

Business in Nebraska

Volume 58, No. 674

presented by Bureau of Business Research (BBR)

February 2003

Factors That Influenced the Success of Nebraska Business Start-Ups, 1996-1999

Edward L. Fitzsimmons, Associate Professor of Economics, Creighton University

The April 2002 issue of *Business in Nebraska* reported that the economic potential of Nebraska's smaller cities was comparable to the economic potential of the state's largest cities. Data from the Labor Market Information Service of the Nebraska Department of Labor covering the years 1996 through 1999 were used and resulted in two principal findings. First, business starts per capita in Nebraska cities and towns with fewer than 5,000 people were comparable to business starts per capita in the state's largest cities. Second, the proportion of businesses started in these smaller cities and towns in 1996 that still were in operation at the end of 1999 was as great as or greater than the proportion of firms started in the state's major population centers.

These findings highlighted the need to investigate factors that contributed to the success of these start-up businesses, particularly those in smaller cities. These factors could be useful to future business start-ups in the state. A questionnaire was sent to 229 firms that began operations in 1996.

Information was sought about the type and size of each business, its business environment, characteristics of the owner or principal executive, nature of the firm's managerial process, and perceived conditions that may have contributed to the failure of other businesses in the respondent's city or town. Seventy-eight usable responses were received.

Responses were classified by city size into three groups. Large cities, included Omaha and contiguous suburbs, Lincoln, and South Sioux City. The middle cities included all other cities with populations of 5,000 or greater. The small cities included those cities and towns with populations less than 5,000.

Type and Size of Business

Questions referring to the type and size of business addressed legal form, principal line of business, and number of employees. Corporations were the dominant legal form. Respondents from businesses in middle and small cities indicated a balance between businesses that sold goods and those that provided services. In large cities, however, 75 percent of respondents were service providers;



thus, success factors identified by firms in large cities were heavily influenced by respondents from the services industry. All firms surveyed were small businesses with full- and part-time employment averaging 13 in small cities, 6 in middle cities, and 14 in large cities.

Business Environment and Success

Respondents were asked to consider 15 factors in the business environment thought to influence a firm's chances of success and to evaluate if each helped, hindered, or had little influence on the success of their businesses.

These factors included location with respect to customers or markets, location with respect to suppliers, availability of workers, quality of workers, availability of venture capital, availability of bank lending, availability of micro business loans, internet access, other technologies, competitors, economic conditions in respondent's market area, government regulations, business tax incentives, economic development consulting or training, and community relations.



All factors were ranked according to the number of responses to that particular factor and were classified by city size. Rankings were compared between small and middle, small and large, and middle and large cities. Statistical analysis suggests that respondents in each of the city size groups attached roughly the same relative importance to these factors. Therefore, business start-ups in Nebraska face similar business environments, regardless of location. Rankings within the

comparative groups were highly correlated. But, high correlation does not indicate complete correspondence. Table 1 includes only the five highest-ranked factors in each city-size group. A complete list of rankings is available on the BBR website: www.bbr.unl.edu.

Location with respect to customers ranked as the most important factor that contributed to the success of business start-ups in cities of all sizes. Quality of workers ranked high in terms of success in cities of all sizes. But, a lack of qualified workers was identified as a factor that hindered prospects for success by some firms in small and middle cities. According to respon-

Table 1
Ranking of Factors of Business Start-Up Success, by City Size, 1996-1999

Small Cities		Middle Cities		Large Cities	
Helped					
Location w/Respect to Customers	1	Location w/Respect to Customers	1	Location w/Respect to Customers	1
Community Relations	2	Availability of Bank Loans	2	Internet	2
Quality of Workers	3	Community Relations	3	Other Technologies	3
Availability of Bank Loans	4	Quality of Workers	4	Economic Conditions	4
Location w/Respect to Suppliers	5	Availability of Workers	5	Quality of Workers	5
Hindered					
Government Regulation	1	Economic Conditions	1	Government Regulation	1
Availability of Workers	2	Government Regulation	2	Availability of Venture Capital	2
Economic Conditions	3*	Competition	3	Availability of Workers	3
Quality of Workers	3*	Quality of Workers	4	Availability of Bank Loans	4*
Competition	5	Availability of Venture Capital	5	Competition	4*
Little Influence					
Availability of Micro Business Loans	1	Econ. Dev./Consulting/Training	1	Econ. Dev./Consulting/Training	1
Econ. Dev./Consulting/Training	2	Business Tax Incentives	2	Availability of Micro Business Loans	2
Business Tax Incentives	3	Other Technologies	3	Business Tax Incentives	3*
Internet	4	Internet	4*	Location w/Respect to Suppliers	3*
Other Technologies	5	Location w/Respect to Suppliers	4*	Availability of Venture Capital	5

*Indicates tied rankings.

Among factors that had little influence, rankings are inverted relative to importance, i.e., factors ranked first had the least influence.

dents, education and skills were not at issue, but good work ethics and honesty were considered to be lacking. Important factors that hindered success in cities of all sizes were government regulation and competition.

Economic development/consulting/training and business tax incentives had little influence on success by firms in cities of all sizes. Similarly, micro business loans had minimal impact in small and large cities. This suggests that state and local efforts to assist the formation of small businesses in the state had little effect.

Other factors that helped start-ups succeed in small cities were community relations, availability of bank loans, and location with respect to suppliers. Availability of bank loans also was ranked as helpful in middle cities. The lack of bank loans was a hindrance in large cities. The importance of this factor suggests that bank credit must continue to be readily available if small businesses in small towns are to be successful.

Good relations with community leaders were key to success in small cities. Community concerns about changes brought about by new businesses must be overcome. Location with respect to the proximity of suppliers was important in small

cities. The importance of location likely was related to the limited availability of public transportation services to small cities. Middle and large cities have more transportation options. Potential start-ups in small cities must consider the speed and reliability of transportation links to suppliers.

Availability of qualified workers continues to be an issue for employers. Workers evidently were in short supply during the study period. Market area economic conditions ranked high on the list of factors that hindered chances of success in both small and middle cities. Economic conditions were highly ranked success factors in large cities, consistent with the faster growth in metro areas during the study period.

