

### PER CAPITA PERSONAL INCOME IN NEBRASKA

One of the best measures of economic welfare is income per person. By this measure Nebraskans have done well in recent years. The state's rate of growth in per capita personal income from 1959 to 1972 exceeded that of both the nation and the Plains Region, and Nebraska moved from 28th place among the 50 states in 1959 to 22nd in 1972. In 1959 the state's income of \$1,973 per person was 91 percent of the national average. The 1972 figure was \$4,355, which was 97 percent of the national average. The dollar gap between state and nation declined from \$187 in 1959 to \$137 in 1972.

Considering the state total alone, however, can be misleading. In the table on page 2 county figures are given for 1959, 1965, and 1971, and the county percentage increases from 1959 to 1971 are shown in the map below.<sup>1</sup> From the state totals given in the table it appears that the state's growth rate relative to the nation was greater in the first half of the twelve-year period, but examination of the county data reveals that the years since 1965 have been more generally favorable for the people of the state.

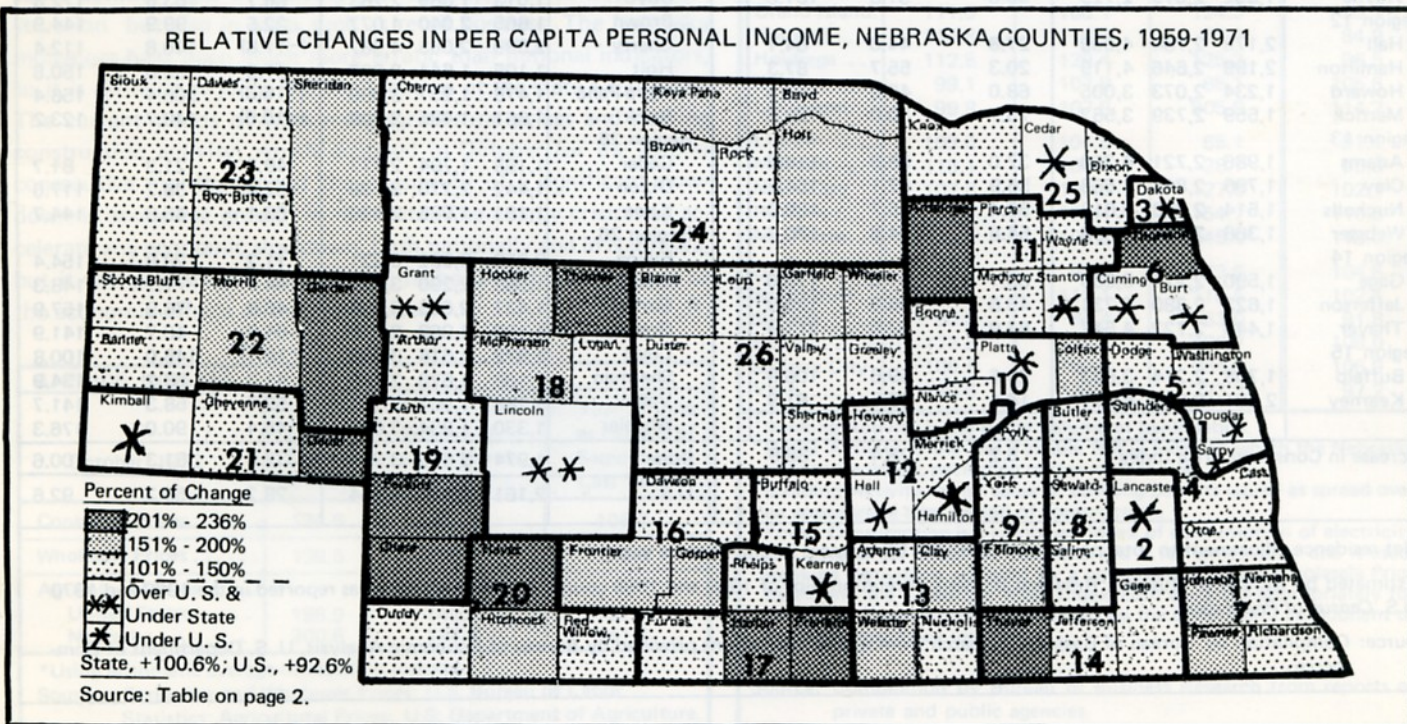
<sup>1</sup>For the state and nation 1972 figures are available, but for the counties the latest figures are for 1971. In addition to the years shown, county figures for 1929, 1950, 1959, 1962, and each year since 1965 are available upon request. These unpublished annual estimates are compiled annually by the Bureau of Economic Analysis of the U.S. Department of Commerce.

