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NEBRASKA PERSONAL INCOME

The Bureau of Economic Analysis (BEA) of the United States Department of Commerce has estimated that total personal income in Nebraska during the third quarter of 1979 was \$13.6 billion on a seasonally adjusted, annual rate basis (Table 1). This represents an increase of 2.4 percent from the second quarter of 1979, and an increase of 13.6 percent from the third quarter of 1978. In comparison, personal income for the nation as a whole increased 2.8 percent from the second quarter 1979, and increased 11.7 percent from the third quarter of 1978.

Because of rapidly increasing prices during this period, however, the seemingly large increases in the current-dollar value of personal income can be extremely misleading. Prices in the third quarter 1979, as measured by the Consumer Price Index (CPI), rose 3.0 percent above second-quarter prices and were 11.7 percent higher than the third quarter of 1978. Although the use of the CPI to measure inflation has been seriously questioned recently, it is apparent that the growth in personal income between the second and third quarters of 1979 was insufficient to fully offset increasing prices, at both the state and the national levels.¹ On the other hand, it is obvious that Nebraska has recorded moderate growth in real personal income between 1978 and 1979.

COMPOSITION OF PERSONAL INCOME

Personal income is the current income received by all persons from all sources. It consists of private and government wage and salary payments in cash and in kind; other labor income; farm and nonfarm proprietors' income; property income from interest, net rents, and dividends; and transfer payments; less personal contributions for social insurance, and adjusted for place of residence. It is measured before the deduction of personal income and other personal taxes and is expressed in current dollars, and has no directly applicable index that can be used to convert it into real dollars.

Table 1 and Table 2 (p. 2) present personal income and its major components. Data in Table 1 are quarterly values, expressed on an annual rate basis in current dollars, for the years 1978 and 1979. As can be seen in this table, personal income increased steadily over this period. In the first and third quarters, however, the growth was illusory as consumer prices rose at higher

rates.² The three major components of personal income also grew steadily over this period, except for the first quarter of 1978 when labor and proprietors' income fell.

Table 1
ANNUAL ESTIMATES OF PERSONAL INCOME
BY QUARTER, 1978-1979
(seasonally adjusted in millions of current dollars)

	1978.1*	1978.2	1978.3	1978.4	1979.1	1979.2	1979.3
Personal Income	11,099	11,693	11,942	12,737	12,774	13,246	13,566
Net Labor and Proprietors' Income by Place of Residence	7,754	8,290	8,406	9,092	9,026	9,390	9,545
Dividends, Interest, and Rent	2,028	2,074	2,157	2,235	2,307	2,371	2,431
Transfer Payments	1,316	1,329	1,379	1,410	1,441	1,485	1,590

*Numbers after decimal refer to quarter, that is, .1 - first quarter; .2 - second quarter, etc.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 2 summarizes the components of personal income and their relative importance during the period 1969 to 1979. Data for the years 1969 through 1978 are annual averages, while 1979 data represent an annual estimate based upon results through the first three quarters of 1979.

Personal income has increased steadily and constantly over the 1969-79 interval. During this time period, personal income was up 165 percent. The year-to-year gains are not consistent, but there is a basic underlying growth in Nebraska's personal income.

Much of the variability in personal income is illustrated by looking at labor and proprietors' income, personal income's major component. It also showed steady growth from 1969 through 1979, but was much more erratic. Even though labor and proprietors' income increased 152 percent during this period, the rates of change varied considerably (Continued on page 2)

¹Because of its construction, the CPI tends to overstate changes in prices. Another index used to measure prices is the deflator for the Personal Consumption Expenditures (PCE) component of Gross National Product. Although less publicized, the PCE deflator is widely recognized by economists as a better measure of price changes than the CPI because it allows for substitution among broad categories of purchases, and therefore lessens the problem of overstatement.

²There will be no further discussion comparing rates of change in prices and personal income, mainly because no adequate price index exists for use with personal income and its components. Despite this fact, the reader should be aware that much of change in personal income in the 1970s can be attributed to increasing prices.

(Continued from page 1) from year to year. In fact, labor and proprietors' income actually fell in 1974.

The other two components of personal income—dividends, interest, and rent, and transfer payments—increased steadily and consistently, outpacing the growth of personal income. Dividends, interest, and rent grew 181 percent between 1969 and 1979, but transfer payments was by far the fastest growing component, with a growth rate of 238 percent.

