

RURAL DEVELOPMENT AND RURAL-URBAN BALANCE

The forces that have exerted extreme pressure to move people out of rural areas and into the cities will not be reversed—nor slowed nor stopped—without vast changes in national policies. Eber Eldridge

Possibly no single topic has been the subject in recent weeks or so many conferences and meetings in Nebraska and other mid-western states as that of rural development. Although not easily defined and much less readily achieved, rural development is generally agreed to be closely interrelated to urban development; in the long run what is good for rural America is good for the nation as a whole. Thus rural development is viewed not as a program but as a process with a purpose of achieving rural-urban balance, encompassing better geographic distribution of people, of employment opportunity, and of income to enhance the quality of life for all Americans.

This subject was the theme of the 18th annual conference of the Mid-Continent Research and Development Council, "State and Local Policies for Urban-Rural Balance."¹ Despite the state and local emphasis in the theme, the keynote speaker, Dr. Eber Eldridge, Extension Economist of Iowa State University, asserted that nothing short of new Federal Government policies, affecting both private and public industry, can bring about a reversal of the trend which has been moving people out of rural areas. This opinion coincided with that of speakers at numerous similar meetings in which Nebraskans have participated within the past few months,² who have emphasized that rural development involves action by all levels of government and by the private sector of the economy.

Dr. Eldridge stressed the point that economic motivation will always direct voluntary migration toward better employment opportunities—people follow jobs. Similarly, industry locates where it can operate most profitably. If the costs will be greater and the returns lower, private enterprise will not voluntarily locate in a rural area instead of a city.

CHANGES IN NATIONAL POLICY

Discussing various proposals involving changes in national policy, Dr. Eldridge contended that reshifting governmental spending through geographic dispersal of Federal governmental offices and programs would be relatively insignificant. "There is not much that is movable, flexible, and distributable. Also the political pressures against such dispersal are formidable."

Other proposals, which have included systems of inducement,

penalties, and regulation, were considered by Dr. Eldridge. He pointed out that there could be, for example, tax credits, loans and gifts for facilities, and subsidized wages to encourage industry to locate in rural rather than urban areas. If an index could be developed to estimate industrial social costs, such as the costs of pollution, and manufacturing plants were made to pay these costs, industry might be forced to locate in areas where the costs were low. As is done in some European Countries, regulations could be instituted requiring industry permits, or work permits or both, before an industry could be established.

Careful analysis of such proposals leads Dr. Eldridge (and others) to conclude that the cost of these systems would be substantially more than anyone has envisioned and would raise the cogent question, "Who pays?" Some studies have shown that in many cases rural industrialization projects do not yield enough income benefits to offset the cost of providing or expanding the whole range of public services that they require.

Among other plans, all of which would take sizable public expenditures, it has been suggested that outright Federal grants be made to cities designated as "regional growth centers," that strategically-located new towns be built, their economic base being built simultaneously; that public lands be made available to industry; that incentives and services be provided in rural areas to induce transfer of investments and promote mergers and consolidations; that an investment be made in improved transportation systems on the theory that growth is dependent on transportation and that if transportation is built, industry will follow; and even that people be paid a given amount (say \$5,000) to live in a specified area. Persons on social security or public welfare, for example, could be paid more if they would move from overcrowded cities to rural areas. Thus if 10,000 welfare recipients were given monetary inducements to move from Chicago to rural communities in Nebraska, they would bring their economic base with them.

Mid-Continent Council participants appeared to give some support to Dr. Eldridge's view that as a Federal policy a system of assessment of both the economic and social costs of new industry, combined with a certain amount of regulation, probably promises the best results because it has both political and economic feasibility. It is his personal conviction, however, that "before we are likely to make any crucial modification of our national policy to reverse the population trend, we will have to be a lot worse off than we are now."

Conference speakers and discussants of such diverse topics as

¹Held in Rapid City, September 27-28.

²Including: Great Plains Agricultural Council, Fort Collins, July 28-30; Rural Sociological Research Society, Denver, August 27; U.S. Senate Rural Development Subcommittee Hearings, Lincoln, September 10; National Workshop on Rural Development, Lincoln, October 18-20.

transportation systems for state growth, implications of the 1970 Census on regional growth potentials, design of human settlement patterns, and findings of Missouri Basin Inter-Agency studies all focused on national government policy as requisite to solution of state and regional problems.

