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Business in Nebraska

In This Issue

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Are We Overtaxed? Do We Overspend?

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*This is the first in a series of **Business in Nebraska** articles that will examine key tax and spending issues for state and local governments in Nebraska. The purpose of this series is to enhance understanding of these issues and explore policy options for the future.*

Ask taxpayers if they are overtaxed and most will say yes. It's human nature to consider taxes burdensome and their associated government spending excessive. But the question is complex and deserves to be considered from a number of perspectives.

This overview begins by comparing Nebraska state and local tax collections to a number of benchmarks. State and local expenditures also are considered, with the focus on comparisons to other states. Finally we discuss several other matters that are pertinent to the questions raised in the title, but that are not necessarily data-based.

Tax Collections

Total taxes collected (or levied in the case of property taxes) by state and local units of government in Nebraska reached a record $3,186 million in fiscal year 1991-1992 (hereafter FY1992). This compared to $1,652 million for FY1982, an increase of 93 percent for the ten year period. The average annual increase in total taxes during the period was 6.79 percent.

Taxes increase for two primary reasons: inflation pushes up the cost of providing a constant level of goods and services, and citizens demand more services either because population is increasing or new needs are identified.

From FY1982 to FY1992, inflation (as measured by the Consumer Price Index) averaged 3.92 percent annually. Adjusted for inflation, tax revenue growth averaged 2.87 percent per year.

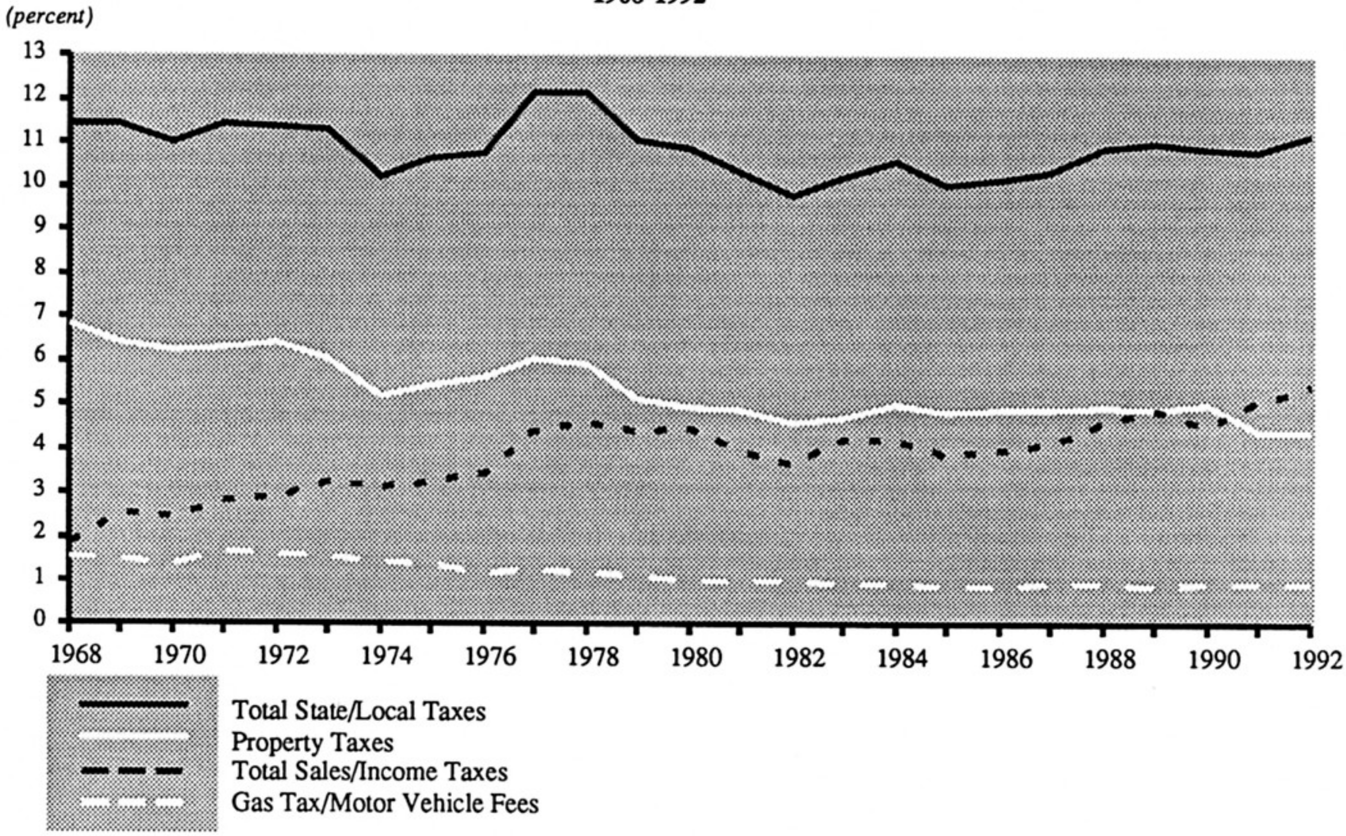
Higher inflation-adjusted tax collections were needed to meet spending demands in such areas as health care (especially Medicaid), education, corrections, and the environment. Increased real expenditures in these and other areas slightly increased the relative share of personal income going to taxes during the past decade. The share going to state and local taxes in FY1992 of 11.20 percent was the highest since FY1978. For a longer period (FY1968 through FY1992), however, personal income grew at an annual rate of 8.16 percent compared to the 8.05 percent rate for total taxes (Figure 1).

