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## Business in Nebraska #245- February 1965

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# BUSINESS IN NEBRASKA

Number 245, February 1965

Prepared by the Bureau of Business Research, College of Business Administration

## Sources of County Income in Nebraska: 1950 and 1962

This is the fourth report of a preliminary character on the findings of a comprehensive research study of personal income in Nebraska's 93 counties. Earlier reports in this series appeared in *Business in Nebraska* in June, October, and November, 1964. A Bureau Bulletin, which will contain the complete data developed in this study, as well as an explanation of the methodology used, is being prepared for publication in the Spring of 1965.

The present article is concerned with the sources of personal income in both the counties and the state as a whole in 1950 and 1962. The data are contained in the table on page 4. Analysis of such data should throw light on some of the important structural changes that have taken place in the economy of the state during this interval.

### WAGES AND SALARIES

We may note first that the largest item of personal income for the state - wages and salaries - has increased in relative importance from 47.5% of the state total in 1950 to 56.7% in 1962. In the latter year, however, there were only eight counties in the state in which this percentage was higher than the state average. These counties were Adams (57.6%), Lincoln (59.5%), Hall (60.1%), Dodge (64.0%), Cass (68.2%), Douglas (70.1%), Lancaster (71.1%), and Sarpy (91.7%). The range among the counties was from this high of 91.7% in Sarpy County to a low of 18.7% in Loup and McPherson Counties. There were 25 counties in which wages and salaries in 1962 accounted for 50% or more of personal income, while in 1950 there were only 10 counties in which this was true.

The increase in the relative importance of wage and salary income between 1950 and 1962 shown by the state as a whole was also true for 80 of the 93 counties. The 13 counties in which the wage and salary component declined in relative importance were Adams, Box Butte, Colfax, Douglas, Phelps, Franklin, Furnas, Greeley, Harlan, Hitchcock, Logan, Polk, and Sherman. Of these 13 the last 8 are rural if we define this term to mean a county which does not contain any urban place of 2,500 or more in population.

### PROPRIETORSHIP INCOME

One of the decisive changes in the state during the 1950-1962 interval was the decline in the relative importance of the proprietorship component of the personal income total, which of course includes the net income of farm owners. In 1950 income from this source varied from a high of 84.8% in Wheeler County to a low of 11.3% in Douglas County. The average for the state as a whole was 37.1%. By 1962, however, the state average had declined to 25.1%, and the range was from a high of 69.6% in Loup County to a

low of 6.7% in Sarpy County. There were 83 counties in which the percentage was higher than the state average.

This pattern of change was shared by 84 counties in the state in which a decline in the relative proportion of the proprietorship component was recorded. In one county (Colfax) there was no change, while eight counties experienced an increase in the relative importance of this income source. These eight are Box Butte, Phelps, Furnas, Harlan, Hitchcock, Logan, Polk, and Sherman. The last six of these are rural in the sense in which this term is used above. Although in 1962 more than one-third of the counties - 32 to be exact - (all rural except Cuming and Hamilton) still derived more than half of their personal income from proprietary sources, the number of counties in which proprietorship income accounted for more than 60% of the total declined from 32 in 1950 to 11 in 1962. Of these 11 all but Cuming are also rural.

### PROPERTY INCOME

With respect to the property income component of personal income, the data in the table do not show any definite trend, although the average for the state increased from 11.2% in 1950 to 13.4% in 1962. The mixed tendencies in this component are indicated by the fact that in 47 counties there was an increase in the relative importance of property as a source of personal income, in 44 counties there was a decrease, and in 2 counties there was no change. The property share ranged in 1962 from a high of 32.9% in Grant County to a low of but 2.1% in Sarpy County.

### TRANSFER PAYMENTS

Finally, we turn to the transfer payments component of personal income. This is made up of sources that do not represent payments for current contributions to production, such as unemployment compensation and social security, railroad retirement, and veterans' benefits. In 1962 this source of personal income ranged from a high of 17.0% in Nance County to a low of 2.7% in Sarpy County, with a state average of 6.8%. In 1950 the state average was 5.0%, the highest county (Logan) had 7.9%, and only 11 counties had more than 6%, but in 1962 there were 15 counties in which transfer payments accounted for 10% or more of personal income. These counties, with their rank in per capita income in 1962 shown in parentheses, are Lincoln (47), Jefferson (49), Dakota (50), Nemaha (65), Richardson (74), Franklin (44), Nance (46), Pawnee (79), Logan (82), Webster (83), Brown (86), Thomas (88), Boyd (89), Valley (90), and Blaine (93). The last 10 of these are rural, 13 rank in the bottom half of the state's counties in terms of per capita personal income, and 7 rank in the lowest 15%.