In 1959 only 12 counties in the state had per capita income greater than the national average. These counties contained 43 percent of the state's 1960 population. By 1965 the number of counties had dropped to 9, and only 4 of these—Douglas, Lancaster, Hall, and Grant (the highest in the state throughout the period)—had been in the top group in 1959. In 1971, however, there were 37 counties with per capita income in excess of the national average, and 52 percent of the residents of the state in 1970 lived in these counties.

From the regional arrangement of the counties in the table on page 2 it is apparent that the state's 26 planning and development regions are not homogeneous with regard to income level, and that there is considerable disparity in per capita income among the counties in most of the regions. Nevertheless, in six of the regions (9, 16, 19, 20, 21, and 22) all the counties had an income level higher than the national average in 1971. The nonmetropolitan counties with high income are concentrated in the southern and western parts of the state and correspond quite closely with the area of most rapid expansion of irrigated agriculture. There were nine regions (4, 5, 6, 7, 8, 10, 11, 12, and 25) in which all counties had 1971 per capita income below the national level, and all were in the eastern half of the state.

(Continued on page 3)

RELATIVE CHANGES IN PER CAPITA PERSONAL INCOME, NEBRASKA COUNTIES, 1959-1971



PER CAPITA PERSONAL INCOME

Regions and Counties	Dollars			Percentage Change			Regions and Counties	Dollars			Percentage Change		
	1959	1965	1971	1959-65	1965-71	1959-71		1959	1965	1971	1959-65	1965-71	1959-71
Region 1							Region 16						
Douglas <sup>2</sup>	2,482	3,039	4,426	22.4	45.6	78.3	Dawson	2,048	3,160	4,761	54.3	50.7	132.5
Sarpy <sup>2</sup>	2,134	2,585	3,726	21.1	44.1	74.6	Frontier	1,505	2,068	4,199	37.4	103.0	179.0
Region 2							Gosper	1,651	2,611	4,487	58.1	71.8	171.8
Lancaster	2,368	2,944	4,425	24.3	50.3	86.9	Region 17						
Region 3							Franklin	1,431	2,322	4,385	62.3	88.8	206.4
Dakota <sup>2</sup>	1,996	2,500	3,577	25.3	43.1	79.2	Furnas	1,713	2,115	3,702	23.5	75.0	116.1
Region 4							Harlan	1,480	2,484	4,725	67.8	90.2	219.3
Cass <sup>1</sup>	1,863	2,367	3,780	27.1	59.7	102.9	Phelps	2,030	2,797	4,719	37.8	68.7	132.5
Otoe	1,496	2,633	3,740	76.0	42.0	150.0	Region 18						
Saunders <sup>1</sup>	1,464	2,350	3,404	60.5	44.9	132.5	Hooker	1,639	1,685	4,107	2.8	143.7	150.6
Region 5							Lincoln	1,964	2,502	3,901	27.4	55.9	98.6
Dodge	1,939	2,763	4,064	42.5	47.1	109.6	Logan	1,812	2,027	4,433	11.9	118.7	144.6
Washington <sup>1</sup>	1,796	2,585	3,841	43.9	48.6	113.9	McPherson	1,764	1,889	4,709	7.1	149.3	167.0
Region 6							Thomas	1,667	2,437	5,081	46.2	108.5	204.8
Burt	1,745	2,451	3,149	40.5	28.5	80.5	Region 19						
Cuming	1,488	2,153	2,304	44.7	7.0	54.8	Arthur	2,238	1,546	5,507	(-30.9)	256.2	146.1
Thurston	1,119	2,412	3,479	115.6	44.2	210.9	Chase	1,698	2,437	5,279	43.5	116.6	210.9
Region 7							Grant	3,308	3,437	6,562	3.9	90.9	98.4
Johnson	1,219	2,328	3,514	91.0	50.9	188.3	Keith	2,000	3,033	4,628	51.7	52.6	131.4
Nemaha <sup>1</sup>	1,446	2,231	3,356	54.3	50.4	132.1	Perkins	2,061	2,724	6,297	32.2	131.2	205.5
Pawnee	1,202	1,944	3,293	61.7	69.4	174.0	Region 20						
