

Results of the January Survey of Nebraska Business: June 5, 2015
Prepared by the UNL College of Business Administration, Bureau of Business Research

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***Summary:** Respondents to the May Survey of Nebraska Business reported strong expectations for business sales and employment growth over the next six months. This is a continuation of a recent trend. Business expectations have been strong throughout 2015. To be specific, 35 percent of respondents to the May 2015 survey expected to increase sales over the next 6 months while 22 percent which expected to decrease sales. Respondents also were much more likely to plan to increase (23%) employment than reduce it (5%). When asked about the most important issue facing their business, customer demand was the top issue named by 31 percent of respondents. The quality and availability of labor was named as the top issue by 14 percent while competition with other businesses and a need to improve business practices was named by 12 percent. Government regulation (11%) and taxes (9%) also were common top concerns for respondents.*

Survey of Nebraska Business

The *Survey of Nebraska Business* is sent to 500 Nebraska business establishments each month. The survey asks business owners and managers whether they expect to expand sales and employment over the next 6 months. The survey also asks “What is the most important issue facing your business today?” Individual responses to that question fall into one dozen categories of business and public policy issues. Surveyed businesses are randomly selected from all industries, including agriculture. Businesses of all sizes are surveyed. In May, responses were received from 181 of the 500 surveyed businesses. This 36% response rate is more than sufficient for analysis of the results.

As seen in Table 1 below, respondents to the May 2015 *Survey of Nebraska Business* were very optimistic in their outlook for sales and employment. While half of May respondents expected no change in sales, 35 percent expected sales to increase and just 22 percent sales to decrease over the next 6 months. This is a positive 13 percent gap. For employment, 23 percent of May respondents expected to add jobs over the next 6 months while 5 percent expected to reduce employment, a positive 18 percent gap. The results regarding the employment outlook are among the most optimistic ever recorded in the *Survey of Nebraska Business*, which was first taken in September 2011.

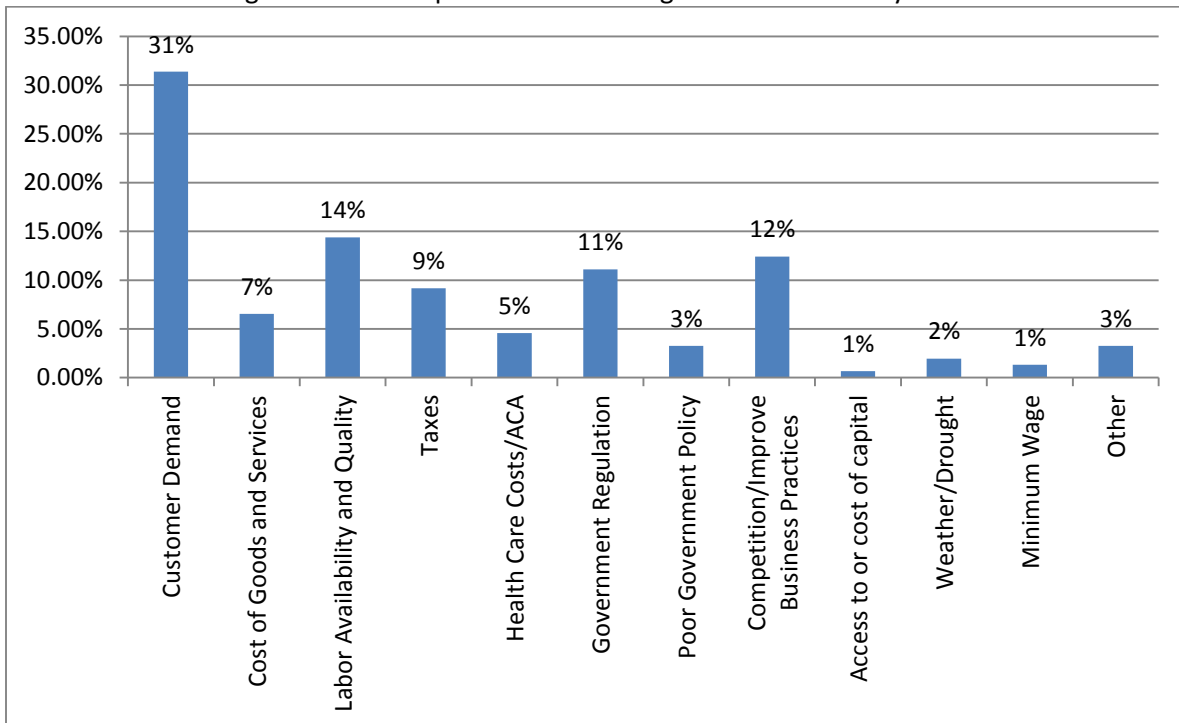
Table 1: Business Expectations for the Next Six Months, May 2015

	Change Over the Next Six Months	
	Sales	Employment
Increase	35%	23%
Stay the Same	43%	72%
Decrease	22%	5%

Note: Column totals may not sum to 100% due to rounding.

Results in Figure 1 show the top concerns of responding business owners and managers. Seven of ten responses were related to business operations issues such as customer demand for business products or services, the cost of supplies (goods and services), labor availability and quality, competition from other businesses or improved business practices. Customer demand was the most common top concern, named by 31 percent of respondents. The quality and availability of labor was the second most cited top concern, chosen by 14 percent of respondents. This percentage, however, is lower than in most recent months. There also was significant concern about competition with other businesses or the need to improve business practices, which was the top concern for 12 percent of respondents. Three in ten respondents listed public policy issues as their top concern. The most common public policy concerns were government regulation, which was named by 11 percent of respondents, and taxes, which was chosen by 9 percent of respondents. Property taxes were typically the focus.

Figure 1: Most Important Issue Facing Each Business May 2015



Note: Percentages may not sum to 100% due to rounding