

# Business in Nebraska

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## Limited Liability Companies: A New Preferred Business Organization?

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*The views in this article are those of the authors and do not necessarily represent the views of the Bureau of Business Research or the University of Nebraska.*

With the enactment of the Limited Liability Company Act (LB121), Nebraska joined the most significant new trend in business organizations in several decades. The Limited Liability Company (LLC) offers the advantages of corporations and partnerships, while minimizing most of the drawbacks associated with previous hybrid business forms.

An LLC is not a corporation or a partnership—it is a new form of business organization. The LLC offers limited liability protection and single, flow-through income taxation. Unlike previous hybrid business forms, however, the LLC offers greater flexibility in business management and capital structure and less restrictive owner qualification.

### Background

Business owners traditionally have had to choose between corporations and partnerships when organizing their businesses. A corporation offers the advantage of limited liability. With a corporation, an individual's potential liability is only as great as the individual's investment in the corporation. Personal assets cannot be seized to satisfy the debts of the corporation.

Corporations, however, incur double taxation. Income from the corporation is taxed once when the corporation reports the income on its corporate income tax return and again when it is paid to shareholders as either dividends or as liquidating dividends.

Partnerships pose the opposite choice. Partnership income is taxed only once as it is reported by the partner on the individual income tax return. The income *flows through* to the partner. Partnerships, however, do not

offer limited liability. The personal assets of any general partner can be seized to satisfy the entire debt of the partnership. Business owners traditionally had to choose between limited liability or single taxation.

Several hybrid business forms have been developed that try to combine the best features of corporations and partnerships. Each of these hybrid forms suffers from peculiar disadvantages that have prevented any from becoming an organizational panacea for business.

The limited partnership combines limited liability for most partners with flow-through taxation for all partners. With a limited partnership, at least one partner (the *general partner*) cannot have limited liability. The partners with limited liability (the *limited partners*) face liability only to the extent of their investment in the limited partnership, much like shareholders in a corporation. But, the general partner can have all of its assets seized to satisfy partnership debts.

Only the general partner can manage the limited partnership. If a limited partner helps to manage the partnership in any meaningful way, the limited partner waives limited liability. This feature presents a major difficulty for any person who does not want to be a passive investor. This form works well for some investment companies, but does not work well for most small or family-owned businesses.

A later development is the S Corporation. The S Corporation is a corporation organized under the usual rules in its state of incorporation, but which the IRS treats like a partnership for income tax purposes. The S Corporation has single, flow-through taxation and limited liability.

The S Corporation has a number of drawbacks. A corporation must meet a number of stringent requirements to elect to be taxed as an S Corporation. An S

Corporation can have no more than 35 shareholders. All shareholders must be either U.S. citizens, U.S. residents, or a few types of trusts. Shareholders cannot include other corporations, partnerships, pension plans, ESOPs, or most trusts. S Corporations cannot own more than 80 percent of another corporation or have preferred stock.

All the shareholders in an S Corporation may participate in the management of the corporation. Despite these many restrictions, many small and family-owned businesses have organized as S Corporations to enjoy the combination of limited liability, flow-through taxation, and active shareholder management.

#### Advantages of an LLC

An LLC offers several important advantages over the other business forms (Table 1). Like corporations, LLCs offer limited liability for their owners. Unlike corporations, however, LLCs are not subject to double taxation and are simpler to operate. For instance, LLC capital contributions are not subject to par value rules as are capital contributions to corporations.

Like partnerships LLCs offer flow-through taxation. Unlike partnerships, however, LLCs offer limited liability and greater protection against oppression by minority owners. For instance, in a partnership, a partner can force the immediate termination of the partnership by withdrawing and suing for return of the partnership capital. In an LLC, however, a member must give at least six months written notice before return of member capital is required. This additional six months may allow the remaining members time to collect the necessary funds without having to liquidate the business, in some circumstances.

