

Business in Nebraska

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Poverty Rates in Nebraska Counties

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The problem of poverty in the U.S. has been much discussed and debated. As the focus has tended to be urban poverty—especially in major cities such as Los Angeles and New York—there is a tendency among those of us in the less densely populated areas of the country to discount or dismiss the problem. Although the citizens of Nebraska may be removed from the upheaval and despair associated with large scale urban poverty, a substantial proportion of our own population lives below the poverty level. This poverty is not concentrated solely in the state's urban areas.

Our purpose in this profile is not to enter a debate about the nature of the problem or place blame for the present level of poverty, but to examine poverty in Nebraska as defined by the U.S. Bureau of the Census, to look at how poverty has changed over the past decade, and to analyze who is affected most directly by poverty based on Census Bureau criteria.

This article compares poverty rates—the proportion of total persons or families living below the poverty level—for persons, families with children, and female-headed families with children in both 1979 and 1989 as reported in the 1980 and 1990 *U.S. Census of Population*. Although other measures of poverty status exist, census data are used widely as policy-making and research tools in the public and private sector.

A set of 48 thresholds based on family size cross-classified by the presence and number of family members under age 18 is used by the U.S. Bureau of the Census to determine the poverty status of families and unrelated individuals. Unrelated individuals and two person families are differentiated further by age (under age 65 and age 65 and above). The total annual income of each family and unrelated individual is compared to the applicable poverty threshold. If total annual income falls below the threshold, then the family or unrelated individual is classified as below the poverty level. The number of persons

with annual income below the poverty level is the sum of all persons in families with annual income below the poverty level and all unrelated individuals with annual income below the poverty level. Table 1 gives the average annual threshold incomes for families and for unrelated individuals in 1989.

Table 1
Average Annual Income Thresholds
1989

Size of Family Unit	Average Threshold
One person	\$6,310
Under 65 years	6,451
65 years and over	5,947
Two persons	8,076
Householder under 65 years	8,343
Householder 65 years and over	7,501
Three persons	9,885
Four persons	12,674
Five persons	14,990
Six persons	16,921
Seven persons	19,162
Eight persons	21,328
Nine or more persons	25,480

Annual income is defined by the Census Bureau as money income received by persons 15 years old and over. Annual income includes wages and salaries, net nonfarm and farm self employment income, interest, dividends, net rental or royalty income, Social Security, retirement or disability income, and public assistance or welfare income. Public assistance income includes state or federal Supplementary Security Income payments, Aid to Families with Dependent Children (AFDC), and general assistance. Payments received for hospitalization or other medical care and

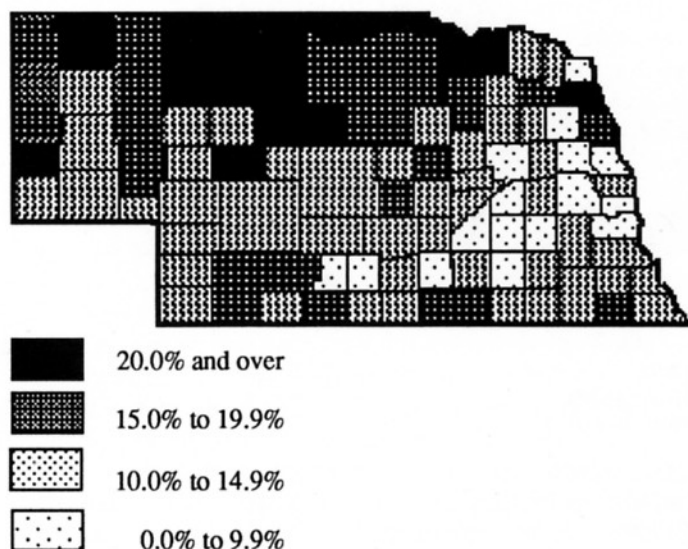
the value of in-kind income from food stamps and public housing subsidies are not included in this definition of public assistance income.