(Continued on page 4)

## Business Summary

The dollar volume of business in Nebraska for November, 1964, rose 2.0% over November, 1963, and dropped 2.9% from October, 1963. The same index for the United States rose 5.6% from November of 1963, and a small .1% from October. Compared to the same month a year ago, the physical volume of business activity in Nebraska for November rose very slightly, but dropped slightly from the preceding month. Business activity in the U.S. increased 5.1% from November, 1963, and only .6% from October. The individual indicators are mixed, with life insurance sales in Nebraska

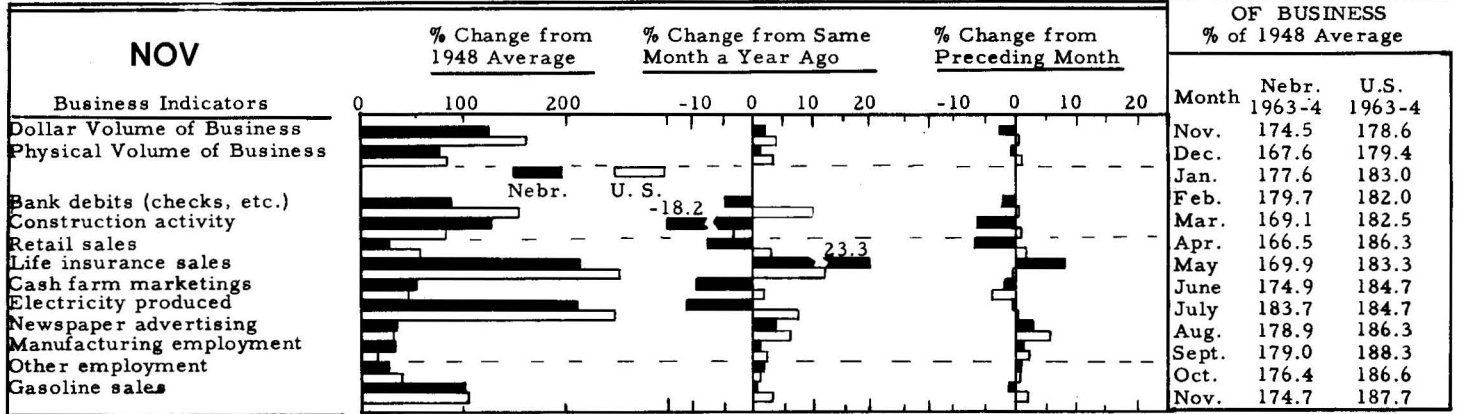
registering the largest gain from a year ago. Manufacturing and other employment rose slightly from November, 1963, and October, 1964, both in Nebraska and the nation.

Nebraska retail sales in December rose 6.1% from the same month a year ago and 10.1% from November. North Platte reported the largest increase from November. Three of the twenty-two cities reported a decrease from November, and seven a decrease from December, 1963.

The type of store with the largest increase in sales compared to December, 1963, was home equipment, 15.5%. The selected services index rose 9.8% from the same month last year.

All figures on this page are adjusted for seasonal changes, which means that the month-to-month ratios are relative to the normal or expected changes. Figures in Chart I (except the first line) are adjusted where appropriate for price changes. Gasoline sales for Nebraska are for road use only; for the United States they are production in the previous month. KIM MCNEALY

### I. NEBRASKA and the UNITED STATES



### II. PHYSICAL VOLUME OF BUSINESS % of 1948 Average

Month	Nebr. 1963-4	U.S. 1963-4
Nov.	174.5	178.6
Dec.	167.6	179.4
Jan.	177.6	183.0
Feb.	179.7	182.0
Mar.	169.1	182.5
Apr.	166.5	186.3
May	169.9	183.3
June	174.9	184.7
July	183.7	184.7
Aug.	178.9	186.3
Sept.	179.0	188.3
Oct.	176.4	186.6
Nov.	174.7	187.7

### III. RETAIL SALES for Selected Cities. Total, Hard Goods, and Soft Goods Stores. Hard Goods include automobile, building material, furniture, hardware, equipment. Soft Goods include food, gasoline, department, clothing, and miscellaneous stores.

DEC City	No. of Reports*	Per Cent of Same Month a Year Ago			Per Cent of Preceding Month	DEC City	No. of Reports*	Per Cent of Same Month a Year Ago			Per Cent of Preceding Month
		Total	Hard Goods	Soft Goods				Total	Hard Goods	Soft Goods	
THE STATE	824	106.1	109.7	103.6	110.1	Fremont	27	116.6	118.8	114.7	110.2
Omaha	97	108.9	118.8	100.4	119.2	Fairbury	32	106.6	115.0	97.7	125.1
Lincoln	52	106.6	114.2	100.4	106.8	Norfolk	29	105.1	112.3	99.1	115.1
Grand Island	28	115.9	128.5	105.0	116.7	Scottsbluff	22	105.0	102.8	106.2	115.3
Hastings	26	92.0	96.8	87.6	113.4	Columbus	23	103.1	100.9	105.7	120.5
North Platte	24	98.8	94.7	101.7	139.6	McCook	28	107.9	120.0	98.0	129.7
						York	28	107.7	110.4	105.9	129.6