LLCs offer significant advantages over limited partnerships. Like a limited partnership, LLCs offer both limited liability and flow-through taxation. Unlike limited partnerships, however, all LLC members may participate in business management without losing their limited liability. In addition, no LLC members need to act as general partner and all LLC members have limited liability.

LLCs are much more flexible than S Corporations. Like S Corporations, LLCs offer limited liability for all

**Table 1**  
**Limited Liability Companies**

	<u>Nebraska LLC</u>	<u>Limited Partnership</u>	<u>S Corporation</u>
Limited liability for owners	Yes	At least one owner must remain individually liable for partnership debts and liabilities	Yes
Federal flow-through taxation	Yes	Yes	Yes
State flow-through taxation	Yes	Yes	Yes
Participation in management	No restrictions	Limited partners may not participate in management; if they do, they will lose limited liability	No restrictions
Transferability of ownership interest	May not transfer entire interest unanimous consent of other members	Restrictions imposed by partnership agreement	Restrictions may be imposed by a shareholder agreement
Perpetual life	No	Generally no	Yes
Owner qualification	No restrictions	Must have a general partner who is individually liable for all the partnership's debts and liabilities	Many restrictions on number and types of owners
Number of owners	At least two	At least two	No more than 35
Types of owners	No restrictions	No restrictions	Only U.S. citizens, residents, and certain trusts
Classes of ownership interests	No restrictions	No restrictions	One only; no preferred stock
Ability to do business in other states	Unclear in states without LLC statute All Great Plains states have enacted LLC laws	No restrictions	No restrictions

owners and flow-through taxation. Unlike S Corporations, LLCs are subject to few restrictions regarding capital structure, management, or owner requirements. For instance, an LLC may have more than 35 owners, an S Corporation may not. LLC members can include nonresident aliens, corporations, trusts, pension funds, ESOPs, and other LLCs. S Corporation shareholders are limited to U.S. citizens, U.S. residents, and some trusts. An LLC may have more than one class of equity, S Corporations may not. LLCs may own closely held subsidiaries, S Corporations may not own more than 80 percent of another company. LLCs generally can be liquidated without triggering tax, liquidating S Corporations usually will trigger a tax. Thus, LLCs are easier to change as conditions warrant than are S Corporations. Finally, LLC members may enjoy tax advantages unavailable to S Corporation shareholder,

### Disadvantages of LLCs

Despite their significant advantages, LLCs do have some drawbacks. LLCs are not organized as easily as are other business forms. LLCs must lack two of four corporate characteristics as defined by the IRS. These include limited liability, centralized management, perpetual life, and free transferability of ownership interests.

An LLC properly organized under Nebraska law will lack perpetual life and free transferability of ownership interests. In practice, these restrictions can sometimes be overcome by a super majority vote of the members. These restrictions may pose major difficulties for members trying to sell their interests in an LLC or in cases of member discord.

Second, LLCs are not yet recognized in all states. As of late Spring 1993, 31 states (including Nebraska) have enacted LLC statutes and 14 others are considering LLC statutes. It is uncertain how states without LLC statutes will treat LLCs organized in other states. It is possible that LLC members may be held personally liable for acts of the LLC performed in other states without LLC statutes. Thus, an LLC format may not be appropriate for businesses that operate on a regional or national basis. Table 2 lists states that have enacted, or are considering, LLC statutes.

As a general rule, states that have enacted LLC statutes also recognize LLCs organized in other states. The foreign LLC generally must register in every state in which it conducts business. In states that recognize foreign LLCs, members of Nebraska LLCs need not worry about possible personal liability, provided they have registered properly in that state. It is likely that most, if not all, states will enact LLC legislation over time. When this occurs, the risk of LLC members losing limited liability in other states probably will be eliminated.

