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THE NEBRASKA ECONOMY: STATE OF THE STATE

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In the University's Centennial Symposium, "Nebraska in the 1970's," held May 22-24 at the Nebraska Center, some eighty business, agricultural, educational, and community leaders were brought together to discuss the present problems and future prospects of the state.

The monograph used as the basis for this discussion was prepared by Dr. Loren E. Casement. This monograph and the official report of the discussions at the symposium will be published later this year by the University of Nebraska Press.

Dr. Casement's study was, in his own words, "not intended to postulate dogmatic solutions to problems, but rather to stimulate discussion by providing basic information on the economic and social structure of Nebraska" as an "imperative first step in the formulation of policies designed to avert crises and resolve discontent."

In the final chapter of his monograph Dr. Casement summarizes the results of his analysis of "The State of the State" under four headings: Problems in Agriculture, Population Out-Migration, Governmental Reorganization, and The Quality of Nebraska Life. Excerpts from the first two of these are presented below.

E. S. W.

Problems in Agriculture

The economic structure of Nebraska is undergoing a substantive transformation. Comparing historical data with current statistics on employment and income reveals that Nebraska is in transition --moving from an economy almost exclusively devoted to agriculture of one kind or another to an economic structure that is more broadly based and diversified. Total employment in agriculture has been declining for many years, and the relative share of state income being generated in this sector is also declining.

> Farm income (the total of Farm Proprietorship Income and Farm Wages) has dropped from around one-fourth of the state personal income in the early 1950's to less than 15% in the 1960's. The proportion has been as low as 11% in some years. In terms of employment, however, in spite of a drop of more than 20% in the past decade, agriculture still remains as the largest sector of the state's economy, whose continued economic health is basic to the well-being of the other sectors.[1]

More important, perhaps, than the declining relative importance of agriculture has been the changing nature of this type of activity. Agriculture in the 1960's, whether in Nebraska or elsewhere in the United States, bears little resemblance to agriculture in the 1860's. According to figures from the U. S. Bureau of Labor Statistics, output per man-hour in farming has increased 72% in the past decade as compared with 33% in all nonfarm industries and 36% in manufacturing. Farming has changed--machines have replaced men--and the tiny family farm is an economic anachronism. Fertilizers, irrigation, hybrid seeds, minimum tillage, contouring, artificial insemination, self-propelled combines equipped with air-conditioning, carpet, and stereo--the list seems endless --are visible evidence of the technological advance experienced in agriculture. The capital investment required to purchase these innovations, to say nothing of their use on a scale large enough to maximize efficiency, places the small agricultural unit at a distinct disadvantage.

The implications of the change taking place in agriculture are not exclusively economic. One might fairly ask the question: "Do government payments to farmers resolve the problems of the changing nature of American agriculture or are there implications, of a social nature, that extend beyond the realm of economic support?" The answer clearly affirms that government payments alone do not solve all of the problems existing today in agriculture, but may in fact slow down the needed changes. Farmers - the human element - have become in large part dispensable. Machines are more efficient. While we may need government payments in agriculture, at least to ease the transition, we don't need the farmer in the same numbers required 50 years ago. Resolution of the social questions in this area involves the alternative assimilation or employment of those displaced by machines in some other activity.

Such a suggestion implies the transfer of human resources out of the agricultural sector into some other activity, but the question of how the transfer will be effected and where these resources will be deployed still remains. Are displaced farmers best employed if they are physically transported to urban areas where employment opportunities may already exist, or should attempts be made to disperse these redundant farmers in local rural areas by importing economic opportunities in the form of manufacturing or service jobs, with the dual objective of creating jobs for surplus labor and revitalizing the small rural communities? The answer, in all cases, is not clear. What must be determined and balanced are the social as well as the economic costs involved. Bringing unemployed or displaced farmers to blighted urban ghettos with an already high density of population may be serving neither the newly-arrived unemployed nor the urban resident. Instead of providing a solution through employment we may only be adding to urban social costs and discontent.

The alternative--revitalization of isolated rural communities

[1] E. S. Wallace, "Agricultural Income in Nebraska," in Business in Nebraska, June, 1967.

through the import of industry--is also not without risk. The problem is to overcome the deficiencies that contributed to the initial decline of these communities (including such things as poor geographical location, lack of raw material or power sources, and hostile institutions,--i.e., unfavorable tax laws or zoning regulations) and to establish a viable production process able to compete efficiently with other producers.

