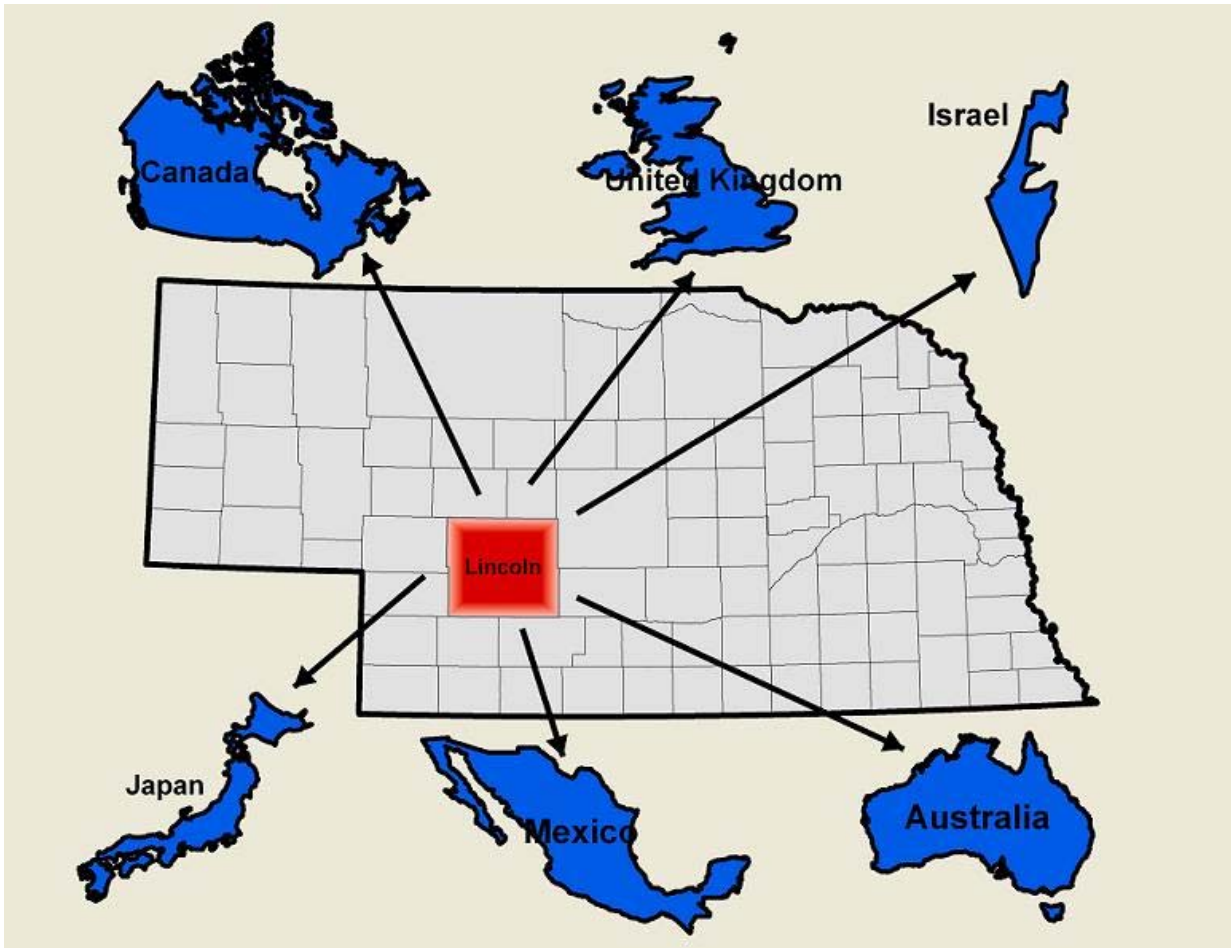


NEBRASKA BUSINESS VISITATION PROGRAM

LINCOLN COUNTY REPORT 2005



2005 Business Retention and Expansion Survey Results for Lincoln County, Nebraska

Executive Summary

The Business Retention and Expansion (BRE) Survey of the Nebraska Business Visitation Program gathered responses from 36 businesses in Lincoln County in August 2005 with a combined employment of 2,427. Almost nine of every ten businesses were in North Platte, and a majority were corporations. They were in varied industries.

The respondents rated their levels of satisfaction with different business climate factors in Lincoln County. Many factors were rated favorably. The highest rating went to fire protection. The lowest rated factor was the real property tax rate.

The advantage of doing business in Nebraska and Lincoln County most often mentioned by the respondents was the quality of life. The perceived leading disadvantage was the business climate.

Almost 56 percent of the businesses expected to have more employees in the next year. For recruiting employees, word of mouth was the most used method, but the use of an employment agency was thought to be the most effective. Some level of training, education, and/or prior experience was needed for most positions.

About 18 percent of the respondents had short-term plans to expand the physical sizes of their businesses. Over two-thirds had plans for capital investment.

The leading challenge mentioned by the businesses was work force availability, followed by meeting market competition and increasing the customer base, and maintaining the local economy.

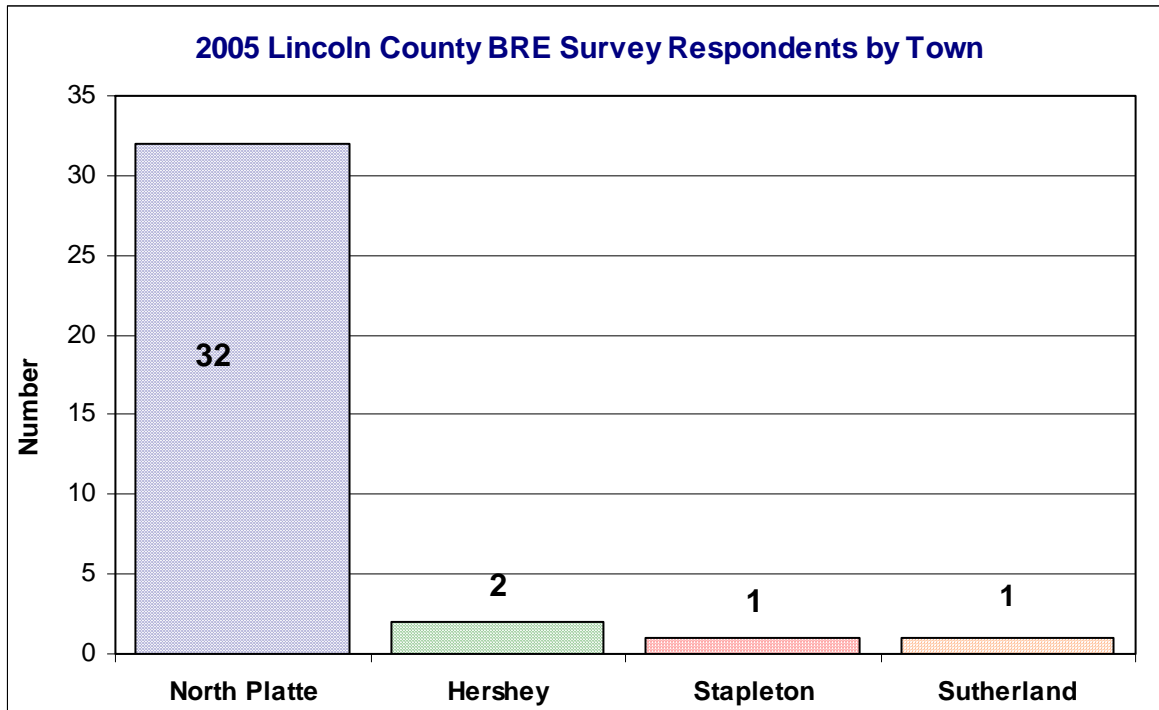
2005 Business Retention and Expansion Survey Results for Lincoln County, Nebraska

by
Nebraska Department of Economic Development
September 2005

Background

Regularly visiting and talking to businesses is the best way to gain an understanding of their characteristics, opportunities, and challenges. That premise led to the establishment of the Nebraska Business Visitation Program, coordinated through the Nebraska Department of Economic Development. Begun in June 1999, the program relies on person-to-person interviews with businesses. The businesses are asked questions as part of a structured process called the Business Retention and Expansion (BRE) Survey. Interviewers are staff of the Department of Economic Development, members of the Nebraska Economic Developers Association, the Nebraska Diplomats, and/or other state and local economic developers. Based on information gathered in the interviews, Department of Economic Development staff attempt to respond quickly and meaningfully to significant opportunities and/or problems identified in the survey. Good follow-up is also important for continued business participation in the BRE Survey.

