



## TAX FORECASTS FOR NEBRASKA FISCAL YEAR 1977-78

The inevitability of death and taxes is a well-documented fact, although when we die and the exact amount of taxes we owe is never entirely certain. Consequently, Nebraska's tax analysts must gaze into the crystal ball and forecast the yearly flow of tax receipts into the general fund. Unfortunately, using a crystal ball has fallen into the realm of unacceptability, and alternative forecasting techniques must be adopted.

Forecasting the behavior of economic variables, such as tax receipts, is an important component of government planning. Mathematical and statistical techniques used to prepare forecasts have largely replaced the subjective, quasi-scientific approaches that were once used. Forecasting begins with a thorough analysis of a variable's behavior over time. This preliminary study reveals clues as to what further investigations would be useful. Although forecasts are generated by techniques that meet certain statistical standards, the results will generally deviate from what will actually occur. Forecasting models incorporate error assumptions, and the existence of forecasting errors must be accepted by individuals and agencies when reviewing the results.

### METHODOLOGY

Forecasts of national economic variables, such as gross national product, personal income, and the like, are published by Chase Econometrics and Wharton Econometrics. These private organizations have constructed econometric models of the national economy.<sup>1</sup> Several state agencies have access to the Chase and Wharton models, and the national forecasts are used by tax analysts to prepare economic forecasts specific to Nebraska. Using the single-equation approach, analysts link the behavior of state tax variables to that of selected national variables. A relationship is established between a specific state variable and one or more national variables, and the relationship is expressed as a mathematical equation. A number of states have constructed their own econometric models and use the models to prepare revenue forecasts. In a regional econometric model, a simultaneous structure is generated among the state variables. This approach is logically more appealing than the usual single-equation linkage between state and national variables.

Assume that "sales tax receipts" is the forecasting target. Because collected receipts change (vary) with time, "sales tax receipts" is referred to as a variable. The statistical technique used to prepare the forecasts is regression analysis. This technique serves three purposes: description, control, and prediction. A study, over time, is made of the behavior of the tax variable.

Graphical analysis and adjustment for seasonality are often applied to the tax series before regression is used. A search is conducted to find economic variables that will adequately explain certain aspects of the tax variable's behavior. When the search has been completed, a mathematical relationship is established between the tax variable and a collection of economic variables deemed "best" in a statistical sense. "Sales tax receipts" is referred to as the dependent variable, and the selected economic variables are referred to as the independent or explanatory variables. Analysts should select independent variables that are, in some sense, logically related to the dependent variable. The relationship between the dependent variable and the set of independent variables is expressed analytically as an equation.

The choice of the functional form of the forecasting equation is related to the choice of the independent variables. Sometimes, relevant theory may indicate the appropriate functional form of the forecasting equation. More frequently, however, the functional form of the forecasting equation is not known in advance and must be decided upon once the data have been collected and analyzed.

The independent variables have been projected as part of a national econometric model such as the Chase or the Wharton. The predicted values of the independent variables are used to generate forecasts of the dependent tax variable. After the forecasts are prepared, a comparison is made, over time, between the forecasted tax receipts and actual receipts. The difference is the forecast error, and an analysis of the error terms is useful in evaluating the model's performance. Overall performance of the predictive model is often referred to as a "track record." Actual tax receipts for July, 1977, were \$39 million. The Department of Revenue forecast \$37 million in receipts and the Bureau of Business Research predicted July receipts to be \$41 million. Both forecasts deviate from actual receipts by \$2 million.

To further illustrate the technique, it is observed that the sales tax variable's behavior is best explained by U.S. personal disposable income in current dollars (lagged four quarters) and the Nebraska sales tax rate. This relationship is expressed by the following equation:

$$NSTAX_t = 1.84 USPDI_{t-4} + 264.65 RATE_t - 11570.55$$

(21.98)                      (2.84)  
(.08)                              (93.35)

R<sup>2</sup> = .97                      NSTAX = Nebraska non-motor vehicle sales  
F = 472.90                      and consumer use tax  
SE = 603.44                      USPDI = U.S. Personal disposable income  
DW = 1.55                      in current dollars  
RATE = Nebraska sales tax rate

<sup>1</sup>An econometric model is a specification relating economic variables. The specification includes a mathematical formulation of the relations and a clear definition of the meaning of each of the variables.



