

Business in Nebraska

In This Issue

The Outlook for Nebraska	1
Small Town, Metro and Nonmetro	5
ComView Analysis	11
County of the Month	12

Prepared by the Bureau of Business Research, College of Business Administration,
University of Nebraska-Lincoln, 1700 Y St., Lincoln, NE 68588-0406, 402/472-2334

The Outlook for Nebraska in 1994 and 1995: Results From the Quarterly Forecasting Model

John S. Austin

The outlook for the Nebraska economy over the next two years is for continued solid growth in employment, income, and retail sales. In 1994 and 1995 total employment will grow between 1.3 percent and 1.4 percent per year (Tables 1 and 2). By 1995 total nonfarm employment will be 784,000 jobs. Personal income growth will exceed 5.0 percent in nominal terms in the next two years. After adjusting for inflation, personal income will grow 2.5 percent and 1.9 percent in 1994 and 1995, respectively. Net taxable retail sales growth will lag the growth in personal income. Part of the lag will be due to growth in credits, such as LLB 775 credits, taken against retail sales taxes.

The U.S. Economy

Nebraska's growth will mirror growth in the U.S. economy. National growth is expected to be slow and steady over the next two years. Gross Domestic Product (GDP)—the broadest measure of the economy—will grow 3.0 percent in real terms (after inflation) over the next two years. The growth pattern for the early 1990s has been remarkably consistent once the recession of-

ficially ended in March 1991. The economy never experienced the rapid growth phase that typically follows a recession. Instead, growth hovered near the 3.0 percent mark during the early phases of the recovery. While numerous explanations exist for the lack of a rapid recovery, perhaps the simplest is best. The shallow recovery followed a shallow recession. Rapid recovery rates typically follow deep recessions.

One of the restraints on economic growth is a reversal of fortunes in the international area. In the late 1980s net exports—the difference between total exports of goods and services and total imports—were a positive contributor to economic growth. In the last several quarters net exports have been a drag on total GDP growth. With our major European trading partners and Japan continuing to experience growth difficulties, it is unlikely that we will break out of our recent net export woes.

Accompanying the nation's slow growth is a low rate of inflation. Low real economic growth has taken pressure off prices. In turn, low inflation has been

Table 1—Summary of Projections, Nebraska Employment, Personal Income, and Retail Sales Annual Monthly Averages

	1990	1991	1992	1993	1994	1995
Total Employment*	730,026	739,212	752,905	763,347	774,089	784,056
Personal Income**	27,443	28,744	30,348	31,884	33,673	35,400
Net Taxable Retail Sales						
Total	1,029	1,062	1,113	1,161	1,219	1,272
Motor Sales	127	120	125	140	147	153
Nonmotor Sales	902	942	988	1,021	1,073	1,120

* Number of Jobs

** Annual Totals (in \$ millions)

Table 2
Summary of Projections, Nebraska Employment, Personal Income,
and Retail Sales Average Annual Growth Rates (percent)

	1990	1991	1992	1993	1994	1995
Total Employment	3.1	1.3	1.8	1.4	1.4	1.3
Personal Income	8.6	4.7	5.9	4.8	5.6	5.1
Consumer Price Index	5.4	4.2	3.0	3.0	3.1	3.2
Net Taxable Retail Sales						
Total	4.3	3.2	4.8	4.3	5.0	4.3
Motor Sales	0.9	-5.8	4.0	12.3	4.8	4.2
Nonmotor Sales	4.8	4.5	4.9	3.3	5.1	4.4

joined by low interest rates. The trio of low economic growth, low inflation, and low interest rates commonly is agreed to be the most likely course for the economy over the next few years. For the next year the national economy will be governed by the rule of the threes. Real growth, inflation, and interest rates (short-term) will be around 3.0 percent. By 1995 sufficient growth will have occurred to put moderate pressure on inflation and interest rates.

Nebraska Jobs

Nebraska's growth in the next two years will be built on the basis of solid employment gains. While the increases will not be as high as we experienced in 1990 and 1992, they will be on the high side of the typical job gains we have witnessed over the last several years. Note that the 1992 data are estimated by the author and are not actual data. While this report was being pre-

pared, the Nebraska Department of Labor was in the midst of rebenchmarking its data. Our results are based on preliminary results for the benchmark month of March 1993 and previous estimates of the 1992 data. There is certainly no requirement that future Department of Labor estimates will match the data presented here, but we are reasonably sure that the order of magnitude of the estimates is closer to what will be released than were the old data for 1992.

Nebraska job growth will be built on the base of strength in three employment categories. Gains in services and manufacturing will lead the way. Those gains will be reinforced by increased construction activity. Restraining growth will be government jobs, especially federal jobs. While state and local government job growth will be moderate, total jobs in the category will not decrease. Let's look at the industry pattern of job growth in some detail. Numerical detail is in Table 3.

Construction activity in Nebraska has remained at high levels during the early 1990s. Nonbuilding activity has been especially high in Omaha, with the building and rebuilding of major interstate highway bridges and ramps. That activity will continue for several years. Housing activity has been a plus in the metro areas of the state in recent years. With low long-term interest rates and steady job increases in the metro areas, the trend should continue. Housing activity in nonmetro areas will depend on local conditions. Growing communities will need additional housing.