In August 2005, business visitation teams interviewed businesses in Lincoln County to collect their views on the strengths and challenges of the area's economy as well as to learn more about individual business operations and needs. The interviews update similar efforts undertaken in the county in July 2003. The results of the 2005 survey are presented in this report in a series of tables and graphs. As shown in Graph 1 and Table 1, a total of 36 businesses in four communities were interviewed. Almost 89 percent of the businesses interviewed were in North Platte, compared to a little over 68 percent in the 2003 survey. North Platte also has almost 69 percent of the resident population in Lincoln County.



Graph 1

Table 1. Number of Lincoln County Businesses Surveyed by Town, 2003 and 2005

Community	2005 Survey		2003 Survey		2004 Population Estimates*	
	Number	Percent	Number	Percent	Number	Percent of County Total
Brady	0	0.0%	2	9.1%	375	1.1%
Dickens	0	0.0%	1	4.5%	NA	NA
North Platte	32	88.9%	15	68.2%	23,944	68.5%
Hershey	2	5.6%	1	4.5%	563	1.6%
Stapleton	1	2.8%	0	0.0%	276	0.8%
Sutherland	1	2.8%	3	13.6%	1,195	3.4%
Rest of County					9,821	28.1%
Total	36	100.0%	22	100.0%	34,979	100.0%

*U.S. Department of Commerce, Bureau of the Census, July 2005.

Graph 2 and Table 2 show the breakdown of those interviewed by type of business. They were in a broad range of industries. Retail trade comprised over 22 percent of the total, health care and social assistance accounted for almost 17 percent, and accommodation and food services made up about 17 percent. In the 2003 survey, retail trade also included more of the responding businesses than any other sector, followed by agriculture, health care and social assistance, and transportation and warehousing. Compared to the distribution of all businesses with employees in Lincoln County, the highest relative concentrations of the interviewed businesses in

this year's survey were in manufacturing, retail trade, transportation and warehousing, information, health care and social assistance, and accommodation and food services.

Table 2. Number of Lincoln County Businesses Surveyed by Industry, 2003 and 2005

Industry (NAICS)	2005 Businesses		2003 Businesses		2002 Establishments*	
	Number	Percent	Number	Percent	Number	Percent
Agriculture (11)	0	0.0%	3	13.6%	5	0.5%
Mining (21)	0	0.0%	0	0.0%	4	0.4%
Utilities (22)	0	0.0%	0	0.0%	5	0.5%
Construction (23)	2	5.6%	1	4.5%	98	9.6%
Manufacturing (31-33)	4	11.1%	2	9.1%	19	1.9%
Wholesale (42)	1	2.8%	0	0.0%	54	5.3%
Retail (44-45)	8	22.2%	5	22.7%	213	20.8%
Transportation & Warehousing (48-49)	4	11.1%	3	13.6%	41	4.0%
Information (Publishing, Broadcasting, Telecommunications) (51)	3	8.3%	1	4.5%	20	1.9%
Finance & Insurance (52)	0	0.0%	0	0.0%	68	6.6%
Real Estate (53)	0	0.0%	0	0.0%	38	3.7%
Professional, Scientific & Technical Services (54)	1	2.8%	2	9.1%	64	6.2%
Management of Companies (55)	0	0.0%	0	0.0%	3	0.3%
Administrative Support (56)	0	0.0%	0	0.0%	39	3.8%
Educational Services (61)	0	0.0%	0	0.0%	8	0.8%
Health Care & Social Assistance (62)	6	16.7%	3	13.6%	110	10.7%
Arts, Entertainment & Recreation (71)	0	0.0%	1	4.5%	16	1.6%
Accommodation & Food Services (72)	6	16.7%	1	4.5%	21	2.0%
Other Services (81)	1	2.8%	0	0.0%	10	1.0%
Other auxiliaries/unclassified	0	0.0%	0	0.0%	132	12.9%
Total	36	100.0%	22	100.0%	1,026	100.0%

*From U.S. Department of Commerce, *2002 County Business Patterns, Nebraska, November 2004*.

A majority (58 percent) of the businesses surveyed in 2005 were S or C corporations (see Table 3). Over 19 percent were sole proprietorships, and almost 14 percent were limited liability companies. Also, as shown in Table 4, over 30 percent of the businesses were involved in selling via the Internet. And almost 15 percent had export sales to England, Asia, Israel, Japan, Canada and Mexico.

Table 3. Legal Structure of Respondent Businesses, Lincoln County

	Number	Percent
Sole Proprietorship	7	19.4%
Partnership	2	5.6%
S Corporation	9	25.0%
C Corporation	12	33.3%
Limited Liability Company	5	13.9%
Cooperative	1	2.8%
Government	0	0.0%
Total	36	100.0%

Table 4. Number of Respondents with Internet or Export Sales, Lincoln County

	Sell via Internet?		Export?	
	Number	Percent	Number	Percent
Yes	10	30.3%	5	14.7%
No	23	69.7%	29	85.3%
Total	33	100.0%	34	100.0%

Business Climate

The businesses interviewed in both 2003 and 2005 were asked to rate their levels of satisfaction with different business climate factors locally. As shown in Table 5, the factors were grouped into six categories, and the participants rated each factor on a scale from 1 (excellent) to 5 (very poor). In addition to the 2003 and 2005 scores for Lincoln County, the table also shows the average scores in all communities in which BRE surveys were conducted in 2004. Graph 2 lists the business climate factors in order from those rated best in Lincoln County in 2005 to those rated lowest.

A large majority of the factors were rated fair or better in both the 2003 and 2005 surveys. A few of the factors were placed in the good to excellent range. The average ratings given the factors were also similar to the average scores found in the BRE results for the communities in which surveys were conducted in 2004.

In the utilities category, the majority of factors had ratings of good to excellent in 2005, with natural gas service and waste water service scoring the highest, followed closely by electrical service, water service, solid waste removal, and internet access. These ratings were close to those in 2003, and were also similar to the results for the communities with BRE surveys in 2004, except that solid waste removal received a significantly better average rating in Lincoln County.

In the transportation category, highway access, local streets and roads, trucking service, and rail service received ratings in the good to excellent range in the 2005 survey. Air service was rated fair to good. Both rail service and air service received higher average ratings in 2005 than in 2003. On all of the transportation factors, the average ratings given by the Lincoln County businesses were higher than the average scores for the communities with BRE surveys in 2004.