Table 1  
**GENERAL FUND TAX RECEIPTS FORECASTS FOR FISCAL YEAR 1977-78**  
 BUREAU OF BUSINESS RESEARCH, UNIVERSITY OF NEBRASKA-LINCOLN  
 Sales and Use Tax — 3½ percent  
 Individual Income Tax — 18 percent  
 (amounts in thousands of dollars)

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total		
Sales and use tax	18,631	21,614	19,256	19,934	20,538	21,142	20,916	20,502	18,848	16,775	21,367	20,432	239,955		
Individual income tax	10,946	18,069	14,594	11,405	19,198	11,215	20,859	25,927	23,588	29,586	26,234	16,371	227,992		
Corporate income tax	1,807	1,642	6,859	2,221	1,437	6,183	2,621	1,978	10,532	8,175	2,533	6,709	52,697		
Liquor tax	974	954	866	1,035	874	1,286	1,115	808	992	975	1,099	1,161	12,139		
Cigarette tax	1,437	1,239	1,214	1,193	1,045	1,045	1,157	937	1,036	1,121	1,279	1,413	14,116		
Pari-mutuel wagering tax	4,207			357	505							970	6,039		
Insurance premium tax											8,249*		8,249		
Other miscellaneous taxes	3,550	1,690	942	1,088	1,260	1,155	887	1,004	1,322	1,842	3,986	1,356	20,082		
<b>Total receipts</b>	<b>41,552</b>	<b>45,208</b>	<b>43,731</b>	<b>37,233</b>	<b>44,857</b>	<b>42,026</b>	<b>47,555</b>	<b>51,156</b>	<b>56,318</b>	<b>58,474</b>	<b>65,717</b>	<b>47,442</b>	<b>581,269</b>		
Forecasted gross receipts . . . . .				\$581,269,000.00				Sales tax returned to cities . . . . .				\$30,428,000.00			
Estimated general fund balance, June 30, 1977 . . . . .				<u>1,000,000.00</u>				Food and sales tax refunds . . . . .				31,057,000.00			
Total gross receipts . . . . .				\$582,269,000.00				Miscellaneous refunds* . . . . .				<u>9,495,000.00</u>			
Total refunds . . . . .				<u>70,980,000.00</u>				Total refunds . . . . .				\$70,980,000.00			
Total net receipts . . . . .				\$512,289,000.00											

\*Nebraska Department of Revenue estimate.

Table 2  
**NEBRASKA DEPARTMENT OF REVENUE, RESEARCH DIVISION**  
**SCHEDULE OF MONTHLY ESTIMATES OF GENERAL FUND RECEIPTS BY SOURCES**  
**IN EXCESS OF FIVE MILLION DOLLARS ANNUALLY FOR FISCAL YEAR 1977-78**  
 Sales and Use Tax — 3½ percent  
 Individual Income Tax — 18 percent  
 (amounts in thousands of dollars)

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total		
Sales and use tax	12,851	17,917	18,741	13,983	20,006	20,724	20,862	20,673	20,115	16,550	22,640	20,949	226,011*		
Individual income tax	11,363	19,228	15,163	11,937	18,208	12,006	22,271	28,135	24,528	28,663	22,384	17,346	231,232		
Corporate income tax	1,952	1,973	7,370	2,671	1,764	7,468	2,587	2,187	10,214	5,745	2,463	6,587	52,981		
Liquor tax	906	964	792	960	832	1,169	1,136	575	1,070	889	1,012	1,066	11,371		
Cigarette tax	1,235	1,317	1,125	1,253	1,103	1,134	1,204	1,032	1,180	1,144	1,234	1,256	14,217		
Pari-mutuel wagering tax	4,270			343	430							1,015	6,058		
Insurance premium tax											8,249		8,249		
Other miscellaneous taxes	2,842	1,539	865	1,415	1,981	2,237	1,210	1,792	2,269	3,180	153	565	20,048		
<b>Total receipts</b>	<b>35,419</b>	<b>42,938</b>	<b>44,056</b>	<b>32,562</b>	<b>44,324</b>	<b>44,738</b>	<b>49,270</b>	<b>54,394</b>	<b>59,376</b>	<b>56,171</b>	<b>59,150</b>	<b>47,769</b>	<b>570,167</b>		
Forecasted gross receipts . . . . .				\$570,167,000.00				Food and sales tax refunds . . . . .				\$32,050,000.00			
Estimated general fund balance, June 30, 1977 . . . . .				<u>1,000,000.00</u>				Miscellaneous refunds . . . . .				<u>9,495,000.00</u>			
Total gross receipts . . . . .				\$571,167,000.00				Total refunds . . . . .				\$41,545,000.00			
Total refunds . . . . .				<u>41,545,000.00</u>											
Total net receipts . . . . .				\$529,622,000.00											