Leaders and participants in similar conferences also have cited the need for an effective national policy to provide the structure through which state and regional action can be coordinated. Such proposals as that of Nebraska's Governor for establishment of a national food and fiber board and of the Coalition for Rural America for provision of credit to finance rural industrial expansion further reinforce this position.

President D. B. Varner proposed to the Senate Subcommittee on Rural Development a program of Federal grants to land-grant universities to provide an extension service for businesses in rural areas similar to the agricultural extension service. He also emphasized the need for cultural development of rural communities and suggested that universities could contribute to this through traveling groups in the performing arts.

Dr. Rex Campbell of the University of Missouri took the position at the National Workshop on Rural Development that rural development would not be of much help in solving the problems of the cities, since most of their population growth has come from within, rather than from rural migration and that, by raising living costs, rural development would actually worsen conditions for rural poor and for retired persons.

Some agricultural researchers and leaders, as well as many organized groups, particularly farm organizations, maintain that both the short-run and the long-run solutions to the economic and social problems of rural America will be found in national policies that effect a more favorable ratio between cost-of-production and price-received for agricultural products. They argue that an improvement in the agricultural economic base, an increase both in total income and per capita income of farmers and ranchers, would revitalize the entire rural economy.

Thus if the parity ratio, which fell to 68 percent in September, about as low as it has fallen since the depression era of the 1930s, were raised even to 80 percent or 85 percent (and preferably higher, of course), not only would agriculture per se benefit, but also a vast array of businesses and services supportive of or derivative from it would prosper accordingly. With this improved economic base, rural communities could support the necessary institutions to serve the needs of the people and provide the amenities of life.

Others maintain that while programs that tend to increase and stabilize farm incomes have undeniable short-run benefits, such price- and income-supporting programs are of limited long-run advantage. The merits of the argument are not within the scope of an article such as this, which attempts only to present some of the pertinent positions taken by leaders and participants at recent conferences on rural development.

FEDERAL REVENUE SHARING

Discussion of national income policies invariably leads to discussion of proposals for revenue sharing and raises the question, "Is equalization of income, or fiscal capacity, a goal of Federal revenue sharing?" Charles M. Mohan, fiscal economist in the U. S. Office of Management and Budget, endeavored to show the regional implications of the plan in a scholarly paper presented at the Mid-Continent conference. He pointed out that under general revenue sharing, equal treatment of states with equal population

is counteracted by the revenue-effort factor and equal treatment of states with equal revenue effort is counteracted by the population factor. Thus equalization and equity are not the same and attempts to equalize fiscal capacity do not guarantee that states with equal revenue effort will be treated equally.

Mr. Mohan issued a salutary reminder that on a "net" basis not everyone can gain from any Federal form of fiscal relief for state and local governments; cost must be imposed on someone either in the form of tax increases, tax reduction forgone, or alternative Federal programs supplanted.

REGIONAL AND MULTICOUNTY PLANNING

Study of the need for regional and multicounty planning proceeds logically from consideration of national growth policies and such specific proposals as revenue sharing. Development problems are not usually aligned geographically with the boundaries of a city or state. As one specialist has pointed out, "In a condition of frozen governmental boundaries, most problems cannot be solved." Structuring on the basis of multicounty units has indeed become so important for purposes of policy implication and implementation that Federal funding for many development programs and projects now requires within-state regional planning.

One strong advocate of regional planning is Robert T. Murphy, director of program development and evaluation of the U. S. Department of Commerce, who is convinced that we are dealing in this country with a society in transition. Precisely because "the country divides up into different pieces depending on the problems involved," he believes there must be regional planning related to the most crucial needs of given geographic areas, the regional plans to be integrated and coordinated, however, within the framework of a national growth policy.

Speaking at the National Workshop on Rural Development, Mr. Murphy used demographic maps derived from 1970 Census data to illustrate this point, showing, for example, that although the entire rural center of the nation has been losing population, the national poverty map does not coincide with the out-migration map. Recognizing that there are what he calls various "economic watersheds and laborsheds" in the nation, he sees action through multicounty groups within states and multistate groups within regions as the modus operandi to solve specific problems which differ markedly from area to area.

COMMUNITY INVOLVEMENT IN PLANNING

A recurrent theme in all sessions on rural development is the imperative need to involve local participation at all levels of planning. It was stressed that this becomes particularly important in multicommunity or multicounty planning where there must be adjustment and accommodation of community or county rivalries.

