

Insurance & Financial Services



LINCOLN PARTNERSHIP FOR ECONOMIC DEVELOPMENT
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A PROFILE OF LINCOLN'S
INSURANCE AND FINANCIAL SERVICES
INDUSTRY CLUSTER

LINCOLN[™]
PARTNERSHIP
FOR ECONOMIC
DEVELOPMENT

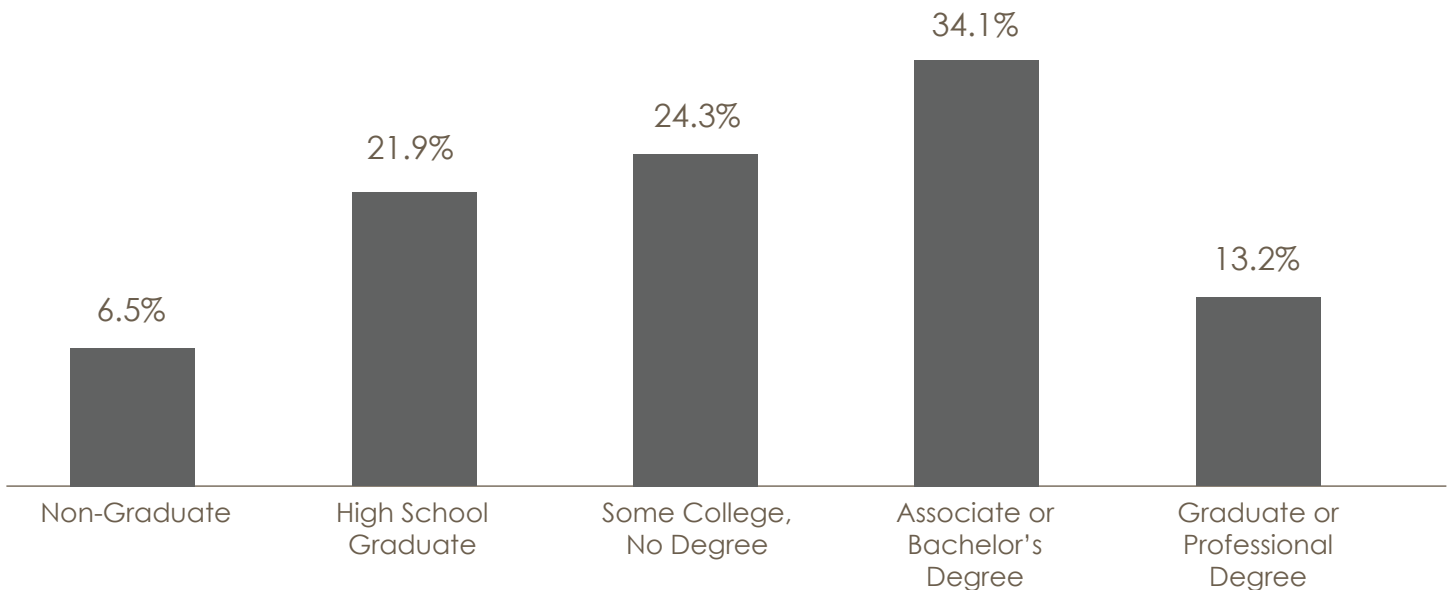
INTRODUCTION

These 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?

Lincoln, a centrally-located community of nearly 300,000, is well positioned to cultivate this industry through its **highly educated workforce**¹, **existing finance and insurance presence**, **extensive university research** and **outstanding quality of life**.

FIGURE 1: EDUCATION ATTAINMENT, AGE 25 AND OVER, LINCOLN METROPOLITAN AREA, 2012



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 cost advantages in terms of cost-of-living, wages, space costs, and other 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 access to fiber-based broadband and thus an advantage in attracting new businesses and citizens. In addition to having a constant flow of highly skilled finance and insurance graduates, Lincoln has exceptional capabilities in offering both startups and established companies with a range of services related to internet, fiber, data, voice, VoIP, and integrated services. Businesses in Lincoln have access to high speed internet access, digital multimedia, Ethernet transport, and Wavelength transport ranging

¹U.S. Census Bureau, Table DP02, Lancaster County, 2012.

from speeds of 10Mbps to 10Gbps so that technology capability is not a limitation to the progress of business endeavors.

