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## NEBRASKA RETAIL SALES, 1978-1979

Net taxable retail sales in Nebraska were \$8,733 million in 1979 (see Table 2, page 2). This represents a dollar volume increase of \$932 million over the 1978 figure of \$7,801 million.

Most of the increase in retail sales in Nebraska resulted from inflation. On a dollar volume basis, net taxable retail sales were up 12 percent in 1979. Commodity prices, however, were approximately 11.4 percent higher during 1979. When 1979 retail sales were deflated for price using the commodity price index, retail sales were 0.6 percent higher in 1979 than in 1978. Adjusted and unadjusted retail sales for 1978 and 1979 are presented in Table 2. Data for 1978 may not always agree with previously published data since minor revisions have been made.

An analysis of retail sales by the state's planning regions demonstrates that strength in retail sales was outside the state's two major metropolitan areas. A geographic display of above-average gains in retail sales by region are represented in Map 1 (page 6) by the shaded areas. Dollar volume increases in retail sales of 15 percent or more (in numerical order) were recorded in Region 6, 15.2 percent; Region 9, 15.8 percent; Region 10, 15.5

percent; Region 11, 15.0 percent; Region 16, 16.6 percent; Region 19, 16.1 percent; Region 20, 15.8 percent; Region 21, 15.0 percent; Region 24, 20.8 percent; and Region 26, 19.1 percent. Region 24, which includes Boyd, Brown, Cherry, Holt, Keya Paha, and Rock counties, recorded the largest dollar volume increase of 20.8 percent.

The state's two largest metropolitan regions, Regions 1 and 2, recorded dollar volume increases of 8.9 percent in Region 1, Douglas and Sarpy counties, and 11.7 percent in Region 2, Lancaster County. On a price adjusted basis, retail sales declined in Region 1 while recording a slight increase in Region 2. Douglas County recorded a 9.2 percent increase on a dollar volume basis, while Sarpy County managed a meager 4.7 percent dollar volume increase in retail sales in 1979 compared with 1978.

Outside of the two metropolitan areas, Omaha and Lincoln, retail sales increased 13.7 percent on a dollar volume basis. Adjusted for price changes, the real increase in retail sales was 2.3 percent in the nonmetropolitan area.

The data in Map 2 (page 6) focus (Continued on page 6)

Table 1  
NET TAXABLE RETAIL SALES<sup>1</sup> IN SELECTED NEBRASKA TRADING CENTERS, 1978 AND 1979  
WITH PERCENTAGE CHANGES FOR SALES UNADJUSTED AND ADJUSTED FOR PRICE CHANGES

Trade Center	Region <sup>2</sup>	Unadjusted for Price Changes			Adjusted for Prices <sup>3</sup> Percent of Change	Trade Center	Region <sup>2</sup>	Unadjusted for Price Changes			Adjusted for Prices <sup>3</sup> Percent of Change
		Thousands of Dollars		Percent of Change				Thousands of Dollars		Percent of Change	
		1978	1979					1978	1979		
Alliance	23	53,179	62,281	17.1	+5.2	Lincoln	2	803,133	904,897	12.7	+1.2
Beatrice	14	73,513	82,502	12.2	+0.8	McCook	20	64,729	76,710	18.5	+6.4
Bellevue	1	91,012	93,885	3.2	-7.3	Nebraska City	4	43,041	44,872	4.3	-6.3
Broken Bow	26	32,885	38,488	17.0	+5.1	Norfolk	11	148,425	170,754	15.0	+3.3
Chadron	23	31,926	36,420	14.1	+2.5	North Platte	18	157,939	180,105	14.0	+2.4
Columbus	10	118,092	135,666	14.9	+3.2	Ogallala	19	44,436	51,910	16.8	+4.9
Fairbury	14	31,605	35,019	10.8	-0.5	O'Neill	24	36,215	42,202	16.5	+4.6
Falls City	7	29,030	31,454	8.3	-2.7	Omaha	1	2,002,951	2,209,195	10.3	-1.0
Fremont	5	136,053	153,657	12.9	+1.4	Scottsbluff/Gering	22	158,210	183,058	15.7	+3.9
Grand Island	12	279,530	320,252	14.6	+2.9	Seward	8	34,513	40,093	16.2	+4.3
Hartington	25	15,192	17,885	17.7	+5.7	Sidney	21	33,344	38,227	14.6	+2.9
Hastings	13	149,701	164,650	10.0	-1.2	So. Sioux City	3	35,851	36,471	1.7	-8.7
Holdrege	17	48,237	53,415	10.7	-0.6	West Point	6	25,790	30,052	16.5	+4.6
Kearney	15	135,620	155,988	15.0	+3.3	York	9	57,150	66,415	16.2	+4.3
Kimball	21	25,344	29,393	16.0	+4.2	Total 30 Centers		4,946,156	5,542,271	12.1	+0.7
Lexington	16	49,510	56,355	13.8	+2.2	Total State <sup>4</sup>		6,924,243	7,776,581	12.3	+0.8

<sup>1</sup> Excluding motor vehicle sales.