Durable manufacturing was one of the few sectors to show some weakness in the postrecession period. The recovery in durable manufacturing jobs began in late

Table 3
Nebraska Employment by Industry
(not seasonally adjusted)(number of jobs)

Annual Average of Monthly Numbers

Year	Mining	Const	Durables	Nondurable	T.C.U.	Wholesale Trade	Retail Trade	F.I.R.E.	Services	Federal Govt	State & Local Govt	Total
1990	1,534	27,062	48,522	49,286	46,276	53,392	134,144	48,426	177,966	18,040	125,378	730,026
1991	1,531	27,197	47,485	52,119	47,414	52,567	135,642	48,576	181,052	17,416	128,213	739,212
1992	1,439	27,058	47,036	53,843	47,099	50,993	137,773	49,935	188,681	17,428	131,339	752,905
1993	1,511	27,897	47,951	55,094	47,591	51,796	139,205	50,405	193,502	16,859	131,541	763,347
1994	1,567	28,466	49,039	56,433	48,034	52,231	140,625	50,763	197,972	16,773	132,186	774,089
1995	1,608	28,984	50,113	57,697	48,471	52,750	141,919	51,011	202,268	16,684	132,549	784,056

Percent Change

1990	3.6	7.0	3.7	3.0	1.7	1.6	2.1	1.1	5.0	1.9	2.8	2.1
1991	-0.2	0.5	-2.1	5.7	2.5	-1.5	1.1	0.3	1.7	-3.5	2.3	1.3
1992	-6.0	-0.5	-0.9	3.3	-0.7	-3.0	1.6	2.8	4.2	0.1	2.4	1.9
1993	5.0	3.1	1.9	2.3	1.0	1.6	1.0	0.9	2.6	-3.3	0.2	1.4
1994	3.7	2.0	2.3	2.4	0.9	0.8	1.0	0.7	2.3	-0.5	0.5	1.4
1995	2.6	1.8	2.2	2.2	0.9	1.0	0.9	0.5	2.2	-0.5	0.3	1.3

1992 and will continue. We expect growth rates to exceed 2 percent in both 1994 and 1995. Nondurable manufacturing employment grew rapidly during the recession years. Nebraska is one of the few states where nondurable employment exceeds durable employment. We expect continued growth in nondurable jobs, but not at the pace witnessed early in the decade.

Transportation, communication, and utilities (TCU) jobs will grow just under 1.0 percent in the next two years. While some shifting of jobs will continue in railroading and communications, the large cutbacks and relocations of the 1980s are likely behind us. Nebraska is an attractive state for trucking firms. Employment in that subsector should continue to increase. Many of the state's utility workers are government employees and are not included in this classification.

Prediction of wholesale employment is made difficult by reclassification of data. It is difficult to determine if a warehouse worker is employed in wholesale trade or in manufacturing. Some activity classified as wholesale actually belongs in retail. The decreases shown in wholesale trade in 1992 are more the result of reclassification of workers rather than a change in economic activity in the sector. Predicting the future of wholesale trade based on such data is perilous at best. Our forecast calls for continued growth at a moderate pace.

The retail trade sector is second only to services in overall size. Like services, retail trade often is characterized by part-time employment. The data we use are simply job counts. In that sense, a part-time job counts the same as a full-time job in the employment records. Much of the growth in the last two decades in retail trade

employment is due simply to a long-term trend to replace full-time workers with part-time workers. Our forecast calls for moderate growth in this sector. Much of the switchover from full-time to part-time has occurred. Further, the growth of discount stores implies fewer employees per sales dollar.

The finance, insurance, and real estate (FIRE) category contains a broad collection of workers, from bankers and brokers to claims processors and real estate workers. The size of the category is close to that of either durable or nondurable manufacturing. Growth in the category has been moderate and fairly steady since 1988. Our forecast calls for a continuation of that trend.

The service sector is the largest employer of all the industries we examine. Categories covered include not only traditional personal and auto care services, but also health and business services. The latter two categories are so large they each rival the FIRE sector in size. The service sector itself exceeds employment in all of the goods-producing sectors. Growth in service sector employment has been dramatic over the last two decades. Service sector employment first exceeded 100,000 persons in 1976. Annual growth rates in this sector are often the highest of all sectors. Our forecast calls for a continuation of the trend. By the end of our forecast period, service employment will exceed 200,000, having doubled in less than 20 years. Rates of growth in the next two years will exceed 2.0 percent annually.