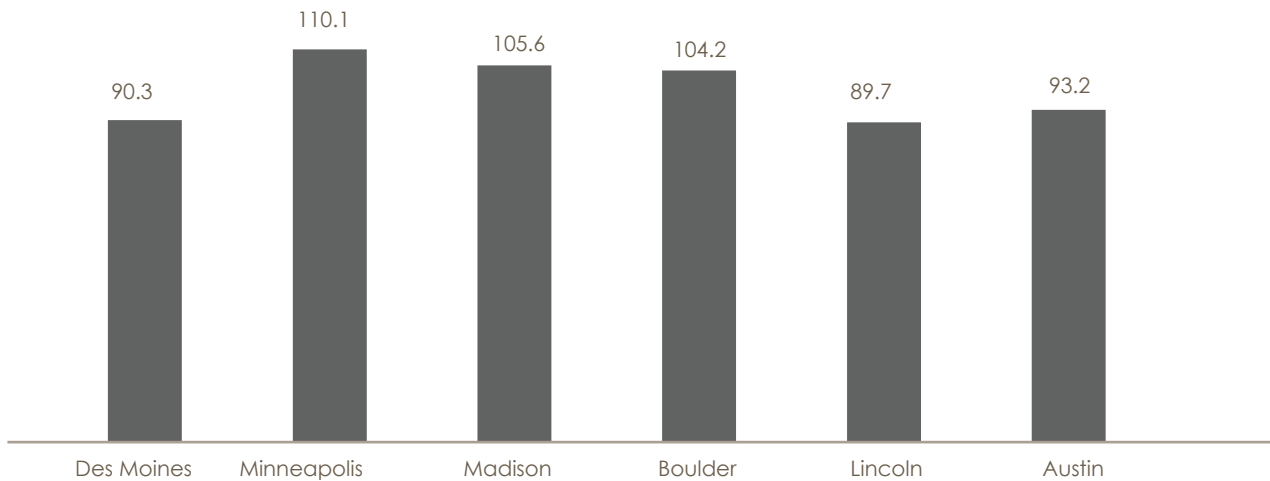
Businesses can also draw on the available expertise in the area of network planning, expansion, and security. Typical services that offer to strengthen the IT infrastructure of businesses depending on respective needs are also available, including but not limited to services such as T1, OC-n, DS3, private lines, fiber, data center collocation, Ethernet, and IP phone solutions. Downtown businesses and business across Lincoln can also benefit from the Lincoln Technology Improvement District (LTID) project.

The LTID project offers much-needed broadband services to Lincoln businesses and citizens for years to come. The project utilizes 4" conduits installed in the spring of 2012 and existing traffic conduits to create a broadband backbone infrastructure capable of servicing the entire city core. The LTID conduit system is leased at low cost to telecommunications providers in order to create a diverse and competitive broadband market. Additional benefits of the LTID system are minimized utility construction and general street degradation while enhancing the beautification efforts in downtown Lincoln.

COST COMPARISONS

Lincoln's cost of living compares favorably with the top technology-oriented metropolitan areas nationwide.²

FIGURE 2: COST OF LIVING COMPOSITE INDEX, 2013 AVERAGE



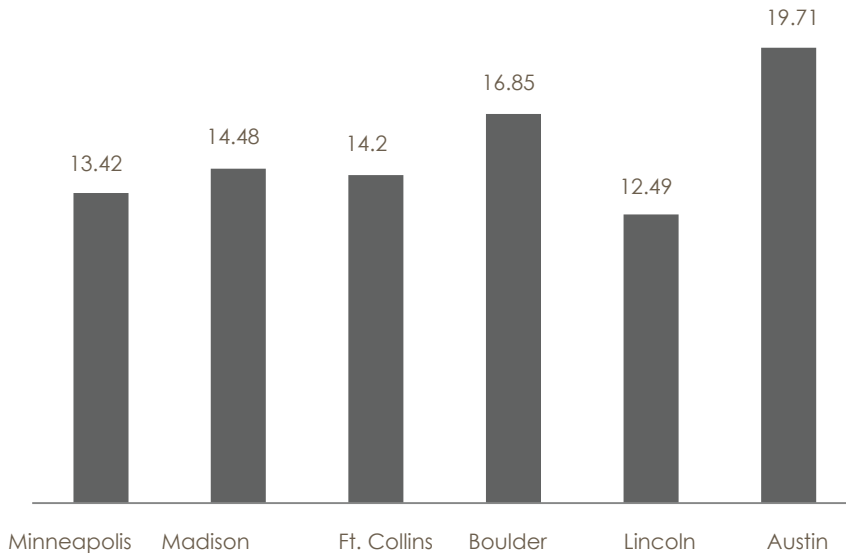
In addition to Lincoln's exceptional amenities and educated workforce, Lincoln has nearly the lowest commercial space costs among peer metropolitan areas³. These particular rent costs refer to industrial building space well suited to the finance and insurance industry.