Persons

In 1989 the proportion of persons in Nebraska living below the poverty level (referred to as the *poverty rate*) was 11.1 percent, an increase of 3.7 percent over the 1979 state rate. Of the 170,616 persons below the poverty level in Nebraska in 1989, 57,026 or 33.4 percent were under age 18; 20,466 or 12.0 percent were under age 5.

In 1989 ten counties had poverty rates for persons of at least 20.0 percent of total county population; 68 counties had poverty rates between 10.0 percent and 19.9 percent. McPherson County had the highest per-

Figure 1
Poverty Rate for Persons
1989



sons poverty rate at 33.2 percent, followed by Thurston County at 30.9 percent, and Keya Paha County at 25.7 percent. Sarpy County had the lowest poverty rate for persons in the state at 4.9 percent. Three of the five most populous counties, Douglas, Hall, and Lancaster, had 1989 poverty rates between 10.0 percent and 11.0 percent, while the rate in Scotts Bluff County was 15.5 percent. Figure 1 illustrates the poverty rate for persons by county.

Total population decreased in 88 of the state's 93 counties, but the poverty rate for persons increased in 38 counties from 1979 to 1989. Table 2 compares the change in total population to the change in poverty rates in selected counties. The highest percentage increase, 100.0 percent, in the poverty rate for persons was in Thomas County. Twenty-seven counties registered increases over 10.0 percent from 1979 to 1989, while seven counties' rates increased 50.0 percent or more. Four of the five most populous counties in the state had poverty rate increases. The rate in Hall County increased 57.4 percent, while the rates in Scotts Bluff, Lancaster, and Douglas counties increased 31.4 percent, 22.1 percent, and 9.1 percent, respectively.

Of the state's five most populous counties, only Sarpy County experienced a decrease in the poverty rate for persons from 1979 to 1989. The highest decrease in the poverty rate for persons, 48.1 percent, was recorded in Greeley County. (Greeley County had the highest poverty rate among counties in 1979.) The poverty rate fell at least 10.0 percent in 39 counties and at least 20.0 percent in 23 counties.

Families with Children

The poverty rate of 8.0 percent among all families in Nebraska did not change from 1979 to 1989. The 1989 poverty rate of families with children under the age of 18, however, increased 13.6 percent over the 1979 level to 11.7 percent. McPherson County had the highest poverty rate in this category at 40.8 percent,

Table 2
Comparison of Change in Total Population and
Change in Poverty Rate for Persons in Selected Counties
1979 to 1989

	1979 Population	1989 Population	Change Population (%)	Change Poverty Rate (%)	1989 Poverty Rate (%)
Thomas	973	851	- 12.5	100.0	20.8
McPherson	593	546	- 7.9	68.5	33.2
Lincoln	36,455	32,508	- 10.8	65.8	12.1
Box Butte	13,969	13,130	- 4.1	64.8	11.7
Cherry	6,758	6,307	- 6.7	63.2	22.2
Hall	47,690	48,925	2.6	57.4	10.7
Keya Paha	1,301	1,029	- 20.9	55.8	25.7
Scottsbluff	38,344	36,025	- 6.0	31.4	15.5
Lancaster	192,884	213,641	10.8	22.1	10.5
Douglas	397,038	416,444	4.9	9.1	10.8
Sarpy	86,015	102,583	19.3	- 8.2	4.9

followed by Thurston County at 36.4 percent, and Banner County at 29.1 percent. Sarpy County had the lowest poverty rate among families with children at 5.1 percent. Seventy-two counties had poverty rates at or above 10.0 percent, including Scotts Bluff's rate of 18.3 percent, Douglas's mark of 12.6 percent, and Hall's 11.4 percent level; 15 of the 72 had poverty rates at or above 20.0 percent.

Female-Headed Families

Although the poverty rates for persons and families cited above are disturbing, they pale in comparison to the poverty rates of female-headed families, particularly those with young children. In 1989 29.5 percent of female-headed families in Nebraska lived at levels below the poverty level. Nearly 40.0 percent of female-headed families with children under age 18 were in the same situation. What is most startling, however, is the poverty rate of female-headed families with children under age five—almost 60.0 percent of these families live below the poverty level statewide (Table 3).

