

# Business in Nebraska

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## An Evaluation of the Performance and Structural Change in the United States, Nebraska, and Omaha Area Economies From 1980 to 1991

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*The opinions expressed in this article are those of the authors and do not necessarily reflect the opinions of the University of Nebraska at Omaha or First Data Corporation.*

This article evaluates performance and structural changes in employment for the United States, Nebraska, and the Omaha area.

A periodic comparative evaluation of employment and its composition is a worthwhile exercise, as employment is one of the most basic economic determinants of the quality of life. Changes in employment over time cause restructuring of an economy and ultimately have social impacts. Moreover, the underlying trends of employment give an indication of an economy's future growth and health.

Future articles will evaluate other important measures of economic performance, such as personal earnings and personal income.

This article examines employment data developed by the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce. To provide a consistent and comparable analysis, the initial and terminal years of the study, 1980 and 1991, both represent recessionary periods. The data tables summarize the economies of the United States (Table I-A), Nebraska (Table I-B) and the Omaha area (Table I-C). The Omaha area includes the Nebraska counties of Douglas, Sarpy, and Washington. Although the BEA defines the Omaha MSA to include Pottawattamie County, Iowa, the data presented in this report exclude the Iowa county.

Table I-A presents the average annual employment (number of full- and part-time persons employed) by primary sectors and major industries for each economy. Columns 1 and 3 of the tables present the annual data as compiled by the BEA. Columns 2 and 4 reflect the

proportionate share of the annual totals for each individual line item. Column 5 reflects the absolute growth percentage between 1980 and 1991, and column 6 represents the change in share of each line item over the same period. This approach demonstrates the changing structure, trend of compositional changes, and relative significance of each line item over time.

### Employment Changes

Tables I-A, I-B, and I-C present comparative employment data for the primary farm and nonfarm sectors. The nonfarm sector has been segregated into private and public subsectors. The private sector has been categorized further by major industries, while the public sector has been broken down by federal civilian, federal military, and state and local employment.

### United States

Total employment in the United States has grown from 114 million workers in 1980 to 137 million in 1991, a 20.5 percent increase. The total nonfarm sector has grown from 110 million to 134 million, a 21.9 percent increase. Farm sector employment declined (19.5 percent) from 4 million workers to 3 million. The nonfarm sector gained more than a full percentage point in share of total employment, growing from 96.7 percent in 1980 to 97.8 percent in 1991.

Private sector industries accounted for the majority of the nonfarm sector's growth. Private employment grew from 91 million in 1980 to 113 million in 1991, which represents 23.8 percent growth. The greatest impact of the private sector came from growth in services. Service employment grew 54.9 percent, from approximately 25 million workers to 38 million workers. To give a better perspective of the growth in services, 21.6 percent of the work force was employed

**Table I-A**  
**United States—Average Annual Employment 1980-1991**  
 (Thousands)

Industry Sector	(1) 1980	(2) % of Total	(3) 1991	(4) % of Total	(5) % Change Employment	(6) % Change Share
<b>Private Sector:</b>						
Agricultural Services/Forestry/Fisheries	904.3	0.8	1,449.4	1.1	60.3	33.0
Mining	1,275.1	1.1	967.2	0.7	(24.1)	(37.1)
Construction	5,638.3	5.0	6,739.1	4.9	19.5	(0.8)
Manufacturing	20,781.6	18.3	19,004.9	13.9	(8.5)	(24.1)
Transportation/Public Utilities	5,660.8	5.0	6,507.3	4.7	15.0	(4.6)
Wholesale Trade	5,740.3	5.0	6,581.3	4.8	14.7	(4.9)
Retail Trade	17,852.5	15.7	22,672.6	16.5	27.0	5.4
Finance/Insurance/Real Estate	8,725.8	7.7	10,822.8	7.9	24.0	2.9
Services	24,558.1	21.6	38,038.8	27.8	54.9	28.5
<b>Total Private Sector</b>	<b>91,136.8</b>	<b>80.2</b>	<b>112,783.4</b>	<b>82.3</b>	<b>23.8</b>	<b>2.7</b>
<b>Public Sector:</b>						
Federal, Civilian	3,047.0	2.7	3,174.0	2.3	4.2	(13.6)
Military	2,451.0	2.2	2,606.0	1.9	6.3	(11.8)
State and Local	13,298.0	11.7	15,452.0	11.3	16.2	(3.6)
<b>Total Public Sector</b>	<b>18,796.0</b>	<b>16.5</b>	<b>21,232.0</b>	<b>15.5</b>	<b>13.0</b>	<b>(6.3)</b>
<b>Total Nonfarm Sector</b>	<b>109,932.8</b>	<b>96.7</b>	<b>134,015.4</b>	<b>97.8</b>	<b>21.9</b>	<b>1.1</b>
Farm	3,798.0	3.3	3,056.0	2.2	(19.5)	(33.2)
<b>Total Employment</b>	<b>113,730.8</b>	<b>100.0</b>	<b>137,071.4</b>	<b>100.0</b>	<b>20.5</b>	<b>0.0</b>