The internet had little influence on the success of start-ups not only in small cities, but also in middle cities. However, respondents

in large cities ranked the internet second in importance to location in aiding business success. This contrast may have occurred because respondents from small and middle cities lacked access to high speed internet service and may not have realized its potential.

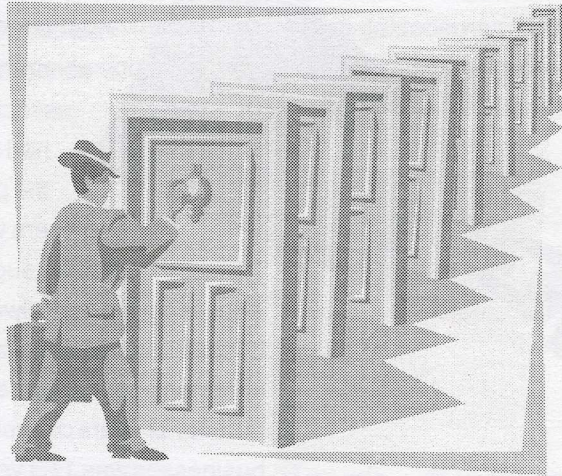


Table 2
Managerial Process Inventory, Average Rankings

<i>Preference/Agreement</i>	<i>All Cities</i>	<i>Small Cities</i>	<i>Middle Cities</i>	<i>Large Cities</i>
Level of Risk/Return	4.0	3.8	4.1	4.1
Introduce New Products/Services	4.6	4.6	4.7	4.5
Emphasize Cost Control	4.7	4.3	4.7	4.9
Evaluate Alternatives	5.6	5.7	4.9	6.0

Business Environment and Failure

Business environment also impacts a start-up's chances of failure; and the respondents were asked to identify conditions that they perceive may have led to the failure of other businesses in their towns or cities during the past five years. Responses identified conditions similar to those thought to hinder business success and pointed to competition as a cause of failure. Firms in large cities cited the availability of financing. Firms in large and middle cities cited economic woes. But, the most frequently cited cause of business failure was poor business management.

Management-related causes of failure included lack of attention to marketing and failure to recognize customers' changing needs.

Managerial Process

Managerial process, or the way decisions are made and implemented, clearly was relevant to success or failure. Four survey questions probed differences in processes employed by start-up firms operating in cities of varying sizes. These questions measured risk and return preference; degree of agreement on the importance of constantly seeking to introduce new products; using cost control systems to monitor performance; and careful evaluation of possible choices in decision making (Table 2). Responses were ranked on a seven point scale.

Risk and return average ranking in all cities as a group was 4, indicating a balanced orientation between low and high risk and return. Firms in small cities indicated a slightly lower preference for risk, 3.8. An analysis of variance revealed differences in strength of commitment to constantly introducing new products or services; emphasis on cost control to monitor performance; and careful evaluation of possible choices in decision making. Commitment to evaluation of alternatives, scored 5.6. There was little difference in strength of commitment with respect to introduction of new products or services and to cost control in cities of different sizes. But, an analysis of variance indicated a lower commitment to evaluation of alternatives in middle cities.

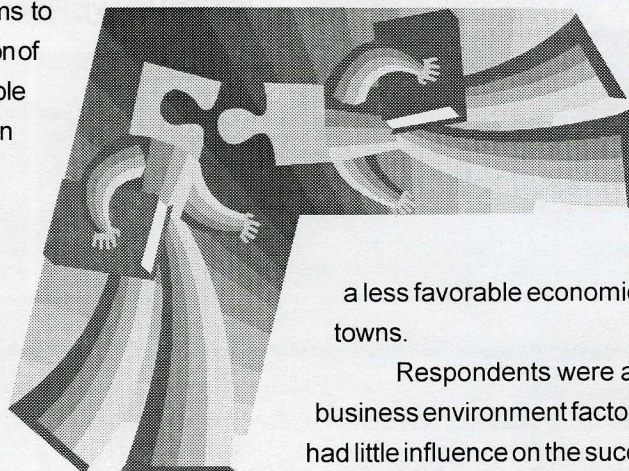
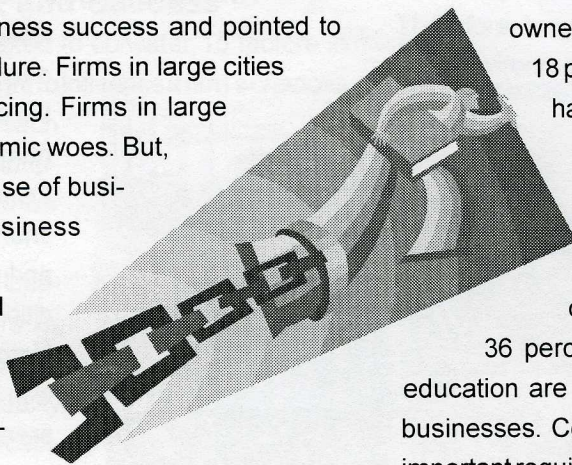
Characteristics of Principal Executive

Ultimately, a firm's managerial process is the responsibility of its management. Competent management can lead a new business to success in spite of an unfavorable business environment. The survey queried respondents about the education and years of business experience of the firms' owners or principal executives. Across all city sizes, 18 percent of owners or principal executive officers had completed their formal educations with a high school diploma, 64 percent had some college/associate/bachelors degrees, and 18 percent had advanced degrees. But, in small cities the proportion of owners or chief executive officers with only a high school diploma rose to 36 percent, suggesting that higher levels of formal education are not always required to start successful new businesses. Considerable business experience was a very important requirement according to respondents. The average number of years of business experience of those who started businesses was 17.1 years in small cities, 16.6 years in middle cities, and 17.8 years in large cities.

Summary

The purpose of this study was to identify factors that contributed to the success of business start-ups in Nebraska, especially in the state's smaller cities and towns. The factors that affect the success of business start-ups in small cities and towns were similar to start-ups in large cities. Several differences were reported, among them a less favorable economic environment in small cities and towns.

