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In This Issue

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Changing Places, Changing Faces: New Settlement Pattern Emerging in Nebraska

Charles Lamphear and Merlin Erickson

During the 1970s 189 of Nebraska's 535 cities, towns, and other designated census areas lost population. During the 1980s 409 of the state's census areas lost population, more than double the number for the 1970s. At present there is no substantive evidence to indicate that the trend has run its course.

Population losses are a reflection of Nebraska's changing settlement pattern. If current trends prevail in coming years, Nebraska will lose a substantial number of its communities, especially its rural communities. The loss will be concentrated along the Kansas border and in the eastern third of the state.

The present geographic configuration of small communities, towns, and cities is out of step with the technological and structural changes of the last several decades. Technological and structural changes are forcing a change, albeit gradual, in the geographic configuration of the state's settlement pattern.

The loss of places also will mean the loss of many local consumer-based businesses. For instance, the number of rural retail stores will continue to decline as the state's new settlement pattern evolves. Small retail establishments will be replaced by larger retail outlets that will have the market power to consolidate the fragmented markets that presently characterize many rural areas.

This article reports how prevailing trends are changing the state's settlement pattern, especially in rural areas. The focus is the decline in the number of communities/places and the growth of larger retail outlet stores in rural areas.

The 1990 census figures from the U.S. Census Bureau show that Nebraska's smallest census area was Monowi, located in Boyd County, with a population of six residents. The largest place was Omaha in Douglas County, with a population of 335,795 residents.

In 1990 185 of the state's 535 designated census areas (35 percent of the total) had less than 200 residents. These areas contained only 1.7 percent of the total population of Nebraska's 535 communities (Figure 1).

The total 1990 population figure for Nebraska's 535 communities was 1,179,244, hereafter referred to as *total census area population*. The 1990 state total population figure reported by the U.S. Bureau of the Census was 1,578,385. The difference of 399,141 in the two totals indicates the number of Nebraskans who reside outside the state's 535 designated census areas.

In 1990 146 places contained populations between 200 and 500. A total of 421 places (slightly over 78 percent of the total number) contained populations of less than 1,000 residents. The combined populations of the 421 places with less than 1,000 residents accounted for only 11.3 percent of the total census area population.

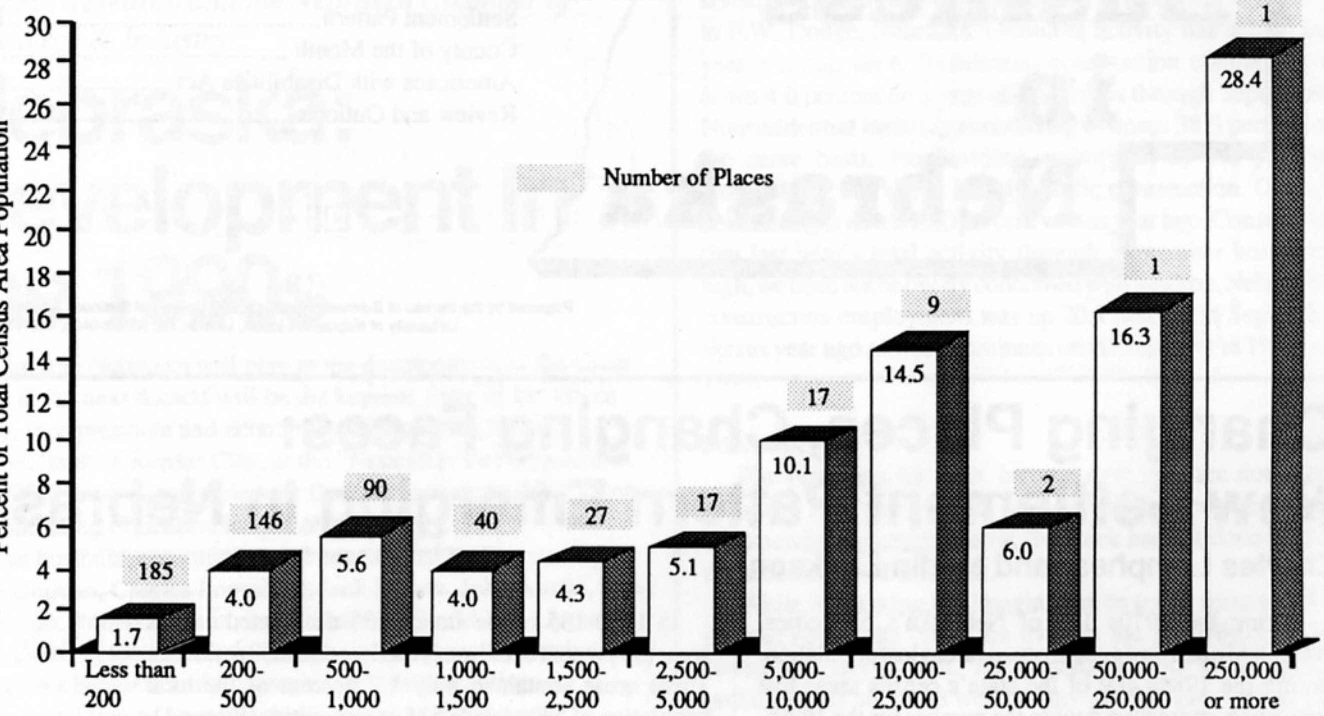
In 1990 Nebraska had 47 places with populations of 5,000 or greater. The 47 places' combined populations accounted for 75.3 percent of the state's total census area population. Two places, Lincoln and Omaha, accounted for nearly 45 percent (44.7 percent) of the total census area population.

