

THE CHANGING AGE STRUCTURE OF NEBRASKA'S POPULATION

Past issues of *Business in Nebraska* have dealt with various demographic characteristics of the population of Nebraska, including past age distribution by counties, current estimates of the population, and projections of future demographic trends.¹ This article presents census provisional estimates of the 1973 resident population of Nebraska by broad age groups and examines the estimated current age structure in light of past and projected population trends.

As of July 1, 1973, the U.S. Bureau of the Census estimated 1,542,496 residents for Nebraska. This provisional estimate ranks Nebraska's percentage growth of population from 1970 to 1973 ahead of that of the nation—3.9% and 3.3%, respectively—and appears to signal a slowing or possibly a slight reversal of the

¹See the January and August, 1972, July and October, 1973, and March, 1974, issues of *Business in Nebraska*.

historical trend of out-migration. As an examination of the 1973 breakdowns by age reveals, however, the growth of Nebraska's total population was unevenly distributed among age groups. (See Table 1.)

POPULATION BY AGE²

Preschool-age children comprise a declining share of the total Nebraska population, having fallen from 11.4% of the 1960 total to 8.1% in 1970 and 7.8% in 1973. (See Figure 1, page 2.) As the 26% drop in first-grade enrollments since 1966 to 1967 confirms, the number of children entering (Continued on page 2)

²Provisional estimates for Nebraska, along with those for other states and regional groups, appear in *Current Population Reports*, Series P-25, No. 518, "Estimates of the Population of States, by Age: July 1, 1973" (Washington, D.C.: U.S. Department of Commerce, Bureau of the Census, June, 1974).

Table 1
POPULATION BY AGE
(in thousands)

	1960 Census		1970 Census		1973 Estimated		1980 Projected**	
	Number	Percent Change 1950-60	Number	Percent Change 1960-70	Number	Percent Change 1970-73	Number	Percent Change 1970-80
Nebraska								
Total Population	1,411	6.5	1,484	5.2	1,542	3.9	1,593	7.3
Under 5	160	14.3	120	-24.9	120	0.0	138	14.4
5 to 17	340	27.6	388	14.1	381	-1.7	332	-14.4
18 to 44	459	-8.7	497	8.4	549	10.4	642	29.0
45 to 64	288	0.8	296	2.7	304	2.8	294	-0.5
65 and over	164	25.9	183	11.7	189	3.5	187	2.5
Dependency Ratio*	.89		.87		.81		.70	
United States								
Total Population	179,323	18.5	203,212	13.3	209,851	3.3	227,765	12.1
Under 5	20,321	24.0	17,163	-15.5	16,714	-2.6	20,512	22.7
5 to 17	43,881	43.5	52,526	19.7	51,482	-2.0	48,320	-6.2
18 to 44	62,504	2.0	71,693	14.7	77,253	7.7	91,717	27.9
45 to 64	36,058	17.4	41,810	16.0	43,074	3.0	43,513	4.1
65 and over	16,560	34.7	20,066	21.2	21,329	6.8	23,703	18.1
Dependency Ratio	.82		.79		.74		.68	

*Dependency Ratio equals population 0 to 17 plus 65 and over divided by population 18 to 64.

**Medium-series projections.

Sources: 1960 and 1970 data are from *Census of Population, General Population Characteristics*, PC (1)-B29 Nebr., U.S. Bureau of the Census, August, 1971. 1973 estimates are from *Current Population Reports*, "Estimates of the Population of States by Age, July 1, 1973," Series P-25, No. 518, U.S. Bureau of the Census, June, 1974. Projections appear in *Nebraska Population Projections*, by Vernon Renshaw, et al., Bureau of Business Research and Center for Applied Urban Research, University of Nebraska, September, 1973. U.S. projections appear in "Projections of the Population of the United States by Age and Sex: 1970-2020," *Current Population Reports*, Series P-25, No. 470, November, 1971, U.S. Bureau of the Census. Calculations by Bureau of Business Research.

