

## PERSONAL INCOME IN THE NEBRASKA PANHANDLE: 1969-1974 TRENDS AND SOURCES OF CHANGE

Personal income in the Nebraska Panhandle increased 85 percent in the five-year period, 1969-1974. This increase exceeded the 55 percent increase recorded for Nebraska over the same interval. Personal income in the Panhandle counties led all Nebraska regions in income gains during this period.

Personal income in the Nebraska Panhandle was estimated at \$282.6 million in 1969 (see Table 1). In 1972, personal income was estimated at \$398.8 million, and at \$479.4 million in 1973. A further increase to \$524.1 million was recorded in 1974. Future income changes are speculative in nature, but considering the size of the increases cited above it is interesting to note that income doubles in four to five years at the rates recorded from 1969-1974.

The largest year-to-year gain was recorded in 1973, when personal income in the Panhandle increased more than \$80 million (see Table 1). The agriculture sector led all sectors; manufacturing and construction provided substantial increases as well.

The largest income gains among the eleven-county Panhandle area<sup>1</sup> were recorded by Box Butte, Kimball, Banner, and Deuel counties. The largest absolute gain was recorded in Box Butte. Scotts Bluff, Morrill, and Cheyenne counties showed income gains slightly below that for the Panhandle but well above the state level. The rapid growth of personal income in the Panhandle region is well supported by the fact that income growth exceeded the state average in all counties except one during the 1969-1974 period.

The income estimates reported in this article are based upon information released by the U.S. Department of Commerce, Bureau of Economic Analysis.<sup>2</sup>

<sup>1</sup>The eleven counties of the Panhandle include Kimball, Morrill, Garden, Scotts Bluff, Box Butte, Deuel, Dawes, Cheyenne, Sheridan, Sioux, and Banner.

The Bureau of Economic Analysis has prepared personal income estimates dating back to 1950 in many cases and earlier in some cases. The estimates have been compiled for the Standard Metropolitan Statistical Areas (SMSA) as well as for counties.

Personal income is defined by the Bureau of Economic Analysis as current income of residents in an area from all sources. Personal income includes wage and salary income, rents, social security and other transfer payments (including unemployment compensation), net incomes of owners of unincorporated businesses, rental income, and other labor sources of income. Personal income is a measure of income after contributions to social security, government retirement, and other social insurance programs. The income measure, however, makes no provision for payment of federal or state taxes. These taxes must be paid from personal income figures reported in this article.

The personal income figures reported in this article must be used *with caution*. They are not perfect measures of income flows, and they are sufficiently imperfect to be subject to an undetermined error. Despite these limitations, however, the personal income data is an approximate measure of economic welfare.

Another limiting factor to be considered in applying the Panhandle income estimates is the relatively small population base of most Panhandle counties. When considering these counties, size becomes increasingly important. Population of the eleven-county Panhandle region, as estimated in 1976 by the Bureau of Business Research, University of Nebraska-Lincoln, varied in total size of less than 1,000 to a maximum of 36,000.<sup>3</sup> By Nebraska and national standards, these counties are sparsely populated. In some counties, high personal incomes may reflect a temporary economic condition not likely to be

(Continued on page 2)

<sup>2</sup>BEA-SUP 79-06, *Local Area Personal Income 1969-1974*, vol. 4.

<sup>3</sup>Based upon preliminary data in the process of being prepared.

Table 1  
PERSONAL INCOME, NEBRASKA PANHANDLE  
SELECTED YEARS, 1969-1974, AND INCOME SOURCES  
(in \$1,000s)

Year	Personal Income	Wage and Salary	Other Labor Income	Proprietors' Income			Property Income
				Total	Farm	Nonfarm	
1969	282,645	134,397	6,387	63,845	35,689	28,156	78,016
1972	398,755	171,883	10,071	112,667	79,892	32,775	104,134
1973	479,429	197,840	11,096	158,129	122,982	35,147	112,364
1974	524,074	218,807	12,673	164,958	127,866	37,092	127,636
% Change 1969-1974	85	63	98	158	258	32	64

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Local Area Personal Income, 1969-1974*, vol. 4.

