

Prepared by the Bureau of Business Research  
College of Business Administration

## PERSONAL INCOME: NEBRASKA AND THE PLAINS STATES

Personal income has been used to examine the state's overall economic performance and well-being. For example, in the October issue of *Business in Nebraska*, the variations and trend of Nebraska's personal income were reviewed and compared with those of the United States. That article showed that Nebraska's personal income moved nearly simultaneously with the national level, but the fluctuations were larger. This current article will review personal income for Nebraska as it compares with the surrounding states and will examine, in detail, the structure of the state's economy.

### HISTORICAL COMPARISONS

To provide an historical perspective, Table 1 presents total and per capita personal income for the seven Plains states for the years 1969, 1979, and 1982. The Bureau of Economic Analysis (BEA), which prepares the personal income data, has divided the nation into eight regions. Nebraska lies in the Plains region, along with Iowa, Kansas, Minnesota, Missouri, North Dakota, and South Dakota. As the data indicate, these states vary considerably by size of income. In 1982, Nebraska's income of \$16.9 billion ranked fifth in the Plains — approximately one-third as large as the largest state (Missouri) and two and one half times larger than the smallest state (South Dakota).

The absolute size of personal incomes, however, does not allow for meaningful comparisons among states. Comparisons of the relative levels of economic well-being at the state level can best be achieved by analyzing the levels of per capita personal income and rates of change in personal income.

Between 1969 and 1979 Nebraska's income grew at an annual rate of 9.9 percent, approximately equal to the 10.0 percentage increase of both the Plains and the United States. Between 1979 and 1982, however, the rate dropped to 7.8 percent, considerably lower than the national average increase of 9.8 percent and somewhat below the Plains growth of 8.3 percent.

The overall annual growth for Nebraska during the thirteen-year period from 1969 to 1982 was 9.4 percent. This rate ranked fourth in the Plains states. The range was 10.7 for North Dakota, as a result of its energy boom, and 9.1 for both Iowa and Missouri because of their relatively heavy reliance on recession-impacted manufacturing.

Another method to account for varying sizes in the economies is to focus on personal income per capita. Using this measure, Nebraska's 1982 per capita income of \$10,683 ranked fifth among the Plains states and was 96 percent of the national average. For 1969, Nebraska's per capita income ranked third and was 96 percent of the national average. The state's per capita income in 1979 was

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TABLE 1

Total and Per Capita Personal Income for  
the Plains States, 1969, 1979, 1982

	Total Personal Income				Per Capital Personal Income						
	1969 (\$ millions)	1979 (\$ millions)	1982 (\$ millions)	Annual Percentage Change 1969-79 1979-82 1969-82	1969 (\$)	1979 (\$)	1982 (\$)	Ratio to U.S. 1969 1979 1982			
Iowa (IA)	10,058	25,704	31,347	9.8 6.8 9.1	3,586	8,812	10,791	0.97	1.02	0.97	
Kansas (KS)	7,878	21,782	28,325	10.7 9.2 10.3	3,523	9,279	11,765	0.95	1.07	1.06	
Minnesota (MN)	13,664	35,935	46,184	10.1 8.7 9.8	3,636	8,899	11,175	0.98	1.03	1.01	
Missouri (MO)	16,063	39,921	50,346	9.5 8.0 9.1	3,462	8,165	10,170	0.93	0.94	0.92	
NEBRASKA (NE)	5,248	13,506	16,939	9.9 7.8 9.4	3,560	8,633	10,683	0.96	1.00	0.96	
North Dakota (ND)	1,948	5,266	7,287	10.5 11.4 10.7	3,136	8,074	10,876	0.84	0.93	0.98	
South Dakota (SD)	1,957	5,154	6,675	10.2 9.0 9.9	2,930	7,480	9,666	0.79	0.86	0.87	
Plains	56,816	147,267	187,104	10.0 8.3 9.6	3,507	8,614	10,789	0.94	1.00	0.97	
United States	747,536	1,943,983	2,571,592	10.0 9.8 10.0	3,714	8,657	11,107	1.00	1.00	1.00	

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, August 1983.

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approximately equal to the nation's, but fourth among the states in the region.