Obviously there is no single formula which is appropriate for resolving the inevitable conflicts which arise because each community is eager to secure for itself maximum economic and social development. One principle, applied with considerable success in some regions, is that each community should become the center for that business, industry, medical, social, or cultural service for which it has the greater comparative advantage. This presupposes that ways can be found to evaluate and measure objectively the advantage that one town has over another with respect to specific economic or social service activities.

To determine comparative advantage is usually an intricate process, but occasionally it is relatively (Continued on page 3)

Value of Nebraska Farmland

The rate of increase in value per acre of Nebraska farmland from March 1, 1970, to the same date in 1971 was slower than in the continental United States generally, according to the latest farm real estate market report of the U.S. Department of Agriculture. The rate of increase in this state was 2 percent, about the same as the seven-state regional average, whereas the rate in the nation was over 3 percent.

Nebraska is fourth in the region in average value per acre, \$151, (considerably below the regional average, \$194, and the national average, \$199) and ranks fourth also in total value of farmland and total value of farm buildings. The state was third in the region, however, in rate of increase in each category, being exceeded only by the states of Missouri and South Dakota.

In only one state in the region, Kansas, was there a decline in the per acre value of farmland in the one-year period. The decrease from \$155 to \$150 amounted to 3.2 percent and a decline of 3 percent was recorded in the total farm building value. Other states showed increases in per acre value ranging from 5.6 percent in Missouri to 1.1 percent in North Dakota and gains in building value ranging from 4.7 percent in Missouri to 1.1 percent in

Iowa. Overall the regional rate lagged the nation.

The report shows that in this part of the country buyers of farm properties have not significantly altered their borrowing patterns in recent months despite the slight reduction in interest rates and corresponding increase of loanable funds available. Prospective buyers of farmland in Nebraska, as elsewhere in the region, have indicated some reluctance to commit themselves to long-term obligations for capital while the ratio of farm production costs to commodity prices continues to be unfavorable. There has been, therefore, a slight decline in the rate of voluntary farm sales in this part of the United States.

Of special relevance is the fact that for the nation as a whole the value of a farm operating unit on March 1, 1971, was \$83,300, up 5.6 percent from March, 1970. The rising value of farm units has been reflected also in the staggering growth in average size of farm mortgage loans. The average for the nation's 12 Federal Land Banks jumped from \$12,850 in 1960 to \$31,570 in 1970, while even sharper rises were shown in the same period in average size of farm loans reported by life insurance companies—up from \$23,630 to \$82,220.

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(Continued from page 2) simple as one speaker recounted at a workshop in Lincoln recently. He told of a multicommunity area in which there was a town of less than a thousand population that had a modern medical facility which could readily be expanded to meet regional needs. Within the area there was only one town with adequate rail service to meet industrial needs; two new plants were induced to locate there. A nearby town with a surplus of adequate housing immediately became a bedroom community for the industrial center. By agreement, each of several other small towns developed industrially supportive business specialties. (One became the repair-service center for the region, for example.)

Persons actively engaged in programs and projects related to rural development report generally that it is easier today to enlist local participation in community and regional planning than it was ten years ago. It appears that people have realized that it is in their own self-interest, both economic and social, to work together in fully coordinated planning with residents of other communities in the same area. As one speaker put it bluntly, "Small towns either cooperate or they die. It is as simple as that."

RURAL DEVELOPMENT AND THE ENVIRONMENT

No meeting in the year 1971 can, or perhaps should, escape involvement in subjects related to ecology. Throughout recent sessions on the problems of rural America there was emphasis on the importance of increased research attention to ways of reducing unwanted effects of technology on the environment. There was evidence of growing awareness of the significance of the economic and social costs of overcrowding and pollution and the need to assess more of such costs to the polluters.

There was some thought that new policies toward assessment of pollution costs might make rural America more attractive to industry, but this was accompanied by manifest concern that the environment be sufficiently safeguarded in future industrialization. Dr. Orville Scoville of Kansas State University, addressing

the Great Plains Agricultural Council, expressed the opinion of many others when he said: "More education and extension work are needed on population-growth policy and related ecological problems, and these are issues that need to be coordinated in community and regional planning . . ."

NEED FOR ACTION NOT RHETORIC

A 1970 act of congress has declared for the first time that reversal of the rural-urban population movement is a matter of urgent national priority. Whatever modifications or outright changes in national policy may be deemed feasible, and whatever regional and local planning may become necessary, the gravity of the dual problem of burgeoning cities and declining rural communities appears to be amply attested by data on diseconomies of scale, maldistribution of population, income, and employment, and inequitable provision of medical, educational, and social services and facilities.