### IV. RETAIL SALES, Other Cities and Rural Counties

DEC Locality	No. of Reports*	Per Cent of Same Month A Year Ago	Per Cent of Preceding Month
Kearney	19	95.2	116.7
Alliance	23	94.1	117.7
Nebraska City	19	95.5	110.2
Broken Bow	17	99.1	113.4
Falls City	16	103.9	97.8
Holdrege	24	117.3	117.2
Chadron	15	111.4	113.5
Beatrice	25	103.3	92.3
Sidney	25	89.3	124.4
So. Sioux City	13	104.1	86.2
Antelope	14	105.6	119.8
Cass	30	122.3	106.7
Cuming	17	111.4	100.0
Sand Hills**	28	95.2	113.7
Dodge***	12	109.4	122.0
Franklin	11	93.8	87.7
Holt	12	110.4	160.0
Saunders	18	109.0	107.8
Thayer	12	98.6	109.9
Misc. Counties	58	110.3	103.0

### V. RETAIL SALES, by Subgroups, for the State and Major Divisions

DEC Type of Store	Per Cent of Same Month a Year Ago			
	Nebraska	Omaha and Lincoln	Other Cities	Rural Counties
ALL STORES	106.1	107.4	104.7	106.1
Selected Services	109.8	123.4	104.4	101.6
Food stores	106.5	103.2	107.4	108.8
Groceries and meats	107.6	100.8	107.7	114.3
Eating and drinking pl.	106.8	106.7	109.0	100.6
Dairies and other foods	98.7	100.8	100.8	109.7
Equipment	107.8	107.6	106.1	109.7
Building material	100.1	113.9	96.3	99.1
Hardware dealers	112.9	106.0	106.0	101.1
Farm equipment	106.4	101.3	112.5	- - -
Home equipment	115.5	101.3	113.0	118.9
Automotive stores	109.2	125.1	103.4	99.0
Automotive dealers	112.1	135.1	102.6	98.7
Service stations	96.9	84.7	106.6	99.3
Miscellaneous stores	102.1	102.1	102.1	102.0
General merchandise	101.7	99.7	100.5	103.9
Variety stores	96.2	97.5	97.5	94.1
Apparel stores	103.3	105.4	105.5	98.9
Luxury goods stores	97.1	93.2	104.3	- - -
Drug stores	103.7	101.0	106.9	103.1
Liquor stores****	107.3	107.4	105.4	109.0
Other stores	110.2	115.0	97.6	117.9

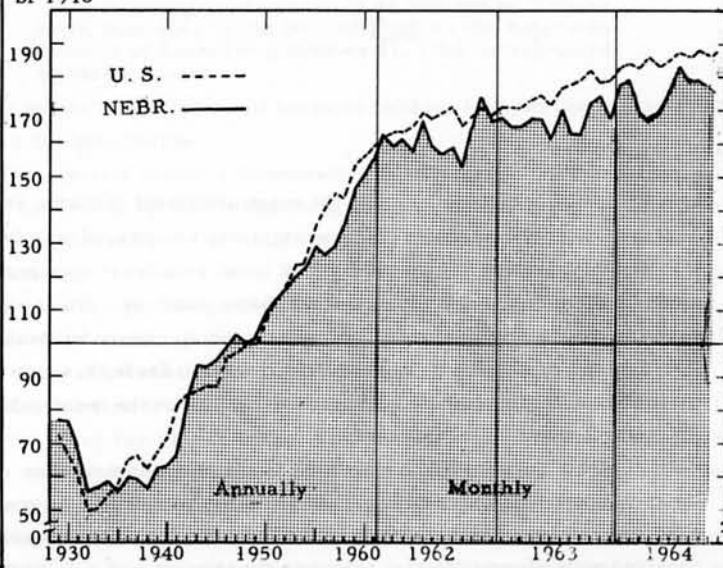
\*Not including liquor stores \*\*Outside Principal City

\*\*\*Based on sales by wholesalers to dealers

\*\*Including Hooker, Grant, Dawes, Cherry, and Sheridan Counties

Per Cent of 1948 PHYSICAL VOLUME OF BUSINESS

UNADJUSTED CITY INDEXES  
Percentage Change, Dec. 1963 to Dec. 1964



	-10	-5	0	+5	+10	+15
KEARNEY .....						
ALLIANCE .....						
OMAHA .....						
COLUMBUS .....						
FAIRBURY .....						
FREMONT .....						
LINCOLN .....						
NORFOLK .....						
HOLDREGE .....						
NORTH PLATTE .....						
BROKEN BOW .....						
FALLS CITY .....						
SCOTTSBLUFF .....						
HASTINGS .....						
MCCOOK .....						
CHADRON .....						
YORK .....						
SO. SIOUX CITY .....						
SIDNEY .....						
GRAND ISLAND .....						Insufficient data
NEBRASKA CITY .....						" " "

Figures on this page are not adjusted for seasonal changes nor for price changes. Building activity includes the effects of past as well as present building permits, on the theory that not all building is completed in the month the permit is issued. K. M.