In the absence of clearly defined answers, one must carefully consider the existing alternatives, evaluate them, and then initiate policies designed to promote development along the lines considered most feasible. A word of caution is appropriate at this juncture. Only two alternatives--further urban concentration and rural development--have been suggested. It is possible that both of these will be found wanting and some unmentioned alternative--say the building of new towns--may be considered the most efficient and effective.

The author would like to express a prejudice of his own at this point. When some 70 percent of the total population of the United States lives on 2 percent of the land area of this nation, this author sees little merit in development programs directed exclusively at increasing this population concentration. Under such conditions, the "good life" is virtually unobtainable in urban areas. All too frequently one hears the serious and plaintive plea from city officials that cities are ungovernable. It hardly seems that increasing the population mass in these areas will reduce existing problems and alleviate urban ills.

Concentration of population in urban areas exists even in Nebraska. Approximately one-third of the total population of this state lives in Omaha and Lincoln. While Omaha and Lincoln are not New York or Chicago, it would still be folly to allow urban problems of the type existing in large cities to grow unimpeded in these two Nebraska cities. Development programs should be formulated that aid Omaha and Lincoln and the rest of the state so that all of the citizenry of Nebraska can enjoy their benefits.

Population Out-Migration

A second major problem facing the State of Nebraska is population net out-migration. From 1890 to 1960 this cumulated to a total of some 785,000 persons, as shown in Table I below. It is significant that the out-migration moved to substantially higher levels after 1930. This seems to support the idea that the decline in the relative status of agriculture has contributed to the outflow of population. While the most recent figures indicate some decline in the rate, the magnitude of the problem of continuing net out-migration cannot be lightly dismissed.

The out-migration experienced by Nebraska has had a crucial impact on the age distribution of the population of the state, for it has been made up chiefly of the younger members (ages 15-44) of the population. This group is the most mobile and, unfortunately for the unit undergoing the out-migration, the most productive. Table II below shows the impact of the net out-migration on the various age groups of Nebraska's population.

Several striking conclusions can be drawn from an examination of these figures. First, those persons who are in the prime work-age group (15-44) constituted almost 70 percent of the total out-migration over the period. Second, the 25-44 age group alone accounted for almost 50 percent of the total. Contrast these magnitudes of net out-migration with the rate for the 45-and-over age group, which experienced an overall rate of out-migration of less than 17 percent of the total.

Continuation of this trend must lead to the emergence of a population with an older average age. For example, in 1950 some 130,000 residents of Nebraska were 65 or older. These persons comprised 9.8 percent of the total population. By 1960, persons 65 and older accounted for 11.6 percent of the total population of the state and had grown in number to 164,000, an increase of 25.9 percent over the 1950 figure. It is estimated that in 1970 Nebraska residents 65 and older will number about 187,000, representing 12.5 percent of the population.[2]

The growth in the older segment of Nebraska's population is reflected in the order of ranking of states on the basis of the percentage of the total state population aged 65 and over. In 1950 Nebraska ranked in eighth place; by 1960 it had moved up in rank to the number three position. Nebraska's ranking is forecast to remain unchanged in 1970, even though a further increase in the proportion of aged is expected to occur. By that date, it is anticipated that only Arkansas and Florida, with 13.2 and 12.8 percent respectively, will have greater relative portions of their total state population aged 65 and older.[3] The impact of this aging character of Nebraska's population must be carefully considered with respect to the influence this element will have on the future developmental patterns and institutional structures of the state.

[2] The Older Nebraskan, (Lincoln: Nebraska State Department of Health, 1965), pp. 4-5.

[3] Ibid., p. 5.

TABLE I
NET OUT-MIGRATION FROM NEBRASKA
1890-1960

Decade	Net Out-Migration	Net Out-Migration Per 100 Population At Beginning Of Period	Cumulative Net Out-Migration
1890-1900	187,000	17.6	187,000
1900-1910	38,000	3.4	225,000
1910-1920	43,000	3.4	268,000
1920-1930	92,000	6.9	360,000
1930-1940	154,000	11.5	514,000
1940-1950	142,000	10.8	656,000
1950-1960	129,000	9.4	785,000

Source: Hope T. Eldridge and Dorothy Swaine Thomas, "Demographic Analyses and Interrelations," Population Redistribution and Economic Growth: United States, 1870-1950. Philadelphia: The American Philosophical Society, 1964, vol. III, Tables A1.3 and A1.7, pp. 243 and 247. Later data in Tables I, II from Census Bureau.