Source: Bureau of Economic Analysis/Department of Commerce

in this sector in 1980, but by 1991 the share had increased to 27.8 percent. Other industries of significant change in the private sector included retail trade and finance, insurance, real estate (FIRE). Retail trade employment grew from 18 million in 1980 to 23 million in 1991, a 27.0 percent increase. FIRE grew 24.0 percent, from 9 million to 11 million. Both of these industries' share gains were less than 1.0 percent, however.

Manufacturing exhibited substantial employment declines in both absolute and relative terms over the study period. In 1980 manufacturing was the second largest sector; however, by 1991 the retail sector surpassed manufacturing. From 1980 to 1991 manufacturing employment fell from 21 million to 19 million, an 8.5 percent reduction. Moreover, the share of manufacturing employment declined from 18.3 percent to 13.9 percent. The retail trade share expanded from 15.7 percent to 16.5 percent. A portion of the decrease in manufacturing may have been offset by an increase in construction. Construction employment grew from approximately 6 million to 7 million, which reflects 19.5 percent growth. The construction share of employment, however, remained essentially unchanged.

The public sector displayed 13.0 percent employment growth, as the average number of workers grew from 19 million to 21 million. The sector's share, however, of employment declined slightly, from 16.5 percent in 1980 to 15.5 percent in 1991.

The industry that displayed the greatest overall growth rate is the agricultural services, forestry, and fisheries sector, with a 60.3 percent expansion of employment. While the agricultural services, forestry, and

fisheries sectors showed the largest percentage growth, it is the next to smallest sector in absolute terms in the economy with a 1.1 percent total share.

#### Nebraska

Table I-B exhibits state employment data. Total employment in Nebraska grew 13.6 percent from 875,000 workers in 1980 to 994,000 in 1991. The nonfarm sector showed a material total employment share gain to 92.9 percent in 1991, up from 89.7 percent in 1980. Conversely, the farm sector's employment share declined from 10.3 percent to 7.1 percent.

The private sector accounted for the majority of the state's employment and growth. Over the study period the sector grew from 633,000 workers to 761,000, a 20.2 percent change. Moreover, the private sector's share of employment increased from 72.4 percent to 76.6 percent. All industries within the private sector exhibited growth except mining, which is relatively insignificant. Services displayed the greatest absolute employment growth, advancing from 168,000 workers to 248,000. This 47.7 percent growth rate reflects an expansion of services' share from 19.2 percent in 1980 to 24.9 percent in 1991. Retail trade and FIRE showed healthy advances in terms of workers employed. The retail trade work force increased from 144,000 to 166,000, which reflects 15.4 percent growth. FIRE grew from 65,000 to 76,000, a 17.0 percent advance. In contrast to the U.S., manufacturing in Nebraska grew 5.2 percent over the period. Manufacturing employment grew from 98,000 to approximately 104,000 however, the industry's share declined from 11.3 percent to 10.4 percent.

The public sector showed a modest increase of 7.3 percent, as employment grew from 151,000 to 162,000. The sector's employment share decreased 1.0 percent to 16.3 percent in 1991.