<sup>2</sup> Nebraska Planning and Development Regions.

<sup>3</sup> Current dollar sales adjusted (deflated) for price changes using commodity prices component of the Bureau of Labor Statistics' Consumer Price Index.

<sup>4</sup> Total state retail sales include some retail sales that cannot be allocated to cities, counties, or regions.

Source: Compilations by Bureau of Business Research from special tabulations provided by Nebraska Tax Commissioner.

Table 2

**NET TAXABLE RETAIL SALES<sup>1</sup> IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS, 1978 AND 1979  
BY COUNTIES, WITH PERCENTAGE CHANGES FOR SALES UNADJUSTED AND ADJUSTED FOR PRICE CHANGES**

Region and County	Unadjusted for Price Changes			Adjusted for Prices <sup>2</sup>  Percent of Change	Region and County	Unadjusted for Price Changes			Adjusted for Prices <sup>2</sup>  Percent of Change
	Thousands of Dollars		Percent of Change			Thousands of Dollars		Percent of Change	
	1978	1979		1978		1979			
<b>Region 1</b>	<u>2,432,986</u>	<u>2,649,059</u>	+ 8.9	- 2.2	<b>Region 16</b>	<u>131,755</u>	<u>153,638</u>	+16.6	+ 4.7
Douglas	2,265,330	2,473,484	+ 9.2	- 1.9	Dawson	114,546	132,987	+16.1	+ 4.3
Sarpy	167,656	175,575	+ 4.7	- 6.0	Frontier	9,380	11,562	+23.3	+10.7
<b>Region 2</b>	<u>905,028</u>	<u>1,010,753</u>	+11.7	+ 0.3	Gosper	7,829	9,089	+16.1	+ 4.3
Lancaster	905,028	1,010,753	+11.7	+ 0.3	<b>Region 17</b>	<u>116,774</u>	<u>131,418</u>	+12.5	+ 1.0
<b>Region 3</b>	<u>56,611</u>	<u>58,202</u>	+ 2.8	- 7.7	Franklin	15,933	18,034	+13.2	+ 1.7
Dakota	56,611	58,202	+ 2.8	- 7.7	Furnas	23,755	27,096	+14.1	+ 2.5
<b>Region 4</b>	<u>179,946</u>	<u>200,169</u>	+11.2	- 0.1	Harlan	15,706	18,112	+15.3	+ 3.5
Cass	50,350	55,368	+10.0	- 1.2	Phelps	61,380	68,176	+11.1	- 0.2
Otoe	70,786	77,853	+10.0	- 1.2	<b>Region 18</b>	<u>200,142</u>	<u>227,903</u>	+13.9	+ 2.3
Saunders	58,810	66,948	+13.8	+ 2.2	Hooker	3,340	4,062	+21.6	+ 9.2
<b>Region 5</b>	<u>240,120</u>	<u>268,591</u>	+11.9	+ 0.5	Lincoln	190,475	216,215	+13.5	+ 1.9
Dodge	185,964	208,778	+12.3	+ 0.8	Logan	1,893	2,176	+14.9	+ 3.2
Washington	54,156	59,813	+10.4	- 0.9	McPherson	754	1,002	+32.9	+19.3
<b>Region 6</b>	<u>99,760</u>	<u>114,955</u>	+15.2	+ 3.4	Thomas	3,680	4,448	+20.9	+ 8.6
Burt	34,713	39,804	+14.7	+ 3.0	<b>Region 19</b>	<u>105,793</u>	<u>122,797</u>	+16.1	+ 4.3
Cuming	50,966	59,523	+16.8	+ 4.9	Arthur	1,148	1,307	+13.9	+ 2.3
Thurston	14,081	15,628	+11.0	- 0.3	Chase	26,985	31,378	+16.3	+ 4.4
<b>Region 7</b>	<u>103,641</u>	<u>114,495</u>	+10.5	- 0.8	Grant	3,124	3,696	+18.3	+ 6.2
Johnson	18,270	20,184	+10.5	- 0.8	Keith	55,692	64,746	+16.3	+ 4.4
Nemaha	29,708	32,406	+ 9.1	- 2.0	Perkins	18,844	21,670	+15.0	+ 3.3
Pawnee	10,777	12,082	+12.1	+ 0.7	<b>Region 20</b>	<u>99,288</u>	<u>114,949</u>	+15.8	+ 4.0
Richardson	44,886	49,823	+11.0	- 0.3	Dundy	10,867	11,352	+ 4.5	- 6.2