Figure 1 shows that Nebraska's city-size population distribution is skewed toward a few large places.

Population Declines Outnumber Gains

Table 1 shows the number of places that gained, lost, or showed no change in population during the 1980s. There were 120 places (22.4 percent) that gained population and 409 (76.4 percent) that lost population. The decliners outnumbered the gainers nearly four to one. The combined population loss for the 409 places was 31,566 residents. The combined population gain for the 120 places was 76,864 residents. The total net population change for the 535 places was a positive

Figure 1
Nebraska Cities, Towns, and Other Census-Designated Places



45,298. Table 1 shows, however, that the net population growth was concentrated in the state's largest places. For places with populations less than 5,000, the total net population change was a minus 20,152. The population changes that occurred during the 1980s in Nebraska further skewed the population distribution in favor of the state's larger places.

Settlement Patterns and Market Fragmentation

Market forces largely determine settlement patterns. Generations ago when the main mode of transportation was the horse and buggy, travel was restricted. Restricted travel limited markets. Small geographic markets promoted small town growth. Small farms also promoted small town growth. Nebraska's early economic landscape was dotted with many small communities and towns that profitably served small geographic areas.

Table 1
Gains and Losses in Population 1980-1990 for Cities, Towns, and Other Census-Designated Places in Nebraska by 1990 Size Categories

Size 1990	No Change Number of Places	Gains in Population: Number of Places	Change	Accum. Change	Losses in Population: Number of Places	Change	Accum. Change
200 or less	3	36	492	492	146	3,700	3,700
200-500	3	33	735	1,227	110	4,686	8,386
500-1,000	—	16	1,241	2,468	74	6,652	15,038
1,000-1,500	—	9	1,563	4,031	31	3,609	18,647
1,500-2,500	—	7	1,181	5,212	20	3,032	21,679
2,500-5,000	—	3	227	5,439	14	3,912	25,591
5,000-10,000	—	8	2,636	8,075	9	2,582	28,173
10,000-25,000	—	4	11,390	19,465	5	3,393	31,566
25,000-50,000	—	2	15,475	34,940	—	—	31,566
50,000-250,000	—	1	20,040	54,980	—	—	31,566
250,000 or more	—	1	21,884	76,864	—	—	31,566
Total	6	120	76,864	—	409	31,566	—

The economic state of the early 1900s did not remain constant. Advances in transportation opened travel. Mechanized farming enabled farmers to expand operations. These changes and others meant that the state's settlement pattern eventually would change.

