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A PROFILE OF LINCOLN'S
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A Bureau of Business Research Report
From the University of Nebraska—Lincoln

A Profile of Lincoln's Finance and Insurance Industry Cluster

Final Report, 2018

**Prepared for the
Lincoln Partnership for Economic Development**

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December 10, 2018
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A Profile of Lincoln's Finance and Insurance Industry Cluster

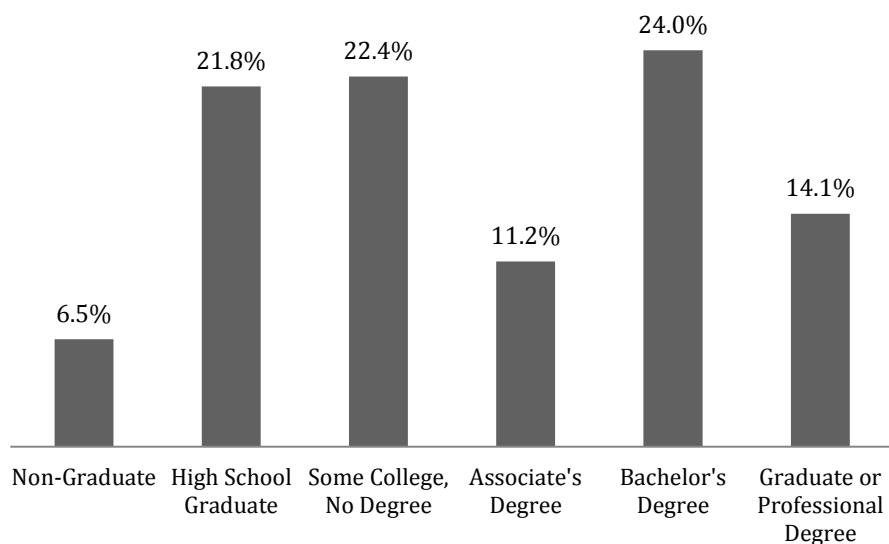
Introduction

This fast growing finance and insurance sectors are well matched to the Lincoln, Nebraska economy, specifically Lincoln's highly educated workforce, low labor costs, low cost of living, low traffic congestion costs, and business-friendly environment. Lincoln also has a large pool of experienced insurance and finance sector workers and academic programs which train workers in key occupations such as actuarial science. The State of Nebraska also has a tax and regulatory environment which is favorable to the insurance industry.

Why Lincoln?

The Lincoln Metropolitan Area, a centrally-located area of 330,000, is well positioned to cultivate this industry through its **highly educated workforce¹**, **existing finance and insurance presence**, **extensive university research** and **outstanding quality of life**.

**Education Attainment, Age 25 and Over
Lincoln Metropolitan Area, 2017**



Graph 1

Lincoln offers the ambiance of a friendly small town and the amenities, attractions and entertainment opportunities of a major metropolitan area. Lincoln is both the **state capital and home to the flagship campus of the University of Nebraska**; as a result it provides a greater range of offerings than might be expected in a community of its size. Efficient transportation, a stable business environment, advanced health-care technology and an excellent educational system are just a few of the reasons why **Lincoln ranks highly in livability studies**. As described in the pages that follow, Lincoln has significant costs advantages in terms of cost-of-living, wages, space costs, and other

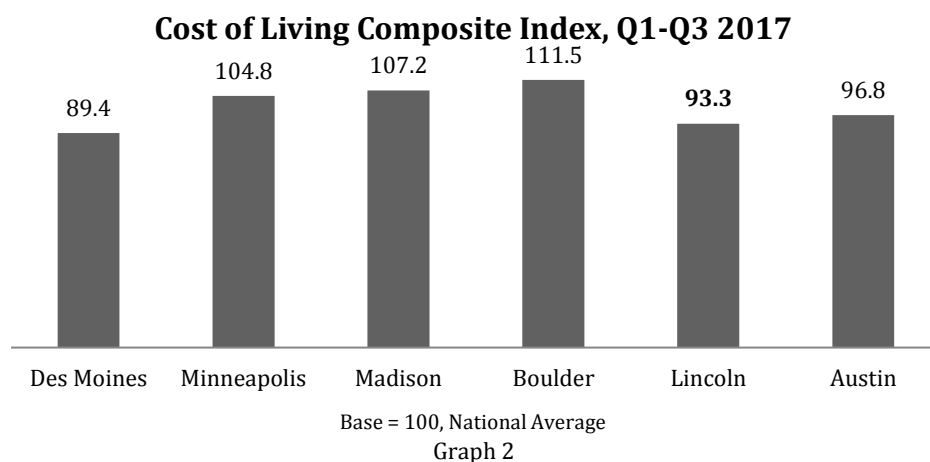
¹ U.S. Census Bureau, Table S1501, Lincoln Metropolitan Area, 2017.

