

THE EXECUTIVE

THE STATE CHAMBER



Nebraska Chamber of Commerce & Industry

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Forbes: Nebraska Is Third Best For Business

In late October, Forbes magazine ranked Nebraska No. 3 in its annual "Best States for Business" study. Forbes reported that "Nebraska is one of the biggest movers among the top states. It ranks third, up from No. 7 last year (its previous high-water mark was sixth in 2012 and 2013). The state's climb in our ranking is due in part to the addition of two new factors in our regulatory score: fiscal health and legal climate."

The Forbes' study, now in its tenth

year, considered 40 points of data to determine competitiveness in six main areas: business costs; labor supply and union influence; regulations and legal climate; economic climate; growth prospects; and quality of life.

Nebraska's top scores were in the areas of regulatory environment (No. 3) and quality of life (No. 7). The Cornhusker State's least competitive scores came in the categories of growth prospects (No. 30) and labor supply (No. 19).

In the business costs category -- which includes labor, energy and taxes -- Nebraska was aided by the state's business incentives for job creation and investment.

Utah landed atop Forbes' comparison for the second straight year, followed by North Carolina, Nebraska, North Dakota and Colorado. West Virginia came in at No. 50 in the study, preceded by Mississippi and Maine.

See the study at <http://www.forbes.com/best-states-for-business/>. ■

Nebraska Chamber Honored For Membership Growth

In September, during the annual meeting of the Council of State Chambers (COSC) in Little Rock, Arkansas, the Nebraska Chamber of Commerce and Industry was recognized for its membership growth.

Specifically, the Nebraska Chamber received honorable mention from COSC for the Chamber's long-term efforts to expand and retain its membership in the following areas:

- Highest Membership Growth in Numbers;
- Highest Membership Growth in Dollars; and
- Highest Non-Dues Growth.

COSC is comprised of state chamber CEOs and presidents, as well as senior state chamber executives, from across the United States. COSC was founded more than 70 years ago to

promote cooperation among state chambers of commerce by exchanging ideas regarding the policies and practices.

During the September meeting, the Nebraska Chamber's James Berringer, who oversees the Chamber's membership operations, was elected to the Association of State Chamber

Professionals (ASCP) Board of Directors for a second time. Berringer served on the ASCP board beginning in 2002 and became president of the organization from 2009-2010. ■



At the September meeting of the Council of State Chambers, the Nebraska Chamber's Barry Kennedy, James Berringer, and Joseph Young accept awards for the Chamber's efforts to expand and retain its membership.

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State Chamber Views...
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Incentives Allow Nebraska To Compete

Let's start with the numbers. Nebraska's pro-business incentives have prompted private-sector commitments of around 22,000 new jobs in less than a decade, according to state officials.

These same incentives have also led to private-sector commitments of roughly \$10 billion of investments across the state.

Without incentives to offer, Nebraska would often miss out on these new jobs and investments due to our high tax climate. The Nebraska Advantage Act – the state's largest economic development tool – levels the playing field.

Nebraska's business incentives are not just for large companies. In fact, of the 535 businesses that have applied for Nebraska Advantage incentives since 2006, approximately 75% of them had fewer than 100 employees. And many of those businesses had 30 or fewer workers and are located in rural areas.

Despite the positive numbers and successful results, the recent announcement that ConAgra will move its headquarters to Chicago has given opponents of incentives another chance to go on the attack – using populist talking points with little or no connection to economic reality.

The critics ignore that pro-business incentives kept ConAgra's headquarters in Nebraska an additional 28 years, retaining thousands of well-compensated employees who have paid hundreds of millions of dollars in local property taxes, state and local sales taxes, and state income taxes over three decades.

The critics conveniently overlook that without incentives, ConAgra's new headquarters would have never been built in an area of Omaha that was in major disrepair. Omaha's downtown redevelopment owes much to ConAgra's presence.

While ConAgra's move is an act of major corporate restructuring, Governor Ricketts has wisely reminded policymakers that "we must continually look for new ways to ensure our tax rates and incentive programs remain competitive."

The Nebraska Advantage Act works because it encourages employers to create more career opportunities for Nebraska's residents. Since 2006 – when the Nebraska Advantage took effect – our state has maintained one of the nation's lowest unemployment rates and our per-capita income has matched the national average.

Without incentives to offer, Nebraska would struggle to compete with states that have a more favorable business tax climate.

Here are the important facts about Nebraska's pro-business incentives:

- The incentives offered by our state are not "subsidies" – they are income tax credits or sales tax refunds. No blank checks are issued to any company. Nebraska's incentives are performance-based; they are provided only after an eligible business meets the job-creation or investment standards established by the law.