County by county analysis yields a similar picture. Seventy-six of the state's counties recorded poverty rates for female-headed families with children under 18 above 30.0 percent in 1989, including four of the five most populous counties. Both McPherson and Banner counties had poverty rates in this category of 100.0 percent. The poverty rate was at or above 50.0 percent in 23 counties, including Scotts Bluff County at 50.3 percent. Douglas County registered a poverty rate of 40.5 percent, Hall County's rate was 40.2 percent, and Lancaster County's level was 33.3 percent. The poverty rate of female-headed families with children in Sarpy County was 23.7 percent. Arthur, Blaine, and Wheeler counties had a poverty rate of 0.0 percent. Figure 2 illustrates the distribution of poverty statewide.

The statewide poverty rate among female-headed families with children under age five was almost 60.0 percent in 1989. Only nine counties had poverty rates in this category below 25.0 percent. Eight of these counties had no recorded poverty, while one county, Johnson, had a poverty rate of 7.1 percent.

The poverty rate for female-headed families with children under age five was 50.0 percent or more in 68 counties, including Scotts Bluff at 69.3 percent, Hall at 68.5 percent, Douglas at 60.1 percent, and Lancaster at 52.3 percent. Seventeen counties recorded poverty rates in this category above 80.0 percent, and eight counties registered poverty rates of 100.0 percent (Table 4).

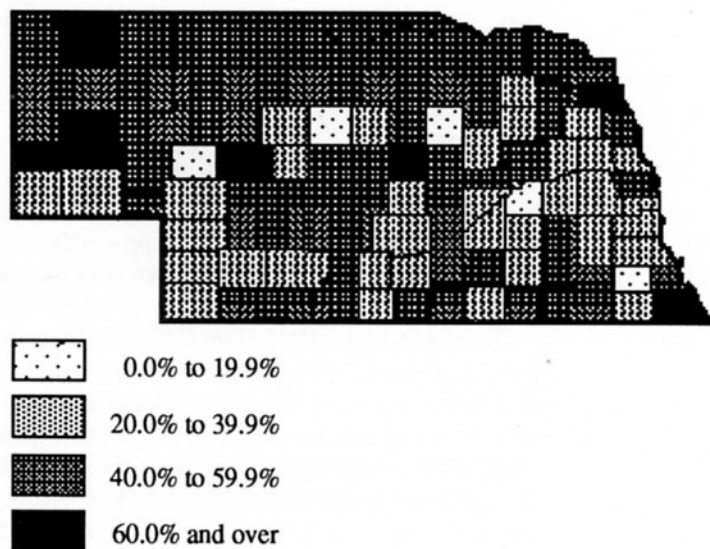
Ratio of Income to Poverty Level, 1989

Over 7.0 percent of all persons in the state had income in 1989 below three-quarters of the poverty level. Analysis of the income of persons below the poverty level reveals that 64.4 percent statewide had income that fell below the .75 threshold and that 38.0 percent had income below 50.0 percent of the poverty level.

Table 3
State Poverty Rate by Demographic Category
1989

	1979 Poverty Rate (%)	1989 Poverty Rate (%)	Change 1979-1989 (%)
Persons	10.7	11.1	3.7
Families	8.0	8.0	0.0
Families with children	10.3	11.7	13.6
Female-headed families	25.2	29.6	17.5
Female-headed with children < 18	34.4	39.5	14.8
Female-headed with children < 5	51.9	59.9	15.4

Figure 2
Poverty Rate for Female-Headed Families
With Children Under 18
1989



At least half of all impoverished persons in 79 counties lived below the .75 threshold. Sioux County had the highest proportion of impoverished persons (almost 81.0 percent) living below the .75 threshold. Nine counties, including Douglas County, had at least 70.0 percent of impoverished persons living below the .75 threshold. Each of the other four most populous counties had below .75 threshold rates between 64.0 percent and 69.0 percent.