The urgency of the situation was sounded in Lincoln last month by Dr. Henry Ahlgren of the University of Wisconsin, former Deputy Undersecretary for Rural Development in the U. S. Department of Agriculture, who declared:

The trend in rural-urban population movement has brought about a situation that is socially intolerable, politically unmanageable, and economically inefficient. If this trend continues, the nation is on a collision course with disaster. There has been too much rhetoric about rural development. The time for action has come. Much of this action must take place in the rural community. Nothing is going to happen unless the people want it to happen, unless they exert strong pressure on their elected officials immediately to make something happen.

Thus from all the rhetoric of all the conferences and workshops, of all the speeches and articles, the separate voices of Eber Eldridge and Henry Ahlgren emerge as a single clarion call: Nothing less than a change in national policy will reverse or slow or stop the population trend from rural to urban areas, and nothing is going to change unless the people determine that it must change.

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Review and Outlook

After a one-month lapse in July, Nebraska's general business activity in August climbed once again to a level notably above that of the same month last year. August's dollar and physical volume indexes were about 8 and 4 percent respectively above last year's. August's indexes were, moreover, at levels that exceeded last year's by more than at any time in the past twelve months. Although in part due to the year-to-year rise in prices, this year's August dollar volume was sufficiently above last year's to warrant the belief that there has been a gain in real, or physical, volume of general business activity. Only retail activity appears to be failing to register a marked gain over last year, having declined towards last year's levels for two successive months.

The volume of bank debits, adjusted for price level change, was up by 13 percent over last year. Supporting this gain in real activity, and more than offsetting a decline in the real volume of retail sales relative to last year, were gains in construction, life insurance sales, and cash farm marketings. Additional positive developments are evidenced by slight, yet important, gains in the electricity produced and manufacturing and other employment. Although still at a level below that of August, 1970, manufacturing employment moved up slightly during a period of generally slack national activity. Other nonagricultural employment also registered some gain in August relative to the same month of last year.

Dollarwise, August's retail activity, exclusive of motor vehicle (Continued on page 5)

All figures on Table 1 and 2 are adjusted for seasonal changes, which means that the month-to-month ratios are relative to the normal or expected changes. Figures in Table 1 (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.

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NEBRASKA'S ECONOMIC INDICATORS
1. CHANGES FROM PREVIOUS YEAR AND PREVIOUS MONTH

AUGUST, 1971 Indicators	Percent of Same Month a Year Ago		Percent of Preceding Month	
	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume Index	108.2	116.7	100.2	100.8
Physical Volume Index	104.3	110.4	99.0	100.4
Bank debits (checks, etc.)	112.8	113.4	100.6	100.3
Construction activity	104.1	127.5	102.9	101.3
Retail sales	100.7	103.3	94.4	101.0
Life insurance sales	88.5	108.9	106.7	100.4
Cash farm marketings	127.1	106.4	89.8	97.3
Electricity produced	96.6	102.4	111.2	98.0
Newspaper advertising	NA	NA	NA	NA
Manufacturing employment	97.5	96.0	101.7	100.0
Other employment	101.5	101.9	100.0	100.2
Gasoline sales	102.6	103.3	115.0	98.7

2. CHANGES FROM THE 1948 AVERAGE

AUGUST, 1971 Indicators	Percent of 1948 Average	
	Nebraska	U.S.
Dollar Volume Index	371.1	493.4
Physical Volume Index	205.0	260.4
Bank debits (checks, etc.)	290.8	498.5
Construction activity	200.9	204.5
Retail sales	159.3	191.4
Life insurance sales	374.1	504.7
Cash farm marketings	227.1	167.0
Electricity produced	488.2	569.8
Newspaper advertising	NA	NA
Manufacturing employment	166.8	120.8
Other employment	152.5	179.2
Gasoline sales	274.6	256.2