A Profile of Lincoln's Finance and Insurance Industry Cluster

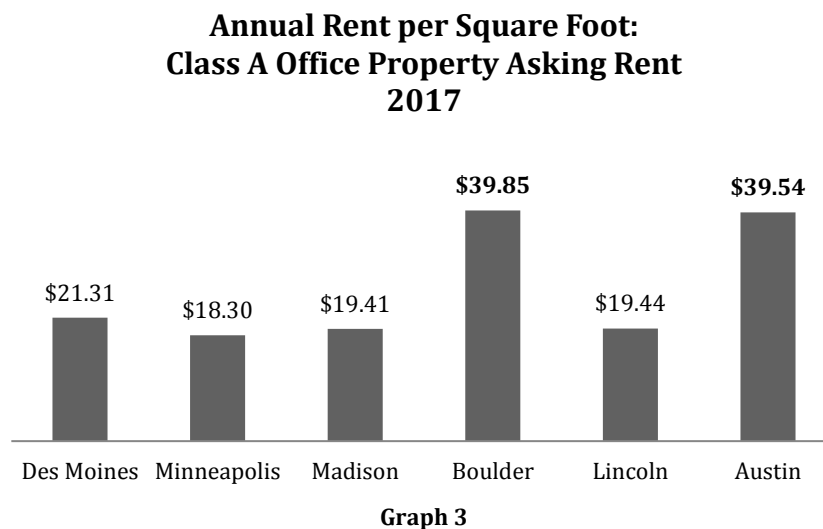
business costs. The University of Nebraska-Lincoln provides research services and advanced computing facilities. Further, colleges from throughout the region graduate students in relevant majors for finance and insurance businesses. There is also a large, established set of businesses in Lincoln within the finance and insurance industry cluster. The Lincoln community has competitive, low-cost broadband access creating an advantage in attracting new businesses and citizens.

Cost Comparisons

Lincoln's cost of living compares favorably with most competing metropolitan areas in the region.²



In addition to Lincoln's exceptional amenities and educated workforce, Lincoln is among the lower cost peer metropolitan area for Class A office space.³ These particular rent costs refer to Class A office space well suited to the finance and insurance industry.



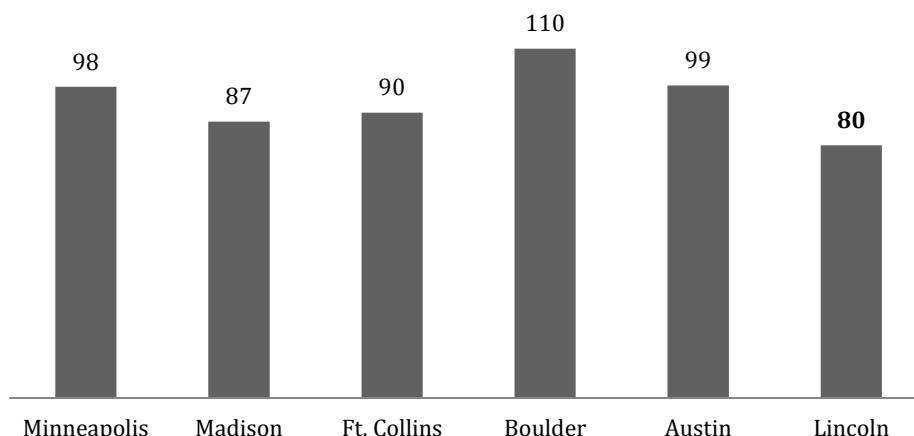
² Council for Community and Economic Research, "Cost of Living Index, Data for Q1-Q3 2017." Ft. Collins data is not available, and Boulder data is based on Denver's COLI data.