**Table 2**  
**Limited Liability Companies**

#### LLC Statute Enacted

Alabama (1993)	Missouri (1993)
Arkansas (1993)	Montana (1993)
Arizona (1992)	Nebraska (1993)
Colorado (1990)	Nevada (1991)
Delaware (1992)	New Hampshire (1993)
Florida (1982)	New Mexico (1993)
Georgia (1993)	North Dakota (1993)
Idaho (1993)	Oklahoma (1992)
Illinois (1992)	Rhode Island (1992)
Indiana (1993)	South Dakota (1993)
Iowa (1992)	Texas (1991)
Kansas (1990)	Utah (1991)
Louisiana (1992)	Virginia (1991)
Maryland (1992)	West Virginia (1992)
Michigan (1993)	Wyoming (1977)
Minnesota (1992)	

#### LLC Statute Proposed

California	Ohio
Connecticut	Oregon
Hawaii	Pennsylvania
Massachusetts	South Carolina
New Jersey	Tennessee
New York	Washington
North Carolina	Wisconsin

Third, because the LLC is such a new business form, some tax uncertainties still exist about LLCs that have not been resolved by the IRS. For instance, the IRS has not adapted many of its rulings for LLCs. When clarifications are announced, they may affect self employment taxes, passive activity losses, and rules for deducting losses.

Fourth, courts have not clarified several unclear areas of LLC law. For instance, it is not yet known if and in what circumstances creditors can pierce the limited liability of an LLC. Nor is it clear what fiduciary duty members owe to one another. As in all new business forms, LLCs included, a certain inherent amount of uncertainty should be expected until the business form matures. Despite the age of some of the LLC statutes (Wyoming passed the first LLC law in 1977.), courts have published few opinions regarding to LLCs.

Finally, although the management of an LLC is substantially the same as that of other business forms, the new terminology of LLCs may confuse some members and managers. Managers and members may need more advice running an LLC, at least initially, than they would in a more familiar business organization.

### Uses of an LLC

An LLC can be formed for any lawful purpose other than banking or insurance. Professionals may organize

as LLCs after implementing regulations have been written by their respective state professional regulatory bodies. The Nebraska Board of Accountancy is expected to finish writing the necessary regulations for accountants this fall.

Nebraska LLCs may provide professionals with more liability protection than do current business forms. Significant uncertainties exist about both the extent of these additional protections, if any, and to which professions they may apply. It should be noted that organizing as an LLC almost certainly will NOT protect professionals from personal liability for their own professional negligence.

LLCs may provide more estate planning options to individuals. The ability of an LLC to have more than one class of equity may make estate freezes easier in some situations.

Different ownership classes also may make it easier to pass a family business to the next generation. If, for instance, some grandchildren want to manage the business actively and others do not, ownership in the business could be divided between a manager class of ownership and a passive class of ownership. Each class of ownership could receive different dividends and rights in the business. An S Corporation cannot be organized this way.

It is also uncertain whether LLCs can be used for farming operations. The Nebraska LLC statute provides that LLCs will be treated as a "syndicate" for purposes of Initiative 300 which restricts corporate farm organization. One possible reading of the law suggests that farming operations cannot be organized as LLCs. The LLC statute likely will be given clean-up amendments by the Unicameral next year, and it is possible that this area will be addressed.

#### Conversion to an LLC

A partnership generally can convert to an LLC without much difficulty or tax liability. For tax purposes, the business simply continues uninterrupted, and the partners exchange their old partnership percentage interests for the same percentage interest in the LLC.

Corporations may incur a tax liability when they convert to LLCs. Unlike the partnership situation, shareholders must realize any corporate gain or loss when they convert the business to an LLC. The amount of the tax liability depends on whether there is a tax on both corporate and shareholder gain and the extent to which value exceeds basis.

#### Conclusions

The LLC offers significant advantages over alternative business organizations. An LLC offers much greater flexibility than comparable business organizations, while offering the same benefits as other business forms. LLC

members can participate actively in the management of the LLC. LLCs have far fewer restrictions than S Corporations with regard to ownership, capital structure, and management.