Federal government employment is on a downward trend nationwide and in Nebraska as well. The cutbacks in government employment stem from an effort to cut deficit spending. The peace dividend has resulted in

Table 4
Nebraska Personal Income (seasonally adjusted at annual rates) in \$ millions

Year	Annual Averages		Other Labor Income	Pers. Cont for Soc in Income	Dividends Int, Rent	Transfer Payments	Resid Adjustment	Total Personal Income
	Total Wages & Salaries	Proprietors Income Farm Nonfarm						
1989	13,830	1,490 2,015	1,314	-1,341	4,736	3,565	-346	25,262
1990	14,865	1,942 2,109	1,460	-1,394	4,939	3,876	-354	27,443
1991	15,612	1,929 2,239	1,617	-1,509	5,004	4,216	-363	28,744
1992	16,571	2,092 2,426	1,775	-1,590	4,948	4,606	-390	30,438
1993	17,431	1,910 2,626	1,925	-1,673	5,080	4,984	-398	31,884
1994	18,317	2,096 2,834	2,081	-1,759	5,126	5,386	-408	33,673
1995	19,239	2,121 3,057	2,248	-1,849	5,182	5,820	-417	35,400
Percent Changes								
1990	7.5	30.3 4.7	11.1	4.0	4.3	8.7	2.2	8.6
1991	5.0	-0.7 6.2	10.8	8.2	1.3	8.8	2.6	4.7
1992	6.1	8.4 8.4	9.8	5.4	-1.1	9.3	7.4	5.9
1993	5.2	-8.7 8.3	8.5	5.2	2.7	8.2	2.2	4.8
1994	5.1	9.7 7.9	8.1	5.1	0.9	8.1	2.5	5.6
1995	5.0	1.2 7.9	8.0	5.1	1.1	8.1	2.2	5.1

military spending cuts that are generally larger than other federal government program cuts. Military cutbacks impact Sarpy County more than other Nebraska counties. While uniformed military personnel are not in our count of federal government jobs, their civilian counterparts are. In total we expect continued cuts in federal government jobs in Nebraska. Our forecast calls for a moderation in the size of the cuts.

State and local government jobs total just below retail trade employment. Jobs in education take up a large share of the total both at the state and local levels. Employment grew rapidly from 1987 to 1992. During that run-up in jobs, pressures grew to curtail government job growth, both at the state level and in several communities across the state. Our forecast calls for a sharp moderation of growth rates in the next two years.

Nebraska Personal Income

Nonfarm proprietors will see continued growth in their incomes above the growth in wages and salaries.

Other labor income includes benefits provided by employers. An important component is medical care benefits. Growth in other labor income generally exceeds that of total wages and salaries. Our forecast calls for a continuation of that trend, with other labor income growing about 8.0 percent in the next two years.

Dividends, interest, and rent has seen a sharp reduction in growth from the 1980s, as interest rates and dividends have been reduced. With no major reversal in interest rates on the near-term horizon, we expect only moderate growth in the next two years.

Total personal income growth will move from below 5.0 percent in 1993 to 5.6 percent and 5.1 percent in 1994 and 1995, respectively. The variation in growth

rates is due largely to changes in farm proprietors' income. If we take that element out of the total, total income would have increased 5.7 percent in 1993, 5.3 percent in 1994, and 5.4 percent in 1995. In general, using nonfarm income will give us a better idea of underlying trends in state personal income. The nonfarm income series eliminates a distortion that arises from the difficult-to-estimate farm income series.

Nebraska Retail Sales

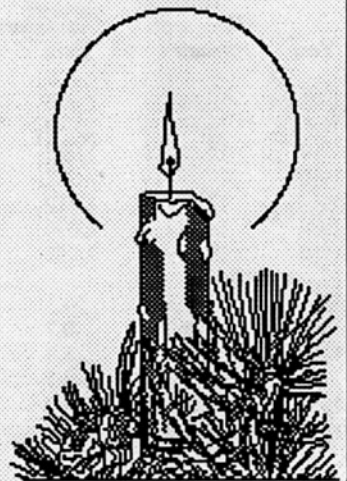
Our historical data for retail sales come from the Nebraska Department of Revenue's net taxable retail sales series. The forecast for retail sales is given in Tables 1 and 2. There are two major categories of sales covered: motor vehicle sales and nonmotor vehicle sales. The volatile component is motor vehicle sales. In 1993 Nebraskans joined the nation's auto buying binge. Sales in 1993 increased over 12.0 percent above 1992 levels. In 1994 and 1995 we expect sales growth to moderate substantially to 4.8 percent and 4.2 percent, respectively. Even with the reduction of growth rates, sales will remain at high levels.

Nonmotor vehicle sales contain all other consumer items purchased by Nebraskans that are taxed. This component of net taxable retail sales is much the larger of the two, accounting for 89.0 percent of the total in 1992. Growth in nonmotor vehicle sales is generally steady. In 1993 there was a reduction in growth due to a fairly large number of credits taken against taxes due to the state's development programs. We expect growth to be 5.1 percent in 1994 and 4.4 percent in 1995.

With inflation remaining near 3.0 percent in the next two years, our sales forecast implies real growth of nearly 2.0 percent in 1994 and 1.1 percent in 1995.

Seasons Greetings!