Richardson	1,656	2,458	3,484	48.4	41.7	110.4	Dundy	1,715	2,018	4,224	17.7	109.3	146.3
Region 8							Hayes	1,786	1,781	5,467	(- 0.3)	207.0	206.1
Butler	1,420	2,158	3,434	52.0	59.1	141.8	Hitchcock	1,671	2,449	4,574	46.6	86.8	173.7
Seward	1,350	1,920	2,909	42.2	51.5	115.5	Red Willow	1,977	2,716	4,260	37.4	56.8	115.5
Saline	1,455	2,061	3,399	41.7	64.9	133.6	Region 21						
Region 9							Cheyenne	2,226	2,333	4,647	4.8	99.2	108.8
Fillmore	1,731	2,596	4,410	50.0	69.9	154.8	Deuel	1,981	2,658	6,433	34.2	142.0	224.7
Polk	1,990	2,760	4,414	38.7	59.9	121.8	Kimball	2,407	2,030	4,417	(-15.7)	117.6	83.5
York	2,015	2,887	4,297	43.3	48.8	113.3	Region 22						
Region 10							Banner	2,803	2,117	6,421	(-24.5)	203.3	129.1
Boone	1,309	2,177	3,174	66.3	45.8	142.5	Garden	1,667	2,669	5,611	60.1	110.2	236.6
Colfax	1,512	2,449	3,860	62.0	57.6	155.3	Morrill	1,648	2,164	4,248	31.3	96.3	157.8
Nance	1,407	2,101	3,081	49.3	46.6	119.0	Scotts Bluff	1,959	2,612	4,265	33.3	63.3	117.7
Platte	2,383	2,701	3,948	13.3	46.2	65.7	Region 23						
Region 11							Box Butte	2,067	2,414	4,639	16.8	92.2	124.4
Antelope	973	2,095	3,045	115.3	45.3	212.9	Dawes	1,785	1,985	3,599	11.2	81.3	101.6
Madison	1,735	2,431	3,676	40.1	51.2	111.9	Sheridan	1,847	2,137	4,815	15.7	125.3	160.7
Pierce	1,220	2,099	2,542	72.0	21.1	108.4	Sioux	2,153	1,521	4,494	(-29.4)	195.5	108.7
Stanton <sup>1</sup>	1,537	1,801	2,391	17.2	32.8	55.6	Region 24						
Wayne	1,352	2,079	2,729	53.8	31.3	101.8	Boyd	1,013	1,689	2,763	66.7	63.6	172.8
Region 12							Brown	1,665	2,040	4,077	22.5	99.9	144.9
Hall	2,178	2,784	4,009	27.8	44.0	84.1	Cherry	2,339	2,063	4,967	(-11.8)	140.8	112.4
Hamilton	2,199	2,646	4,119	20.3	55.7	87.3	Holt	1,195	1,641	2,997	37.3	82.6	150.8
Howard	1,234	2,073	3,005	68.0	45.0	143.5	Keya Paha	1,478	1,237	3,790	(-16.3)	206.4	156.4
Merrick	1,559	2,739	3,562	75.7	30.0	128.5	Rock	1,661	1,485	3,708	(-10.6)	149.7	123.2
Region 13							Region 25						
Adams	1,986	2,721	4,260	37.0	56.6	114.5	Cedar	1,198	1,794	2,177	49.7	21.3	81.7
Clay	1,796	2,818	4,568	56.9	62.1	154.3	Dixon	1,442	2,270	3,138	57.4	38.2	117.6
Nuckolls	1,514	2,323	3,618	53.4	55.7	139.0	Knox	1,181	1,985	2,890	68.1	45.6	144.7
Webster	1,366	2,115	3,698	54.8	74.8	170.7	Region 26						
Region 14							Blaine	2,052	2,282	5,221	11.2	128.8	154.4
Gage	1,590	2,211	3,339	39.1	51.0	110.0	Custer	1,583	2,290	3,931	44.7	71.7	148.3
Jefferson	1,623	2,380	3,731	46.6	56.8	129.9	Garfield	1,437	2,095	3,706	45.8	76.9	157.9
Thayer	1,449	2,722	4,547	87.9	67.0	213.8	Greeley	1,190	1,962	2,879	64.9	46.7	141.9
Region 15							Loup	1,972	1,616	3,960	(-18.1)	145.0	100.8
Buffalo	1,708	2,214	3,533	29.6	59.6	106.9	Sherman	1,186	1,676	2,786	41.3	66.2	134.9
Kearney	2,351	2,682	4,277	14.1	59.5	81.9	Valley	1,288	1,967	3,113	52.7	58.3	141.7
							Wheeler	1,330	1,934	3,675	45.4	90.0	176.3
Increase in Consumer Price Index				8.2	28.4	38.9	State	1,974	2,618	3,961	32.6	51.3	100.6
							U.S.	2,161	2,770	4,164	28.2	50.3	92.6

<sup>1</sup> Net residence adjustment to total personal income of 15% or more in one or more years.

<sup>2</sup> Estimated by Bureau of Business Research on basis of relationships of 1959 and 1969 county to SMSA incomes, as reported in the 1960 and 1970 U.S. Census of Population.