It is not surprising to note that the relative importance of the three components varied throughout the period 1969-79, with a definite gainer and loser (Table 2). The average percent of personal income accounted by each component was: labor and proprietors' income, 71.9 percent; dividends, interest, and rent, 17.4 percent; and transfer payments, 10.7 percent.

Labor and proprietors' income was a loser in terms of relative importance. It began, in 1969, by comprising 74.4 percent of personal income, but in 1979 it accounted for 70.9 percent. Although 1969 may have been an unusual year, it is still apparent that the relative importance of labor and proprietors' income fell during the 1970s.

Dividends, interest, and rent, and transfer payments gained in the percentages of personal income that they accounted for. Dividends, interest, and rent moved from 16.8 percent to 17.8 percent, and transfer payments went from 8.8 percent to 11.3 percent.

Also contained in Table 2 are estimates of per capita personal income for Nebraska. Since the size of total personal income is influenced by population size, per capita personal is a better measure of economic welfare of the state and allows for direct comparisons with the nation and among states and counties.

Based upon the first three quarters of 1979, it is estimated that per capita income will be \$8,593 in 1979. This represents a 148 percent increase over the \$3,468 recorded in 1969. Throughout the decade of the 1970s, Nebraska's per capita income generally fell somewhat below national per capita income; Nebraska's value averaged about 97 percent of the nation's value, and equaled

or surpassed national per capita income on only two occasions—1973 and 1975.

SOURCES OF PERSONAL EARNINGS

This section briefly examines the structure of the state's income situation by focusing on the sources of earnings during the period 1969-1978. The ending year was chosen to be 1978

Table 3
PERSONAL EARNINGS BY TYPE AND INDUSTRY
1969 AND 1978

	Earnings (millions of \$)		Percent of Total Earnings		Percent Increase in Earnings 1969 - 1978
	1969	1978	1969	1978	
Total Personal Earnings	4,052	8,991	---	---	122
<i>BY TYPE</i>					
Wage and Salary Disbursements	2,941	6,769	72.6	75.3	130
Other Labor Income	152	607	3.8	6.8	299
Farm Proprietors' Income	503	893	12.4	9.9	78
Nonfarm Proprietors' Income	455	721	11.2	8.0	58
<i>BY INDUSTRY</i>					
Agricultural Services and Other	18	31	0.4	0.3	72
Farm	567	1,062	14.0	11.8	87
Mining	13	34	0.3	0.4	162
Construction	280	633	6.9	7.0	126
Manufacturing	661	1,404	16.3	15.6	112
Transportation and Public Utilities	332	853	8.2	9.5	157
Wholesale Trade	238	692	5.9	7.7	191
Retail Trade	503	917	12.4	10.2	82
Finance, Insurance, and Real Estate	231	585	5.7	6.5	153
Services	542	1,279	13.4	14.2	136
Government	667	1,501	16.5	16.7	125

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 2
NEBRASKA PERSONAL INCOME, 1969-1979

	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979*	Average Percent of PI 1969 - 1979
<i>(in millions of current dollars)</i>												
Personal Income (PI)	5,112	5,442	5,864	6,638	7,834	8,009	9,087	9,396	10,374	11,868	13,526	---
Net Labor and Proprietors' Income by Place of Residence	3,804	3,984	4,255	4,838	5,777	5,658	6,485	6,582	7,224	8,386	9,590	---
Dividends, Interest, and Rent	857	935	1,017	1,148	1,294	1,472	1,529	1,667	1,911	2,124	2,412	---
Transfer Payments	451	522	592	651	763	879	1,072	1,147	1,239	1,359	1,525	---
<i>(percent of PI)</i>												
Net Labor and Proprietors' Income by Place of Residence	74.4	73.2	72.6	72.9	73.7	70.6	71.4	70.1	69.6	70.7	70.9	71.9
Dividends, Interest, and Rent	16.8	17.2	17.3	17.3	16.5	18.4	16.8	17.7	18.4	17.9	17.8	17.4
Transfer Payments	8.8	9.6	10.1	9.8	9.7	11.0	11.8	12.2	11.9	11.5	11.3	10.7
<i>(in dollars)</i>												
Per Capita Income	3,468	3,657	3,904	4,364	5,113	5,198	5,887	6,054	6,672	7,582	8,593	---

*Annual estimate based on data through first three quarters.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