The Bureau of Business Research Staff



Small Towns in Metro Counties Compared With Small Towns in Nonmetro Counties: Transfer Payments

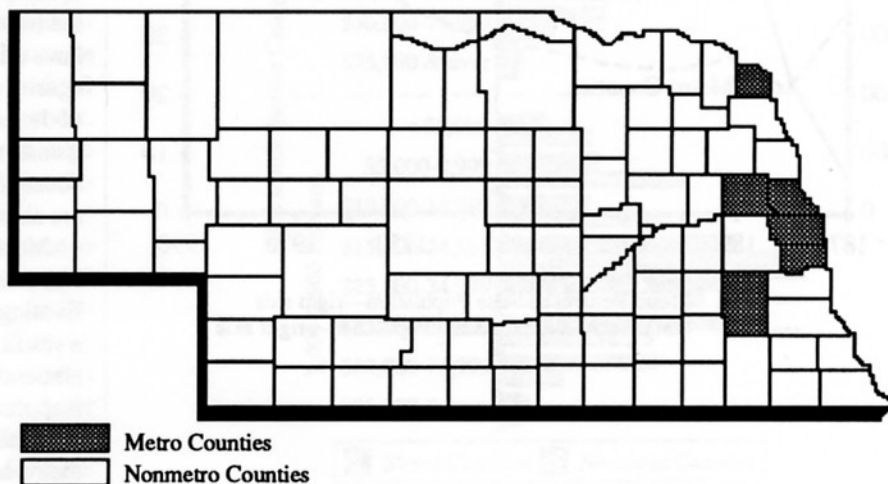
Merlin W. Erickson

Introduction

This article is the second in a series on the importance of transfer payments to residents of smaller towns. The initial article appeared in the October 1993 issue of *Business in Nebraska (BIN)* and focused on a 20-county area in northeast and north central Nebraska. The previous article described and analyzed transfer payments in a rural part of the state that is perhaps representative of most rural areas in Nebraska.

In contrast to the previous commentary, this article focuses on the metro counties of Nebraska as well as the importance of transfer payments to towns of various sizes in both metro and nonmetro counties. Nebraska's metro counties include Dakota, Dodge, Douglas, Lancaster, Sarpy, and Washington (Figure 1). The remaining 87 counties are collectively referred to as *nonmetro*. The metro counties are concentrated somewhat in the eastern part of the state, with four of the six metro counties bounded on one side by the Missouri River. Other than Dakota County, the metro counties are in close proximity to each other. Lancaster County also is detached from the four-county nodule and is the center of state government. Omaha forms a geographic nucleus of much of the heavy industrial activity in Nebraska.

Figure 1
Metro/Nonmetro Counties



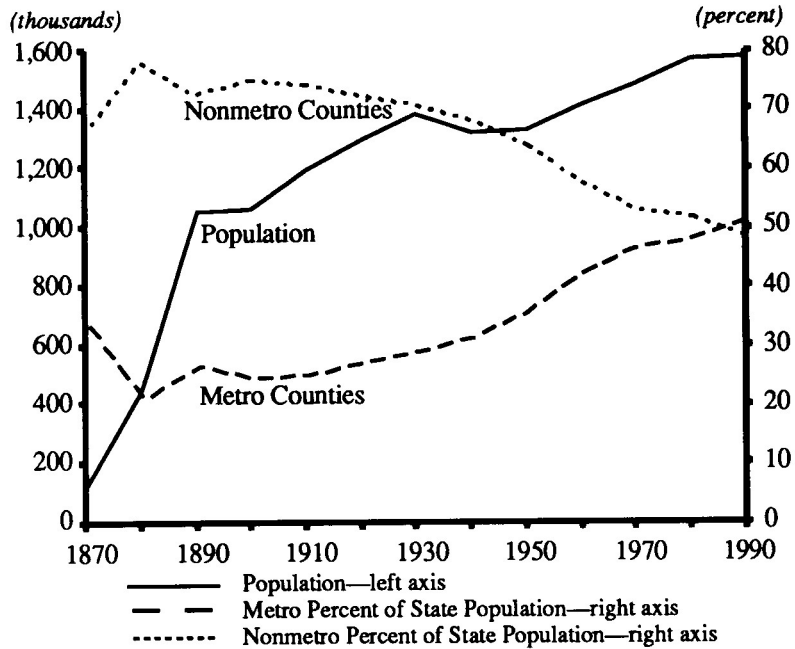
Sidebar:

Over the past 100 years, Nebraska's population growth has been slow and steady, following rapid growth during the prior two decades, i.e., 1870-1890 (Figure 2). The proportion of nonmetro population exceeded the metro's share until 1990 when metro population became slightly over 50 percent. According to the 1990 *Census of Population*, Nebraska contains 535 incorporated places and four census designated places (CDP). Less than one-tenth (49) of these places are in metro counties (Table 1). The numbers of households by town-size groups also are shown in Table 1. The metro counties have approximately 303,500 households, slightly more than the nonmetro counties.

In addition to nearly 260,000 households in incorporated areas and CDPs, there are about 43,600 households in the metro counties' rural areas. The latter includes both farm and nonfarm households. It is estimated that in 90.0 percent or more (39,100-40,800) of the households, the principal occupation of the head of household is not farming. Data from the 1987 *Census of Agriculture* were used to make these estimates.

Figure 2

State Population and Metro/Nonmetro Percent of State Population



Terms such as households, families, money income, transfer payments, poverty, etc. were defined in the previous article, and such definitions are not repeated here. Readers unfamiliar with these terms are referred to the October 1993 issue of BIN.

Small towns are categorized into two groups: (a) places with a population of 1,000 or less and (b) places with a population of 1,000-2,500 each.

Small towns in metro and nonmetro counties have similarities as well as differences.