Source: Compilation by Bureau of Business Research from special tabulations provided by Bureau of Economic Analysis, U. S. Department of Commerce.

(Continued from page 1)

From the table and the map the disparity in growth rates of per capita income among the counties in each region is also apparent. For the 1959-65 period the state had 61 counties with higher rates of increase than the nation, but all started from a low base. None had per capita income in excess of the national average at the beginning of the period. Likewise, for the 1965-71 period there were 66 counties which exceeded the national growth rate, with only 5 starting from an income above the national level. For the twelve-year period as a whole 80 of the state's 93 counties grew in per capita income at a faster rate than the nation. Of the other 13, 7 had an income level above that of the nation at the beginning of the period. Thus there has definitely been an equalizing or leveling-up tendency. Only 3 counties in the state—Dakota, Sarpy, and Stanton—had neither an income level at the beginning nor a growth rate during one or both of the six-year periods in excess of the nation. Only Arthur, Banner, Cherry, and Cheyenne Counties were above the national income level at the beginning and exceeded the national growth rate for the entire twelve-year period.

There is no apparent correlation between outmigration or population growth and per capita income level of counties, or between population and income growth. Only 25 counties in Nebraska showed population growth from 1960 to 1970. Of

these, 17 had per capita income growth exceeding that of the nation from 1959 to 1971, but 8 did not. Only 6 of them had a higher per capita income than the nation in 1959 and only 7 in 1971.

Part of the increase in income discussed above is illusory, of course, because of the decline in the value of the dollar resulting from inflation. The rise in the consumer price index for each of the periods considered is shown in the table, and these percentages can be compared with the percentage increase in income for each county. For the 1959-65 period 9 counties experienced an actual decline in per capita income, and 4 others had percentage increases less than that of the consumer price index. In all 13 of these counties, therefore, there was a decline in real per capita income. During the 1965-71 period only 2 counties—Cedar and Cuming—had per capita income increases less than the price rise. For the twelve-year period as a whole all counties had a substantial increase in real income per capita, but in real terms the per capita income of the state did not double, as shown by the current dollar figures alone.

It should be noted that the twelve-year period considered here does not include the unprecedented jump in agricultural prices and incomes of the past two years. Thus future figures should reveal an even more favorable picture of per capita income and growth levels in the state.

E. S. WALLACE

## TOTAL PERSONAL INCOME IN NEBRASKA

Although per capita personal income, discussed in the preceding article, is the relevant indicator when considering individual economic welfare, the preferred indicator for economic growth and market potential for a region is total personal income.<sup>1</sup> Data on total income by counties will be presented in a later issue. This article examines some recent developments in this area for the state as a whole. The latest figures available are for the second quarter of 1973.

Personal Income in Nebraska flowed at an annual rate of \$7,236 million for the second quarter in 1973.<sup>2</sup> This was \$715 million above the annual rate of the same quarter in 1972.

Nebraska's second quarter 1972-to-1973 relative increase of 10.9 percent exceeded a national increase of 10.1 percent and was also slightly above a 10.8 percent rise for the Plains Region. This gain ranked Nebraska 21st out of the 50 states in relative growth for this year-to-year period. Although the state's gain compared favorably with that of the nation and more than half of its states, it fell behind that in four of the other six states that comprise the Plains Region.<sup>3</sup>

<sup>1</sup>Personal income consists of private and government wage and salary payments in cash and in kind, other labor income, farm and nonfarm proprietors' income, property income from interest, net rents, and dividends, and transfer payments, less personal contributions for social insurance. It is measured before the deduction of personal income and other personal taxes. Unless otherwise noted, it is measured in current dollars (i.e., no adjustment is made to its purchasing power over consumption goods due to price level changes.)

<sup>2</sup>U.S. Department of Commerce, *NEWS*, BEA Release 73-74, October 30, 1973.

<sup>3</sup>Second-quarter 1972-to-1973 percentage gains of the states in the Plains Region were: North Dakota (+26.2), Iowa (+12.8), Minnesota (+11.8), Kansas (+11.7), Nebraska (+10.9), South Dakota (+7.7), and Missouri (+6.9). See footnote 2 for source.

It appears, however, that there has now been some slackening in the rate of growth since 1972. Previously the relative expansion of Nebraska's total personal income had risen to exceed that of both the nation and the Plains Region. Whereas the 1970-to-1971 annual increase of 5.7 percent for the state fell below that of the other two areas, the state's 1971-to-1972 gain of 11.2 percent was notably above the gains of the other two.