PERSONAL INCOME IN NEBRASKA COUNTIES

Personal incomes vary considerably in size and composition in Nebraska counties. Because of this, comparison of the relative levels of economic well-being at the county level can best be achieved by analyzing the levels of per capita personal income and rates of change in personal income. The Bureau of Economic Analysis of the U.S. Department of Commerce prepares annual estimates of total and per capita personal income at the county level, with 1977 being the latest year for which data are available.¹

PER CAPITA INCOME

In 1977, per capita income for the state averaged \$6,672, compared to the national average of \$7,026. Nebraska counties exhibited a wide range of per capita incomes, with counties ranking among the highest and lowest in the nation in terms of per capita income. Three southwest Nebraska counties, Deuel, Kimball, and Perkins, led the state in per capita incomes, while Loup County was reported to have the lowest per capita income in 1977.

Because many counties in Nebraska have important agriculture sectors, it should be noted that farm income is the most volatile and difficult-to-measure component of personal income. Therefore, this section must be viewed with caution since no single year can adequately describe a county's income situation.

One of the major differences in per capita income occurred between nonmetropolitan and metropolitan counties. Despite the fact that both groups produced approximately the same level of personal income, nonmetropolitan counties had an average per

¹ Estimates for 1978 should be released later this month and presented in the April issue of the *Survey of Current Business*, published by the U.S. Department of Commerce. It will be interesting to note if the patterns presented in this article change significantly in 1978.

(NEBRASKA PERSONAL INCOME, continued)

because data for 1979 are not available as of this writing. Since relative values and not absolute values will be of primary importance in this section, one year's difference should not appreciably affect the comparison. As used here, personal earnings includes wage and salary income, other labor income, and proprietors' income. It differs from net labor and proprietors' income by residence since it does not exclude personal contributions for social insurance nor is it adjusted for residence. It is also called "total labor and proprietors' income by place of work."

Table 3 (p. 2) lists the sources of personal earnings by type and industry. The data reveal that there were some changes in the structure of earnings, especially in the type of earnings. Caution must be exercised, however, when interpreting these changes. It must be remembered that these data pertain to the state as a whole. Individual counties or areas within the state are likely to exhibit considerably different patterns.

Between 1969 and 1978, personal earnings grew at a rate of 122 percent. This growth was not shared by all types of income as farm and nonfarm proprietors' incomes increased by 78 percent and 58 percent, respectively, while other labor income increased nearly 300 percent. As a result of these changes, the percentage of earnings originating from proprietors dwindled from 23.6 percent to 17.9 percent. Other labor income, in contrast,

capita income of \$6,314, while the average for metropolitan counties was \$7,133.

Figure 1 (p. 6) illustrates the dispersion of per capita incomes among Nebraska counties. As can be seen in this map, there are four major clusters of high-income counties. The largest is composed of the thirteen counties in the south-central and southeastern portions of the state. These counties are all south of the Platte River and extend from Kearney County to the Missouri River. Although a large portion of the personal income in this area originates in the agricultural sector, the economies are fairly diversified with substantial trade and manufacturing incomes. Lincoln, Hastings, and Beatrice are the largest cities in this region.

Two other clusters, containing a total of ten counties, are located in southwestern Nebraska—one group borders Wyoming and Colorado and the other borders Colorado and Kansas. Nearly all the counties in these areas have a heavy dependence on agriculture, but also have proportionally more mining income than the state as a whole.

The fourth group of high-income counties lies in the eastern part of the state, north of the Platte River. This four-county area is composed of some of the most populous counties in the state. Although this region has a very diverse economy, it contains the largest concentration of manufacturing in the state. The major cities in this area are Omaha, Fremont, Norfolk, and Columbus.

The state's low-income counties are clustered in a twenty-county area located in north-central and northeastern Nebraska, extending northeast from Arthur County to the Missouri River. This is the least-populated area of the state and has an almost exclusive dependence on agriculture, with livestock-related agriculture of primary importance.

(Continued on page 6)

increased its share from 3.8 percent to 6.8 percent and is closing the gap between it and nonfarm proprietors' income.

The shifts in industrial sources of personal earnings were not as sizable as the shifts in types of earnings, but there are some noticeable changes. The most surprising is in the trade sectors. Growth in retail trade was only 82 percent, as its percentage share dropped from 12.4 percent to 10.2 percent. Wholesaling, on the other hand, increased 191 percent while increasing its share from 5.9 percent to 7.7 percent.