(Continued from page 1) permanent. Despite these limitations, personal income figures reported here can provide the reader with a generalized look at the trend of personal income. It seems reasonably safe to conclude, for instance, that personal income has increased substantially in seven counties of the Panhandle and less dramatically in the remaining four counties. The figures can be used to identify the sources of this change, a point which is discussed in some detail below.

Personal income is making the most dramatic increases in Kimball, Banner, Deuel, Scotts Bluff, Box Butte, Morrill, and Cheyenne counties, as previously noted (see Table 2). In Box Butte County, personal income increased from an estimated \$29.6 million in 1969 to \$63.5 million in 1974. This is an increase of 115 percent in a five-year period. By contrast, the State of Nebraska recorded a 55 percent increase over this same period, while the United States increase was 52 percent. Income in Box

Butte County is rising about one and one-quarter times more rapidly than in the remainder of the United States.

Banner County reported a substantial increase in personal income over the interval. Personal income increased from \$2.5 million in 1969 to \$9.4 million in 1974. This dramatic increase was related to improving agricultural incomes. The sparsely settled population, however, implies that the Banner increase may be somewhat misleading. An abnormally good year by a few large farms in Banner County may obscure other changes.

Deuel County recorded a 117 percent increase in personal income over the same time span. The meager population of the county again limits the implication that can be drawn.

Scotts Bluff County is the largest county of the region, in both population and personal income. Personal income in Scotts Bluff County amounted to \$117 million in 1969; in 1974 it was \$211.9, an 81 percent increase. This increase was just slightly below that

Table 2  
PERSONAL INCOME,\* BY SOURCE, BY COUNTY, 1969, 1973, AND 1974  
PANHANDLE COUNTIES  
(millions of \$)

Year	Total Personal Income	Wage and Salary	Other Labor Income	Proprietors' Income			Prop-erty Income	Total Personal Income	Wage and Salary	Other Labor Income	Proprietors' Income			Prop-erty Income
				Total	Farm	Nonfarm					Total	Farm	Nonfarm	
<i>Kimball County</i>								<i>Garden County</i>						
1969	17.2	9.4	.4	3.0	1.0	2.0	4.4	8.4	3.7	.2	1.8	.9	.8	2.7
1973	28.9	12.2	.6	9.7	6.9	2.8	6.4	11.3	4.0	.2	3.2	2.3	.9	4.0
1974	35.0	14.1	.7	13.0	10.0	3.0	7.3	11.1	4.5	.2	2.0	1.0	1.0	4.5
% Change 1969-74	104	50	75	333	900	50	66	32	20	0	12	11	25	65
<i>Morrill County</i>								<i>Scotts Bluff County</i>						
1969	15.7	5.6	.2	4.9	3.7	1.2	5.0	117.2	62.3	3.1	26.6	15.3	11.3	25.2
1973	30.4	7.7	.4	14.4	12.6	1.7	7.9	191.5	101.9	6.2	50.1	36.2	13.9	33.4
1974	28.7	8.5	.5	11.6	9.8	1.8	8.1	211.9	107.8	6.8	57.8	43.2	14.6	39.5
% Change 1969-74	82	51	150	136	166	50	61	81	73	119	117	183	29	57
<i>Box Butte County</i>								<i>Dawes County</i>						
1969	29.6	13.7	.6	6.3	3.2	3.1	8.9	22.3	12.5	.5	1.7	N.A.	2.2	7.6
1973	53.9	20.1	1.0	18.0	14.4	3.6	14.8	38.7	16.3	.7	10.4	7.6	2.9	11.3
1974	63.5	23.5	1.1	22.2	18.4	3.8	16.7	39.1	17.7	.8	7.7	4.7	3.1	12.9
% Change 1969-74	115	71	84	253	475	23	86	76	41	60	353	N.A.	40	70
<i>Deuel County</i>								<i>Cheyenne County</i>						
1969	9.8	4.4	.2	1.4	.07	1.3	3.9	32.7	14.3	.9	7.5	4.5	3.0	9.9
1973	19.6	4.1	.2	9.9	8.3	1.6	5.5	47.8	18.9	1.3	13.6	10.0	3.6	14.0
1974	21.3	4.4	.2	10.3	8.6	1.7	6.3	59.4	24.2	1.7	18.0	14.3	3.8	15.5
% Change 1969-74	117	0	0	636	12,186	31	62	82	69	89	140	218	27	55
<i>Sheridan County</i>								<i>Sioux County</i>						
1969	21.9	6.3	.3	6.8	4.1	2.7	8.5	5.4	1.3	.04	2.8	2.4	.5	1.2
1973	38.8	9.8	.5	16.7	13.2	3.5	11.7	9.9	1.6	.06	6.1	5.7	.4	2.1
1974	35.9	11.1	.6	11.1	7.4	3.7	13.2	8.8	1.8	.06	4.6	4.2	.5	2.4
% Change 1969-74	64	75	100	64	80	37	55	64	38	50	62	74	0	100
<i>Banner County</i>														
1969	2.5	.8	.02	1.0	1.0	.02	.7							
1973	8.6	1.3	.04	6.0	5.8	.2	1.3							
1974	9.4	1.4	.03	6.5	6.3	.2	1.5							
% Change 1969-74	276	75	50	500	527	900	114							

