

NET TAXABLE RETAIL SALES, 1975-1976

Net taxable retail sales by Nebraska businesses were \$6,354 million in 1976 (Table 2, page 2). Sales in 1976 were up a healthy 13.9 percent over the 1975 dollar-volume total of \$5,579 million. The increased dollar volume of sales represents real increases in sales and increases attributable to rising prices.

Commodity price increases during 1976 amounted to approximately 4.8 percent. This rate of price increase is down from previous years and, when set against the 13.9 percent increase in dollar volume, the real increase in retail sales amounts to 9.2 percent. This is a rather substantial year-to-year increase, which seems to make up for the rather lackluster 1975 when the increase in real terms was negative.

Net taxable retail sales for the thirty major trade centers are summarized in Table 1. The data in Table 2 summarize the net taxable retail sales in Nebraska's twenty-six planning and development regions and counties for each region.

The largest percentage increase—25.8 percent—among the thirty cities was recorded in O'Neill, where retail sales increased from \$26 million in 1975 to \$33 million in 1976. The rapid increase in retail sales in O'Neill is consistent with other retail sales data showing strong gains in the O'Neill region.¹ Part of this increase seems to be related to the expanded irrigation activity in the region. Irrigation equipment produces higher incomes in some cases and enhances purchasing power. Irrigation equipment sales, service, and related purchases also expand spending in an area.

¹Bureau of Business Research, *Nebraska Retail Sales, 1968-1975*.

O'Neill seems to be benefiting from this activity.

Other trade centers with notable increases include Kearney, with an increase of nearly 20 percent in retail sales, and Norfolk with a 19 percent increase. Both of these centers are larger in absolute dollar volume than O'Neill; consequently, the dollar-volume increase is greater in their respective areas. Omaha is, of course, the state's largest retail sales center, and its increase in 1976 amounted to 11.7 percent over 1975. This was roughly equivalent to the state increase of 11.9 percent.

Lincoln, the state's second-ranking retail market, recorded retail sales totaling \$684 million in 1976, up from \$619 million in 1975. The unadjusted dollar-volume increase amounted to 10.6 percent for Lincoln, somewhat below the state's average.

Of the thirty trade centers included in Table 1, all centers with the exception of Falls City recorded a dollar-volume increase in retail sales in 1976. When adjustments for price increases are made, all but four centers recorded real increases in retail sales. This indicates a rather good year for Nebraska retailers on the average, with few weak spots.

The data in Table 2 summarize retail sales for 1975 and 1976 by regions and counties within each region. The unadjusted price-change data indicate dollar-volume increases in retail sales for each region. When adjustments for price changes are taken into account, each region except one had an increase in real retail sales. The decrease of 1/10 of 1 percent in real retail sales in Region 21 is more statistical than substantive.

(Continued on page 6)

Table 1
NET TAXABLE RETAIL SALES¹ IN SELECTED NEBRASKA TRADING CENTERS, 1975 AND 1976
WITH PERCENTAGE CHANGES FOR SALES UNADJUSTED AND ADJUSTED FOR PRICE CHANGES

Trade Center	Region ²	Unadjusted for Price Changes			Adjusted for Prices ³ Percent of Change	Trade Center	Region ²	Unadjusted for Price Changes			Adjusted for Prices ³ Percent of Change
		Thousands of Dollars		Percent of Increase				Thousands of Dollars		Percent of Increase	
		1975 ⁴	1976					1975 ⁴	1976		
Alliance	23	35,672	39,603	11.0	+6.4	Lincoln	2	619,056	684,715	10.6	+6.0
Beatrice	14	57,658	64,359	11.6	+7.0	McCook	20	52,866	57,776	9.3	+4.8
Bellevue	1	68,694	73,689	7.3	+2.9	Nebraska City	4	32,728	36,839	12.6	+7.9
Broken Bow	26	27,632	30,719	11.2	+6.6	Norfolk	11	113,085	134,583	19.0	+14.1
Chadron	23	23,007	25,639	11.4	+6.8	North Platte	18	116,238	137,578	18.4	+13.5
Columbus	10	84,412	95,105	12.7	+8.0	Ogallala	19	37,466	40,141	7.1	+2.7
Fairbury	14	25,161	28,787	14.4	+9.7	O'Neill	24	26,577	33,436	25.8	+20.6
Falls City	7	25,017	24,859	-0.6	-4.7	Omaha	1	1,490,553	1,665,158	11.7	+7.1
Fremont	5	108,891	119,542	9.8	+5.3	Scottsbluff	22	130,841	145,913	11.5	+6.9
Grand Island	12	211,986	239,154	12.8	+8.2	Seward	8	27,970	31,855	13.9	+9.2
Hartington	25	10,430	12,244	17.4	+12.6	Sidney	21	27,409	28,351	3.4	-0.8
Hastings	13	123,017	140,145	13.9	+9.2	So. Siouxs City	3	27,443	31,436	14.6	+9.8
Holdrege	17	42,444	42,975	1.3	-2.9	West Point	6	18,064	20,899	15.7	+10.9
Kearney	15	98,713	118,261	19.8	+14.9	York	9	50,405	54,315	7.8	+3.3
Kimball	21	20,757	21,104	1.7	-2.5	Total 30 Centers		3,771,075	4,222,814	12.0	+7.4
Lexington	16	36,883	43,634	18.3	+13.4	Total State		5,017,778	5,616,124	11.9	+7.3