Household incomes tend to be lower in nonmetro counties. The percentages of households in small towns by income categories are shown in Figure 3. In either of the two size groups, small towns in nonmetro counties have a larger percentage of households in income categories below \$25,000. Above \$25,000, the incidence of households in small towns in metro counties is greater than in nonmetro places. The estimated median household incomes for households in small towns also are shown in Figure 3.

Most of the household income in small towns of Nebraska is earned as wages and salaries (Table 2). Earnings are higher for small towns in metro counties as a result of higher participation rates and the average amount earned per household. According to these data, it appears that more and better paying jobs are available to small town residents living in close proximity to metro areas.

Table 1
Number of Places and Households by Population Size Groups,
Metro and Nonmetro Counties

Population Size Groups of Places	Number of Places ¹	Number of Households
Less than 1,000		
Metro counties	28	3,761
Nonmetro counties	394	50,263
1,000 - 2,500		
Metro counties	9	4,806
Nonmetro counties	58	34,647
2,500 - 10,000		
Metro counties	6	14,969
Nonmetro counties	30	57,887
10,000 - 50,000		
Metro counties	4	26,888
Nonmetro counties	8	69,030
Over 50,000		
Metro counties	2	209,418
Nonmetro counties	-	-
Rural area		
Metro counties	na	43,651
Nonmetro counties	na	87,538
Total		
Metro counties	49	303,493
Nonmetro counties	490	299,365

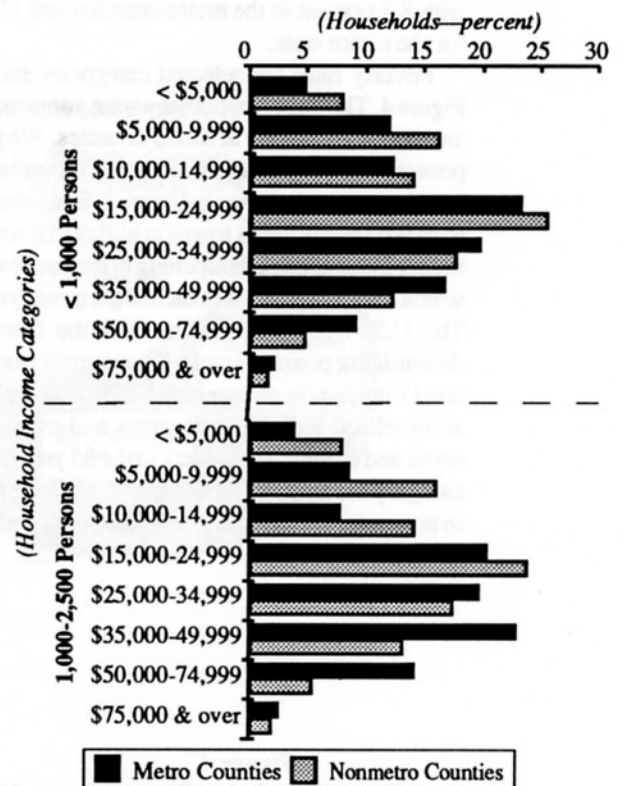
¹Includes incorporated areas and census designated places

Higher percentages of households receive wage and salary income in small towns in metro counties when compared with nonmetro counties. In places of less than 1,000 population, the difference is about 10.0 percent higher for metro counties (i.e., 76.5 percent vs. 66.9 percent). The difference is more visible for places in the 1,000-2,500 population class, where 80.9 percent of small town households in metro counties receive wage and salary income as compared to two-thirds of the small town households in nonmetro counties (a difference of about 14.0 percent).

In contrast to wages and salaries, small town households in metro counties show a smaller percentage of self-employed recipients, and the average amount received by these households is also lower. It can be expected that households in small towns away from metro areas are more likely to receive farm income. Households in nonmetro small towns, however, also capture more of their income through nonfarm self-employment than do their metro counterparts.

Social Security is an important source of income to small towns in Nebraska (Table 2). Approximately 43 percent of households in the nonmetro county towns under 2,500 population receive an average of about \$7,100 annually. Small town households in metro counties receive a slightly higher annual amount per household, but a lower percentage of households receive this transfer payment. The major reason for these

Figure 3
Percent of Households by Income Categories
Nebraska Metro/Nonmetro Counties by Place Size



Estimated Median Household Income
 < 1000 Population Persons 1,000-2,500 Persons
 Metro Counties \$24,060 Metro Counties \$32,180
 Nonmetro Counties \$19,670 Nonmetro Counties, \$19,980