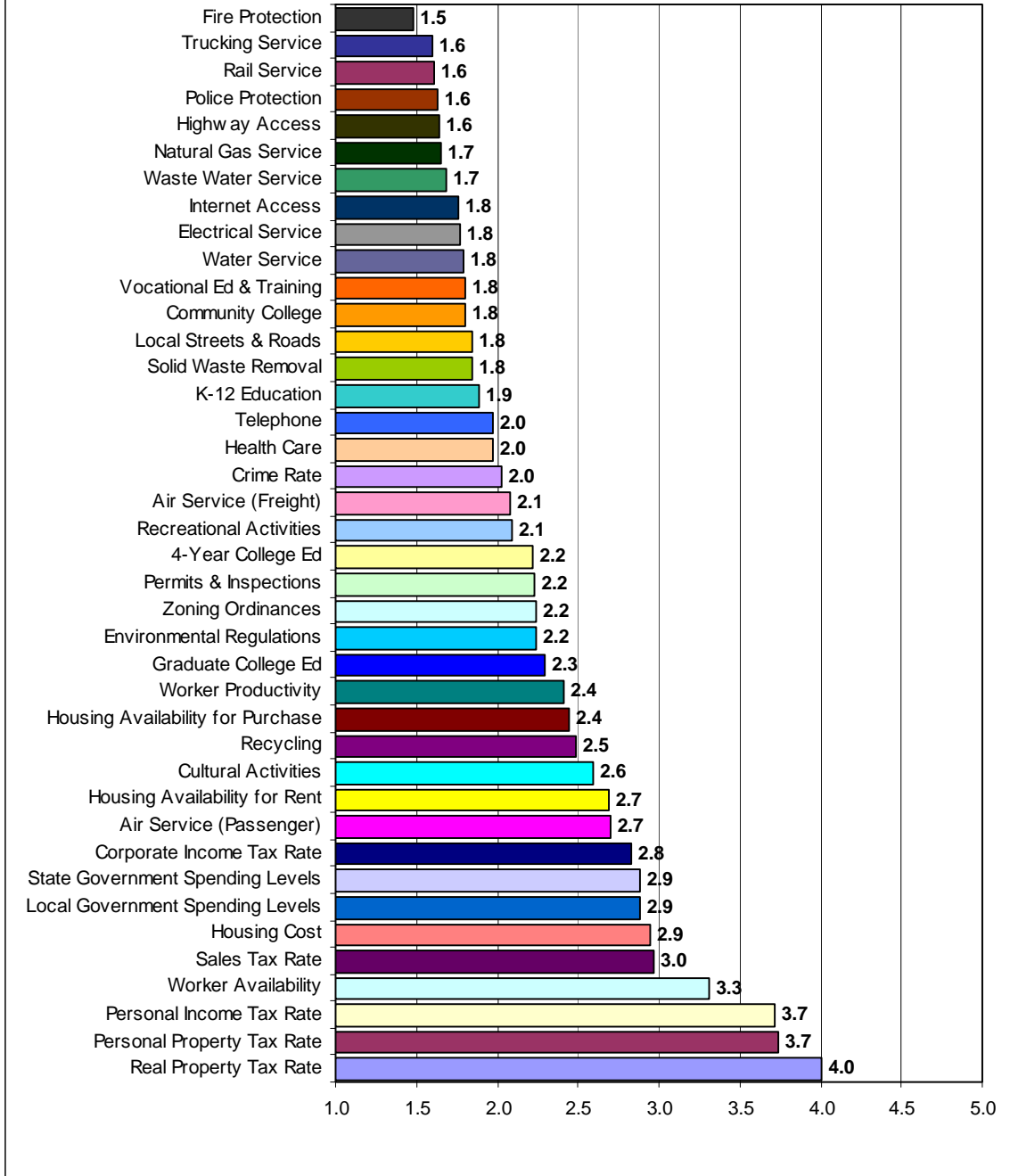
Among the public services factors, fire protection got the highest average rating in 2005, just ahead of police protection, followed by vocational education and training, community college and K-12 education. Notable in this category is that the average ratings for four-year college education and graduate college education were significantly higher than in 2003. Also, the 2005 scores in Lincoln County on the public services factors were similar to the combined-communities averages in 2004.

In the quality of life category, the average ratings for all factors were in the fair to good range in both the 2003 and 2005 surveys. Health care and the crime rate received the best ratings in this category in both years. The ratings were also close to those received from the communities with BRE surveys in 2004. The largest difference in the average ratings in this category was 0.5, where respondents scored the availability of housing for purchase slightly more favorably in Lincoln County than the combined-communities average.

The lowest average ratings in both the 2003 and 2005 surveys were given to factors in the taxes and regulatory category. The real property tax rate was rated poor in 2005, and the personal income tax rate and personal property tax rate were put in the fair to poor range. Notable is that the personal income tax rate was rated significantly lower in 2005 than in 2003, and also got a lower rating than the combined-communities average in 2004. On the other hand, the three highest-rated factors in this category—environmental regulations, zoning ordinances, and permits and inspections—all received higher average ratings compared to both the 2003 scores and the combined-communities averages in 2004.

For two labor factors included in the business climate factors, the respondents gave a higher average rating to worker productivity than worker availability in both the 2003 and 2005 surveys. The average rating for worker availability was in the fair to poor range in 2005, lower than the average in the 2003 survey and the average for the communities with BRE surveys in 2004.

Business Climate/Service Ratings, Lincoln County



1 = excellent; 2 = good; 3 = fair; 4 = poor; 5 = very poor

Graph 2

Table 5. Business Climate Ratings by Category and Item, Lincoln County, Nebraska, 2003 and 2005

Category/Item	2005		2003		Statewide Average, 2004
	Number Responding	Average Rating	Number Responding	Average Rating	
Utilities					
Electrical Service	35	1.8	22	1.6	1.5
Natural Gas Service	32	1.7	22	1.7	1.7
Water Service	33	1.8	21	1.6	1.7
Waste Water Service	32	1.7	21	1.7	1.8
Solid Waste Removal	33	1.8	21	1.8	3.0
Recycling	33	2.5	19	2.4	2.5
Telephone	33	2.0	20	2.4	2.3
Internet Access*	33	1.8	NA	NA	NA
Transportation					
Highway Access	33	1.6	21	1.4	1.9
Local Streets & Roads	32	1.8	21	1.8	2.2
Trucking Service	32	1.6	19	1.8	2.0
Rail Service	28	1.6	14	2.2	2.6
Air Service (Passenger)*	27	2.7	17	3.3	NA
Air Service (Freight)	26	2.1	NA	NA	NA
Public Services					
Police Protection	35	1.6	21	1.6	1.8
Fire Protection	35	1.5	22	1.6	1.5
K-12 Education	35	1.9	19	1.6	1.7
Vocational Ed & Training	35	1.8	19	2.1	2.2
Community College	35	1.8	20	1.9	2.0
4-Year College Ed	28	2.2	16	2.9	2.1
Graduate College Ed	24	2.3	12	3.3	2.5
Quality of Life					
Housing Availability for Purchase	34	2.4	22	2.6	2.9
Housing Availability for Rent	35	2.7	21	2.8	2.6
Housing Cost	35	2.9	22	2.9	2.7
Recreational Activities	35	2.1	22	2.2	2.4
Cultural Activities	34	2.6	22	2.5	2.8
Health Care	35	2.0	22	2.1	1.7
Crime Rate	34	2.0	21	2.1	1.7

Table 5. Business Climate Ratings by Category and Item, Lincoln County, Nebraska, 2003 and 2005 continued

Category/Item	2005		2003		Statewide Average, 2004
	Number Responding	Average Rating	Number Responding	Average Rating	
Taxes & Regulatory					
Local Government Spending Levels	35	2.9	20	2.6	2.7
State Government Spending Levels	35	2.9	20	3.2	2.9
Sales Tax Rate	34	3.0	21	2.6	2.8
Real Property Tax Rate	10	4.0	21	3.6	NA
Personal Property Tax Rate*	35	3.7	NA	NA	NA
Personal Income Tax Rate	35	3.7	20	2.8	3.2
Corporate Income Tax Rate	34	2.8	17	2.8	2.9
Environmental Regulations	33	2.2	19	2.9	2.7
Zoning Ordinances	34	2.2	18	2.8	2.5
Permits & Inspections	35	2.2	19	2.6	2.5
Labor					
Worker Availability	35	3.3	20	2.9	2.8
Worker Productivity	34	2.4	20	2.4	2.2