The farm sector decreased substantially. Farm employment declined from 90,000 to approximately 71,000, a 21.7 percent reduction. The farm sector's share better reflects the decline, as it decreased from 10.3 percent in 1980 to 7.1 percent in 1991. As in the national data, the greatest percentage change took place in the agricultural services, forestry, and fisheries component of the private sector. This component showed employment growth from approximately 7,000 to 11,000, a 70.7 percent gain.

#### Omaha Area

Table I-C summarizes changes in employment for the Omaha area. As in the U.S. and Nebraska, the private sector dominated growth in Omaha employment. Total employment grew 26.2 percent, from 297,000 in 1980 to 375,000 in 1991. The nonfarm sector accounted for 99.5 percent of Omaha's employment in 1991, up from 99.1 percent in 1980. Nonfarm employment grew in absolute terms from 295,000 workers to 373,000 or 26.6 percent. Farm employment decreased from 3,000 workers to 2,000, a share loss from 0.9 percent in 1980 to 0.5 percent in 1991.

Similar to the state and nation, Omaha's private sector experienced tremendous growth over the study period. The sector's absolute employment grew 29.7 percent, from 242,000 to 313,000 workers. Services

exhibited the largest employment growth. Service workers increased from 69,000 in 1980 to 116,000 in 1991, a share gain from 23.2 percent of employment to 31.0 percent. Retail trade and FIRE exhibited notable absolute growth, but declined slightly in share terms. Retail trade grew from 49,000 workers to 58,000, and FIRE employment increased from 31,000 to 39,000. These figures correspond to 19.8 percent and 22.9 percent growth rates, respectively.

It is noteworthy to examine the changes in manufacturing and construction. In 1980, the Omaha manufacturing sector employed over 33,000 workers or 11.2 percent of total employment. By 1991 the absolute number of persons employed in manufacturing fell 600. The sector's share was down to 8.7 percent. Construction grew in both absolute and relative terms. Construction employment grew from 13,000 workers, a 4.3 percent share, to approximately 17,000, a 4.4 percent share.

The public sector increased employment from 53,000 to 60,000, a 12.8 percent improvement over the period. The public sector share, however, decreased from 17.8 percent to 16.0 percent.

#### Summary of Employment Changes in the Economies

The private sectors dominated both the growth of the work force and the share of employment in all three economies. The service sector was the major contributor to growth. To a lesser extent, the retail trade and FIRE industries augmented the expansion of the private sector.

Table I-B  
Nebraska—Average Annual Employment 1980-1991  
(Thousands)

Industry Sector	(1) 1980	(2) % of Total	(3) 1991	(4) % of Total	(5) % Change Employment	(6) % Change Share
<b>Private Sector:</b>						
Agricultural Services/Forestry/Fisheries	6.5	0.7	11.0	1.1	70.7	50.3
Mining	3.0	0.3	2.8	0.3	(6.1)	(17.3)
Construction	42.6	4.9	43.5	4.4	2.1	(10.2)
Manufacturing	98.4	11.3	103.5	10.4	5.2	(7.4)
Transportation/Public Utilities	54.5	6.2	55.1	5.5	1.2	(10.9)
Wholesale Trade	51.5	5.9	55.0	5.5	6.9	(6.0)
Retail Trade	143.8	16.4	166.0	16.7	15.4	1.5
Finance/Insurance/Real Estate	65.3	7.5	76.4	7.7	17.0	3.0
Services	167.9	19.2	248.0	24.9	47.7	29.9
<b>Total Private Sector</b>	<b>633.4</b>	<b>72.4</b>	<b>761.3</b>	<b>76.6</b>	<b>20.2</b>	<b>5.8</b>
<b>Public Sector:</b>						
Federal, Civilian	17.2	2.0	17.3	1.7	0.8	(11.3)
Military	19.8	2.3	21.9	2.2	10.6	(2.6)
State and Local	114.3	13.1	123.0	12.4	7.7	(5.3)
<b>Total Public Sector</b>	<b>151.2</b>	<b>17.3</b>	<b>162.2</b>	<b>16.3</b>	<b>7.3</b>	<b>(5.6)</b>
<b>Total Nonfarm Sector</b>	<b>784.7</b>	<b>89.7</b>	<b>923.5</b>	<b>92.9</b>	<b>17.7</b>	<b>3.6</b>
Farm	90.1	10.3	70.5	7.1	(21.7)	(31.1)
<b>Total Employment</b>	<b>874.8</b>	<b>100.0</b>	<b>994.1</b>	<b>100.0</b>	<b>13.6</b>	<b>0.0</b>

