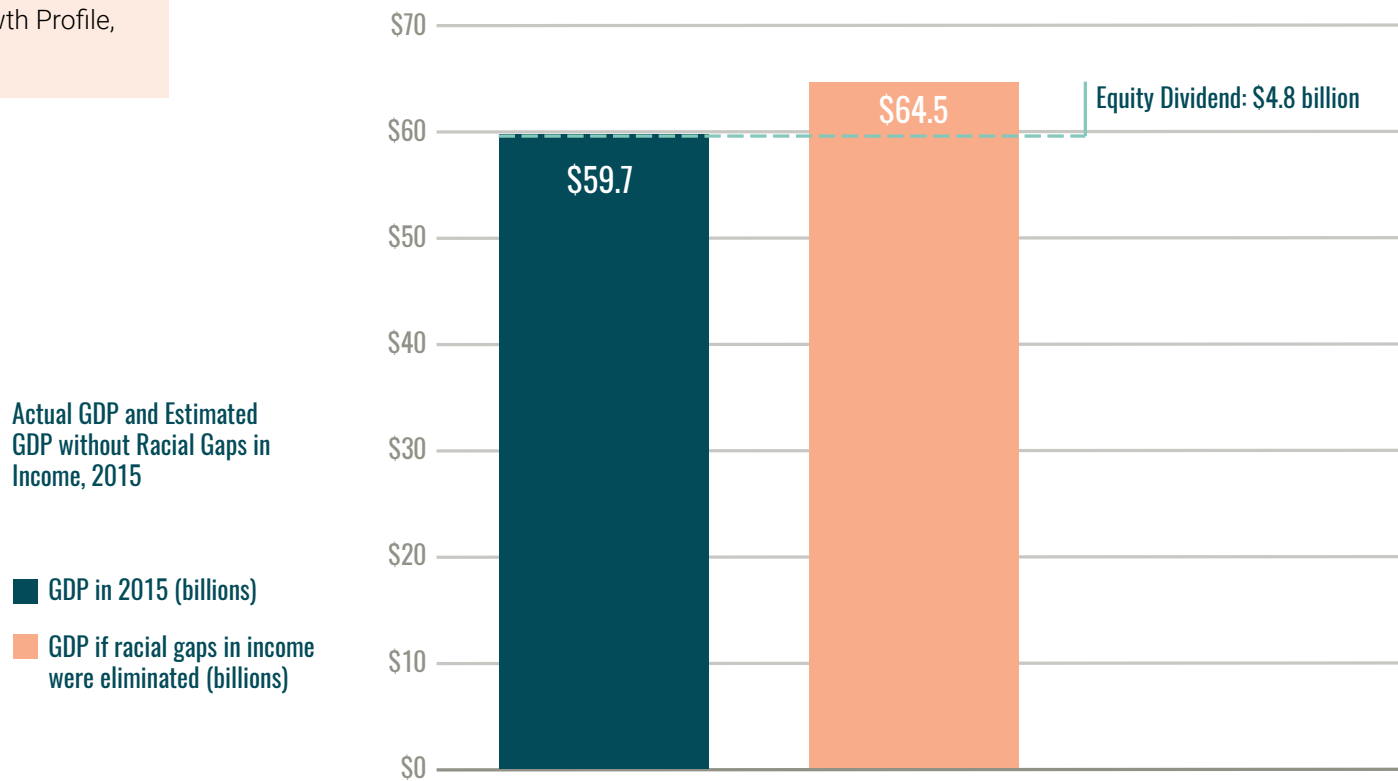
Figure 3.7: Household Income Distribution



Of the estimated 341,000 households in the MAPA region, 15 percent of households make \$25,000 of income or less and are considered to be experiencing poverty. Another eight percent make between \$25,000 to \$34,999. The inequality in the region and its racial gaps in income, wages, education, and poverty not only are bad for communities of color but they also hinder the whole region's

economic growth and prosperity. According to MAPA's analysis, if there were no racial disparities in income, the region's GDP would have been \$4.8 billion higher in 2015. This equity dividend is illustrated with a graphic from MAPA's Equitable Growth Profile in Figure 3.8.

Figure 3.8: Equitable Growth Profile, Regional Equity Dividend



An inclusive, growing middle class is the hallmark of a prosperous region, but, following the national trends, fewer households earn middle-class incomes in Omaha-Council Bluffs now than in 1979 (40 percent in 1979 vs. 37 percent in 2015), while an increasing share of households are in the lower-income bracket (30 percent in 1979 vs. 36 percent in 2015). Middle-wage jobs, which have provided pathways traditionally to the middle class, are growing at a much higher rate in the region (16 percent) than the U.S. overall (6 percent). The manufacturing sector; however,