1=Excellent; 2=Good; 3=Fair; 4=Poor; 5=Very Poor

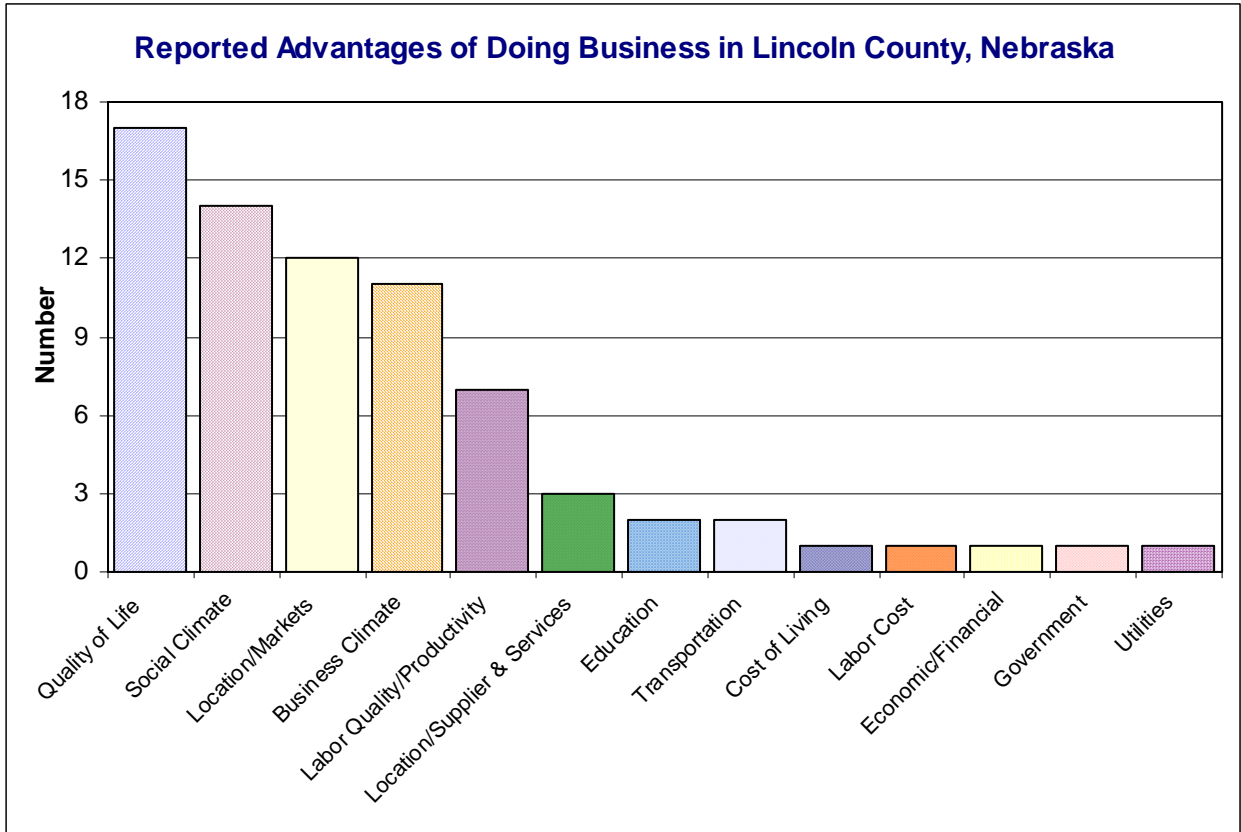
NA = Question not asked or asked in a different form in prior years.

*2003 questionnaire combined this service with the service below.

Nebraska Advantages and Disadvantages

The businesses interviewed were asked to list up to three advantages of doing business in Nebraska and in their communities and, next, three disadvantages. As shown in Graph 3 and Table 6, the most-mentioned advantages in the 2005 survey were the quality of life, social climate, and location relative to markets. In the 2003 survey, social climate was the leading advantage, followed by labor quality and productivity.

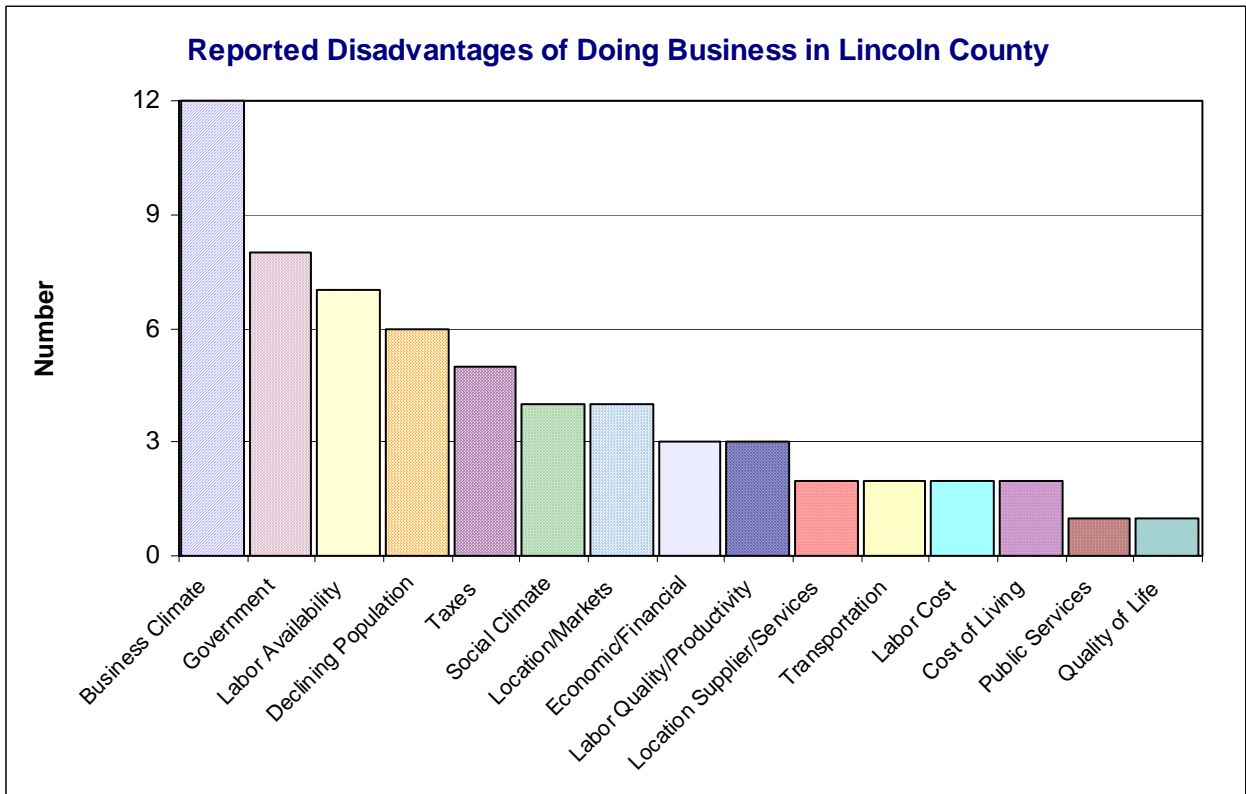
Graph 4 and Table 7 show the disadvantages. The most-mentioned disadvantages this year were business climate, government, and labor availability. In 2003, by far the leading disadvantage was taxes.



Graph 3

Table 6. Advantages of Doing Business in Lincoln County by Category

Category	Number Reporting			2005 Totals		2003 Totals	
	Adv. #1	Adv. #2	Adv. #3	Number	Percent	Number	Percent
Quality of Life	10	3	4	17	23.3%	3	8.1%
Social Climate	7	7	0	14	19.2%	12	32.4%
Location/Markets	7	4	1	12	16.4%	2	5.4%
Business Climate	3	5	3	11	15.1%	1	2.7%
Labor Quality/Productivity	5	2	0	7	9.6%	8	21.6%
Location/Supplier & Services	0	1	2	3	4.1%	1	2.7%
Education	0	1	1	2	2.7%	2	5.4%
Transportation	0	1	1	2	2.7%	2	5.4%
Cost of Living	0	1	0	1	1.4%	0	0.0%
Labor Cost	1	0	0	1	1.4%	0	0.0%
Economic/Financial	1	0	0	1	1.4%	2	5.4%
Government	0	0	1	1	1.4%	0	0.0%
Utilities	0	0	1	1	1.4%	2	5.4%
Taxes	0	0	0	0	0.0%	1	2.7%
Public Services	0	0	0	0	0.0%	1	2.7%
Total	34	25	14	73	100.0%	37	100.0%