(Continued from page 1)

the 5 to 17 age group in Nebraska has also declined from past levels.³

For the nation, to an even greater extent than the state, the number of young children has declined since the 1960s as a result of falling birth rates experienced recently and expected to continue. According to a June, 1973, census survey, the average family size anticipated by young wives in the 18 to 24 age group was approximately 2.3 children, down markedly from the average expectation of 2.9 found in 1967 and 3.1 in 1965.⁴

In Nebraska the crude birth rate for 1973 was the lowest ever recorded (14.8 births per thousand population), having plummeted from the 1951 and 1955 highs of 24.9. If nationwide attitudes are typical of Nebraskans' the trend toward lower birth rates will not change significantly in the near future.

Not surprisingly, the age of the greatest number of Nebraskans (more than one-third of the total) falls in the 26-year span of the 18 to 44 age group. The significant characteristic of this group was the 10.4% rate of increase shown since 1970, an increase greater than that of the same group for the United States (7.7%) or the west north central region (8.5%), and more than twice the rate of growth of any other age group of Nebraska's population. Similarly, for both the nation and the west north central region, the 18 to 44 age groups showed greater increases than any others since 1970.

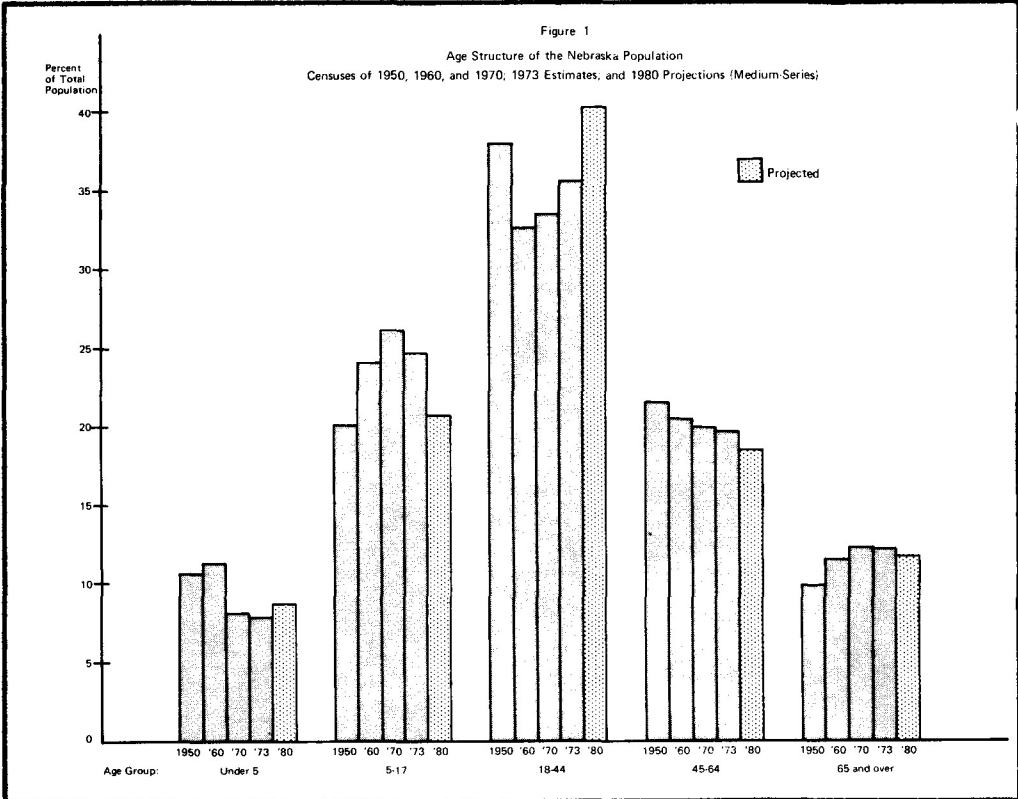
The sudden rapid growth of this age group is primarily a result of the "baby boom" of the 1950s and early 1960s. The aging of the "baby boom" population—now entering the 18 to 44 age category—causes relatively rapid expansion of the number of persons in successively older age categories and contraction in the size of age categories the "baby boom" population outgrows.

