

McDonald's continues to report rising profits, but its CEO sees a number of hurdles ahead. **Earnings roundup, Page 3D**

MARKET WATCH

Dow Industrials	▼ 12,675.75 (-33.07)
S&P 500	▼ 1,314.65 (-1.35)
NASDAQ	▲ 2,786.64 (+2.47)
Bloomberg Midlands	▼ 495.21 (-0.99)
Crude oil (NYMEX)	▼ 98.95 (-0.63)

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BUSINESS BRIEFS



Facebook's Timeline going live

Facebook users who have not changed their profiles to the company's new Timeline feature won't have a choice much longer. Facebook said Tuesday that Timeline will go live for all users in the next few weeks. Users will be informed that their profile is being switched to Timeline by a message at the top of Facebook's home page. Then they will have seven days to view and edit their past posts, photos, videos and more to ensure that only the information they want to appear will show up on the new profile page.

Charges of bias hit record

Federal job discrimination complaints rose to an all-time high last year, led by an increase in bias charges based on religion and national origin. The Equal Employment Opportunity Commission received nearly 100,000 charges of discrimination during the 2011 fiscal year, the most in its 46-year history. Charges of religious discrimination jumped by 9.5 percent, the largest increase of any category.

J.C. Penney cutting jobs

J.C. Penney Co., run by Apple Inc.'s former retail chief, is cutting seasonal employees and some full-time jobs as part of a plan to overhaul the retailer. Chief Executive Officer Ron Johnson, who took over in November, is reviewing products, pricing and promotional strategies to revive sales. Earlier this month, J.C. Penney cut its fourth-quarter profit forecast.

Google alters use of user data

Google Inc. is overhauling the way it treats user data, linking information across its array of email, video and social-networking services so that information gathered in one place can be used in another. For example, if you spent the last hour logged into Google to search the Web for skateboards, the next time you log into YouTube, there's a good chance you'll get recommendations for videos featuring Tony Hawk.

— From wire reports



The National Association of Home Builders said builder confidence in the new, single-family housing market climbed for a fourth consecutive month in January, rising to its highest level since June 2007.

Ready for a rebound?

'We're going to run out of lots,' a housing analyst cautions

BY CINDY GONZALEZ ONLY IN THE WORLD-HERALD

It may sound like an unlikely alarm to sound at a time when demand for newly constructed homes has been on a six-year downturn.

Yet a regional housing analyst who studies the Omaha area is warning local builders and bankers: "We're going to run out of lots."

Dan Whitney of Olathe, Kan.-based Landmarking Inc. admits that lenders might look at the metro area's 12,223 developed yet unoccupied lots and wince at the thought of financing more. But he expects "pent-up demand" to be unleashed over the next five years and noted that it takes considerable time to finance and prepare land.

"It's the 800-pound gorilla in the room," Whitney told a group of bankers, builders and Realtors, referring to today's inventory. "On paper, it looks like a lot of years' supply. But once you break it down to (desirable) lots in good areas ... that supply dwindles pretty fast."

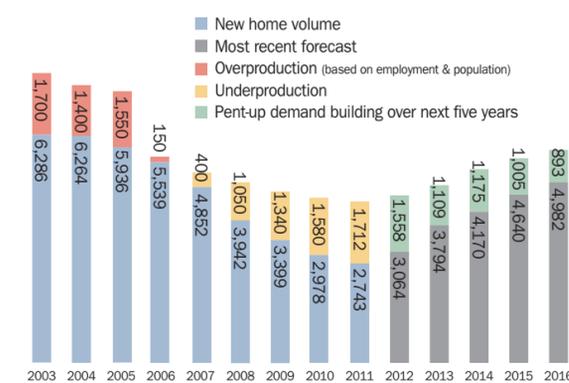
Whitney's call to get more plots in the pipeline is based on his forecast that 2012 will reverse the slide in new-house construction. While others in the field also are optimistic, saying they've seen signs of recovery already, not everyone is convinced of the need to start stockpiling lots.

"I'd wonder what is going to drive that kind of demand," said David Wellsandt of Mitchell and Associates, an Omaha real estate

See Forecast: Page 2

OVERSUPPLY/UNDERSUPPLY ANALYSIS

With previous starts and housing forecast for the Omaha/Lincoln metro area



NOTE: Analysis based on realistic demand and adjustment for social and economic influences

SOURCES: MarketGraphics Research Group; Landmarking Inc.

THE WORLD-HERALD



KENT SIEVERS/THE WORLD-HERALD

An Everlast Construction crew works on a home for Castlebridge Homes this week in Sarpy County's Shadow Lake area. Based on early-year sales, Castlebridge's Pete Sabaliauskas said he expects 2012 to be better than last year. From left are Ismael Mora, Samuel Villalba and Jorge Osorio.



At curbwise.com: The World-Herald offers the latest on home sales, valuations and neighborhoods in Douglas County.

Contest to give graduate students a taste of corporate finance

BY STEVE JORDON
WORLD-HERALD STAFF WRITER

About 40 graduate business students from Creighton University, the University of Nebraska-Lincoln and the University of Nebraska at Omaha are competing for cash prizes in a new contest that simulates the real world of corporate finance.

The Association for Corporate Growth of Nebraska is sponsoring its first "ACG Cup" competition, which is open to the public, from 5 p.m. to 9 p.m. Feb. 2 on each campus: Creighton's Harper Center at 602 N. 20th St., UNL's Nebraska Union at 1400 R St. and UNO's Mammel Hall, 6708 Pine St.