³ Cushman & Wakefield, *Marketbeat Denver, Colorado, Office 4Q 2017*; CBRE/Hubbell Commercial, *2017 Real Estate Market Survey Des Moines Metro*; CBRE Marketview *Madison Office, H1 2017*; Avison Young, *Minneapolis-St. Paul Office Market Report Quarter 4 2017*; NAIFMA Realty (Lincoln), *Market Report Second Half 2017*; NAIPartners, *Austin Office Quarterly Market Report Q4 2017*.

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Lincoln offers the lowest relative wage costs.⁴ This completes a perfect combination of unique amenities, low cost of living, and an attractive business environment through a highly educated workforce, and low costs of commercial space and employment.

Relative Wages for Business and Financial Operations Occupations, 2017



Base = 100, National Average

Graph 4

We provide detailed salary information on several finance and insurance occupations on the next page. Average unemployment insurance tax rate on taxable wages, average price for industrial gas per thousand cubic feet, industrial electric service typical industrial bill, and top state corporate income tax rate can be found on page 6. Lincoln is among the three lowest cost metro areas among comparison cities for average unemployment insurance tax rate and energy prices.

⁴ U.S. Bureau of Labor Statistics, *Occupation Employment Statistics, May 2017*, " <https://www.bls.gov/oes/current/oessrcma.htm>

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Finance and Insurance - Average Annual Salary, Lincoln MSA, Q1 2018			
Occupation	Annual Salary		
	Entry	Median	Experienced
TOTAL ALL OCCUPATIONS	\$23,142	\$37,505	\$58,223
MANAGEMENT OCCUPATIONS	\$49,902	\$84,218	\$124,889
Financial Managers	\$72,432	\$105,698	\$152,566
Marketing Managers	\$54,207	\$72,664	\$107,497
Sales Managers	\$61,673	\$95,217	\$126,633
BUSINESS AND FINANCIAL OPERATIONS OCCUPATIONS	\$35,053	\$56,470	\$75,502
Claims Adjusters, Examiners, and Investigators	\$47,397	\$63,682	\$74,808
Compliance Officers	\$41,721	\$63,232	\$79,284
Management Analysts	\$49,085	\$71,164	\$88,812
Accountants and Auditors	\$41,560	\$57,491	\$73,926
Credit Analysts	\$41,254	\$50,447	\$68,755
Financial Analysts	\$50,223	\$71,607	\$95,021
Personal Financial Advisors	\$47,543	\$75,684	\$132,869
Insurance Underwriters	\$47,704	\$68,122	\$85,408
Financial Examiners	\$39,353	\$48,680	\$56,681
Credit Counselors	\$28,623	\$29,347	\$30,665
Loan Officers	\$42,116	\$68,002	\$96,655
Financial Specialists, All Other	\$40,642	\$60,219	\$84,432
Market Research Analysts and Marketing Specialists	\$31,677	\$49,075	\$62,318
COMPUTER AND MATHEMATICAL OCCUPATIONS	\$39,113	\$63,790	\$80,462
Computer Systems Analysts	\$42,461	\$63,617	\$78,495
Computer Programmers	\$48,657	\$73,562	\$86,025
Software Developers, Applications	\$57,644	\$75,062	\$87,274
Software Developers, Systems Software	\$54,364	\$82,714	\$97,267
Database Administrators	\$42,069	\$66,152	\$83,422
Network and Computer Systems Administrators	\$43,064	\$65,324	\$85,406
Statisticians	\$41,505	\$51,221	\$69,982
OFFICE AND ADMINISTRATIVE SUPPORT OCCUPATIONS	\$23,232	\$32,838	\$41,515
Bookkeeping, Accounting, and Auditing Clerks	\$25,218	\$35,814	\$42,511
Computer Operators	\$30,836	\$50,605	\$55,156
Data Entry Keyers	\$26,203	\$31,277	\$35,433
Insurance Claims and Policy Processing Clerks	\$29,853	\$36,932	\$42,060
Statistical Assistants	\$28,875	\$40,268	\$46,860
Source: Nebraska Department of Labor, Labor Market Information, Occupation Employment and Wage Rates, First Quarter 2018,"			

