



Prepared by the Bureau of Business Research
College of Business Administration

VARIATIONS IN NEBRASKA'S ECONOMIC STRUCTURE: 1959/1962 – 1979/1980

This article examines economic activity shifts in Nebraska over a twenty-year period. Data on farm income, manufacturing earnings, and wages and salaries were examined because they are Nebraska's major income sources. To develop an idea as to which sector is paying most in income taxes to the state, the information gained from reviewing these three sectors is compared to individual county tax liabilities (per capita).

The study focuses on personal earnings data because these data are available, by sector, on a county basis. Personal earnings (also called total labor and proprietors' income by place of work) consist of wages and salaries payments, other labor income, farm and nonfarm proprietors' income, and contributions for social insurance. It excludes property income interest, rents, and dividends; transfer payments; and corporate profits and corporate income taxes. The Bureau of Economic Analysis estimates farm wages and salaries by cash and pay-in-kind payments to hired farm labor and by corporate farms officers' salaries. They do not include payment to contract farm labor. Wages and salaries data consist of payments to employees, plus other compensations. Due to their sizable weight in total income flows, they impart much reliability to aggregate income estimates.

Although personal income does not reflect all of an area's economic activity, these data are the best available measures of economic activity at the county level. However, personal income data for small areas, such as counties, must be used with caution. These data are easily influenced by unusual conditions which may be temporary, such as an excellent harvest, a major construction project, or a catastrophe. Agriculture, the major sector in many Nebraska counties, is also the most volatile and difficult-to-measure component of personal income. This volatility is due not only to changes in outputs, but also to dramatic price changes.

For these reasons, no single year can adequately reflect a county's economic situation. To smooth out the short-term fluctuations—while maintaining the data's integrity—this article's analysis is based upon yearly averages. Economies of Nebraska's counties will be analyzed by focusing on their personal earnings during two periods: the average earnings of 1959 and 1962 (1959/1962) and of 1979 and 1980 (1979/1980) for manufacturing, farming, and wages and salaries.

This report ranks the top ten and bottom ten counties for the two time periods—based on the percent of each sector's earnings to the counties' total earnings—in order to identify economic activity shifts in Nebraska. These measures demonstrate the relative rather than the absolute size of the sector within a county. Included in these tables, for comparison purposes, are the state's average earnings ratios. It must be noted that the number of counties

selected was arbitrarily chosen to observe the economic shifts during the twenty-year period. Fifteen, twenty, or all of the counties could have been ranked, but ten is a reasonable and manageable number.

MANUFACTURING

A substantial change has occurred in the top ten Nebraska counties for the manufacturing earnings-to-total earnings ratio from 1959/1962 to 1979/1980. Six new counties, not on the earlier list, appear in the 1979/1980 top ten. Only Saline, Dawson, Platte, and Dodge counties repeated. Dakota County, with its large Iowa Beef packing plant, was not ranked in the top ten in 1959/1962, but has the number one ranking in 1979/1980. Colfax County, with Spencer Foods, was unranked in the 1959/1962 top ten, but it is fourth in 1979/1980. The industry growth in Norfolk can explain Madison County entering the 1979/1980 top ten. Spillover into Stanton County, from four of the top ten manufacturing counties which surround it, may account for Stanton's emergence as the number two county in the 1979/1980 top ten.

Figures 1 and 2 (page 3) show how manufacturing earnings are being more widely disseminated. The manufacturing sector base in 1959/1962 (Figure 1) appears to have spread out to surrounding counties in the 1979/1980 graphic (Figure 2). In the early period, only eight counties were above the state average of manufacturing earnings to total labor and proprietors' income by place of work. In the 1979/1980 period, however, 24 counties had manufacturing-to-total earnings percentages above the state average. Also, Table 1 (page 2) shows that the 1979/1980 top ten counties had higher concentrations of manufacturing-to-total earnings than 1959/1962. As one indication of this, eighth-ranked Madison (24.9 percent) in 1979/1980 would have been the third-ranked county on the earlier list. This increase of significance for personal earnings in the manufacturing sector can be identified as an important reason why Nebraska has suffered more from the most recent recession than from past national recessions—even though the state average has remained virtually unchanged.