For all three time periods (1969, 1979, and 1982), the average per capita income for the Plains region was below that of the nation. South Dakota consistently had the lowest values, but showed steady improvement. In 1969, Minnesota was the leading state but was replaced by Kansas in 1979 and 1982.

From Table 1 and the preceding discussion it appears that the overall measures of economic performance for Nebraska are quite similar to the Plains region and slightly less than those of the nation. However, only three years were compared. Figure 1 adds more years and a broader historical perspective by comparing Nebraska's per capita income to national and regional per capita incomes for all years from 1959 to 1982.

Two general observations can be made from Figure 1. First, per capita income for Nebraska typically has been between 90 and 100 percent of the national value. Second, Nebraska's value has fluctuated around 100 percent of the average for the Plains region. Also, from the chart it can be seen that the 1960s and 1970s were distinctly different periods for the state. During the 1960s, Nebraska's per capita income averaged 94 percent of the U.S. average and 99 percent of the Plains. In the 1970s these numbers rose to 99 percent of the U.S. and 101 percent of the Plains averages.

This decade gain appears to be part of a trend that began in the 1930s (the first years for which data are available). The average ratios of Nebraska per capita income to U.S. per capita income are: 1930s, 76 percent; 1940s, 91 percent; and 1950s,

94 percent. From this, it can be seen that Nebraska's economy has been growing at a faster pace than the nation's. Some of this could be explained by the broadening of the state's economic base and will be discussed in greater detail later.

It must be remembered that although per capita personal income allows for comparisons of economic performance among states, it does not adequately address the differences in economic well-being of the citizens of each state. For example, there will be varying rates of taxes and varying costs of living which will affect economic well-being.

In addition to per capita personal income, BEA calculates per capita disposable personal income; that is, personal income less personal tax and other nontax payments to government agencies that are convenient to treat as taxes. After these deletions are made, the state's ratio to the nation increases by one to one and one-half percentage points, and the state's ratio to the Plains region increases by about one-half percentage point. This results in a more favorable relation to the U.S., leading to an average ratio of 100 percent during the 1970s. At the same time, Nebraska's per capita disposable income rose to levels nearly two percent greater than the region as a whole. Although costs of living for Nebraska are not known, if they were less for the state than for the nation, Nebraska's relative positions would improve further.

## COMPOSITION OF PERSONAL INCOME

Personal income is the current income received by all persons from all sources. It consists of net earnings (labor and proprietors' income) by place of residence; dividends, interest, and rent; and transfer payments. Table 2 presents personal income and its major components for 1982. The current dollar values for each sector are listed in column 1, while column 2 contains those amounts expressed as percentages of Nebraska's total personal income. These percentages are then divided by the comparable percentages for the nation and for the Plains region, and the results are shown in columns 3 and 4. (A value greater than one indicates that the sector is relatively larger for Nebraska than for the U.S. or region, and vice versa for a value less than one.) The final two columns in the table allow for direct comparison with other states in the Plains region by indicating the values of the states with the largest and the smallest relative shares.

For example, the \$10,799 million in earnings in Nebraska was the largest sector and represented 63.8 percent of the total income. However, the U.S. and the region both receive a larger share of their incomes in this form, as evidenced by respective ratios of .956 and .979. It can be seen that Minnesota led the region with 68.5 percent of its income resulting from earnings, and South Dakota trailed with 60.6 percent. Nebraska, therefore, fell somewhere near the middle of this range. Table 2 shows, that of the two remaining components of income, Nebraska receives relatively more income from dividends, interest, and rent; but receives relatively less from transfer payments (a reflection of lower unemployment rates).