VI. CITY BUSINESS INDICATORS

DEC City	Per Cent of Same Month a Year Ago								
	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
The State	104.5	105.8	118.2	106.1	102.2	95.1	103.6	107.0	102.6
Omaha	108.4	109.8	118.9	108.9	97.3	92.6	107.8	107.3	95.1
Lincoln	105.5	100.0	104.7	106.6	110.7	98.7	99.9	114.1	116.7
Grand Island	- - -	110.0	254.7	115.9	- - -	- - -	- - -	- - -	- - -
Hastings	100.1	117.5	86.6	92.0	108.9	75.8	103.4	98.7	106.3
Fremont	105.6	100.4	82.7	116.6	105.1	- - -	- - -	111.2	- - -
North Platte	102.3	105.3	85.2	98.8	105.8	111.9	102.6	99.5	101.9
Kearney	111.5	113.1	171.4	95.2	116.4	115.1	106.3	93.7	- - -
Scottsbluff	100.8	99.1	102.3	105.0	111.5	- - -	82.2	96.9	- - -
Norfolk	104.8	111.3	106.7	105.1	111.9	102.7	100.2	97.2	- - -
Columbus	108.1	99.2	181.3	103.1	117.5	105.5	100.0	112.2	111.7
McCook	100.1	96.3	88.8	107.9	107.1	- - -	- - -	97.0	- - -
Sidney	92.6	94.8	18.3	89.3	102.3	- - -	95.4	91.0	- - -
Alliance	109.4	108.7	108.2	94.1	107.9	123.6	115.0	87.1	112.8
Nebraska City	- - -	- - -	- - -	95.5	- - -	- - -	- - -	- - -	- - -
So. Sioux City	92.6	111.2	46.6	104.1	116.5	58.7	- - -	96.2	- - -
York	98.5	109.1	94.1	107.7	- - -	96.4	95.7	101.2	- - -
Falls City	101.3	103.1	64.2	103.9	105.9	95.4	101.5	108.5	96.7
Fairbury	107.6	95.1	547.1	106.6	110.9	107.4	85.4	105.4	128.2
Holdrege	103.5	- - -	96.6	117.3	103.0	108.2	105.3	97.4	- - -
Chadron	98.5	94.5	91.1	111.4	- - -	- - -	93.5	107.4	- - -
Broken Bow	102.1	101.8	114.6	99.1	111.8	89.9	110.6	97.1	96.1

DEC City	Per Cent of Preceding Month (Unadjusted)								
	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
The State	113.4	110.8	92.4	134.0	108.5	126.9	95.0	152.8	107.3
Omaha	107.7	114.6	99.7	136.7	109.5	105.8	100.8	134.3	91.7
Lincoln	109.1	114.8	90.8	121.6	110.6	135.4	86.5	165.1	109.0
Grand Island	117.6	110.3	84.6	134.0	110.7	205.3	108.1	133.6	- - -
Hastings	121.8	113.5	93.2	130.5	113.4	148.4	96.8	130.7	129.7
Fremont	109.0	107.5	87.2	126.4	114.7	- - -	87.0	134.3	- - -
North Platte	118.4	112.6	101.1	159.8	104.0	191.2	85.7	144.6	112.3
Kearney	129.5	123.6	111.1	136.7	130.7	195.6	79.1	134.2	- - -
Scottsbluff	94.8	100.8	89.9	137.7	84.9	- - -	93.7	155.4	87.1
Norfolk	114.9	106.3	72.5	130.2	81.5	178.4	96.7	148.7	126.4
Columbus	116.5	101.4	98.8	138.6	104.3	177.1	87.5	141.8	121.7
McCook	135.1	102.4	109.9	147.1	104.3	288.6	- - -	179.0	- - -
Sidney	123.0	117.5	78.4	145.4	106.0	- - -	- - -	189.9	- - -
Alliance	116.5	99.0	92.7	132.9	110.3	197.9	92.6	132.6	124.1
Nebraska City	112.7	103.6	68.3	126.4	108.1	151.0	85.2	141.9	- - -
So. Sioux City	105.8	114.2	95.4	102.4	106.6	100.0	- - -	185.2	- - -
York	118.8	111.4	120.3	149.5	103.8	177.4	76.6	136.8	- - -
Falls City	107.4	100.5	89.1	116.0	105.3	171.1	90.9	176.9	107.9
Fairbury	131.9	101.1	140.6	142.5	112.9	143.6	97.8	176.5	131.7
Holdrege	- - -	- - -	110.3	137.3	- - -	- - -	- - -	- - -	115.8
Chadron	102.6	85.8	62.8	135.7	99.3	- - -	89.6	171.0	- - -
Broken Bow	115.7	90.9	79.2	131.9	117.7	161.0	81.4	139.1	122.2