At least 20.0 percent of impoverished persons in 87 counties lived below the .50 threshold. Sioux County led the pack with a below .50 threshold rate of 59.4 percent. Four of the state's five most populous counties—Douglas, Sarpy, Lancaster and Scotts Bluff—had below .50 threshold rates at or above 40.0 percent. The rate in Hall County was 34.5 percent.

Table 4
1989 Poverty Rates for Counties
Highest Female-Headed Families With Children
and
Female-Headed Families With Children Under 5

With Children Under 18		With Children Under 5	
Banner	100.0	Banner	100.0
McPherson	100.0	Fillmore	100.0
Valley	79.4	Hitchcock	100.0
Thurston	67.6	Keya Paha	100.0
Morrill	63.6	Logan	100.0
Richardson	63.2	Morrill	100.0
Dawes	60.8	Sioux	100.0
Howard	58.2	Thomas	100.0
Lincoln	57.9	Garden	93.3
Sioux	56.5	Deuel	91.7

Conclusion

Poverty, as it exists in Nebraska, is not simply an urban phenomenon. While the national poverty thresholds may inflate the extent of poverty in Nebraska due to a below average cost of living in the state, the magnitude of poverty that exists in the state is not merely a statistical phenomenon. Even if we make the extreme assumption that the cost of living in Nebraska is 75.0 percent of the national average upon which the poverty level is based (actual estimates put it at approximately 91.0 percent) and adjust the Nebraska poverty level accordingly, a full 7.0 percent of the state's population still would fall below the poverty level.

A study currently in progress at the Bureau examines the issue of poverty in Nebraska in more detail. This study includes analyses of poverty by race and ethnicity, the nature of public assistance income and subsidies, and the effect of a changing labor market structure on poverty rates in various regions of the state.

The Wave of the Future ... Even Now

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We are on the threshold of a new age of communications. Facsimile machines, telephone modem access to computer data banks and networks, and electronic mail are only the beginning.

Today business associates are able to hold video teleconferences with the addition of relatively low cost equipment to existing computers using telephone wire or any twisted pair such as LAN (local area network) wire. There is no longer a need to meet in a specially designed and equipped facility for video teleconferences.

Proponents of the new technology believe that virtual reality meetings tend to contain less socializing, participants tend to adhere to the meeting agenda more closely, and staff members not normally permitted to travel are able to participate. In a holographic conference (a new technology still in its infancy), participants are able to see each other, to make eye contact, and to even have the illusion of touching one another. Holography involves three dimensional images rather than the disembodied voices of traditional teleconferencing or the two dimensional images on a screen or computer monitor. Holography currently is used in advertising and in physics and chemistry research. The Physics Department of the University of Nebraska-Lincoln teaches youngsters to create holograms as one of its science lessons in its Saturday Science program for Lincoln area elementary students.

Diedre Baden, conversation analysis sociologist, said in the *Wall Street Journal* recently that face-to-face conversations generally contain pauses that become uncomfortable over the telephone. Without visual contact, it is sometimes difficult to determine the direction of a conversation. Identification problems also can hamper progress, and accessibility problems exist. Video teleconferencing, in contrast, permits eye contact and body language, requires less verbal control, and increases participants' comfort levels.

Technological advances in two dimensional video teleconferencing (visual telephony) reduce travel time and expense. Visual telephony allows persons in separate locations to interact fully without leaving their own offices. Several Nebraska public school systems and businesses are considering video teleconferencing as a budget-reducing measure. One large Nebraska telecommunications company is testing new applications for these ideas. Another firm in the state is interested in using the equipment in another mode: inventory management. The Nursing Network of the University of Nebraska College of Nursing is used for intercampus class teaching.

Coaxial cable is no longer the only means of transmitting a video image. Installation costs for coaxial cable and the equipment necessary to process the signal can be prohibitive. Coaxial cable also radiates its signal, which makes the signal vulnerable to pirating or eavesdropping. At least one manufacturer has developed equipment that stops the signal sent over twisted pair from radiating, rendering it more secure and reducing costly security precautions.