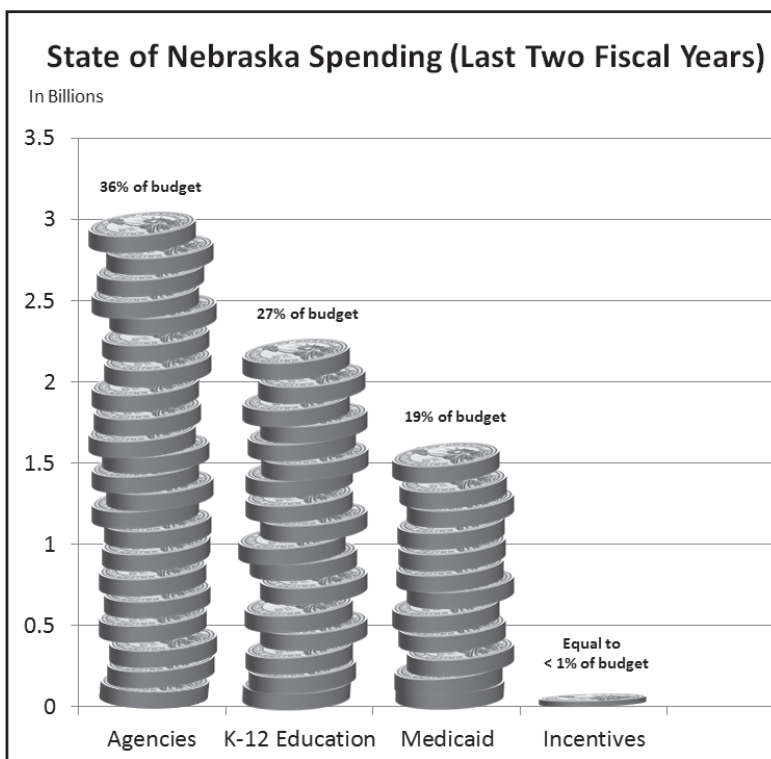
- Participating companies must go through extensive annual audits to verify they have done what they contracted to do. If a qualifying company fails to maintain employment and/or investment levels, the company forfeits its incentives.

- As for the "cost" of business incentives, the unrealized tax revenue triggered by the Nebraska Advantage program is equal to about 1% of the state government's general fund spending for one year. That's a very modest investment in our effort to create new jobs and boost economic growth.

- Over the most recent two-year period (2013-2014), Nebraska Advantage projects used tax credits or had refunds totaling \$62 million. Compare that to \$2.2 billion that state government spent on education aid for K-12 schools over the same two years. Not even in the same ballpark.

- Put another way, the unrealized revenue caused by Nebraska Advantage programs is equal to roughly only 2% of the annual expenditures of just one state agency – the Department of Health and Human Services.

The numbers provide the best testimony in support of Nebraska's pro-business incentives. ■



Governor, State Chamber Recognize Nebraska's Manufacturers

"Nebraska wouldn't be the same without its manufacturing."

That was the message delivered by Governor Pete Ricketts as he visited manufacturing facilities on Manufacturing Day in early October.

Joined by Joseph Young of the Nebraska Chamber staff, Governor Ricketts traversed the state to visit Nucor Steel in Norfolk, Sargent Pipe Company in Broken Bow, and George Risk Industries in Kimball.

Proclaiming October as Manufacturing Month in Nebraska, Governor Ricketts said manufacturing provides an opportunity for growth in the state. He also pointed out the challenges faced by the sector, including federal mandates, skilled workforce shortages, and the need for better highways and infrastructure.

According to the National Association of Manufacturers, the Cornhusker State is home to approximately 1,700 manufacturers who employ nearly 100,000 workers. Manufacturing contributes nearly \$14 billion annually to Nebraska's total economic output. Nebraska's average annual employee compensation in manufacturing is

more than \$58,000 – compared to an average of \$42,600 for other private, non-farm sectors.

Dirk Petersen, vice president/general manager at Norfolk's Nucor Steel, said, "A strong manufacturing base not only generates manufacturing jobs, but also provides jobs in support functions

such as trucking, energy, the service industry, and other sectors of the economy."

Chris Roth, president and CEO of Deshler's Reinke Manufacturing, said, "Manufacturing is the state's second largest industry. It is a great time to be in manufacturing in Nebraska." ■



Governor Pete Ricketts, State Senator Matt Williams and the State Chamber's Joseph Young tour Sargent Pipe Company in Broken Bow in October, which was proclaimed as Manufacturing Month in Nebraska by the governor. Earlier this year, Sargent Pipe was a co-recipient of the 2015 Innovation in Manufacturing Award for Nebraska, along with Lozier Corporation of Omaha.

Nearly 1,400 Attend State Chamber Fall Forums

With the exception of an appearance in Henderson set for late November, the Nebraska Chamber has concluded its 2015 legislative forums.

Nearly 1,400 attendees participated in the Chamber's forums held in 29 communities across the state from late August through October. In addition, 36 state senators attended. The forums were covered by more than 30 news media outlets.

This year's State Chamber forums highlighted pro-business accomplishments from the Unicameral's 2015 session, including new legislation in the areas of workforce training, workers' compensation reform, agri-tourism, and funding sources for start-ups. The forums also included an overview of Nebraska's workforce challenge, as well as efforts being employed to enhance the state's labor pool.