Respondents were asked to choose from a list of 15 business environment factors those that helped, hindered, or had little influence on the success of their businesses. Results indicated that there was little difference among respondents across city sizes in their rankings of the relative importance of helpful factors. Likewise, there was little difference in rankings of factors that hindered or had little influence. Start-up businesses in cities of all sizes faced similar business environments. Location with respect to customers and quality of workers ranked high among factors that were helpful to success in cities of all sizes.



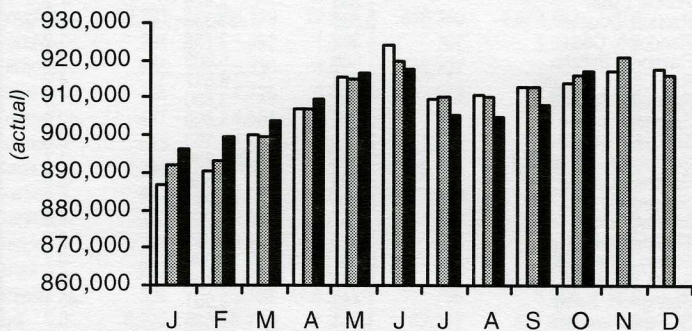
Factors that hindered success included government regulation and competition. Business tax incentives and economic development/consulting/training had little influence on success. Micro business loans had little influence in middle and large cities. Businesses in small cities ranked community relations, availability of bank loans, and location with respect to suppliers high as helpful to success. Business start-ups in small towns found the internet to have had little influence on their success. The need for review of the effectiveness of state and local programs designed to aid small businesses is indicated.

Respondents also were asked for their opinions on the causes of failure of businesses in their cities during the past five years. The most common response was poor management, particularly with respect to monitoring the changing needs of consumers. In managing their businesses respondents struck a careful balance between risk and return and attached great importance to careful evaluation of the consequences of possible choices. Their management practices were guided by an average of 17 years of experience. Considerable business experience by principal executives was a prerequisite for success.

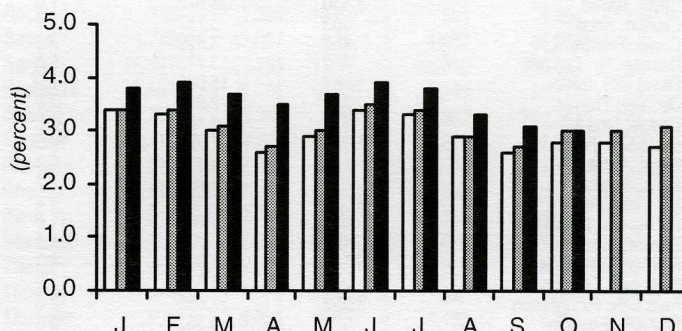
Nebraska Stats

2000 2001 2002

Total Nonfarm Wage & Salary Employment



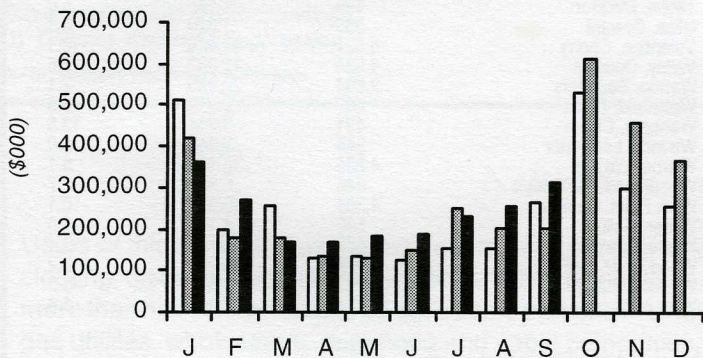
Unemployment Rate



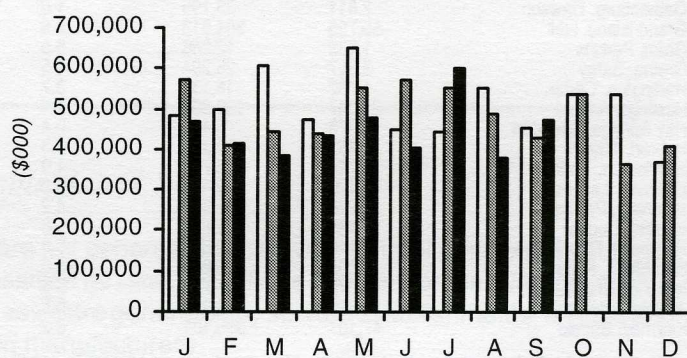
Note: Monthly data through March 2001 are benchmarked. Data for April-December 2001 are estimates until benchmarked in early 2003. All estimates are the most current revised data available.

2000 2001 2002

Cash Receipts—Crops



Cash Receipts—Livestock



Net Taxable Retail Sales* for Nebraska Cities (\$000)