Transmitting a video image via standard telephone wire has its advantages. For example, security cameras

can be connected to a base computer a considerable distance from the camera site as long as that location contains telephone lines.

Business building leases in larger U.S. cities on both coasts are being negotiated on the basis of whether a business needs to install extra cables in the building. Finding sufficient cabling space can be a problem for the prospective lessee. If existing telephone wire is used, the cost of leasing office space can diminish considerably. Twisted pair utilization may offer a cost savings.

Technological telecommunications advances abound in many fields: medical research, automobile design, the military, education, and many others. Many more options are expected in the near future.

Right Here, Right Now

Developed for military fighter pilots in targeting and firing weapons systems, heads-up displays for speed and gauge monitors now are available on some American automobiles. Drivers see an image of the information projected on the windshield, allowing them to be informed without looking away from the road.

Architects are capable of designing a building in two dimensions. Computer software now allows architects to take a three dimensional walk through the building before the project leaves the drawing board.

The food industry is entering the new age of communications with grading equipment that uses cameras and computers to sort produce, fruits, and eggs. Although equipment may displace production workers, technicians will be necessary to operate and service equipment. Relieving workers of monotonous, repetitive jobs and training them to operate new equipment tends to increase quality and production levels.

Coming Soon to a T.V. Near You ...

The Interactive Age

Home shopping has begun, and telephone banking is a reality. Additional home services to make life easier and more enjoyable are entering the market at a rapid pace.

In Montreal, Canada, 150,000 homes are connected to a video service. Viewers can request and order programs to fit individual schedules. Interactive television allows Expos fans to view in slow motion the pitches sent to the last batter while seeing a readout of the velocity and speed of each pitch, the vital statistics of the batter, and even his salary on the television screen. In the future we may be able to choose our own camera angle for a athletic event. (Imagine a 50 yard line, box seat view of all Big Red games!)

Interactive television has applications outside the sporting world. Trudging through a mall may become a thing of the past. We may be able to view our exact 3-D image modeling clothes that we can select and order to fit our precise measurements via our television/telephone connections.

New communications technologies are being applied in many different settings. For example, several Nebraska school districts are incorporating interactive T.V. classes to reduce expenditures and ease budget constraints. Students at one school can join a class at another school, interact with the teacher and other students, and submit their work via computer network.

Here It Comes, Ready or Not

Magic wand, wristwatch, and glove phones are now in the developmental stages. Another product in the offing is an image phone that is worn like a pair of reading glasses. It is a still video cellular phone that displays images and contains a microphone. Local caller identification systems already are being offered by several Nebraska telephone companies.

Being accessible at any location from the dentist's chair to the back nine at your favorite golf course soon may be possible using one of these devices. The upside of this scenario is obvious; no calls will be missed. Absolute accessibility, however, would be intrusive and restrictive. Demand for these products will dictate their longevity.

Soon a computer operator will be able see his or her screen on the lenses of a pair of special glasses. This would reduce operator fatigue and distraction as well as the need for computer monitors.

Voice-controlled devices can enable physically challenged individuals to participate in the business world more fully. Employers may use such equipment to facilitate hiring these individuals in an effort to comply with the Americans with Disabilities Act.

Where Does All This Leave Us?

Communications technology is advancing at lightning speed. Adoption of the new technology will not be uniform. Some will use the equipment at once, while others will adopt a wait-and-see attitude. Even today not all homes have moved from rotary phones to touch tone telephones. But advances in telecommunications technology, with both their benefits and their drawbacks, are before us if we choose to use to them.

Vehicles Available

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There were 602,363 occupied housing units in the State of Nebraska in 1990, according to the *1990 Census of Population*. Seven percent of the occupied units had no vehicles available, 30.0 percent had one vehicle, 40.0 percent had two vehicles, and about 22.0 percent of the occupied housing units had three or more vehicles available.