Source: Bureau of Economic Analysis/Department of Commerce

**Table I-C**  
**Omaha Area—Average Annual Employment 1980-1991**  
 (Thousands)

Industry Sector	(1) 1980	(2) % of Total	(3) 1991	(4) % of Total	(5) % Change Employment	(6) % Change Share
<b>Private Sector:</b>						
Agricultural Services/Forestry/Fisheries	1.1	0.4	2.3	0.6	108.0	64.8
Mining	0.3	0.1	0.3	0.1	(3.3)	(23.4)
Construction	12.8	4.3	16.5	4.4	29.0	2.2
Manufacturing	33.3	11.2	32.7	8.7	(2.0)	(22.3)
Transportation/Public Utilities	23.7	8.0	24.1	6.4	1.6	(19.5)
Wholesale Trade	21.1	7.1	24.1	6.4	14.1	(9.6)
Retail Trade	48.7	16.4	58.3	15.6	19.8	(5.1)
Finance/Insurance/Real Estate	31.4	10.6	38.6	10.3	22.9	(2.6)
Services	69.1	23.2	116.3	31.0	68.4	33.4
<b>Total Private Sector</b>	<b>241.6</b>	<b>81.3</b>	<b>313.2</b>	<b>83.5</b>	<b>29.7</b>	<b>2.8</b>
<b>Public Sector:</b>						
Federal, Civilian	8.7	2.9	9.0	2.4	3.2	(18.2)
Military	14.3	4.8	16.5	4.4	15.3	(8.6)
State and Local	30.1	10.1	34.4	9.2	14.5	(9.3)
<b>Total Public Sector</b>	<b>53.1</b>	<b>17.8</b>	<b>59.9</b>	<b>16.0</b>	<b>12.8</b>	<b>(10.6)</b>
<b>Total Nonfarm Sector</b>	<b>294.6</b>	<b>99.1</b>	<b>373.1</b>	<b>99.5</b>	<b>26.6</b>	<b>0.4</b>
Farm	2.7	0.9	2.0	0.5	(23.8)	(39.6)
<b>Total Employment</b>	<b>297.3</b>	<b>100.0</b>	<b>375.1</b>	<b>100.0</b>	<b>26.2</b>	<b>0.0</b>

Note: The Omaha area includes the counties of Douglas, Sarpy, and Washington.

Source: Bureau of Economic Analysis/Department of Commerce

On the downside, manufacturing decreased in relative terms in all three economies and decreased in absolute terms in both the United States and Omaha area economies. The absolute decreases in manufacturing partially were offset by an absolute construction employment increase in the national economy and more than offset by an absolute construction increase in the Omaha economy. Manufacturing and construction were of far less significance in relative terms of employment in 1991.

Even though the public sector decreased in significance in relative terms, the sector still accounted for approximately 16.0 percent of each economy's employment.

The farm sector in all three economies decreased in both absolute and relative terms. The farm sector is only a significant portion of employment, however, in the Nebraska economy. Moreover, employment gains in the nonfarm private sector's agricultural services, forestry, and fisheries component either partially or fully offset the farm reductions.

#### Conclusion

The structural shifts toward services from manufacturing raise some concerns about the future health and potential growth of the economies.

Manufacturing typically provides full-time employment at higher wages with more fringe benefits, whereas services employs more part-time workers at lower wages with fewer benefits. As more citizens work

for fewer wages and benefits, the greater is the strain on the economy's overall quality of life. A portion of these lower wages must eventually supplement the lack of benefits (which include health insurance) as well as fund day-to-day living. Thus, there is less residual income available to advance the quality of lives and bolster economic growth.