LLCs have proven to be popular business organizations in other states. In the three years since the enactment of the Colorado LLC statute, more than 2,290 LLCs have been organized in that state. In the last six months more than 160 LLCs have organized in Kansas.

When one looks at how widespread S Corporations have become despite their many restrictions and problems, one cannot escape the conclusion that LLCs likely will become the preferred business organization of the future.

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## From Roads to Electronic Highways: Nebraska's Ever-Changing Infrastructure

F. Charles Lamphear

When Nebraska's early settlers encountered the vast expanse of the Plains, they were quick to build roads to connect the state's young towns and communities. By 1904 there were 79,462 miles of roads in the state. By the 1920s Nebraska had become a leader in the design and development of dirt highways. In 1967 Nebraska became the first state to complete its mainline interstate highway.

Early Nebraskans also saw the need to build a telecommunications network. In 1882 the first long-distance telecommunications connection in the state was made between Omaha, Arlington, and Fremont. Nebraska currently is a leading center of the telecommunications industry.

Today, Nebraskans see a need for an electronic information system that will link communities to each other and to the world. Work is under way on such a system.

Work has started, but no one is certain what the system eventually will include. It undoubtedly will contain a number of services for individuals, businesses, and communities. We would like to offer the following two types of business services for consideration.

**A computer-based experiment station:** Research shows that America's small rural manufacturers are slow to invest in new technologies and adopt best practices. One obstacle to modernization is the limited opportunities these manufacturers have to observe modern production techniques. Rural manufacturers often are isolated from their urban counterparts. Thus, opportunities to observe state-of-the-art production processes and industrial equipment are limited. These limitations can put rural manufacturers at a competitive disadvantage in a global market.

Professional interaction is one of the principal agglomeration economies offered by urban centers. Professional interaction transforms new information and new ideas into new production processes and new products. Such interaction frequently can mean the difference between success and failure.

One way to overcome the lack of professional interaction in rural areas would be to use the land grant college extension service model of experiment farms that has worked successfully to bring modern production techniques, conservation practices, as well as higher-yielding varieties of feed and food crops to farmers. The same system could be used to bring the best practice production equipment and processes to rural manufacturers.

Information on new industrial machines and modern production practices could be shown electronically to rural manufacturers via holography and virtual reality. Virtual reality computer software makes it possible for an observer to experience an event (e.g., a demonstration) without being physically present at the demonstration site. For example, computer software allows architects to take a three dimensional walk through a building before a project leaves the drawing board. Moreover, in a holographic environment (a technology still in its infancy), participants are able to see each other, make eye contact, and even have the illusion of touching one another.

Using the technology of virtual reality and holography, rural manufacturers could observe the operation of a new production process or a state-of-the-art industrial machine while interacting with those conducting the demonstration. This could be accomplished without traveling hundreds of miles to the demonstration site. An added benefit would be the ability to electronically file the demonstrations for later viewing. Observations through virtual reality and holography can be as meaningful and as useful to rural manufacturers as real observations have been to farmers who have attended various demonstrations at experiment farms.

**Business support/diagnostic center:** Many small, rural businesses are capable of providing reliable, quality products and services at competitive prices in world

markets. One obstacle to competing successfully in national and international markets is support specialists. Business and technical specialists typically are found in urban areas. As businesses concentrate in one place (whether they are in the same or different industries) specialized inputs may be produced by separate operations that service other firms. A firm does not have to provide the service itself, but can buy it more inexpensively from outside operations. The new operations can produce the service or input more inexpensively because of the economies of scale achieved by selling to many firms.

Recent advancements in smart information systems offer small, isolated businesses instant access to highly specialized consulting services. An interactive expert system modeled after programs currently used in medicine could be developed for business use.