Review & Outlook

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National Outlook

Recovery continues in the U.S. The real Gross Domestic Product (GDP) growth figure for the first quarter was revised upward to 2.4 percent. After remarkably flat levels last year, retail sales advanced in January. April retail trade figures were 4.4 percent ahead of last year. This strength was reflected in improved consumption numbers in the GDP reports. We are in a classic consumer-led recovery.

The one major setback is that housing starts slowed dramatically in April, dropping 17.0 percent. At the same time, however, single new house starts increased 1.3 percent following a disastrous drop of 15.9 percent. Overall, construction dropped 3.0 percent in April from March levels.

What to Do, What to Do?

One of the easier economic forecasts to make is that the federal government will do nothing to cure the slow expansion woes. There is no political agreement in this election year on what prescription to follow. Perhaps the do-nothing approach is the right policy choice at this time—the recovery is underway, and we don't need short-term fixes to keep it going.

What is in order is a focus on long-term economic problems, especially the national debt. The Gramm-Rudman-Hollings Act in the early 1980s attempted to force budgetary discipline on the federal government. With the deficit approaching \$400 billion, many now believe that even tougher measures are necessary. A balanced budget amendment, however, may not be a

cure-all. Budget tricks, such as passing federal spending to state and local governments via mandates to make the current books look good, may become a new art form. A balanced budget is a good long-range goal, but the transition can be painful. Balancing the federal budget is not like balancing a checkbook. Reducing the federal deficit will remove a major stimulus from the economy. Removing a \$400 billion deficit in one year would disrupt the economy severely.

There are intermediate alternatives to a balanced budget. Raising taxes is difficult in our current political environment. But we may reach an agreement on spending limits. One possible alternative is a budget freeze. When the freeze is over, however, the budget typically leaps upward and we have the old problem.

A modest proposal would be to limit overall federal spending increases to the percentage increase in last year's nominal GDP less 2 percent. The only exception to the limiting rule would be for a declared state of war.

Table I
Employment in Nebraska

	Revised March 1992	Preliminary April 1992	% Change vs. Year Ago
Place of Work			
Nonfarm	732,089	736,281	0.1
Manufacturing	98,472	98,902	0.2
Durables	46,932	47,182	-1.0
Nondurables	51,540	51,720	1.3
Mining	1,324	1,446	-11.5
Construction	25,553	26,937	-0.6
TCU*	47,119	47,210	-0.2
Trade	182,565	183,949	-1.0
Wholesale	50,947	51,685	0.4
Retail	131,618	132,264	-1.6
FIRE**	48,516	48,841	0.9
Services	180,025	180,883	0.4
Government	148,515	148,113	1.5
Place of Residence			
Civilian Labor Force	844,573	847,252	-1.5
Unemployment Rate	2.8	2.7	

* Transportation, Communication, and Utilities

** Finance, Insurance, and Real Estate

Source: Nebraska Department of Labor

Table II
City Business Indicators
February 1992 Percent Change from Year Ago

The State and Its Trading Centers	Employment (1)	Building Activity (2)
NEBRASKA	-0.7	19.2
Alliance	-0.6	-14.3
Beatrice	1.5	60.8
Bellevue	-3.2	66.0
Blair	-5.5	-43.4
Broken Bow	-1.6	-67.7
Chadron	4.1	1,236.7
Columbus	-1.5	74.6
Fairbury	-6.6	687.8
Falls City	-0.5	204.9
Fremont	0.5	39.6
Grand Island	5.5	45.0
Hastings	-5.4	-21.6
Holdrege	0.3	-0.3
Kearney	-3.5	13.1
Lexington	-19.8	12.6
Lincoln	-0.1	12.9
McCook	-7.9	-26.2
Nebraska City	-1.1	2,638.2
Norfolk	-1.5	-57.8
North Platte	6.3	-20.3
Ogallala	-0.6	-50.9
Omaha	-3.2	9.2
Scottsbluff/Gering	-0.5	326.8
Seward	2.8	22.6
Sidney	0.6	68.0
South Sioux City	4.6	622.3
York	8.7	71.8

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

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

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

Such a policy would imply a long-term decreasing proportion of U.S. government spending to total spending. This move, in turn, would move the country toward a balanced budget.