\*Sales and use tax receipts total does not include city sales tax receipts.  
 Total gross sales and use tax receipts are \$256,011,000.00.

Forecasted values of the independent variables are substituted into the equation to obtain forecasts for the dependent tax variable. Strict substitution into an equation is seldom the total procedure that is followed. In forecasting, a certain degree of subjective judgment must be exercised. The numerical values that appear below the equation are statistics used to judge the overall suitability of the equation. Equations for other tax receipts are developed in a similar fashion.

The role of the computer in performing the type of analysis necessary for forecasting is often misunderstood. Endowing a computer with a malevolent personality is quite common among those who are uninformed as to the computer's capabilities. When preparing forecasts, conceptual analysis, data collection, and other preliminary tasks are performed by the human analysts. The computer is used as a complex calculator. Convenience, accuracy, and speed are obvious rewards of a computerized technology.

#### FORECASTING NEBRASKA'S TAX REVENUES

Nebraska's government officials are responsible for budget preparations each fiscal year. To avoid blind guessing, tax analysts are assigned the duty of preparing forecasts of general fund receipts. Under certain assumptions and constraints, tax receipts might be predicted to increase or decrease. If tax receipts are predicted to decrease, or an increase in expenditures is planned, steps must be taken to assure a final positive balance in the general fund at the end of the fiscal year.

In Nebraska, general fund tax receipts are forecast, provided the receipts surpass a certain bound. Receipts falling below this bound are combined. The general fund tax receipts for which forecasts are prepared are: (1) sales and consumer use tax, excluding sales tax on motor vehicles; (2) individual income tax; (3) corporation tax; (4) cigarette tax; (5) liquor tax; (6) pari-mutuel tax; (7) insurance premium tax; and (8) miscellaneous tax.

Miscellaneous tax is a combination of tax receipts, such as bingo tax, fire marshall tax, and the like. The Nebraska Department of Revenue publishes a yearly report listing all taxes collected and the funds to which these tax receipts are distributed. Certain tax receipts are distributed to the general fund, while others are distributed to special funds.

Data on tax receipts were provided by the Nebraska Department of Revenue. Forecasts, with the exception of the insurance premium tax and miscellaneous refunds, were prepared independently by the Bureau of Business Research and are shown in Table 1. Table 2 gives forecasts prepared by the Research Division of the Nebraska Department of Revenue. Identical formats are used for ease of comparison. (See Tables 1 and 2 on page 2.)

Forecasts were prepared on the basis of new tax rates which were set by the State Board of Equalization in June, 1977. The sales tax rate was increased from 3 percent to 3.5 percent, and

the income tax rate was increased from 17 percent to 18 percent. The rationale for the sales tax rate increase was a legislated increase in state aid to education, while changes in federal income tax laws prompted an increase in the state income tax rate.

Total forecasted net receipts by the Department of Revenue are \$529.6 million, while the Bureau of Business Research projects a net total of \$512.3 million. The difference of \$17.3 million appears large when expressed in terms of millions of dollars, but the percentage difference, as compared to the Department of Revenue's figure, is only 3.4 percent. The major point of divergence in the two forecasts is sales and consumer-use tax forecasts. The Department of Revenue anticipates approximately \$16 million more in sales tax receipts than anticipated by the Bureau of Business Research.