Table 1

A Profile of Lincoln's Finance and Insurance Industry Cluster

Selected Business Costs for Finance and Insurance Industry						
(Three Lowest Cost Metro Areas Listed in Bold)						
Metropolitan Area[1]	Average Unemployment Insurance Tax Rate on Taxable Wages 2016 (State Average)	Right-to-Work State?	Avg. Price Industrial Gas/ Thousand Cubic Feet 2017 (State Avg.)	Typical Commercial Bill, Service Rates in Effect, January 1, 2018 (City)		Top State Corporate Income[2] Tax Rate 2018
				40kW, 14mWh	500kW, 150mWh	
Des Moines	1.62%	Yes	\$5.24	\$1,187	\$18,855	12.00%
Minneapolis/St. Paul	1.34%	No	\$4.47	\$1,546	\$17,302	9.80%
Madison	2.55%	Yes	\$5.35	\$1,749	\$18,543	7.90%
Ft. Collins	2.05%	No	\$5.60	NA	NA	4.63%
Boulder	2.05%	No	\$5.60	NA	NA	4.63%
Lincoln	1.13%	Yes	\$4.54	\$1,057	\$14,948	7.81%
Austin	2.28%	Yes	\$3.28	\$1,287	\$14,794	0.00%
<p>[1] For metropolitan areas located in multiple states (Minneapolis/St. Paul), the state averages from the state where the metropolitan areas' economic activity is concentrated are utilized (Minnesota).</p> <p>[2] Tax may be eligible for use of credits earned in state incentive program; Texas has a gross receipts tax but gross receipt tax rates are not directly comparable to corporate income tax rates</p>						
<p>Sources:</p> <p>A. U.S. Department of Labor Office of Unemployment Insurance Division of Fiscal and Actuarial Services (2017), Significant Measures of State Unemployment Insurance Tax Systems, Average Tax Rate, http://workforcesecurity.doleta.gov/unemploy/pdf/sigmeasuitaxsys16.pdf</p> <p>B. National Right to Work Legal Defense Foundation, Right to Work States, http://www.nrtw.org/right-to-work-states</p> <p>C. US Energy Information Administration, Natural Gas, for Average Industrial Price, http://www.eia.gov/dnav/ng/ng_sum_lsum_a_EPG0_PIN_DMcf_a.htm</p> <p>D. Lincoln Electric System, National Electric Rate Survey 2018, Average Price/KWH, http://www.les.com/pdf/rates/rate-survey.pdf</p> <p>E. Tax Foundation, 2018, Facts & Figures: How Does Your State Compare?, https://files.taxfoundation.org/20180411102900/Facts-Figures-2018-How-Does-Your-State-Compare.pdf</p>						

Table 2

A Profile of Lincoln's Finance and Insurance Industry Cluster

Education Resources

Lincoln's Finance and Insurance sector benefits from the vast array of programs that support the development of a specialized workforce for this industry.

The University of Nebraska-Lincoln (UNL) provides business management, administration, accounting and finance programs, including a program in actuarial science. In addition to which there are a number of programs and other institutions tailored to the finance and insurance needs of the sector. While UNL is certainly the backbone of research and education in Lincoln, there are many institutions that offer 2-year and 4-year degree programs in this field: **Concordia College, Doane College, Purdue University Global, Nebraska Institute of Technology, Nebraska Wesleyan University, Southeast Community College, and Union College**. Lincoln is also home to numerous other private institutions that offer certification programs in IT, two of these are **Nebraska Institute of Technology** and **Easel Solutions**.

A Profile of Lincoln's Finance and Insurance Industry Cluster

In 2017 alone, the colleges and universities in Lincoln graduate over **1,400 students with bachelor's degrees** in majors related to this sector, another almost **227 with related associate's degrees**, and **360 with related post-graduate degrees**.

