

The Leading Economic Indicator for Nebraska increased by 1.24 percent in July, reversing a decline in May and June of this year. Improvement in the indicator after two months of decline suggests that Nebraska will be able to sustain slow economic growth during the winter of late 2012 and early 2013 -- and that an outright economic contraction will be avoided.

Business expectations, however, provide a note of caution about the Nebraska economic outlook. Respondents to the Survey of Nebraska Business expected a decline in sales and employment at their business over the next six months. This is another reason to expect that economic growth in Nebraska will be tepid during the upcoming winter months.

Looking over the rest of the year, Thompson said that recent values for the Leading Economic Indicator for Nebraska suggest that the Nebraska economy will continue to grow at a moderate rate during the summer months but that growth will slow substantially during the fall.

The Leading Economic Indicator for Nebraska, produced by the Department of Economics and Bureau of Business Research in the UNL College of Business Administration, is a composite of six components that predict future economic growth. They are single-family building permits, airline passenger counts, initial unemployment claims, manufacturing hours, the value of the U.S. dollar and business expectations gathered from the Survey of Nebraska Business.