<b>Region 8</b>	<u>139,088</u>	<u>158,385</u>	+13.9	+ 2.3	Hayes	1,935	2,469	+27.6	+14.6
Butler	28,117	31,927	+13.6	+ 2.0	Hitchcock	8,810	10,137	+15.1	+ 3.4
Seward	55,934	63,231	+13.0	+ 1.6	Red Willow	77,676	90,991	+17.1	+ 5.2
Saline	55,037	63,227	+14.9	+ 3.2	<b>Region 21</b>	<u>82,951</u>	<u>95,395</u>	+15.0	+ 3.3
<b>Region 9</b>	<u>138,099</u>	<u>159,921</u>	+15.8	+ 4.0	Cheyenne	43,371	49,434	+14.0	+ 2.4
Fillmore	35,173	41,132	+16.9	+ 5.0	Deuel	9,931	11,410	+14.9	+ 3.2
Polk	23,568	27,312	+15.9	+ 4.1	Kimball	29,649	34,551	+16.5	+ 4.6
York	79,358	91,477	+15.3	+ 3.5	<b>Region 22</b>	<u>236,877</u>	<u>270,480</u>	+14.2	+ 2.6
<b>Region 10</b>	<u>242,077</u>	<u>279,529</u>	+15.5	+ 3.7	Banner	1,264	1,661	+31.4	+18.0
Boone	32,238	37,368	+15.9	+ 4.1	Garden	10,174	11,364	+11.7	+ 0.3
Colfax	39,795	46,801	+17.6	+ 5.6	Morrill	27,747	32,692	+17.8	+ 5.8
Nance	13,368	15,345	+14.8	+ 3.1	Scotts Bluff	197,692	224,763	+13.7	+ 2.1
Platte	156,676	180,015	+14.9	+ 3.2	<b>Region 23</b>	<u>147,474</u>	<u>169,384</u>	+14.9	+ 3.2
<b>Region 11</b>	<u>300,375</u>	<u>345,351</u>	+15.0	+ 3.3	Box Butte	64,086	74,270	+15.9	+ 4.1
Antelope	31,708	36,483	+15.1	+ 3.4	Dawes	41,482	47,376	+14.2	+ 2.6
Madison	193,556	221,264	+14.3	+ 2.6	Sheridan	38,740	44,123	+13.9	+ 2.3
Pierce	26,541	30,514	+15.0	+ 3.3	Sioux	3,166	3,615	+14.2	+ 2.6
Stanton	11,163	12,523	+12.2	+ 0.8	<b>Region 24</b>	<u>143,674</u>	<u>173,558</u>	+20.8	+ 8.5
Wayne	37,407	44,567	+19.1	+ 7.0	Boyd	9,981	11,487	+15.1	+ 3.4
<b>Region 12</b>	<u>404,756</u>	<u>463,246</u>	+14.5	+ 2.8	Brown	22,926	26,698	+16.5	+ 4.6
Hall	317,581	362,045	+14.0	+ 2.4	Cherry	31,006	36,944	+19.2	+ 7.0
Hamilton	33,618	38,351	+14.1	+ 2.5	Holt	63,544	77,874	+22.6	+10.1
Howard	22,019	26,366	+19.7	+ 7.5	Keya Paha	2,415	2,936	+21.6	+ 9.2
Merrick	31,538	36,484	+15.7	+ 3.9	Rock	13,802	17,619	+27.7	+14.7
<b>Region 13</b>	<u>251,244</u>	<u>278,788</u>	+11.0	- 0.3	<b>Region 25</b>	<u>95,103</u>	<u>108,693</u>	+14.3	+ 2.6
Adams	172,666	189,778	+ 9.9	- 1.3	Cedar	39,705	45,706	+15.1	+ 3.4
Clay	31,598	35,511	+12.4	+ 0.9	Dixon	15,802	16,962	+ 7.3	- 3.6
Nuckolls	30,615	34,468	+12.6	+ 1.1	Knox	39,596	46,025	+16.2	+ 4.3
Webster	16,365	19,031	+16.3	+ 4.4	<b>Region 26</b>	<u>121,404</u>	<u>144,625</u>	+19.1	+ 7.0
<b>Region 14</b>	<u>176,319</u>	<u>198,535</u>	+12.6	+ 1.1	Blaine	1,944	2,169	+11.6	+ 0.2
Gage	100,908	113,327	+12.3	+ 0.8	Custer	56,321	68,481	+21.6	+ 9.2
Jefferson	45,905	51,210	+11.6	+ 0.2	Garfield	10,142	11,987	+18.2	+ 6.1
Thayer	29,506	33,998	+15.2	+ 3.4	Greeley	9,917	12,213	+23.2	+10.6
<b>Region 15</b>	<u>210,093</u>	<u>240,917</u>	+14.7	+ 3.0	Loup	1,347	1,686	+25.2	+12.4
Buffalo	182,253	209,880	+15.2	+ 3.5	Sherman	13,248	15,605	+17.8	+ 5.8
Kearney	27,840	31,037	+11.5	+ 0.1	Valley	26,171	29,755	+13.7	+ 2.1
					Wheeler	2,314	2,729	+17.9	+ 5.9
					<b>State Total<sup>3</sup></b>	<b>7,801,152</b>	<b>8,733,485</b>	<b>+12.0</b>	<b>+ 0.6</b>

