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Omaha Trade Area Study No. 05: Omaha Spheres of Influence

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OMAHA TRADE AREA STUDY NO. 5

OMAHA SPHERES OF INFLUENCE

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Omaha Urban Area Research Project

Urban Studies Center

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University of Nebraska at Omaha

September 1968

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OMAHA SPHERES OF INFLUENCE

INTRODUCTION

In nearly all cases, a city represents the focal point of a large area which it dominates. As distance away from the city increases the influence of the city decreases until a point is reached where another city of similar size exerts more influence. The purpose of this study is to establish and discuss the major area of dominance for Omaha.

When the sphere of influence or area of dominance is being studied it is quickly discovered that the city has a number of single factor service areas: the retail trade area, commuting area, newspaper circulation area, banking area, milk shipment area, and many others. Cities exist to serve their surrounding countrysides and in turn surrounding areas support the cities. Technically speaking then there are two fundamental points of view to be studied in order to determine the major region of dominance of a city: 1) the tributary area which is that area to which the city sends its goods and services, and 2) the supporting area which is that area that sends goods, people, and monies to the city.

The previous studies on Omaha's service areas have approached the sphere of influence from the above two points of view. Some indicators of the Omaha area of dominance, however, reflect a two-way movement of activities into and out of the city. Newspaper circulation, telephone calls, and correspondent banking, for example, are indicative of a two-way movement of things moving into and out of Omaha to or from its surrounding area. These indicators also go far beyond just themselves because they are in many ways representative of other factors in Omaha's sphere of influence. For instance, banking and telephone calls are indicative of wholesaling, social contacts, and other

business and financial relationships; just as the newspaper might well represent retail trade and cultural opportunities in Omaha for people in the trade area.

When choosing the single criteria supporting area indicators one must be aware of the important aspects of a city's basic existence. Milk, grain, and animal shipments were chosen for Omaha because it is well known in all circles that a great share of Omaha's industrial employment and influence is based on agricultural commodities coming into the city.

It is the purpose of this final study in the series¹ to combine the factors which contribute to establishing the tributary area hinterland of Omaha and to also combine the supporting area indicators to ascertain this aspect of the hinterland. In addition both points of view will be placed on a composite map to indicate the Omaha hinterlands in order that one might see a more complete picture of Omaha's dominant sphere of influence. Each composite map was constructed on the basis of a 75 percent overlap of the single factor service or support areas.

¹Retallick, Harold J., and Gildersleeve, Charles R., "License Plate Survey of Two Major Shopping Points," Omaha Urban Area Research Project, Omaha Trade Area Study No. 1, February, 1967.

Retallick, Harold J., and Gildersleeve, Charles R., "An Analysis of Telephone Calls, Newspaper Circulation, and Correspondent Banks," Omaha Urban Area Research Project, Omaha Trade Area Study No. 2, August, 1967.

Lea, Donald W., and Wilhelm, John T., "License Plate Survey of Eight Major Shopping Points," Omaha Urban Area Research Project, Omaha Trade Area Study No. 3, December, 1967.

Gildersleeve, Charles R., and Wilhelm, John T., "Milk, Grain and Livestock Source Areas," Omaha Urban Area Research Project, Omaha Trade Area Study No. 4, May, 1968.

Retallick, Harold J., and Gildersleeve, Charles R., "Omaha's Agricultural Core Region," Omaha Urban Area Research Project, Geographic Background Report No. 1, August, 1967.