¹Excluding motor vehicle sales.

²Nebraska Planning and Development Regions.

³Current dollar sales adjusted (deflated) for price changes using commodity prices component of the Bureau of Labor Statistics' Consumer Price Index.

⁴Revised since originally published in April, 1976, *Business in Nebraska*.

Source: Compilations by Bureau of Business Research from special tabulations provided by Nebraska Tax Commissioner.

Table 2
NET TAXABLE RETAIL SALES¹ IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS, 1975 AND 1976
BY COUNTIES, WITH PERCENTAGE CHANGES FOR SALES UNADJUSTED AND ADJUSTED FOR PRICE CHANGES

Region and County	Unadjusted for Price Changes			Adjusted for Prices ² Percent of Change	Region and County	Unadjusted for Price Changes			Adjusted for Prices ² Percent of Change
	Thousands of Dollars		Percent of Change			Thousands of Dollars		Percent of Change	
	1975 ³	1976				1975 ³	1976		
Region 1	<u>1,784,102</u>	<u>2,008,731</u>	<u>+12.6</u>	<u>+ 8.0</u>	Region 16	<u>103,992</u>	<u>123,464</u>	<u>+18.7</u>	<u>+13.8</u>
Douglas	1,662,273	1,871,245	+12.6	+ 7.9	Dawson	88,879	105,888	+19.1	+14.2
Sarpy	121,829	137,486	+12.9	+ 8.2	Frontier	8,023	9,402	+17.2	+12.4
Region 2	<u>685,561</u>	<u>771,444</u>	<u>+12.5</u>	<u>+ 7.9</u>	Gosper	7,090	8,174	+15.3	+10.5
Lancaster	685,561	771,444	+12.5	+ 7.9	Region 17	<u>98,854</u>	<u>105,825</u>	<u>+ 7.1</u>	<u>+ 2.7</u>
Region 3	<u>43,069</u>	<u>49,022</u>	<u>+13.8</u>	<u>+ 9.1</u>	Franklin	13,596	14,650	+ 7.8	+ 3.3
Dakota	43,069	49,022	+13.8	+ 9.1	Furnas	20,090	21,778	+ 8.4	+ 3.9
Region 4	<u>131,497</u>	<u>150,099</u>	<u>+14.1</u>	<u>+ 9.5</u>	Harlan	12,459	14,225	+14.2	+ 9.5
Cass	36,297	41,113	+13.3	+ 8.6	Phelps	52,709	55,172	+ 4.7	+ 0.4
Otoe	52,704	60,636	+15.1	+10.3	Region 18	<u>143,593</u>	<u>173,449</u>	<u>+20.8</u>	<u>+15.8</u>
Saunders	42,496	48,350	+13.8	+ 9.1	Hooker	2,326	2,591	+11.4	+ 6.8
Region 5	<u>182,778</u>	<u>205,802</u>	<u>+12.6</u>	<u>+ 8.0</u>	Lincoln	137,195	165,984	+21.0	+16.0
Dodge	144,328	161,719	+12.0	+ 7.4	Logan	1,416	1,508	+ 6.5	+ 2.1
Washington	38,450	44,083	+14.7	+ 9.9	McPherson	400	453	+13.2	+ 8.6
Region 6	<u>73,228</u>	<u>83,166</u>	<u>+13.6</u>	<u>+ 8.9</u>	Thomas	2,256	2,913	+29.1	+23.8
Burt	26,771	30,347	+13.4	+ 8.7	Region 19	<u>90,503</u>	<u>95,945</u>	<u>+ 6.0</u>	<u>+ 1.7</u>
Cuming	33,868	39,174	+15.7	+10.9	Arthur	666	821	+23.3	+18.2
Thurston	12,589	13,645	+ 8.4	+ 3.9	Chase	24,460	24,309	- 0.6	- 4.7
Region 7	<u>81,685</u>	<u>88,496</u>	<u>+ 8.3</u>	<u>+ 3.9</u>	Grant	2,425	2,423	- 0.1	- 4.2
Johnson	13,278	14,919	+12.4	+ 7.7	Keith	46,404	49,955	+ 7.7	+ 3.2
Nemaha	22,713	25,240	+11.1	+ 6.5	Perkins	16,548	18,437	+11.4	+ 6.8
Pawnee	8,408	9,813	+16.7	+11.9	Region 20	<u>81,113</u>	<u>88,603</u>	<u>+ 9.2</u>	<u>+ 4.7</u>
Richardson	37,286	38,524	+ 3.3	- 0.9	*Dundy	8,568	9,407	+ 9.8	+ 5.3
Region 8	<u>109,003</u>	<u>124,756</u>	<u>+14.5</u>	<u>+ 9.7</u>	Hayes	1,313	1,510	+15.0	+10.3