	September 2002 (\$000)	YTD (\$000)	YTD % Change vs Yr. Ago		September 2002 (\$000)	YTD (\$000)	YTD % Change vs Yr. Ago
Ainsworth, Brown	1,757	14,735	-3.5	Kenesaw, Adams	214	2,781	4.6
Albion, Boone	1,920	14,836	0.1	Kimball, Kimball	1,719	15,997	-5.7
Alliance, Box Butte	5,892	51,865	0.3	La Vista, Sarpy	10,873	99,292	8.6
Alma, Harlan	672	5,809	5.2	Laurel, Cedar	561	3,422	0.1
Arapahoe, Furnas	808	6,817	-9.9	Lexington, Dawson	8,073	72,139	2.5
Arlington, Washington	245	2,027	-6.4	Lincoln, Lancaster	254,324	2,061,365	4.4
Arnold, Custer	365	2,449	5.0	Louisville, Cass	512	4,116	-6.7
Ashland, Saunders	1,736	13,273	3.6	Loup City, Sherman	552	4,376	0.6
Atkinson, Holt	1,394	10,333	9.0	Lyons, Burt	577	4,079	2.8
Auburn, Nemaha	2,625	21,793	0.2	Madison, Madison	845	7,351	-2.4
Aurora, Hamilton	2,618	20,683	-4.9	McCook, Red Willow	10,428	89,904	1.8
Axtell, Kearney	73	716	-0.3	Milford, Seward	1,241	8,963	0.8
Bassett, Rock	537	4,795	2.4	Minatare, Scotts Bluff	153	1,346	-5.3
Battle Creek, Madison	800	6,921	-3.3	Minden, Kearney	2,188	18,104	4.9
Bayard, Morrill	583	4,435	7.7	Mitchell, Scotts Bluff	689	5,536	9.5
Beatrice, Gage	12,102	109,776	0.0	Morrill, Scotts Bluff	526	4,810	0.9
Beaver City, Furnas	141	1,180	6.1	Nebraska City, Otoe	7,244	54,972	-1.8
Bellevue, Sarpy	27,242	234,404	6.3	Neligh, Antelope	1,655	13,374	5.3
Benkelman, Dundy	694	5,539	-4.7	Newman Grove, Madison	412	2,663	-4.2
Bennington, Douglas	645	5,512	-2.1	Norfolk, Madison	34,155	291,129	2.7
Blair, Washington	7,158	68,142	-0.4	North Bend, Dodge	652	5,049	2.5
Bloomfield, Knox	691	4,981	-6.7	North Platte, Lincoln	27,136	232,338	4.1
Blue Hill, Webster	530	4,201	6.9	ONEll, Holt	4,791	41,110	0.8
Bridgeport, Morrill	1,126	10,192	-1.7	Oakland, Burt	556	5,138	-6.2
Broken Bow, Custer	4,470	35,058	1.8	Ogallala, Keith	6,158	54,410	0.8
Burwell, Garfield	1,102	8,513	-2.8	Omaha, Douglas	536,818	4,585,577	0.7
Cairo, Hall	610	3,235	15.3	Ord, Valley	2,314	20,069	3.6
Central City, Merrick	2,024	16,498	-2.9	Osceola, Polk	555	4,338	-4.3
Ceresco, Saunders	1,302	10,868	-0.7	Oshkosh, Garden	452	4,133	0.2
Chadron, Dawes	5,624	50,810	-13.4	Osmond, Pierce	514	3,985	10.8
Chappell, Deuel	532	4,501	4.8	Oxford, Furnas	414	4,456	13.0
Clarkson, Colfax	460	3,517	-3.4	Papillion, Sarpy	9,179	71,417	3.9
Clay Center, Clay	213	2,008	-0.3	Pawnee City, Pawnee	274	2,721	0.3
Columbus, Platte	22,290	191,018	1.8	Pender, Thurston	1,010	7,145	-0.6
Cozad, Dawson	3,215	27,636	3.0	Pierce, Pierce	1,098	6,666	2.8
Crawford, Dawes	613	5,810	5.5	Plainview, Pierce	771	6,337	4.9
Creighton, Knox	1,076	9,671	-0.9	Plattsmouth, Cass	4,311	33,216	3.0
Crete, Saline	3,130	26,673	-1.0	Ponca, Dixon	353	2,479	-7.2
Crofton, Knox	553	3,757	-7.4	Ralston, Douglas	3,860	31,339	-2.6
Curtis, Frontier	452	3,829	7.2	Randolph, Cedar	362	3,755	-1.2
Dakota City, Dakota	492	3,773	-6.8	Ravenna, Buffalo	688	5,603	3.9
David City, Butler	1,862	15,080	-1.9	Red Cloud, Webster	768	6,617	4.2
Deshler, Thayer	372	2,932	-0.6	Rushville, Sheridan	450	3,800	-1.3
Dodge, Dodge	317	2,567	-0.5	Sargent, Custer	242	1,899	-12.0
Doniphan, Hall	1,033	7,388	10.0	Schuyler, Colfax	2,183	17,163	-3.6
Eagle, Cass	643	4,110	5.1	Scottsbluff, Scotts Bluff	23,625	206,836	1.7
Elgin, Antelope	478	3,641	-7.7	Scribner, Dodge	509	3,558	-8.5
Elkhorn, Douglas	3,036	22,168	0.4	Seward, Seward	5,046	41,993	-0.7
Elm Creek, Buffalo	455	3,068	-11.1	Shelby, Polk	357	3,232	-8.6
Elwood, Gosper	422	3,276	28.4	Shelton, Buffalo	512	4,583	5.2
Fairbury, Jefferson	3,111	25,834	-4.3	Sidney, Cheyenne	9,864	84,999	-0.2
Fairmont, Fillmore	297	1,816	12.9	South Sioux City, Dakota	8,395	76,796	0.8
Falls City, Richardson	2,859	22,695	-2.6	Springfield, Sarpy	446	2,591	-46.1
Franklin, Franklin	623	5,563	5.6	St. Paul, Howard	1,645	13,626	5.7
Fremont, Dodge	25,584	218,095	2.0	Stanton, Stanton	687	5,988	1.6
Friend, Saline	485	4,367	-17.2	Stromsburg, Polk	1,112	8,647	-3.8
Fullerton, Nance	590	5,378	5.1	Superior, Nuckolls	1,566	13,508	-6.9
Geneva, Fillmore	1,619	13,327	-1.2	Sutherland, Lincoln	389	3,397	-6.9
Genoa, Nance	366	2,960	-1.2	Sutton, Clay	834	7,571	-0.4
Gering, Scotts Bluff	3,771	40,593	4.4	Syracuse, Otoe	1,473	11,548	8.1
Gibbon, Buffalo	1,057	7,894	0.7	Tecumseh, Johnson	971	7,273	-12.6
Gordon, Sheridan	1,753	14,160	-3.0	Tekamah, Burt	1,118	9,956	0.9
Gothenburg, Dawson	2,811	23,195	1.0	Tilden, Madison	429	2,537	5.0
Grand Island, Hall	59,756	504,313	4.0	Utica, Seward	360	3,620	6.3
Grant, Perkins	1,632	12,966	6.5	Valentine, Cherry	4,621	43,485	-10.1
Gretna, Sarpy	3,317	26,294	-4.5	Valley, Douglas	1,833	12,802	-12.6
Hartington, Cedar	1,782	16,133	3.7	Wahoo, Saunders	2,864	22,935	2.1
Hastings, Adams	21,647	190,353	1.4	Wakefield, Dixon	447	3,140	-6.5
Hay Springs, Sheridan	373	3,468	-0.4	Wauneta, Chase	421	3,214	13.5
Hebron, Thayer	1,252	10,333	1.3	Waverly, Lancaster	944	9,046	3.0
Henderson, York	714	6,758	1.9	Wayne, Wayne	4,805	38,113	5.1
Hickman, Lancaster	426	2,437	9.9	Weeping Water, Cass	846	6,502	7.7
Holdrege, Phelps	4,296	39,881	-4.2	West Point, Cuming	4,364	40,397	-10.1
Hooper, Dodge	465	3,823	5.6	Wilber, Saline	546	4,179	-4.6
Humboldt, Richardson	449	2,873	-3.9	Wisner, Cuming	588	5,184	-13.4
Humphrey, Platte	898	6,881	-5.6	Wood River, Hall	574	4,223	0.2
Imperial, Chase	1,972	17,799	5.5	Wymore, Gage	475	3,898	-5.5
Juniata, Adams	310	2,216	-5.8	York, York	10,844	93,385	1.8
Kearney, Buffalo	47,107	355,101	8.2				