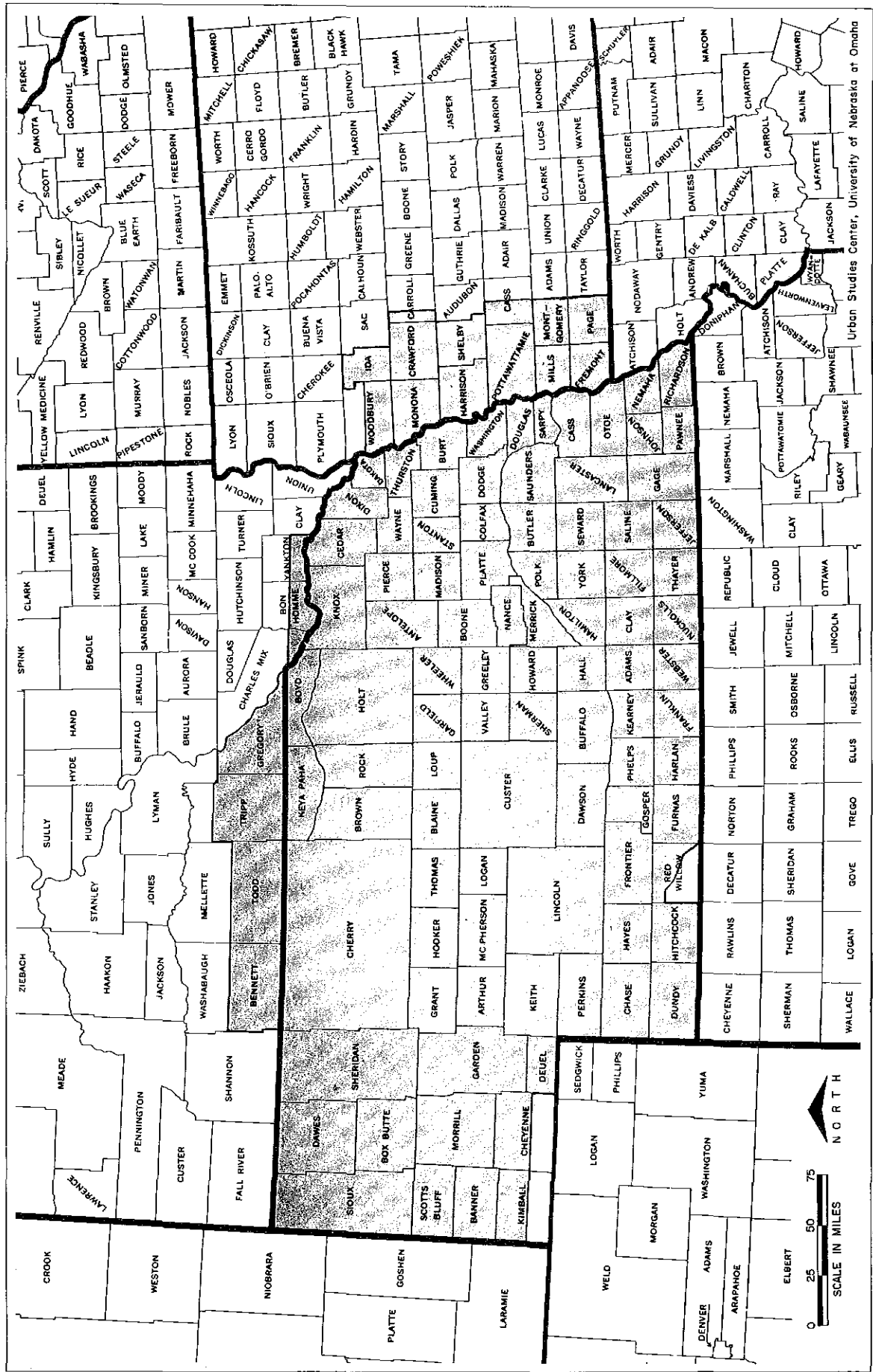
TWO-WAY INDICATORS

The tributary area is that area to which the city sends its goods and services. The indicators of this movement, however, in nearly all cases reflect not only an outward movement, but also result in an inward flow of people and monies. Hence, many indicators by their very nature reflect in a causal way a regional supporting area.

Retail trade, telephone toll calls, newspaper circulation and correspondent banking are usually chosen as indicators of the city tributary area, just as selected stocks are used by the Dow-Jones stock average to indicate the price trend of all stock transactions or as box car loadings are used to reflect the pulse of the national economy. By constructing a composite map of the four tributary area factors the general over-all regional influence of Omaha is shown (see Fig. 1).

Retail trade area studies No. 1 and No. 3 were to a large extent concerned with the origin of shoppers at the two major shopping points in Omaha. The survey method employed a number of counts of license plate numbers by county and state during the Christmas shopping period in 1966 and 1967. The Christmas period was chosen because the greatest regional attraction of a city for shopping is reached at this time. Both surveys indicated that downtown Omaha draws more customers from the east of Omaha, whereas the Crossroads in comparison tends to draw more from areas to the west. Each shopping study showed that the shopping area of Omaha is in the contiguous region surrounding the city in eastern Nebraska and Southwestern Iowa.