The number of 45- to 64-year olds in Nebraska has followed closely the national trend for this age group, increasing by only 2.8% since 1970. As a proportion of both the national and state total populations, 45- to 64-year-olds have comprised a relatively stable 20% during the last two decades.

Since 1950 persons over 65 have comprised a larger segment of Nebraska's population than in that of the nation; and although their numbers have been steadily increasing since that time, the rate of increase has slowed significantly—from 25.9% growth between 1950 and 1960, to 11.7% from 1960 to 1970, and 3.5% from 1970 to 1973. Compared to Nebraska's aged population, the

³Statistics and Facts about Nebraska Schools, 1973-4, vol. 15, Nos. 1-3 (Lincoln: Nebraska Department of Education, Division of Administrative Services, Statistical Services Section).

⁴"Birth Expectations of American Wives: June, 1973," Current Population Reports, Series P-20, No. 254 (Washington, D.C.: U.S. Department of Commerce, Bureau of the Census, October, 1973).



proportionately smaller 65-and-over age group in the United States has shown much greater percentage increases than in Nebraska, and the national rate of growth of the aged population has slowed less rapidly (from 34.7% between 1950 and 1960, to 21.2% from 1960 to 1970, and 6.8% from 1970 to 1973).

CHANGES IN THE DEPENDENCY RATIO⁵

The combined forces of the changing growth patterns in all five age groups have resulted in a gradual decline in the dependency ratio for Nebraska from a peak level of .89 in 1960 to .87 in 1970 and .81 in 1973 (see Table 1). The dependency ratio, a measure of the size of the nonworking-age population relative to the working-age population, rose dramatically during the 1950s when the increase in the numbers of both young and aged dependents was not offset by the slight increase in the 45 to 64 age group. In the 1970s, however, the effects of lower birth rates coupled with the movement of the "baby boom" population out of the dependent category are already evident in the markedly lower 1973 ratio. Reduced net out-migration or slight net in-migration of 18- to 65-year-olds may also be a factor exerting downward pressure on the dependency ratio.

OUTLOOK

As shown in Table 1, by 1980 the age structure of Nebraska's population is projected to exhibit strikingly different features from those of 1970.

The projected 29% increase in the number of 18- to 44-year-olds, in particular, will substantially alter the character of the state's population. By the end of the decade, 40.3% of the total population will be between the ages of 18 and 44, compared to 33.5% in 1970. Growth in the number of young adults at that accelerated rate has significant implications for labor and housing markets, rates of family formation,

(Continued on page 6)

⁵The dependency ratio is the population aged 0 to 17 plus 65 and over divided by the population aged 18 to 64.

School Financing and the Property Tax: A Review

Financing Schools and Property Tax Relief—A State Responsibility, Advisory Commission on Intergovernmental Relations, 1973. Available from U.S. Government Printing Office, Washington, D.C. 20402. Paperbound, 261 pp. Price \$2.50.

Denouncing the local property tax is a popular sport among fiscal reformers. This tax is said to be the most unfair and most regressive of taxes, the source of untenable inequities in local education efforts, a backbreaking burden on the elderly and the poor. But while criticisms of the tax are legion, few proposals for reform are heard—and even fewer adopted.

The property tax hasn't always been as unfair as it seems today. At one time it was at least supposed to be a tax on all forms of wealth—including intangible wealth. But practical problems of reporting and collection in time caused the base of the property tax to be whittled down to a tax on real estate alone. Even worse, it amounts to a tax on unrealized capital gains. For those who have paid off their mortgages and own the property outright, there aren't even any income tax deductions to be had.