TABLE II
NET MIGRATION FROM NEBRASKA
BY AGE GROUPS, 1890-1960

Year	(In Thousands) 10-14	15-24	25-44	45-64	65+	Net Out-Migrants Over 45 As Percent of Total
1890-1900	29.2	34.0	65.1	25.3	0.3*	16.2
1900-1910	6.8	1.7	13.3	9.2	2.2*	24.3
1910-1920	5.1	2.8	20.1	8.1	1.6*	18.8
1920-1930	9.5	16.5	42.5	11.8	2.2*	12.3
1930-1940	14.4	37.3	70.8	16.3	0.7	12.2
1940-1950	11.0	25.2	59.9	20.6	6.3	21.9
1950-1960	12.4	21.7	52.7	15.3	4.0	17.5
% Distribution Of Total Migration	13.9	20.8	48.6	16.1	0.6	16.7

*Net In-Migration

Source: Everett S. Lee et al., "Methodological Considerations and Reference Tables," Population Redistribution and Economic Growth: United States, 1870-1950. Philadelphia: The American Philosophical Society, 1957, vol. I.

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The problem of an aging population is not unique to Nebraska. In general, the Midwestern and Southeastern regions of the United States have experienced a continuing net out-migration. But the fact that other states find themselves faced with a similar problem of out-migration offers small consolation to the state of Nebraska. The seriousness of the problem is not mitigated by the existence of this condition elsewhere. Comparative figures show that Nebraska suffers more seriously from net out-migration than other states in the lower Midwest Region. Since 1890, total net out-migration in Nebraska has amounted to one-fourth of total out-migration in the Lower Midwest, but since 1940 the rate of net out-migration per 100 inhabitants has been substantially higher in Nebraska than in these other states. Remedies in the form of positive action designed to stem population outflows must be developed here, as elsewhere, if the fullest potential of the state is to be achieved.

A simple explanation of why this out-migration exists is that a lack of opportunity within the state forces people to seek employment elsewhere. The decline in agricultural employment is a contributing factor, but it does not completely explain the phenomenon. There has obviously been a failure to provide adequate employment opportunities in other areas to offset the decline in agriculture and in certain other sectors of the economy. Employment data are summarized in Table III below.

From 1960 to 1967, in addition to the 28.6% decline in agricultural employment, from 160,000 to 114,200, there was also an employment decline of 1,000 in mining, 1,100 in construction, 1,300 in transportation, communications, and utilities, and 8,000 in "all other non-agricultural employment." These four areas outside agriculture constitute about 20% of the state's total employment, but the declines totaled less than 10% of total employment in these areas, as contrasted with the 28.6% in agriculture.

To offset this decrease of 57,200 jobs, rather dramatic increases in employment developed in five areas of nonagricultural wage and salaried employment as follows:

Services	17,400
Trade	15,400
Government	15,100
Manufacturing	13,400
Finance, Insurance, Real Estate	3,600
Total	64,900

Thus total employment in Nebraska increased about 1 1/4% from 1960 to 1967. During the same period, however, in spite of the out-migration, the total population of Nebraska increased 2% according to Census Bureau estimates and more than 7% according to estimates of the Bureau of Business Research of the University of Nebraska. Unemployment declined from 17,400 to 16,100. Nebraska, in effect, has been exporting its unemployment.

TABLE III
EMPLOYMENT IN NEBRASKA

	1960	1967	% Change
Labor Force	630,400	636,700	+ 1.00
Total Employment	613,000	620,600	+ 1.24
Agricultural Employment	160,000	114,200	-28.62
Nonagricultural Wage and Salaried Employment	381,200	442,600	+16.11
Mining	2,700	1,700	-37.04
Construction	24,400	23,300	- 4.51
Transportation, Communications, Utilities	37,600	36,300	- 3.46
Manufacturing	66,800	80,200	+20.06
Trade	93,600	109,000	+16.45
Finance, Insurance, Real Estate	22,600	26,200	+15.93
Services	55,400	72,800	+31.41
Government	78,000	93,100	+19.36
All Other Nonagricultural Employment	71,800	63,800	-11.14

Source: Compiled from data collected by the Department of Labor, State of Nebraska.