COMPOSITE OF OMAHA'S RETAIL TRADE, TELEPHONE CALLS, NEWSPAPER CIRCULATION, AND CORRESPONDENT BANKS (TWO-WAY INDICATORS)



Donald W. Lea

Figure 1

Source: Urban Studies Center, University of Nebraska at Omaha

Telephone toll call reports by, or collected by, Northwestern Bell Telephone Company in Omaha provided data for a plurality¹ analysis. The plurality of telephone calls to Omaha indicates an area of integration of business and personal relationships between the city and its hinterland. The Nebraska portion of the plurality region includes some 58,224 square miles and 1,304,654 people. Twelve western Iowa counties and parts of seven South Dakota counties add another 11,050 square miles and 372,904 people. Thus, within the boundaries of the plurality region are some 69,274 square miles and 1,677,558 people.

Newspaper circulation data compiled by the Audit Bureau of Circulation of Chicago provided circulation figures for a plurality analysis for major newspapers in the Midwest. Thus, a plurality region for the Omaha World-Herald was defined and mapped. This region has an area of 92,090 square miles and a population of 1,771,600 (1965 estimate).

Correspondent banks, banks which do business with each other, provide a major guideline for discerning Omaha's financial influence. Unlike the telephone toll call or newspaper circulation indicators, the analysis is not based on a plurality of services but on a percentage of service and business operations. The area of dominance by Omaha banks is much larger than that of the other indicators because man-made and other organizational boundaries strongly affect the correspondent banking associations.

Figure 1 shows that nearly all of Nebraska is included in the Omaha tributary area. In addition, portions of southern South Dakota and western

¹Plurality as used in the trade area study would mean that at least one more toll call was made to Omaha than to any of the other cities surrounding Omaha which are in a similar size-influence class.

Iowa fall with Omaha's major sphere of influence. This composite area of dominance includes 1,769,179 people and an area of 84,514 square miles.

SUPPORTING AREA INDICATORS

Even though tributary area measures show a two-way movement of people and monies they do not always indicate the main aspects of the basic supporting area of a city. It is necessary, then, to also show factors are definitely measures of the basic income or support of Omaha.

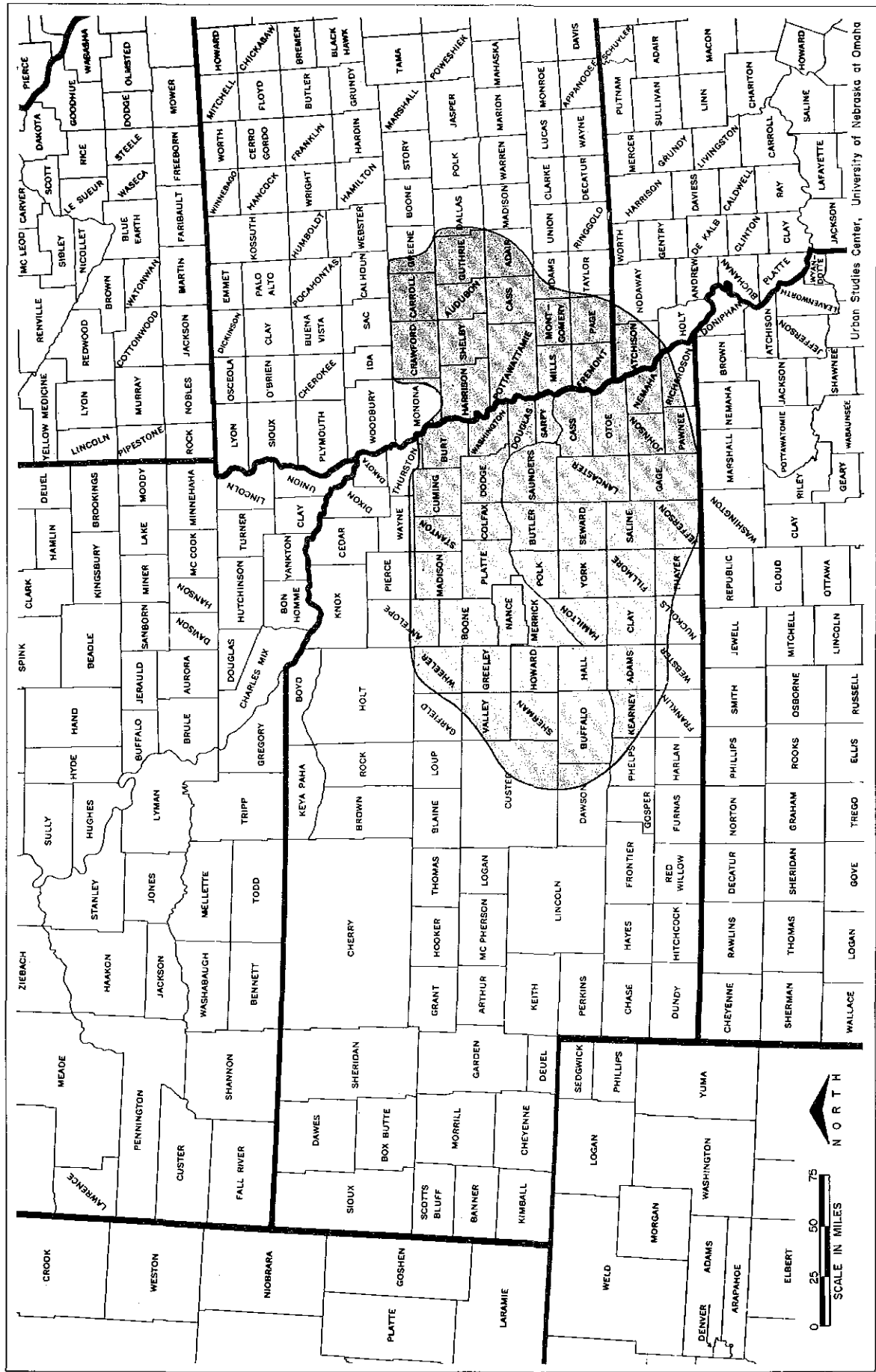
It is statistically evident that a great share of the basic income of Omaha is contributed by agricultural commodities. The three supporting indicators, milk, grain, and animal shipments, are important in several ways. For example, in manufacturing employment alone the three indicators account for nearly 27 percent of Omaha's employment in manufacturing.