\*Some totals may not add because of rounding and noninclusion due to disclosure of information pertaining to an individual firm.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Local Area Personal Income, 1969-1974*, vol. 4.

recorded for the Panhandle. Scotts Bluff County accounted for 41 percent of total personal income in the Panhandle in 1969, and 40.4 percent in 1974. Despite the somewhat slower growth rate, personal income in Scotts Bluff County increased by more than \$94 million over the five-year period. Personal income in Scotts Bluff County was increasing at a rate approximately 50 percent faster than that recorded for Nebraska and the United States.<sup>4</sup>

Wages and salaries in Scotts Bluff County have increased rather strikingly over the past five years. From a base of \$62 million in 1969, wages and salaries increased to \$107.8 million in 1974. Agriculture again was a leading economic sector. Agricultural incomes in Scotts Bluff County have nearly doubled between 1972 and 1974, and tripled from 1969 to 1974.

The three northern counties of the Panhandle, Sioux, Dawes, and Sheridan, had increases in personal income below the Panhandle average. While the increase in these three northern counties was below that recorded for the Panhandle, it exceeded that for the state by 10 to 20 percentage points. Despite the slower rate of increase in the three northern counties, the rate of increase was as much as 25 percent above that for the nation.

Garden County was the only county of the eleven-county region to record an increase of personal income below the national average. Over the five-year period 1969-1974, personal income in Garden County increased by 32 percent.<sup>5</sup> A slowly declining population base in Garden County may have contributed to the slow-growing personal income.

Examination of the information in Table 1 reveals the source of change in personal income. Wages and salaries increased by 63 percent over the five-year interval 1969-1974. This sharp increase in wages and salary income, however, was overshadowed in relative terms by the dramatic increase in farm income. From 1969 to 1974, farm income in the Panhandle increased from \$35.7 million to \$127.9 million. This constitutes a 258 percent increase, which equates to an average annual compounded rate of approximately 29 percent over the interval 1969-1974. Farm income in the Panhandle increased in 1974 over 1973. This was the exception in Nebraska, where farm income tended to decline in 1974 from 1973's peak. Statewide, farm income amounted to \$981 million in 1974, compared to \$1,529 million in 1973.<sup>6</sup> Farm income increased in 1974 over 1973 in Box Butte, Deuel, Cheyenne, Kimball, Scotts Bluff, and Banner counties. The crop mix in these counties may have contributed to the farm income gains.<sup>7</sup>

Farm income is one of the most difficult incomes to estimate. The conceptual problem of factoring out the returns to agriculture is extremely difficult to disentangle. What represents labor's con-

<sup>4</sup>The slight statistical difference between the 85 percent rate of increase for the Panhandle and the 81 percent for Scotts Bluff County may be due entirely to statistical errors and discrepancies. This difference is more statistical than substantive in nature.

<sup>5</sup>The small numbers phenomenon is operating once again in the case of Garden County. An abnormally poor sequence of years for a few producers could have reduced income growth. A natural disaster, range fire, hail storm, and the like, would have had a substantial impact upon income.