The decline in agricultural employment in Nebraska should not be dismissed lightly, but neither should it be an occasion for either resignation or bemoaning the plight of the state. It should, more properly, be viewed as a challenge and an opportunity to employ those displaced from farming in activities where they can be more productive. The figures given above indicate that some progress has been made in moving toward such a transition. While industrial expansion has occurred, however, it has not been sufficient to absorb completely the surplus of agriculturally unemployed and underemployed. Were manufacturing and service employment opportunities more numerous, this would do much to stem the tide of out-migration. But jobs are not automatically forthcoming simply because there exists a surplus of labor desiring to work. Reversal of the outflow of young people from this state requires a program that has several facets.

One of the most frequently mentioned is education. Many persons concerned with the problems of economic development have noted numerous instances of the coincidence of technologically oriented industries and educational complexes. Inquiring into this circumstance, it was learned that many firms value proximity to an educational complex highly when making decisions as to plant location. The reasoning is that educational systems can provide the trained people and research facilities that an increasing number of enterprises find essential to their operations.

On the basis of the statements presented above, one could jump to the conclusion that expansion of the educational system will create jobs. This approach, if used alone, would fail just as having surplus labor fails to guarantee employment. The availability of trained, skilled labor is only one of the factors influencing plant location, but it should be noted that it can have a chain effect. Assume for the moment that the physical barriers to industry location have been overcome, i.e., proximity to markets, transport costs, and problems of raw material supplies, and that the remaining factor in determining the import of an industry is an ample supply of technicians or engineers. Having a viable system of higher education could guarantee a continuing and adequate supply of engineers and scientists. Engineers may attract industry, and once firms begin to move into an area, industry attracts engineers.

(Continued on page 6)

Business Summary

Nebraska's general level of business activity in April was well above that of the same month last year. Although the gain from April, 1968, to April, 1969, was something less than the March-to-March gain, the index of physical volume was at a level this year nearly 12% above that of last year. Likewise, the dollar volume index for April stayed markedly above its last year's level, being well above the physical volume index as a result of the general rise in prices.

Individually most activities, although remaining at levels above those of last year, had fallen back toward their previous year's levels. Thus, in Table I, "Bank debits" had dropped to 101.0% of last year's April level; whereas in March the ratio had been 105.2% of last year's March. Other notable drops were in "Construction," "Cash farm marketings," and "Electricity produced."

Gains were recorded, however, in "Retail sales," which had an April-to-April ratio of 106.7% as compared with March's 100.4%. "Manufacturing employment" was at 105.5% of last year's April level; this was higher than the March-to-March ratio.

In Table IV, May's level of "Retail Sales," at 107.4% of the same month last year, was above the 106.7% recorded in April.

All figures on this page are adjusted for seasonal changes, which means that the month-to-month ratios are relative to the normal or expected changes. Figures in Table I (except the first line) are adjusted where appropriate for price changes. Gasoline sales for Nebraska are for road use only; for the United States they are production in the previous month. R. L. BUSBOOM

I. NEBRASKA and the UNITED STATES

APR Business Indicators	Percent of 1948 Average		Percent of Same Month a Year Ago		Percent of Preceding Month	
	Nebraska	U.S.	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume of Business	373.7	399.1	127.8	112.3	100.9	102.1
Physical Volume of Business	224.8	240.0	111.8	106.3	100.4	100.8
Bank debits (checks, etc.)	243.9	403.2	101.0	113.0	98.1	102.5
Construction activity	394.0	173.9	218.8	105.2	94.5	99.7
Retail sales	152.7	185.3	106.7	100.8	101.3	101.2
Life insurance sales	420.7	510.7	108.1	103.8	104.4	101.6
Cash farm marketings	276.8	180.1	103.6	118.2	127.7	110.8
Electricity produced	392.8	493.6	113.7	107.7	97.0	99.3
Newspaper advertising	171.6	153.1	107.6	108.0	103.6	95.2
Manufacturing employment	176.1	131.4	105.5	102.3	97.9	100.0
Other employment	147.8	172.4	103.6	104.8	97.5	100.1
Gasoline sales	160.9	226.9	90.5	102.6	87.7	95.9