The Omaha milkshed is the area surrounding Omaha from which the city receives 80 percent or more of its daily needs. Much of the milk reaching Omaha has its origin in northwestern and western Iowa.

The grain source areas of Omaha are dominated by shipments of corn and wheat. Corn, the leading grain received at the Omaha Grain Exchange, comes to Omaha mainly from western Iowa and eastern Nebraska. Wheat is shipped primarily from Nebraska. Hence the composite grain source area is a region centered on western Iowa and eastern Nebraska. Animal shipments are parallel with the grain shipments in that western Iowa and Nebraska dominate as the primary source areas.

Figure 2, a composite map of Omaha's animal and grain products source regions, shows a support region, some 40 counties in eastern Nebraska, 13 counties in southwestern Iowa, and one in northwestern Missouri. Usually

COMPOSITE OF OMAHA'S ANIMAL AND GRAIN PRODUCTS SOURCE REGIONS



Donald W. Lea

Figure 2

Source: Urban Studies Center, University of Nebraska at Omaha

Urban Studies Center, University of Nebraska at Omaha

for regional centers, such as Omaha, the supporting area is somewhat smaller in areal extent than the tributary or trading area of the city.

OMAHA HINTERLANDS

A composite map (Figure 3), which illustrates the Omaha hinterlands, was constructed from data obtained in the analysis of tributary and supporting regions. Both the tributary and supporting regions were constructed on the basis of a seventy-five percent overlap of the several individual factors used.

It can be seen from Figure 3 that the two-way tributary area surrounds the supporting area except for a section of western Iowa and northwest Missouri. In fact this additional area of the supporting region adds 3,300 square miles and nearly 74,000 people to Omaha's sphere of influence.

In studies of spheres of influence around the nation it is common for the two-way sphere of influence to surround the direct supporting area region. The two-way area is usually the key in understanding the larger regional influence of a city. For example, Omaha's area represents a total retail sales volume of over two and one-half billion dollars (\$2,534,500,000) and a wholesale sales volume of over three and one-half billion dollars (\$3,624,300,000).

The total sphere of Omaha's influence covers an area of nearly 88,000 square miles and contains a population of just under two million people. The Omaha influence area is larger than the state of Nebraska by nearly 11,000 square miles, and has a population that is 25 percent greater than the state of Nebraska. The Iowa section of the Omaha sphere of influence accounts for slightly more than ten percent of the area, but contains nearly 14 percent of the people.