How then do we reform this tax? In this recent report the Advisory Commission on Intergovernmental Relations (ACIR) offers its own proposals as well as a detailed evaluation of the proposals of others.¹ In essence, ACIR proposes that the states assume responsibility for the financing of education. The results of its study indicate that only three states (New York, Vermont, and Wisconsin) would be hard-pressed to raise more taxes at the state level, and that the majority of the states would have little or no financial difficulty in doing so. State assumption of the costs of education would reduce the local property tax burden by approximately half. Such a program would not only ease substantially the local property tax situation but would also allow the state to redistribute the aid across school districts in a more equitable manner than now exists.

¹This Commission is a permanent bipartisan body created by Congress in 1959 and financed but not controlled by the Federal government. It is composed of three elected county officials, three mayors, three members of state legislative bodies, four state Governors, three officers of the Executive Branch of the Federal government, three members of the House of Representatives, three members of the United States Senate, and three private citizens.

To those who argue that state equalization destroys the traditional local control of the schools it might be said that education is in fact a state function. The Nebraska Constitution vests the general supervision of "the school system of the State" in a State Department of Education. What *is* a local function is the raising of revenue to support the schools. As a result there exists a tremendous disparity between school districts in both assessed valuation (see Table 1) per pupil and in expenditures per pupil (see Table 2).

A recent study of Class II-VI school districts in Nebraska by two economists at the University of Nebraska at Omaha, Don Nielsen and Keith Turner, found the following relationship between fiscal ability and tax effort:²

- | | |
|---------------------------------|---------------|
| 1. High ability and high effort | 28 districts |
| 2. Low ability and low effort | 49 districts |
| 3. High ability and low effort | 104 districts |
| 4. Low ability and high effort | 110 districts |

The authors conclude:

Thus differentials between Nebraska school districts in assessed values per pupil and mill levies contribute significantly to the disparities in expenditures per pupil between school districts. This implies that the findings of the *Serrano v. Priest* case in California and the *Rodriguez v. San Antonio Independent School District* case in Texas apply as well to the State of Nebraska. That is to say, the quality of a child's education depends upon the wealth of his parents and neighbors.

Thus a strong case can be made for state assumption of education costs—both as a means of property tax relief and as a way of equalizing educational services.

In reality, however, it is not easy to bring about this change. As the ACIR report brings out, (Continued on page 6)

²The results of this study will be published in the winter issue of the *Nebraska Journal of Economics and Business*.

Table 1
Variation in Assessed Valuation per Pupil:
Nebraska and Its Neighbors

	Ratio [†]
Nebraska	19.0
Colorado	11.4
Iowa	5.2
Kansas	182.8*
Minnesota	5.2
Missouri	29.6
North Dakota	1.7**
South Dakota	9.7
Wyoming	6.1

[†]Ratio of assessed valuation per pupil in district with largest valuation per pupil to that in district with smallest valuation per pupil, 1968-69.

*Highest ratio in United States.

**Lowest ratio in United States.

Source: ACIR, *Financing Schools and Property Tax Relief—A State Responsibility*, p. 98.

Table 2
Variations in Expenditures per Pupil, 1969-70:
Nebraska and Its Neighbors

	High District Expenditure	Low District Expenditure	High to Low Ratio
Nebraska	\$3,417	\$274	12.4
Colorado	2,801	444	6.3
Iowa	1,166	591	2.0
Kansas	1,572	489	3.2
Minnesota	1,492	373	4.0
Missouri	1,929	213	9.1
North Dakota	1,842	327	5.6
South Dakota	6,012	175	34.2
Wyoming	14,554	617	23.6

Source: ACIR, *Financing Schools and Property Tax Relief—A State Responsibility*, p. 98.