An examination of the bottom ranks in manufacturing for 1959/1962 shows 11 counties with zero earnings. Banner, Loup, McPherson, and Wheeler again showed zero manufacturing earnings in the later period. The data indicate that—although manufacturing has become an important earnings source in numerous Nebraska counties—in more than half of the 93 counties, the manufacturing sector currently plays a very small role (less than 10 percent) in their total earnings.

Continued on page 2

TABLE 1
Ranking of Nebraska Counties by Relative Earnings

Manufacturing

<u>1959/1962 Top 10</u>		<u>1979/1980 Top 10</u>	
<u>County</u>	<u>Percent of Earnings</u>	<u>County</u>	<u>Percent of Earnings</u>
Platte	40.2	Dakota	59.7
Dodge	25.7	Stanton	44.5
Douglas	24.2	Saline	43.8
Dawson	21.6	Colfax	43.8
Saline	21.2	Dawson	35.6
Hall	18.6	Platte	33.1
Garden	17.6	Dodge	29.3
Nuckolls	16.7	Buffalo	25.5
Otoe	15.2	Madison	24.9
Gage	14.6	Johnson	22.4
Nebraska	16.5	Nebraska	16.4

<u>1959/1962 Bottom 10*</u>		<u>1979/1980 Bottom 10</u>	
<u>County</u>	<u>Percent of Earnings</u>	<u>County</u>	<u>Percent of Earnings</u>
Arthur	0	Banner	0
Banner	0	Loup	0
Blaine	0	McPherson	0
Gosper	0	Wheeler	0
Grant	0	Perkins	.4
Hooker	0	Franklin	.4
Logan	0	Howard	.5
Loup	0	Harlan	.9
McPherson	0	Greeley	1.0
Sioux	0	Boone	1.0
Wheeler	0		

Note: Manufacturing data for some counties are unavailable.
*11 counties tied at 0.

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

Continued from page 1

FARM EARNINGS

The farm sector is an important earnings source for many Nebraska counties. The rankings for both periods are summarized in Table 2. Five counties drop out of the top ten from 1959/1962 to 1979/1980. Stanton County's disappearance from the 1979/1980 top ten can be explained by its growth in manufacturing earnings. The other four counties hold a relatively close position to the top ten.

Besides the substantial change in the top farm counties over the twenty-year period, other noteworthy trends exist. One such observation is that farm counties appear to remain farm counties. The 1959/1962 data have 84 counties with farm earnings ratios higher than the Nebraska state average of 14.8 percent; the 1979/1980 data have 80 counties higher than the state average of 7.3 percent. The drop in farm earnings-to-total earnings in Nebraska over the two periods is more than 50 percent. Following the state trend, the earnings percentage for the top ten counties in the farm sector for 1979/1980 was down from the earlier period. This decline

is indicative of the diversification in state personal earnings away from the farm sector that Nebraska has experienced over that time span.

The bottom ten rankings for the 1959/1962 averages and the 1979/1980 averages had six counties repeat: Douglas, Sarpy, Lancaster, Hall, Adams, and Lincoln. These counties have relatively more population than the rest of Nebraska. Interestingly, the 1959/1962 average of Dodge County had a 15 percent farm earnings ratio for the tenth position in the bottom ten, whereas Seward County had a farm earnings ratio of only 3.6 percent in the tenth position in the bottom ten 1979/1980 averages.

WAGES AND SALARIES

The top ten positions of wages and salaries earnings-to-total earnings are very consistent across the time period. Table 3 (page 3) shows seven counties which repeat in the rankings. Of the 1959/1962 top ten, only the first four counties would have placed in the 1979/1980 top ten, which indicates that wages and salaries increased in importance over the twenty years. The state average also increased from 71 percent to 78 percent during the period. However, only 9 counties were above the state average in 1959/1962 and only 11 counties above the 1979/1980 figures. Thus, the