Using expert software technology, an easy-to-use, remote access diagnostic system could be designed to handle managers' needs across the entire spectrum of business needs. At the one end, it could address such questions as, "How do I start a business?" "What type of training is needed for the labor input?" or "Where can financing be obtained?" At the other end, it could provide special assistance in technical areas such as business law, tax law, government regulations, market analysis, and the like. A business diagnostic system could identify business problems or needs quickly and guide managers to the appropriate specialist or information source.

A smart business diagnostic system would be capable of incorporating new information on specific business problems and needs expressed by its users to further develop its own diagnostic capabilities. A smart business diagnostic system conceivably could expand its diagnostic capacity to the point that it covers all possible business questions and needs.

Once in operation, a business diagnostic system could be networked across the state with terminal facilities at local chamber of commerce offices, regional and community development field offices, as well as public libraries. It could be accessed in the home via PC and modem. The technology for expert systems is not futuristic. The software technology already exists. It simply needs to be put to practical use in the form of a diagnostic system for Nebraska businesses.

To conclude, no one is certain what the best electronic system is to link Nebraska communities to each other and to the world. One item, however, is reasonably clear. Regardless of what system is built, it will be a vital part of the state's future infrastructure. This article hopes to stimulate thought and debate on what should go into the state's new emerging electronic highway.

## Shift Work Effects

Jan Laney

Recent reports from the U. S. Department of Labor shed some light on the number of full-time wage and salary workers who do shift work. About 18.0 percent of the nation's full-time wage and salary workers have schedules that do not conform to a regular daytime pattern. Night, evening, split, and rotating shifts are examples of nontraditional hours.

A regular daytime schedule generally begins at 8:00 a.m. or 9:00 a.m. and ends at 4:00 p.m. or 5:00 p.m. Regular evening shifts begin at 3:00 p.m. to 4:00 p.m. and end around 11:00 p.m. to midnight. A regular night shift starts around midnight and ends about 8:00 a.m. Rotating shifts involve changing from one to shift to another, with an equal amount of time spent on each shift. A work day consisting of two or more distinct work periods with a free time period, not solely a lunch break, between work periods is called a split shift.

Evening schedules account for 5.1 percent of wage and salary workers. Night shifts and schedules arranged by employers each account for 3.7 percent, and rotating shifts account for 3.4 percent. Only 0.8 percent work split shifts.

Men are more likely to work variable shifts than women; blacks more than whites; and youths more than older workers. Married individuals whose spouse is present in the home comprise the largest number of workers, yet have a lower percentage of shift workers than those who have never married or whose marital status does not include a spouse at home.

**Table I**  
Employment in Nebraska

Place of Work	Revised June 1993	Preliminary July 1993	% Change vs. Year Ago
Nonfarm	755,558	744,443	0.1
Manufacturing	102,736	101,188	1.4
Durables	48,759	47,549	2.6
Nondurables	53,977	53,639	0.4
Mining	1,661	1,666	1.6
Construction	31,237	31,714	4.9
TCU*	47,218	47,957	0.1
Trade	188,835	187,621	-0.6
Wholesale	54,638	54,198	1.7
Retail	134,197	133,423	-1.6
FIRE**	49,312	49,199	-0.4
Services	186,340	185,214	-0.1
Government	148,219	149,781	-0.3
Place of Residence			
Civilian Labor Force	842,293	846,003	0.1
Unemployment Rate	3.1	2.7	

\* Transportation, Communication, and Utilities

\*\* Finance, Insurance, and Real Estate

Source: Nebraska Department of Labor

Service occupations have the highest percentage of shift workers at 42.0 percent. Sixty-four percent are engaged in protective services. Operators, fabricators, and laborers account for 26.0 percent of persons working other than regular daytime hours.

Workers in executive, administrative and managerial occupations and administrative support have the lowest proportions of shift workers at 9.0 percent each. Not surprisingly, 36.0 percent of workers in health assessment and treatment work a schedule other than regular daytime hours. Twenty-seven percent of health-diagnosing workers are scheduled in shifts.