Not so surprising was the continued decline in the farm sector as a source of earnings. As a result of its 87 percent growth rate, its share fell from 14.0 percent in 1969 to 11.8 percent in 1978. Much has been written about the volatility in this sector, so comparisons between any two time periods should be viewed with caution.

It must be remembered that all dollar amounts presented here are current dollars. Any changes, therefore, also include changes in prices. Furthermore, because agriculture is an important source of earnings in Nebraska, comparisons between any two time periods can be misleading. Agricultural income can fluctuate significantly from one year to the next, which will affect not only levels of income and earnings but also the relative importance of the other sectors.

J. A. D.

Review and Outlook

Nebraska's overall economic condition was mixed in December, with two of five sectors increasing during the month. The physical volume index for the state fell 1.8 percent from its November level and was 4.7 below its value of last year. Nationally, the index was down 0.1 percent during the month and was 0.9 percent below the level of last December.

The November-to-December decrease in state economic activity was concentrated in the agricultural sector, where activity fell 13.1 percent. In contrast, nonagricultural output rose 0.2 percent, with the two major nonagricultural sectors registering gains. The month-to-month percentage changes in the nonagricultural sectors were: distributive, +0.6 percent; manufacturing, +0.2 percent;

government, -0.2 percent; and construction, -3.5 percent.

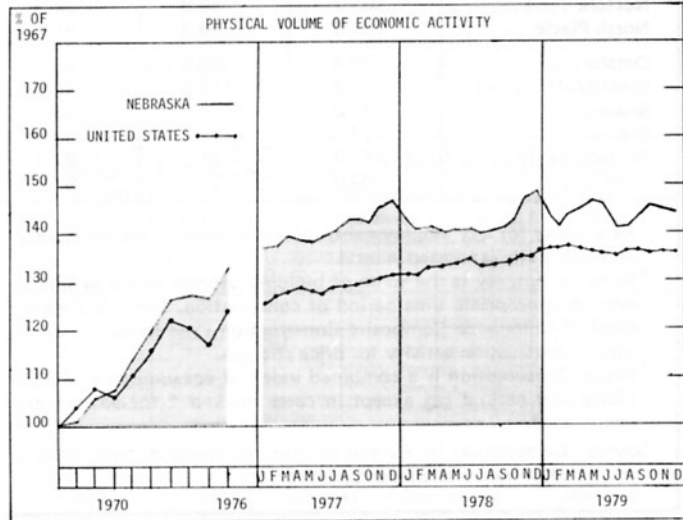
Year-to-date data indicate that in 1979 the Nebraska economy experienced its second consecutive year of sluggish growth. The growth occurred in two spurts—a three-month spurt beginning in March and a two-month spurt beginning in September. For the year, the index was only 0.9 percent above the level of 1978 (see Table 1). This compares to a 1.5 percent rise in the U.S. physical volume index for 1979, and a 1.1 percent growth in Nebraska economic activity in 1978.

The increase in the Nebraska economy in 1979 was shared by three of the five sectors. For the year, agricultural activity was up 2.9 percent and nonagricultural activity was up 0.6 percent. The changes in the yearly output for the (Continued on page 5)

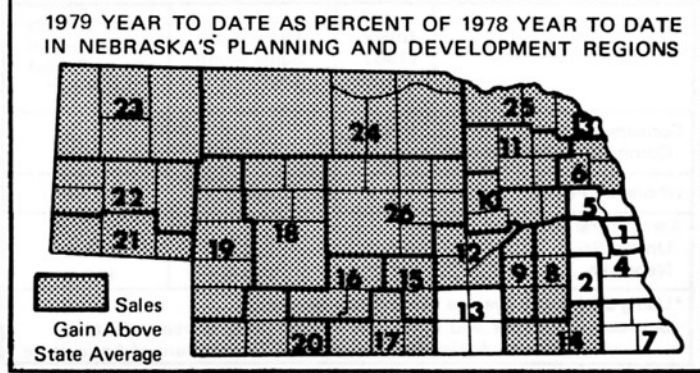
Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume 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 1979	Current Month as Percent of Same Month Previous Year		1979 Year to Date as Percent of 1978 Year to Date	
	Nebraska	U.S.	Nebraska	U.S.
Indicator				
Dollar Volume	106.5	111.3	113.1	112.8
Agricultural	91.8	107.7	123.1	120.4
Nonagricultural	109.5	111.4	111.6	112.5
Construction	89.9	107.3	97.7	111.0
Manufacturing	117.7	115.0	117.9	116.4
Distributive	109.6	110.9	111.6	111.8
Government	103.3	106.6	107.0	107.4
Physical Volume	95.3	99.1	100.9	101.5
Agricultural	81.3	100.6	102.9	104.9
Nonagricultural	97.9	99.1	100.6	101.4
Construction	81.2	97.0	86.3	98.0
Manufacturing	103.8	100.7	105.6	104.0
Distributive	96.7	97.9	100.4	100.5
Government	99.6	101.6	99.3	100.9
2. CHANGE FROM 1967				
Indicator	Percent of 1967 Average			
	Nebraska	U.S.		
Dollar Volume	336.3	315.4		
Agricultural	330.8	295.4		
Nonagricultural	337.2	316.1		
Construction	290.6	298.7		
Manufacturing	399.8	313.3		
Distributive	328.8	325.8		
Government	301.7	289.2		
Physical Volume	142.4	135.9		
Agricultural	130.7	121.6		
Nonagricultural	144.4	136.4		
Construction	104.2	107.1		
Manufacturing	163.9	129.3		
Distributive	143.0	141.7		
Government	137.9	142.2		