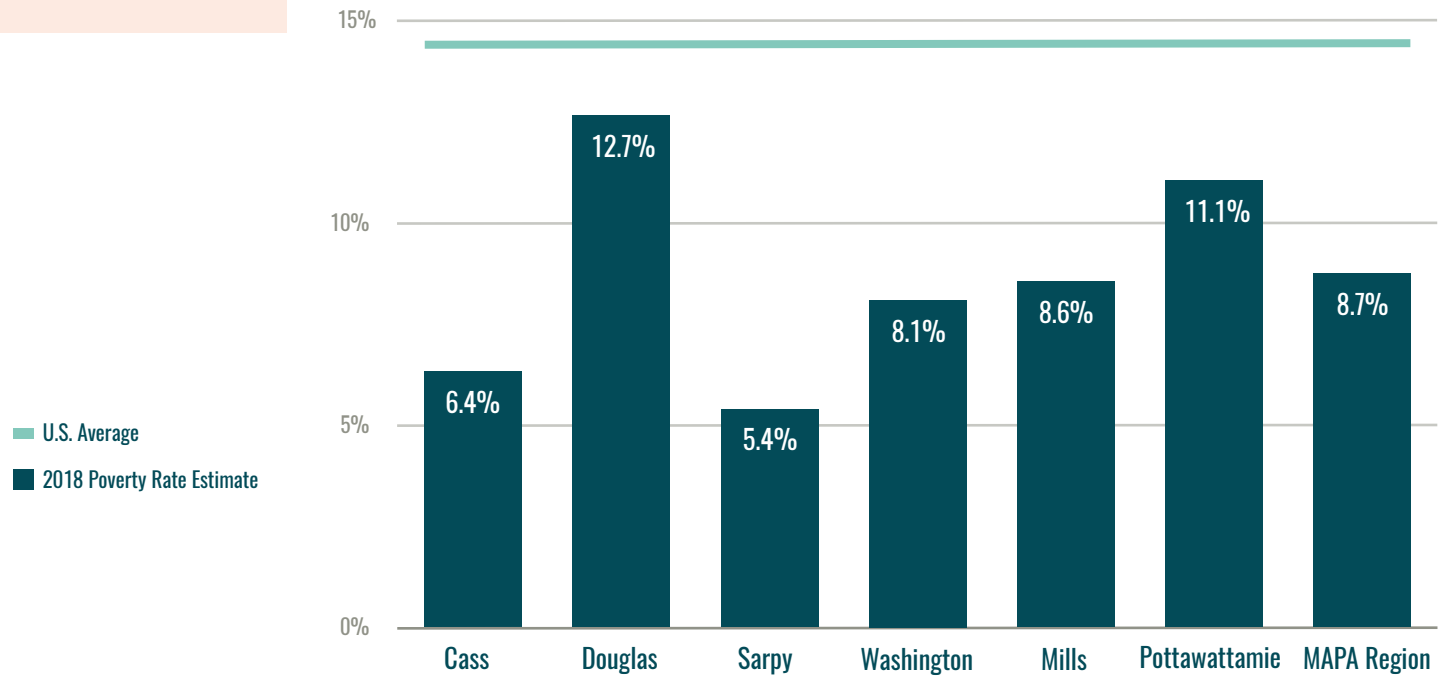
which traditionally provided many good, middle-skill jobs for people without college degrees, has seen a decline in jobs since 2006, which, fortunately, has not been as severe as in most other regions. Although middle-wage jobs are growing, earnings growth for those in these jobs is slower than for those in high- and low-wage jobs. The middle class also have become more diverse, shifting from 8 percent people of color in 1979 to 15 percent people of color today, yet its composition still does not reflect the region's racial and ethnic diversity fully.

Poverty

The rate of poverty among the total population in the MAPA region is commonly well below that of the U.S. However, poverty in Douglas and Pottawattamie Counties has been aligned more closely with the national rate over time (Figure 3.9).