A comparison of second quarter 1973 with second quarter 1972 shows year-to-year gain for the state now of only 10.9 percent which, although still at a rate slightly above one of 10.4 percent for the second quarter 1971-to-1972 period, was less than the 11.2 percent annual 1971-to-1972 gain. Both the region and

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Percentage Changes in Personal Income and Relevant Price Indexes (Based on Seasonally Adjusted Annual Rates of Income)						
State, Region, Nation	Annual <sup>1</sup>		Second Quarter <sup>2</sup>			First to Second Quarter <sup>3</sup> 1973
	1970 to 1971	1971 to 1972	1970 to 1971	1971 to 1972	1972 to 1973	
Nebraska	+5.7	+11.2	+4.8	+10.4	+10.9	+1.6
Plains Region	+6.0	+ 9.5	+5.9	+ 8.2	+10.1	+1.6
U. S.	+6.8	+ 8.9	+6.5	+ 7.9	+10.8	+2.3
Prices*	+3.9	+ 2.6	+4.4	+ 2.4	+ 4.7	+1.8

\*Based on price deflator used for "personal consumption expenditures" component of Gross National Product. See various April issues of *Survey of Current Business*.

Sources: <sup>1</sup>U.S. Department of Commerce, *Survey of Current Business*, August, 1973, p. 42.  
<sup>2</sup>U.S. Department of Commerce, *Survey of Current Business*, October, 1973, p. 19.  
<sup>3</sup>U.S. Department of Commerce, *News*, BEA Release 73-74, October 30, 1973.

## Review and Outlook

The change in the overall Nebraska dollar-volume index from September to October, 1973, represents a continuation of recent large, erratic, month-to-month changes. After an increase of over 10 percentage points from July to August and decrease of nearly the same magnitude from August to September, the index increased more than 9 points from September to October, reaching a level of 183.1 percent of the 1967 average. This October level remained slightly below the record August level.

As in the case of the earlier large monthly changes in the index, the September-to-October change was dominated by the change in the cash receipts from farm marketings indicator. On a seasonally-adjusted basis this indicator rose by more than a third from

July to August, fell by more than 20 percent from August to September, and rose by nearly 20 percent from September to October. In contrast to the July-to-August rise, which was attributable for the most part to large price increases, however, the September-to-October increase in the dollar value of marketings occurred in spite of falling agricultural prices.

An increase of over 10 percentage points in the manufacturing index also contributed to the September-to-October increase in the overall Nebraska dollar-volume index. The manufacturing index increase should be treated with some suspicion, however, since it resulted entirely from a sharp jump in sales of industrial electricity, with no increase at all in the manufacturing employment indicator. In spite of the energy (Continued on page 5)

Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication, and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume indicator and its components adjusted for price changes using appropriate price indexes—see Table 5, page 5.

### ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES

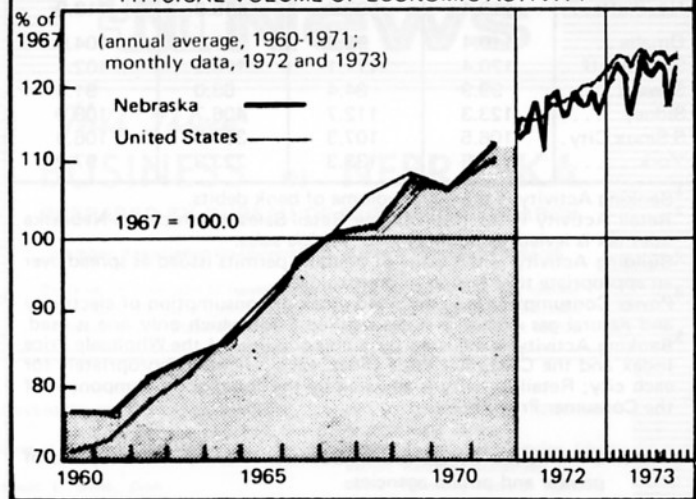
#### 1. CHANGE FROM PREVIOUS YEAR

October 1973	Current Month as Percent of Same Month Previous Year		1973 Year to Date as Percent of 1972 Year to Date	
	Nebraska	U.S.	Nebraska	U.S.
<b>Indicator</b>				
Dollar Volume	119.9	114.1	115.5	113.4
Agricultural	162.4	153.8	138.3	135.6
Nonagricultural	112.2	112.7	111.5	112.7
Construction	106.3	104.8	116.1	111.2
Manufacturing	119.4	121.0	114.2	119.1
Distributive	111.2	110.4	110.4	110.9
Government	109.4	109.1	110.4	108.2
<b>Physical Volume</b>				
Agricultural	104.0	103.7	102.7	105.3
Nonagricultural	112.5	107.7	97.7	99.1
Construction	102.6	103.6	103.6	105.5
Manufacturing	97.4	96.0	106.5	102.0
Distributive	104.0	108.1	101.9	108.7
Government	103.1	102.3	104.4	104.9
	100.5	101.9	101.4	102.7