*Does not include motor vehicle sales. Motor vehicle net taxable retail sales are reported by county only.

Source: Nebraska Department of Revenue

Net Taxable Retail Sales for Nebraska Counties (\$000)

	Motor Vehicle Sales			Other Sales			Motor Vehicle Sales			Other Sales			
	September	YTD	YTD	September	YTD	YTD	September	YTD	YTD	September	YTD	YTD	
	2002 (\$000)	2002 (\$000)	% Chg. vs Yr. Ago	2002 (\$000)	2002 (\$000)	% Chg. vs Yr. Ago	2002 (\$000)	2002 (\$000)	% Chg. vs Yr. Ago	2002 (\$000)	2002 (\$000)	% Chg. vs Yr. Ago	
Nebraska	284,626	2,290,539	10.5	1,603,908	13,488,739	1.7	Howard	750	8,407	10.0	2,149	17,278	5.1
Adams	3,826	34,495	5.1	22,577	197,750	1.4	Jefferson	1,115	10,850	6.7	4,385	35,926	-2.6
Antelope	1,363	10,608	3.7	2,916	21,032	1.9	Johnson	585	5,971	23.2	1,316	9,994	-11.0
Arthur	74	779	8.3	(D)	(D)	(D)	Kearney	1,372	11,056	15.0	2,396	19,937	4.7
Banner	145	1,429	-12.7	(D)	(D)	(D)	Keith	1,253	13,285	8.6	6,880	60,167	1.4
Blaine	37	809	-24.0	(D)	(D)	(D)	Keya Paha	264	1,518	-2.8	181	1,324	0.6
Boone	1,080	8,148	-3.6	2,625	19,322	-1.0	Kimball	732	5,807	3.2	1,797	16,424	-5.6
Box Butte	1,708	16,757	10.3	6,290	55,069	0.4	Knox	1,102	10,829	2.1	3,221	24,973	-1.6
Boyd	350	2,949	15.3	631	5,011	-5.7	Lancaster	37,007	302,967	12.3	258,517	2,095,758	4.4
Brown	405	4,218	-7.5	2,014	15,755	-2.9	Lincoln	6,069	47,370	11.8	28,432	241,491	3.8
Buffalo	7,823	59,267	16.0	50,512	381,368	7.9	Logan	197	1,479	-8.3	(D)	(D)	(D)
Burt	1,194	10,994	5.7	2,786	22,775	0.1	Loup	85	882	-15.6	(D)	(D)	(D)
Butler	1,319	10,520	1.3	2,495	19,230	-1.8	McPherson	69	850	-18.4	(D)	(D)	(D)
Cass	4,641	39,131	15.8	7,964	62,690	2.4	Madison	5,034	43,903	17.6	36,725	311,137	2.3
Cedar	1,425	12,726	6.9	3,088	26,276	1.9	Merrick	984	9,062	-6.7	2,965	23,615	-0.5
Chase	897	7,905	17.8	2,435	21,221	6.4	Morrill	707	7,139	-4.2	1,757	14,917	0.8
Cherry	972	9,629	8.7	4,938	45,481	-9.7	Nance	633	5,233	8.8	1,009	8,735	1.9
Cheyenne	1,684	14,324	2.0	10,228	87,662	-0.5	Nemaha	1,199	10,097	4.4	3,080	24,486	-0.3
Clay	1,174	9,812	6.4	2,010	18,440	-2.7	Nemolls	662	6,493	6.7	2,657	21,874	-3.6
Colfax	1,651	12,208	8.8	3,307	25,005	-1.8	Otoe	2,261	21,614	15.9	9,345	70,755	-0.3
Cuming	1,640	13,856	4.4	5,456	49,956	-10.4	Pawnee	376	3,811	-1.7	512	4,606	0.8
Custer	1,640	15,193	-4.9	5,951	45,149	0.8	Perkins	654	5,976	10.4	1,974	15,287	5.8
Dakota	2,798	23,108	4.9	9,666	86,239	0.1	Phelps	1,905	15,240	6.4	4,653	43,058	-3.5
Dawes	1,165	10,319	12.8	6,236	56,619	-11.8	Pierce	1,241	10,610	16.2	2,550	17,823	5.3
Dawson	3,325	28,884	-0.9	14,625	126,763	1.7	Platte	5,158	42,095	11.2	24,147	204,371	1.7
Deuel	368	2,692	-9.7	1,155	10,109	0.9	Polk	1,029	7,702	2.7	2,185	17,669	-3.8
Dixon	925	7,840	1.1	919	6,642	-6.6	Red Willow	1,710	15,653	6.7	10,803	92,814	1.6
Dodge	5,462	47,954	12.1	27,976	236,014	1.9	Richardson	1,190	10,693	4.6	3,627	27,455	-3.3
Douglas	82,281	606,179	12.9	548,369	4,673,493	0.6	Rock	340	2,301	-18.7	551	4,894	1.9
Dundy	294	3,883	1.3	707	5,622	-4.8	Saline	1,773	17,067	8.3	4,557	38,533	-4.0
Fillmore	985	9,536	4.5	2,727	22,598	0.6	Sarpy	27,927	203,755	17.4	55,772	470,649	4.8
Franklin	455	4,725	0.6	943	7,880	3.0	Saunders	3,551	29,414	10.9	8,147	61,778	5.9
Frontier	447	4,504	-8.7	841	6,763	1.4	Scotts Bluff	4,767	46,380	5.3	28,957	260,347	2.4
Furnas	813	6,954	-8.2	2,473	21,798	2.5	Seward	2,316	20,710	5.2	7,058	57,216	0.2
Gage	3,268	27,527	0.3	13,744	123,408	-0.5	Sheridan	812	8,001	3.8	2,937	24,485	-1.3
Garden	442	3,589	14.8	699	6,111	1.7	Sherman	493	3,952	-13.2	769	5,651	0.0
Garfield	330	2,410	12.0	1,102	8,513	-2.8	Sioux	348	2,287	-3.0	155	1,214	7.2
Gosper	323	3,466	3.1	489	3,925	24.5	Stanton	1,030	8,814	19.1	1,000	7,719	-3.2
Grant	215	1,638	17.0	356	2,693	-1.5	Thayer	969	8,248	13.3	2,288	18,229	-0.4
Greeley	384	3,156	-8.2	795	5,953	-6.6	Thomas	349	1,670	31.4	337	2,666	1.6
Hall	8,206	65,770	7.3	62,292	521,898	4.0	Thurston	591	4,666	10.7	1,133	8,257	-4.3
Hamilton	1,587	13,293	11.8	3,124	23,749	-4.4	Valley	563	5,431	-4.6	2,723	22,510	5.6
Harlan	567	5,668	4.9	943	8,296	4.9	Washington	4,517	34,052	17.2	7,963	74,850	-1.4
Hayes	168	1,715	6.1	(D)	(D)	(D)	Wayne	1,357	11,895	16.4	5,077	39,457	4.8
Hitchcock	593	4,312	1.6	921	6,502	6.2	Webster	525	4,860	4.9	1,465	12,105	4.4
Holt	2,059	16,143	17.7	7,128	58,893	4.5	Wheeler	111	1,594	5.3	159	844	15.9
Hooker	128	1,012	-4.2	668	3,820	-2.3	York	2,152	19,314	4.8	12,084	103,952	2.0