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FIGURE 1

Ratio of Nebraska Per Capita Personal Income to U.S. and Plains

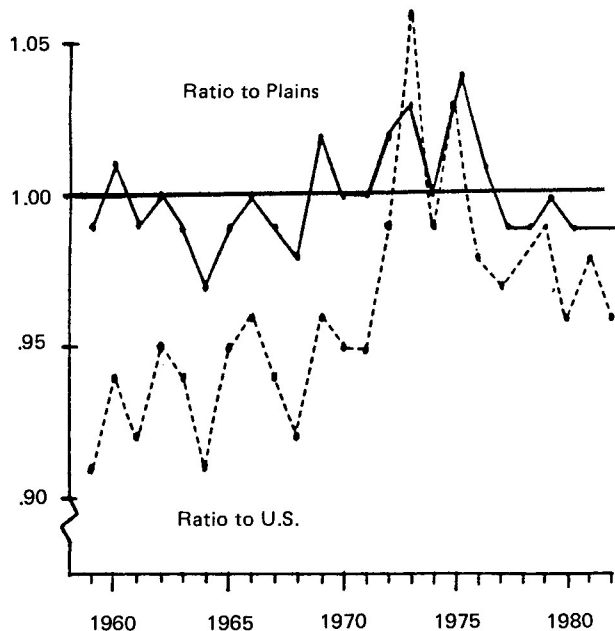


TABLE 2  
1982 Personal Income Sources

	Nebraska (\$ million)	Percentage of Income	Ratio to U.S.*	Ratio to Plains*	Highest State**	Lowest State**
Total personal income by place of residence	16,939					
Net earnings by place of residence	10,799	63.8	.956	.979	68.5 (MN)	60.0 (SD)
Dividends, interest, and rent	3,914	23.1	1.232	1.104	24.6 (SD)	18.5 (MN)
Transfer payments	2,225	13.1	.902	.942	15.5 (MO)	12.8 (ND)

TABLE 3  
1982 Personal Earnings Sources

	Nebraska (\$ million)	Percentage of Earnings	Ratio to U.S.*	Ratio to Plains*	Highest State**	Lowest State**
Total Personal Earnings by Place of Work	11,769					
<i>by Type</i>						
Wage and salary disbursements	9,414	80.0	.936	.983	85.6 (MO)	71.7 (SD)
Other Labor income	882	7.5	.875	.915	8.7 (MO)	6.0 (ND)
Farm proprietors' income	723	6.1	5.321	1.456	14.4 (SD)	0.8 (MO)
Nonfarm proprietors' income	750	6.4	1.331	1.031	9.9 (ND)	4.8 (MN)
<i>by Industry</i>						
Farm	963	8.2	4.465	1.529	16.7 (SD)	1.3 (MO)
Ag services, forestry, and fisheries	44	0.4	0.914	1.143	0.4 (SD)	0.3 (MO)
Mining	49	0.4	0.204	0.349	5.8 (ND)	0.2 (IA)
Construction	569	4.8	0.917	0.938	8.2 (ND)	4.4 (SD)
Manufacturing	1,824	15.5	0.636	0.690	25.3 (MN)	5.8 (ND)
Nondurable goods	904	7.7	0.853	0.848	10.2 (MO)	3.1 (ND)
Food and kindred products	561	4.8	2.489	1.363	5.3 (IA)	1.8 (ND)
Printing and publishing	131	1.1	0.785	0.648	2.1 (MN)	0.7 (ND)
Durable goods	924	7.9	0.509	0.584	15.4 (IA)	2.7 (ND)
Fabricated metal products	140	1.2	0.640	0.673	2.6 (MN)	0.3 (ND)
Machinery, except electrical	257	2.2	0.671	0.548	7.1 (IA)	1.4 (ND)
Electric and electronic equipment	180	1.5	0.589	0.812	2.8 (MO)	0.1 (ND)
Transportation and public utilities	1,275	10.8	1.369	1.199	10.8 (NE)	7.2 (IA)
Railroad transportation	438	3.7	5.173	2.445	3.7 (NE)	0.7 (SD)
Trucking and warehousing	287	2.4	1.463	1.066	2.6 (SD)	1.8 (IA)
Communication	349	3.0	1.226	1.352	3.0 (NE)	1.7 (IA)
Electric, gas and sanitary services	127	1.1	0.725	0.660	3.6 (ND)	1.1 (NE)
Wholesale Trade	996	8.5	1.229	1.040	9.2 (ND)	7.4 (SD)
Retail Trade	1,138	9.7	1.028	1.001	10.2 (SD)	9.2 (KS)
Finance, insurance and real estate	815	6.9	1.124	1.189	6.9 (NE)	4.6 (ND)
Banking	201	1.7	0.993	1.066	2.0 (SD)	1.5 (KS)
Other finance, insurance, and real estate	614	5.2	1.175	1.236	5.2 (NE)	3.1 (ND)
Services	1,883	16.0	0.855	0.939	18.5 (MO)	15.7 (KS)
Business services	240	2.0	0.637	0.927	2.6 (MO)	1.2 (ND)
Health services	768	6.5	1.013	0.932	8.2 (ND)	6.5 (NE)
Legal services	117	1.0	0.780	0.971	1.2 (IA)	0.8 (SD)
Government	2,211	18.8	1.109	1.191	19.8 (SD)	14.9 (MN)
Federal, civilian	359	3.1	0.788	0.992	5.0 (SD)	2.1 (IA)
Federal, military	292	2.5	1.407	2.026	3.9 (ND)	0.2 (IA)
State and local	1,560	13.3	1.173	1.156	13.3 (NE)	9.7 (MO)