A second important impact of this structural change is that manufacturing is an export based sector. The manufacturing industry ships products to other parts of the country and world. The manufacturing sector returns and circulates income from outside economies into the local venue. Therefore, the growth and health of the economy is accelerated by the influx of new resources. The service sector, to a greater extent, provides tertiary activity that recycles income generated locally. Thus, the dissipation of manufacturing effectively lessens the economy's ability to expand by placing greater dependence on local incomes as opposed to injections from extraneous sources.

Finally, manufacturing maintains certain levels of importance during times of national crises. A strong and flexible manufacturing sector is vitally important in terms of defense production and transportation vehicles. Moreover, a large portion of research and development expenditures resides in the manufacturing sector. Thus, the sector's reduced significance could be detrimental to advancing new technologies and products.

## Rural Flight in Nebraska— Implications of the 1980s

John S. Austin and Telk L. Tan

Nebraska's rural population faces continued decline unless the migration trends of the 1980s are reversed. If the rate of outmigration experienced in the 1980s continues, then the state's rural population will decrease sharply: 11.5 percent by 2000 and an additional 10.9 percent by 2010. By the year 2010 12 counties in the state will have populations under 1,000.

Recent population estimates for 1992 released by the U.S. Census Bureau seem to indicate that the patterns of the previous decade have reversed in some counties. However, the nature of these estimates are inexact, particularly for a small state such as Nebraska. The small rates of growth indicated by the estimates are subject to wide margins of error. Therefore, the projections presented in this report are not necessarily contradicted by the Census estimates.

Growth within the state won't be uniform. Assuming that past patterns hold, only nine counties will experience population growth: Buffalo, Cass, Douglas, Hall, Lancaster, Madison, Sarpy, Thurston, and Washington counties. The remaining 84 counties will experience population loss over the period. The biggest rates of decrease will be in some of the state's smallest counties.

The population gains in the nine growing counties, however, will not be enough to offset population loss in the other counties. By the year 2000 the state's population will decrease 0.7 percent from its 1990 level. From 2000 to 2010 the population will decrease a total of 0.9 percent. These percentages are for decades; they are not annual rates.

The purpose of this article is to describe the state's population trends under the assumption that the migration patterns of the 1980s continue for the next two decades (1990-2010). A fuller examination of the projections discussed in this article will be included in BBR's forthcoming annual report. The report will include projections by age groups for all counties in the state.

### Migration

In the July/August issue of *Business in Nebraska*, the migration patterns of the 1980s were outlined. Only ten counties in the state gained population over the decade. Three of the ten—Lancaster, Sarpy, and Washington—experienced gains due to net immigration, meaning that more residents moved into the county over the decade than moved out. The above three counties are in the state's metro areas. (See sidebar for a definition of terms.) The remaining seven counties experienced natural gains in population, meaning that natural increases in population—births less deaths—exceeded net outmigration. All rural counties lost population over the decade due to outmigration, meaning that more residents left those counties than entered them. Even most counties that aren't rural counties lost population to outmigration, but generally at a lower rate of loss than the rural counties.

Migration was not uniform across all age groups.

The young and early middle-aged adults showed the heaviest net outmigration. Those age classes are important to long-term economic development because they represent the state's future workers.

### Nothing New

The loss of population in rural counties has been going on for some time. To illustrate how little things have changed, an article in the December 1950 *Agricultural Extension Service News* examined the loss of population that occurred in Nebraska during the 1940s despite huge population gains nationally.

The February 1991 issue of *Business in Nebraska*, noted that only nine counties experienced peak populations in 1990. Some counties experienced their maximum population in the 1920s or 1930s. Many rural counties saw maximum populations in 1910 or earlier. Twelve counties experienced peak census populations in 1890.

Driving the population losses in rural counties is increased agricultural efficiency. The strides taken in agricultural technology have resulted in higher levels of agricultural production with fewer farmers. The end result is decreased demand for farm labor. Unless alternative demands for labor are created in rural counties, their population losses will continue.

### The Projections

The ten counties with the biggest percentage losses in population due to outmigration are presented in Table 1. Most of the counties in Table 1 are among the smallest in the state. Many have populations under 1,000. The smallest counties are bearing the brunt of outmigration.