Expenditures for fiscal year 1977-78 have been set at \$498.8 million. The Nebraska tax system requires an overlevy of not less than 3 percent and not more than 7 percent. For expenditures of \$498.8 million, the following percentage overlevies have been converted to millions of dollars: 3%—\$15.0; 4%—\$20.0; 5%—\$24.9; 6%—\$29.9; and 7%—\$34.9. Assuming 100 percent spending of total appropriations, the Nebraska Department of Revenue anticipates an overlevy of \$30.8 million, or 6.2 percent. The Bureau of Business Research anticipates an overlevy of \$13.5 million, or 2.7 percent.

A constraint that hampers tax forecasting efforts in Nebraska is the farm income situation. At the present time, although drought conditions appear to have eased, farm prices remain depressed. If farm prices remain low, nonagricultural sectors will be affected and the tax situation could change drastically. Sales tax receipts and income tax receipts could fall below expectations if relief for the agricultural sector is not forthcoming. It is difficult to pinpoint the effect of depressed farm prices on tax receipts, but the next few months will yield an indication.

Agencies and individuals who prepare forecasts are naturally open to criticism. This is good, since it tends to eliminate complacency and adds a bit of excitement to the task. Even so, results obtained from a forecasting model are often incorrectly accepted as the final word. When collected receipts fall below forecasted values, concern is raised about the validity of the forecasts while the alternative situation is usually ignored. A reasonable degree of error is to be expected with any forecasting model. What is reasonable is vague and usually depends on the individual tax series. Economic observers were surprised when the state's sales tax receipts for October, 1976, fell considerably below the amount that was forecast. Only a few months of deviant receipts are required to cast the forecasts in a questionable light when, in truth, the overall performance of the forecasting model is acceptable.

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### FAMILIES LIVING IN POVERTY

The number of Nebraska families below the poverty level decreased by nearly one-fourth between 1969 and 1975 compared to a reduction of only 7.5 percent for the nation, according to the results of a recent U.S. Bureau of the Census survey.

About 28,680 Nebraska families were living in poverty in 1975, down 24.3 percent from the 37,868 poverty-level families reported in the 1970 census of population. The states in the West North Central region as a whole (Minnesota, Iowa, Missouri, North

Dakota, South Dakota, Nebraska, and Kansas) showed a 21.4 percent reduction similar to that of Nebraska (see Table 1, page 6).

Nationwide, however, only a 7.5 percent drop occurred in the number of families living below the poverty level—from 5.5 million in 1969, as reported in the 1970 census, to 5.1 million in 1975.

Nebraska's 1975 poverty rate (poverty-level families per hundred families of all income levels)

(Continued on page 6)

## Review and Outlook

Real output in Nebraska declined 0.5 percent in May, with the state physical volume index recording a production level for the month which was 137.2 percent above the average monthly output for 1967. The negative course of output in May was the first monthly decline for the state since January, 1977, and only the fourth month-to-month decline in the past 12 months. A drop in output in the agricultural sector led the decline, although real nonagricultural output for the state also registered a moderate decline during the month. Activity in the nonagricultural sectors was dominated by the downward movement in production within the distributive sector of the Nebraska economy. The decline in output in this sector more than offset the increases experienced

by the construction, manufacturing, and government sectors of the state economy.

Real agricultural output for the state fell 1.7 percent in May. This was the first drop in agricultural output since January, and the sharpest decline in activity for this sector since December, 1976. Although monthly changes of this magnitude are not uncommon for this volatile sector, agriculture is of such importance to the Nebraska economy that changes of this magnitude do exert a strong influence on measures of overall economic activity in the state. The May decline in agricultural production followed an especially strong advance in April (9.6 percent). On a seasonally adjusted basis, cash farm marketings for the state totaled \$308.7 million in May. While this figure is low (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				
May, 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	105.9	110.9	108.2	110.2
Agricultural	82.1	104.0	90.9	100.7
Nonagricultural	111.0	111.1	111.3	110.5
Construction	129.9	114.7	142.6	110.1
Manufacturing	113.4	111.6	112.4	110.7
Distributive	109.0	111.4	109.5	111.1
Government	108.8	107.8	107.5	107.8
Physical Volume	101.1	104.0	103.6	103.9
Agricultural	88.4	102.4	98.2	100.1
Nonagricultural	103.5	104.1	104.4	104.0
Construction	123.0	108.7	134.9	104.1
Manufacturing	105.8	104.3	106.1	104.4
Distributive	102.1	104.4	103.1	104.6
Government	99.8	101.3	98.7	101.0