Types of industries employing the highest percentage, 30.0 percent or more, of shift workers are primary metals; textile and paper mill production; rubber and plastic manufacturing; transportation; eating and drinking establishments; and entertainment and recreation.

**Table II**  
City Business Indicators  
May 1993 Percent Change from Year Ago

The State and Its Trading Centers	Employment (1)	Building Activity (2)
NEBRASKA	1.3	-11.3
Alliance	0.3	-37.3
Beatrice	1.1	-71.0
Bellevue	1.7	58.5
Blair	1.7	-25.2
Broken Bow	1.3	62.8
Chadron	2.1	42.0
Columbus	1.9	60.5
Fairbury	1.9	-59.9
Falls City	1.4	-37.7
Fremont	1.3	-7.7
Grand Island	1.6	38.1
Hastings	1.2	103.2
Holdrege	1.7	-4.4
Kearney	2.0	28.9
Lexington	2.5	7.5
Lincoln	-0.2	1.6
McCook	-0.5	-31.4
Nebraska City	1.4	-31.4
Norfolk	1.6	96.2
North Platte	0.7	7.5
Ogallala	1.4	-74.8
Omaha	1.7	4.7
Scottsbluff/Gering	1.5	-88.6
Seward	2.0	-34.8
Sidney	1.8	155.3
South Sioux City	2.1	-81.0
York	1.4	-5.9

(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

Relatively low incidence of shift work is in the areas of computers, telecommunications, and transportation, may signal an increase in the number of shift workers as well as a change in the mix of shift-work occupations in the future.



# NEIP

Nebraska Economic Information Program

The NEIP modem access number is (402) 472-5201.  
Call David DeFruiter at (472) 472-7927 for assistance.

## Announcing!

Wayne State College will host the Northeast Nebraska Cooperative Rural Development conference October 14, 1993 from 8:00 a.m. to 3:15 p.m. The luncheon keynote speaker will be Lt. Governor Maxine Moul. For more information contact Connie Keck, Bureau for Community and Economic Development, Wayne State College, Wayne, Nebraska (402) 375-7533.

Table III  
Price Indices

	July 1993	% Change vs. Year Ago	YTD % Change vs. Year Ago
Consumer Price Index - U* (1982-84 = 100)			
All Items	144.4	2.8	3.1
Commodities	130.9	1.5	2.2
Services	158.4	3.9	3.8

U\* = All urban consumers

Source: U.S. Bureau of Labor Statistics

Table IV  
Net Taxable Retail Sales of Nebraska Regions and Cities

Region Number and City (1)	City Sales (2)		Region Sales (2)		Year to Date % Change vs. Year Ago
	May 1993 (000s)	% Change vs. Year Ago	May 1993 (000s)	% Change vs. Year Ago	
NEBRASKA	998,843	1.5	1,150,833	3.7	2.2
1 Omaha	355,306	6.2	442,505	7.1	4.2
Bellevue	14,203	2.6	*	*	*
Blair	5,227	3.9	*	*	*
2 Lincoln	135,538	6.6	158,912	8.3	5.7
3 South Sioux City	7,188	13.1	10,245	17.7	10.5
4 Nebraska City	4,307	4.1	21,828	14.0	4.7
6 Fremont	18,907	12.5	33,343	10.3	-0.3
West Point	3,036	11.7	*	*	*
7 Falls City	2,417	5.1	9,678	-0.9	-1.1
8 Seward	4,240	-7.6	15,880	6.6	1.0
9 York	7,365	-5.3	15,377	-5.2	-3.2
10 Columbus	16,492	-3.5	28,116	-2.1	-2.6
11 Norfolk	21,457	4.4	37,413	4.4	2.4
Wayne	3,367	18.3	*	*	*
12 Grand Island	38,565	4.7	53,532	5.8	0.0
13 Hastings	18,637	-1.7	28,488	0.1	-1.1
14 Beatrice	8,767	-3.8	21,096	12.0	6.0
Fairbury	4,810	61.4	*	*	*
15 Kearney	23,094	1.0	31,659	0.9	2.4
16 Lexington	6,788	4.6	17,855	4.5	-1.6
17 Holdrege	4,905	4.7	9,009	9.4	-4.5
18 North Platte	18,625	4.1	23,549	4.0	1.0
19 Ogallala	4,905	-14.3	10,054	-16.3	-16.3
20 McCook	8,813	8.5	12,019	3.4	-1.4
21 Sidney	5,267	8.2	9,494	3.6	4.8
Kimball	1,691	-15.6	*	*	*
22 Scottsbluff/Gering	20,579	-0.7	28,221	0.6	1.9
23 Alliance	5,208	-4.7	14,993	6.4	5.0-
Chadron	2,972	8.3	*	*	*
24 O'Neill	3,944	-14.2	14,249	-4.6	-3.0
Valentine	3,013	13.0	*	*	*
25 Hartington	1,661	-12.0	8,575	5.2	4.8
26 Broken Bow	3,942	2.5	11,857	0.4	-3.9