Continued on page 3

TABLE 2
Ranking of Nebraska Counties by Relative Earnings
Farm

<u>1959/1962 Top 10</u>		<u>1979/1980 Top 10</u>	
<u>County</u>	<u>Percent of Earnings</u>	<u>County</u>	<u>Percent of Earnings</u>
Loup	79.2	McPherson	64.5
Hayes	78.6	Wheeler	64.4
Sioux	72.2	Arthur	61.9
Wheeler	68.4	Hayes	59.5
Gosper	67.3	Banner	59.1
Arthur	64.5	Sioux	57.1
Keya Paha	64.2	Dundy	49.6
Banner	63.1	Blaine	49.6
Stanton	62.7	Perkins	49.6
Polk	59.1	Pierce	48.5
Nebraska	14.8	Nebraska	7.3

<u>1959/1962 Bottom 10</u>		<u>1979/1980 Bottom 10</u>	
<u>County</u>	<u>Percent of Earnings</u>	<u>County</u>	<u>Percent of Earnings</u>
Douglas	1.0	Douglas	.2
Lancaster	1.8	Sarpy	.5
Sarpy	3.9	Lancaster	.8
Adams	6.3	Hall	1.5
Hall	9.5	Dawson	2.0
Gage	9.9	Buffalo	2.4
Red Willow	12.1	Dakota	2.5
Lincoln	12.6	Adams	2.9
Madison	14.3	Lincoln	3.0
Dodge	15.0	Seward	3.6

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

top ten rankings dominate the state averages, and the wages and salaries earnings ratio is far less significant to the other counties, which constitute about 88 percent of Nebraska counties.

The bottom ten wages and salaries earnings ratios for the two periods identify only two counties that are consistently ranked: Loup and Cedar. A comparison of the ratios for the tenth county from the bottom in 1959/1962 and 1979/1980 shows that wages and salaries as a percent of total earnings increased from 34 percent in Sioux County to 46 percent in Antelope County. This means that there has been an increase in the importance of the wages and salaries earnings over the last two decades in both the high and low rankings.

SUMMARY OF SECTORS

Surveying across Tables 1, 2, and 3, some consistencies can be noted. No county which placed in the top ten of the farm earnings ratio in either time period is also in the top ten of the other two sectors: manufacturing or wages and salaries. The same is true for the two bottom ten rankings. There is no instance in which a county goes from a top ten ranking to a bottom ten among the three areas or across the two time periods.

There are consistencies within the two time periods between the manufacturing and wages and salaries sectors. Four counties appear in the 1959/1962 top ten of manufacturing and wages and salaries earnings ratios: Platte, Douglas, Hall, and Gage. Five counties—Gosper, Hooker, Loup, McPherson, and Sioux—are in both bottom tens for the same period. In the 1979/1980 averages, three counties repeated in the top ten: Dakota, Colfax, and Buffalo. In the 1979/1980 bottom ten, Loup, Perkins, Harlan, and Boone counties consistently appeared. Only Loup County (which appeared in the bottom ten of manufacturing and wages and salaries in both time periods) was consistent across time and rankings.

Continued on page 6

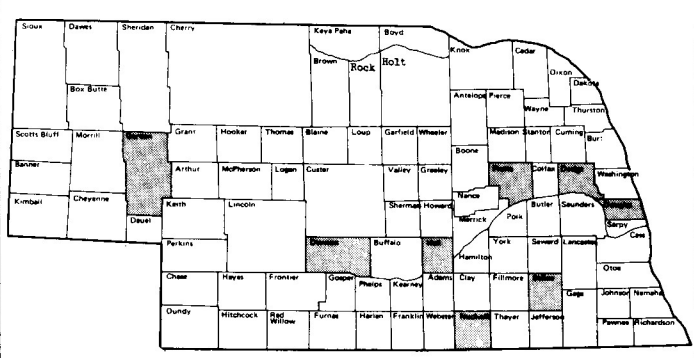
TABLE 3
Ranking of Nebraska Counties by Relative Earnings
Wages and Salaries

<u>1959/1962 Top 10</u>		<u>1979/1980 Top 10</u>	
<u>County</u>	<u>Percent of Earnings</u>	<u>County</u>	<u>Percent of Earnings</u>
Sarpy	88.7	Sarpy	91.4
Grant	85.0	Lincoln	84.8
Douglas	84.6	Douglas	84.3
Lancaster	84.5	Hall	83.7
Gage	74.6	Lancaster	83.6
Adams	74.2	Dakota	82.5
Lincoln	73.8	Adams	80.9
Dakota	73.7	Buffalo	80.1
Hall	73.6	Seward	79.9
Platte	71.0	Colfax	79.3
Nebraska	71.1	Nebraska	78.3