#### 2. CHANGE FROM 1967

Indicator	Percent of 1967 Average	
	Nebraska	U.S.
Dollar Volume	183.1	172.3
Agricultural	229.8	226.9
Nonagricultural	173.9	170.4
Construction	203.9	172.1
Manufacturing	179.4	160.7
Distributive	168.5	173.6
Government	178.0	177.2
<b>Physical Volume</b>		
Agricultural	122.6	124.0
Nonagricultural	114.6	121.4
Construction	124.2	124.1
Manufacturing	131.6	111.0
Distributive	130.0	120.8
Government	123.3	127.1
	116.6	123.0

### PHYSICAL VOLUME OF ECONOMIC ACTIVITY



### 3. NET TAXABLE RETAIL SALES<sup>1</sup> OF NEBRASKA REGIONS (Unadjusted for Price Changes)

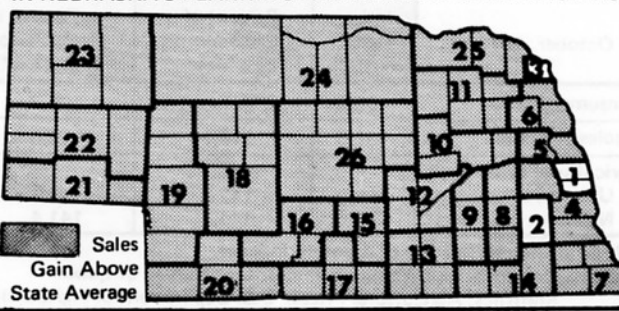
Region <sup>2</sup> and Principal Retail Trade Center	October, 1973 as percent of October, 1972	1973 Year to Date as percent of 1972 Year to Date
<i>The State</i>	117.4	115.8
1 (Omaha)	109.2	109.7
2 (Lincoln)	114.0	114.4
3 (So. Sioux City)	113.0	101.4
4 (Nebraska City)	117.9	120.5
5 (Fremont)	118.0	116.5
6 (West Point)	129.7	124.9
7 (Falls City)	121.4	118.4
8 (Seward)	114.4	121.7
9 (York)	127.8	125.2
10 (Columbus)	128.4	123.9
11 (Norfolk)	128.4	123.3
12 (Grand Island)	118.3	118.7
13 (Hastings)	122.0	116.8
14 (Beatrice)	116.5	119.1
15 (Kearney)	121.5	117.3
16 (Lexington)	125.3	121.5
17 (Holdrege)	134.1	121.9
18 (North Platte)	120.5	119.6
19 (Ogallala)	125.0	123.1
20 (McCook)	125.6	121.0
21 (Sidney, Kimball)	125.9	118.4
22 (Scottsbluff)	126.6	120.7
23 (Alliance, Chadron)	126.1	118.9
24 (O'Neill)	141.4	125.1
25 (Hartington)	120.9	127.7
26 (Broken Bow)	125.7	120.9

<sup>1</sup>Sales on which sales taxes are collected by retailers located in the state, including motor vehicle sales.

<sup>2</sup>"Planning and development" regions as established by the Nebraska Office of Planning and Programming and shown in the map below.

Source: Compilations by Bureau of Business Research from data provided by the Nebraska Tax Commissioner.

### 1973 YEAR TO DATE AS PERCENT OF 1972 YEAR TO DATE IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS



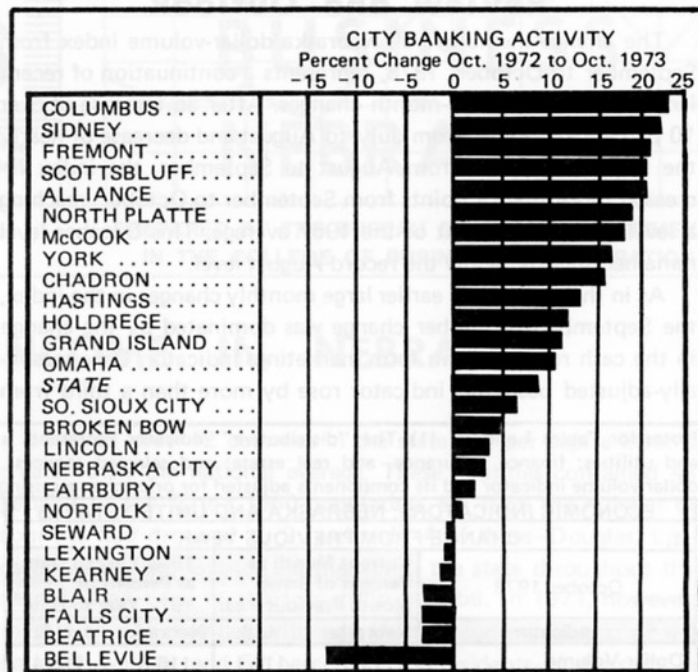
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crisis, sales of industrial electricity rose significantly in October for both Nebraska and the nation. If the energy crisis does eventually force industry to economize on the use of electricity, however, it may be necessary to reevaluate industrial electricity sales as an indicator of manufacturing activity.