In FY1991 (the most recent data available) Nebraska ranked 29th among the 50 states and the District of Columbia in state and local tax collections per $100 of personal income (Table 1). Nebraska taxes of $10.83 were 3 percent below the national average of $11.17. Nebraska taxes per $100 of personal income were below those in Wyoming, Iowa, and Kansas of the six adjacent states. Nebraska taxes were particularly high compared to Missouri and South Dakota. It should be noted that property and severance taxes on minerals account for a significant share of total taxes in Wyoming, thereby masking the actual taxes paid by individual taxpayers in the state.

Nebraska depends relatively less on state government—and relatively more on political subdivisions (local governments)—to supply necessary services than do most other states. This is despite the 1990 passage of LB1059, the Tax Equity and Educational Opportunities Support Act, which shifted a significant share of funding responsibility for elementary and secondary education from local school districts to the state.

Nebraska individual income and sales tax collections per $100 of personal income ranked below the

Figure 1
Tax Revenue as a Percent of Personal Income
1968-1992



Source: Nebraska Department of Revenue

national median, at 26th and 30th, in FY1991 (Table 2). Property tax collections, however, were the tenth highest among the states. Nebraska's motor fuel taxes had an even higher ranking, although all such taxes are used for construction and maintenance of roads, streets, and highways, not for general operations of government.

During the 1980s Nebraska's population increased only 0.5 percent. Increased real expenditures by state and local governments occurred mostly because a higher level of services was provided per capita. Nebraska's per capita tax revenues of $1,815 still were only 90 percent of the national average in 1990 (Table 3). This ranked Nebraska 28th, below the mid-point among the 50 states and the District of Columbia.

Considerable variation in per capita tax obligations occurs among adjacent states, with the general pattern comparable to taxes paid per $100 of personal income. Wyoming ranked 11th in 1990. In contrast, Missouri and South Dakota ranked 45th and 47th, respectively.

The United States Advisory Commission on Intergovernmental Relations tracks both tax capacity and tax effort for each of the states and Washington, D.C. *Tax capacity* is the amount of revenue each state would raise per capita if it applied a national average set of tax rates to 26 common tax bases. *Tax effort* is the ratio of a state's actual tax collections to its tax capacity. The national average index for both tax capacity and tax effort is 100.

In 1988, the latest year for which calculations have been made, Nebraska's tax capacity index was 90, and the tax effort index was 98. These values imply that a smaller-than-average tax base in the state was not offset by higher tax rates. Nebraska's tax base would have generated 90 percent as much tax revenue per capita as the national average if average national tax rates had been applied in Nebraska. In addition, the tax effort index of 98 suggests that Nebraska tax rates were only 98 percent of its tax base when compared with the national average. With the exception of 1980, the tax effort index for Nebraska has been below 100 in 12 selected years since 1967.