In order to display the impact of migration on the rural population, we arranged the data into various size groups (Table 2).

Under the definition of a rural county we use, 52 of the state's 93 counties are rural. The projected population decrease over the next two decades in rural counties is 11.5 percent in the first decade (1990-2000) and 10.9 percent in the next decade. The loss in rural population is profound. While the rural population accounted for

### It's a Matter of Words

Terms we used in this article have very specific meanings. We rely on a classification system developed by Dr. Bruce B. Johnson of UN-L.

#### County Types

**Rural**—counties having no city, town, or village with a population over 2,500

#### Small Trade

**Center**—counties having a city with a population of 2,500 to 7,500

#### Large Trade

**Center**—counties having a city with a population above 7,500, but not in a metro area

#### Nonmetro

—all of the above

**Metro**—counties within a metropolitan area. Nebraska metro counties are Cass, Dakota, Douglas, Lancaster, Sarpy, and Washington

Table 1  
Nebraska's Ten Counties With the Highest Rates of Outmigration 1980-1990 and Projections Assuming Continued Net Migration Rates

County (Ranked by Migration Rates)	Total Net Migration Rate as a Percent of 1980 Population	P o p u l a t i o n		G r o w t h		R a t e s 2010/ 2000
		Census 1990	Projection 2010	1990/ 1980	2000/ 1990	
Blaine	-25.8	675	444	-22.1	-18.2	-19.6
Loup	-25.0	683	420	-20.5	-20.0	-23.1
Keya Paha	-25.0	1,029	587	-20.9	-23.9	-25.0
Wheeler	-22.8	948	672	-10.6	-15.9	-15.6
Kimball	-21.2	4,108	2,730	-15.9	-17.6	-19.3
Grant	-20.0	769	532	-12.3	-14.9	-18.7
Rock	-19.9	2,019	1,399	-15.3	-16.6	-16.9
Thomas	-19.6	851	636	-12.5	-14.7	-12.3
Hooker	-19.6	793	479	-19.9	-22.1	-22.4
Sioux	-19.1	1,549	1,106	-16.0	-14.9	-16.2

**Table 2**  
**Populations and Growth Rates for Rural, Small Trade, Large Trade, and Metro Counties**

	P o p u l a t i o n				G r o w t h R a t e s		
	1980	Census 1990	Projections 2000	Projections 2010	1990/1980	2000/1990	2010/2000
Rural	233,391	207,318	183,567	163,512	-11.2	-11.5	-10.9
Small trade centers	258,531	240,170	221,511	205,014	-7.1	-7.8	-7.4
Large trade centers	349,588	343,562	334,546	324,918	-1.7	-2.6	-2.9
Nonmetro total	841,510	791,050	739,624	693,444	-6.0	-6.5	-6.2
Metro	728,315	787,335	827,892	860,393	8.1	5.2	3.9
State total	1,569,825	1,578,385	1,567,516	1,553,837	0.5	-0.7	-0.9

Note: The classification scheme used here was developed by Dr. Bruce Johnson, University of Nebraska-Lincoln. The calculations were done by the Bureau of Business Research.

only 26.2 percent of the entire nonmetro population in 1990, rural counties account for almost 45.0 percent of the projected nonmetro population loss over the forecast period.

The 87 nonmetro counties will experience total population losses of 6.5 percent from 1990 to 2000 and 6.2 percent from 2000 to 2010. In contrast, the six metro counties will experience growth of 5.2 percent and 3.9 percent during the above two decades. The total loss of population in nonmetro Nebraska is projected to be 97,606 persons. The gain in metro Nebraska is projected to be 24,548 persons, which is clearly inadequate to offset nonmetro losses.

The pattern of population gains is far from evenly distributed. As expected, the state's three largest counties—Douglas, Lancaster, and Sarpy—show gains in population over the period. Not all the growth, however, will be experienced in metro counties. Buffalo, Hall, Madison, and Thurston counties—all nonmetro counties—are projected to grow. The first three counties contain the cities of Kearney, Grand Island, and Norfolk, respectively. Thurston is a rural county with a

substantial Native American population that is growing rapidly.