²Council for Community and Economic Research, "(previously Accra) Cost of Living Index 2013 Average." Published Jan. 2014; Ft. Collins data is not available, and Boulder data is based on Denver's COLI data.

³LoopNet Real Estate Research, <http://www.loopnet.com>

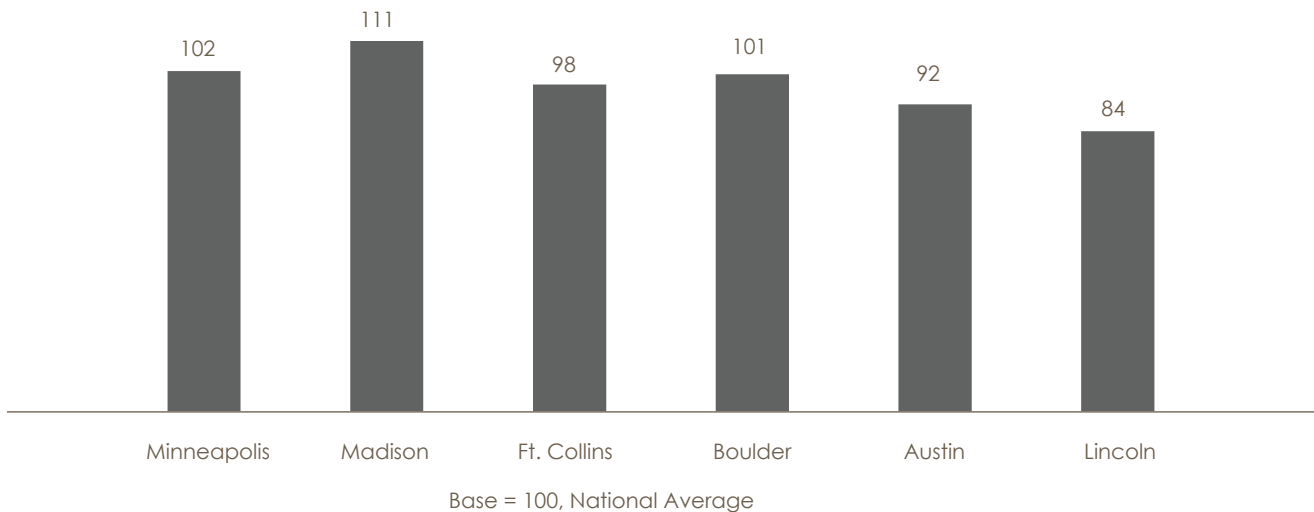
COST COMPARISONS

FIGURE 3: ANNUAL RENT PER SQUARE FOOT: OFFICE PROPERTY ASKING RENT APRIL 2014



Lincoln also ranks amongst the lowest with regard to 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.

FIGURE 4: RELATIVE WAGES FOR PROFESSIONAL AND RELATED WORKERS, 2011



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, price for industrial gas, and typical industrial electric bill service rates.

⁴U.S. Bureau of Labor Statistics, National Compensation Survey, "Pay relatives for major occupational groups in metropolitan areas," <http://www.bls.gov/ncs/ocs/sp/nctb1893.pdf>; Last Modified Date: May 25, 2011.