3. NET TAXABLE RETAIL SALES¹ OF NEBRASKA REGIONS
(Unadjusted for Price Changes)

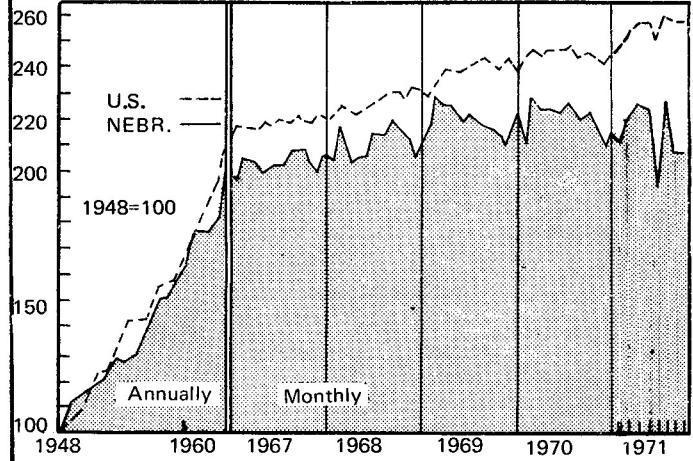
Region* and Principal Retail Trade Center	August, 1971 as Percent of August, 1971	1971 Year to Date as Percent of 1970 Year to Date
<i>The State</i>	103.3	106.8
1 (Omaha)	101.3	106.7
2 (Lincoln)	108.5	110.1
3 (So. Sioux City)	91.4	104.6
4 (Nebraska City)	95.3	101.3
5 (Fremont)	105.4	106.3
6 (West Point)	101.3	99.5
7 (Falls City)	91.8	104.5
8 (Seward)	103.6	105.4
9 (York)	102.1	107.7
10 (Columbus)	104.1	104.2
11 (Norfolk)	101.8	103.1
12 (Grand Island)	111.4	108.0
13 (Hastings)	102.4	108.9
14 (Beatrice)	100.2	104.9
15 (Kearney)	113.7	110.5
16 (Lexington)	106.0	107.1
17 (Holdrege)	100.8	107.2
18 (North Platte)	114.2	112.4
19 (Ogallala)	105.5	111.4
20 (McCook)	102.5	104.9
21 (Sidney, Kimball)	104.5	100.6
22 (Scottsbluff)	97.6	104.4
23 (Alliance, Chadron)	106.2	108.6
24 (O'Neill)	104.5	109.7
25 (Hartington)	94.1	99.1
26 (Broken Bow)	100.2	106.8

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

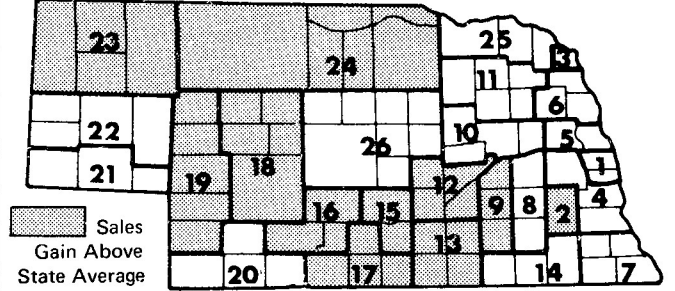
²"Planning and development" regions as established by the Nebraska Office of Planning and Programming and shown in the map below.

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

% of 1948 PHYSICAL VOLUME OF BUSINESS



1971 YEAR TO DATE AS PERCENT OF 1970 YEAR TO DATE IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS



(Continued from page 4)

sales, was about 4 percent greater than that of the same month last year. As adjusted for price level change, the real volume of retail activity was at about last year's level. Contrary to reported national trends, motor vehicle sales, which in Nebraska have been a major expansionary force for the past two months, did not appear to hold up in Nebraska in August. After June and July dollar volumes that were 10 and 28 percent higher than last year's, August sales fell back to a level slightly under last year's.

With motor vehicle sales included, the August gain over last year in the level of net taxable retail sales as shown in Table 3 was slightly more than 3 percent, well below the year-to-year margins of the past seven months, which have averaged about 8 percent. Although year-to-date the volume of net taxable retail sales is nearly 7 percent greater than for the same eight-month period of last year, August's contribution was less than that of June and July. As revealed by the map at bottom of page 4, the eastern regions of the state appear to be falling behind in the year-to-date comparison.

Most major trading centers seem to be experiencing levels of general activity above those of last year. Table 4 shows that only four of the twenty-three centers for which banking activity data are available have levels below those of last year. Two of these four may look to slack retail activity as a major contributing factor.