<sup>1</sup> Motor vehicle sales are recorded as in counties in which the vehicles were first registered regardless of point of sale.

<sup>2</sup> Current dollar sales adjusted (deflated) for price changes using commodity prices component of the Bureau of Labor Statistics' Consumer Price Index.

<sup>3</sup> Total state retail sales include some retail sales that cannot be allocated to cities, counties, or regions.

Source: Compilation by Bureau of Business Research, University of Nebraska-Lincoln, from tabulations provided by the Nebraska Tax Commissioner.

## MID-YEAR ECONOMIC REVIEW

By most indications, the United States would now appear to be in a recession. Signs of the recession include the sharp decrease in automobile sales, the extremely slow housing construction area, the slowdown in retail sales, and the March decrease in employment. April's personal income was up a scant one-tenth of one percent over March. Reflecting this slowdown has been the precipitous decline in interest rates, with the twenty-six week bill rate dropping from a peak of 15.70 percent in March down to 8.78 percent in early May.

A decline in real output is developing as real consumer income levels drop. Lower real income has resulted in reduced purchases of gasoline, food and clothing, and durable goods. Up to this point, it appears that consumers have protected their standards of living by reducing savings, dipping into savings to finance the consumption, and by going into debt. Consumers are now finding it increasingly difficult to obtain credit and, since savings levels have been reduced by decreases in the rate of savings and inflation, it appears likely that a decrease in consumption is all but inevitable.

With savings and credit now less likely to extend purchasing power, rising levels of unemployment will contribute toward further reductions in consumer spending. The three-hundred thousand decrease in employment of March of 1980 will further depress consumer incomes. Employment has been increasing month after month, but the March statistics show a sharp break in that pattern.

The recession is likely to be deeper than anticipated a few months earlier, but should be over by late 1980 or early 1981. The decrease in real output is expected to range between -2 and -4 percent on an annualized basis during the recession. While this is a more severe recession than anticipated, it is not as severe as the 1974-75 recession.

Nebraska will be somewhat insulated from the recession, although the state may not be as well protected as it was during 1974-75. Nebraska's employment base is relatively stable and, while unemployment may approach 8 percent nationally, Nebraska's unemployment rate should remain well below the national level—somewhere in the vicinity of 4.5 percent (annual average).

Nebraska's personal income has plateaued, reflecting the slowdown in the economy and the depressed agriculture sector. Wage and salary disbursement continue to increase (see table), although the rate of increase is below that recorded in previous periods. Fourth quarter 1979 data indicate that nonfarm income is up by more than 800 million, while farm income is down in Nebraska by almost 400 million. There is little encouragement in the statistics for 1980 since livestock and grain prices are expected to be under considerable pressure. Two factors are operating to improve receipts in the livestock sector. First, the basic supply and demand relationship should lead to higher prices later in 1980. Since demand is directly linked to consumer income levels, higher incomes in 1981 could lead to further increases in livestock prices. A modest improvement in livestock prices and cash receipts late in 1980 could help the state's economic situation.

Grain prices are depressed and are expected to remain under pressure in 1980 before some slight improvement in 1981. Drought or some other natural disaster, such as a grasshopper plague, would impact the state more severely than depressed prices resulting from a bumper crop. Despite low grain prices, the concomitant economic activity of grain shipments would continue. Drought would be a double misfortune for less grain would be harvested and the associated shipping actions restricted.