Like taxes per $100 of income or per capita, tax capacity and effort are relative measures only. They compare Nebraska to other states. Such measures do not quantify the quality of public services provided with tax dollars in Nebraska or any other state. Nor do state-by-

Table 1
State-Local Tax Revenue Per $100 of Personal Income
Nebraska and Neighboring States
FY1991*

State	Combined Level	Combined Rank	State Level	State Rank	Local Level	Local Rank	State as a Percent of Combined
Nebraska	$10.83	29	$6.00	37	$4.83	13	56.9
Iowa	11.43	19	7.17	24	4.26	28	62.7
Missouri	9.10	49	5.58	44	3.53	36	61.3
Kansas	10.85	28	6.29	34	4.55	19	58.0
Colorado	10.68	32	5.07	48	5.61	7	47.5
Wyoming	13.98	5	8.26	8	5.72	5	59.1
South Dakota	9.75	45	4.69	49	5.06	10	48.1
U.S. Average	11.17		$6.65		$4.53		59.5

*Preliminary estimates
Source: National Conference of State Legislatures, *State and Local Tax Levels: Fiscal Year 1991*, LFP #80 February 1992 with updated estimates for Nebraska supplied by the Nebraska Department of Revenue

state comparisons identify waste or inefficiencies in government.

Expenditures

Per capita expenditures by state and local units of government were 91 percent of the national average in FY1990, 30th among all states. Nebraska's largest per capita expenditure (elementary and secondary education) was the same as the national average (Table 4).

Expenditures in Nebraska were considerably above average for higher (postsecondary) education, hospitals, and highways. But the state ranked below average in expenditures for public welfare, police protection, corrections (jails and prisons), and interest payments on general debt.

The amount spent on various functions of government depends on the collective values of the state and on each state's location, population, physical size, and financial well-being. For example, Nebraska's expenditures on highways are affected by the state being the 15th largest in square miles as well as its low population density. Spending on education and hospitals may be affected by the need to provide these services across thinly populated areas of the state, albeit not always at maximum economic efficiency. In contrast, somewhat lower spending on human services programs (public welfare and police protection) may indicate fewer socioeconomic problems than in many other states.

Other Important Considerations

Government provides services that citizens may not provide efficiently for themselves. Public education, police protection, and roads and highways are examples of services that, if they ceased to exist, would affect our standard of living negatively. Almost no one could argue that all public services (and the taxes levied to pay for them) should be abandoned.

The specific level of public services to be provided, however, generates vigorous debate among both the general public and policy makers. Implicit to such discussion are trade-offs between the private and public sectors and widely differing needs among individual citizens. Certain taxpayers have little direct need for public welfare or public education; they may prefer to save tax dollars for private spending. Others have a great need for public services, but little ability to pay for them.

The ultimate goal of policy makers should be to provide public services to the point that our collective quality of life is maximized. This means public expenditures that are neither too high not too low. And it means tax obligations that are distributed fairly. It's an elusive goal that will never be realized fully because of differing needs and values of individual citizens.

Although state and local expenditures do not appear to be out of line with the national average or adjacent states, many taxpayers do not feel they are being treated fairly. Property taxes especially are criticized. Although the property tax generates a stable revenue stream for local units of government, it is not based on the ability to pay. It is argued that the property tax also is a regressive tax, meaning that it often takes a larger share of income of lower income taxpayers than of those with higher incomes. For these reasons and others, frequent calls are likely to continue for property tax relief. Such relief probably would result in more state funding and control, not altogether a pleasant prospect for many Nebraskans.

General sales taxes, which are levied by both state government and certain municipalities in the state, also are regressive. Low income persons spend more of their income on consumer items that are taxed; higher income individuals are more likely to save part of their income and thereby escape sales taxes. Part of this regressivity is removed by not taxing food in Nebraska. Also, a positive factor is that Nebraska sales tax rates generally are no more than in other states, particularly adjacent states. This reduces border bleeding, although Nebraskans legally are required to pay a use tax when items subject to the sales tax in Nebraska are purchased outside the state. Despite concerns about regressivity, sales taxes probably are here to stay. If anything, the sales tax base may be expanded to a range of services not now taxed. The impact on regressivity would depend on the type of services taxed; if only repair services were taxed, for example, a sales tax on services would be more regressive than if a range of professional services also were taxed.

Collection of individual income tax in Nebraska historically has lagged national averages, both as a percentage of personal income and on a per capita basis. Because the income tax is responsive to economic growth, many individuals advocate greater dependence on it. Nebraska's individual income tax is relatively progressive, as tax rates increase through four income brackets. The highest Nebraska rate (6.92 percent) begins at $45,000 for married taxpayers filing jointly or $27,000 for an individual taxpayer. Progressivity is a subject of continuing debate. Some advocate state income taxes becoming even more progressive to balance the regressivity of Nebraska's property and sales taxes. A counterargument is that Nebraska income tax rates should be kept roughly in line with other states so that high income individuals are not discouraged from locating here.