II. PHYSICAL VOLUME OF BUSINESS
Percentage of 1948 Average

Month	Nebraska 1968-69	U.S. 1968-69
April	201.1	225.7
May	204.0	227.4
June	212.8	228.1
July	211.8	230.8
August	216.7	280.7
September	213.2	227.9
October	209.8	232.6
November	201.4	231.1
December	203.6	232.9
January	216.1	232.7
February	231.1	239.6
March	223.9	238.1
April	224.8	240.0

III. RETAIL SALES for Selected Cities. Total, Hard Goods, and Soft Goods Stores. Hard Goods include automobile, building material, furniture, hardware, equipment. Soft Goods include food, gasoline, department, clothing, and miscellaneous stores.

MAY City	No. of Reports	Percent of Same Month a Year Ago: Total	Hard Goods	Soft Goods	Percent of Preceding Month: Total
THE STATE	721	107.4	108.8	106.4	102.8
Omaha	75	109.9	107.2	112.1	103.4
Lincoln	66	106.3	106.3	106.3	98.5
Grand Island	29	116.1	121.0	111.7	99.8
Hastings	30	107.0	102.9	110.5	93.9
North Platte	19	120.4	126.2	114.9	106.5
Fremont	24	104.6	102.3	106.8	96.8
Fairbury	22	112.7	112.6	112.8	88.5
Norfolk	29	109.8	119.5	101.1	103.6
Scottsbluff	33	113.8	120.7	107.7	106.9
Columbus	25	120.0	127.6	113.2	105.3
McCook	17	107.3	106.0	108.7	108.4
York	22	105.3	111.0	101.6	100.4

IV. RETAIL SALES, Other Cities and Rural Counties

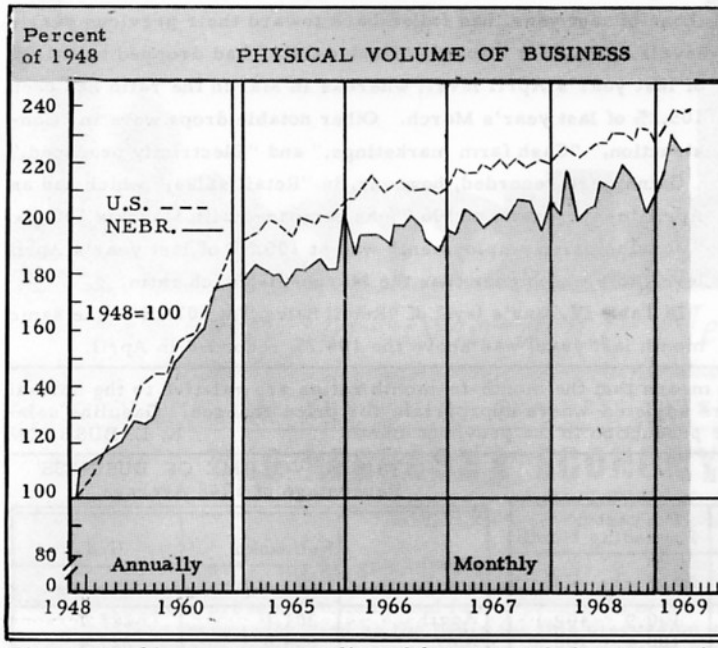
MAY Locality	No. of Reports	Percent of Same Month A Year Ago	Percent of Preceding Month
Kearney	14	101.1	86.9
Alliance	25	102.6	89.8
Nebraska City	20	115.7	106.3
Broken Bow	12	116.8	119.1
Falls City	17	118.5	98.4
Holdrege	13	107.5	119.5
Chadron	23	101.3	109.5
Beatrice	16	95.2	110.0
Sidney	24	111.7	110.7
So. Sioux City	9	113.8	108.6
Antelope	9	95.6	117.6
Cass	21	106.7	106.5
Cuming	11	101.1	173.0
Sand Hills**	22	101.8	92.2
Dodge***	10	98.6	102.7
Franklin	10	99.1	96.0
Holt	12	113.7	90.1
Saunders	14	135.5	112.1
Thayer	9	109.1	110.8
Misc. Counties	39	103.3	100.6