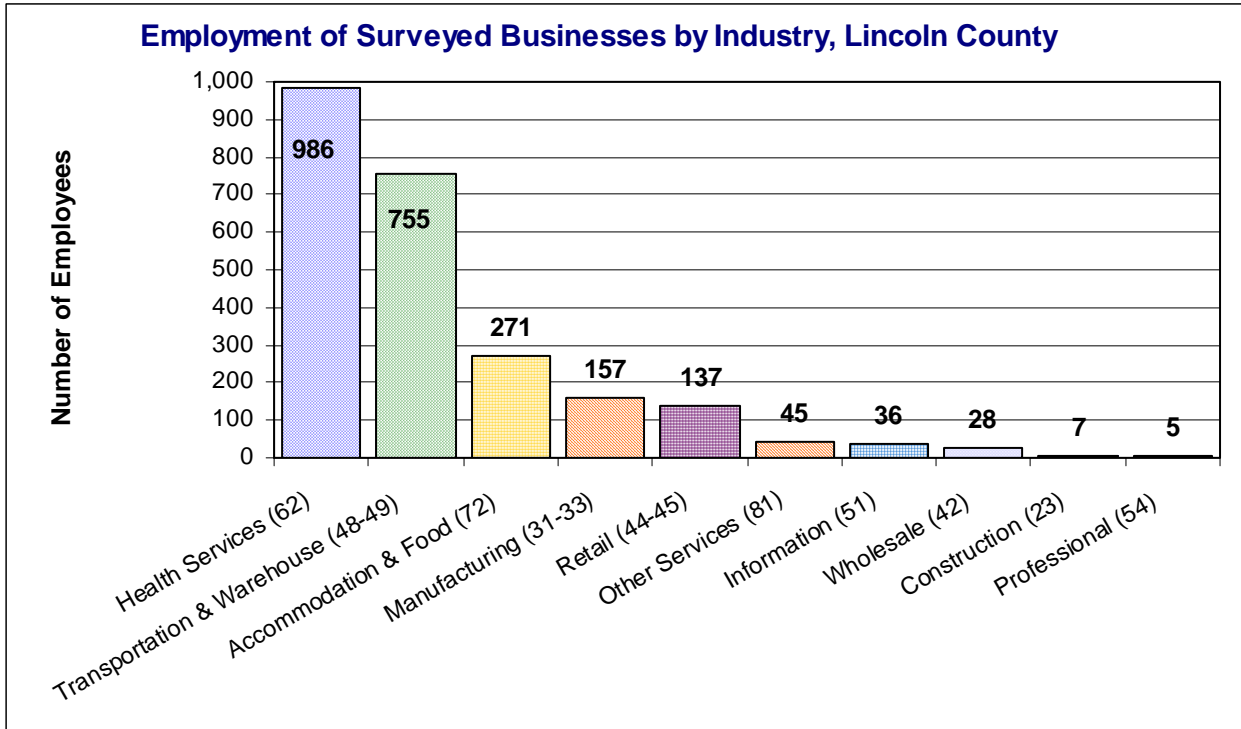
Graph 4

Table 7. Disadvantages of Doing Business in Lincoln County

Category	Number Reporting			2005 Total		2003 Total	
	Disadv. #1	Disadv. #2	Disadv. #3	Number	Percent	Number	Percent
Business Climate	8	3	1	12	19.4%	4	12.9%
Government	3	4	1	8	12.9%	2	6.5%
Labor Availability	5	0	2	7	11.3%	2	6.5%
Declining Population	3	2	1	6	9.7%	0	0.0%
Taxes	3	1	1	5	8.1%	8	25.8%
Social Climate	2	1	1	4	6.5%	1	3.2%
Location/Markets	3	1	0	4	6.5%	3	9.7%
Economic/Financial	0	2	1	3	4.8%	3	9.7%
Labor Quality/Productivity	1	1	1	3	4.8%	0	0.0%
Location Supplier/Services	2	0	0	2	3.2%	0	0.0%
Transportation	1	1	0	2	3.2%	3	9.7%
Labor Cost	0	1	1	2	3.2%	0	0.0%
Cost of Living	2	0	0	2	3.2%	0	0.0%
Public Services	0	0	1	1	1.6%	2	6.5%
Quality of Life	0	1	0	1	1.6%	1	3.2%
Utilities Other	0	0	0	0	0.0%	0	0.0%
Job Opportunities	0	0	0	0	0.0%	1	3.2%
Education	0	0	0	0	0.0%	1	3.2%
Total	33	18	11	62	100.0%	31	100.0%

Work Force

The reported total employment by all of the businesses interviewed in Lincoln County in 2005 was 2,427, compared to 1,668 in the 2003 survey. Graph 5 and Table 8 show that health care and social assistance accounted for almost 41 percent of the employees in the surveyed businesses in 2005, transportation and warehousing made up over 31 percent, and accommodation and food services comprised over 11 percent. Full-time positions made up over 88 percent of the reported employment.



Graph 5

Table 8. Employment of Lincoln County Businesses by Industry

Industry (NAICS)	2005 Employment				2003 Employment		2002 Employment*	
	Full-time	Part-time	Total	Percent of Total	Number	Percent	Number	Percent
Agriculture (11)	0	0	0	0.0%	43	2.6%	14	0.1%
Construction (23)	5	2	7	0.3%	80	4.8%	546	5.3%
Manufacturing (31-33)	156	1	157	6.5%	14	0.8%	394	3.8%
Wholesale Trade (42)	26	2	28	1.2%	0	0.0%	489	4.8%
Retail Trade (44-45)	72	65	137	5.6%	297	17.8%	2,655	25.8%
Transportation & Warehousing (48-49)	749	6	755	31.1%	193	11.6%	175	1.7%
Information (51)	32	4	36	1.5%	14	0.8%	219	2.1%
Finance & Insurance (52)	0	0	0	0.0%	0	0.0%	469	4.6%
Real Estate (53)	0	0	0	0.0%	0	0.0%	138	1.3%
Professional, Scientific, and Technical Services (54)	4	1	5	0.2%	44	2.6%	289	2.8%

Management of Companies (55)	0	0	0	0.0%	0	0.0%	11	0.1%
Administrative & Support & Waste Management Services (56)	0	0	0	0.0%	0	0.0%	294	2.9%
Educational Services (61)	0	0	0	0.0%	0	0.0%	99	1.0%
Health Care & Social Assistance (62)	900	86	986	40.6%	965	57.9%	2,157	21.0%
Arts, Entertainment & Recreation (71)	0	0	0	0.0%	1	0.1%	126	1.2%
Accommodation & Food Services (72)	167	104	271	11.2%	17	1.0%	1,488	14.5%
Other Services (81)	30	15	45	1.9%	0	0.0%	686	6.7%
Total	2,141	286	2,427	100.0%	1,668	100.0%	10,282	100.0%

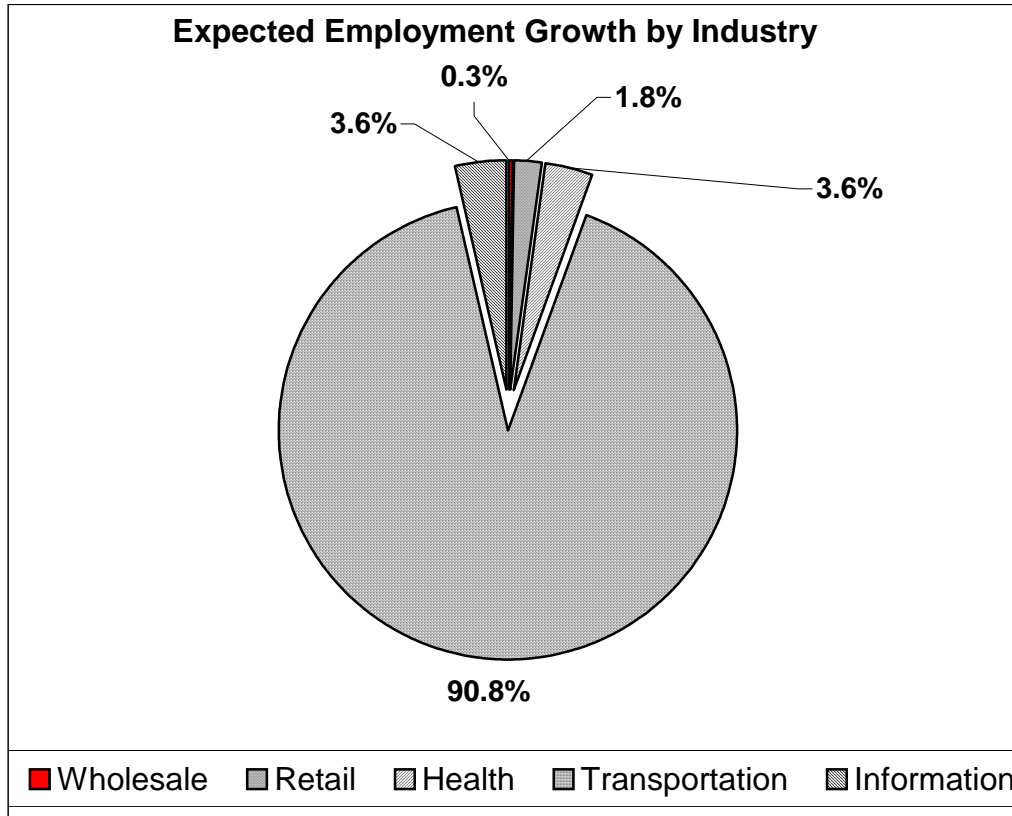
*From U.S. Department of Commerce, *2002 County Business Patterns, Nebraska, November 2004*.