For more than three decades, the annual legislative forums have been a joint effort between the Nebraska

Chamber and the local chambers of commerce. The forums present an opportunity for State Chamber staff to gather input from local community leaders on issues of concern, while updating the business community on devel-

opments that could affect Nebraska's business climate and job growth.

See the State Chamber's legislative forum presentation at <http://www.nechamber.net/2015-nebraska-chamber-forum-presentation>. ■

Register For Economic Development Summit, Dec. 2 in La Vista

On December 2, the Nebraska Chamber will host an economic development summit at the La Vista Embassy Suites Conference Center to spotlight opportunities and challenges facing Nebraska communities in the areas of infrastructure, housing and other key economic development issues.

Planned highlights include a keynote address from Creighton University economist Dr. Ernie Goss; insight from experts who have successfully

led new housing development efforts in our state; and a look at Nebraska's infrastructure needs – as well as possible ways to pay for them.

The summit will begin at 11:45 a.m. and will conclude by 4 p.m.

Cost to attend is \$95 for State Chamber members (includes lunch) or \$125 for non-Chamber members. To register, contact the State Chamber at (402) 474-4422 or e-mail Charlie Volnek at cvolnek@nechamber.com. ■

State Chamber's 2016 Annual Meeting Set For Feb. 4

The State Chamber's Annual Meeting and Legislative Caucus will be held Thursday, February 4, 2016, at The Cornhusker Marriott Hotel in Lincoln.

This is one of Nebraska's most recognized and widely attended State Chamber events of the year.

Those attending will have an opportunity to hear from key state lawmakers and policy experts, as well as attend briefings on vital issues of concern to

the business community. Discussion panels are planned, including the traditional "Legislative Leaders" panel.

The evening banquet will feature the traditional passing of the gavel to the new State Chamber chairman and a special tribute to the newest inductees of the Nebraska Business Hall of Fame.

For more information about the State Chamber Annual Meeting, call (402) 474-4422 or e-mail the State

Chamber at nechamber@nechamber.com.

Please see the insert in this issue of The Executive to register.

This special event also presents sponsorship opportunities to get your business recognized before a large target audience. Businesses and organizations interested in sponsoring should contact James Berringer at (402) 474-4422 or jberringer@nechamber.com. ■

Nebraska Scores High Marks For Innovation Climate

Nebraska has received top 10 rankings in two of six categories in the U.S. Chamber of Commerce Foundation's ranking of states best poised to thrive in the emerging science- and technology-based economy.

Nebraska was ranked sixth in transportation and trade, and ninth in overall business climate.

The study ranks the top 10 states for economic performance, high-tech performance, talent pipeline and other qualities that help foster an economy that is increasingly built on innovations in science, technology, engineering and math.

Economists have calculated that 50% of U.S. annual GDP growth is attributed to increases in innovation.

"For years, Nebraska's business

community has worked with our policymakers to diversify our state's economy and strengthen our workforce," said Barry Kennedy, president of the State Chamber. "Nebraska's ranking shows our efforts are paying off, but there is always more work to do."

The report specifically credited Nebraska policymakers for making a concerted effort to move away from piecemeal solutions and focusing on an integrated approach to the state's innovation and entrepreneurial ecosystem.

Starting with the "Talent and Business Innovation Initiative" passed in 2011, Nebraska provides a variety of programs (grants, seed funds and other support) to grow emerging sectors of the economy.

According to the study, the areas in which Nebraska is most competitive are:

- Legal Environment (No. 2)
- Productivity Growth (No. 4)
- Export Growth (No. 4)
- State Fiscal Condition (No. 4)
- Labor Force Utilization (No. 4)
- Road Quality (No. 5)

The areas needing attention so Nebraska is more competitive are:

- Academic R&D Intensity (No. 22)
- New Startup Rate (No. 22)
- Export Intensity (No. 24)

To see the full report, go to: <http://www.uschamberfoundation.org/enterprisingstates/> ■

State Chamber Welcomes New Investors

Membership in the Nebraska Chamber of Commerce & Industry is an investment in Nebraska's economic well-being. This month, the State Chamber welcomes the following new members. We encourage you to consider doing business with fellow Chamber members.

BEAVER CITY

American Butchers LLC
Cal & Desiree Wineland

BEEMER

First Community Bank
Megan Moore

COUNCIL BLUFFS, IA

Acieta
Jeremy Walter

GRETNA

Gretna Area Chamber of
Commerce
Bridgett Petzoldt

HASTINGS

Thermo King Corp./Ingersoll Rand
Tom Herberg

LINCOLN

Aramark
Robert Riggs

Emergency Dentists USA
Mike Plambeck

HOA – Solutions

Troy Euse

Papa John's Pizza

James Wulf

The Principal Financial Group

Vince Henzel

OMAHA

Leo A. Daly Company
Chris Johnson

Graepel North America
Mark Zumdohme

Nagl Manufacturing Co.
Erica McDonald

OHARCO

Bill Sauter

PipeWare Solutions LLC

Marcia Anderson

Proxibid

Ryan Downs

Waste Connections of NE
John Love