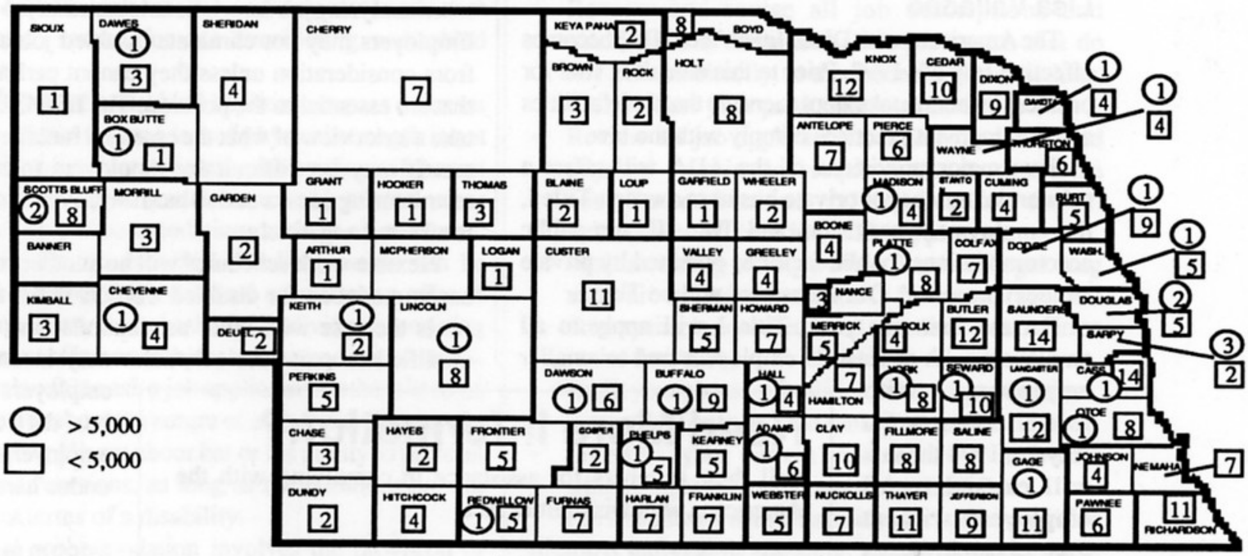
The demise of many of our small places can be traced to economic changes that began early in this century.

The state's developing new settlement pattern will contain fewer small places. Distances separating places will be greater. Where will most of the change in the state's settlement pattern occur? The population changes that occurred during the last several decades provide a partial answer.

Figure 2 shows the 1990 distribution of places with less than 5,000 residents and places with at least 5,000 residents. Places below 5,000 are concentrated along the Kansas border and in the eastern third of the state.

The greatest change in the state's settlement pattern likely will occur in areas with a relatively high geographic concentration of places with less than 5,000 residents. One example is the Kansas border counties of Furnas, Harlan, Franklin, Webster, Nuckolls, Thayer, Jefferson, Gage, Pawnee, and Richardson. This ten county area averages over eight places per county that contain less

Figure 2
1990 Population of Nebraska Communities by Size Group



than 5,000 residents each. Gage County is the only county in the list that contains a place with a population that exceeds 5,000. Beatrice in Gage County had a recorded 1990 population of 12,354 residents.

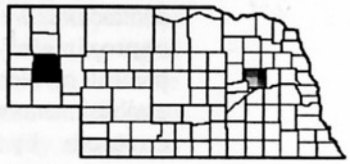
In the ten county area, 72 of the 81 places with less than 5,000 residents lost population between 1980 and 1990. The combined population loss was 4,924, 10.7 percent of their combined 1980 population of 42,131 residents. Moreover, 31 of the 81 places consistently lost population in each of the last three decades.

Many retailers in small places that consistently have lost population and are also close to other small places are attempting to survive in severely fragmented markets. A severely fragmented market means that there are too many sellers attempting to do business in a restricted and declining market area. The end result typically is extinction for the business. For example, in 1982 Pawnee County had 50 retail establishments. By 1987 the number had declined to 24, a 52 percent loss. For the ten county area, the total number of retail establishments declined from 1,300 in 1982 to 780 in 1987, a 40 percent loss.