*Totals may not add due to rounding
(D) Denotes disclosure suppression

Source: Nebraska Department of Revenue

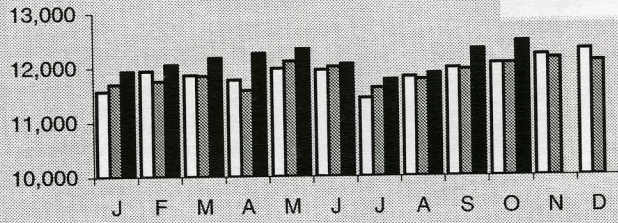
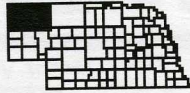
Note on Net Taxable Retail Sales

Users of this series should be aware that taxable retail sales are not generated exclusively by traditional outlets such as clothing, discount, and hardware stores. While businesses classified as retail trade firms account for, on average, slightly more than half of total taxable sales, sizable portions of taxable sales are generated by service establishments, electric and gas utilities, wholesalers, telephone and cable companies, and manufacturers.

Regional Nonfarm Wage and Salary Employment* 2000 to October** 2002

2000
 2001
 2002

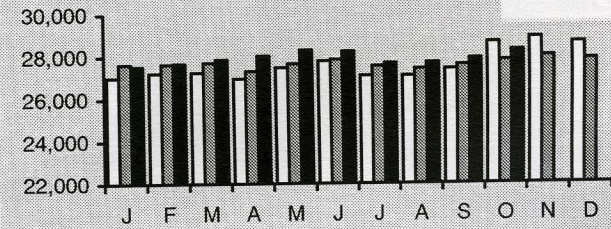
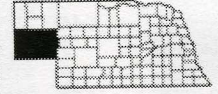
Northwest Panhandle



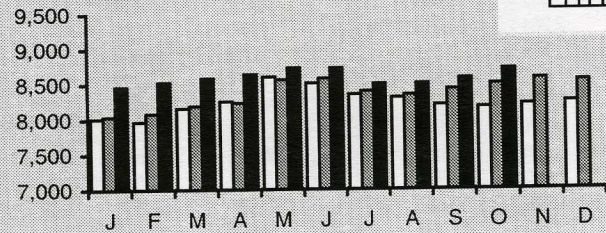
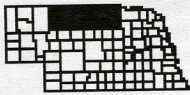
Note to Readers

The charts on pages 8 and 9 report nonfarm employment by place of work for each region.

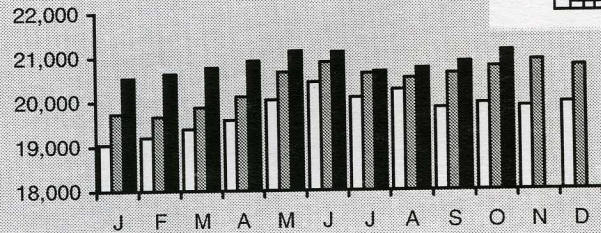
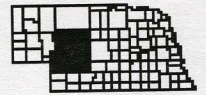
Southwest Panhandle



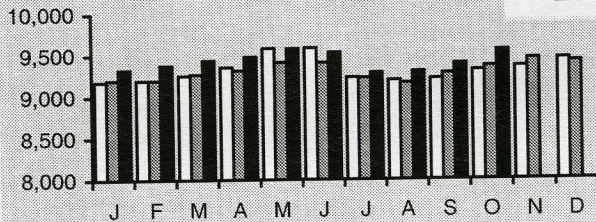
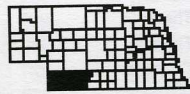
North Central



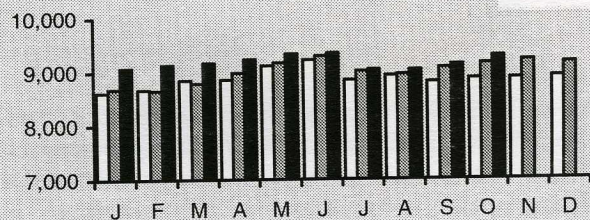
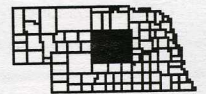
West Central