<u>1959/1962 Bottom 10</u>		<u>1979/1980 Bottom 10</u>	
<u>County</u>	<u>Percent of Earnings</u>	<u>County</u>	<u>Percent of Earnings</u>
Loup	21.5	Harlan	26.2
Hayes	25.2	Sherman	30.7
Hooker	27.7	Loup	31.3
McPherson	28.7	Pierce	40.3
Gosper	28.8	Perkins	41.8
Cedar	30.3	Dundy	43.2
Polk	31.2	Cedar	44.1
Butler	31.8	Boyd	44.8
Stanton	33.4	Boone	44.9
Sioux	33.7	Antelope	45.8

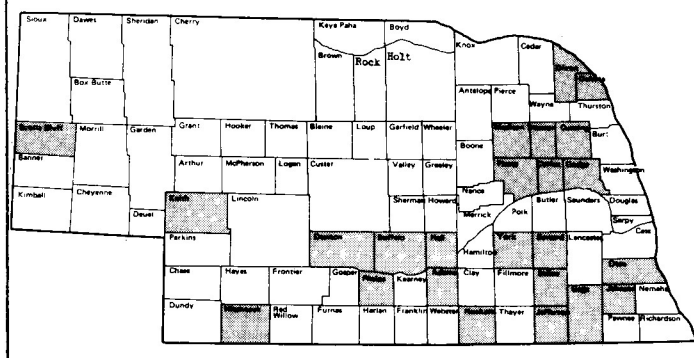
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Figure 1
Counties Above Nebraska 1959/1962 Average in Ratio of Manufacturing Earnings-to-Total Earnings



Note: Shaded counties are above the Nebraska average.

Figure 2
Counties Above Nebraska 1979/1980 Average in Ratio of Manufacturing Earnings-to-Total Earnings



Note: Shaded counties are above the Nebraska average.

Review and Outlook

Nebraska's net physical output declined 2.6 percent March-April 1983. Increases in the construction and manufacturing sectors were more than offset by declines in agricultural and distributive trade.

The Bureau of Business Research's net physical volume index for agriculture declined 14.4 percent on a month-to-month basis. Cash farm marketings in April 1983 were \$108.3 million below the same period of one year ago. On a seasonally-adjusted basis, April 1983 receipts were 19.0 percent below April 1982. Nebraska's decline in cash farm marketing receipts far outpaced the 6.3 percent decline recorded nationally. Agricultural prices received by Nebras-

kans were up 1.2 percent in April 1983 compared with one year earlier, an encouraging sign.

The Nebraska economy's nonagricultural sector declined 0.6 percent March-April 1983, whereas its distributive trade sector overshadowed small gains in manufacturing and government and a rather sizable gain in the construction sector. The distributive trade index declined 2.0 percent on a month-to-month basis.

Construction recorded a 12.3 percent gain in April. The construction index was estimated 64.3 percent in April 1983 (1967 = 100). April 1983's reading was above the reading recorded one year previous and was the index's highest value since November 1982.

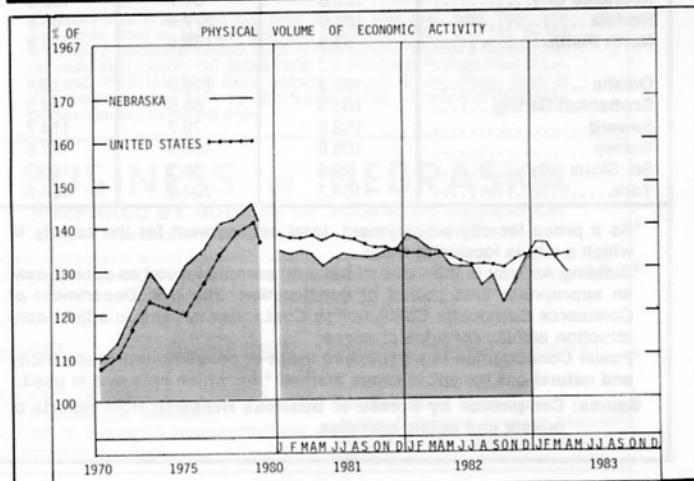
Nebraska's manufacturing sector recorded a slight increase in
Continued on page 5