Details of the forecast methodology, including the special aspects of how college counties were examined, are contained in the forthcoming annual report.

**Table II**  
**City Business Indicators**  
**October 1993 Percent Change from Year Ago**

The State and Its Trading Centers	Employment (1)	Building Activity (2)
NEBRASKA	4.7	32.2
Alliance	3.4	60.8
Beatrice	5.2	0.9
Bellevue	4.4	30.2
Blair	4.4	224.8
Broken Bow	3.0	12.5
Chadron	7.5	416.5
Columbus	6.2	74.3
Fairbury	4.6	-10.8
Falls City	4.2	31.4
Fremont	6.2	50.2
Grand Island	7.0	-0.8
Hastings	5.8	156.4
Holdrege	4.8	-2.7
Kearney	6.1	32.9
Lexington	4.7	105.8
Lincoln	5.2	-17.0
McCook	5.8	-2.7
Nebraska City	4.5	298.9
Norfolk	6.7	113.1
North Platte	5.0	126.7
Ogallala	5.3	2.4
Omaha	4.4	59.2
Scottsbluff/Gering	6.4	-56.4
Seward	5.7	-33.7
Sidney	3.9	-23.0
South Sioux City	5.9	-21.3
York	6.5	177.6

(1) As a proxy for city employment, total employment (labor force basis) for the county in which a city is located is used

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

Sources: Nebraska Department of Labor and reports from private and public agencies

**Table I**  
**Employment in Nebraska**

	Revised November 1993	Preliminary December 1993	% Change vs. Year Ago
Place of Work			
Nonfarm	761,911	758,433	0.7
Manufacturing	103,211	103,138	1.5
Durables	49,171	49,483	3.9
Nondurables	54,040	53,655	-0.6
Mining	1,524	1,460	2.4
Construction	30,966	29,230	5.7
TCU*	47,204	48,051	1.6
Trade	190,775	191,944	0.0
Wholesale	54,055	54,064	0.9
Retail	136,720	137,880	-0.4
FIRE**	48,869	48,729	-0.5
Services	189,513	186,906	0.1
Government	149,849	148,975	0.8
Place of Residence			
Civilian Labor Force	885,077	887,955	4.8
Unemployment Rate	2.2	2.3	

\* Transportation, Communication, and Utilities

\*\* Finance, Insurance, and Real Estate

Source: Nebraska Department of Labor

### Parting Thoughts

Let us be clear. We have presented an outline of the state's future population patterns based on the assumption that the patterns of the 1980s will persist. As such, the scenarios are not forecasts of the state's population, but are simply extensions of the migration trends experienced in the 1980s. If we were to make population forecasts, there would be many exceptions to the patterns presented here. But the projections clearly demonstrate what will happen if the migration trends of the 1980s persist. The data are presented to outline, quantify, and clarify a problem well-known to the state: the movement of the young, working-age population from rural counties to metro counties and to other states. Many counties are having difficulties holding onto their younger populations.

Solutions to depopulation problems are complex; however, it seems obvious that to stem the flow, Nebraska needs to create more attractive jobs. To put the matter in a positive light, the labor

force needed for Nebraska's future is already here. It is young, well-educated, and the product of a work-oriented culture. The way to assure our future labor supply is to offer jobs that are interesting, challenging, and competitively rewarding. That statement is much easier to make than it is to implement. The challenge is clear. The results of not meeting the challenge are also clear.

**Table III**  
**Price Indices**

	December 1993	% Change vs. Year Ago	YTD % Change vs. Year Ago
Consumer Price Index - U*			
(1982-84 = 100)			
All Items	145.8	2.7	3.0
Commodities	132.0	1.5	1.9
Services	160.0	3.8	3.8