2. CHANGE FROM 1967		
Indicator	Percent of 1967 Average	
	Nebraska	U.S.
Dollar Volume	255.8	236.0
Agricultural	235.6	237.1
Nonagricultural	259.3	236.0
Construction	293.6	211.4
Manufacturing	278.9	223.0
Distributive	249.2	243.7
Government	261.9	244.2
Physical Volume	137.2	128.1
Agricultural	129.4	121.6
Nonagricultural	138.6	128.3
Construction	141.8	102.1
Manufacturing	144.3	117.2
Distributive	128.0	134.9
Government	131.5	136.8

### 3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES (Adjusted for Price Changes)

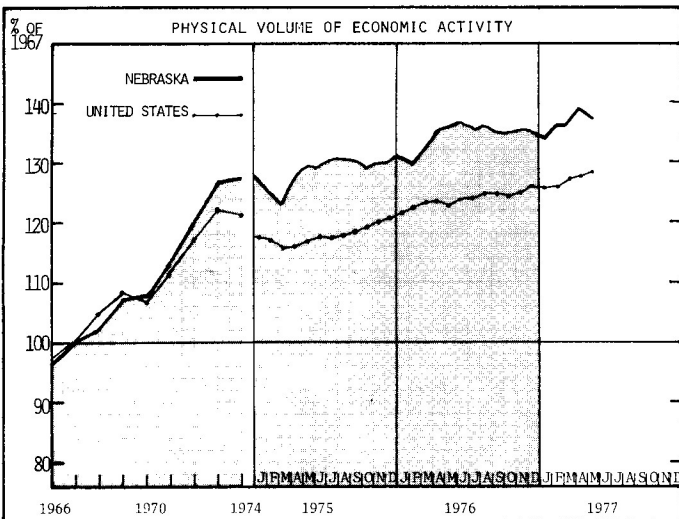
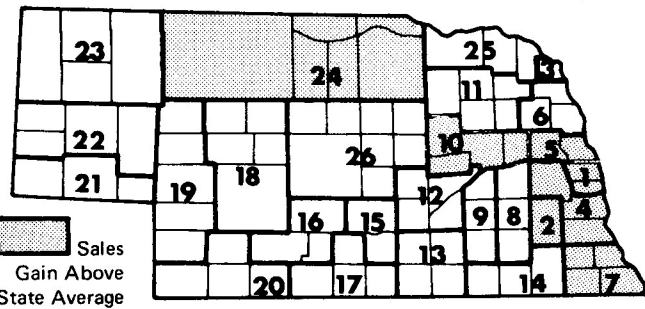
Region Number <sup>1</sup> and City	Sales in Region <sup>2</sup>		
	May, 1977 as percent of May, 1976	May, 1977 as percent of May, 1976	Year to date '77 as percent of Year to date '76
<i>The State</i>	97.1	98.2	98.9
1 Omaha	102.8	103.0	101.6
Bellevue	75.3		
2 Lincoln	99.1	100.7	107.4
3 So. Sioux City	96.1	91.8	92.2
4 Nebraska City	108.9	102.5	100.9
5 Fremont	100.3	100.9	98.9
Blair	105.5		
6 West Point	103.4	98.2	93.3
7 Falls City	108.3	111.0	100.0
8 Seward	108.5	99.5	94.2
9 York	88.6	96.2	98.6
10 Columbus	107.5	110.4	99.1
11 Norfolk	76.1	85.1	95.4
12 Grand Island	96.7	95.4	96.5
13 Hastings	76.9	82.6	93.7
14 Beatrice	98.5	100.0	98.0
Fairbury	99.7		
15 Kearney	83.7	88.5	96.4
16 Lexington	108.9	102.8	96.1
17 Holdrege	73.8	80.9	87.4
18 North Platte	103.8	104.2	97.8
19 Ogallala	78.9	87.4	92.0
20 McCook	89.0	87.1	89.6
21 Sidney	88.6	89.3	89.5
Kimball	93.6		
22 Scottsbluff/Gering	88.6	93.1	90.5
23 Alliance	86.3	88.7	95.6
Chadron	83.3		
24 O'Neill	111.8	104.2	102.1
25 Hartington	111.0	98.2	93.7
26 Broken Bow	91.5	94.2	93.5

<sup>1</sup>See region map below.