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				
April, 1983	Current Month as Percent of Same Month Previous Year		1983 Year to Date as Percent of 1982 Year to Date	
	Nebraska	U.S.	Nebraska	U.S.
Indicator				
Dollar Volume	100.1	103.5	101.6	102.8
Agricultural	82.1	93.7	101.2	99.2
Nonagricultural	103.1	103.8	101.7	103.0
Construction	111.0	109.7	93.9	111.3
Manufacturing	92.5	95.4	86.4	93.0
Distributive	104.5	106.4	105.3	106.0
Government	109.3	105.6	107.8	105.6
Physical Volume	96.1	99.8	98.0	99.4
Agricultural	81.1	92.2	101.0	99.6
Nonagricultural	98.8	100.1	97.5	99.4
Construction	108.7	107.4	92.3	109.5
Manufacturing	91.4	94.8	85.3	92.4
Distributive	100.6	102.4	101.6	102.2
Government	100.5	99.2	99.4	99.3
2. CHANGE FROM 1967				
Indicator	Percent of 1967 Average			
	Nebraska	U.S.		
Dollar Volume	359.7	373.5		
Agricultural	321.1	356.1		
Nonagricultural	365.4	374.0		
Construction	218.0	330.2		
Manufacturing	314.0	281.9		
Distributive	393.2	426.4		
Government	393.4	386.7		
Physical Volume	128.9	133.9		
Agricultural	126.9	143.0		
Nonagricultural	129.2	133.6		
Construction	64.3	97.4		
Manufacturing	130.1	114.8		
Distributive	133.1	144.3		
Government	143.2	146.2		

3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES			
Region Number and City	City Sales*	Sales in Region*	
	April 1983 as percent of April 1982	April 1983 as percent of April 1982	Year to date '83 as percent of Year to date '82
<i>The State</i>	93.8	95.3	99.4
1 Omaha	100.9	100.9	103.1
Bellevue	93.5		
Blair	91.6		
2 Lincoln	99.0	100.1	104.1
3 So. Sioux City	95.3	102.4	103.3
4 Nebraska City	97.9	94.6	101.6
6 Fremont	95.2	96.9	100.3
West Point	89.8		
7 Falls City	95.1	90.9	99.1
8 Seward	87.1	93.8	101.3
9 York	86.2	90.9	101.3
10 Columbus	93.1	93.0	102.0
11 Norfolk	95.4	92.3	102.3
Wayne	97.8		
12 Grand Island	97.0	96.8	103.7
13 Hastings	103.6	99.2	102.7
14 Beatrice	102.6	96.8	103.8
Fairbury	100.6		
15 Kearney	98.4	95.6	100.8
16 Lexington	93.5	90.1	97.1
17 Holdrege	75.4	80.0	96.8
18 North Platte	88.7	93.6	105.7
19 Ogallala	100.4	91.2	96.4
20 McCook	97.6	101.0	99.8
21 Sidney	99.1	93.0	89.2
Kimball	82.2		
22 Scottsbluff/Gering	86.3	87.9	95.5
23 Alliance	111.2	104.4	99.2
Chadron	117.4		
24 O'Neill	96.2	94.3	94.2
25 Hartington	93.5	96.7	100.2
26 Broken Bow	94.9	96.2	100.0

*State totals include sales not allocated to cities or regions. The year-to-year ratios for city and region sales may be misleading because of changes in the portion of unallocated sales. Regional totals include, and city totals exclude, motor vehicle sales. Sales are those on which sales taxes are collected by retailers located in the state. Compiled from data provided by Nebraska Department of Revenue.



Continued from page 4

physical output. The manufacturing component was up 0.7 percent March-April 1983. The index was estimated at 130.1 (1967 = 100). Although manufacturing recorded a slight increase in April, the index suggests that Nebraska's manufacturing output is well below 1981 and 1982 levels. For purposes of comparison, the index was estimated at 142.5 in April 1982 and 162.9 in April 1981. April's increase represents the second consecutive monthly gain in the manufacturing component, an encouraging but insufficient number of monthly increases to be labeled a trend, at this point.