Market fragmentation in rural areas offers profitable opportunities for large volume retail outlets. They have the market power to consolidate fragmented markets into single markets. It is no surprise that national discount chains have found fragmented rural market areas attractive as places to locate stores. It is unfortunate, however, that local investors/entrepreneurs are not developing these markets. Locally owned, locally managed stores would mean that almost all the earnings would circulate in the state, generating a significant multiplier effect on the state's economy.

County of the Month

Morrill



County Seat: Bridgeport
License plate prefix number: 64
Size of county: 1,427 square miles, ranks 8th in the state
Population: 5,423 in 1990, a change of -10.9 percent from 1980
Median age: 37.4 years in Morrill County, 33.0 years in Nebraska in 1990
Per capita personal income: $14,906 in 1989, ranks 44th in the state
Net taxable retail sales ($000): $29,222 in 1990, a change of +1.1 percent from 1989; $17,257 during January-July 1991, a change of -2.3 percent from the same period one year ago
Number of business and service establishments: 126 in 1989; 66 percent had less than five employees
Unemployment rate: 3.1 percent in Morrill County, 2.1 percent in Nebraska for 1990

Nonfarm employment (1990):	**State**	**Morrill County**
Wage & Salary Workers	731,108	1,114
	(percent of total)	
Manufacturing	13.5%	9.6%
Construction and Mining	3.8	1.5
TCU	6.3	2.8
Retail Trade	18.4	15.5
Wholesale Trade	7.2	13.3
FIRE	6.6	3.2
Services	24.4	14.7
Government	19.7	39.4
Total	100.0%	100.0%

Agriculture:
Number of farms: 535 in 1987, 550 in 1982
Average farm size: 1,355 acres in 1987
Market value of farm products sold: $88.1 million in 1987 ($164,600 average per farm)

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

Merlin W. Erickson

Don't Ignore the ADA

Lisa Valladao

The Americans with Disabilities Act (ADA) becomes effective July 26, 1992. Prior to this date, it is vital for business owners to take steps to ensure that their facilities and employment practices comply with the law.

Two major provisions of the ADA will affect a substantial number of private business owners: Title I, the employment provision, and Title III, the public accommodations (public facilities operated by private entities) provision. Our focus here will be Title I.

For the first two years Title I will apply to all employers with at least 25 employees and to smaller employers with federal contracts. On July 26, 1994 the law will expand to all employers with at least 15 employees as well as to all federal contractors. By 1994 approximately 12 percent of Nebraska establishments will be covered by the employment provision of the ADA.

The ADA defines an individual as disabled if she or he has a physical or mental impairment that substantially limits a major life activity.

The ADA mandates corporate America's involvement in accommodating the disabled through barrier free workplaces. Congress has decreed that the expense of accommodations is to be borne by employers. Although reasonable accommodations may impose a financial burden, a business may not be able to claim an undue hardship exemption. Exemptions will be based on such factors as the size of the business, its financial resources, and the availability of outside funding.

Most accommodations will not be expensive and may cost nothing at all. The Job Accommodation Network found that 70 percent of reasonable accommodations cost under $500, 19 percent cost under $50, and 31 percent involved no cost.

Accessibility to all company facilities (including work areas, break rooms, restrooms, and parking lots) is a reasonable accommodation under ADA. Such accommodation may necessitate remodeling work areas and entry ways or installing ramps.

The most common accommodation that may be required of employers is job restructuring. A key term when analyzing job descriptions is *essential job function*. Employers may not eliminate disabled job applicants from consideration unless they cannot perform duties that are essential to the position. The EEOC likely will take a strict view of what the essential functions of a job are. It may be difficult for employers to show that restructuring causes undue hardship, even if efficiency is affected negatively.

Flexible work schedules will be another reasonable accommodation for disabled workers under the ADA. As is the case with other accommodations, although modified or part-time schedules may inconvenience employers , it may be difficult for employers to show undue hardship.