Southwest Central



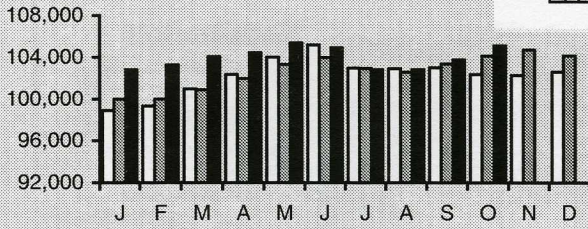
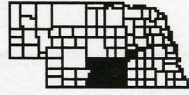
East Central



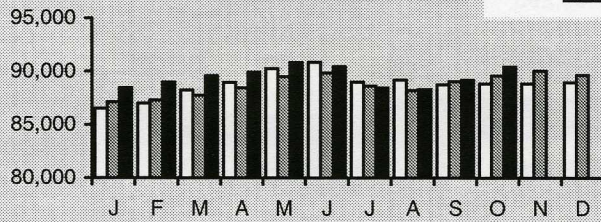
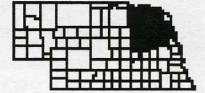
Regional Nonfarm Wage and Salary Employment* 2000 to October** 2002

2000 2001 2002

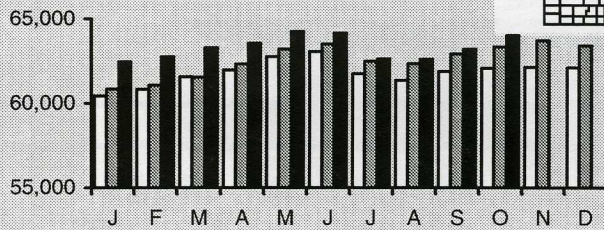
Southeast Central



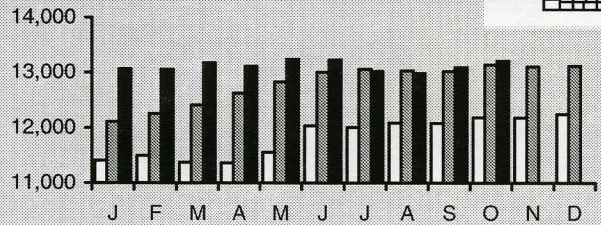
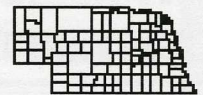
Northeast



Southeast

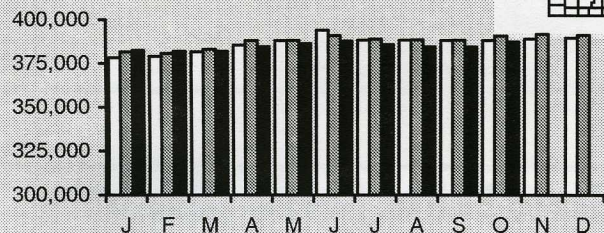
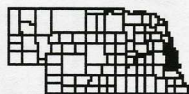


Sioux City MSA Nebraska portion only

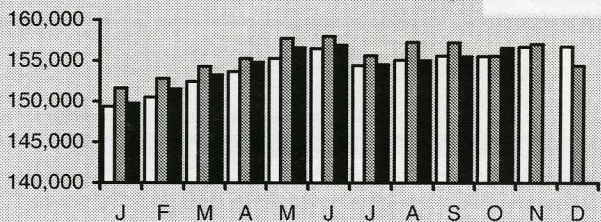


Omaha MSA

Nebraska portion only



Lincoln MSA



*By place of work

**Current month data are preliminary and subject to revision

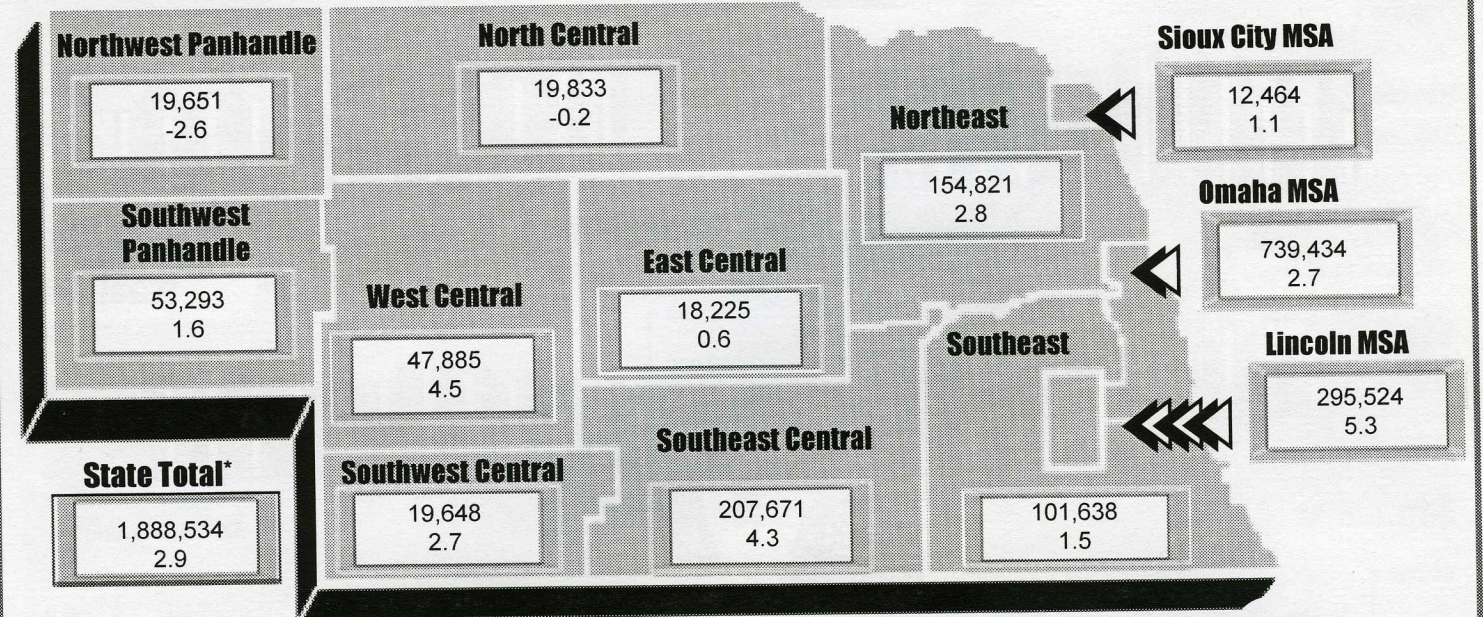
***Previously, other than Nebraska data were included in the Omaha and Sioux City MSA

Note: Monthly data through March 2001 are benchmarked. Data for April-December 2001 are estimates until benchmarked in early 2003. All estimates are the most current revised data available.