Review and Outlook

The business situation, both in Nebraska and the United States, was somewhat better in July than in June. Nebraska was 9.4 percent better than a year ago, instead of 5.2 percent better as in June. The improvement from June was particularly apparent in agriculture, which was almost the same as in 1973, instead of being 20 percent lower, in dollar volume. The severe June dip in agriculture in the state may have been some quirk of the figures: we cannot be sure. July figures probably do not yet reveal the effects of the drought.

The weak spots in the picture are in construction and distribution. The trouble in construction, which in July was 20 percent below last year in physical volume in the state, is well known to

be due mostly to the high interest rates and the scarcity of money for borrowing. Nebraska seems to be affected more drastically than the nation as a whole in this respect.

For the first seven months of the year physical volume in the nation was below last year in all sectors of the economy except manufacturing and government. Nebraska was above last year except in agriculture and construction.

As compared with 1967, Nebraska resumed its position ahead of the nation. This was particularly true of manufacturing but not of agriculture.

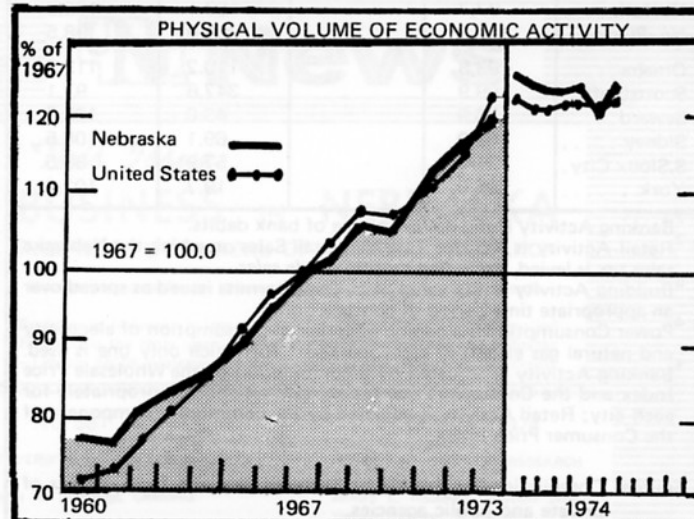
Retail sales figures for the cities and the regions of Nebraska are presented in a temporary format in Table 3. Note that these are for the month of June, while the (Continued on page 5)

Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume indicator and its components adjusted for price changes using appropriate price indexes—see Table 5, page 5.

ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES				
1. CHANGE FROM PREVIOUS YEAR				
Indicator	July, 1974		1974 Year to Date as Percent of 1973 Year to Date	
	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume	109.4	112.6	111.3	110.7
Agricultural	99.6	110.4	105.4	109.7
Nonagricultural	111.4	112.7	112.6	110.8
Construction	90.3	100.0	95.5	100.4
Manufacturing	131.6	121.9	125.1	118.6
Distributive	107.5	109.7	111.8	108.3
Government	110.2	110.6	106.9	108.7
Physical Volume	100.1	99.7	101.2	99.2
Agricultural	107.7	108.9	99.1	94.2
Nonagricultural	98.9	99.4	101.6	99.4
Construction	80.8	89.5	85.7	90.0
Manufacturing	108.4	101.1	106.7	101.6
Distributive	96.2	98.1	101.2	98.1
Government	105.3	104.3	102.6	103.5

2. CHANGE FROM 1967		
Indicator	Percent of 1967 Average	
	Nebraska	U.S.
Dollar Volume	191.1	187.5
Agricultural	176.9	217.3
Nonagricultural	194.0	186.4
Construction	192.6	175.3
Manufacturing	220.8	185.6
Distributive	184.1	186.0
Government	199.2	192.4
Physical Volume	123.3	122.8
Agricultural	107.6	125.5
Nonagricultural	126.5	122.7
Construction	112.6	102.5
Manufacturing	137.3	118.7
Distributive	124.1	125.4
Government	126.2	127.5