TABLE 1: FINANCE AND INSURANCE - AVERAGE ANNUAL SALARY, LINCOLN MSA, Q4 2013

Occupation	Actual Salary		
	Entry	Experience	Median
TOTAL ALL OCCUPATIONS	\$19,550	\$50,700	\$31,760
MANAGEMENT OCCUPATIONS	\$48,950	\$123,695	\$84,737
Financial Managers	\$73,503	\$167,096	\$117,598
Marketing Managers	\$57,918	\$137,389	\$94,628
Sales Managers	\$57,405	\$145,782	\$99,571
BUSINESS AND FINANCIAL OPERATIONS OCCUPATIONS	\$38,148	\$75,714	\$57,829
Claims Adjusters, Appraisers, Examiners, and Investigators	\$36,561	\$63,835	\$50,829
Compliance Officers	\$41,998	\$74,148	\$60,084
Management Analysts	\$49,619	\$90,727	\$73,002
Accountants and Auditors	\$41,823	\$79,572	\$59,568
Credit Analysts	\$41,034	\$78,361	\$60,495
Financial Analysts	\$47,104	\$86,943	\$67,714
Personal Financial Advisors	\$39,643	\$103,613	\$63,225
Insurance Underwriters	\$35,348	\$66,903	\$50,482
Financial Examiners	\$41,850	\$87,179	\$64,035
Credit Counselors	\$32,741	\$56,331	\$46,399
Loan Officers	\$44,553	\$82,521	\$62,067
Financial Specialists, All Other	\$40,062	\$77,708	\$58,463
Market Research Analysts and Marketing Specialists	\$35,144	\$73,756	\$57,165
COMPUTER AND MATHEMATICAL OCCUPATIONS	\$43,606	\$85,278	\$68,833
Computer Systems Analysts	\$49,484	\$86,330	\$72,704
Computer Programmers	\$42,834	\$90,487	\$71,596
Software Developers, Applications	\$48,003	\$90,259	\$74,404
Software Developers, Systems Software	\$52,524	\$93,456	\$80,108
Database Administrators	\$48,565	\$91,415	\$76,718
Network and Computer Systems Administrators	\$47,353	\$82,617	\$67,745
Actuaries	\$58,106	\$109,483	\$78,339
Statisticians	\$35,864	\$65,643	\$49,144
Statistical Assistants	\$26,322	\$32,660	\$29,036
Source: https://networks.nebraska.gov/ Historical Data Analysis: Emp. and Wage Data, Occupation Data, Occupational Wage Rates (OES)			

TABLE 2: 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 2012 (State Average)	Right-to-Work State?	Avg. Price Industrial Gas/Thousand Cubic Feet 2012 (State Avg.)	Typical Commercial Bill, Service Rates in Effect, January 1, 2013 (City)		Top State Corporate Income[2] Tax Rate 2013
				40kW, 14mWh	500kW, 150mWh	
Des Moines	2.39%	Yes	\$4.70	\$2,387	\$20,802	12.00%
Minneapolis/St. Paul	2.56%	No	\$4.48	\$3,516	\$33,597	9.80%
Madison	4.35%	No	\$5.81	\$1,674	\$17,763	7.90%
Ft. Collins	3.44%	No	\$5.79	NA	NA	4.63%
Boulder	3.44%	No	\$5.79	NA	NA	4.63%
Lincoln	2.41%	Yes	\$4.34	\$1,046	\$13,385	7.81%
Austin	3.18%	Yes	\$3.02	\$1,390	\$15,589	0.00%

[1] For metropolitan areas located in multiple states (Chicago, Kansas City, and Newark), the state averages from the state where the metropolitan areas' economic activity is concentrated are utilized (Illinois, Missouri, and New Jersey, respectively).
[2] Tax may be eligible for use of credits earned in state incentive program.

Sources:
A. U.S. Department of Labor Office of Unemployment Insurance Division of Fiscal and Actuarial Services (2012), Significant Measures of State Unemployment Insurance Tax Systems (Avg. Tax Rate) for Average Unemployment Insurance Tax Rates: <http://workforcesecurity.doleta.gov/unemploy/pdf/sigmeasuitaxsys12.pdf>
B. US Census Bureau, 2012 Statistical Abstract, Labor Union Membership by State for Right-to-Work State: http://www.census.gov/compendia/statab/cats/labor_force_employment_earnings/work_stoppages_and_unions.html
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
D. Lincoln Electric System, National Electric Rate Survey '13, Average Price/KWH: <http://http://www.les.com/pdf/rates/rate-survey.pdf>
E. Tax Foundation for State Corporate Tax Rates: <http://taxfoundation.org/article/state-corporate-income-tax-rates-2000-2013>

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), Peru State, Concordia University, Southeast Community College, and Doane College all provide business management, administration, accounting and finance programs. 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, Kaplan University, 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 the New Horizons Computer Learning Center and Easel Solutions.