(1) See Figure II of previous *Business in Nebraska* issues for regional composition

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

\*Within an already designated region

Compiled from data provided by the Nebraska Department of Revenue

## DECEMBER 15, 1993

**What?** 6th Annual State of the State Conference

**Where?** Nebraska Center for Continuing Education,  
Lincoln

Join us December 15, for this information-packed half-day conference focusing on the current and future direction of Nebraska's economy.

### Speakers include:

Dr. R. Garth Taylor, Professor of Agricultural Economics and Business Administration, Panhandle Research & Extension Center, University of Nebraska-Lincoln

Dr. Mark Drabenstott, Vice President and Economist, Federal Reserve Bank of Kansas City

John S. Austin, Research Associate, Bureau of Business Research, University of Nebraska-Lincoln

### Plus Special Guest:

Dr. Sung Won Sohn, Senior Vice President and Chief Economist of Norwest Corporation

### And:

Panel on the Economic impact of the North American Free Trade Agreement (NAFTA) on Nebraska's economy

Watch for registration forms in early November.  
Contact BBR for more information

## County of the Month

# Valley

Ord—County Seat



Next County of Month

License plate prefix number: 47

Size of county: 572 square miles, ranks 61st in the state

Population: 5,169 in 1990, a change of -8.2 percent from 1980

Median age: 39.7 years in Valley County, 33.0 years in Nebraska in 1990

Per capita personal income: \$15,816 in 1991, ranks 63rd in the state

Net taxable retail sales (\$000): \$30,934 in 1992, a change of 0.0 percent from 1991; \$11,430 during January-May 1993, a change of -5.7 percent from the same period one year ago

Number of business and service establishments: 178 in 1990; 60.7 percent had less than five employees

Unemployment rate: 2.4 percent in Valley County, 2.9 percent in Nebraska for 1991

### Nonfarm employment (1992):

	State	Valley County
Wage and salary workers	746,985	1,629
(percent of total)		
Manufacturing	13.4%	2.8%
Construction and Mining	3.9	4.4
TCU	6.3	4.7
Retail Trade	18.2	19.0
Wholesale Trade	7.0	13.6
FIRE	6.6	5.5
Services	24.8	12.8
Government	19.8	37.2
Total	100.0%	100.0%

### Agriculture:

Number of farms: 541 in 1987, 502 in 1982

Average farm size: acres in 1987

Market value of farm products sold: \$50.6 million in 1987  
(\$93,580 average per farm)

Sources: U.S. Bureau of the Census, U.S. Bureau of Economic Analysis, Nebraska Department of Labor, Nebraska Department of Revenue

Merlin W. Erickson

Business  
in  
Nebraska

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