3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES (Adjusted for Price Changes)				
Region Number ¹ and City	City Sales ²		Sales in Region ²	
	Dec. 1979 as percent of Dec. 1978	Dec. 1979 as percent of Dec. 1978	Year to date '79 as percent of Year to date '78	Year to date '79 as percent of Year to date '78
<i>The State</i>	101.3	100.4	100.4	100.5
1 Omaha	111.1	109.0	109.0	97.7
Bellevue	98.5			
2 Lincoln	98.1	97.4	97.4	100.2
3 So. Sioux City	88.5	86.2	86.2	92.3
4 Nebraska City	92.7	94.7	94.7	99.8
5 Fremont	95.6	94.2	94.2	100.4
Blair	99.7			
6 West Point	98.0	88.2	88.2	103.4
7 Falls City	97.7	96.3	96.3	99.1
8 Seward	105.2	98.2	98.2	102.2
9 York	95.1	89.1	89.1	103.9
10 Columbus	93.9	95.2	95.2	103.6
11 Norfolk	98.1	97.6	97.6	103.2
Wayne	100.8			
12 Grand Island	96.0	94.0	94.0	102.7
13 Hastings	92.5	91.5	91.5	99.6
14 Beatrice	93.3	90.6	90.6	101.0
Fairbury	89.5			
15 Kearney	98.3	96.0	96.0	102.9
16 Lexington	95.0	96.0	96.0	104.6
17 Holdrege	103.7	94.5	94.5	101.0
18 North Platte	97.7	97.9	97.9	102.2
19 Ogallala	96.2	95.1	95.1	104.2
20 McCook	100.8	99.8	99.8	103.9
21 Sidney	94.2	103.0	103.0	103.2
Kimball	125.2			
22 Scottsbluff/Gering	99.6	98.7	98.7	102.5
23 Alliance	109.9	97.8	97.8	103.1
Chadron	91.5			
24 O'Neill	100.9	105.9	105.9	108.4
25 Hartington	98.9	89.8	89.8	102.6
26 Broken Bow	96.3	96.7	96.7	106.9



¹See region map below.
²Sales 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) nonagricultural sectors were: manufacturing, +5.6 percent; distributive, +0.4 percent; government, -0.7 percent; and construction, -13.7 percent. With the exception of manufacturing, the rates of change in the sectors of the Nebraska economy were all less than those of the U.S. economy.

The rise in agriculture output was accompanied by increasing prices. In 1979, prices received by Nebraska farmers increased 19.9 percent, contributing to an increase in the dollar volume of cash farm marketings of more than \$800 million. During this time period, prices paid increased 13.6 percent, but they were increasing more rapidly at the end of the year while prices received were increasing less rapidly.

The strongest sector in the Nebraska economy continued to be manufacturing. Its growth was inconsistent, however, as output in this sector rose in only six months during 1979. Moreover, the highest value of the index occurred in July. Employment in this sector also increased during the year, recording a 3.8 percent gain over 1978.

The distributive sector was the other major sector recording an increase in output. Growth in this sector was very erratic in 1979, with more monthly declines than increases. Its index peaked in May with a value of 149.3. For the year, employment was 2.6 percent above last year.