E. L. H.

BUSINESS IN COZAD

Successful efforts of the industrial development campaign of an enterprising Nebraska town, Cozad, are featured in an article on the advantages industrialists and "turned-off" urbanites are discovering in small towns, which appeared in the October issue of *Nation's Business*. Persuading the Monroe Equipment Co., now employing 860 workers, to locate in Cozad is cited as the first major success in the town's overall campaign, which resulted in population growth from 3,184 in 1960 to 4,225 in 1970.

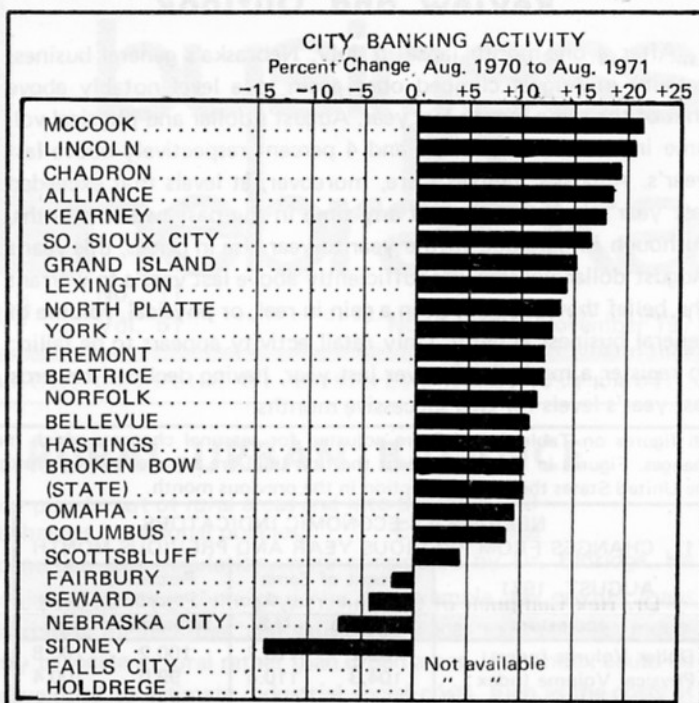
According to the cutlines accompanying one of six large pictures used to illustrate the Cozad story, the way of life in the town is aptly summed up by a bank sign describing the services offered inside as "Easy, Pleasant, Personal." It was pointed out also that:

There's no traffic rush on the downtown streets and even on a rainy day the City Park is a great place for bike riding. Open spaces, with lots of grass and trees, are among the reasons why Cozad, along with many other small towns across the country, is growing and prospering.

Joe Alverson, editor of the Tri-City Tribune who came to Cozad from Colorado in 1965, describes it as a fine place to live, and Larry Meares, industrial relations director of the Monroe company explains:

You might say we're committed to small towns. They offer an excellent environment for us. . . the people are more alike. That tends to make it easier for an employer to identify his employees' needs and to satisfy them. Thus you get a closer, more productive relationship.

Among those pictured is one of the younger community leaders, David Burkholder, 28, who owns a farm service business. He has a master's degree in business administration from Stanford University.



4. AUGUST, 1971, CITY BUSINESS INDICATORS

The State and Its Trading Centers	Percent of Same Month a Year Ago			
	Banking Activity ¹	Retail Activity ²	Building Activity ³	Power Consumption ⁴
	(Adjusted for Price Change) ⁵			
<i>The State</i>	110.4	103.8	141.2	100.6
Alliance	118.5	102.6	419.2	118.8
Beatrice	112.6	101.0	122.2	97.8
Bellevue	111.3	116.0	106.4	97.7*
Broken Bow . . .	110.4	113.4	58.3	102.6
Chadron	119.6	110.6	76.2	110.6
Columbus	108.0	112.1	29.1	102.2
Fairbury	98.7	105.8	19.2	94.6*
Falls City	NA	109.3	223.0	101.2
Fremont	112.7	113.1	46.8	102.6*
Grand Island . .	115.2	105.5	132.9	106.8
Hastings	110.5	109.2	170.5	103.2
Holdrege	NA	104.0	219.7	95.9
Kearney	117.8	110.6	217.2	97.0
Lexington	114.7	101.5	203.7	107.5*
Lincoln	120.6	108.9	160.0	93.8
McCook	121.6	98.6	280.2	103.2
Nebr. City	93.2	73.1	208.6	91.6
Norfolk	112.2	104.8	121.6	99.2
No. Platte	113.4	112.1	445.5	109.2
Omaha	109.4	101.1	151.5	101.8
Scottsbluff . . .	104.4	103.2	187.1	102.0
Seward	95.9	108.8	139.5	100.0
Sidney	85.9	99.4	112.1	106.0
S.Sioux City . . .	116.0	94.3	244.6	90.0
York	113.0	103.5	174.2	104.8