Some point out that under such spending limits, federal spending would fall in relative terms during a rapid expansion of the economy while overall growth rates were accelerating. That's all right. We want federal government spending to be cut during expansion periods. The problem is a decreasing economy. The growth in federal expenditures may not be sufficient to stimulate a sagging economy; thus, the new program would reinforce low spending levels on the down side of the business cycle. We could address such shortcomings by a short-term decrease in taxes. The changes could be a percentage adjustment to personal tax liability and only would be allowed if growth in the last two quarters of real GDP were less than 2.0 percent at annual rates.

Other Economic News

- The May unemployment rate unexpectedly increased from 7.2 percent to 7.5 percent. This increase was

driven by a large number of job seekers reentering the job market;

- The April state unemployment rates show a spread of the unemployment burden beyond New England and the Rust Belt. Not only is California suffering high unemployment, but Washington, Oregon, Arizona, Texas, Mississippi, and Alabama also have unemployment rates above the national average;
- F.W. Dodge reports that construction contract values in April fell 3.0 percent versus year ago. For the first four months of the year total construction contracting increased 11.0 percent, led by residential

Table III
Price Indices

	April 1992	% Change vs. Year Ago	YTD % Change vs. Year Ago
Consumer Price Index - U* (1982-84 = 100)			
All Items	139.5	3.2	2.9
Commodities	128.8	1.9	1.6
Services	150.8	4.2	4.0

U* = All urban consumers

Source: U.S. Bureau of Labor Statistics, Nebraska Department of Agriculture

Table IV
Gross Taxable Retail Sales of Nebraska Regions and Cities

Region Number and City (1)	City Sales (2)		February 1992 (000s)	Region Sales (2)	
	February 1992 (000s)	% Change vs. Year Ago		% Change vs. Year Ago	Year to Date % Change vs. Year Ago
NEBRASKA	2,587,074	3.4	2,697,833	3.7	4.8
1 Omaha	761,112	1.2	885,609	2.3	3.8
Bellevue	22,712	-6.9	*	*	*
Blair	12,766	15.5	*	*	*
2 Lincoln	329,031	3.3	353,065	2.6	4.4
3 South Sioux City	12,238	7.0	15,244	5.7	9.0
4 Nebraska City	6,686	-1.0	46,344	15.0	54.2
6 Fremont	45,797	15.3	81,424	5.8	7.0
West Point	9,654	-6.3	*	*	*
7 Falls City	5,686	5.9	22,149	9.0	11.3
8 Seward	9,718	7.4	45,322	14.7	17.2
9 York	20,124	12.1	40,897	5.5	-0.8
10 Columbus	41,168	10.2	74,657	-0.1	-0.3
11 Norfolk	79,714	73.8	117,515	45.8	20.5
Wayne	11,801	6.2	*	*	*
12 Grand Island	90,417	-0.9	136,377	2.0	-0.4
13 Hastings	49,180	-21.6	82,521	-7.8	-6.9
14 Beatrice	16,716	-15.6	42,723	-6.9	-7.7
Fairbury	5,699	-29.0	*	*	*
15 Kearney	45,878	7.6	68,469	-3.5	-13.7
16 Lexington	12,613	-2.4	39,502	4.9	8.4
17 Holdrege	9,148	-8.4	17,233	-3.8	-1.5
18 North Platte	33,184	3.4	38,841	2.7	-1.6
19 Ogallala	10,950	5.3	24,724	6.8	9.6
20 McCook	19,113	-13.6	25,270	-3.1	2.1
21 Sidney	24,087	3.0	33,911	4.9	3.3
Kimball	3,035	-10.3	*	*	*
22 Scottsbluff/Gering	41,098	-3.6	53,185	-3.6	-4.4
23 Alliance	8,204	-6.9	23,045	-0.3	-0.9
Chadron	4,332	-10.1	*	*	*
24 O'Neill	6,098	-3.3	24,776	6.1	0.6
Valentine	5,184	13.3	*	*	*
25 Hartington	4,060	-7.6	17,593	-9.6	-7.9
26 Broken Bow	6,600	7.6	22,525	2.1	-10.0