The interviewed businesses were also asked about their expected future employment. As shown in Table 9, almost 56 percent of the businesses expected to have more employees a year later. Together, these businesses projected a total boost in employment of 391. The total existing employment of the businesses expecting to add employees was 1,894. So the projected annual increase was $(391 \div 1,894) \times 100$, or over 20 percent. Assuming no decrease in employment among the businesses not expecting an annual increase in employment, an increase in employment of 291 among all of the responding businesses would increase the current employment by $(391 \div 2,427) \times 100$, or 16.1 percent. This gain would, however, be highly concentrated. As shown in Graph 6, almost 91 percent of the employment increase projected by the respondents was in one industry—transportation and warehousing.

Table 9. Reported Employment Growth, Lincoln County Businesses

Do you expect to have more employees a year from now?		
	Number	% of Total
Yes	19	55.9%
No	15	44.1%
If "Yes," how many more employees?		391
Total employment of "Yes" respondents: ¹		1,894
Total reported employment		2,427
Estimated increase in total employment:		16.1%

¹ Not all respondents reporting expected employment growth provided an estimate of that growth.



When asked about the starting hourly wages they paid, the interviewed businesses reported an average of \$10.94 for entry-level jobs in 2005. This is a weighted average, the calculation of which takes into account variations in reported employment among the businesses. Table 10 shows that the highest starting wage was in transportation and warehousing at \$14.85 an hour. Noteworthy is that the average starting wage reported by businesses in the 2003 survey—\$8.50 per hour—was much lower than the 2005 average.

Table 10. Weighted Average Hourly Starting Wages of Lincoln County Businesses by Industry

Industry (NAICS)	2005	2003
Agriculture (11)	NA	\$8.63
Construction (23)	\$10.00	9.00
Manufacturing (31-33)	8.64	8.14
Wholesale Trade (42)	D	--
Retail Trade (44-45)	6.36	6.56
Transportation & Warehousing (48-49)	12.35	13.28
Information (51)	10.83	6.50
Professional, Scientific & Technical Services (54)	--	10.40
Health Care and Social Assistance (62)	8.74	7.90
Arts, Entertainment & Recreation (71)	--	8.00

Accommodation & Food Services (72)	6.22	5.75
Other Services (81)	D	--
Average	\$10.94	\$8.50

*Weights based on total full- and part-time employment reported for industry.

D = value withheld because too few respondents reported wages or in an industry.

Almost 78 percent of the businesses surveyed in 2005 said that had some employee benefits package. A little over 61 percent of the responding businesses said they offered health insurance, and almost 78 percent provided paid vacations (see Table 11). Holiday pay was given by almost 64 percent of the businesses, and retirement accounts were offered by almost 53 percent. Over 44 percent of the respondents said they had a profit-sharing plan for employees. Life insurance was provided by a little over 11 percent.

Table 11. Reported Employee Benefits, Lincoln County

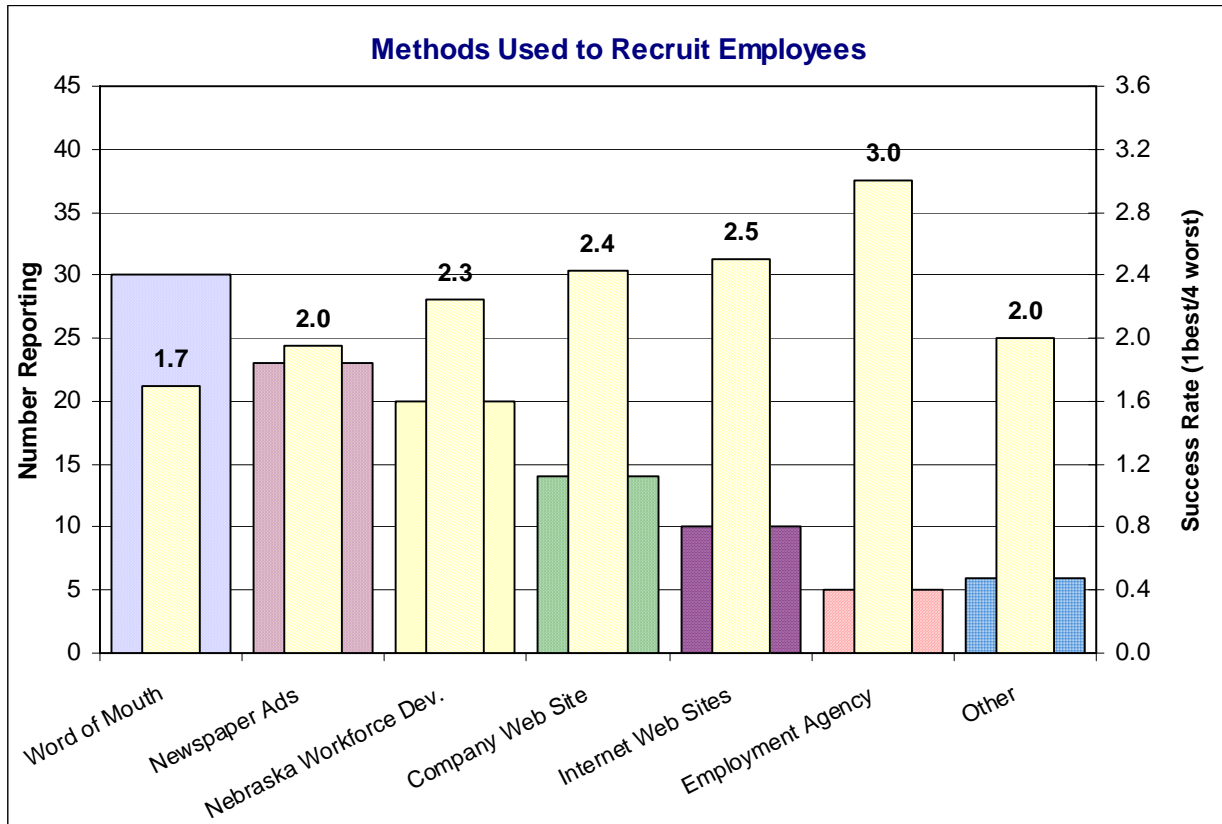
Item	Number Reporting	Percent of All Businesses Reporting a Benefits Package	
		Percent of All Respondent Businesses (N=36)	(N=28)
Do you provide an employee benefits package?			
Yes	28		
No	8		
Specific Benefits:			
Health Insurance	22	61.1	78.6
Life Insurance	4	11.1	14.3
Paid Vacation	28	77.8	100.0
Paid Holiday	23	63.9	82.1
Retirement	19	52.8	67.9
Profit Sharing	16	44.4	57.1
Other	12	33.3	42.9

The interviewed businesses were also asked about the turnover and absenteeism rates of their employees. As shown in Table 12, almost 43 percent of the respondents reported low turnover rates, and almost 65 percent said absenteeism rates were low.

Table 12. Reported Employee Turnover and Absentee Rates, Lincoln County

	Turnover		Absenteeism	
	Number	Percent	Number	Percent
Low	15	42.9%	22	64.7%
Middle	9	25.7%	6	17.6%
High	11	31.4%	6	17.6%
Total	35	100.0%	34	100.0%

Graph 7 and Table 13 show the most common methods used to recruit employees. Mentioned most often were word of mouth, newspaper advertisements, and the Nebraska workforce development program. But the method that apparently yielded the highest success rate was the use of an employment agency.