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

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

Economic and Social Conditions in Rural America

A detailed overview of rural communities has been prepared in connection with the U.S. Senate hearings on S. 10, a bill to revitalize rural areas of the nation. The study which has been made by the Economic Research Service of the U.S. Department of Agriculture¹ includes a staggering array of facts and data on population and migration, income and employment, health and education, housing, and government services and facilities, all graphically arranged to tell their own story—which indicates that the standard of living in rural America is far below the national average.

Relevant facts are marshalled to demonstrate existing problems, highlight trends, and facilitate a better understanding of the needs of rural areas. It is reported that "large segments of rural America are underdeveloped pockets within our industrial economy." These areas underscore the compelling need for action to correct the economic and social imbalance between rural and urban communities.

SMALL TOWN STABILITY

Graphics have been prepared to show within the continental United States population changes from 1950 to the present on a countywide basis and to show trends in both population mobility and migration. There is good news as well as disturbing news to be gleaned from this array of statistical data. For example, towns under 2,500 population exhibited considerable stability from 1940-60, with some 80 to 90 percent of them in the same size group at the end of each decade as at the beginning. Where shifts occurred in this size category, they were generally to a larger town size. Statistics from the 1970 Census indicate that while many small towns have virtually died, or have declined appreciably, those of larger size in the beginning of the decade (1,000 to 2,500) and those near a larger center have grown. Elsewhere, as in Nebraska, some have become commuter towns, some provide specialized shopping, and many are retirement communities as indicated by a disproportionate share of older residents.

PROPORTION OF OFF-FARM INCOME

Among significant facts on personal income of the farm population (1960-70) is the steadily increasing proportion of total income from nonfarm sources—from 38 percent of the total in 1960 to 48 percent in 1970. Thus the 1970 average income per farm operator was about equally divided between realized net income from farming and off-farm income. For operators in the \$40,000-and-over sales class the proportion of total income from off-farm sources was only 17 percent, however, with the proportion increasing as the size of sales dropped, reaching 87 percent for those farms in the sales class of \$2,500.

Productivity as measured by indexes of output per man hour has risen much more in the farm sector in the past two decades than in the nonfarm. By 1970 on an index base of 1967=100, the index of output per man hour for farm workers had risen to 113.2 compared with 103.8 for total nonfarm workers and 108.1 for manufacturing workers.

RURAL HEALTH AND HOUSING

The study of health personnel and facilities indicates that rural counties are severely disadvantaged. Infant mortality rates are

shown to be related to both place of residence and level of income and the rate is the highest in the most rural and poverty-stricken areas. Even in states with high per capita income, the most rural counties have an infant mortality rate nearly seven percentage points above the national average for that group of states.

Farm people generally had the fewest visits to dentists and physicians among the various resident groups (which could, of course, mean that they were in better health and had less need to seek medical help) and farm people also had the lowest proportion of all persons covered by hospital insurance.

To the extent that rural men have lower levels of educational attainment and to the extent that lifetime income is influenced by years of schooling completed, rural males were found to be disadvantaged relative to their urban counterparts.

With respect to housing, regional differences are evident and within regions there are also wide variations. In Nebraska and Kansas in the West North Central Region, for example, only 6 percent of the housing is without plumbing, whereas in Missouri the ratio is 14 percent; in South Dakota, 11 percent, in Minnesota and North Dakota, 10 percent, and in Iowa, 7 percent.

GOVERNMENT UNITS AND COSTS

The number of general government units continues to be high in rural areas especially in proportion to rural population, although the number has decreased more than 10 percent in the past ten years.

The study reports that the Advisory Commission on Intergovernmental Relations recently calculated the average state-local revenue system in the United States and then applied these rates to the revenue base in each state to obtain a measure of revenue capacity. On the local government level on this scale Nebraska had an "average" revenue effort, whereas on the state government level it did not show up as well.

In this comprehensive overview of rural America the Economic Development Division of the USDA Economic Research Service has assembled an array of valuable information, most of it based on data from the 1970 Census, which points up both the strengths and the weaknesses of rural communities today. The study could be used to advantage in every high school and community library in the state, and deserves a place in the home library of all rural leaders.

DOROTHY SWITZER

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