\* Ratios are calculated by dividing the Nebraska percentages by the appropriate U.S. or Plains percentage. A value less than 1 shows a relative underrepresentation, and a value greater than 1 shows a relative overrepresentation.

\*\* These columns show the states in the Plains Region which have the highest and lowest percentages from the appropriate income source.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, August 1983.

## Review and Outlook

Net physical output of the Nebraska economy increased 1.9 percent from the previous month in August 1983. The increase was broad-based with all sectors recording gains with the exception of the government component.

The agriculture sector recorded a 0.7 percent increase on a month-to-month basis. August cash farm marketings totaled \$474 million. Prices received for agriculture commodities were up 1.6 percent in Nebraska, 5.8 percent nationally.

Recovery continues in the state's construction industry. Output from the construction sector recorded a 3.6 percent increase in August. The August increase marks the sixth consecutive monthly gain for construction. The Bureau of Business

Research's index for the construction industry is now above levels recorded two years ago.

Output from Nebraska's manufacturing sector recorded a sharp 4.8 percent increase on a month-to-month basis. The index now stands at 138.0 (1967 = 100). It is above one year ago levels, but still remains well below August 1981 levels (158.2).

The state's manufacturing sector has made a partial recovery although output remains below peak levels reached prior to the recession. The index has improved month by month, with one exception, after reaching a bottom in February 1983 at 120.9.

The economic expansion is expected to continue through 1984, which will undoubtedly

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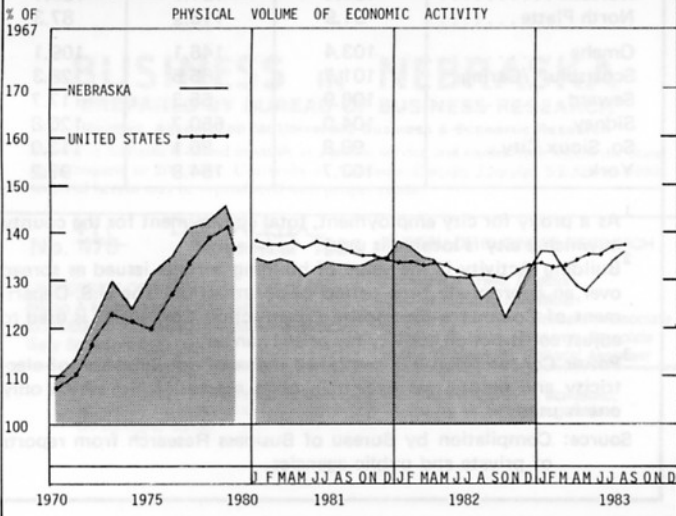
Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume 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				
August 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	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume	111.2	106.8	103.0	104.7
Agricultural	104.8	104.3	96.3	100.2
Nonagricultural	112.1	106.9	104.1	104.8
Construction	138.9	119.2	113.3	111.7
Manufacturing	105.3	105.2	92.7	96.9
Distributive	113.5	106.5	106.0	107.1
Government	108.3	107.9	108.1	107.0
Physical Volume	108.0	103.8	99.8	101.4
Agricultural	104.8	99.8	97.6	101.0
Nonagricultural	108.5	103.9	100.2	101.4
Construction	138.0	118.5	112.8	111.2
Manufacturing	104.1	104.0	91.7	96.1
Distributive	110.6	103.8	102.7	103.8
Government	100.8	100.3	99.7	99.5