Butler	21,741	24,564	+13.0	+ 8.3	Hitchcock	7,882	8,372	+ 6.2	+ 1.8
Saline	42,555	49,469	+16.2	+11.5	Red Willow	63,350	69,314	+ 9.4	+ 4.9
Seward	44,707	50,723	+13.5	+ 8.8	Region 21	<u>68,934</u>	<u>71,794</u>	<u>+ 4.1</u>	<u>- 0.1</u>
Region 9	<u>115,817</u>	<u>134,240</u>	<u>+15.9</u>	<u>+11.1</u>	Cheyenne	36,386	37,574	+ 3.3	- 1.0
Fillmore	30,803	35,605	+15.6	+10.8	Deuel	8,030	8,683	+ 8.1	+ 3.7
Polk	16,978	20,146	+18.7	+13.8	Kimball	24,518	25,537	+ 4.2	- 0.1
York	68,036	78,489	+15.4	+10.6	Region 22	<u>194,629</u>	<u>212,512</u>	<u>+ 9.2</u>	<u>+ 4.7</u>
Region 10	<u>177,097</u>	<u>211,015</u>	<u>+19.2</u>	<u>+14.3</u>	Banner	1,366	1,324	- 3.1	- 7.1
Boone	24,854	29,181	+17.4	+12.6	Garden	7,738	9,257	+19.6	+14.7
Colfax	29,996	36,236	+20.8	+15.8	Morrill	22,581	21,836	- 3.3	- 7.3
Nance	10,012	11,384	+13.7	+ 9.0	Scotts Bluff	162,944	180,095	+10.5	+ 6.0
Platte	112,235	134,214	+19.6	+14.7	Region 23	<u>105,311</u>	<u>118,971</u>	<u>+13.0</u>	<u>+ 8.3</u>
Region 11	<u>229,190</u>	<u>274,107</u>	<u>+19.6</u>	<u>+14.7</u>	Box Butte	43,691	48,502	+11.0	+ 6.4
Antelope	28,428	33,959	+19.5	+14.5	Dawes	30,309	33,938	+12.0	+ 7.4
Madison	146,112	174,089	+19.1	+14.2	Sheridan	28,989	33,914	+17.0	+12.2
Pierce	20,631	26,635	+29.1	+23.8	Sioux	2,322	2,617	+12.7	+ 8.1
Stanton	8,889	10,317	+16.1	+11.3	Region 24	<u>103,562</u>	<u>131,020</u>	<u>+26.5</u>	<u>+21.3</u>
Wayne	25,130	29,107	+15.8	+11.1	Boyd	7,570	8,639	+14.1	+ 9.4
Region 12	<u>311,056</u>	<u>356,771</u>	<u>+14.7</u>	<u>+10.0</u>	Brown	16,071	20,461	+27.3	+22.1
Hall	238,705	272,745	+14.3	+ 9.6	Cherry	21,483	26,254	+22.2	+17.2
Hamilton	28,166	31,552	+12.0	+ 7.4	Holt	45,170	57,432	+27.1	+21.9
Howard	16,232	19,879	+22.5	+17.4	Keya Paha	1,578	2,081	+31.9	+26.4
Merrick	27,953	32,595	+16.6	+11.8	Rock	11,690	16,153	+38.2	+32.5
Region 13	<u>204,243</u>	<u>232,066</u>	<u>+13.6</u>	<u>+ 9.0</u>	Region 25	<u>71,288</u>	<u>81,993</u>	<u>+15.0</u>	<u>+10.3</u>
Adams	140,940	160,377	+13.8	+ 9.1	Cedar	28,281	32,365	+14.4	+ 9.7
Clay	27,058	31,095	+14.9	+10.2	Dixon	11,950	14,318	+19.8	+14.9
Nuckolls	23,010	26,248	+14.1	+ 9.4	Knox	31,057	35,310	+13.7	+ 9.0
Webster	13,235	14,346	+ 8.4	+ 3.9	Region 26	<u>94,364</u>	<u>113,142</u>	<u>+19.9</u>	<u>+15.0</u>
Region 14	<u>136,347</u>	<u>157,509</u>	<u>+15.5</u>	<u>+10.8</u>	Blaine	1,453	1,644	+13.1	+ 8.5
Gage	75,833	85,510	+12.8	+ 8.1	Custer	45,698	52,977	+15.9	+11.2
Jefferson	35,789	41,360	+15.6	+10.8	Garfield	7,968	9,563	+20.0	+15.1
Thayer	24,725	30,639	+23.9	+18.8	Greeley	7,255	8,906	+22.8	+17.7
Region 15	<u>158,658</u>	<u>190,552</u>	<u>+20.1</u>	<u>+15.2</u>	Loup	983	1,021	+ 3.9	- 0.4
Buffalo	136,058	163,231	+20.0	+15.0	Sherman	9,521	11,086	+16.4	+11.6
Kearney	22,600	27,321	+20.9	+15.9	Valley	20,183	26,168	+29.7	+24.3
					Wheeler	1,303	1,777	+36.4	+30.8
					State Total	<u>5,579,474</u>	<u>6,354,494</u>	<u>+13.9</u>	<u>+ 9.2</u>