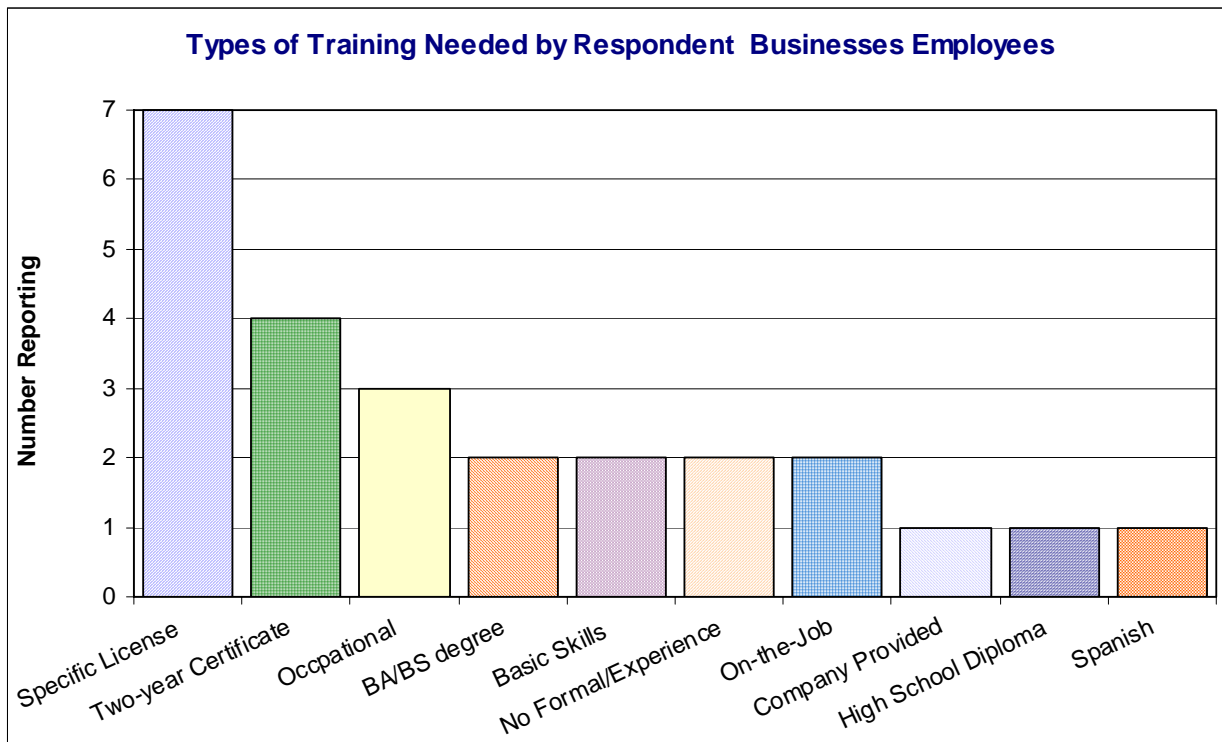
Graph 7

Table 13. Methods Used to Recruit Employees, Lincoln County

Method	Number Using	Success Rate*
Word of Mouth	30	1.7
Newspaper Ads	23	2.0
Nebraska Workforce Development	20	2.3
Company Web Site	14	2.4
Internet Web Sites	10	2.5
Employment Agency	5	3.0
Other	6	2.0

*1=most successful; 2=successful; 3=less successful; 4=least successful

The interviewed businesses identified levels of training, education, and/or experience needed for their current and/or prospective employees. Graph 8 and Table 14 show that employees needed no formal training or prior experience at just eight percent of the businesses. A specific license was needed at 28 percent of the businesses, a two-year certificate at 16 percent, and occupational training at 12 percent.



Graph 8

Table 14. Types of Training Needed by Respondent Business Employees, Lincoln County, 2005

Type of Training	Number	Percent
Specific License	7	28.0
Two-year Certificate	4	16.0
Occupational	3	12.0
BA/BS degree	2	8.0
Basic Skills	2	8.0
No Formal/Experience	2	8.0
On-the-Job	2	8.0
Company Provided	1	4.0
High School Diploma	1	4.0
Spanish	1	4.0
Total	25	100.0%

Expansion and Investment Plans

Over 18 percent of the survey respondents said they had plans to expand the physical sizes of their businesses. Table 15 shows these planned expansions had an average size of 2,500 square feet. The expansions were a number of types, led by commercial but also including warehousing, manufacturing, and office. Over two-thirds of the businesses also had plans for capital investment. Some of these businesses gave

estimates of the dollar amounts of capital spending in the following year. These estimates totaled to over \$6.3 million, or almost \$905,000 per business.

Table 15. Reported Expansion Plans, Lincoln County

Item	Yes	No
Have expansion plans?	6	27
Total Square Feet ¹	7,500	
Average Square Feet	2,500	
Type of Expansion:		
Office	1	11
Commercial	5	7
Manufacturing	1	11
Warehousing	2	10
Other	4	8
Plan Capital Investment?	17	8
Total Amount	\$6,332,000	
Average ²	904,571	

¹ Not all reporting expansion plans report a size for that expansion.

² Not all planning capital investment reported a value for that investment.

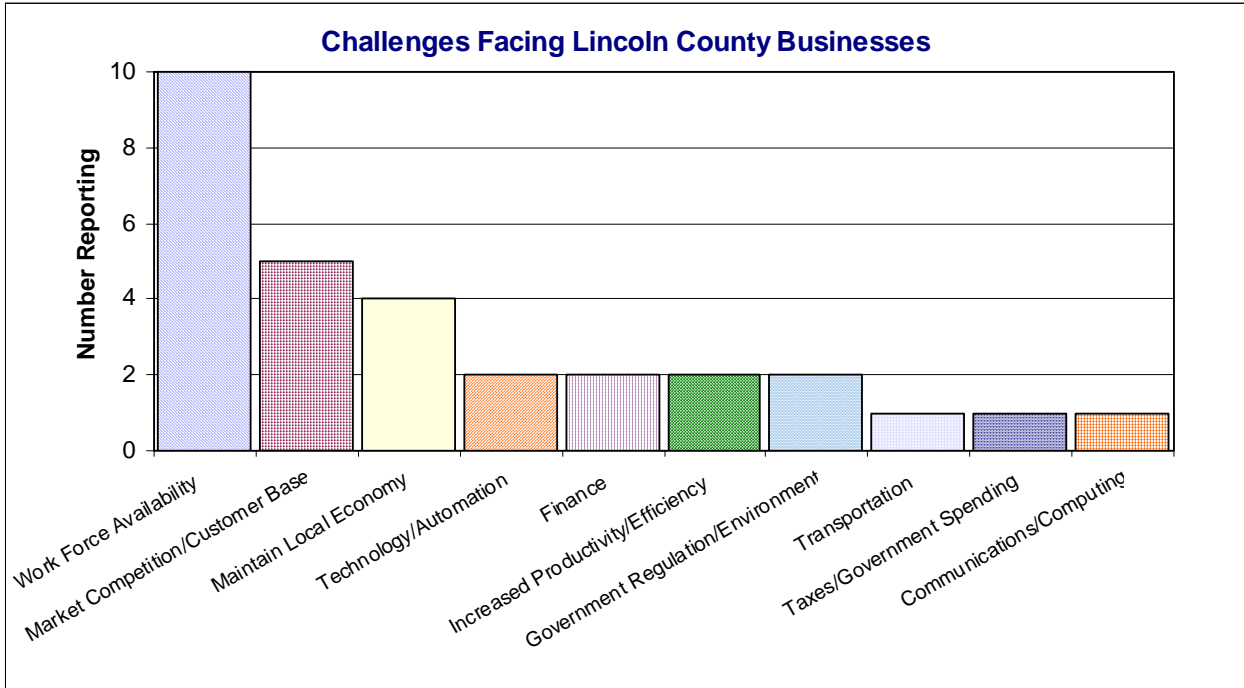
A few of the businesses interviewed used public financing resources to assist their growth and expansion. As shown in Table 16, one business benefited from industrial development revenue bonds, two businesses mentioned the use of community development block grants, and three cited programs of the U.S. Small Business Administration (SBA). Seven businesses were also assisted with community improvement, or tax increment, financing.

Table 16. Respondents Reported Use of Public Financing Options, Lincoln County

	Number	Percent
Industrial Development Revenue Bonds	1	6.3%
Community Development Block Grants	2	12.5%
U.S. Small Business Administration	3	18.8%
USDA's Rural Development	0	0.0%
Community Improvement Financing (TIF)	7	43.8%
Other:	3	18.8%
<i>Community Development Assistance Act</i>	0	
<i>LB840</i>	0	
<i>LB775, LB608</i>	0	
<i>DED Home Funds</i>	0	
<i>Nebraska Tourism Grant</i>	0	
<i>TIF Financing</i>	1	
<i>Other</i>	2	

Business Assistance Programs/Needs

When asked about the leading challenges facing businesses in Lincoln County in the next few years, a third of the 2005 survey respondents said work force availability was the most important (see Graph 9 and Table 17). Next most important was meeting market competition and increasing the customer base, followed by maintaining the local economy. In 2003, meeting market competition and increasing the customer base were thought to be the leading challenges, followed by work force availability, maintaining the local economy, and government environmental regulations.