The government component of the Bureau's index recorded a 1.8 percent increase on a month-to-month basis. This index was estimated at 143.2 in April 1983, little changed from 1981 and 1982 levels.

Nebraska's retail sales recorded a 4.7 percent decline in April 1983, compared with one year previous. When adjusted for price changes, retail sales were down 8.3 percent. The commodity component of the consumer price index was used to adjust Nebraska's retail sales. This component was up 4.0 percent in April of 1983 from the April 1982 level.

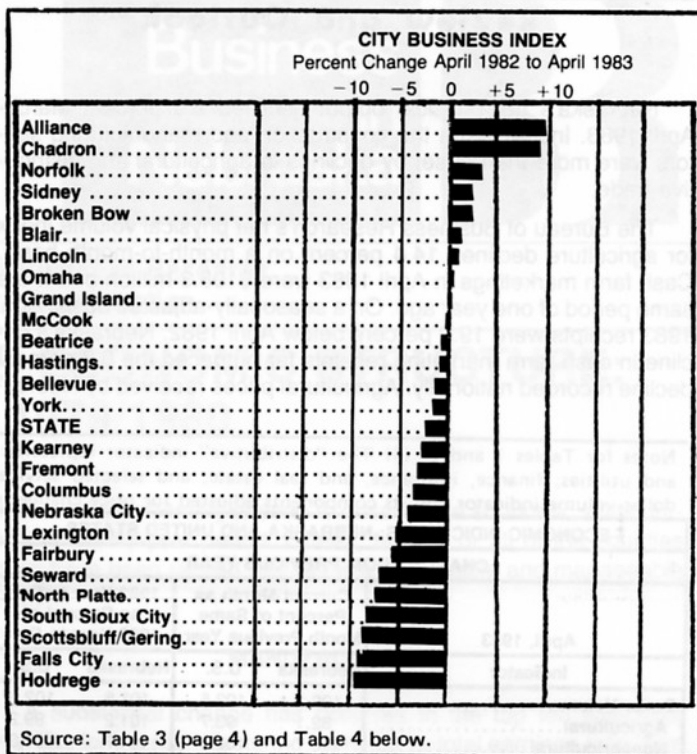
Nonmotor vehicle retail sales declined 6.2 percent in April 1983; when adjusted for price changes, they were down 9.8 percent.

Sales of motor vehicles increased 8.9 percent in April 1983 on an unadjusted basis—but only 4.7 percent after adjustments for price changes.

Total retail sales in April 1983 were \$795 million, compared with \$835 million one year previous. Motor vehicle sales were estimated at \$90.6 million in April 1983, compared with \$83.2 million one year previous; nonmotor vehicle sales were estimated at \$705 million in April 1983, compared with \$751 million in April 1982.

Alliance, Chadron, Norfolk, Sidney, Broken Bow, Blair, and Lincoln recorded gains in their respective city business indexes. Retail sales and building activity were particularly strong in Alliance and Chadron. Alliance recorded retail sales gains of 11.2 percent over the previous year, while Chadron recorded a 17.4 percent increase in retail sales in April of 1983. Building activity in Norfolk, Sidney, and Lincoln was substantially responsible for the increase in their respective city business indexes.

D.E.P.



Source: Table 3 (page 4) and Table 4 below.

4. APRIL 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>	101.6	129.0	105.0
Alliance	100.0	381.6	111.9
Beatrice	102.1	82.4	123.1
Bellevue	102.4	151.2	112.7
Blair	104.9	250.7	92.0
Broken Bow	106.8	206.8	118.1
Chadron	100.1	211.7	96.0
Columbus	101.7	95.6	112.5
Fairbury	100.0	42.0	111.5
Falls City	102.1	25.9	103.1
Fremont	99.8	107.3	89.3
Grand Island	102.3	151.6	86.1
Hastings	97.3	114.6	175.4
Holdrege	106.4	90.2	106.9
Kearney	103.9	61.6	103.8
Lexington	103.7	61.3	96.3
Lincoln	100.2	197.0	106.8
McCook	108.9	74.3	113.0
Nebraska City	102.8	51.7	109.5
Norfolk	101.0	377.5	108.8
North Platte	93.4	158.5	103.9
Omaha	102.2	114.9	110.4
Scottsbluff/Gering	103.0	55.9	92.2
Seward	103.0	79.7	114.7
Sidney	105.0	168.3	117.5
So. Sioux City	99.5	36.1	106.7
York	104.7	222.2	104.6

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

²Building 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.