In 2013 alone, the colleges and universities in Lincoln graduate over 1,100 students with bachelor's degrees in majors related to this sector, another almost 400 with associate's degrees, and nearly 250 with post-graduate degrees.

Bachelor's Degrees Awarded	Concordia University	Doane College	Kaplan University^A	Nebraska Wesleyan	Peru State	Southeast Comm. College^B	Union College	UNL	Total
Accounting	4	25	1	12				99	141
Actuarial Science								51	51
Banking and Financial Support Services								13	13
Business Administration and Management, General		99	3		47	192	13	265	619
Business/Commerce, General	28		14	56					98
Business, Mng., Mkt., and Related Support Svcs., Other	1			1	49	41			92
Business/Managerial Economics								25	25
Finance, General								133	133
Hospitality Administration/Management, General								53	53
HR Management/Personnel Administration, General		55							55
Insurance								5	5
International Business/Trade/Commerce				5			1	25	31
Investments and Securities								11	11
Management Information Systems, General		19							19
Marketing/Marketing Management, General	1							102	103
Mathematics, General	7	4		4	2		2	28	47
Economics, General				3				10	13
Total	41	202	18	81	98	233	16	820	1509

A: Associates Degrees; B: Associates and Bachelors Degrees; C: Certificate Program.
 Source: <http://nces.ed.gov/collegenavigator/>

Post Graduate Degrees (M.A. & Ph.D.) Awarded	Doane College	UNL	Total
Accounting		34	34
Actuarial Science		14	14
Business Admn. and Management, General		74	74
Business, Mng., Mkt., and Rel. Sprt. Svcs., Other		21	21
Management Science, General	45		45
Mathematics, General		26	26
Statistics, General		17	17
Economics, General		8	8
Total	45	194	239

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:

College of Business Administration (CBA)

The CBA currently ranks among the top 12% of 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 has maintained such a high ranking by fostering 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 CBA is the second largest college on the University of Nebraska-Lincoln campus with approximately 3,000 students attending classes with 62 full-time faculty members. The undergraduate program offers nine majors; accounting, actuarial science, agribusiness, business administration, economics, finance, international business, management, and marketing. 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: <http://cba.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 Administration. 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:
<http://cba.unl.edu/departments/finance/programs/actsci/default.aspx>

Management Information Systems Program

The College of Business Administration offers both undergraduate and graduate degrees (MBA & PhD) in Management Information Systems (MIS). The MIS faculty members work on organizational, behavioral, as well as design science research. The faculty members are well published and known nationally and internationally for their accomplishments. The MIS program emphasizes the conceptual foundation of MIS, information systems analysis and design, design science, electronic business/mobile/ubiquitous commerce, virtual world, knowledge sharing and management, enterprise integration, business intelligence, and global/strategic IT management. The program offers a comprehensive set of courses which are being constantly enhanced and updated.

For more information, see the source of this passage:
<http://cba.unl.edu/academics/management/mis/>

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:
<http://cba.unl.edu/academics/management/mis/>

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. NIC is operated by the Nebraska Innovation Campus Development Corporation (NICDC), a private 501(c)(3) corporation. At full build-out, NIC will be a 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/>

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, Fiserv, Dell Perot Systems, Sandhills Publishing, 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

Allied Insurance
www.alliedinsurance.com
Local employment: 250-499

Assurity Life Insurance Co.
www.assurity.com
Local employment: 250-499

Ameritas Life Insurance Co.
www.ameritas.com
Local employment: 1000-1999

State Farm Insurance
www.statefarm.com
Local employment: 1000-1999

Financial Institutions
Wells Fargo
www.wellsfargo.com
Local employment: 250-499

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: 5-9

Cornhusker Bank
www.cornhuskerbank.com
Local employment: 100-249

First State Bank Nebraska
www.1fsb.com
Local employment: 5-9

Nebraska Bank of Commerce
www.thenbcbank.com
Local employment: 10-19

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

West Gate Bank
www.westgatebank.com
Local employment: 50-99

First Nebraska Trust Company
www.firstnebtrust.com
Local employment: 10-19

Credit Unions:
Ameritas Employees Credit Union
www.ameritasecu.com
Local employment: 1-4

Construction Industries Credit Union
www.ciculincoln.com
Local employment: 1-4

Labor Department Credit Union
www.labordeptcu.org
Local employment: 1-4

Liberty First Credit Union
www.libertyfirstcu.com
Local employment: 100-249

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