<sup>6</sup>Farm income includes wage and salary income and proprietors' income.

<sup>7</sup>Actually it is not possible to determine the reasons for income gains in these six counties. It might have resulted from better management, larger inventories, weather, crop mix, or some other factor.

tribution and what represents capital's contribution remains an unsolved and complex economic problem.

Farm income reported here was based on information supplied by the 1969 Census of Agriculture. This census information has been supplemented by special tabulations prepared by the Internal Revenue Service. There are two points which must be considered, however, in using farm income. First, farm earnings as reported here do not measure receipts from farming, but rather measure the net personal income generated in that sector. The cash receipts may vary considerably from the net income reported. Income is diminished when farm products are held from the market, increased when marketed. The holding of large farm inventories may seriously distort the farm income picture.

Corporate farm earnings present some additional problems with farm income. Only farm profits returned are considered in the county's farm income. If a corporate farm is owned by interests residing outside the county, then only a small part of the dividends or profits will be recorded in the county of origin. Wages and salaries paid by the corporate farm are usually a small portion of the incomes, so, consequently, personal income in areas where corporate farming is extensive will show small gains.

Despite these restrictions and limitations upon the use of farm income, it is clear that the improved agriculture prices of 1973 and 1974 had a marked effect on income in the Panhandle. Agriculture was one of the main factors which contributed to the growth of personal income in this area.

The manufacturing sector represents another source of growth of personal income in the Panhandle. Earnings for the manufacturing sector increased approximately \$19.9 million from 1969 through 1974. Manufacturing income was concentrated in Scotts Bluff County, although a slight dispersion of the manufacturing income to counties outside of Scotts Bluff was noticeable over this five-year interval.

Manufacturing income in 1969 amounted to \$14.6 million in Scotts Bluff County, out of the Panhandle total of \$15.7 million. Earnings from manufacturing increased to \$29.4 million in 1974, an increase of nearly 100 percent. Scotts Bluff County accounted for 93 percent of the Panhandle total manufacturing earnings in 1969 and 82 percent in 1974. The largest increase outside of Scotts Bluff was recorded in Box Butte County, where personal income earning attributable to manufacturing increased from less than \$1 million in 1969 to \$2.6 million by 1974. By 1974, Cheyenne County had earnings from manufacturing of \$2.2 million, which represented a rather substantial increase from the 1969 level.

Other income tabulations from the Bureau of Economic Analysis show earnings gains in construction; transportation; wholesale and retail trade; finance, insurance, and real estate; and services (Table 3).

The largest relative earnings gain (as measured by labor and proprietors' earnings) was recorded in the manufacturing sector. Earnings from manufacturing totaled \$15.8 million in 1969 and \$35.7 million in 1974 (see Table 3). The absolute earnings gain amounted to nearly \$20 million, a 127 percent increase.

Increases in manufacturing activity usually are accompanied by sharp expansions in construction activity. The facilities to carry out the increased manufacturing must be constructed or converted from existing facilities. The increase in manufacturing in the Panhandle is no exception to this (Continued on page 6)

## Review and Outlook

Business activity in Nebraska remained at nearly the same level throughout the fourth quarter of 1976. Although there was a steady increase in the dollar volume of business activity, moving the Bureau's index from a revised October level of 238.0 to 242.3 in December (relative to 1967 averages), the index, when adjusted for price changes, reached its peak for the quarter in November at 135.5, then declined in December to 135.2. The decline in the index was more statistical than substantive.

The drop in the physical volume index was due to a continued decline in the agricultural sector index; all other sectors of the state's economy registered increases in real output from November to December. The situation was much the same for the national

economy, except that the national agricultural sector index rose in December. The Nebraska aggregate physical volume index was 4.1 percent above its level for the same month in 1975 compared with a 5.1 percent improvement in the national index, but the physical volume index for the combined nonagricultural sectors of the state's economy was 6.6 percent above its December, 1975, level, whereas the national index rose only 5.3 percent.