U\* = All urban consumers

Source: U.S. Bureau of Labor Statistics

**Table IV**  
**Net Taxable Retail Sales of Nebraska Regions and Cities**

Region Number and City (1)	City Sales (2)		Region Sales (2)		Year to Date % Change vs. Year Ago
	October 1993 (000s)	% Change vs. Year Ago	October 1993 (000s)	% Change vs. Year Ago	
NEBRASKA	1,031,551	5.0	1,182,157	6.0	5.0
1 Omaha	354,068	6.5	442,346	7.5	6.3
Bellevue	13,131	4.3	*	*	*
Blair	5,747	14.1	*	*	*
2 Lincoln	139,610	6.8	160,574	6.9	8.3
3 South Sioux City	7,178	2.9	9,722	2.1	7.6
4 Nebraska City	4,518	2.2	22,322	5.2	7.2
6 Fremont	19,486	8.2	34,292	4.8	0.6
West Point	3,139	-10.6	*	*	*
7 Falls City	2,371	5.9	9,517	-10.6	0.7
8 Seward	4,428	-6.6	16,516	4.7	4.0
9 York	7,571	1.6	15,893	0.6	-0.3
10 Columbus	17,853	10.8	29,879	2.9	-1.0
11 Norfolk	23,235	7.5	40,333	7.2	3.2
Wayne	3,339	-9.4	*	*	*
12 Grand Island	40,858	9.6	55,958	6.1	4.0
13 Hastings	17,658	5.9	27,425	6.4	2.4
14 Beatrice	8,507	-1.3	19,132	2.7	4.4
Fairbury	3,049	3.0	*	*	*
15 Kearney	24,814	9.6	34,016	9.5	4.9
16 Lexington	6,817	-11.2	18,522	-0.5	-0.1
17 Holdrege	4,511	-14.3	8,169	-7.3	-2.1
18 North Platte	18,517	5.8	23,871	6.2	2.6
19 Ogallala	4,531	2.1	10,104	2.4	-9.8
20 McCook	8,307	0.0	11,665	0.2	0.5
21 Sidney	6,503	13.6	11,035	13.0	8.4
Kimball	1,650	1.5	*	*	*
22 Scottsbluff/Gering	21,655	3.9	29,770	5.6	3.3
23 Alliance	5,034	1.3	14,335	-0.5	3.9
Chadron	2,918	4.7	*	*	*
24 O'Neill	3,780	-2.6	14,963	-0.1	0.4
Valentine	3,004	-1.8	*	*	*
25 Hartington	1,882	-0.1	9,073	-2.1	2.2
26 Broken Bow	3,814	6.8	12,099	3.3	0.5

(1) See Figure II of previous *Business in Nebraska* issues for regional composition

(2) Sales on which sales taxes are collected by retailers located in the state. Region totals include motor vehicle sales

\*Within an already designated region

Compiled from data provided by the Nebraska Department of Revenue

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## County of the Month

# Madison

Madison—County Seat



Next County of Month

License plate prefix number: 7

Size of county: 572 square miles, ranks 59th in the state

Population: 32,655 in 1990, a change of +4.1 percent from 1980  
Median age: 32.2 years in Madison County, 33.0 years in Nebraska in 1990

per capita personal income: \$16,015 in 1991, ranks 59th in the state

Net taxable retail sales (\$000): \$396,505 in 1992, a change of +4.0 percent from 1991; \$261,686 during Jan.-Oct. 1993, a change of +5.4 percent from the same period one year ago

Number of business and service establishments: 1.149 in 1991; 52.3 percent had less than five employees

Unemployment rate: 2.9 percent in Madison County, 2.9 percent in Nebraska for 1992

Nonfarm employment (1992):

	State	Madison County
Wage and salary workers	746,985	17,131
	(percent of total)	
Manufacturing	13.4%	20.7%
Construction and Mining	3.9	4.0
TCU	6.3	5.0
Retail Trade	18.2	20.5
Wholesale Trade	7.0	9.2
FIRE	6.6	3.3
Services	24.8	18.8
Government	19.8	18.5
Total	100.0%	100.0%

Agriculture:

Number of farms: 958 in 1987, 991 in 1982

Average farm size: 340 acres in 1987

Market value of farm products sold: \$82.6 million in 1987  
(\$86,190 average per farm)

Sources: U.S. Bureau of the Census, U.S. Bureau of Economic Analysis, Nebraska Department of Labor, Nebraska Department of Revenue

Merlin W. Erickson

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