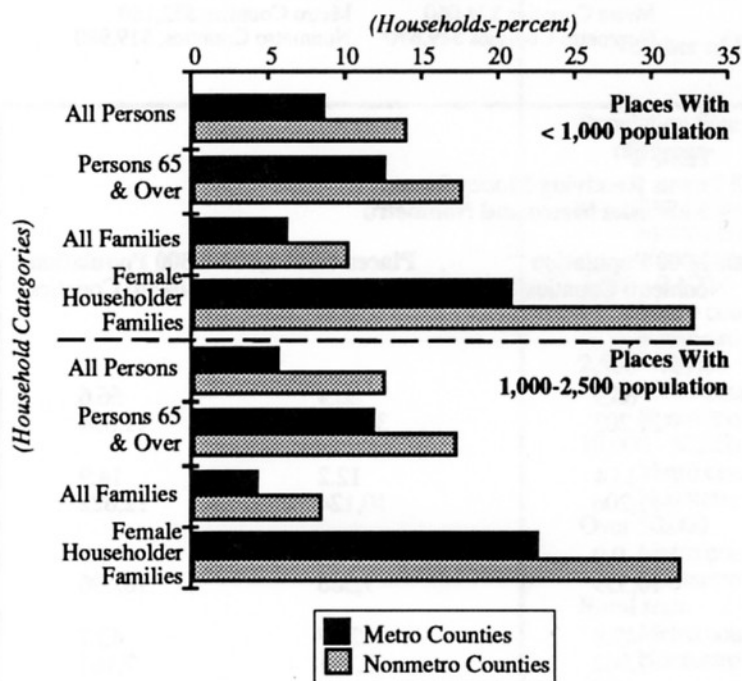
Table 2
Percent of Households in Small Towns Receiving Money Income by Type
and Mean Income, 1989, Nebraska Metro and Nonmetro

Income by Type	Places with Less Than 1,000 Population		Places With 1,000-2,500 Population	
	Metro Counties	Nonmetro Counties	Metro Counties	Nonmetro Counties
Wage and salary:				
Percent of households	76.5	66.9	80.9	66.6
Mean (\$)	26,929	21,203	32,241	21,694
Nonfarm self-employment:				
Percent of households	12.8	15.4	12.2	14.9
Mean (\$)	9,934	11,206	10,124	12,622
Farm self-employment:				
Percent of households	6.3	9.9	4.3	7.7
Mean (\$)	6,940	10,359	7,586	10,096
Social Security:				
Percent of households	34.5	42.8	25.7	43.7
Mean (\$)	7,376	7,062	7,731	7,161
Retirement:				
Percent of households	10.7	10.5	10.2	10.9
Mean (\$)	5,340	5,970	7,691	6,273

differences is the incidence of the population 65 years or more. In nonmetro counties 14.4 percent of the householders are at least 65 years of age, as compared with 8.8 percent in the metro counties and 11.6 percent for the entire state.

Poverty rates for selected categories are shown in Figure 4. The rates for small towns in nonmetro counties are well above those in metro counties. Why are these poverty rates higher in the nonmetro counties? Household incomes are shown in Figure 3. Household income in metro county small towns is higher. To some extent, higher income has a dampening effect on poverty rates, which likely is reflected in each of the poverty categories. The U.S. Bureau of Census sets the thresholds for determining poverty levels. For example, the threshold level for a family of four is \$12,674, and it's \$5,947 for an unrelated individual 65 years and over. Lower income and more householders in the 65 years or over age category are major determinants in higher poverty rates in nonmetro small towns than for similarly sized towns in metro counties.

Figure 4
Percent of Households Below Poverty Level, 1989
Nebraska Metro/Nonmetro Counties



Effect of Reduced Transfer Payments

Recent statements from the President and Congressional representatives hint at cuts in transfers and entitlements. If a reduction were enforced, what would be the impacts on metro and nonmetro counties in Nebraska? How can they be measured in terms of income? employment?

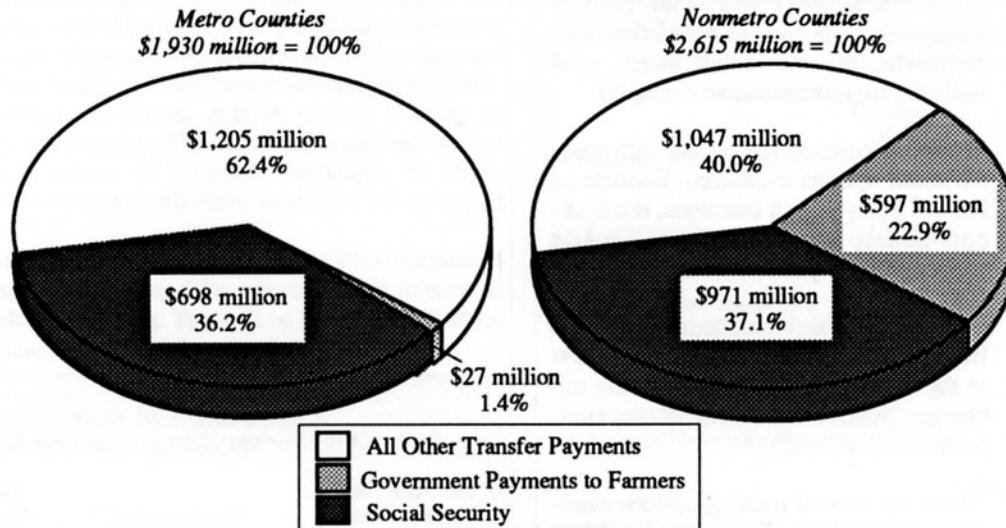
To address these questions, we turn to economic data from the Bureau of Economic Analysis (BEA), U.S. Department of Commerce and the Nebraska Department of Labor (DOL). BEA provides annual data for many economic dimensions at national, regional, state, and county levels. Two economic measures are useful in evaluating the impact of public- and private-sector initiatives. For example, we can estimate the income and employment impacts on metro and nonmetro counties resulting from reduction in selected government transfer payments. Data are not available for subcounty areas, i.e., small towns.