¹ Motor vehicle sales are recorded as in counties in which the vehicles were first registered regardless of point of sale.

² Current dollar sales adjusted (deflated) for price changes using commodity prices component of the Bureau of Labor Statistics' Consumer Price Index.

³ Due to revisions these figures differ in some cases from figures previously published.

Source: Compilation by Bureau of Business Research, University of Nebraska-Lincoln, from tabulations provided by the Nebraska Tax Commissioner.

METROPOLITAN OMAHA PERSONAL INCOME, 1969-1975

Personal income was on the rise in the metro Omaha area (defined as Douglas and Sarpy counties) during the period 1969-1975. From a total of \$1.7 billion in 1969, personal income for the metropolitan area increased to \$2.2 billion in 1972, \$2.4 billion in 1973, \$2.7 billion in 1974, and to \$2.9 billion in 1975 (see Table 1). This represents a 69 percent gain over the six-year period, well above the 54 percent gain for the United States, and approximates the 70 percent increase in personal income for Nebraska over the same interval. The income advance was paced by large increases in wages and salaries and other labor income.

In Douglas County, personal income increased from \$1.5 billion in 1969 to \$2.6 billion in 1975, while Sarpy County showed a rise from \$203.3 million in 1969 to \$348.5 million in 1975.

The income estimates reported in this article are based upon information released by the U.S. Department of Commerce, Bureau of Economic Analysis.¹ The figures provide the reader

with a generalized look at personal income trends and can also be used to identify the sources of change. An article in the April, 1977, issue of *Business in Nebraska* explains and defines the income measures used in this article.

An examination of the data in Table 1 reveals the sources of personal income changes. Increases in wage and salary income accounted for by far the greatest absolute of the metropolitan area's income gains. Wages and salaries grew by 62 percent over the six-year period, adding more than \$800 million to the area's income total. Other labor income increased by \$75 million during 1969-1975, while property income increased 83 percent during 1969-1974. (Data on property income were available only for the years 1969-1974.)

Farm income is insignificant compared with other income sources in metro Omaha. Movements in farm income over the six-year interval illustrate the extreme volatility of this income component. Farm income declined from approximately \$18 million in 1969 to \$9 million in 1973, jumped to \$14 million in 1974, and then to \$20 million in 1975. Farming is a declining industry in metro Omaha, so this relatively

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Table 1
PERSONAL INCOME, DOUGLAS AND SARPY COUNTIES
SELECTED YEARS, 1969-1975, AND INCOME SOURCES
(in millions)

Year	Personal Income	Wage and Salary	Other Labor Income	Proprietors' Income			Property Income
				Total	Farm	Non-Farm	
1969	1,741	1,367	65	133	18	115	176
1972	2,213	1,724	98	147	13	135	243
1973	2,417	1,888	105	155	9	146	269
1974	2,677	2,068	119	168	14	154	322
1975	2,940	2,212	140	194	20	174	NA
Percent change 1969-1975	69	62	115	47	11	51	83*

*1969-1974

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Local Area Personal Income, 1969-1974*, vol. 4.