A fourth accommodation involves reassignment of a disabled employee to a vacant position for which the employee is qualified if the employee no longer is able to perform the essential job functions of her or his present job. Caution should be exercised here to ensure that all other reasonable accommodations are made before transferring a disabled employee. Employers will not be required to bump employees to accommodate the reassignment of a disabled employee, and reassignment is not an accommodation available to disabled job applicants.

Employers must provide reasonable accommodations such as modified equipment or special devices under ADA. Examples include electronic visual aids, talking calculators, telephone headsets, braille devices and materials, mechanical page turners, and raised or lowered furniture. Exceptions include such items as hearing aids, glasses, or seeing-eye dogs that are considered to be non-job-related personal items.

Reasonable accommodations also must be made to enable disabled individuals to participate fully in the job application process. Barriers that arise in the form of physical examinations, training materials, and other employment practices must be eliminated. For example, many companies require a driver's license on the theory

Need More Information?

Call these numbers for assistance in complying with the Americans with Disabilities Act

U.S. Equal Employment Opportunity Commission
1-800-USA-EEOC (voice)
1-800-800-3302 (TDD)

Job Accommodation Network
1-800-526-7234 (voice and TDD)

Architectural and Transportation Barriers Compliance Board
1-800-USA-ABLE (voice and TDD)

League of Human Dignity
Lincoln 1-402-471-7871
Omaha 1-402-558-3411
Norfolk 1-402-371-4475

that a licensed driver is more likely to be on time and available to run occasional errands. Such a requirement is not an essential job function in many cases and is not a legitimate reason for not considering a disabled applicant.

The failure of a disabled applicant to pass an exam such as a vision test or a test of physical strength is not a legitimate basis for eliminating the applicant if the test does not pertain directly to the essential job functions or if a reasonable accommodation, such as an electronic visual aid, can be provided. Medical exams can be required of a disabled individual only after an offer of employment is made and only if all individuals receiving employment offers are subject to the same examination.

It is unlawful to ask a job applicant whether she or he is disabled or about the nature of a disability. It is lawful to ask a job applicant about her or his ability to perform job-related functions, as long as the questions are not phrased in terms of a disability.

A final accommodation involves the provision of readers, interpreters, or attendants to assist disabled employees. Such an accommodation may be viewed as reasonable if, for example, an attendant is needed only for a portion of the working day.

Involving disabled employees and job applicants in the accommodation process is an excellent means of ensuring that the barrier free workplace becomes a reality in your company. With that in mind, you may wish to take the following steps prior to July 26:

- Review and revise all job descriptions and qualifications. Eliminate all requirements that do not pertain directly to the essential job functions. Clearly state your production standards.
- Review all job applications, hiring practices, and physical examination requirements to determine compliance. Institute training sessions for all individuals involved in the hiring process.
- Institute a drug testing policy. Current illegal drug users are excluded specifically from coverage, and drug testing is not considered a medical examination under the ADA.
- Audit your physical facilities, including work areas, recreation facilities, and dining rooms.
- Inventory your current work force to determine which employees are covered by the ADA.

The Americans with Disabilities Act gives qualified disabled individuals the same access to employment that nondisabled individuals currently enjoy. Reasonable accommodations need not be burdens to employers, but can be good business practice. By providing equal access to the disabled, employers broaden the available pool of job applicants and help to ensure that the most qualified individuals, regardless of disability, are selected to fill vital positions.

Review & Outlook

John S. Austin

Bah Humbug?

As the end of the year approaches, there is an abundance of gloomy economic news.

- The Conference Board's Consumer Confidence Index dropped to 60.4 in October from 72.9 in September, almost as low as the index was when the Middle East crisis was brewing in the last quarter of 1990.
- Auto sales reflect the low consumer confidence level. October auto sales were 10.0 percent below year-ago levels, with domestic sales of 6.0 million units at annual rates. Auto sales were weak in early November—even Toyota and Honda showed some difficulty.
- The unemployment rate increased marginally to 6.8 percent in October. New claims for unemployment benefits recently jumped to their highest levels since May.
- Retail sales fell 0.1 percent in October, with sales at general merchandise stores falling 0.7 percent. Neither figure is adjusted for inflation.