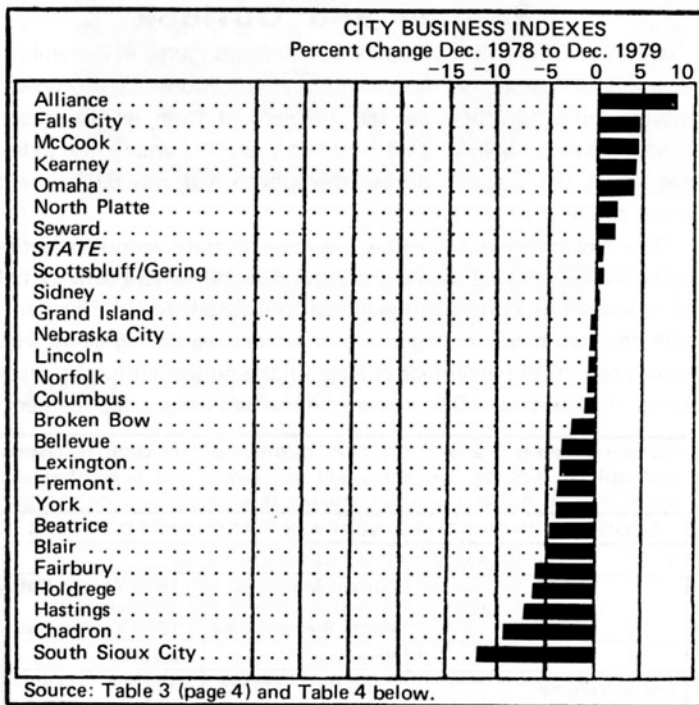
The government sector was sluggish throughout 1979 and finished the year below 1978. Employment in the government sector fell 0.7 percent.

The sizable drop in construction activity continued the trend which began in 1978. Residential building, nonresidential building, and non-building construction were all affected, but the drop in residential construction was most severe, especially in the last half of 1979.

After adjustment for price changes, Nebraska's net taxable sales in December were 0.4 percent above last December. Nationally, retail sales were down 4.1 percent from last year's level. On a year-to-date basis for 1979, sales in Nebraska increased 0.5 percent while sales for the nation decreased 0.6 percent. Increases in annual sales occurred throughout Nebraska as twenty-one of the state's twenty-six planning regions had total sales in 1979 above those of 1978.

December's softness in the state economy was reflected in the city business indexes. Even though the city business indexes rose an average of 0.3 percent, seventeen of the twenty-six cities registered losses relative to December 1978. Alliance recorded the largest gain in activity, with an increase of 8.0 percent. Other cities with December-to-December increases exceeding 3 percent were Falls City, McCook, Kearney, and Omaha.

J. A. D.



4. DECEMBER CITY BUSINESS INDICATORS

The State and Its Trading Centers	Percent of Same Month a Year Ago		
	Employment ¹	Building Activity ²	Power Consumption ³
<i>The State</i>	101.9	88.2	95.5
Alliance	112.7	74.1	102.8
Beatrice	99.4	73.9	93.3
Bellevue	99.4	65.1	92.1*
Blair	95.5	48.7	100.6
Broken Bow	97.3	96.2	102.0
Chadron	98.1	42.8	84.7
Columbus	100.2	159.5	93.0
Fairbury	98.8	80.4	98.4
Falls City	100.7	365.1	91.6
Fremont	97.4	92.6	93.5*
Grand Island	105.9	68.3	105.4
Hastings	102.5	48.8	82.0
Holdrege	100.1	41.1	64.4
Kearney	114.6	96.3	89.0
Lexington	101.7	78.9	87.4
Lincoln	100.9	67.0	115.9
McCook	100.8	241.6	95.9
Nebraska City	102.2	164.9	94.6
Norfolk	101.7	88.8	98.6
North Platte	108.6	99.2	91.9
Omaha	99.4	93.5	95.2
Scottsbluff/Gering ..	102.0	113.8	90.8
Seward	99.6	133.6	83.9
Sidney	107.2	182.3	69.8
So. Sioux City	92.9	51.9	82.9
York	100.9	75.3	87.6

¹ As a proxy for city employment, total employment for the county in which a city is located is used.

² Building Activity is the value of building permits issued as spread over an appropriate time period of construction. The U.S. Department of Commerce Composite Construction Cost Index is used to adjust construction activity for price changes.

³ Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked * for which only one is used.