Using 1990 BEA data, total personal income was estimated at \$14.8 billion for the metro counties and \$12.9 billion for the nonmetro counties of Nebraska. BEA's definition of personal income differs from the census definition of money income. (Differences are not noted here.) DOL estimates the number of employees annually. For the state as a whole, the employment estimate is 821,000 in 1990; approximately 440,000 of the employees reside in metro counties.

Let's assume that Social Security and farm subsidies are reduced 15.0 percent (15.0 percent was selected as a reasonable amount based on comments from Congress and the Clinton Administration) over a period of time. (Realistically, such a reduction would be modified in many ways—there would not be a sudden reduction in these payments.) Using an income/employment ratio for 1990 and applying the result to the personal income following a reduction in Social Security and farm subsidies would result in a loss of about 3,200 employees (0.74 percent) in metro counties and about 6,700 employees (1.83 percent) in nonmetro counties. Total personal income would decline similarly (i.e., 0.74 percent in metro counties and 1.83 percent in nonmetro counties).

A reduction would have a greater impact in the nonmetro counties because of the effect of reducing government payments to farmers (Figure 5). Social Security accounts for about the same percentage (36.0 percent or 37.0 percent) of transfers in metro counties as in nonmetro counties. Government farm payments are nearly 23.0 percent of the transfers in nonmetro counties, however, about 1.0 percent in the state's metro counties.

Figure 5
Total Transfer Payments and Government Payments to Farmers, 1990



If a 15.0 percent reduction were applied to the next largest group among transfer payments, i.e., medical payments (primarily Medicare and Medicaid), further losses in personal income and employment would result. The amount of income lost results in about an additional 4,600 fewer employees in the state. No attempt is made to identify location or industries that would be affected. Nevertheless, in some areas the impact would be significant. In metro county towns of less than 1,000 population, the estimated median house-

hold income is considerably less than in larger towns, and 34.5 percent of the households receive Social Security income. A 15.0 percent reduction in Social Security alone will be felt more in these small towns. At the beginning of this article, reference was made to an earlier article about a 20-county area in northeast and north central Nebraska. A similar reduction likely would have a greater impact on small towns of that area because of lower median incomes and 46.0 percent of the households receive Social Security.



NEIP

Nebraska Economic Information Program

What is NEIP?

NEIP is an electronic information retrieval system currently managing over 4 million pages of time-series data on all levels of geography. Data such as population, employment, income, retail sales, vital statistics are representative examples.

Is it easy to use?

NEIP is a menu-driven system with many advanced options available. Because of NEIP's many search functions, it can accommodate the novice user while challenging the power user.

How can I access NEIP?

NEIP is available by modem and through IRIS Plus at Love Library, UNL. Access to the system is free, except for any toll charges incurred. The NEIP access number is (402) 472-5201.

Is training available?

There are several training options available to NEIP users. First, there is a NEIP tutorial, complete with illustrations, available in electronic or printed form. Second, a step-by-step video has been developed featuring detailed instructions on how to access NEIP, use of various search techniques to query the database, and how to download data. Third, on-site demonstrations and workshops can be arranged by calling David DeFruiiter at (402) 472-7927.

Table I
Employment in Nebraska

	Revised August 1993	Preliminary September 1993	% Change vs. Year Ago
Place of Work			
Nonfarm	747,320	756,253	0.5
Manufacturing	103,024	103,552	2.7
Durables	48,830	48,960	4.0
Nondurables	54,194	54,592	1.7
Mining	1,619	1,619	4.0
Construction	31,670	30,994	3.7
TCU*	46,776	46,514	-1.2
Trade	188,178	187,881	-0.2
Wholesale	53,783	53,559	1.8
Retail	134,395	134,322	-1.0
FIRE**	49,215	48,849	-0.1
Services	185,412	188,276	-0.3
Government	141,426	148,628	1.2
Place of Residence			
Civilian Labor Force	868,010	866,734	1.6
Unemployment Rate	2.4	2.5	

* Transportation, Communication, and Utilities

** Finance, Insurance, and Real Estate

Source: Nebraska Department of Labor

Table II
City Business Indicators
July 1993 Percent Change from Year Ago

The State and Its Trading Centers	Employment (1)	Building Activity (2)
NEBRASKA	1.3	5.4
Alliance	0.0	21.8
Beatrice	1.8	-46.2
Bellevue	1.6	102.4
Blair	1.6	19.4
Broken Bow	0.9	42.0
Chadron	2.0	314.7
Columbus	2.0	22.2
Fairbury	1.1	-7.5
Falls City	1.6	-45.2
Fremont	1.9	-9.3
Grand Island	2.8	32.4
Hastings	1.6	191.4
Holdrege	1.7	-3.7
Kearney	1.9	100.9
Lexington	1.4	-9.7
Lincoln	1.6	-26.5
McCook	0.4	86.5
Nebraska City	1.9	49.6
Norfolk	2.1	96.3
North Platte	1.0	-46.7
Ogallala	1.9	-60.9
Omaha	1.6	13.3
Scottsbluff/Gering	2.0	-82.0
Seward	1.4	-47.0
Sidney	0.8	41.9
South Sioux City	3.2	-49.0
York	2.9	53.1

(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

ComView Analysis

During the past five years, we have been developing a state-of-the-art, second-to-none electronic data information system that can be accessed by modem. The system is called the Nebraska Economic Information Program (NEIP). See page 10 for more information about the NEIP system.