Modest improvements in consumer income in 1981 should help move the U.S. and Nebraska economies into a more prosperous phase. As consumers improve their liquidity position and as monetary policy permits an easing of credit conditions, consumer purchases of goods and services should expand, leading to increased output and employment. Recovery is likely to be rather slow as higher social security taxes and higher federal tax income rates on inflated income levels reduce consumers' ability to increase their purchases of goods and services.

The recovery from the recession will be accompanied by a higher than usual rate of inflation for a recovery phase. Prices are likely to increase 7 to 8 percent (CPI basis) during 1981. By comparison, consumer prices were increasing at an approximate annual rate of 6 percent after the 1974-75 recession. D. E. P.

### NEBRASKA PERSONAL INCOME

Seasonally Adjusted Annual Rates in Millions of Dollars

Industry	1978	1978	1978	1978	1979	1979	1979	1979
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Farm	804	1,017	894	1,314	960	1,260	1,149	924
Non-Farm	7,508	7,838	8,080	8,325	8,528	8,714	8,976	9,159
Manufacturing	1,310	1,382	1,441	1,485	1,529	1,589	1,630	1,673
Transportation and Public Utilities	817	835	856	903	971	963	1,028	1,066
Wholesale Trade	666	686	703	715	752	778	797	811
Retail Trade	868	909	934	956	991	1,013	1,034	1,046
Finance, Insurance, and Real Estate	552	581	597	612	616	638	663	683
Services	1,215	1,260	1,305	1,337	1,387	1,399	1,459	1,507
Government	1,454	1,490	1,518	1,578	1,586	1,616	1,617	1,632
Personal Income by Place of Residence	11,068	11,645	11,878	12,645	12,543	13,107	13,405	13,463

Source: Bureau of Economic Analysis, Department of Commerce. (Subject to revision.)

## Review and Outlook

The level of economic activity in Nebraska was unchanged in February, although two of the five sectors reported increases when compared to January. The state's index of real output fell 0.1 percent below its value of last year. Nationally, the index fell 0.7 percent during the month and was down 1.2 percent from February 1979.

Even though the Nebraska economy as a whole exhibited no change in output in February, there were changes in activity in the sectors of the economy. The index for the agricultural sector rose 8.7 percent, while the composite index for the nonagricultural sectors fell 1.0 percent. Government, with an increase of 0.6 percent, was the only nonagricultural sector registering a gain.

The month-to-month losses in the remaining sectors were: manufacturing, -0.4 percent; distributive, -1.3 percent; and construction, -6.9 percent.

The indecisive movement of the Nebraska economy during 1979 carried over into the first two months of 1980. The physical volume index for the state reached its peak in November 1978, with a value of 145.6. Since then, the index has plateaued. There have been month-to-month fluctuations, but no discernible trend in either direction. Currently, the index is 0.5 percent below its peak.

Recently released estimates of personal income for Nebraska seem to support the contention that economic activity in Nebraska has leveled off. Since the (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.