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

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

*Within an already designated region

Compiled from data provided by the Nebraska Department of Revenue

contracting gains of 28.0 percent. The only weakness is nonresidential buildings, which dropped 6.0 percent. Such a lag in nonresidential buildings is not unusual for this part of the business cycle. The F.W. Dodge figures are echoed by the Commerce Department's report on construction spending;

- Purchasing managers reported that their May index increased to 56.3 from 51.3. Export orders were a surprise boost;
- Real disposable income dropped 0.2 percent in April. Nominal personal income was level;
- The University of Michigan Consumer Confidence Survey reported a marginal slip, while the Conference Board index showed a major advance from 65.1 in April to 71.6 in May;
- Orders for durables increased 1.4 percent, the fourth increase in a row. The increases were led by an advance in defense orders of 21.6 percent. Nondefense orders increased only 0.2 percent;
- May auto sales hit an 18 month high. Light truck sales boomed, with a May domestic sales increase of 18.0 percent versus last year.
- The Consumer Price Index advanced 0.2 percent in April, as did the Producer Price Index; and
- Industrial production advanced 0.5 percent.

Nebraska Outlook

Nebraska's unemployment rate continues to be the lowest in the nation. April's unemployment rate fell to 2.7 percent.

Nebraska jobs continue to show little or no advance compared to last year. In April jobs advanced only 0.1 percent versus year ago. The biggest increase was government jobs which advanced 1.5 percent.

Nebraska's gross taxable retail sales continue to improve. Through February sales increased 4.8 percent compared to a year ago.

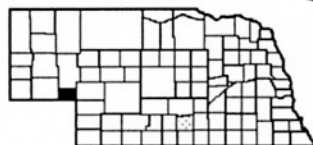
A shortfall of rain from April 1st to May 29th is hurting some Nebraska crops. Eastern Nebraska has caught up on rainfall, but western Nebraska is behind normal precipitation levels. Over half the wheat crop is reported as poor or very poor, implying low yields for wheat.

A late freeze in parts of central and south central Nebraska damaged some crops, especially young corn plants. It is too early to assess the ultimate impact on Nebraska's corn crop.

Cattle on feed, as of May 1, for seven major states dropped 9.0 percent from year ago. Nebraska's decrease was 15.0 percent. Despite this drop, Nebraska was tied with Texas for first place in the number of cattle on feed.

County of the Month

Deuel



Next County of Month

County seat: Chappell

License plate prefix number: 78

Size of county: 439 square miles, ranks 82nd in the state

Population: 2,237 in 1990, a change of -9.1 percent from 1980

Median age: 38.9 years in Deuel County, 33.0 years in Nebraska in 1990

Per capita personal income: \$21,134 in 1990, ranks 7th in the state

Net taxable retail sales (\$000): \$9,756 in 1991, a change of -0.5 percent from 1990; \$1,360 during January-February 1992, a change of +3.6 percent from the same period one year ago

Number of business and service establishments: 66 in 1989; 65.2 percent had less than five employees

Unemployment rate: 2.9 percent in Deuel County, 2.7 percent in Nebraska for 1991

Nonfarm employment (1991):

	State	Deuel County
Wage and salary workers	736,172	670
	(percent of total)	
Manufacturing	13.5%	* %
Construction and Mining	4.0	2.5
TCU	6.4	4.5
Retail Trade	18.3	25.7
Wholesale Trade	7.0	6.7
FIRE	6.6	*
Services	24.4	12.5
Government	<u>19.8</u>	<u>29.7</u>
Total	100.0%	100.0%

Agriculture:

Number of farms: 262 in 1987, 277 in 1982

Average farm size: 1,024 acres in 1987

Market value of farm products sold: \$19.4 million in 1987 (\$74,221 average per farm)

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

*Data not available because of disclosure suppression

Merlin W. Erickson

**Business
in
Nebraska**

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