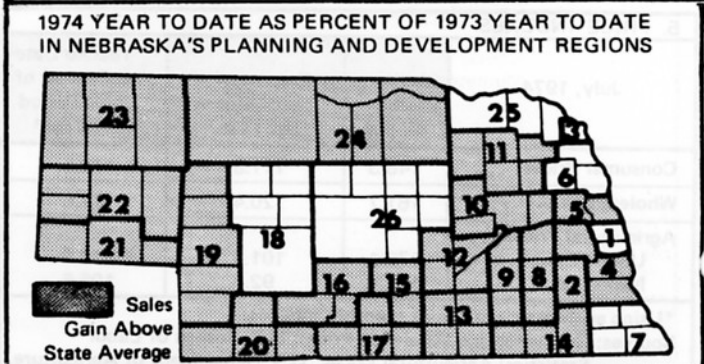
3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES (Adjusted for Price Changes)			
Region Number ¹ and City	City Sales ²	Sales in Region ²	
	June, 1974 as percent of June, 1973	June, 1974 as percent of June, 1973	Year to Date '74 as percent of Year to Date '73
<i>The State</i>	100.8	99.7	103.5
1 Omaha	100.7	98.2	98.8
Bellevue	99.5		
2 Lincoln	98.4	97.8	104.2
3 So. Sioux City	96.3	95.8	99.0
4 Nebraska City	101.3	98.6	104.5
5 Fremont	104.5	104.5	103.7
Blair	91.9		
6 West Point	124.4	103.0	103.5
7 Falls City	96.0	98.6	102.1
8 Seward	100.2	101.9	106.1
9 York	98.1	114.1	111.7
10 Columbus	105.0	98.0	104.6
11 Norfolk	113.1	105.3	109.1
12 Grand Island	102.7	99.2	106.7
13 Hastings	98.5	103.0	108.0
14 Beatrice	97.4	101.8	106.0
Fairbury	103.2		
15 Kearney	92.6	95.3	105.6
16 Lexington	91.4	96.2	107.3
17 Holdrege	99.7	102.2	106.8
18 North Platte	100.5	89.3	101.5
19 Ogallala	101.7	115.3	118.7
20 McCook	109.6	107.9	113.5
21 Sidney	103.9	111.2	113.8
Kimball	125.8		
22 Scottsbluff	101.5	101.8	106.2
23 Alliance	85.4	95.1	105.6
Chadron	101.9		
24 O'Neill	108.1	107.4	108.2
25 Hartington	92.9	90.2	101.1
26 Broken Bow	96.6	95.3	102.3



¹ See region map below.

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

Compiled from data provided by the Nebraska Department of Revenue.



(Continued from page 4) figures in Tables 1, 2, 4, and 5 are for July. The June figures shown here are still on the old cash flow basis, not on the new sales tax liability basis to be used henceforth, as explained last month.

One important change we have made in the retail sales for the regions of the state is that they are now adjusted for price changes that have taken place. In comparing the sales ratios for the cities with those for the regions of which each city is a part, two differences should be noted. One is, of course, that the city is only a part of the whole region, and the other is that the regional figures include motor vehicle sales, while the city figures do not. For the Omaha and Lincoln regions, the difference is largely to be attributed to motor vehicle sales, since the city dominates the region. For the state as a whole the difference between the figures at the top of the first and second columns of Table 3 is due entirely to the fact that motor vehicle sales are in the second but not in the first.

Among the cities Kimball and West Point seem to have had the greatest increases in physical volume of sales since June, 1973; Alliance and Blair the greatest drops. Hartington, Kearney, and Lexington also fell considerably. The state as a whole increased only slightly in non-motor-vehicle sales, and actually dropped a fraction of 1 percent when motor vehicles are included.