Table 2
LABOR AND PROPRIETORS' EARNINGS BY INDUSTRY
DOUGLAS AND SARPY COUNTIES, 1969-1975
(in millions)

Year	Manufacturing	Mining	Contract Construction	Private Non-Farm Sector					Public Sector Local, State, Federal
				Trans., Com., and P. Util. ¹	Wholesale Retail Trade	F.I.R. ²	Services	Other	
1969	309,280	1,110	118,676	169,708	298,322	127,705	234,004	3,368	283,874
1972	356,435	1,934	155,211	221,777	376,287	163,275	298,086	3,646	377,860
1973	379,752	2,248	173,708	249,845	416,523	175,272	333,097	3,966	401,983
1974	405,862	1,853	172,607	277,744	462,311	195,216	373,299	5,054	443,732
1975	401,220	2,746	175,314	305,705	500,859	216,837	419,575	NA	490,929
Percent change 1969-75	30	147	48	80	68	70	79	50	73

¹Transportation, Communication, and Public Utilities.

²Finance, Insurance, and Real Estate.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Local Area Personal Income, 1969-1974*, vol. 4.

Review and Outlook

Real output in Nebraska rose 1.9 percent in June, marking the 27th month of the current economic expansion. The physical volume index for the state registered a production level for the month which was 14.5 percent above the level recorded during the most recent cyclical trough in March, 1975. Pacing the June advance was a strong performance by the state's agricultural sector, although nonagricultural activity also increased 0.8 percent during the month. Production in the nonagricultural sectors was dominated by increases experienced by the government and distributive sectors. The rise in output within these two sectors more than offset declines in real output registered by the manufacturing and construction sectors of the Nebraska economy.

Real agricultural output in Nebraska advanced 8.9 percent in June. While sizable monthly output changes are not uncommon for this sector, the June increase was the largest month-to-month gain in agricultural output in Nebraska since the 9.4 percent increase in October, 1976.¹ For the first half of 1977, agricultural output in the state was 6.3 percent above output levels for this sector during the same period last year. Adverse movements in the terms of trade for agriculturalists (prices of agricultural products relative to prices of nonagricultural products), however, have prevented the increased production by this sector from providing much stimulus to the rest of the

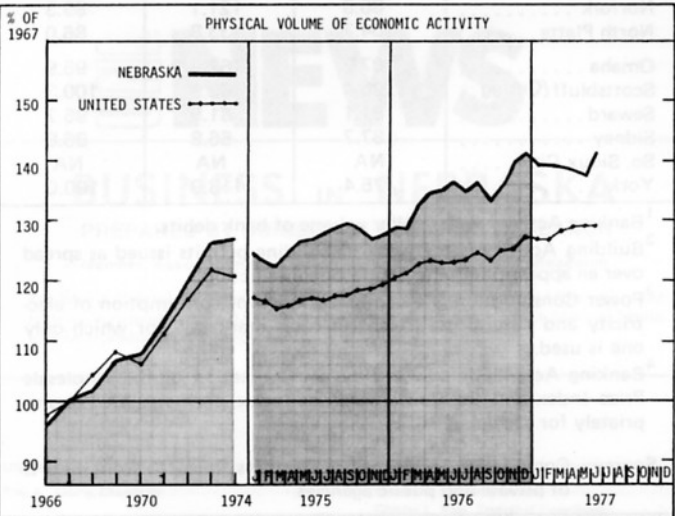
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¹The 9.6 percent increase reported for April, 1977, was subsequently revised downward.

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.