Bachelor's Degrees Awarded	<i>Concordia University</i>	<i>Doane University</i>	<i>Purdue University Global</i>	<i>Nebraska Wesleyan University</i>	<i>Peru State College</i>	<i>Southeast Comm. College</i>	<i>Union College</i>	<i>UNL</i>	Total
Accounting	4	20	7	10				143	184
Actuarial Science								68	68
Banking and Financial Support Services								17	17
Business Administration and Management, General		84	11		65	227	24	214	625
Business/Commerce, General	30			47	47				124
Business, Mng., Mkt., and Related Support Svcs., Other	2							63	65
Business/Managerial Economics								38	38
Finance, General								112	112
Hospitality Administration/Management, General								66	66
HR Management/Personnel Administration, General		51							51
Insurance								2	2
International Business/Trade/Commerce				2				11	13
Investments and Securities								11	11
Logistics, Materials, and Supply Chain Management								30	30
Management Information Systems, General		8							8
Marketing/Marketing Management, General	6							140	146
Mathematics, General	1	8		6	1		2	48	66
Economics, General		1		6				19	26
Total	43	172	18	71	113	227	26	982	1652
A: Associates Degrees; B: Associates and Bachelors Degrees; C: Certificate Program.									
Source: http://nces.ed.gov/collegenavigator/ , accessed July 3, 2018									

Table 3

Post Graduate Degrees (M.A. & Ph.D.) Awarded	<i>Concordia University</i>	<i>Doane University</i>	<i>Purdue University Global</i>	<i>Nebraska Wesleyan University</i>	<i>UNL</i>	Total
Accounting					47	47
Actuarial Science					6	6
Business Admn. and Management, General					87	87
Business, Mng., Mkt., and Rel. Sprt. Svcs., Other					11	11
Marketing Research					7	7
Management Science, General	51	55	5	44		155
Mathematics, General					26	26
Statistics, General					14	14
Economics, General					7	7
Total	51	55	5	44	205	360
Source: http://nces.ed.gov/collegenavigator/ , accessed July 3, 2018						

Table 4

A Profile of Lincoln's Finance and Insurance Industry Cluster

Research and Industry Services

The finance and insurance sectors also benefit from research programs at the **University of Nebraska-Lincoln** (UNL). UNL's extensive research program and infrastructure include:

University of Nebraska-Lincoln College of Business (CB)

The College of Business is among the small percentage of the schools offering undergraduate or graduate programs in business administration that are accredited under the high standards set by the Association to Advance Collegiate Schools of Business (AACSB). The college fosters intellectual curiosity, business insight, and effective leadership through high quality instruction, research, and service to students, the citizens of Nebraska, and national and international communities.

The CB is the second largest college on the University of Nebraska-Lincoln campus with approximately 4,000 students attending classes with approximately 120 full-time equivalent faculty members. The undergraduate program offers ten majors; accounting, actuarial science, agribusiness, business administration, economics, finance, international business, management, marketing, and supply chain management. Masters and doctoral degrees are offered by the five departments; accounting, economics, finance, management and marketing.

The College retains close ties with professional and business leaders. Executives from all around the world come into the classrooms to speak to students and student organizations. Companies visit the college regularly to meet with faculty, attend job fairs, and forge closer ties with the College. Many student organizations are closely affiliated with professional and business organizations in the community. The College is also home to the Center for Entrepreneurship, which was named best in the nation by the U.S. Association for Small Business and Entrepreneurship.

For more information, see the source of this passage: <https://business.unl.edu/>

UNL Actuarial Science Program

The UNL Actuarial Science program is recognized as a Center of Actuarial Excellence by the Society of Actuaries. Being one of the first schools awarded this prestigious designation emphasizes the programs strong academic curriculum, tenured faculty, connections with industry, and high quality graduates we produce each year.

Our Actuarial Science Program is a part of the Finance Department in the College of Business. We offer all undergraduate courses to majors/minors in both the College of Business and the College of Arts and Sciences. The Mission of the Actuarial Science Program at the University of Nebraska Lincoln is to produce well-educated graduates who can make significant contributions to the financial security of individuals, corporate organizations and society through the ability to identify, quantify, assess and manage risk and uncertainty, and to produce theoretically sound and practical research that contributes to the advancement of actuarial science and actuarial practice.

For more information, see the source of this passage:

<https://business.unl.edu/academic-programs/departments/finance/actuarial-science/>

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Department of Statistics

Statistics as a discipline is the development and application of methods to collect, analyze and interpret data. Modern statistical methods involve the design and analysis of experiments and surveys, the quantification of biological, social and scientific phenomenon and the application of statistical principles to understand more about the world around us. Since data are used in most areas of human endeavor, the theory and methods of modern statistics have been applied to a wide variety of fields. Some areas that use modern statistical methods are the medical, biological and social sciences, economics, finance, marketing research, manufacturing and management, government, research institutes and many more. Exciting new areas are opening up, due to developments in areas such as biotechnology, survey research and computing.