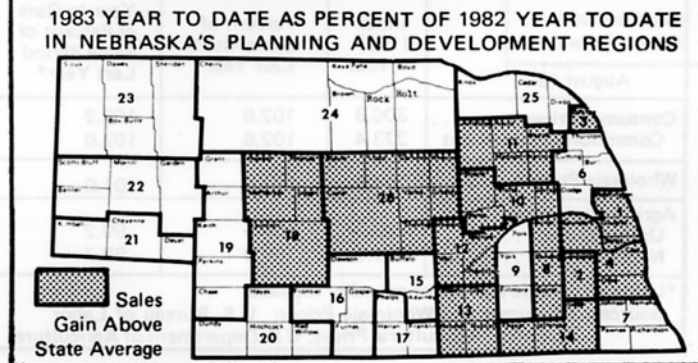
  

2. CHANGE FROM 1967		
Indicator	Percent of 1967 Average	
	Nebraska	U.S.
Dollar Volume	384.7	389.7
Agricultural	331.9	348.1
Nonagricultural	392.5	391.1
Construction	285.9	367.6
Manufacturing	335.4	302.8
Distributive	421.5	438.9
Government	408.1	405.7
Physical Volume	136.3	137.3
Agricultural	132.7	136.5
Nonagricultural	136.7	137.3
Construction	87.2	112.1
Manufacturing	138.0	121.6
Distributive	140.4	146.2
Government	145.7	146.4

3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES			
Region Number * and City	City Sales *	Sales in Region *	
	Aug. 1983 as percent of Aug. 1982	Aug. 1983 as percent of Aug. 1982	year-to-date 83 as percent of year-to-date 82
<i>The State</i>	95.2	98.9	101.3
1 Omaha	98.4	103.7	104.8
Bellevue	85.1		
Blair	92.5		
2 Lincoln	98.8	101.8	105.2
3 So. Sioux City	112.4	112.6	105.5
4 Nebraska City	76.6	97.2	102.3
6 Fremont	96.9	99.8	101.7
West Point	104.1		
7 Falls City	80.0	98.6	100.7
8 Seward	91.1	96.9	102.5
9 York	85.0	91.9	99.9
10 Columbus	90.0	96.3	102.9
11 Norfolk	92.9	96.5	103.5
Wayne	86.6		
12 Grand Island	88.8	95.5	102.6
13 Hastings	88.2	96.3	102.6
14 Beatrice	78.6	86.0	103.0
Fairbury	88.8		
15 Kearney	86.3	89.8	100.2
16 Lexington	99.1	95.3	99.9
17 Holdrege	84.3	93.5	96.9
18 North Platte	90.5	94.0	103.3
19 Ogallala	92.3	97.7	98.7
20 McCook	91.7	94.3	100.6
21 Sidney	98.6	99.8	94.8
Kimball	92.3		
22 Scottsbluff/Gering	93.7	101.2	98.9
23 Alliance	92.6	97.4	100.6
Chadron	93.4		
24 O'Neill	103.8	99.7	97.2
25 Hartington	100.8	92.1	100.0
26 Broken Bow	104.1	102.4	102.1



\*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.



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benefit Nebraska's manufacturing sector. It remains an unanswered question at this point whether or not Nebraska's manufacturing sector will equal or exceed output levels during this recovery phase of the cycle equal to those attained in 1980 and 1981.

Output from Nebraska's distributive trade sector increased 1.7 percent in August 1983. This industry continues to expand and is above one and two years previous levels.

The government component of the index declined 0.2 percent on a month-to-month basis. This sector of the Nebraska economy changes very little and slowly.

Sidney and Broken Bow recorded the sharpest increases among 26 city business indexes calculated by the Bureau of Business Research. The index at Sidney was up 8.3 percent from one year ago while the index at Broken Bow was up 7.8 percent over the same period. Construction activity at Sidney, including a new plant, was important in moving Sidney to the top of the list of indexes compiled by the Bureau of Business Research. South Sioux City recorded an increase of 3.4 percent and Chadron 3.0 percent.