There was good news to report as well.

- Real GNP rose 2.4 percent in the third quarter after decreasing 0.5 percent in the second quarter.
- Interest rates dropped again in early November, with the prime rate falling to 7.5 percent.
- Despite a bubble in the Producer Price Index showing an increase of 0.7 percent in October, inflation remains moderate. The Consumer Price Index rose only 0.1 percent in October.
- Productivity increased sharply in the third quarter, rising 2.4 percent in contrast to a drop of 0.3 percent in the second quarter.
- September housing starts fell 2.2 percent, the first drop since March, but recovered with a 7.4 percent rise in October.

From all these threads, we must weave a prediction for Christmas sales. The bust in consumer confidence likely means that auto sales will slump for some time.

The bust in consumer confidence, however, may not impact other consumer goods. There is a theory that only a large change in consumer confidence affects consumption. Confidence changes impact big ticket, durable items more than other consumer goods: i.e, if we do not buy a car this year, there will be more money available for Christmas spending.

Last year's December sales were so poor that even moderate sales this year will be a dramatic change. Barring an external shock, nonauto Christmas sales should be okay. It is unlikely, however, to be a great shopping season nationally.

Nebraska retail sales differ sharply from the national scene. In July there was a huge gain in net taxable retail sales, with both nonmotor vehicle and total net taxable retail sales increasing 9.4 percent for July versus year ago. Total net taxable retail sales increased 1.8 percent on a year-to-date basis. Retail sales should look good for the remainder of this year, as the year-ago figures were weakened by the collapse in consumer confidence resulting from the Gulf War.

The Bureau's quarterly forecasting model suggests that retail sales for the fourth quarter will be up 3.6 percent versus year ago.

The one fly in the ointment for Nebraska's retail sales is the possible impact of the recent fall in consumer confidence. Last year Nebraska's net taxable retail sales reflected the national drop in consumer confidence, despite a healthy local economy. The issue is whether the most recent break in national consumer confidence will spill into reduced sales in Nebraska, even though our state's income and job increases will support respectable sales increases.

I suspect that there will be some impact, but it likely will be concentrated in auto sales. Nonmotor vehicle retail sales should advance well over year-ago levels, outpacing the moderate increase in inflation that we have experienced.

Despite the gloomy national economic news, the outlook for Nebraska remains positive. Once again, job gains in Nebraska were impressive. In September total jobs increased 5.3 percent versus a year ago. Nebraska's unemployment rate slipped marginally to 2.5 percent in September from 2.6 percent in August.

Interest Rates and Nebraska Incomes

The low interest rates have an implication for Nebraska's income stream. Nebraskans who rely on savings income have seen this income drop as short-term interest rates have lowered. Those who are in a position to roll over CDs at this time are seeing low interest rates. At least one part of Nebraska's income structure is suffering.

We suspect that with a somewhat older population that is perhaps more conservative than the national norms, Nebraskans would have a higher percentage of income from interest-bearing instruments. Unfortunately, the only data available are in an aggregate

Table I
Employment in Nebraska

	Revised August 1991	Preliminary September 1991	% Change vs. Year Ago
Place of Work			
Nonfarm	769,492	777,816	5.3
Manufacturing	103,183	103,709	3.9
Durables	50,376	50,586	3.1
Nondurables	52,807	53,123	4.6
Mining	2,006	1,933	7.5
Construction	35,367	35,014	20.1
TCU*	46,197	46,264	0.6
Trade	195,158	195,034	4.3
Wholesale	52,288	51,968	1.0
Retail	142,870	143,066	5.6
FIRE**	50,319	50,066	3.5
Services	193,508	194,333	6.1
Government	143,754	151,463	5.8
Place of Residence			
Civilian Labor Force	869,171	854,820	
Unemployment Rate	2.6	2.5	

* Transportation, Communication, and Utilities
** Finance, Insurance, and Real Estate
Source: Nebraska Department of Labor