Corporate income taxes are relatively less important in terms of revenue in Nebraska than they are in most other states. In large part, this is the natural result of lower overall corporate activity in the state than in many other states. Also, since 1987 Nebraska has offered a package of tax incentives to certain corporations that initiate or expand operations in the state. In turn, corporate tax collections have been less than what they otherwise would have been. The purpose of the tax incentives (which may be applied to income, sales, and some property taxes) is to promote economic growth and, ultimately, higher individual income and sales tax collections. Opponents of these tax incentives argue that there is a tax revenue loss to the state in the early years that must be borne by individual tax payers, that corporations do not need tax concessions because such tax obligations may be passed to consumers, and that corporations should be good neighbors by contributing their fair share to the state tax coffers.

Concluding Comments

State and local taxes take a slightly smaller share of personal income in Nebraska than the national average. The tax revenue generated allows higher than average

Table 2
Combined State and Local Tax Revenue Per $100 of Personal Income by Type of Tax
Nebraska and Neighboring States
FY1991*

	Taxes Per $100 of Personal Income								
State	Property	Combined Sales	Personal Income	Corporate Income	Motor Fuel	Motor Vehicle	Tobacco	Alcoholic Beverage	Other
Nebraska	$4.48	$2.44	$2.24	$.30	$ .78	$.29	$.14	$.06	$.29
Iowa	4.09	2.15	2.82	.42	.69	.48	.18	.03	.57
Missouri	2.04	3.15	2.28	.25	.41	.23	.09	.03	.62
Kansas	3.82	2.70	1.96	.47	.52	.25	.12	.11	.90
Colorado	3.85	2.95	2.34	.19	.53	.17	.10	.03	.36
Wyoming	4.91	3.01	—	—	.42	.56	.07	.01	4.90
South Dakota	4.05	3.05	—	.35	.66	.38	.13	.09	1.04
U.S. Average	$3.43	$2.91	$2.34	$.45	$.44	$ .23	$.13	$.07	$1.17
Nebraska Relative to U.S. Average (%)	130.6	83.8	95.7	66.7	177.3	126.1	107.7	85.7	24.8
Nebraska Rank	10th	30th	26th	32nd	6th	33rd	16th	26th	49th

*Preliminary estimates
Source: National Conference of State Legislatures, *State and Local Tax Levels: Fiscal Year 1991*, LFP #80 February 1992 with updated estimates for Nebraska supplied by the Nebraska Department of Revenue

Table 3
State-Local Government Revenue Per Capita
Nebraska and Neighboring States
FY1990*

Item	Nebraska	Iowa	Missouri	Kansas	Colorado	Wyoming	South Dakota	U.S.
	Dollars							
Total Revenue[1]	2,761	2,747	2,135	2,689	2,899	4,161	2,188	2,866
Tax Revenues:								
Total	1,815	1,881	1,551	1,848	1,925	2.204	1,447	2,017
Property	762	660	342	658	684	901	583	626
Income[2]	360	531	434	431	445	—	44	520
Sales[3]	594	548	675	629	689	581	693	715
Other	99	142	100	130	107	722	127	156
Charges	596	572	356	463	521	645	314	465
Miscellaneous	350	294	228	378	453	1,312	427	384

[1] General revenue from all sources
[2] Includes individual and corporate income tax
[3] Indicates selective sales and gross receipts taxes as well as the general sales tax

*Source: U.S. Department of Commerce, Bureau of the Census, *Government Finances 1989-1990* GF/90-5, 1992

per capita expenditures on higher education, hospitals, and highways. Further, it may be hypothesized that the socioeconomic composition of Nebraska reduces necessary expenditures on public welfare, police protection, and corrections. Thus, Nebraskans appear to be a bit better off overall than the national average when taxes and spending are combined.

Despite comparisons to national averages that are generally favorable, the fundamental question about how output from the economy (measured as personal income) should be allocated to public and private expenditures remains unresolved. Perhaps no two citizens would make the same allocation if given the opportunity. This forces policy makers to continue a never-ending search for an appropriate balance between the sectors.