Figure 3.9: Rate of Individuals in Poverty by Jurisdiction, 2018 Estimates

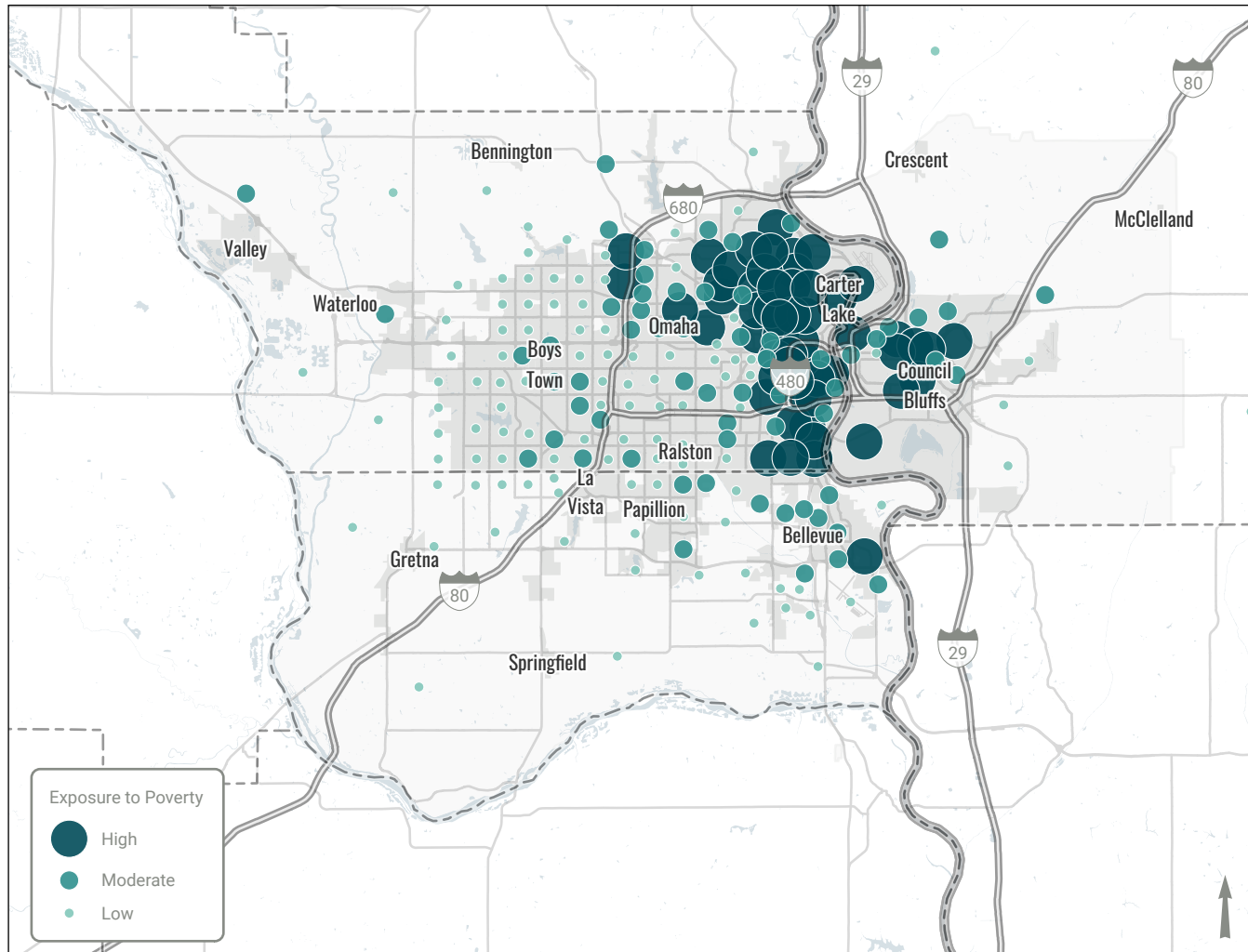


There are an estimated 186,128 people living at or below the poverty line, representing approximately 8.7 percent of the population. The highest concentrations of these low-income individuals are found in northeastern Omaha. Figure 3.10 illustrates HUD’s Poverty Index, which captures the depth and intensity of poverty in a given neighborhood. The index uses both family poverty rates and public assistance receipt, in the form of cash-welfare, such as Temporary

Assistance for Needy Families (TANF). For populations in poverty in Omaha, access to job centers is a critical need. The area of north-east Omaha that has the highest concentration of poverty is very well served by transit at present. Additionally, high poverty areas of south Omaha and Council Bluffs have low and moderate levels of transit accessibility, limiting the access that residents have in those areas to jobs and educational opportunities.



Figure 3.10: HUD Poverty Index, Omaha-Council Bluffs Urban Area



Cost of Living

Earnings and personal income are tied closely to the ability of people to pay for essential needs such as housing and transportation. The Midwest region of the U.S. is often known for its affordable cost of living. While this generally remains true in the Omaha-Council Bluffs region, some areas remain unaffordable for persons to live, especially if immobility requires them to live near where they

work. As the urban area of Omaha and Council Bluffs redevelop, concerns of gentrification and persons being forced to relocate due to housing costs become a major concern. Table 3.8 shows the 2019 cost of living index for the eight-county MSA and select metropolitan areas in proximity to Omaha-Council Bluffs.

Table 3.8: Cost of Living Comparison, Omaha-Council Bluffs and Select MSAs

	Omaha	Des Moines	Kansas City	Oklahoma City
Overall Cost of Living*	91.9	89.6	95.5	86.8
Grocery Items	96.5	95.0	102.2	90.6
Housing	82.6	79.3	81.7	83.8
Utilities	99.5	90.2	100.7	73.8
Health Care	96.3	95.3	105.9	89.4
Miscellaneous Good & Services	93.2	92.2	101.6	88.6
Transportation	98.1	98.9	92.4	95.8
*-The U.S. average equals 100.0. Anything below 100.0 is less expensive than the U.S.				

Source: Greater Omaha Chamber