Table II
City Business Indicators
July 1991 Percent Change from Year Ago

The State and Its Trading Centers	Employment (1)	Building Activity (2)
NEBRASKA	1.9	0.5
Alliance	-2.6	-36.7
Beatrice	-0.9	-54.8
Bellevue	4.2	49.5
Blair	4.2	-54.4
Broken Bow	-1.3	-77.1
Chadron	-7.6	167.7
Columbus	0.4	-15.9
Fairbury	2.6	-79.0
Falls City	-0.9	16.3
Fremont	-1.6	-29.3
Grand Island	0.7	56.3
Hastings	-0.3	162.6
Holdrege	2.9	-82.3
Kearney	1.0	90.8
Lexington	-3.2	7.8
Lincoln	1.4	-16.5
McCook	4.9	-1.3
Nebraska City	-1.5	-47.0
Norfolk	0.3	56.5
North Platte	-1.4	-45.3
Ogallala	-4.0	116.9
Omaha	4.2	-18.5
Scottsbluff/Gering	2.6	107.4
Seward	-1.3	76.9
Sidney	2.1	432.2
South Sioux City	2.0	19.8
York	-4.2	39.4

(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 category called *dividends, interest, and rent.* The proportion of total personal income for the category in Nebraska is only slightly higher than it is nationally.

The Investment Lag

There is some concern that investment levels are inadequate. But investment characteristically lags in the recovery phase of the business cycle. The recent trend toward greater business debt has impacted the investment sector sharply. It is likely that there are many businesses with high debt burdens brought by leveraged buyouts who are likely to consolidate their position rather than to expand in the near future.

Low short-term interest rates are unlikely to stimulate investment. Lower long-term rates are the key to stimulating investment. These rates, in turn, respond to inflation expectations. There has been some reduction in long-term rates, but the drop is nowhere near as large as the drop in short-term rates, nor should it have been.

Table III
Price Indices

	September 1991	% Change vs. Year Ago	YTD % Chang vs. Year Ago
Consumer Price Index - U* (1982-84 = 100)			
All Items	137.2	3.4	4.7
Commodities	127.1	2.0	3.8
Services	147.9	4.6	5.4
Producer Price Index (1982 = 100)			
Finished Goods	121.3	0.8	3.0
Intermediate Materials	114.5	-1.5	1.0
Crude Materials	98.0	-14.9	-3.9
Ag Index of Prices Received (1977 = 100)			
Nebraska	148	-5.7	-5.7
Crops	118	2.6	-9.5
Livestock	167	-9.2	-3.7
United States	148	0.0	-1.7
Crops	138	12.2	2.5
Livestock	157	-9.2	-5.1

U* = All urban consumers
Source: U.S. Bureau of Labor Statistics, Nebraska Department of Agriculture