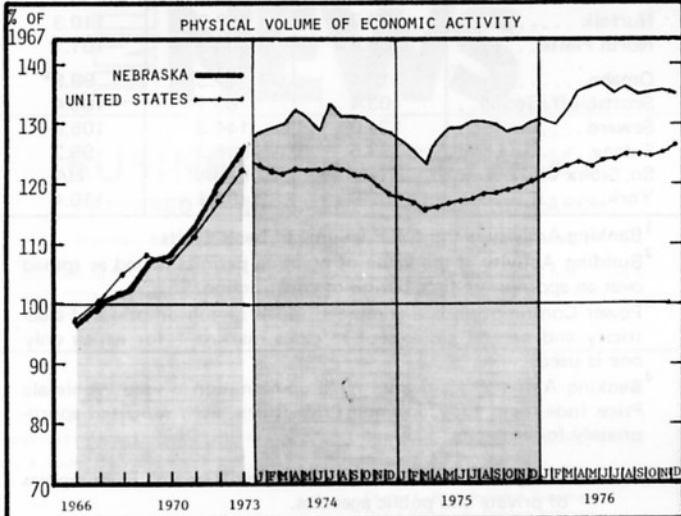
The Bureau of Business Research's indexes of annual total real output indicate that output for both the Nebraska and the national economies increased about 5.2 percent in 1976 above 1975 levels. Nebraska's construction output rose 11.3 percent in 1976, while national construction activity rose 5.1 percent. Distributive sector output increased 6.7 percent (Continued on page 5)

Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume indicator and its components adjusted for price changes using appropriate price indexes—see Table 5, page 5.

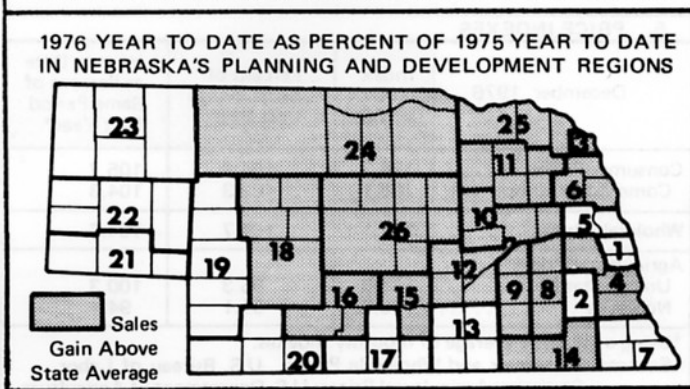
ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES				
1. CHANGE FROM PREVIOUS YEAR				
December, 1976	Current Month as Percent of Same Month Previous Year		1976 Year to Date as Percent of 1975 Year to Date	
	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume	107.1	110.2	109.4	110.8
Agricultural	81.1	97.5	96.4	106.3
Nonagricultural	112.0	110.7	111.9	110.9
Construction	154.6	110.0	116.6	109.8
Manufacturing	111.5	110.5	110.3	112.2
Distributive	111.2	111.5	112.8	111.1
Government	103.3	108.2	109.2	108.4
Physical Volume	104.1	105.1	105.2	105.2
Agricultural	88.9	101.2	102.4	106.0
Nonagricultural	106.6	105.3	105.6	105.2
Construction	146.2	104.1	111.3	105.1
Manufacturing	107.7	105.3	107.2	107.2
Distributive	106.1	106.3	106.7	105.0
Government	96.6	101.3	97.6	102.1

2. CHANGE FROM 1967		
Indicator	Percent of 1967 Average	
	Nebraska	U.S.
Dollar Volume	242.3	224.0
Agricultural	196.9	221.2
Nonagricultural	250.2	224.1
Construction	274.0	189.0
Manufacturing	266.6	206.9
Distributive	243.8	233.8
Government	245.0	237.9
Physical Volume	135.2	126.1
Agricultural	112.5	122.2
Nonagricultural	139.5	126.2
Construction	135.0	93.1
Manufacturing	144.3	112.9
Distributive	139.9	134.1
Government	130.2	137.5