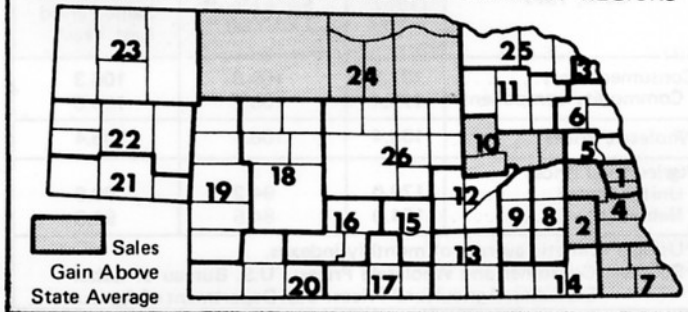
ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES				
1. CHANGE FROM PREVIOUS YEAR				
June, 1977	Current Month as Percent of Same Month Previous Year		1977 Year to Date as Percent of 1976 Year to Date	
	Nebraska	U.S.	Nebraska	U.S.
Indicator	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume	106.5	110.6	109.4	110.6
Agricultural	88.3	97.3	96.8	100.7
Nonagricultural	109.7	111.1	111.5	111.0
Construction	128.0	114.3	139.9	113.2
Manufacturing	108.8	111.6	112.1	111.0
Distributive	108.2	111.8	109.8	111.8
Government	111.0	106.3	108.4	106.7
Physical Volume	102.8	104.4	104.8	104.4
Agricultural	104.5	103.3	106.3	101.1
Nonagricultural	102.5	104.4	104.5	104.5
Construction	123.0	109.9	133.2	107.7
Manufacturing	102.4	104.8	105.9	104.6
Distributive	101.3	104.6	103.3	105.1
Government	101.6	101.7	99.5	101.1
2. CHANGE FROM 1967				
Indicator	Percent of 1967 Average			
	Nebraska	U.S.		
Dollar Volume	258.6	236.7		
Agricultural	223.0	230.4		
Nonagricultural	264.8	236.9		
Construction	290.3	213.2		
Manufacturing	273.3	224.7		
Distributive	258.2	245.8		
Government	271.8	237.8		
Physical Volume	140.3	128.9		
Agricultural	136.0	128.7		
Nonagricultural	141.1	128.9		
Construction	140.9	103.5		
Manufacturing	142.0	118.0		
Distributive	142.0	135.2		
Government	135.8	137.7		

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, 1977 as percent of June, 1976	June, 1977 as percent of June, 1976	Year to date '77 as percent of Year to date '76
<i>The State</i>	101.8	102.2	99.6
1 Omaha	99.0	101.9	101.6
Bellevue	106.1		
2 Lincoln	102.4	103.4	106.7
3 So. Sioux City	93.4	101.1	93.9
4 Nebraska City	105.3	104.2	101.5
5 Fremont	99.3	100.3	99.2
Blair	111.3		
6 West Point	99.6	101.6	94.8
7 Falls City	105.5	113.3	102.5
8 Seward	102.5	103.2	95.7
9 York	100.1	101.6	99.2
10 Columbus	112.0	104.8	100.1
11 Norfolk	103.1	106.2	97.4
12 Grand Island	98.6	98.7	96.9
13 Hastings	100.8	100.0	94.9
14 Beatrice	116.7	101.5	98.7
Fairbury	92.7		
15 Kearney	104.7	111.9	99.3
16 Lexington	111.7	114.5	99.6
17 Holdrege	107.9	102.5	90.2
18 North Platte	95.8	96.0	97.4
19 Ogallala	87.2	89.6	91.5
20 McCook	96.4	96.9	91.0
21 Sidney	93.3	92.9	90.1
Kimball	97.5		
22 Scottsbluff/Gering	97.1	96.4	91.6
23 Alliance	96.0	98.1	96.1
Chadron	95.9		
24 O'Neill	103.8	110.9	103.8
25 Hartington	141.8	107.8	96.5
26 Broken Bow	107.4	101.7	95.1



¹See region map below.
²Sales 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 Nebraska Department of Revenue.

1977 YEAR TO DATE AS PERCENT OF 1976 YEAR TO DATE IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS



(Continued from page 4) Nebraska economy. Prices received by Nebraska farmers in June were 14.4 percent below prices of last June, and 5.0 percent below those for May, 1977.

Real output in the Nebraska government sector increased sharply in June (up 3.2 percent from May). This was the largest month-to-month advance for this sector during the current economic expansion. Nebraska government employment rose 4.8 percent for the month, partially reflecting the increased seasonal employment which normally occurs during the summer months. On a seasonally adjusted basis, government employment in the state was 3.2 percent higher than in May. While the data indicate that the technique currently used to seasonally adjust the Nebraska government employment series did not capture all the seasonal employment in June, the government sector of the Nebraska economy did make a significant contribution to state economic growth during the month.