Table IV
Net Taxable Retail Sales of Nebraska Regions and Cities

Region Number and City (1)	City Sales (2) July 1991 (000s)	City Sales (2) % Change vs. Year Ago	Region Sales (2) July 1991 (000s)	Region Sales (2) % Change vs. Year Ago	Region Sales (2) YTD % Change vs. Year Ago
NEBRASKA	944,799	9.4	1,090,412	9.4	1.8
1 Omaha	316,283	8.7	399,581	9.3	0.7
Bellevue	12,148	5.7	*	*	*
Blair	4,967	7.9	*	*	*
2 Lincoln	119,432	2.6	141,732	4.5	-0.2
3 South Sioux City	6,136	-9.7	8,207	-6.4	-7.3
4 Nebraska City	4,101	4.7	20,376	9.0	4.2
6 Fremont	17,617	1.5	31,487	3.9	3.0
West Point	2,929	13.4	*	*	*
7 Falls City	2,101	1.9	9,031	4.7	3.3
8 Seward	4,073	2.1	14,315	-2.7	-2.1
9 York	6,523	-2.9	15,444	-5.1	-0.9
10 Columbus	15,679	3.7	27,715	4.9	-0.1
11 Norfolk	18,492	-2.2	33,445	-3.5	-0.5
Wayne	2,969	-9.3	*	*	*
12 Grand Island	34,083	8.5	49,101	8.1	-0.2
13 Hastings	15,061	-6.9	25,339	-2.5	0.1
14 Beatrice	7,964	-3.1	18,065	-3.6	-1.8
Fairbury	2,588	-7.7	*	*	*
15 Kearney	19,629	-1.4	28,638	-0.7	2.8
16 Lexington	6,670	8.9	18,458	8.5	2.1
17 Holdrege	4,901	5.1	8,597	-4.7	0.4
18 North Platte	17,881	5.7	22,896	6.2	5.5
19 Ogallala	6,628	9.6	12.705	-1.3	-6.0
20 McCook	8,281	3.2	11,519	-2.0	-0.5
21 Sidney	4,504	6.1	9,093	6.5	3.4
Kimball	2,130	4.5	*	*	*
22 Scottsbluff/Gering	18,820	4.3	27,108	8.5	3.4
23 Alliance	6,076	11.5	15,220	5.9	1.9
Chadron	2,837	-3.0	*	*	*
24 O'Neill	3,967	-15.5	15,380	-2.3	0.1
Valentine	3,273	11.0	*	*	*
25 Hartington	1,451	-6.9	8,303	-5.0	0.4
26 Broken Bow	3,734	5.5	12,000	2.5	0.2

(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

Coming December 11 from the UNL Bureau of Business Research and the Nebraska Chamber of Commerce & Industry

Nebraska: Development in the 1990s

What role Nebraska will play in the development of the Great Plains in the next decade will be the keynote topic of Dr. Glenn Miller, vice president and economic advisor of the Federal Reserve Bank of Kansas City, at the "Nebraska: Development in the 1990s" seminar scheduled for December 11 at the UNL Center for Continuing Education in Lincoln.

Area business, community, and educational leaders such as Alice Dittman, Charles Lamphear, Jack Swartz, John Austin, Tony Raimondo, Robert Duncan, Lance Paulsen, Stu Miller, Linda Gloe, Donis Petersan, Duane Acklie, and others will examine Nebraska's business and economic strengths, incentives for business and human resource development, and economic projections for the 1990s.

Each conference participant will receive a copy of the *1992 Annual Economic Outlook Report*. This information-packed publication takes an in-depth look at Nebraska's regional economies. Experts from across the state have contributed their thoughts and insights to this invaluable volume.

Call Jan Laney or Carol Boyd at 402/472-2334 for registration information.

Although there is no corresponding Nebraska data series to the GNP data for investment activity, we can look at construction activity—a major part of investment. According to F.W. Dodge, Nebraska's building activity has lagged last year's strong pace. Residential construction contracting is down 4.0 percent on a year-to-date basis through September. Nonresidential building contracting is down 38.0 percent on the same basis. Nonbuilding activity is up 7.0 percent. Nonbuilding activity is largely public construction. Overall, contracting is down 13.0 percent versus year ago. Considering that last year's total activity through September was fairly high, we need not be overly concerned with the drop. Nebraska's construction employment was up 20.1 percent in September versus year ago as work continues on contracts let in 1990 and 1991.

Farm Income

The prospects for farm income next year are not good. Although 1991 saw a record level of Nebraska corn harvested at somewhat favorable prices, livestock has not done well in the second half of this year.

While it is taxing the imagination to try to forecast farm income before the crops are even in the ground, the 1992 situation is iffy at best. The general outlook is that grains probably will not do as well as they did this year. We do not know what the increased demand will be for American grain from Eastern European countries. It remains to be seen whether they will have the money to back their demand or whether our government will subsidize their purchases of U.S. grain.

Federal support payments to farmers are on a long-term decline as part of the government's deficit compromise of last year. Price support payments have dropped 50.0 percent from 1988 to 1990 in Nebraska. Livestock seems to be on the down side of its cycle for both cattle and hogs. As a result, next year's farm income in Nebraska likely will decrease.

We did not have room for the second quarter 1990 report on personal income. If you would like a copy, please write or call the Bureau.

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