<sup>2</sup>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 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) in relation to monthly cash marketings for most of last year, it exceeds levels attained in January and March of this year, and is only slightly below those registered in February. Cash farm marketings in May, however, were significantly lower than the \$364.1 million recorded in April.

Seasonally adjusted constant dollar activity in the distributive sector of the Nebraska economy fell for the third consecutive month. Output for this sector declined at an 8.4 percent annual rate in May and, when combined with the drop in agricultural output, accounted for the May downturn in overall economic activity in the state. Underscoring the decrement in distributive sector output were continued declines in employment in the distributive sector and in price-adjusted retail sales. Both have moved downward for 3 consecutive months. Retail sales for the first 5 months of 1977 were 1.1 percent below price-adjusted levels for the similar period in 1976.

Following a sluggish performance in 1975 and most of 1976, a resumption of growth in the Nebraska construction industry began in September, 1976. Increases in real output are continuing to occur in this sector of the state economy. For the first 5 months of 1977, real construction activity was 34.9 percent above levels recorded for January through May of last year. In May, 1977, construction activity (adjusted for price changes) in Nebraska grew at a 6 percent annual rate. It marked the seventh such increase in the past 9 months. Other sectors of the state economy which experienced increases in real output during May were manufacturing (up 0.2 percent) and government (up 0.1 percent).

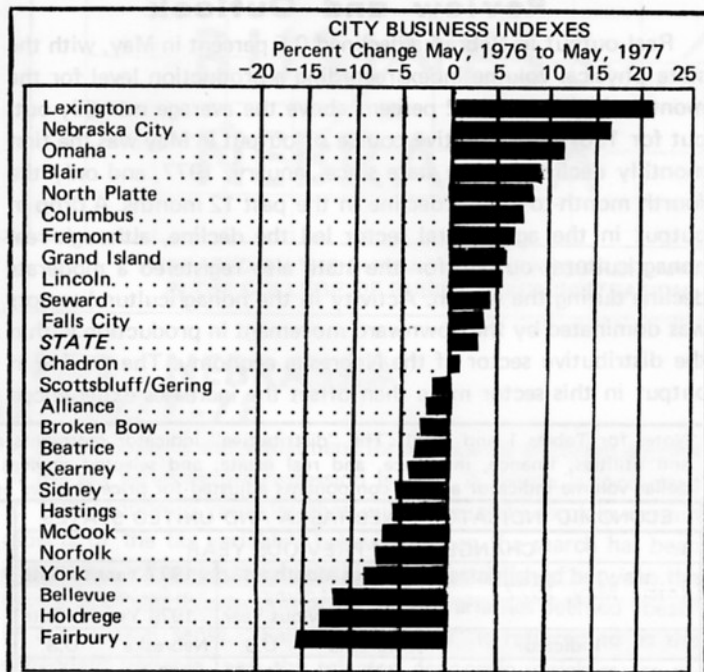
The city business indexes reflected the lull in May economic activity in the state, with 13 of the 25 cities showing a decline in economic activity for the month relative to the previous May. Lexington, Nebraska City, Omaha, Blair, and North Platte were cities in the state posting the largest gains. All 5 cities experienced increases in price-adjusted retail sales despite declining levels in the state, and all contributed to the strong growth of construction activity in the state. Lexington, ranked in the top 5 for the first time this year, recorded significant increases in banking activity, building activity, and retail sales.

The physical volume index for the United States registered a modest increase in May. Real output grew at a 3.6 percent annual rate, with the agricultural and construction sectors showing the largest April-to-May gains. Agricultural output increased 4.2 percent during the month, and construction activity rose 1.0 percent. Other sectors experiencing increases in output were manufacturing and government—both up 0.4 percent in May.