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

5. PRICE INDEXES

December 1979	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices	229.9	113.3	111.3
Commodity component	219.4	113.0	111.4
Wholesale Prices	249.4	114.7	112.4
Agricultural Prices			
United States	243.0	107.0	114.6
Nebraska	253.0	112.9	119.9

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

PERCENT CHANGE IN PERSONAL INCOME

Between 1969 and 1977, the state recorded a growth in personal income of 104 percent. This compares to 106 percent growth rate for the nation as a whole. As was the case for per capita income, Figure 2 shows that this growth was not spread uniformly throughout the state, with some counties growing much more rapidly than others. In contrast to per capita income, however, metropolitan and nonmetropolitan counties exhibited very similar rates of growth. Personal income in metropolitan counties grew at a rate of 106 percent, while personal income in nonmetropolitan counties grew 102 percent.

Comparing Figure 1 with Figure 2, it is apparent that many of the counties with high per capita incomes were also among the fastest growing counties in terms of personal income, and many of the low-income counties were among the slowest growing. There were, however, some major exceptions, as Nemaha and Richardson counties experienced high incomes but low rates of growth. On the other hand, Holt County recorded a low per capita income but had a high rate of growth.

The counties with high growth rates fall into two major clusters. The largest is composed of sixteen contiguous counties which lie in the western and southwestern portions of the state. As stated earlier, agriculture and mining are relatively more important when compared to the state. With the inclusion of a few

more counties, however, the economic base of this region is widened. The major trading centers in this region are North Platte and Scottsbluff.

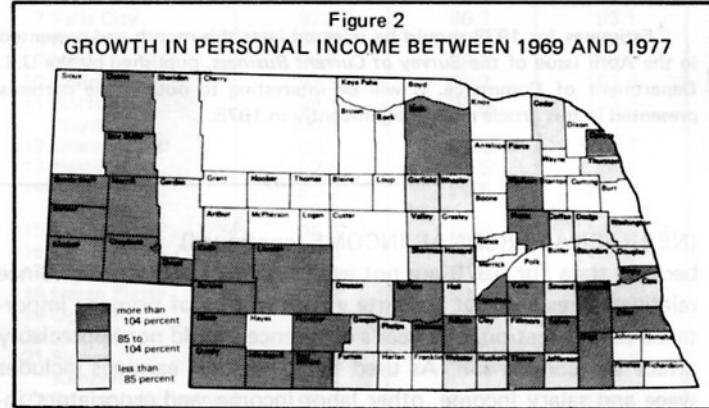
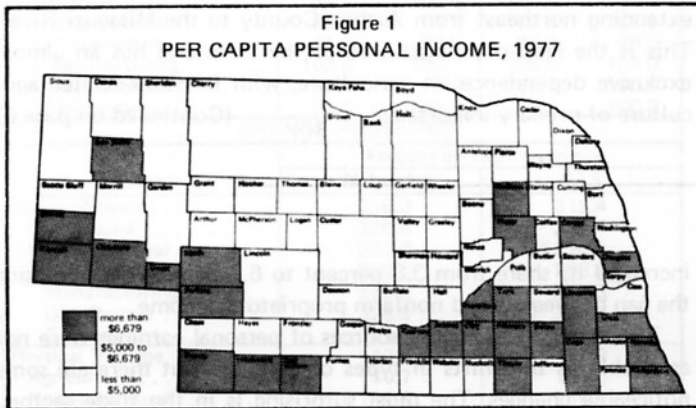
The other concentration of strength is located in southeastern Nebraska. This area conforms quite closely with the high-income region. The primary difference is the inclusion of Buffalo and Sarpy counties and the exclusion of a few of the lesser-populated counties.

The remaining rapidly growing counties are scattered in the northeast, and consist of Dakota, Madison, and Platte counties.

The state's slow-growing counties were concentrated in groups of counties extending across the northern two-thirds of the state, with the remainder scattered throughout southern Nebraska. Although widely dispersed, this group of counties shares two common characteristics: a heavy dependence on agriculture and few, if any, trading centers (cities with populations of more than 2,500). Furthermore, Falls City is the only city in these thirty-two counties with more than 5,000 inhabitants.

Because agriculture is a primary source of income in many Nebraska counties, in times of relatively high agricultural prices and large output it is possible for many of the currently low-ranking counties to become high-ranking counties, and vice versa. This also means that if the agricultural picture worsens, so does their relative income situation and economic well-being.

J. A. D.



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