There was no indication that energy considerations affected retail activity in Nebraska in October. After a dip in September, sales were up strongly again in October. Total sales in October were 17.4 percent above October, 1972, (see Table 4) and motor vehicle sales were up more than 20 percent over the same period in spite of a declining national trend. As in earlier months, total sales were strongest in the nonmetropolitan parts of the state, reflecting continuing high farm incomes in many areas. Banking activity was also strong in October. Even after adjustment for price increases, the state average increase was 8.4 percent from October, 1972, to October, 1973.

As would be expected following the strong economic growth occurring during much of 1973, both the national and Nebraska dollar-volume indexes were well above 1972 levels in October. The Nebraska index was up 19.9 percent and the national index up 14.1 percent from October, 1972, to October, 1973. For all of 1973 through October the Nebraska index was up 15.5 percent and the national index up 13.4 percent, compared with the comparable period for 1972. The fact that the October-to-October growth rate was larger than the year-to-date growth rate, however, should not be taken as an indication of accelerating real growth. Much of the recent large upward movement in the dollar-volume indexes has resulted from accelerating inflation. For the nation, for example, the October-to-October increase in the overall physical-volume index (3.7 percent) was significantly below the average growth for the year to date (5.3 percent), indicating that real growth for October was slower than for much of 1973.

Although both Nebraska and the nation registered real economic growth in October, the prospects for continuing growth are very uncertain. The national economy has already shown some definite signs of slowing real activity, particularly in construction but also in areas such as retail business. The Nebraska indicators have been much more erratic than national indicators, so it is difficult to judge the likely course of the state's economy. The current trends of weakening agricultural prices and slowing construction activity, which dropped in October for the second consecutive month, suggest the possibility of a significant slowdown in economic growth in the state. The energy crisis may accelerate any economic slowdown, both nationally and in Nebraska, but it will probably be several months before firm indications of the economic effects of the crisis appear. V. R.



Source: Table 4 below.

4. OCTOBER CITY BUSINESS INDICATORS

The State and Its Trading Centers	Percent of Same Month a Year Ago			
	Banking Activity <sup>1</sup>	Retail Activity <sup>2</sup>	Building Activity <sup>3</sup>	Power Consumption <sup>4</sup>
	(Adjusted for Price Change) <sup>5</sup>			
The State	108.4	106.5	113.6	105.9
Alliance . . . .	120.1	112.3	104.6	133.3
Beatrice . . . .	96.6	103.1	119.4	82.9
Bellevue . . . .	87.1	89.9	270.8	89.0*
Blair . . . . .	97.0	108.1	141.0	104.5
Broken Bow . .	104.9	113.9	843.2	91.5
Chadron . . . .	115.3	105.4	136.5	103.9
Columbus . . .	123.9	111.8	122.2	89.9
Fairbury . . . .	102.1	106.1	85.1	98.7*
Falls City . . .	96.9	106.7	24.1	87.6
Fremont . . . .	120.6	108.4	150.2	104.2*
Grand Island .	111.9	108.1	124.3	99.4
Hastings . . . .	113.6	110.7	82.0	84.9
Holdrege . . .	112.8	129.4	125.2	96.5
Kearney . . . .	99.1	107.9	68.1	105.6
Lexington . . .	99.8	107.8	805.9	114.7
Lincoln . . . .	103.0	104.9	65.1	91.4
McCook . . . .	118.1	109.1	28.7	95.9
Nebr. City . . .	102.8	100.5	127.0	102.1*
Norfolk . . . .	100.2	121.4	154.7	110.6
No. Platte . . .	119.4	107.2	445.0	118.0
Omaha . . . . .	110.4	99.9	73.6	104.6
Scottsbluff . .	120.4	111.1	116.5	102.4
Seward . . . . .	99.9	84.4	63.0	91.8
Sidney . . . . .	123.3	112.7	406.7	108.0
S.Sioux City . .	106.5	107.3	364.9	106.9
York . . . . .	116.6	133.3	223.3	97.2

<sup>1</sup> Banking Activity is the dollar volume of bank debits.  
<sup>2</sup> Retail Activity is the Net Taxable Retail Sales on which the Nebraska sales tax is levied, excluding motor vehicle sales.  
<sup>3</sup> Building Activity is the value of building permits issued as spread over an appropriate time period of construction.  
<sup>4</sup> Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked \* for which only one is used.  
<sup>5</sup> Banking Activity is adjusted by a combination of the Wholesale Price Index and the Consumer Price Index, each weighted appropriately for each city; Retail Activity is adjusted by the commodity component of the Consumer Price Index.