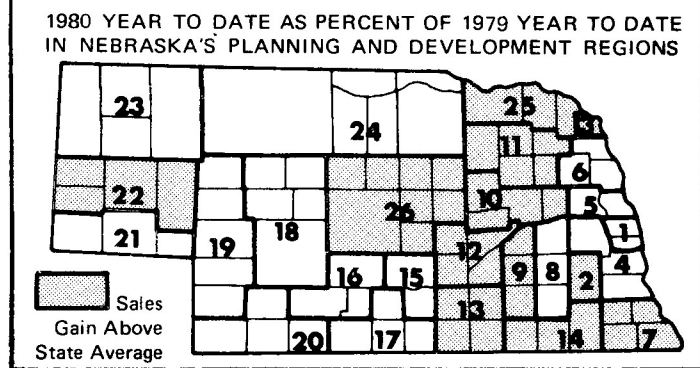
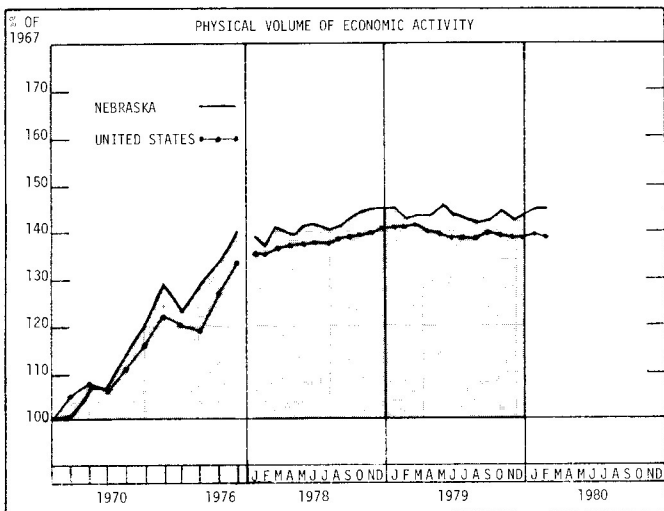
ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES				
1. CHANGE FROM PREVIOUS YEAR				
February 1980	Current Month as Percent of Same Month Previous Year		1980 Year to Date as Percent of 1979 Year to Date	
	Nebraska	U.S.	Nebraska	U.S.
<b>Indicator</b>				
Dollar Volume	111.0	111.5	111.0	111.8
Agricultural	115.6	106.8	111.0	106.2
Nonagricultural	110.4	111.7	111.0	112.0
Construction	83.7	114.8	85.9	116.3
Manufacturing	118.0	115.2	118.7	115.3
Distributive	112.1	110.8	112.8	111.2
Government	101.9	107.0	102.0	106.9
Physical Volume	99.9	98.8	99.8	99.1
Agricultural	114.1	108.2	107.5	106.0
Nonagricultural	98.2	98.5	98.9	98.9
Construction	75.7	103.8	77.8	105.3
Manufacturing	103.1	99.2	104.0	99.5
Distributive	98.2	97.1	98.9	97.5
Government	97.4	101.5	97.5	101.5

2. CHANGE FROM 1967			
Indicator	Percent of 1967 Average		U.S.
	Nebraska	U.S.	
Dollar Volume	334.8	315.3	
Agricultural	322.9	326.9	
Nonagricultural	336.4	314.9	
Construction	251.6	322.4	
Manufacturing	360.3	288.4	
Distributive	348.0	333.0	
Government	301.3	298.5	
Physical Volume	144.8	138.8	
Agricultural	132.3	137.9	
Nonagricultural	146.6	138.9	
Construction	88.9	113.9	
Manufacturing	172.0	136.2	
Distributive	147.2	140.9	
Government	138.4	146.4	

3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES (Adjusted for Price Changes)			
Region Number and City	City Sales*	Sales in Region*	
	Feb. 1980 as percent of Feb. 1979	Feb. 1980 as percent of Feb. 1979	Year to date '80 as percent of Year to date '79
<i>The State</i>	99.8	98.2	96.3
1 Omaha	93.8	94.0	91.9
Bellevue	94.2		
2 Lincoln	96.4	95.0	93.9
3 So. Sioux City	95.7	91.2	95.3
4 Nebraska City	82.9	91.6	88.7
5 Fremont	83.5	86.3	86.6
Blair	95.4		
6 West Point	90.4	93.1	92.5
7 Falls City	100.1	98.5	93.2
8 Seward	102.3	96.9	91.4
9 York	99.4	98.9	94.7
10 Columbus	126.1	112.8	105.4
11 Norfolk	96.1	95.4	95.8
Wayne	100.6		
12 Grand Island	97.0	95.0	95.8
13 Hastings	97.1	97.1	94.4
14 Beatrice	93.6	93.7	94.0
Fairbury	103.3		
15 Kearney	99.7	91.9	93.2
16 Lexington	85.1	87.5	92.9
17 Holdrege	97.7	95.3	92.2
18 North Platte	88.5	87.7	89.1
19 Ogallala	70.6	81.8	92.0
20 McCook	94.9	95.6	93.1
21 Sidney	86.5	83.0	90.8
Kimball	78.2		
22 Scottsbluff/Gering	96.4	94.8	94.0
23 Alliance	92.7	87.6	90.0
Chadron	67.8		
24 O'Neill	92.8	90.1	91.0
25 Hartington	88.8	89.3	93.5
26 Broken Bow	104.1	102.1	101.2

\*State totals include sales not allocated to cities or regions. The year-to-year ratios for city and region sales may be misleading because of changes in the portion of unallocated sales. Region totals include, and city totals exclude, motor vehicle sales. Sales are those on which sales taxes are collected by retailers located in the state. Compiled from data provided by Nebraska Department of Revenue.



(Continued from page 4) fourth quarter of 1978, it appears that there has been very little, if any, increase in real personal income. In fact, the data indicate that Nebraska may have entered a mild recessionary period in the third quarter of 1979.