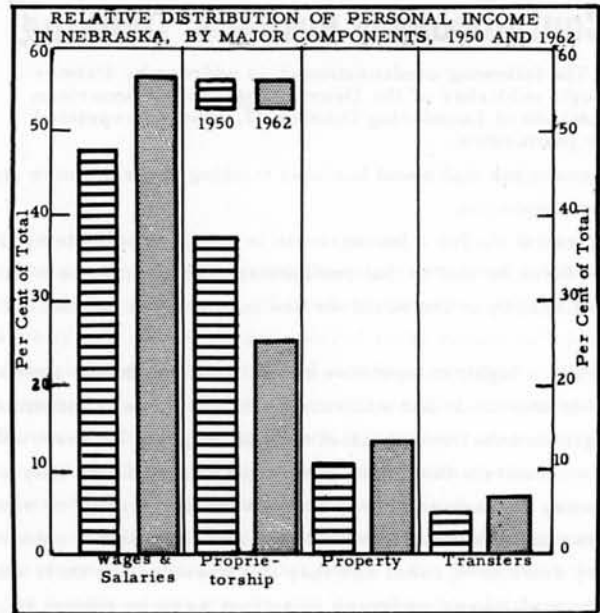
SUMMARY

In summary, then, it may be said that for the state as a whole the wages and salaries component of personal income increased substantially from 1950 to 1962 as a proportion of the total and the proprietorship component declined to an even greater extent, while property income and transfer payments exhibited moderate increases. This pattern for the state as a whole is shown in the chart at the right. Most of the counties of the state showed a similar pattern of change, and the counties in which a contrary movement appeared were for the most part in the rural category. This pattern is no doubt a reflection of the rural-urban movement of population, the decline in the relative importance of the income of farm and small business proprietors, and the expansion of Federal and state welfare programs.

CORRECTION

In Table I on page 4 of the June, 1964, issue Total Income in 1962 should be: Gage, 53.6; Hall, 77.9; Lancaster, 402.1; State Total, 3,369.1. The 1950 figure for Lincoln County should be 42.4. A revised table will be published next month.

WALLACE C. PETERSON



RELATIVE DISTRIBUTION OF WAGE AND SALARY, PROPRIETORSHIP, PROPERTY, AND TRANSFER PAYMENT INCOMES, BY COUNTIES, NEBRASKA, 1950 AND 1962