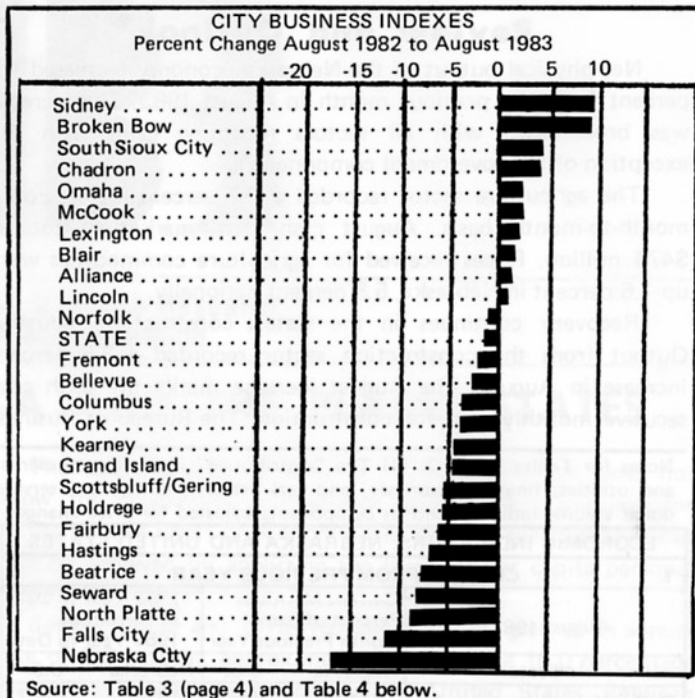
Total retail sales declined 1.1 percent in August 1983 compared with August 1982. When sales are adjusted for price changes, the decline in real retail sales was 3.7 percent. The commodity component of the Consumer Price Index used to make this adjustment increased 2.6 percent over the same interval.

Motor vehicle sales continue strong in Nebraska. On a price unadjusted basis, motor vehicle sales were up 34.1 percent in August 1983 compared with the same period one year ago. When adjusted for price changes, the increase is a healthy 30.7 percent. The gain in automobile sales reflects a national trend of consumers purchasing durables. Automobiles and housing typically lead other industries when recovery begins and this recovery is no exception to that pattern.

Nonmotor vehicle sales were down 4.8 percent in August 1983. Adjusted for price changes, nonmotor vehicle sales were down 7.2 percent.

Communities with strong retail sales include South Sioux City, up 12.4 percent; Broken Bow, 4.1 percent; West Point, 4.1 percent; and O'Neill, 3.8 percent.

D.E.P.



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

The State and Its Trading Centers	Percent of Same Month a Year Ago		
	Employment <sup>1</sup>	Building Activity <sup>2</sup>	Power Consumption <sup>3</sup>
<i>The State</i> .....	102.0	134.9	109.9
Alliance .....	102.5	223.8	117.4
Beatrice .....	101.9	157.5	93.5
Bellevue .....	103.6	215.8	111.9
Blair .....	103.4	217.7	106.8
Broken Bow .....	101.4	382.2	103.8
Chadron .....	99.6	439.0	121.2
Columbus .....	103.5	102.7	103.5
Fairbury .....	101.0	100.9	118.6
Falls City .....	99.5	78.8	101.8
Fremont .....	103.7	84.3	146.7*
Grand Island .....	104.0	86.9	104.2
Hastings .....	97.9	112.6	109.3
Holdrege .....	106.1	101.3	141.8
Kearney .....	105.1	99.0	109.3
Lexington .....	105.0	114.2	98.2
Lincoln .....	100.1	146.3	108.3
McCook .....	110.9	134.1	92.8
Nebraska City .....	101.4	31.1	118.7
Norfolk .....	101.4	191.7	123.1
North Platte .....	91.9	115.2	87.3
Omaha .....	103.4	146.1	109.1
Scottsbluff/Gering ..	101.7	65.5	128.3
Seward .....	100.9	55.3	117.7
Sidney .....	104.0	550.7	126.8
So. Sioux City .....	99.8	86.1	113.0
York .....	103.7	154.8	97.2

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

<sup>2</sup>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.