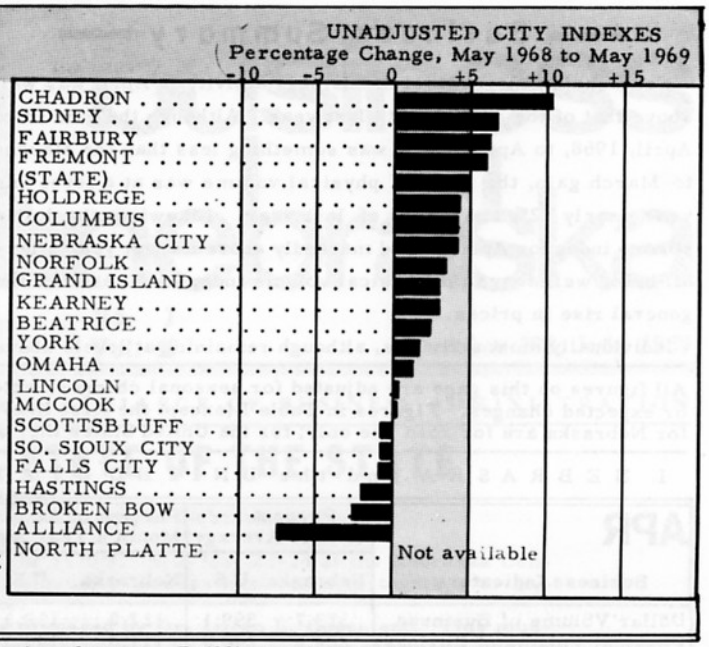
**Hooker, Grant, Dawes, Cherry, and Sheridan Counties
***Outside Principal City

V. RETAIL SALES, by Subgroups, for the State and Major Divisions

MAY Type of Store	Percent of Same Month a Year Ago: Nebraska	Omaha and Lincoln	Other Cities	Rural Counties
ALL STORES****	107.4	108.2	109.7	104.3
Selected Services	105.5	111.4	97.9	107.1
Food stores	107.3	105.9	108.3	107.7
Groceries and meats	109.2	109.1	109.5	109.0
Eating and drinking pl.	102.5	98.4	107.7	101.4
Dairies and other foods	110.4	109.5	102.4	119.3
Equipment	105.8	115.4	110.5	91.4
Building material	118.0	103.8	106.6	143.5
Hardware dealers	118.0	126.8	110.8	116.3
Farm equipment	103.1	135.3	127.7	46.3
Home equipment	105.0	111.4	105.6	97.9
Automotive stores	110.7	107.9	112.1	112.0
Automotive dealers	112.5	105.3	112.9	119.2
Service stations	110.6	118.0	108.9	104.8
Miscellaneous stores	109.0	108.6	109.7	108.7
General merchandise	112.9	114.1	109.5	115.1
Variety stores	100.2	93.6	102.1	105.0
Apparel stores	107.7	102.9	109.9	110.3
Luxury goods stores	110.2	120.9	107.6	102.1
Drug stores	104.0	107.5	102.0	102.4
Other stores	112.4	107.3	127.0	102.9

****Not including Selected Services





Figures on this page are not adjusted for seasonal changes nor for price changes. Building activity includes the effects of past as well as present building permits, on the theory that not all building is completed in the month the permit is issued. R. L. B.