3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES (Adjusted for Price Changes)			
Region Number <sup>1</sup> and City	City Sales <sup>2</sup>		Sales in Region <sup>2</sup>
	Dec., 1976 as percent of Dec., 1975	Dec., 1976 as percent of Dec., 1975	Yr. to date '76 as percent of Yr. to date '75
<i>The State</i>	106.1	109.4	110.0
1 Omaha	117.1	118.3	108.5
Bellevue	89.1		
2 Lincoln	102.0	106.0	108.5
3 So. Sioux City	111.5	110.1	110.1
4 Nebraska City	101.2	109.3	110.6
5 Fremont	104.0	105.6	108.7
Blair	98.9		
6 West Point	94.4	99.9	110.6
7 Falls City	92.5	100.2	104.8
8 Seward	89.9	95.7	110.6
9 York	93.8	103.6	111.9
10 Columbus	102.7	104.9	115.0
11 Norfolk	112.3	110.0	115.4
12 Grand Island	104.6	106.7	110.7
13 Hastings	101.6	101.9	109.6
14 Beatrice	98.3	105.3	111.6
Fairbury	96.4		
15 Kearney	107.6	110.8	116.3
16 Lexington	108.4	114.2	114.7
17 Holdrege	88.8	93.4	103.4
18 North Platte	106.6	111.3	116.6
19 Ogallala	101.3	99.0	102.2
20 McCook	98.6	95.7	105.5
21 Sidney	89.8	91.2	100.6
Kimball	81.2		
22 Scottsbluff /Gering	99.5	105.0	105.4
23 Alliance	116.1	116.2	109.2
Chadron	115.0		
24 O'Neill	107.9	111.6	122.3
25 Hartington	90.4	97.5	114.6
26 Broken Bow	93.2	104.3	115.9



<sup>1</sup> See region map below.  
<sup>2</sup> Sales on which sales taxes are collected by retailers located in the state. Region totals include motor vehicle sales; city totals exclude motor vehicle sales.  
 Compiled from data provided by Nebraska Department of Revenue.



(Continued from page 4) in Nebraska and 5 percent for the nation. Real output in the government sector (measured by government employment alone) dropped 2.4 percent in Nebraska in 1976, compared with an increase of 2.1 percent for the nation as a whole. Real agricultural output was 2.4 percent above 1975 in Nebraska versus 6 percent for the nation. The indexes of manufacturing output for both the state and the nation showed increases of just over 7 percent.

Output in the manufacturing and government sectors was up marginally from November, but significant gains were noted in construction activity, which rose 3.8 percent during the month, and in the large and important distributive sector, which posted a gain of nearly 0.9 percent for the month. The December construction index was 46 percent above its rather depressed December, 1975, level, while government employment was off 3.4 percent from the previous December. Estimated real output in the distributive and manufacturing sectors was 6.1 and 7.7 percent, respectively, above their December, 1975, levels, closely approximating the 6.6 percent increase calculated for the combined nonagricultural sectors.

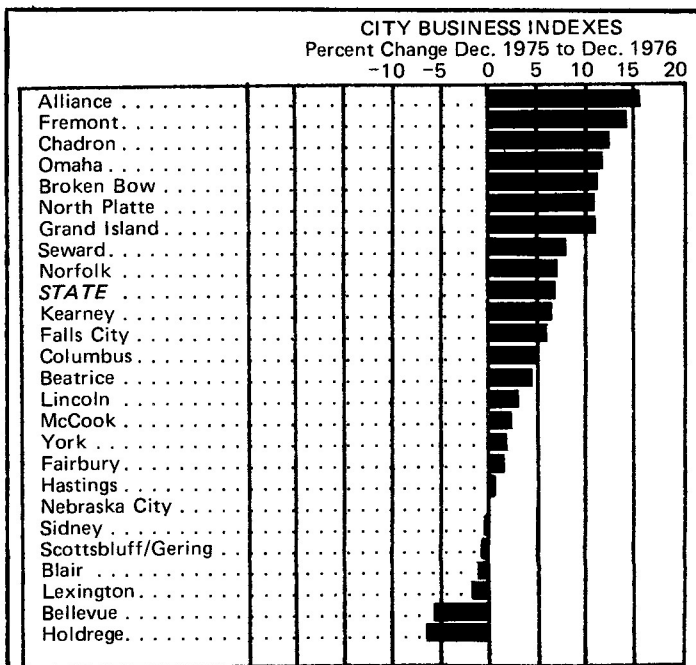
Excluding motor vehicle sales, Nebraska's December net taxable retail sales, adjusted for price changes, were 6.1 percent above December, 1975. With motor vehicle sales included, the state's real sales<sup>1</sup> were 9.4 percent higher than for the previous December, compared with a gain of 8 percent nationally. There was an astonishing increase in motor vehicle sales (although motor vehicle sales accounted for only about 8 percent of December total retail sales); *not* adjusting for price changes, motor vehicle sales in December were nearly 73 percent above December, 1975. Most of the counties in which the state's principal trading centers are located did even better, with increases in motor vehicle sales in Douglas, Lancaster, Hall, and Lincoln counties ranging from 97 to 113 percent. Sarpy County did slightly less well, with an increase of 61 percent.