Many believe that the fairness of a tax system is more important than the share of economic output that goes to taxes. Unfortunately, not everyone uses the same standard to measure fairness.

Many tax-fairness advocates would like to depend mostly on those who have the ability to pay for tax revenues. Focussing on fairness implies greater reliance on income taxes generally and greater progressivity within the income tax system as well. Correspondingly, those with this view generally would like to see the dependence on property taxes (and perhaps sales taxes) fall.

A smaller number of taxpayers promote benefits received as the appropriate standard for fairness. The objective of this view is to pay taxes only on government services received.

Ability-to-pay and benefits-received standards often result in widely differing tax obligations for individual taxpayers. When combined with fundamental differences over what government should provide for citizens, this assures that the questions posed in the title of this article can never be answered conclusively. About the best that can be hoped is that citizens work toward increased understanding of public finance matters and that policy makers consider all perspectives in making tax and spending decisions.

Table 4
State and Local Expenditures Per Capita
Nebraska and the U.S.
1990

Item	Per Capita Average Nebraska	Per Capita Average U.S.	Nebraska as a Percent of U.S. Average	Nebraska Ranking
	Dollars			
Total General Expenditures	3,051	3,343	91	30th
Elementary & Secondary Education	810	812	100	23rd
Higher Education	388	295	132	11th
Public Welfare	336	444	76	30th
Hospitals	275	203	135	10th
Highway	332	246	135	13th
Police	81	123	66	41st
Corrections	53	99	54	41st
Interest Payments on General Debt	132	200	66	41st

Source: U.S. Department of Commerce, Bureau of the Census, *Government Finances, 1989-1990*, GF/90-5, 1992

Review & Outlook

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National Outlook

The economy remains weak but growing. The final figure for the second quarter shows that GDP advanced only 1.5 percent. Predictions for the third quarter call for growth that is barely positive, as Hurricane Andrew will depress already weak activity. Third quarter figures will be released on October 27.

The economy is in a holding pattern. Consumers are waiting to buy automobiles and houses. They appear to have taken a wait-and-see attitude until the election. There is a good chance that spending will resume after the election no matter who is elected. Spending on reconstructing damaged portions of Florida, Louisiana, and Hawaii will add to overall economic activity in the next few quarters.

Overall jobs fell 83,000 in August, but this total includes a gain of 88,000 temporary government jobs. The private sector lost 167,000 jobs. The Conference Board reported that its index of consumer confidence fell to the lowest pre-election level in its 20 year history.

Industrial production fell in August because of Hurricane Andrew and the malaise in the automobile industry. Industrial production fell 0.5 percent. The Purchasing Managers Index fell to 49 percent, below the critical 50 percent mark in September. This means that over half the businesses reporting are contracting.
old below a 3.0 percent yield for the first time in 29 years.

Both the low inflation and low interest rate phenomena are due to the weak economy. There is little demand pressure for loans and no capacity utilization pressures on prices.

Table I
Employment in Nebraska

	Revised July 1992	Preliminary August 1992	% Change vs. Year Ago
Place of Work			
Nonfarm	734,988	736,198	0.0
Manufacturing	98,801	99,684	0.2
Durables	46,428	47,569	-0.5
Nondurables	52,375	52.115	0.8
Mining	1,558	1,500	-6.5
Construction	30,477	29,937	0.3
TCU*	47,461	47,541	-0.4
Trade	183,345	183,707	-2.2
Wholesale	51,561	51,334	-1.1
Retail	131,784	132,375	-2.6
FIRE**	49,099	49,092	0.5
Services	181,483	182,038	1.4
Government	142,764	142,699	1.2
Place of Residence			
Civilian Labor Force	888,281	876,349	1.1
Unemployment Rate	3.1	3.3	

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

There has been talk in the business press of a triple dip. But how do we have a triple dip when we have not had a double dip? More properly, the question is whether we will have another downturn. I suspect that it all hinges on consumer confidence. If the general election results restore consumer confidence, then a downturn likely will be avoided. If consumer confidence continues to spiral, then a recovery in housing and autos will be delayed indefinitely, and a downturn likely will ensue.

In the past few years we have relied on exports to bail out our economy. This time exports may not be strong enough to save us. The currency realignment in Europe and the weakened European and Japanese economies mean that U.S. exports may not do well in international markets.