County	Wages & Salaries*		Proprietorship*		Property*		Transfer Payments*		County	Wages & Salaries*		Proprietorship*		Property*		Transfer Payments*		
	1950	1962	1950	1962	1950	1962	1950	1962		1950	1962	1950	1962	1950	1962	1950	1962	
STATE	47.5	56.7	37.1	25.1	11.2	13.4	5.0	6.8	47	Howard**	21.4	29.7	64.1	54.0	9.4	8.2	5.6	8.9
1 Adams	59.6	57.6	26.5	21.1	8.8	16.9	6.4	7.4	48	Jefferson	39.6	54.1	43.7	27.1	11.3	11.0	6.2	10.4
2 Antelope**	26.6	28.6	62.4	56.4	6.0	7.6	5.5	8.6	49	Johnson**	27.2	37.9	55.5	45.0	12.3	8.4	5.5	9.8
3 Arthur**	10.9	33.0	81.3	45.4	6.1	14.3	1.8	7.3	50	Kearney**	26.9	30.0	55.1	53.2	14.0	10.1	4.5	7.8
4 Banner**	23.6	27.6	64.4	50.6	11.0	18.6	1.5	3.5	51	Keith	38.7	51.2	49.6	35.6	9.2	11.9	3.3	4.6
5 Blaine**	15.2	51.3	75.3	22.7	6.8	13.3	3.0	13.5	52	Keya Paha**	12.9	19.8	73.8	63.4	10.5	9.8	3.0	7.1
6 Boone**	28.0	28.5	61.0	59.0	6.0	4.4	5.6	8.9	53	Kimball	36.0	52.2	47.1	34.2	14.6	11.5	3.1	3.6
7 Box Butte	62.0	47.4	21.6	33.8	11.7	13.8	5.9	7.1	54	Knox**	22.1	24.7	63.3	56.8	9.7	9.9	5.3	9.4
8 Boyd**	23.8	31.5	63.7	48.6	7.8	9.8	5.5	11.0	55	Lancaster	68.7	71.1	14.6	8.5	12.7	16.4	5.5	5.8
9 Brown**	34.4	45.0	51.6	35.3	9.8	10.5	4.9	11.0	56	Lincoln	50.7	59.5	35.4	23.1	9.3	9.7	5.7	10.1
10 Buffalo	44.1	50.9	42.6	32.3	8.2	10.1	6.0	8.8	57	Logan**	51.5	32.5	26.3	50.7	15.2	7.3	7.9	10.0
11 Burt**	28.0	33.7	51.9	46.8	15.8	13.2	4.9	7.5	58	Loup**	12.9	18.7	76.4	69.6	8.8	7.3	3.1	4.5
12 Butler**	25.5	28.7	58.7	56.7	11.1	9.1	5.3	6.6	59	McPherson**	9.5	18.7	80.3	63.2	7.5	12.0	2.9	6.1
13 Cass	41.2	68.2	42.1	20.2	11.4	7.3	6.3	8.1	60	Madison	49.5	55.8	34.7	27.3	11.4	10.8	5.4	8.7
14 Cedar**	20.3	24.3	66.2	60.6	9.5	7.6	4.4	8.4	61	Merrick**	27.7	41.9	58.6	38.6	9.9	12.7	4.4	8.7
15 Chase**	30.9	42.2	53.8	40.4	12.6	10.0	3.4	9.0	62	Morrill**	41.6	42.7	48.9	46.2	4.9	5.5	5.5	7.1
16 Cherry	22.8	37.5	69.9	46.2	5.3	12.4	2.4	5.2	63	Nance**	25.2	27.3	60.3	48.0	9.4	8.7	5.6	17.0
17 Cheyenne	48.0	53.1	39.7	34.5	10.1	8.4	3.2	5.6	64	Nemaha	35.9	47.3	46.9	33.7	11.7	10.7	6.2	10.3
18 Clay**	23.5	33.4	59.4	49.7	11.5	9.3	6.0	8.8	65	Nuckolls	37.7	41.0	45.0	40.6	13.5	11.6	4.6	9.0
19 Colfax	30.4	30.3	49.9	49.9	15.7	12.7	4.6	8.4	66	Otoe	41.9	53.1	42.4	26.8	11.1	14.2	5.4	8.7
20 Cuming	17.8	26.8	69.5	60.2	9.8	9.1	3.3	5.0	67	Pawnee**	28.7	32.1	57.1	46.8	9.8	10.5	5.0	11.5
21 Custer	28.3	35.7	59.0	46.8	7.9	9.3	5.4	9.4	68	Perkins**	25.6	29.8	59.3	51.4	12.5	13.9	3.1	6.0
22 Dakota	49.7	55.8	38.6	26.8	6.5	6.3	6.2	13.9	69	Phelps	38.1	36.4	43.6	46.9	15.2	12.1	3.8	6.1
23 Dawes	48.0	51.7	38.2	33.0	9.0	8.3	5.7	8.7	70	Pierce**	24.2	30.5	61.7	53.5	10.4	9.3	4.3	7.9
24 Dawson	27.1	48.7	61.2	33.5	8.8	11.5	3.4	8.7	71	Platte	40.9	52.9	44.2	37.3	10.8	8.3	4.9	5.0
25 Deuel**	25.1	28.7	58.1	49.9	14.4	16.2	2.9	6.1	72	Polk**	24.5	22.2	58.8	63.6	12.7	9.7	4.6	5.4
26 Dixon**	23.1	31.9	64.6	54.5	8.1	7.7	4.6	7.2	73	Red Willow	50.3	55.1	33.6	29.3	11.6	10.6	5.3	7.4
27 Dodge	49.8	64.0	36.7	24.0	9.2	9.8	5.3	6.2	74	Richardson	41.1	50.1	45.0	29.6	8.6	10.6	6.1	11.9
28 Douglas	71.2	70.1	11.3	8.9	13.7	18.0	5.2	5.6	75	Rock**	23.0	29.8	66.9	53.0	6.4	10.3	4.2	7.8
29 Dundy**	28.3	35.4	56.7	44.9	11.3	12.3	4.3	8.7	76	Saline	33.6	51.8	47.7	29.0	14.1	12.2	5.3	9.8
30 Fillmore**	26.2	34.4	55.7	50.8	13.7	8.9	4.9	7.3	77	Sarpy	67.7	91.7	25.9	6.7	3.4	2.1	4.2	2.7
31 Franklin**	29.2	27.6	57.5	50.4	7.8	12.2	6.1	10.7	78	Saunders	31.5	48.2	51.6	36.0	12.6	9.1	4.9	9.0
32 Frontier**	23.3	30.6	61.1	50.0	12.2	12.6	3.9	7.5	79	Scotts Bluff	54.3	54.4	33.4	32.8	8.9	9.9	4.5	5.8
33 Furnas**	35.3	29.0	47.0	49.1	12.5	13.2	6.0	9.7	80	Seward	29.2	38.7	52.5	41.6	14.0	13.9	4.9	7.9
34 Gage	46.1	55.4	36.0	22.3	13.2	16.5	5.7	8.6	81	Sheridan**	28.2	32.3	57.4	50.7	11.4	11.4	3.6	6.8
35 Garden**	27.3	34.5	61.4	50.1	8.3	8.6	3.6	7.8	82	Sherman**	26.0	23.5	59.4	62.3	7.6	7.1	7.4	7.8
36 Garfield**	25.8	31.7	60.0	48.7	10.2	11.8	4.5	9.2	83	Sioux**	22.3	24.9	71.7	64.8	2.9	5.8	3.1	4.9
37 Gosper**	17.6	24.5	69.5	63.2	10.2	8.5	3.0	4.3	84	Stanton**	21.6	29.0	61.5	56.1	13.1	8.6	4.3	7.3
38 Grant**	19.3	32.6	70.8	32.8	8.8	32.9	1.5	2.9	85	Thayer**	29.4	34.1	53.5	46.1	12.4	11.6	5.3	9.5
39 Greeley**	24.6	22.5	64.4	61.1	6.0	7.6	5.6	9.4	86	Thomas**	28.8	35.3	62.2	44.5	6.0	8.2	3.6	12.5
40 Hall	56.0	60.1	28.0	20.5	11.7	13.9	5.5	8.5	87	Thurston**	28.7	37.5	58.9	46.9	7.2	7.7	5.7	9.2
41 Hamilton**	21.4	28.0	64.7	58.6	9.7	8.7	4.6	5.8	88	Valley**	29.2	40.7	54.7	33.5	11.0	14.7	5.7	12.8
42 Harlan**	36.8	28.9	49.3	55.1	9.2	8.7	5.5	8.3	89	Washington	35.8	51.8	50.3	35.0	9.8	8.6	4.9	6.6
43 Hayes**	19.1	25.1	68.2	58.8	9.6	9.6	3.5	7.0	90	Wayne	29.6	38.1	58.6	44.9	9.0	11.9	3.3	6.2
44 Hitchcock**	34.3	30.7	47.5	49.7	13.6	13.2	5.3	7.3	91	Webster**	29.3	37.8	52.6	39.7	12.6	11.6	6.1	17.1
45 Holt	28.7	31.3	61.2	46.2	6.0	15.0	4.7	8.6	92	Wheeler**	9.3	26.1	84.8	61.6	2.4	4.9	3.6	7.5
46 Hooker**	35.2	47.4	51.9	35.5	9.7	10.6	3.7	8.6	93	York	33.4	40.3	47.0	44.8	15.5	10.2	4.8	6.6