For 1976, total retail sales were 10 percent above 1975 levels after adjusting for price changes. This 10 percent increase in Nebraska compares favorably with the 6.5 percent national gain. Trading regions with 15 percent increases in retail sales in 1976 over 1975 include Columbus, Norfolk, Kearney, North Platte, O'Neill, and Broken Bow. Lexington and Hartington nearly attained increases of 15 percent, with 14.7 and 14.6 percent annual gains, respectively. An examination of the data in Table 3 will reveal several other regional trading centers where 1976 increases exceeded the state average of 10 percent. D.H.

<sup>1</sup>The data in Table 3 include estimates for motor vehicle sales for Burt County (region 6) and for part of the nonmotor vehicle sales for Keith County (region 19) for December, 1976.

5. PRICE INDEXES			
December, 1976	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices . . . . .	174.3	104.8	105.7
Commodity component	168.1	103.3	104.3
Wholesale Prices . . . . .	187.1	104.7	104.6
Agricultural Prices			
United States . . . . .	181.0	96.3	100.3
Nebraska . . . . .	175.0	91.1	94.4

\*Using arithmetic average of monthly indexes.  
Sources: Consumer and Wholesale Prices: U.S. Bureau of Labor Statistics; Agricultural Prices: U.S. Department of Agriculture.



Source: Table 4 below.

4. DECEMBER CITY BUSINESS INDICATORS			
The State and Its Trading Centers	Percent of Same Month a Year Ago		
	Banking Activity <sup>1</sup> (Adjusted for Price Changes) <sup>4</sup>	Building Activity <sup>2</sup>	Power Consumption <sup>3</sup>
<i>The State</i> . . . . .	107.7	122.5	106.8
Alliance . . . . .	110.3	326.1	103.0
Beatrice . . . . .	105.8	181.6	105.9
Bellevue . . . . .	94.2	111.6	107.3*
Blair . . . . .	98.0	81.1	113.5
Broken Bow . . . . .	108.2	1574.2	86.8
Chadron . . . . .	106.3	261.5	98.4
Columbus . . . . .	111.7	87.5	98.0
Fairbury . . . . .	101.0	139.8	109.5*
Falls City . . . . .	121.5	100.6	99.6
Fremont . . . . .	109.3	146.4	170.8*
Grand Island . . . . .	111.7	229.0	106.5
Hastings . . . . .	100.8	83.2	104.9
Holdrege . . . . .	93.4	121.6	106.2
Kearney . . . . .	110.6	71.3	108.8
Lexington . . . . .	65.7	427.9	121.4
Lincoln . . . . .	105.4	97.4	98.9
McCook . . . . .	99.8	197.3	97.5
Nebraska City . . . . .	98.3	86.6	108.5
Norfolk . . . . .	96.7	182.9	110.3
North Platte . . . . .	109.9	258.5	101.1
Omaha . . . . .	116.4	71.3	98.8*
Scottsbluff/Gering . . . . .	103.4	65.1	105.4
Seward . . . . .	124.0	144.3	105.5
Sidney . . . . .	93.5	505.2	95.2
So. Sioux City . . . . .	NA	NA	NA
York . . . . .	109.9	84.1	110.4

<sup>1</sup>Banking Activity is the dollar volume of bank debits.  
<sup>2</sup>Building Activity is the value of building permits issued as spread over an appropriate time period of construction.  
<sup>3</sup>Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked \* for which only one is used.  
<sup>4</sup>Banking Activity is adjusted by a combination of the Wholesale Price Index and the Consumer Price Index, each weighted appropriately for each city.