Nebraska Outlook

Recent USDA estimates of the corn crop do not bode well for Nebraska grain farmers. Nebraska is expected to have a new record crop some 2.1 percent higher than last

Table II
City Business Indicators
June 1992 Percent Change from Year Ago

The State and Its Trading Centers	Employment (1)	Building Activity (2)
NEBRASKA	0.0	36.9
Alliance	-1.1	47.8
Beatrice	-0.3	276.6
Bellevue	-2.6	1.0
Blair	-2.6	267.4
Broken Bow	-3.3	109.3
Chadron	-3.4	575.1
Columbus	-1.6	30.7
Fairbury	-8.2	55.2
Falls City	-2.5	1.7
Fremont	-0.4	28.9
Grand Island	4.0	-6.3
Hastings	-6.2	-43.0
Holdrege	-1.1	-48.2
Kearney	-5.2	-1.3
Lexington	17.6	12.4
Lincoln	2.3	27.4
McCook	-10.3	-65.6
Nebraska City	-1.8	391.1
Norfolk	-2.7	-32.2
North Platte	4.1	97.8
Ogallala	-2.2	14.5
Omaha	-2.6	22.3
Scottsbluff/Gering	-1.9	352.2
Seward	1.6	-42.3
Sidney	-1.2	-58.8
South Sioux City	5.3	131.7
York	6.7	70.2

(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 year's record level, but the national corn crop will rise 17.3 percent above last year's drought-induced lows. The rebound in corn production will occur mostly in Iowa, Indiana, and Illinois.The USDA estimates that year-ending stocks will leap 68.9 percent above last year's level. Corn prices will range from $1.85 to $2.25 per bushel, well below last year's national average of $2.37 per bushel.

Cattle on feed in Nebraska are down 5 percent from a year ago. Nebraska ranks third in the nation behind both Kansas and Texas. In the seven major cattle states, cattle on feed are off 1 percent, and marketings are 7 percent below year ago levels.

Total construction contracts in August for the state advanced 11 percent according to F.W. Dodge. Contracts jumped 22 percent on a year-to-date basis. A surge in nonbuilding construction was offset by decreases in residential and nonresidential construction in the month of August. Nevertheless, all major construction categories remain positive on a year-to-date basis.

Another indicator of Nebraska's building activity is found in Table II. Total building permits in the state advanced 36.9 percent in the last nine month period over the previous nine month level.

The rapid advance in net taxable retail sales in Nebraska has cooled somewhat. Nonmotor vehicle sales advanced 3.1 percent in the state, while total sales advanced 3.5 percent in June. On a year-to-date basis, the first half of the year is 5.2 percent ahead of year ago levels for total net taxable retail sales.

Table III
Price Indices

	August 1992	% Change vs. Year Ago	YTD % Change vs. Year Ago
Consumer Price Index - U* (1982-84 = 100)			
All Items	140.9	3.1	3.0
Commodities	129.3	2.3	1.9
Services	153.0	3.9	4.0

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

Table IV
Net Taxable Retail Sales of Nebraska Regions and Cities

Region Number	and City (1)	City Sales (2) June 1992 (000s)	City Sales (2) % Change vs. Year Ago	Region Sales (2) June 1992 (000s)	Region Sales (2) % Change vs. Year Ago	Year to Date % Change vs. Year Ago
NEBRASKA		1,008,826	3.1	1,146,098	3.5	5.2
1	Omaha	343,978	6.4	427,319	6.6	7.3
	Bellevue	12,363	-4.6	*	*	*
	Blair	5,179	2.9	*	*	*
2	Lincoln	126,215	0.0	146,952	0.6	4.4
3	South Sioux City	6,617	4.9	9,171	9.3	9.8
4	Nebraska City	4,189	-0.4	19,834	-9.6	1.0
6	Fremont	19,682	9.7	33,399	4.4	1.2
	West Point	3,143	8.4	*	*	*
7	Falls City	2,244	-10.5	9,380	-8.2	-0.9
8	Seward	4,292	-3.0	15,422	3.5	3.2
9	York	7,296	1.8	16,262	-1.6	-0.4
10	Columbus	17,791	6.5	30,232	2.5	1.3
11	Norfolk	21,536	3.1	38,115	4.4	0.5
	Wayne	3,389	2.4	•	*	*
12	Grand Island	36,256	4.0	51,753	4.8	6.3
13	Hastings	16,878	2.6	26,725	-0.9	3.7
14	Beatrice	8,652	4.0	19,042	3.6	1.2
	Fairbury	2,968	3.9	*	*	*
15	Kearney	22,703	3.7	31,541	0.2	2.8
16	Lexington	6,313	-8.3	17,576	-3.8	3.6
17	Holdrege	5,137	-2.7	8,925	0.1	0.1
18	North Platte	19,165	4.0	24,142	4.1	3.2
19	Ogallala	6,291	-4.4	12,316	-9.0	0.4
20	McCook	8,389	-4.3	11,818	-2.9	-0.5
21	Sidney	5,651	33.1	9,744	15.5	8.1
	Kimball	1,764	-12.7	*	*	*
22	Scottsbluff/Gering	20,262	0.8	27,841	-1.1	0.8
23	Alliance	5,530	-1.4	14,779	-4.8	-2.3
	Chadron	3,145	-3.7	*	*	*
24	O'Neill	4,241	-9.9	15,565	-8.3	-3.8
	Valentine	3,205	-8.9	*	*	*
25	Hartington	1,861	3.5	9,182	2.2	-6.3
26	Broken Bow	3,694	0.6	12,306	-2.7	-1.9