VI. CITY BUSINESS INDICATORS

MAY

Percent of Same Month a Year Ago

State or City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
The State	105.0	106.3	123.1	107.4	110.0	87.3	101.4	105.1	98.8
Beatrice	102.5	109.7	66.3	95.2	111.9	96.3	112.8	93.9	108.8
Omaha	101.4	103.8	101.9	109.9	111.0	83.5	100.7	98.5	99.0
Lincoln	100.4	95.3	130.1	106.3	109.4	99.3	95.5	NA	89.8
Grand Island	103.1	122.3	81.3	116.1	126.2	92.6	96.8	104.3	95.3
Hastings	98.0	101.7	24.4	107.0	107.2	83.8	78.4	99.5	--
Fremont	106.1	109.0	34.9	104.6	101.3	NA	113.0	109.6	NA
North Platte	NA	NA	NA	120.4	NA	NA	NA	NA	98.1
Kearney	103.1	107.1	923.8	101.1	121.0	95.4	101.1	100.3	NA
Scottsbluff	99.3	72.1	48.0	113.8	109.1	87.0	126.5	87.3	150.4
Norfolk	103.5	123.1	94.7	109.8	113.4	89.0	96.0	127.6	81.3
Columbus	104.2	136.4	99.2	120.0	104.6	96.7	111.2	101.7	95.1
McCook	100.3	121.1	27.1	107.3	105.2	72.1	NA	112.6	88.4
Sidney	106.9	119.9	63.8	111.7	102.5	69.4	106.6	192.9	NA
Alliance	92.6	90.9	66.2	102.6	89.5	81.3	186.0	104.9	87.5
Nebraska City	104.2	104.1	146.8	115.7	99.0	79.2	109.5	98.3	NA
So. Sioux City	99.3	123.6	52.4	113.8	100.6	100.2	NA	82.7	NA
York	101.8	116.6	30.1	105.3	105.5	88.5	100.0	96.5	106.5
Falls City	99.2	99.0	76.7	118.5	111.7	92.8	108.8	96.1	83.7
Fairbury	106.3	111.3	102.7	112.7	106.7	NA	94.2	109.4	97.7
Holdrege	104.3	113.8	101.4	107.5	113.9	74.1	98.7	109.7	88.7
Chadron	110.4	120.8	51.8	101.3	109.0	46.1	125.6	184.1	NA
Broken Bow	97.3	101.9	50.3	116.8	100.0	80.1	126.6	91.0	96.3

MAY

Percent of Preceding Month (Unadjusted)

State or City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
The State	104.1	98.6	120.5	105.4	107.7	71.3	115.4	94.3	104.6
Beatrice	98.6	92.5	92.4	112.9	96.9	58.9	112.8	77.3	117.4
Omaha	101.6	94.6	90.0	106.6	112.6	82.7	110.1	96.6	108.6
Lincoln	98.9	92.6	101.2	101.6	97.5	72.9	121.9	NA	98.0
Grand Island	103.9	113.1	136.8	102.5	108.8	52.9	100.6	93.6	103.8
Hastings	100.1	100.8	123.8	96.4	110.6	65.8	92.8	84.0	110.3
Fremont	109.9	99.9	121.2	99.3	112.4	NA	122.3	106.0	NA
North Platte	101.4	96.4	97.7	109.4	93.9	90.8	151.1	104.1	107.4
Kearney	94.7	100.6	176.3	89.4	84.6	58.4	115.5	94.1	NA
Scottsbluff	108.6	97.3	116.1	109.6	116.6	61.7	273.2	73.5	111.3
Norfolk	104.3	101.2	106.1	106.3	109.4	73.5	112.4	103.5	91.8
Columbus	107.2	105.3	128.7	108.0	110.0	73.8	133.0	92.3	105.6
McCook	95.5	96.9	79.9	112.0	95.9	52.2	NA	95.0	95.6
Sidney	100.7	101.9	92.5	113.7	97.7	59.5	159.3	102.5	NA
Alliance	99.3	106.5	100.0	91.9	85.6	68.8	217.7	109.7	98.7
Nebraska City	97.2	90.3	317.4	109.1	90.8	72.1	102.3	98.6	NA
So. Sioux City	92.8	103.8	180.9	111.4	97.5	50.2	NA	58.6	NA
York	106.8	111.6	112.2	103.1	99.3	94.4	108.7	109.6	105.8
Falls City	98.4	96.5	146.4	100.9	109.1	59.9	112.4	83.0	87.1
Fairbury	100.9	98.7	94.2	90.9	105.1	NA	108.7	105.0	98.9
Holdrege	106.5	106.1	144.1	122.1	97.4	47.8	112.2	108.9	98.9
Chadron	116.4	209.1	105.6	112.4	94.0	36.0	150.5	131.3	NA
Broken Bow	110.3	81.9	344.9	122.5	92.0	52.2	148.2	107.1	119.7

(Continued from page 3)

Currently many engineering and scientific graduates of Nebraska institutions of higher learning leave the state to take jobs elsewhere. This is an expensive export, and while the establishment of greater opportunities for such skills within the state cannot guarantee an elimination of this export, its cost could be greatly reduced as the outflow of trained personnel declines and offsetting inflows of similarily trained people move into the state concurrent with industrial expansion.

Therefore, the case can be made for strong support of higher education as a useful tool in promoting economic development. Educational complexes provide the technical skills, the research facilities, and the cultural environment that modern enterprises find essential.