³Power 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			
April, 1983	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices	295.5	103.9	103.7
Commodity component	269.2	104.0	103.3
Wholesale Prices	300.8	100.9	100.8
Agricultural Prices			
United States	249.0	101.6	99.7
Nebraska	253.0	101.2	100.3

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

INCOME TAXES

With regard to Nebraska economic activity, similarities can be observed between county tax contributions (Table 4) and each of the three sectors covered in this article—manufacturing, farm, and wages and salaries. This examination shows how the three sectors figure into the payment of income taxes. Table 4 ranks counties according to their per capita average individual income tax liability for 1979. The statistical data was compiled from the Nebraska Individual Income Tax Return, Form 1040N, as submitted by taxpayers. The amounts shown are liabilities before applicable tax credits or surcharges. It is significant that these comparisons are based only on the 1979/1980 personal earnings rankings per sector.

Tables 2 and 4 show counties with high proportion of farm income and are listed as having low tax liabilities. The top four 1979/1980 farm income counties (Table 2) are in the bottom ten tax list (Table 4). These counties include McPherson, Wheeler, Arthur, and Hayes. No counties with high proportion of personal earnings in the farm sector appear in the top ten taxpayers' list. This is not unexpected, as these taxes are paid on net income, and net farm income is consistently below that of other sectors.

On the other hand, some counties with a relatively high proportion of manufacturing and wages and salaries income appear in the top ten rank for tax liabilities. Dodge County is in the top ten for manufacturing income and in the top ten for tax liabilities. Douglas County was in the top ten for wages and salaries income and in the top ten for tax liabilities. Sherman County was in the bottom ten for wages and salaries and in the bottom ten for tax liabilities. An exception to this pattern is Sarpy County, which ranks first in the top ten for wages and salaries; yet, it is in the bottom ten for tax liabilities. The large role of the military payrolls in Sarpy County may create some distortion in the data. The main point is that counties with a high proportion of wages and salaries income are more likely to pay more taxes than counties with a low ratio.

CONCLUSION

In order to observe the changes in Nebraska's economic structure over the last twenty years, this study has placed the counties of

TABLE 4
Per Capita Average Individual
Income Tax Liability for 1979*

<u>Top 10</u>		<u>Bottom 10</u>	
Hamilton	234.9	Hayes	54.7
Grant	225.8	Wheeler	62.4
Douglas	201.7	Stanton	64.7
Phelps	193.2	Sarpy	74.4
Box Butte	189.0	Sherman	76.2
Dodge	185.9	Keya Paha	76.3
Kimball	181.7	Arthur	78.1
York	176.8	McPherson	85.2
Kearney	176.6	Pawnee	92.9
Fillmore	175.7	Dixon	93.4

Nebraska County Average \$157.2

Note: 23 counties above the average.

*Population data used for this analysis are those reported in the *Bureau of the Census Population Report*, Series P-26.

Source: *Nebraska Department of Revenue 1980 Annual Report*, Table 3, page 23.

Nebraska into two ranks (top ten and bottom ten) for two time periods (1959/1962 and 1979/1980) in three income categories. Manufacturing earnings, farm income, and wages and salaries (the major sources of income for Nebraska counties), as a percent of each counties' total earnings, were examined to identify shifts of economic activity in Nebraska.

A significant change in manufacturing counties occurred; they tended to spread out more widely across the state. Overall, farm counties appeared to remain farm counties. The top ten counties in wages and salaries were consistent in that they changed very little.

When comparing the three sectors with income taxes paid to the state, the data indicate that counties with a relatively high proportion of manufacturing or wages and salaries income have a relatively high liability. Thus, the type of earnings a county has indicates the importance of the county, in terms of its revenue from income taxes, for the state.

JOHN WINGENDER

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