(1) See Figure II of previous Bu*siness 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

State of the State—December 2

Economic issues in the 1990s, Nebraska taxes, and state economic projections will highlight the annual State of the State conference at the Nebraska Center for Continuing Education. Sponsored by the UNL College of Business Administration's Bureau of Business Research, this year's conference is scheduled for Wednesday, December 2.

To receive a brochure or for more information, call the Bureau of Business Research at (402) 472-2334.

Luncheon speaker

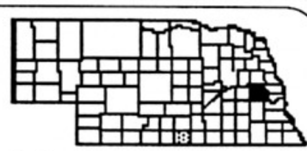
- Ms. Diane C. Swonk, senior regional economist and vice president for the First National Bank of Chicago

Other presenters

- Dr. Robert F. Allen, professor of economics and chair, department of economics and finance, Creighton University, Omaha, Nebraska
- Dr. John E. Anderson, professor of economics, College of Business Administration, University of Nebraska-Lincoln
- Mr. John S. Austin, research associate, Bureau of Business Research, College of Business Administration, University of Nebraska-Lincoln
- Ms. Katherine A. Endacott, assistant project manager, EPSCoR, University of Nebraska-Lincoln
- Dr. Bruce B. Johnson, professor of agricultural economics, Institute of Agriculture and Natural Resources, University of Nebraska-Lincoln
- Mr. H. Hod Kosman, president and CEO, FirsTier Bank, Scottsbluff/Gering, Nebraska
- Dr. F. Charles Lamphear, director and professor of economics, Bureau of Business Research, College of Business Administration, University of Nebraska-Lincoln
- Mr. William D. Lock, former director of the Center for Rural Economic Development, University of Nebraska at Kearney
- Mr. Donald W. Macke, executive director, Nebraska Rural Development Commission and member of Presidential Initiative on Rural Development
- Dr. Anthony L. Redwood, professor of business and executive director of the Institute for Public Policy and Business Research, University of Kansas

County of the Month

Saunders



Next County of Month

County seat: Wahoo

License plate prefix number: 6

Size of county: 765 square miles, ranks 29th in the state

Population: 18,285 in 1990, a change of -2.3 percent from 1980

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

Per capita personal income: $15,086 in 1990, ranks 81st in the state

Net taxable retail sales ($000): $73,800 in 1991, a change of +4.0 percent from 1990; $37,734 during Jan.-June 1992, a change of +10.9 percent from the same period one year ago

Number of business and service establishments: 380 in 1989; 65 percent had less than five employees

Unemployment rate: 2.8 percent in Saunders County, 2.7 percent in Nebraska for 1991

Nonfarm employment (1991):

	State	Saunders County
Wage and salary workers	736,172	3,757
	(percent of total)	
Manufacturing	13.5%	7.2%
Construction and Mining	4.0	9.2
TCU	6.4	5.8
Retail Trade	18.3	20.4
Wholesale Trade	7.0	4.8
FIRE	6.6	4.8
Services	24.4	16.7
Government	19.8	31.1
Total	100.0%	100.0%

Agriculture:

Number of farms: 1,417 in 1987, 1,444 in 1982

Average farm size: 314 acres in 1987

Market value of farm products sold: $145.9 million in 1987 ($102,900 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

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