The Department of Statistics is involved in research, teaching, and statistical consulting for the entire University. Because of its activities, the collaborative work with other disciplines give graduate students a wide range of opportunities to work with individuals in these disciplines and to learn practical applications of statistical principles from direct experience.

For more information, see the source of this passage: <https://statistics.unl.edu/>

Nebraska Innovation Campus (NIC)

Nebraska Innovation Campus (NIC) is a research campus designed to facilitate new and in-depth partnerships between the University of Nebraska-Lincoln (UNL) and private sector businesses. NIC is located adjacent to UNL, strategically providing access to research faculty, facilities and students. At full build-out, NIC will be a 2.2 million square foot campus with uniquely designed buildings and amenities that encourage people to create and transform ideas into global innovation. NIC aspires to be the most sustainable research and technology campus in the U.S.

For more information about NIC visit: <http://innovate.unl.edu/>

A Profile of Lincoln's Finance and Insurance Industry Cluster

Lincoln's Finance and Insurance Sector

Lincoln's Finance and Insurance sectors comprise a range of companies including major establishments such as Allied Insurance, Ameritas, Assurity Life Insurance, Farmers Mutual of Nebraska, and State Farm Insurance. Many of these establishments are listed below in order to provide a sense of the breadth of the industry in Lincoln.

Note: Please check with companies for most accurate employment data.

Insurance Carriers

Allstate Insurance Co.

www.allstate.com

Local Employment 500-999

Assurity Life Insurance Co.

www.assurity.com

Local employment: 250-499

Ameritas Life Insurance Co.

www.ameritas.com

Local employment: 1000-2499

Farmers Mutual of Nebraska

<https://www.fmne.com>

Local employment: 100-249

Lincoln Benefit Life

www.lbl.com

Local employment: 50-99

ReSourcePro

www.resourcepro.com

Local employment: 50-99

State Farm Insurance

www.statefarm.com

Local employment: 1000-2499

Financial Institutions

Cabela's World's Foremost Bank

www.cabelasclubvisa.com

Local employment: 500-949

Great Western Bank

www.greatwesternbank.com

Local employment: 250-499

Wells Fargo

www.wellsfargo.com

Local employment: 100-249

US Bank

www.usbank.com

Local employment: 100-249

Information from Nebraska Department of Banking & Finance

State Chartered Banks or Trust Company:

City Bank & Trust Co.

www.citybankandtrust.com

Local employment: 10-19

Cornhusker Bank

www.cornhuskerbank.com

Local employment: 100-249

First State Bank Nebraska

www.1fsb.com

Local employment: 100-249

Nebraska Bank of Commerce

www.thenbcbank.com

Local employment: 20-49

Pinnacle Bank

www.pinnbank.com

Local employment: 100-249

Security First Bank

www.security1stbank.com

Local employment: 50-99

Union Bank and Trust Company

www.ubt.com

Local employment: 500-999

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West Gate Bank

www.westgatebank.com

Local employment: 100-249

University of Nebraska Credit Union

www.nufcu.org

Local employment: 5-9

First Nebraska Trust Company

www.firstnebtrust.com

Local employment: 10-19

Credit Unions:

Construction Industries Credit Union

www.ciculincoln.com

Local employment: 1-4

Liberty First Credit Union

www.libertyfirstcu.com

Local employment: 100-249

Lincoln Federal Credit Union

<https://www.lincolnfed.com>

employment: 10-19

Lincoln Public Schools Credit Union

<https://lpscu.com>

Local employment: 1-4

Lincoln S.D.A. Credit Union

www.lincolnsdacu.org

Local employment: 1-4

Members Own Credit Union

www.membersowncu.org

Local employment: 5-9

Nebraska R.E.A Credit Union

www.nrea.org/content/nrea-credit-union

Local employment: 1-4

Nebraska State Employees Credit Union

www.nsecu.org

Local employment: 5-9

SAC Federal Credit Union

<https://www.sacfcu.com/>

Local employment: 5-9