\*Components add to more than 100 per cent for each year since Social Security Taxes have been deducted in obtaining Total Personal Income but are included in the components.

\*\*Rural counties, i.e., counties which do not contain any cities of 2,500 or more population.

Source: Compiled by Bureau of Business Research from unpublished study, "Personal Income in Nebraska Counties," by Professor Wallace C. Peterson.

# Contemporary Business Thinking

The following condensation of an address by Palmer Hoyt, publisher of the Denver Post, to the American Institute of Laundering October 17, 1964, is reprinted by permission.

It seems to me that sound business thinking in these times starts with this proposition:

The greatest sin for a businessman is to fail to be contemporary.

What I mean by that is that the greatest shortcoming is to fail to look realistically at the world we live in, and at its economic facts of life.

We are in a highly competitive world. It has suddenly grown unbelievably small. It has suddenly, thanks to modern communications, grown unbelievably alert to what is going on everywhere. Within a relatively few years other continents will be only a few hours away for human travel by supersonic aircraft or rocket. The many nations that don't have much of the world's cake know that they don't have cake, and they are pressing for their slice.

The pace of human progress is so fast as to be almost impossible to grasp. The horse and buggy - - the unpaved dirt lane - - the gas lamp - - the 29-cent hourly wage - - the non-voting woman - - the one per cent income tax - - the world beyond the sea that America could often ignore - - all these were still familiar elements in our environment only 50 years ago.

It is little wonder that the pace of this change has left many minds numb. Man has lived on the planet, we think, about 50,000 years. For convenience let's drop the thousands and suppose he has been here 50 years.

On that fictional scale, only 10 years ago man stopped living in caves - - 5 years ago he started writing in pictures - - 2 years ago Christ came to earth - - five months ago we found the printing press - - 10 days ago they figured out electricity - - yesterday those Wright brothers got out of the bike shop - - TV came to us just this morning, and the jet airplanes only a few minutes back.

I am indebted for this description to Mr. Herbert R. Hayes who ended his example with this thought: "It took man more than 250 years to progress from the shortbow to the longbow, but only 10 years from A-bomb to H-bomb."

Think of this one startling fact: In the next ten years, more scientific literature will be published than everything in that field since the beginning of time. There are more scientists, technicians - - people with plans - - than ever before in the history of the world.

Perhaps we can further grasp the implications of all this change by looking forward 50 years.

There will be 395 million people in our country - - more than twice the number today. Two more people to compete with each one of you for the good life, as well as two more customers for your industry for every one you have today. There will be more than two new cars to compete with each one on the jammed roads beside you today - - some 200 million cars compared to 66 million now.

In the world abroad, the same explosive change will be all pervasive. Just 50 years from now, China alone will have a billion and a half people. The underdeveloped countries of Africa, Asia, and Latin America will have similar eruptions in numbers - - ill-fed and ill-housed and therefore possibly revolutionary multitudes.

I don't need to belabor this theme of change any more - - the examples that could be discovered are endless in number and quite often better expressed.

We must grasp this simple truth: Man is not going to be circumscribed in his pursuit of knowledge - - he is not going to stand by the side of the road and cavil at progress.

And neither can the intelligent businessman. He is in a world he can't get out of, even if he sometimes has a tear in his eye for the older, simpler days.

Let me take two simple examples of how we can sometimes be blinded by myths about the world we live in. There has been a great furor over the past few years about our foreign aid program. The word WASTE has been used - - in fact, over-used. Yet the fact is that this program has been the yeast in the beer jar. It has helped to build the foundations for the modern world economy that affects us all.

The problems of the nations who don't have cake won't go away. They must be grasped and turned to advantage - - for the unfortunate people in the underdeveloped countries, and for the growth of our own foreign trade.

Do you realize that some 80 per cent of this "wasted" foreign aid money has been spent in our own country for goods and services, and has been a very real factor in keeping our own economy going?

Do you realize that other nations have copied our foreign aid concept and have begun this stimulating form of economic activity themselves? The Federal Republic of Germany, for example, now has foreign aid programs which affect 84 other countries.

Does any businessman seriously think that looking at this world as it is we can either suspend our economic interest in it, or for that matter, should suspend it if we want our own economy to grow?

Of course we can differ on techniques - - but we can't wish the world away.