<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.

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

	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
August 1983			
Consumer Prices .....	300.3	102.6	103.2
Commodity component	273.4	102.6	103.0
Wholesale Prices .....	304.9	101.6	101.0
Agricultural Prices			
United States .....	255.0	104.5	99.2
Nebraska .....	250.0	100.0	98.7

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

### COMPOSITION OF PERSONAL EARNINGS

Table 2 shows the major components of personal income but does not give a detailed picture of the state's economy. As indicated in this table, the largest component of income is personal earnings — income that is earned or produced by labor and proprietors during a given year. Because it measures production, earnings data are available in considerable detail by industrial sector. Table 3 presents earnings by type and by industry in 1982 and is in the same format as Table 2. It should be noted that the total earnings figure in Table 3 is different than the one in Table 2 because it includes employer social security contributions and has not been adjusted to account for the fact that some people live in one state but work in another.

The type of earnings compares classes of income earners. Most of the state's earnings (80.0 percent) are in the form of wages and salaries, but that percentage is below the averages for both the nation and the region. On the other hand, both farm and nonfarm proprietors' incomes are relatively more important in Nebraska, reflecting a heavier reliance on agriculture and a relatively larger number of small businesses.

The remainder of Table 3 contains earnings data by the industry in which they were produced. It must be remembered that these figures measure direct production only, and are not meant to reflect total impacts of the individual sectors. Data are presented for each of the eleven major industrial groups and for each subgroup that accounts for 1.0 percent or more of total earnings.

In 1982, the farm sector accounted for 8.2 percent of the state's earnings. It is not surprising that this percentage is 4.5 times larger than the nation's, but the fact that it is 1.5 times larger than the Plains region shows that Nebraska relies more on agriculture than some of its neighboring states.

The next three sectors (agricultural services, forestry, and fisheries; mining; and construction) are relatively small and all are less significant in Nebraska than at the national level. Their respective percentages of earnings are 0.4 percent, 0.4 percent, and 4.8 percent. Of the sectors in Table 3, mining has the lowest ratio to the U.S. (0.2) and to the Plains (0.3).

Manufacturing provides 15.5 percent of the state's earnings,

with an almost equal distribution between durable and nondurable goods. The major subsector is food processing, accounting for 4.8 percent of total earnings. This 4.8 percent in food processing is 2.5 times as large as that for the U.S. and 1.4 time as large as the Plains' percentage. Nebraska does not lead the Plains in any of the listed manufacturing categories and, for the most part, falls well below the national rates.

The 10.8 percent of earnings originating from transportation and public utilities (TCU) leads the region. Within the TCU sector, Nebraska leads the region in railroad transportation and communication, but lags the region in electric, gas, and sanitary services. The relatively low percentage in the latter area is due to the fact that all electricity in Nebraska is provided publicly and, therefore, falls under state and local government. The importance of railroad transportation to Nebraska is underscored by the fact that its percentage is 5 times as large when compared to the U.S. and 2.5 times as large when compared to the region.

The two trade sectors account for a total of 18.2 percent of the state's earnings. Individually they rank above both the U.S. and the Plains.

Nebraska leads the Plains region in finance, insurance, and real estate (FIRE) with 6.9 percent of earnings coming from this sector. The probable reason for this is because Nebraska is the national or regional office of several major insurance companies. Table 3 shows that Nebraska's 6.9 percent is slightly higher than that of the nation.

Services is the state's second largest sector, accounting for 16.0 percent of earnings. Overall, this sector falls below both national and regional values. Health services is the most significant component in this sector. In fact, its 6.5 percent is only slightly less than the value for the entire FIRE sector. Compared to the other states in the region, however, health services in Nebraska represent the smallest source of earnings.

The state's biggest sector, with 18.8 percent of its earnings, is government. The major reason for this is the region-leading state and local government component, but it must be remembered that this value is overstated because of the inclusion of electric utilities. Another interesting facet of government earnings in Nebraska is the relative size of the military subsector (Offutt Air Base), which is 1.4 times as large as the nation and twice as large as the region.

J.A.D.

## BUSINESS IN NEBRASKA

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