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OMAHA HINTERLANDS

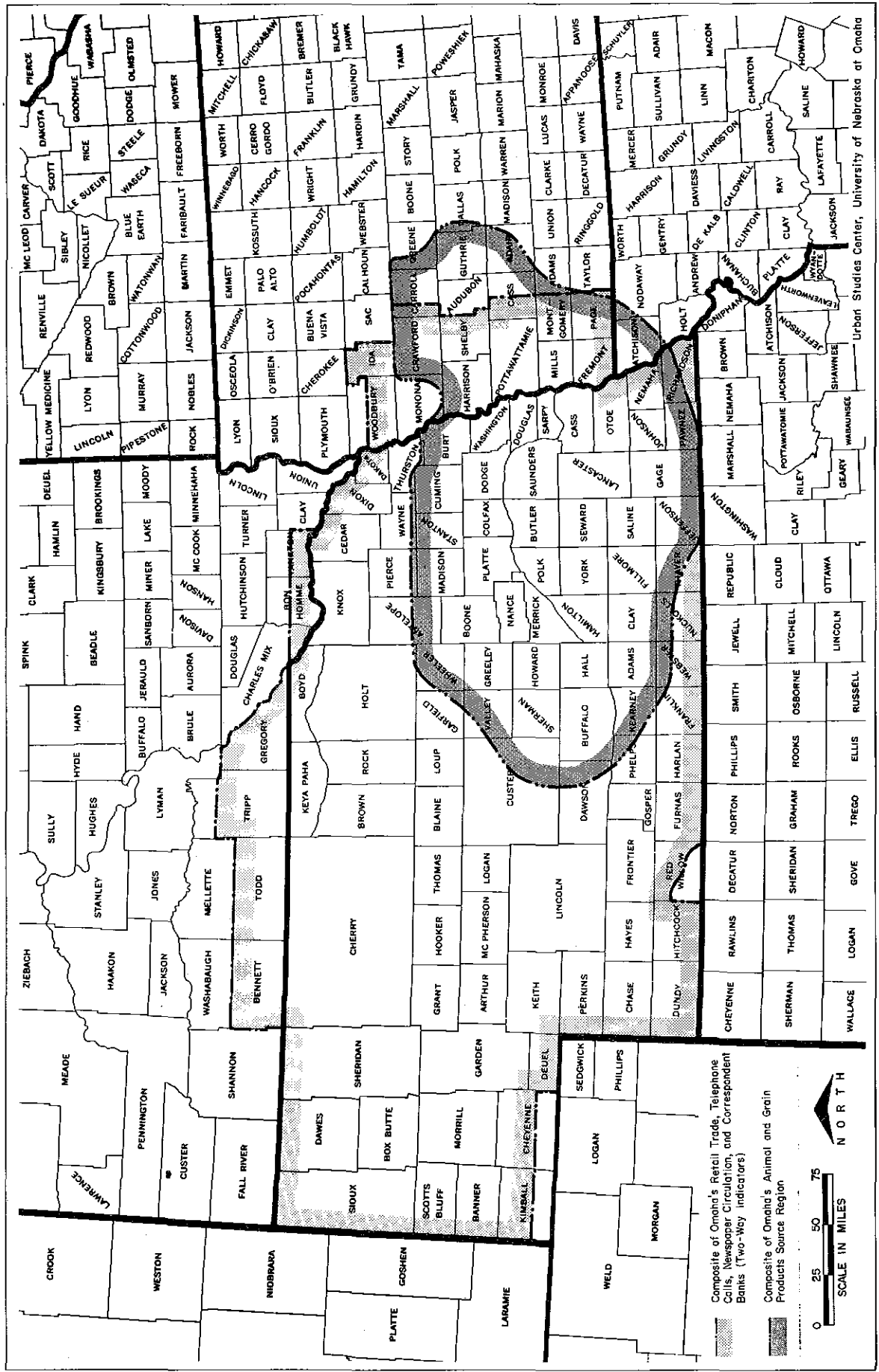
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OMAHA HINTERLANDS



Source: Urban Studies Center, University of Nebraska at Omaha

Figure 3

Urban Studies Center, University of Nebraska at Omaha

The value of a series of studies of Omaha's sphere of influence should not end with this final study in the series. The real value of such a research project is to relate in future studies to the framework established here.