A reversal of the three-month drop in price-adjusted activity for the distributive sector of the Nebraska economy also contributed to the strong performance by the state economy in June. Underpinning the 1.2 percent June growth in distributive sector output was a sharp rise in retail sales in the state, which were 11.9 percent above May levels. Portions of south-central Nebraska and the northwest corner of the state experienced especially sizable increases in retail sales for the month. The Kearney, Holdrege, Lexington, and Alliance-Chadron regions all reported retail sales increases in excess of 25 percent. Price-adjusted retail sales for the state in June were 2.2 percent above levels recorded in June, 1976.

Manufacturing and construction activity in the state both declined in June. Real output fell 1.3 percent in manufacturing, and 1.6 percent in construction. While the construction sector recently has been a source of strength in the Nebraska economy, manufacturing activity has been sluggish for most of 1977. June (price-adjusted) output for this sector was 2.2 percent below the level posted last December.

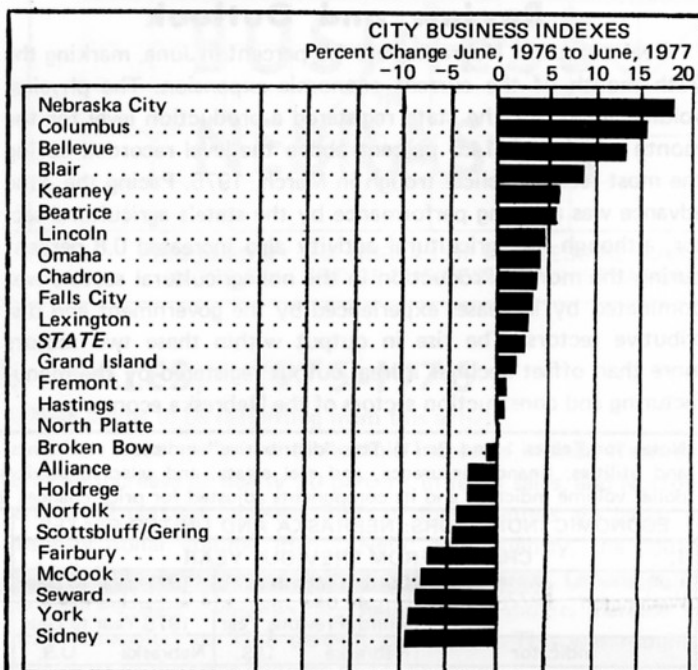
The city business indexes reflected the performance of the state economy in June, with 15 of 25 reporting cities showing improvement relative to June, 1976. Nebraska City posted the largest gain (up 18.1 percent), followed by Columbus, Bellevue, and Blair.

June marked the end of the first half of 1977, a somewhat disappointing one from the standpoint of the performance of the Nebraska economy. The physical volume index for the state stood at 140.3 (1967 = 100) in June, the same figure which was recorded for the state in December, 1976. The physical volume index for the United States, while registering no gain in June, was 1.4 percent higher in June than it was at the end of 1976.

WILLIAM D. GERDES

5. PRICE INDEXES			
June, 1977	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices	181.8	106.9	106.3
Commodity component	175.4	106.2	105.6
Wholesale Prices	194.4	106.1	106.4
Agricultural Prices			
United States	179.0	94.2	99.6
Nebraska	164.0	84.5	91.3

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



Source: Table 4 below.

4. JUNE CITY BUSINESS INDICATORS			
The State and Its Trading Centers	Percent of Same Month a Year Ago		
	Banking Activity ¹ (Adjusted for Price Changes) ⁴	Building Activity ²	Power Consumption ³
<i>The State</i>	102.2	134.1	96.8
Alliance	95.7	133.0	93.2
Beatrice	96.9	111.8	95.7
Bellevue	122.0	111.5	112.0*
Blair	109.0	100.7	100.4
Broken Bow	94.5	93.6	85.5
Chadron	110.2	83.0	119.0
Columbus	118.2	175.1	106.5
Fairbury	91.5	64.3	113.3*
Falls City	94.0	200.1	104.9
Fremont	101.1	96.8	109.3*
Grand Island	99.1	187.5	97.3
Hastings	95.8	164.5	98.2
Holdrege	87.2	89.9	96.5
Kearney	106.3	164.4	93.5
Lexington	90.5	159.5	101.9
Lincoln	107.9	122.6	97.7
McCook	90.9	56.7	100.7
Nebraska City	117.1	628.2	112.0
Norfolk	86.8	121.1	89.3
North Platte	104.7	133.8	86.0
Omaha	107.2	167.9	95.9
Scottsbluff/Gering	96.4	62.9	100.3
Seward	81.1	81.5	95.7
Sidney	87.7	66.8	96.8
So. Sioux City	NA	NA	NA
York	75.4	118.9	100.0

¹ Banking Activity is the dollar volume of bank debits.
² Building Activity is the value of building permits issued as spread over an appropriate time period of construction.
³ Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked * for which only one is used.
⁴ Banking Activity is adjusted by a combination of the Wholesale Price Index and the Consumer Price Index, each weighted appropriately for each city.