Take another example: There has been a great furor about the United Nations. Yet with some 118 nations now existing and alert to each other's problems, there must be a forum, however imperfect. We can't wish this great institution away. For that matter, it would be bad business to do so.

Do you realize that in 1962 the United Nations in many different ways spent more than \$87,000,000 with U. S. business, compared to the \$24 million that was the U. S. share of the regular U. N. budget? That in addition four great international organizations - - the International Monetary Fund, The World Bank, The International Finance Corporation, and the International Development Association - - held in 1962 almost \$1.6 billion of investments in the United States? And that U. S. exports to the amount of \$100 million were financed through the World Bank?

These are just fragmentary figures. I use them not to argue that the U.N. is perfect, or that we should endorse it just because we make a buck.

But I do use them to make this point: There is a lot of misinformation about our relationships to world agencies. There is a lot of head-in-the-sand thinking about their relationship to our economy.

There is a lot of thinking that if the world would go away we businessmen would do just as well.

It just ain't so.

Most of you remember the sense of despair that grasped our country when Sputnik went up in October, 1954. We felt we had dropped behind. There was a great surge of activity. If we had been thinking in truly contemporary terms, we might have been first. But there was some wishing that the world would go away.

Take a more recent example. Should we put a man on the moon?

We should, simply because we cannot afford not to. We cannot afford not to lead in space, with all of its military and economic

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implications, simply because man is bound to progress, he is bound to go to the moon. We mustn't wish that the moon would go away. We must organize our thinking and our spirits to get there first. How would we feel, fanciful as it may seem, if the next great news story to break would be that the Russians had occupied the moon? Fantastic? They just last week had three men circling the globe in the same spacecraft in normal clothing!

It seems to me the businessman must re-examine his thinking.

He must accept the world as it is. He must understand progress - - in numbers of people, in the ways they move around, in the things they demand and are going to achieve. Progress simply can't be avoided. And they must think in terms of taking advantage of that progress for the strength of their country and of themselves.

Businessmen must stay contemporary - - for their own sake and for the leadership they can give to their country.

## **Retail Trading Area Analysis**

The businessman in Nebraska communities faces the ever difficult problem of answering the questions: "Who are my customers?"... "From where do they come?"... "What are they like?" and ... "What makes them my customers?" With the development of the interstate highway system and the improvement of many other Nebraska highways, the small business community is increasingly faced with the prospect of losing its customers to larger centers. Never before has the customer been so mobile.

To attract and hold such mobile customers the small-town retailer must have detailed knowledge of the retail trading area that he and his business community serve. Knowledge of the size and the economic characteristics of its inhabitants is an essential of business survival. A retail trading area, as commonly defined today, is the geographical area from which a community and/or particular business acquires 90% of its retail patronage. Both the definition of this retail trading area and the determination of its characteristics are extremely complex. Today's businessman can no longer rely upon an "educated guess" to be accurate. To obtain the knowledge needed requires a three-step analysis that (1) defines the retail trading area; (2) surveys the potential customers within the area to determine their opinions and buying habits; and (3) analyzes the information obtained in the survey as the basis for a course of action.

There have been many techniques presented for determining a

trading area's boundary. Among the most prominent methods are analyses of credit accounts, of license plates on cars, of population density and spatial dispersion, of local retailers' opinions, and of customers' residential and purchase patterns. No one of these methods has proven to be sufficiently accurate by itself. The Bureau of Business Research, therefore, feels that only a method that combines these techniques results in the most reliable retail-trade area delineation.

An accurate delineation of a trade area and the determination of its socio-economic characteristics serve many purposes. In general, the business community and its individual businesses are provided with information that enhances the efficiency of establishments needed in the community and reveals those economic trends that are relevant to the decisions of both buyers and sellers within the trading area.

The Bureau of Business Research is now prepared to help Nebraska communities and businesses carry out local retail-trade area analyses at a minimal cost. Within the limits of its staff and budget, a limited number of studies can be made by the Bureau each year at costs to a community or a firm that depend upon the area involved and the extent of information desired. In general, direct costs will be paid by the community or firm; overhead and supervisory costs will be borne by the Bureau.

The Bureau's service can obtain many types of information. Through primary and secondary research, the Bureau's staff can determine the retail trading area and the socio-economic characteristics of its potential consumers. For instance, an approximation can be made of the number of times a year residents of an area shop in a certain business community and in various nearby communities, what the area residents' favorite shopping days are, and in which towns they hold charge accounts. The evenings that customers desire stores to be open and on what days they prefer to purchase certain selected items can be determined. The service can determine the form of advertising that is most effective and the radio and TV stations that are listened to most frequently, where the wage earners work, and what the actual and potential customers want done most to improve shopping conditions in a community.

Very importantly, the researchers can determine, according to where the customers live, where and why they last bought each of a representative number of items, including both shopping and convenience goods. The service can supply also the basic economic data, classified by county areas or for a retail trading area, that give such information as: age, income, race, sex, and education; number of rural and non-rural households; current population estimates; number of licensed automobiles, trucks, and tractors; and number of wholesale and retail establishments classified by number of employees and types of products or services sold.

Inquiries from interested communities and firms with regard to this new service of the Bureau will be welcomed.

J. TIMOTHY WILSON