With NEIP in place, we are now developing a new analytical method for interpreting data for information and analysis purposes. We have named this new method ComView Analysis. ComView Analysis is a computer-based means of putting data in motion in order to visually see patterns of business and economic change over time across an economic landscape. In short, ComView Analysis will allow us to take the data to its limit

We are excited about ComView Analysis because of its tremendous potential for advancing the science of research and analysis. You will be hearing more about ComView Analysis in the near future.

Charles Lamphear, Director

Reminder:

The Bureau of Business Research will be closed from December 24, 1993, through January 3, 1994.

Table III
Price Indices

	October 1993	% Change vs. Year Ago	YTD % Change vs. Year Ago
Consumer Price Index - U* (1982-84 = 100)			
All Items	145.7	2.8	3.0
Commodities	132.3	1.5	1.9
Services	159.5	3.8	3.9

U* = All urban consumers

Source: U.S. Bureau of Labor Statistics

Table IV
Net Taxable Retail Sales of Nebraska Regions and Cities

Region Number and City (1)	City Sales (2)		Region Sales (2)		Year to Date % Change vs. Year Ago
	August 1993 (000s)	% Change vs. Year Ago	Month 1993 (000s)	% Change vs. Year Ago	
NEBRASKA	1,089,577	8.4	1,245,525	10.0	4.3
1 Omaha	375,657	4.8	464,495	8.1	5.9
Bellevue	14,057	2.2	*	*	*
Blair	5,557	3.2	*	*	*
2 Lincoln	147,226	16.1	169,461	16.3	8.1
3 South Sioux City	7,120	5.1	10,185	11.9	8.2
4 Nebraska City	4,650	6.3	23,742	9.9	6.5
6 Fremont	19,210	2.1	33,734	0.9	-0.5
West Point	3,910	-8.0	*	*	*
7 Falls City	2,269	9.5	9,864	5.5	1.5
8 Seward	4,946	-4.4	16,952	7.4	2.5
9 York	8,174	8.1	17,018	8.6	-1.9
10 Columbus	18,156	4.8	30,592	5.9	-2.4
11 Norfolk	22,538	4.6	38,715	7.1	2.6
Wayne	3,531	-2.1	*	*	*
12 Grand Island	43,133	10.3	59,012	10.6	2.8
13 Hastings	18,882	1.7	29,581	7.5	1.3
14 Beatrice	8,460	0.5	17,552	-6.2	3.5
Fairbury	2,438	-20.6	*	*	*
15 Kearney	27,415	11.3	37,387	13.2	3.8
16 Lexington	6,995	-4.3	18,804	3.1	-0.1
17 Holdrege	4,580	-6.3	8,747	5.6	-1.8
18 North Platte	20,514	8.3	25,522	8.9	1.6
19 Ogallala	5,780	-10.0	11,384	-3.3	-12.6
20 McCook	8,784	-1.6	12,513	2.7	0.2
21 Sidney	6,489	7.5	11,226	8.5	6.5
Kimball	1,953	9.4	*	*	*
22 Scottsbluff/Gering	21,554	3.6	29,687	3.9	2.1
23 Alliance	5,242	2.7	15,722	1.5	4.8
Chadron	3,512	0.5	*	*	*
24 O'Neill	4,043	10.6	15,670	11.8	-0.2
Valentine	3,558	10.6	*	*	*
25 Hartington	1,628	-1.0	8,667	5.6	3.4
26 Broken Bow	3,671	7.3	11,961	1.6	-0.8

(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

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County of the Month

Nemaha

Auburn—County Seat



License plate prefix number: 44

Size of county: 405 square miles, ranks 87th in the state

Population: 7,980 in 1990, a change of -4.6 percent from 1980

Median age: 35.1 years in Nemaha County, 33.0 years in Nebraska in 1990

Per capita personal income: \$17,762 in 1991, ranks 26th in the state

Net taxable retail sales (\$000): \$39,228 in 1992, a change of +5.3 percent from 1991; \$18,964 during January-June 1993, a change of +1.5 percent from the same period one year ago

Number of business and service establishments: 202 in 1990; 64.9 percent had less than five employees

Unemployment rate: 3.5 percent in Nemaha County, 2.9 percent in Nebraska for 1992

Nonfarm employment (1992):	Nemaha State	County
Wage and salary workers	746,985	2,850
	(percent of total)	
Manufacturing	13.4%	11.1%
Construction and Mining	3.9	2.1
TCU	6.3	2.2
Retail Trade	18.2	17.0
Wholesale Trade	7.0	4.1
FIRE	6.6	3.0
Services	24.8	14.5
Government	19.8	46.0
Total	100.0%	100.0%

Agriculture:

Number of farms: 591 in 1987, 614 in 1982

Average farm size: 408 acres in 1987

Market value of farm products sold: \$40.6 million in 1987 (\$68,700 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

Business in Nebraska

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Association for University Business & Economic Research

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