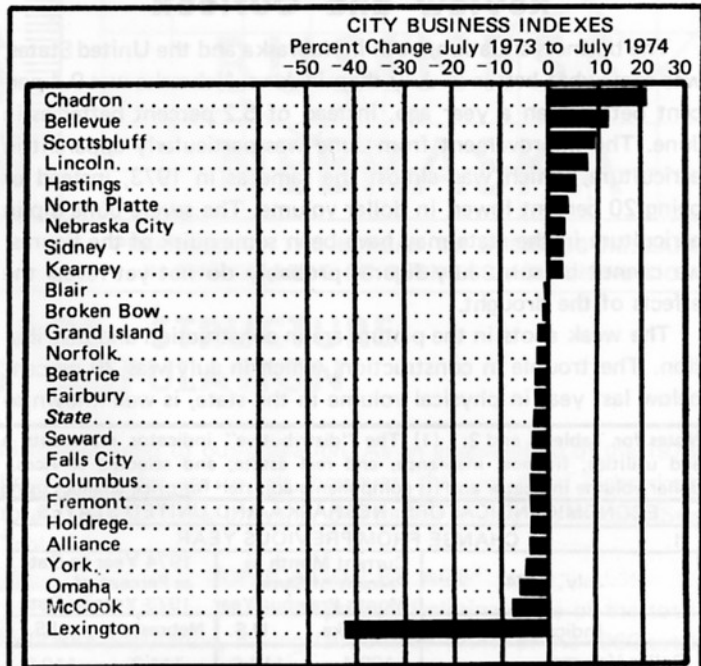
Among the regions the Ogallala and York areas did best in comparison with last year. The Omaha and South Sioux City regions are the only ones in which the physical volume of retail sales for the first six months of the year was at a lower level than in the same period last year.

The city data in Table 4 omit retail sales because we do not yet have July data on this series. The drastic fall in the Lexington report on banking activity (bank debits) is due to the fact that a very high figure was reported for July, 1973, which does not seem to have been accounted for at the time. Lexington's bank debits for July, adjusted for price changes, were actually almost 12 percent above those for June, 1974.

Power consumption in the cities of the state took a jump in July. This was most strikingly true of the consumption of electricity, which was more than 17 percent above a year ago in the state. Even gas, despite conservation measures supposed to be in effect, was up 6 percent for the state, and higher than 1973 in most of the cities. Power consumption was especially high in Norfolk, with Fairbury, Nebraska City, and Bellevue also showing substantial increases. South Sioux City and Fremont showed the largest decreases from a year ago.

The chart, as it was last month, is based upon banking activity alone. We hope to return to the more broadly based figures soon.

E. Z. P.



Source: Table 4 below.

4. JULY 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			
The State	97.1		113.6	111.6
Alliance	95.4		501.4	107.6
Beatrice	97.4		112.2	114.8
Bellevue	112.7		69.7	142.9*
Blair	99.6		154.5	111.1
Broken Bow	99.3		67.3	116.7
Chadron	121.1	See Table 3	76.9	115.3
Columbus	96.2		145.8	99.0
Fairbury	97.3		189.1	160.2*
Falls City	96.4		157.6	109.5
Fremont	95.8		142.4	89.3*
Grand Island	98.3		194.3	112.5
Hastings	105.4		90.0	107.2
Holdrege	95.7		292.7	101.1
Kearney	102.9		52.3	96.1
Lexington	57.9		324.2	98.8
Lincoln	107.5		94.2	111.9
McCook	91.2		920.4	112.0
Nebr. City	103.2		389.3	151.3
Norfolk	97.7		162.1	172.3
No. Platte	103.8		60.0	98.5
Omaha	93.8		110.2	112.3
Scottsbluff	109.9		347.6	97.1
Seward	96.9		43.0	125.8
Sidney	103.0		69.1	108.5
S.Sioux City	NA		57.9	88.5
York	95.0		19.7	102.4

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

5. PRICE INDEXES

July, 1974	Index* (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices	148.3	111.8	110.5
Wholesale Prices	161.7	120.4	117.6
Agricultural Prices			
United States	173.1	101.4	116.0
Nebraska	164.4	92.5	105.5

*Using arithmetic average of monthly indexes.
 Sources: Consumer and Wholesale Prices: U.S. Bureau of Labor Statistics; Agricultural Prices: U.S. Department of Agriculture.

and other factors tied closely to the age structure of the population.