The index of activity in the agricultural sector has recorded sizable increases during the first two months of 1980, but is still slightly below its peak recorded in November of 1978. The index for this sector can be misleading because it is designed to measure the movement of agricultural products (by using price and seasonally adjusted cash farm marketings) and not farm income. Despite the increases in the index, declines in agricultural prices have limited the stimulus by this sector to the rest of the state economy.

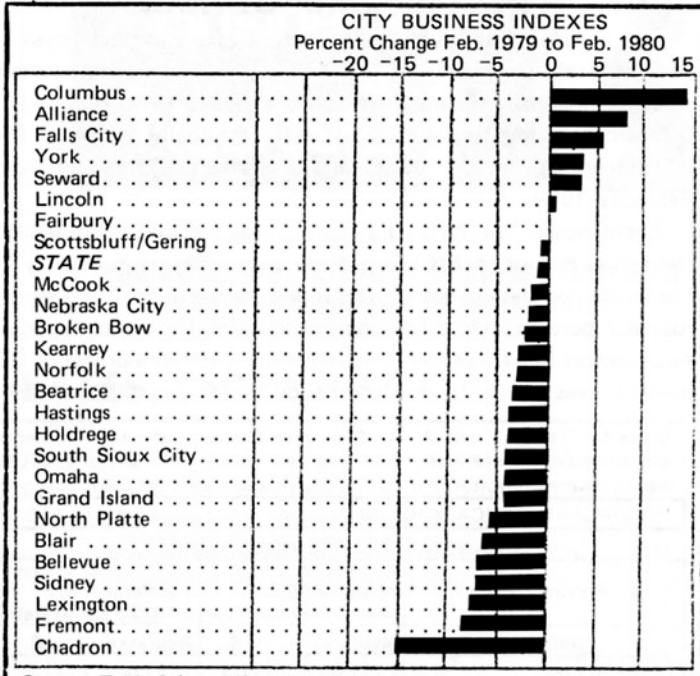
In February, prices received by Nebraska farmers fell 2.4 percent. Since December 1979, they have dropped 4.3 percent and are currently 1.2 percent above their level of February 1979. Prices paid, on the other hand, have increased 13.1 percent since last February.

Given the lackluster performance of the state economy during the past year, it is somewhat surprising that employment has shown consistent gains. The amount of employment increased 1.5 percent (nearly 11,000 persons) in February 1980 as compared to February 1979. At the same time, unemployment accounted for 3.9 percent of the labor force. Seventeen of the twenty-six reporting cities registered gains in employment. These increases were spread throughout the state, and for the first time in several months all four of the cities in the metropolitan counties experienced increases.

Net taxable retail sales in Nebraska for February were 1.8 percent below the sales of February 1979, after adjustment for price changes. At the national level, retail sales were down 3.2 percent from last February. Sales were down in all but two of the state's twenty-six planning regions. In addition, non-motor vehicle sales in twenty-seven of the thirty-two principal trading centers were lower than last February's sales. Columbus, Broken Bow, Seward, Wayne, and Falls City were the cities reporting increases. Year-to-year changes in city and region sales should be interpreted with caution, however, because each month a varying portion of the state's sales are not allocated to cities or regions, and there is no way to determine the extent of this effect on individual cities or regions.

Relative to February 1979, nineteen of the twenty-six cities registered losses. The moderate gains in employment were insufficient to offset the losses in retail sales, building activity, and power consumption. Columbus recorded the largest gain in activity, with an increase of 14 percent. Other cities with February-to-February increases were Alliance, Falls City, York, Seward, and Lincoln.

J. A. D.



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

The State and Its Trading Centers	Percent of Same Month a Year Ago		
	Employment <sup>1</sup>	Building Activity <sup>2</sup>	Power Consumption <sup>3</sup>
<i>The State</i> .....	101.4	78.7	97.0
Alliance .....	109.6	100.5	170.4
Beatrice .....	99.5	58.4	117.3
Bellevue .....	102.3	80.7	58.2
Blair .....	101.1	41.6	93.3
Broken Bow .....	100.3	49.0	92.1
Chadron .....	97.7	95.8	85.5
Columbus .....	103.7	154.6	102.0
Fairbury .....	99.9	66.5	104.1
Falls City .....	101.2	348.5	97.0
Fremont .....	99.0	85.7	95.5*
Grand Island .....	99.3	59.8	94.1
Hastings .....	98.5	64.3	98.0
Holdrege .....	105.9	34.3	92.6
Kearney .....	101.1	62.2	87.1
Lexington .....	99.8	83.0	93.8
Lincoln .....	102.1	100.9	110.1
McCook .....	99.2	144.4	94.2
Nebraska City .....	108.9	165.7	95.7
Norfolk .....	100.1	69.1	99.8
North Platte .....	102.3	103.3	80.9
Omaha .....	102.3	56.9	97.7
Scottsbluff/Gering ..	99.4	132.4	98.6
Seward .....	101.8	134.8	102.2
Sidney .....	100.4	111.5	81.9
So. Sioux City .....	100.4	73.1	87.2
York .....	100.3	156.7	114.5

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

<sup>2</sup> Building Activity is the value of building permits issued as spread over an appropriate time period of construction. The U.S. Department of Commerce Composite Construction Cost Index is used to adjust construction activity for price changes.