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

October, 1973	Index* (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices . . . . .	136.6	107.9	105.7
Wholesale Prices . . . . .	139.5	116.2	113.0
Agricultural Prices . . . .			
United States . . . . .	186.9	142.8	137.1
Nebraska . . . . .	200.6	144.4	141.4

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

(Continued from page 3)

the nation, with increases of 10.1 and 10.8 percent respectively, had, moreover, second quarter 1972-to-1973 gains that were in excess of their annual 1971-to-1972 gains.

Comparisons elsewhere<sup>4</sup> of first quarter 1973 with first quarter 1972 show the following percentage increases: Nebraska, +12.4; Plains Region, +12.5; United States, +9.6. Thus both the state and the region had lesser second quarter 1972-to-1973 relative gains while the nation's was greater. Moreover, both the nation and the region had relative second quarter 1972-to-1973 gains more nearly equal to that of the state.

Considering also the occurrence of first-to-second-quarter 1973 increases of 1.6 percent for the state and region, both of which were below one of 2.3 percent for the nation, there is further basis for saying that the state has failed to stay as far ahead of the other two areas as in the recent past. Even so, the state's gain was sufficient to rank it 29th out of 50 in rate of increase during this 1973 period.

In terms of real income (i.e., income as measured in current dollars adjusted for movements in the level of those prices relevant to personal consumption expenditures), gains have occurred, but there now appears to be some question as to their continuation. Whereas, for example, the current dollar volume of personal income increased in Nebraska by 5.7 and 11.2 percent from 1970 to 1971 and from 1971 to 1972 respectively, the level of relevant prices was increasing by only 3.9 and 2.6 percent for the same periods. The second quarter 1972-to-1973 gain in current dollar income of 10.9 was also well ahead of a 4.7 percent price-level rise. Conversely, a first-to-second-quarter 1973 increase of 1.6 percent in current dollar income failed to keep pace with a 1.8 percent price-level rise. There had been, therefore, marked rises in real personal income in the state from 1970 to 1972; now, however, further increases in 1973 appear to be uncertain.

The slowdown in the upward movement of the state's level of personal income is attributable in large part to a dampening of the expansionary force of rising farm income. Whereas the first-to-

second-quarter 1973 relative changes in the state's total personal income was 1.6 percent, the change exclusive of farm income was 2.1 percent; thus a smaller gain in farm income held down the overall rise.<sup>5</sup>

Manufacturing, on the other hand, made a notable expansionary contribution. Excluding manufacturing wage and salary income, total personal income (including farm income) rose only 1.1 percent. The contribution of selected income sectors to the first-to-second-quarter 1.6 percent change may be shown as:

	Percentage Points	Percentage Shares
Manufacturing Wage and Salary	+0.5	+31.25
Construction Wage and Salary	+0.2	+12.50
Farm Income	-0.5	-31.25
Rental Income	0.0	0.0
All Others	+1.4	+87.50
Total	+1.6	100.00

Thus the gain in wage and salary income from the manufacturing sector was offset by a decline in the income from the farm sector. Although the construction sector contributed to the quarter-to-quarter 1973 expansion, its contribution was far less important than the combined contribution of other sectors such as government and the services industries.

It has been suggested elsewhere<sup>6</sup> that there has been a long-term convergence of state and regional per capita personal income toward the national average. To be true for Nebraska, this could entail a change in the structure of the state's economy in the direction away from agriculture. Whether or not the recent pattern of developments presented in this article represents a basic long-term change in the structure of the state's economy is not ascertainable from the figures presented here. This question will be examined in a later article analyzing changes in sources of earnings in the counties of the state.

E. L. HAUSWALD

<sup>5</sup>U.S. Department of Commerce, *Survey of Current Business*, October 1973, p. 8.

<sup>6</sup>U.S. Department of Commerce, *NEWS*, BEA Release 73-56, August 23, 1973.

<sup>4</sup>U.S. Department of Commerce, *NEWS*, BEA Release 73-50, July 30, 1973.

# UNL News

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