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

(Continued from page 1) Some counties indicated in Table 2 had rather substantial increases in retail sales, such as Rock, Keya Paha, Holt, and Brown counties in Region 24. These counties have had substantial increases in irrigation activity. Thayer County in Region 14 recorded a substantial increase, as did Howard County in Region 12 and Pierce County in Region 11. A few counties recorded dollar-volume decreases, but these were limited to one or two percentage points in most cases. The picture that emerges—whether the analysis is by city, county, or region—is one of a relatively prosperous year. DONALD E. PURSELL

(Continued from page 3) slow growth of farm income should not be viewed as surprising or alarming.

The sources of income change are summarized in Table 2, page 3. Metro Omaha recorded gains in manufacturing; mining; construction; transportation; wholesale and retail trade; finance, insurance, and real estate; and services.

Public-sector employment recorded the largest absolute earnings gains of any sector in metro Omaha, 1969-1975. The federal, state, and local payroll increased from \$283.9 million in 1969 to \$490.9 million in 1975.

Wholesale and retail trade increased more than \$200 million from 1969 to 1975, closely approximating the public-sector gain. Earnings from services rose approximately \$186 million to a 1975 figure of \$419.6 million, a growth rate of 79 percent. Transportation, communications, and public utilities also registered large gains. Earnings in this sector increased from \$169.7 million in 1969 to \$305.7 million in 1975. Sarpy County showed a particularly large relative increase which boosted the regional gain in transportation earnings.

The earnings gains for the metropolitan area in manufacturing and construction were well below the state average for these industries. Manufacturing earnings grew by only 30 percent in the metropolitan Omaha area, compared to a 48 percent statewide rate of growth. Total manufacturing earnings actually declined in Sarpy County during the six-year period. For the entire region, manufacturing earnings increased from \$309.3 million in 1969 to \$405.9 million in 1974. A slight decline in manufacturing earnings was recorded between 1974 and 1975. Construction earnings in the metropolitan Omaha area rose by more than \$50 million over the 1969-1975 interval, slightly below the state average.

Although not spectacular, the personal income gains registered in the metro Omaha counties over the 1969-1975 period were

DOROTHY SWITZER

Members of the staff of the Bureau of Business Research note with deep regret the death of Dorothy Switzer on September 14, 1977.

A native Nebraskan, Dorothy was graduated from the University of Nebraska and received a master's degree in journalism from the University of Wisconsin. For fifteen years prior to her retirement in 1973 she served as a member of the Bureau staff. As editorial assistant, she contributed many articles to *Business in Nebraska*, and her writing became well known in all areas of the state. Because of her numerous articles on agricultural subjects, she received an award from the Nebraska Agribusiness Club for her outstanding contribution to Nebraska agriculture. She was also the recipient of a first-place award presented in the National Press Women's competition for her article on "Women in the Nebraska Labor Force," published in *Business in Nebraska* in December, 1972. Dorothy viewed her retirement from the Bureau as an opportunity to begin a new career, and she soon became familiar to many older Nebraskans as hostess for the Nebraska Educational Television network program, "The Grand Generation." In addition to her weekly television appearances, she prepared the bi-monthly newsletter, *The Dorothy Switzer Report*, a compendium of helpful information for the elderly.

All of us in the Bureau and the College of Business Administration feel that it was a distinct privilege to have known Dorothy, and we are grateful for the many contributions she made, not only to the University of Nebraska community but throughout the state.

J. K.

roughly comparable to similar statewide and nationwide increases. Solid income gains were recorded in most metro industries. Wage and salary increases were responsible for a large proportion of income gains, and this component of personal income was held down due to the relative poor showing of the manufacturing sector. The poor showing of the manufacturing sector seems largely related to the 1974-1975 recession, which impacted manufacturing more than other industries. The general economic upturn since 1975 should contribute to even larger income gains during the balance of the 1970s.

ROBERT A. GRANT

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