Source: Compilation by Bureau of Business Research from reports of private and public agencies.

(Continued from page 3) general observation. Increased manufacturing activity was associated with increased construction activity. Construction earnings increased from \$8.8 million in 1969 to \$17.3 million in 1974. The percentage increase amounted to 97 percent, an annual compounded rate of approximately 15 percent. Unpublished data show earnings from construction and manufacturing increasing dramatically in Box Butte and Scotts Bluff counties. In Box Butte, earnings from these two sources expanded from \$1.0 million in 1969 to \$3.6 million in 1974. In Scotts Bluff County the increase in wages, salaries, and proprietors' earnings from these two industries was nearly \$19 million.

The earnings increase in transportation, communications, and public utilities amounted to \$14.1 million over the interval 1969-1974 (Table 3). In relative terms, the earnings increase in this sector was 83 percent, an annual compounded rate of 13 percent. The earnings increase in the transportation, communications, and public utilities sector equaled in dollar amount the increase in earnings reported in the wholesale and retail trade sector. Earnings from the latter-mentioned industry expanded from \$44.8 million in 1969 to \$59 million in 1974 in the eleven-county Panhandle region. The percentage increase in the wholesale and retail trade sector amounted to 32 percent, or a compounded annual

rate of 6 percent.

The service sector in the Nebraska Panhandle produced earnings gains of more than \$9 million over the five years 1969-74. Total labor and proprietors' earnings expanded from \$27 million to \$36.3 million. The relative increase amounted to 33 percent, or a compounded annual rate of approximately 6 percent.

Earnings from public sector employment have increased in the Panhandle counties as they have across the country. Earnings from this source amounted to \$30.6 million in 1969 and \$46.1 million in 1974 (Table 3). For the five-year period, earnings—wages and salaries only—increased 50 percent in the public sector.

This review of personal income in the Nebraska Panhandle shows what must be considered an encouraging development. The unmistakable signs of growth and development in this area are numerous and clear. Personal income has increased as rapidly or more rapidly than any areas in the state. Increases in farm incomes and manufacturing incomes have led this expansion, but it is important to stress that all sectors are prosperous in the region. The sharp economic expansion of the Panhandle is encouraging, not only for the region but for the state. A greatly expanded income base in one area aids all remaining regions as well.

DONALD E. PURSELL

Table 3  
LABOR AND PROPRIETORS' EARNINGS BY INDUSTRY  
NEBRASKA PANHANDLE, 1969-1974  
(in \$1,000s)

Year	Labor and Proprietors' Earnings			Public Sector	Private Nonfarm Sector							
	Total <sup>1</sup>	Total Farm	Total Nonfarm	Local, State, Federal	Manufacturing	Mining	Contract Constr.	Trans., Com. & P. Util. <sup>2</sup>	Whle. & Retail Trade	F.I.R. <sup>3</sup>	Services	Other
1969	204,589	41,843	162,746	30,637	15,750	2,859	8,791	16,957	44,762	6,469	27,036	363
1972	294,601	89,764	204,837	38,278	25,538	2,418	14,248	25,496	52,594	7,762	28,407	354
1973	367,065	134,512	232,553	43,062	32,303	1,950	19,817	28,310	58,362	8,562	32,938	487
1974	396,438	142,005	254,433	46,108	35,735	2,515	17,316	31,087	59,047	9,514	36,307	515
% Change 1969-74	94	240	57	53	127	-12	97	83	32	47	33	42

<sup>1</sup>Totals may not add because of rounding and noninclusion due to disclosure of information pertaining to an individual firm.

<sup>2</sup>Transportation, Communications, and Public Utilities.

<sup>3</sup>Finance, Insurance, and Real Estate.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Local Area Personal Income, 1969-1974*, vol. 4.

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