Teams of three to five students received information Monday about a fictional company, based on a real-world case history, and are analyzing the company from the perspective of a possible merger, acquisition or investment. They will present their analysis during the evening sessions to a panel of mergers-and-acquisitions professionals acting as judges.

The 15- to 20-minute presentations to judges are similar to presentations that would be made to an investment group or a board of directors considering an acquisition or merger, said Pam Peterson, planning chairman of the Nebraska event.

Winning teams from each campus will ana-

lyze information from a second case history and compete March 1 at the UNO Thompson Center, also from 5 p.m. to 9 p.m., for \$5,000 cash and a traveling trophy, plus \$2,500 for second place and \$1,000 for third place.

Nationally, about 100 universities nationwide take part in annual regional competitions on the same dates and using the same company information, sponsored by the association's chapters around the country, Peterson said. This is the first year for the Nebraska competition. Other universities nearby may be invited to compete next year.

Besides the prizes, Peterson said, the students learn skills that can help them when they graduate. "It's also exposure to senior-level executives that students typically never have," she said. UNO started a new course in business analysis that is geared toward the ACG competition.

The competition also helps build connections between the universities and their business communities, she said.

Chairmen of the Nebraska event are William Gerber, chief financial officer of TD Ameritrade; Michael Hupp, a partner at the Koley Jessen law firm; and Bryan Slone, managing partner of Deloitte's Omaha office.

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'Those jobs aren't coming back'

THE NEW YORK TIMES

When President Barack Obama joined Silicon Valley's top luminaries for dinner in California last February, each guest was asked to come with a question for the president.

But as Steve Jobs of Apple spoke, Obama interrupted with an inquiry of his own: What would it take to make iPhones in the United States?

Not long ago, Apple boasted that its products were made in America. Today, few are. Almost all of the 70 million iPhones, 30 million iPads and 59 million other products Apple sold last year were manufactured overseas.

Why can't that work come home? Obama asked.

Jobs' reply was unambiguous. "Those jobs aren't coming back," he said, according to another dinner guest.

The president's question touched upon a central conviction at Apple. It isn't just that workers are cheaper abroad. Rather, Apple's executives believe the vast scale of overseas factories as well as the flexibility, diligence and industrial skills of foreign workers have so outpaced their U.S. counterparts that "Made in the USA" is no longer a viable option for most Apple products.

Apple has become one of the best-known, most admired and most imitated companies on earth, in part through an

Steve Jobs spoke for Apple and perhaps others when he addressed an Obama question about U.S. firms' ties to other countries.

unrelenting mastery of global operations. Last year, it earned over \$400,000 in profit per employee, more than Goldman Sachs, Exxon Mobil or Google.

However, what has vexed Obama as well as economists and policy makers is that Apple — and many of its high-technology peers — are not nearly as avid in creating U.S. jobs as other famous companies were in their heydays.

Apple employs 43,000 people in the United States and 20,000 overseas, a small fraction of the more than 400,000 U.S. workers at General Motors in the 1950s, or the hundreds of thousands at General Electric in the 1980s. Many more people work for Apple's contractors: An additional 700,000 people engineer, build and assemble iPads, iPhones and Apple's other products. But almost none of them work in the United States. Instead, they work for foreign companies in Asia, Europe and elsewhere, at factories that almost every electronics designer relies upon to build their wares.

"Apple's an example of why it's so hard

See Apple: Page 2

Midlands job picture differs for states in '11

Iowa net jobs fell while Nebraska's rose, but both see improved unemployment rates.

BY ROSS BOETTCHER
WORLD-HERALD STAFF WRITER

As the Midlands economy continued to recover from the economic downturn, the 2011 jobs situation in Nebraska and Iowa played out in very different ways, not all of them positive.

Nebraska's labor market last year added 29,290 jobs and trimmed the number of people counted as unemployed by nearly 1,100 to 41,346. Of the added jobs, 8,600 of them were in the manufacturing sector, which has continued on an upward trend that started in early 2010, said Nebraska Labor Commissioner Cathy Lang.

Nebraska also maintained one of the lowest unemployment rates in the country, trailing only North Dakota.

Still, the state's unemployment rate of 4.1 percent in December 2011 was little changed from the rate of 4.3 percent in December 2010.

In Iowa during 2011, the state lost a net total of 7,400 jobs, many of which evaporated between April and October after three months of steady job growth to start the year. According to seasonally adjusted data from Iowa Workforce Development, during that seven-month period, Iowa lost a total of 25,100 jobs.

Then Iowa employers rebounded, adding 7,200 positions in November and December and leaving the state's economy in better-than-expected condition.

"The state's economy ended 2011 in a better place than was expected just a few months ago," said Teresa Wahlert, director of Iowa Workforce Development. "Both the labor force and total employment are beginning to trend upward, and the unemployment rate has fallen considerably below the 6 percent mark."

Iowa's unemployment rate was 5.6 percent in December 2011, down from 6.1 percent at the end of 2010.

The falling unemployment number is often a good sign, but part of the drop could be caused by people giving up on trying to find jobs.

The Omaha metropolitan area ended 2011 exactly where it started, with 4.7 percent of people counted as unemployed. (The city's unemployment rate isn't seasonally adjusted like the state rates to reflect annual trends in hiring.)

Overall, Omaha added 12,700

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