<sup>3</sup> Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked \* for which only one is used.

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

February 1980	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices .....	236.4	114.1	114.0
Commodity component	225.2	113.6	113.6
Wholesale Prices .....	259.8	115.9	115.6
Agricultural Prices			
United States .....	237.0	98.8	100.2
Nebraska .....	244.0	101.2	103.3

\*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 1) upon counties where the dollar volume increase in retail sales was above the state's 12 percent average in 1979. Well over half the state's counties recorded dollar volume increases in excess of the state's average. Frontier County recorded a 23.3 percent increase in 1979 over 1978; McPherson County, a 32.9 percent increase; Thomas County, 20.9 percent; Hayes County, 27.6 percent; Holt County, 22.6 percent; Keya Paha County, 21.6 percent; Rock County, 27.7 percent; Greeley County, 23.2 percent; and Loup County, 25.2 percent. The dollar volume in many of these counties is relatively small, so consequently a rather minor change by the state's standard in the dollar volume retail sales could lead to a substantial increase at the county level. For the retailing communities involved, dollar volume gains of more than 20 percent are significant.

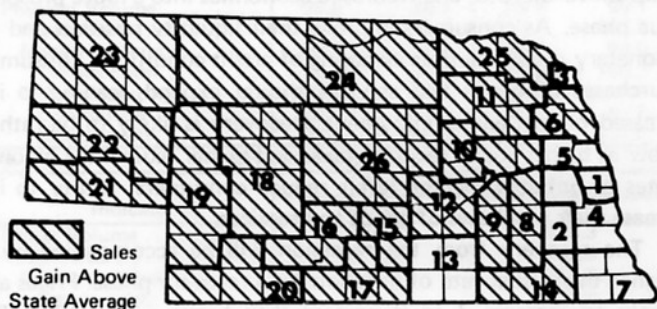
Taxable net retail sales for the thirty major trade centers are summarized in Table 1, page 1. Total taxable retail sales were up

12.3 percent for these thirty centers on a dollar volume basis. When adjusted for price increases, real retail sales increased 0.8 percent (the data in Table 1 exclude motor vehicle sales).

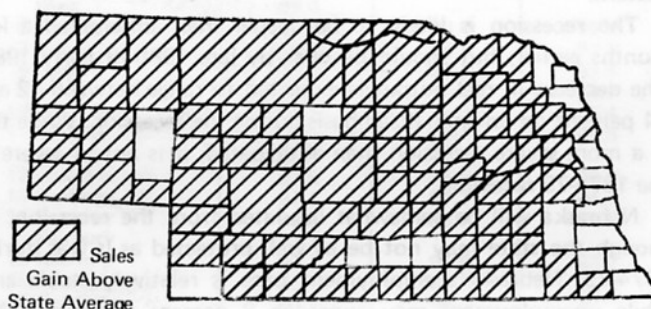
Trade centers with above-average increases in retail sales include (alphabetically) Alliance, Broken Bow, Chadron, Columbus, Fremont, Grand Island, Hartington, Kearney, Kimball, Lexington, Lincoln, McCook, Norfolk, North Platte, Ogallala, O'Neill, Scottsbluff/Gering, Seward, Sidney, West Point, and York. McCook has the distinction of recording the highest dollar volume increase in the state of 18.5 percent. Dollar volume retail sales in McCook increased from \$64.7 million in 1978 to \$76.7 million in 1979. Broken Bow, Hartington, Kimball, Ogallala, O'Neill, West Point, and York recorded increases of 16 percent or more. Alliance recorded an increase of 17.1 percent, and continues its rapid development reflecting the increased coal hauling.

D. E. P.

Map 1  
RETAIL SALES INCREASE  
ABOVE STATE AVERAGE  
BY STATE PLANNING AND DEVELOPMENT REGION



Map 2  
RETAIL SALES INCREASE  
ABOVE STATE AVERAGE  
BY COUNTY



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