At this point it should be made clear that, in the long run, what we do not do may be more expensive than what we do. Support for education is expensive, but if it is an essential element in broadening the economic base of the state it will be money well spent. The attraction of industry, which today requires a supply of technicians, means that additions are made to the production, employment, and revenue base of the state. Income generated by incoming firms will, in the long run, cover the costs required to attract these firms as well as provide employment for the labor force of the state. The 15-44 age group, representing the prime component of the labor force, would be influenced, with respect to patterns of out-migration, by a major shift in employment opportunities. Retention of these younger people not only means a generation of personal income but also would affect the aging trend of the population in Nebraska. If we do not wish this state to become one large geriatric rest center, young people must be retained for, in a real sense, they make a society vital. The implication of a youthful net out-migration cannot be ignored, and these implications make economic as well as social development imperative.

The problem of maintaining adequate and competitive employment opportunities within Nebraska is far from resolved. The continuing net out-migration of people from Nebraska, concentrated most heavily in the 15-44 age group, is a clear indication that vastly more work needs to be done to expand economic opportunities within the state. How to succeed in retaining the most productive portion of our population constitutes a major challenge for the leaders of Nebraska. It is, perhaps, the state's most crucial problem.

REVIEW

The People Left Behind, C. E. Bishop, Seminar on Manpower Policy and Program, 1968. Free from Regional Office, U.S. Dept. of Labor, 911 Walnut Street, Kansas City, Mo. 64106.

The People Left Behind is a summarization of the report of the National Advisory Commission on Rural Poverty, which was charged with making a comprehensive study and appraisal of current economic situations and trends in American rural life as they relate to the existence of income and community problems of rural areas.

Much publicity has been given to the fact that rural poverty was found to be so widespread and so acute that it is a national disgrace. The commission estimated that there were 14 million people in rural areas of the country in 1965 who were unable to purchase out of current income the goods and services needed to provide a reasonable level of living, and that 11 million of them were white. Approximately 10 million of the rural poor lived in nonfarm residences and 4 million lived on farms. The commission was quite properly more concerned with the fact that a s icant number of people are not sharing in the economic pro of the nation and the reasons for this situation, than they with estimates of the actual numbers to be classified as poor ple. Members of the commission recognized also that it possible to determine the extent to which each person's cir stances are the result of his own actions and the extent to they are the result of the "system." It was agreed, how that our complex society is continuously undergoing struc changes which have significant impacts on people, and that some people can anticipate these changes and even benefit them, others are unable to make the necessary adjustments

Some of the findings which have particular relevance to Neb and other midwestern states have been condensed and reph in the statements which follow.

The dismal outlook for employment in rural areas caus many people to migrate to the cities; many others chose remain in their rural residences but now commute to t cities; both groups have been exposed to urban styles of li ing and, as a result, the differences in want patterns of urb and rural people have largely disappeared.

Although people in rural areas now demand essentially t same goods and services as residents of urban and metr politan areas, many local governments are less able to pr vide even the basic services because the county tax base static or declining. There is, therefore, a widespread failu on the part of local governments to prepare people for liv in the modern economy, as may be seen in school, libra and health facilities, for example.

Although the legislation creating the price support progra suggested that they would help the low-income poor in far ing, it is now generally known that their benefits are dist buted largely in proportion to the size of the production u There has been a concept that the way to help rural peo is to provide employment in or near their homes. This h been largely a resource development or industrial locat perspective. We now must face the fact that many ru areas simply have no growth potential. In providing assi ance for workers who cannot find gainful employment wh they now live, the greatest emphasis should be placed providing for intercounty, within-state mobility.

The Commission foresees delineation of regional devel ment areas; within each region there would be a system multicounty area development districts. Each district wo contain a growth center or would be assured sufficient pub support to create a growth center. Since many of our co ties are too small to serve as effective bases for econor planning, counties should be grouped where appropriate. functional economic area probably should be defined as within an hour and a half's driving distance from a gro center.

The above statements appear to have considerable validit though one might question how long the definition of a func economic area will be tenable. Precisely such a time cr was used to locate many of Nebraska's county court houses then the consideration was a half day's driving time by hors buggy.

There are but 29 small pages in this thought-provoking vo which merits the attention of community discussion grou well as individuals, who are interested in rural Nebraska rural America.