WILLIAM D. GERDES

5. PRICE INDEXES			
May, 1977	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices . . . . .	180.6	106.7	106.2
Commodity component	174.3	106.2	105.5
Wholesale Prices . . . . .	195.2	107.3	106.4
Agricultural Prices			
United States . . . . .	195.0	101.6	100.7
Nebraska . . . . .	182.0	92.9	92.7

\*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. MAY CITY BUSINESS INDICATORS			
The State and Its Trading Centers	Percent of Same Month a Year Ago		
	Banking Activity <sup>1</sup> (Adjusted for Price Changes) <sup>4</sup>	Building Activity <sup>2</sup>	Power Consumption <sup>3</sup>
The State	112.6	132.2	89.4
Alliance	102.7	204.0	87.1
Beatrice	98.4	99.1	72.6
Bellevue	96.6	99.1	106.9*
Blair	115.0	125.7	95.6
Broken Bow	104.7	122.7	70.5
Chadron	125.1	87.6	75.6
Columbus	112.3	131.2	78.7
Fairbury	69.4	54.5	98.6*
Falls City	105.1	94.5	93.1
Fremont	115.9	101.9	100.7*
Grand Island	113.2	169.6	92.9
Hastings	108.4	165.5	85.7
Holdrege	87.5	180.5	87.2
Kearney	105.9	123.8	86.5
Lexington	138.4	192.2	97.9
Lincoln	115.2	119.2	88.1
McCook	107.2	44.1	89.1
Nebraska City	108.5	855.6	107.0
Norfolk	104.8	140.3	95.9
North Platte	110.9	201.4	91.2
Omaha	121.1	152.7	88.3
Scottsbluff/Gering	110.5	63.0	100.1
Seward	107.6	80.7	90.3
Sidney	103.4	65.7	99.2
So. Sioux City	NA	NA	NA
York	98.2	49.2	87.4

<sup>1</sup> Banking Activity is the dollar volume of bank debits.  
<sup>2</sup> Building Activity is the value of building permits issued as spread over an appropriate time period of construction.  
<sup>3</sup> Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked \* for which only one is used.  
<sup>4</sup> 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.



## DEAN SEARCH

The College of Business Administration, University of Nebraska-Lincoln, is in the process of soliciting nominations and applications for the position of Dean. This position was vacated with the resignation of Dr. Ronald L. Smith, effective July 1, 1977. Dean Smith resigned to accept the position of Dean, College of Business Administration, Georgetown University, Washington, D.C. In seeking suitable candidates, the Search Committee is requesting that persons desiring to nominate candidates for the position or to apply for the position send their nominations to the Search Committee, College of Business Administration, 308 Administration Building, University of Nebraska-Lincoln, Lincoln, Nebraska 68588. Nominations or applications must be received before September 15, 1977.

The position, which is available on or before July 1, 1978, is described as follows:

The College of Business Administration has an enrollment of approximately 2,500 undergraduate and 450 graduate students in masters and doctoral programs. The College has a full-time faculty of 76 in its Departments of Accounting, Economics, Finance, Management, and Marketing, the Bureau of Business Research, and the Center for Economic Education. The Dean is the College's chief administrative officer and represents the College in matters internal and external to the University.

The Search Committee has established the following minimum qualifications as desirable in persons who are applicants: evidence of scholarly achievement; earned doctorate desirable; administrative and/or teaching experience; interest in both undergraduate and graduate education; capacity for building strong ties with external constituencies.

(Continued from page 3) of 7.1 was well below the national rate of 9.0, and also below the 7.5 rate for the West North Central region.

	1969	1975	Percent Change	Poverty Rate	
				1969	1975
U.S.	5,462,216	5,050,780	-7.5	10.7	9.0
W.No.Central Region	415,117	326,080	-21.4	10.1	7.5
Nebraska	37,868	28,680	-24.3	10.1	7.1

Source: U.S. Bureau of the Census, Survey of Income and Education.

Only 0.57 percent of the nation's poor families lived in Nebraska in 1975, down from 0.69 percent in 1969. Regions estimated to have increased shares of the nation's poor included the New England, the Middle Atlantic, the East North Central, Mountain, and Pacific states. Besides the West North Central region which contains Nebraska, only the Southern regions were estimated to have reduced shares of the nation's poor families between 1969 and 1975.

The poverty level used is the official government measure for 1975, which is based on different consumption requirements of families in relation to their size and composition, sex and age of the family head, and farm-nonfarm residence. The poverty level for a nonfarm family of four was \$3,743 in 1969 and \$5,500 in 1975.

VICKI S. STEPP

# BUSINESS NEWS

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