Of obvious interest to educational planners is the projected 14.4% decline in the 5 to 17 population. By 1980 school-age children will comprise 20.8% of the total population of Nebraska, down from 26.1% in 1970. If birth rates continue their downward trend, the declines in numbers of school-age children could be even greater than projected.

The projected changes in these young age categories, and the relatively small changes projected in the size of both 45 to 64 and 65 and over age groups, will combine to produce a significant decline in the ratio of nonworking- to working-age population. By 1980 the dependency ratio is projected to fall to .70, compared to .87 in 1970.

COUNTY ESTIMATES BY AGE

Efforts to produce estimates of the population of Nebraska's ninety-three counties by age are currently under way by the Bureau of Business Research jointly with the U.S. Bureau of the Census, under the auspices of the Federal-State Cooperative Program for Local Population Estimates. In connection with the development of these estimates, and as determinants of demand and supply conditions in Nebraska's labor, capital, and product markets, the future behavior of birth rates, migration patterns, and related demographic factors will merit careful observation.

VICKI STEPP

SCHOOL FINANCING (Continued from page 3)

there are still many problems to be solved before property tax relief can occur. For one thing, sudden property tax relief is an economic windfall to those who happen to own property at the time. Owners would experience a gain in value of their property, but renters would be unlikely to benefit. For another, precautions would have to be taken to prevent local governments from raising their tax rates and thereby nullifying any real tax relief. Third, in some states a constitutional amendment would probably be required to allow the exemption of residential real property from taxation for education.

The 1974 Nebraska legislature enacted a law increasing state aid to education, an action in line with the recommendations of this report. The issue is not yet settled, however, as a petition drive by opponents has placed this issue on the November ballot.³

STATE PERSONAL INCOME GAINS

For the first time since 1948 per capita personal income in Nebraska (\$5,271) exceeded the national average (\$5,041) in 1973. In that year the state ranked fifteenth among the states of the nation and thirteenth among the forty-eight contiguous states, whereas in 1972 its rankings were twenty-second and twentieth.

Personal income gains in 1973 were general throughout the Plains Region, which had by far the largest percentage gain of any of the regions in total income (18.7 compared with the national average of 11.7). Despite its rise in national ranking in per capita income, Nebraska fell from second to fourth place among the seven states of this region and its per capita income now trails North Dakota and Iowa as well as Kansas.

The spurt in the Plains is directly traceable to spectacular increases in farm income, which rose 80 percent from 1972 to 1973 in Nebraska and more than doubled in the region, accounting for more than half the region's gain in total personal income. Farm income accounts for only 2½ percent of total personal income nationally, but 9½ percent in the Plains and 14½ percent in Nebraska, a percentage higher than in any other state except the Dakotas and Montana.

The 1973 increase in total personal income was 11¾ percent nationally, 19½ percent in Nebraska, the sixth highest rate in the nation. The state's 18½ percent rise in per capita income ranked it fifth among the states in rate of growth and compared with a national rate of 10¾ percent.

Source: *Survey of Current Business*, August, 1974.

Nonetheless, reform of the local property tax is coming, and this from the states themselves. The Federal government is unlikely to get involved in the issue, particularly since so few states are really in a severe economic pinch. The main Federal contribution to solving the problem will probably continue to be general revenue sharing, most of which has been spent by the states for education.

In summary, the ACIR report is a significant study of a complicated revenue question, and while it may be several years before the goal of state funding of education is reached throughout the nation, it is at least a goal worth striving for if a more equitable tax system is really desired.

MERILYN MERTENS

³At the date of writing the question of whether or not this vote will actually take place remains to be settled by the courts.

-6-

UN News

This Issue:

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