Source: Nebraska Department of Labor, Labor Market Information - Kathy Copas

September 2002 Regional Retail Sales (\$000)

YTD Change vs Yr. Ago



*Regional values may not add to state total due to unallocated sales
 Source: Nebraska Department of Revenue

State Nonfarm Wage & Salary Employment by Industry*

	October 2002
Total	917,168
Construction & Mining	44,599
Manufacturing	113,012
Durables	51,027
Nondurables	61,985
TCU**	57,779
Trade	214,735
Wholesale	55,821
Retail	158,914
FIRE***	62,970
Services	263,645
Government	160,428

*By place of work
 **Transportation, Communication, and Utilities
 ***Finance, Insurance, and Real Estate
 Source: Nebraska Department of Labor, Labor Market Information

Note: Monthly data through March 2001 are benchmarked. Data for April-December 2001 are estimates until benchmarked in early 2003. All estimates are the most current revised data available. Labor force data for 2002 will be revised.

Consumer Price Index

Consumer Price Index - U*
 (1982-84 = 100)
 (not seasonally adjusted)

	December 2002	% Change vs Yr. Ago	YTD % Change vs Yr. Ago (inflation rate)
All Items	180.9	2.4	1.6
Commodities	149.7	1.2	-0.6
Services	211.9	3.2	3.1

*U = All urban consumers
 Source: U.S. Bureau of Labor Statistics

Inflation Rate

1.6

State Labor Force Summary*

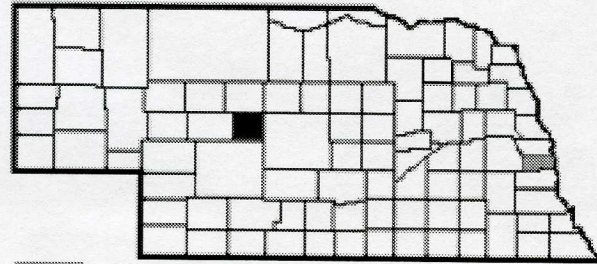
	October 2002
Labor Force	952,374
Employment	923,659
Unemployment Rate	3.0

*By place of residence
 Source: Nebraska Department of Labor, Labor Market Information

County of the Month

Logan

Stapleton - County Seat



Next County of Month

License plate prefix number: 87

Size of county: 571 square miles, ranks 60th in the state

Population: 774 in 2000, a change of -11.8 percent from 1990

Per capita personal income: \$17,860 in 2000, ranks 81st in the state

Net taxable retail sales (\$000): \$3,927 in 2001 a change of 16.3 percent from 2000;

Unemployment rate: 2.4 percent in Logan County, 3.1 percent in Nebraska in 2001

	State	Logan County
Nonfarm employment (2001)¹:	909,402	139
(wage & salary)	(percent of total)	
Construction and Mining	4.8	(D)
Manufacturing	12.9	(D)
TCU	6.4	(D)
Wholesale Trade	5.8	(D)
Retail Trade	17.6	(D)
FIRE	6.8	(D)
Services	28.5	11.5
Government	17.0	58.3

(D) = disclosure suppression

Agriculture:

Number of farms: 124 in 1997; 133 in 1992; 147 in 1987

Average farm size: 2,065 acres in 1997; 2,525 acres in 1992

Market value of farm products sold: \$19.1 million in 1997 (\$154,087 average per farm); \$16.5 million in 1992 (\$123,788 average per farm)

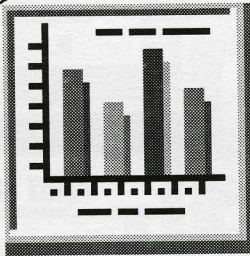
¹By place of work

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

bulletin board

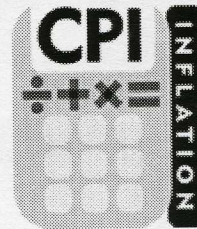


www.bbr.unl.edu



For a quick and easy check of the current Consumer Price Index (CPI), go to BBR's website—www.bbr.unl.edu. Click on Consumer Price Index (CPI). A data table will appear that contains monthly and annual CPI data since 1991.

An inflation calculator, or cost of living calculator, also is available on the BBR home page. Click on Inflation Calculator to access the easy-to-use Federal Reserve Bank of Minneapolis' inflation calculator.



Copyright 2003 by Bureau of Business Research, University of Nebraska-Lincoln. ISSN 0007-683X. *Business in Nebraska* is published in ten issues per year by the Bureau of Business Research. Subscription orders and inquiries should be directed to Bureau of Business Research, 114 CBA, University of Nebraska-Lincoln 68588-0406. Annual subscription rate is \$10.

University of Nebraska-Lincoln—Harvey Perlman, *Chancellor*
College of Business Administration—Cynthia H. Milligan, *Dean*

Bureau of Business Research (BBR)



specializes in ...

- economic impact assessment
- demographic and economic projections
- survey design
- compilation and analysis of data
- public access to information via **BBR Online**

For more information on how BBR can assist you or your organization, contact us (402) 472-2334; send e-mail to: flamphear1@unl.edu; or use the World Wide Web: www.bbr.unl.edu

UNIVERSITY OF
Nebraska
Lincoln

BUREAU OF BUSINESS
RESEARCH
114 CBA

University of Nebraska-Lincoln
Lincoln, NE 68588-0406

Nonprofit
U.S. Postage
PAID
Permit No. 46
Lincoln, Nebraska