Graph 9

Table 17. Principal Challenges Facing Respondent Businesses, Lincoln County

Category	2005		2003	
	Number	Percent	Number	Percent
Work Force Availability	10	33.3%	4	20.0%
Market Competition/Customer Base	5	16.7%	7	35.0%
Maintain Local Economy	4	13.3%	3	15.0%
Technology/Automation	2	6.7%	1	5.0%
Finance	2	6.7%	0	0.0%
Increased Productivity/Efficiency	2	6.7%	0	0.0%
Government Regulation/Environment	2	6.7%	3	15.0%
Transportation	1	3.3%	0	0.0%
Taxes/Government Spending	1	3.3%	1	5.0%
Communications/Computing	1	3.3%	0	0.0%
Suppliers	0	0.0%	1	5.0%
Total	30	100.0%	20	100.0%

Table 18 shows the preferences given by respondents for different types of assistance from local or state economic development organizations. Two respondents each mentioned assistance as an information resource and for work force development. An appendix to this report provides specific respondent comments in regard to how state and local economic development organizations could best assist them.

Table 18. Reported Economic Development Assistance Needs, Lincoln County

Category	Number	Percent
Information Resource	2	22.2%
Work Force Development	2	22.2%
Advocate to government/legislature	1	11.1%
Business Financing/Incentives	1	11.1%
Economic Development Assistance	1	11.1%
Exports	1	11.1%
Local Development Assistance	1	11.1%
Total	9	100.0%

Conclusions

The growth in new jobs is outpacing the available labor supply in Lincoln County. Employers expressed concern for this gap. This is a major challenge for the area and requires collaborative work to resolve in order for existing and future employers to continue with expansion plans. Clarification needs to be made as to whether labor is unavailable or is unqualified for the positions available in the community. This may be a labor training issue as much as a labor availability issue.

Retail sales have continued to climb over the past four years resulting in a 16.5% increase. Gains in personal and per capita income have continued while the population growth is held at 1% over the past four years. The declining population will continue to limit the opportunities for growth without a turnaround.

Opportunities for Lincoln County can be found in the challenges and needs identified below. These can lead to working individually and collaboratively to overcome what might be “positive growth” pains for the local economy.

SELECTED LINCOLN COUNTY RESPONDENT COMMENTS

Economic Development Assistance – “What assistance do you need from state and local economic development organizations?”

- Encourage continued support for tourism Industry.
- Encourage control of cost of government.
- Not sure economic development organizations will be able to influence.
- Availability of low interest loans.
- Address labor laws--especially worker's compensation; look at housing.
- People recruitment; exposure to the public about our business.
- "I don't know."
- Increase funding to tourism
- Private club membership. Nothing that can be done.
- Need to know what you offer.
- Local TIF funding to get any business into the city.
- Strategic planning for economic development using TV.
- Being aggressive in creating more jobs; bring more families into town.
- Awareness that our business is here. Do advertise on radio. Do lots of commercial work. People need to be more aware of what is in our community. Something creative.
- Recruit more industry to area.
- Get retail businesses here and keep people shopping here.
- Continue to assist in expansion of medical services; pleased with DEVCO recent recruitment efforts.
- Lobbying for more incentives for small business; small businesses help our business grow.
- By using us. State agencies should send business out to small business. Is state doing something that could be done by businesses in Nebraska?
- Businesses create jobs. Make business climate attractive to new locations. Taxes really drag.
- Be aggressive to the employment of people. We have a good work ethic
- Get more labor.
- Continue to grow jobs.

Economic Development Challenges – “What do you think will be the leading challenges for your business in the next few years?”

- Gasoline costs
- Available labor; high taxes
- High cost of medical insurance and casualty /liability insurance
- Ability to maintain quality staff
- Ability to hire certified drivers for delivery
- Financing, finding good help, aggressive marketing program
- Staffing
- Economy and growth
- Recruiting drivers
- Continual product improvement, staying ahead of the competition markets. Improving marketing as sales reach full market potential.
- Medicaid reimbursement rates make it increasingly difficult to adequately serve patients without going out of business.

- "Can't think of anything."
- Growth, fuel costs, economy
- Maintaining profit.
- Keep people engaged in the way of life for the community.
- Need salespeople to grow. Unstable employment of sales people.
- Colorado is draining the trained techs because they do not have special training schools for techs. Stagnant or declining population is biggest threat. Reduction of business with reduction of population.
- Keeping pace with the industry, upgrade equipment.
- Competition
- Nothing out of the ordinary
- Sale of the business
- Economy; our business is better when ag is better; hope fuel prices don't affect this.
- Overhead--insurance, health care, property tax, utilities and worker comp
- Internet--more people buying from home off the internet; competing with Wal-Mart
- Keeping people spending money here instead of bigger stores.
- Medicare/Medicaid reimbursement, cutbacks & restructuring; increased government regulation
- Keep business up and running--health care insurance is out of sight; higher wages from new businesses.
- What to do with the business. Business in transition.
- Keeping up with inflation.
- Keeping up with government regulations; finding qualified workers
- Growth of staff in selling & managing
- Drivers, labor
- Customer base, and lack of labor

LINCOLN COUNTY ECONOMIC AND DEMOGRAPHIC PROFILE

The following tables provide local economic and demographic data.

Population, Lincoln County and Nebraska, 1990, 2000, and 2004

	1990	2000	2003/04*	Change 1990 to 2000	% Change 2000-04
Nebraska	1,578,385	1,711,263	1,747,214	8.4%	2.1%
Lincoln County	32,508	34,632	34,979	6.5%	1.0%
<i>Brady</i>	331	366	367	10.6%	0.3%
<i>Hershey</i>	579	572	561	-1.2%	-1.9%
<i>Maxwell</i>	285	315	317	10.5%	0.6%
<i>North Platte</i>	22,605	23,878	23,924	5.6%	0.2%
<i>Sutherland</i>	1,032	1,129	1,189	9.4%	5.3%
<i>Wallace</i>	308	329	320	6.8%	-2.7%
<i>Wellfleet</i>	63	76	75	20.6%	-1.3%

Source: U.S. Department of Commerce, Bureau of the Census, 1991 & 2005.

*State and county numbers are estimates for 2004; incorporated place estimates are for 2003.

Net Taxable Retail Sales, Nebraska and Lincoln County, 2001 to 2004

	2001	2002	2003	2004	Change 2001 to 2004
Nebraska	\$18,160,040,059	\$18,499,895,396	\$19,198,671,941	\$20,733,340,353	14.2%
Lincoln County	\$318,818,118	\$331,388,269	\$345,151,709	\$371,561,936	16.5%
<i>Brady</i>	1,137,320	1,111,417	985,252	NA	
<i>Hershey</i>	3,936,074	3,828,333	3,919,387	NA	
<i>Maxwell</i>	882,725	836,637	1,003,671	NA	
<i>North Platte</i>	305,881,623	318,777,413	331,022,207	356,755,149	16.6%
<i>Sutherland</i>	4,936,325	4,523,717	4,595,661	NA	
<i>Wallace</i>	1,157,846	1,266,379	1,165,832	NA	
<i>Wellfleet</i>	112,589	111,896	125,765	NA	

Source: Nebraska Department of Revenue, June 2005.

Total and Per Capita Income, Lincoln County and Nebraska, 2000 to 2003

	2000	2001	2002	2003	Change 2000 to 2003
Total Personal Income					
<i>(\$1,000s of Dollars)</i>					
Nebraska	\$47,328,771	\$49,303,476	\$49,500,161	\$52,435,752	10.8%
Lincoln County	825,663	868,833	876,174	920,753	11.5%
Per Capita Income					
Nebraska	\$27,625	\$28,684	\$28,672	\$30,179	9.2%
Lincoln County	23,823	25,069	25,389	26,519	11.3%

Source: U.S. Department of Commerce, Bureau of Economic Analysis, [Survey of Current Business](#), April 2005.

Labor Force and Work Force, Lincoln County and Nebraska

	Nebraska					2004 Change '00-'04
	2000	2001	2002	2003	2004	
Labor Force Total	943,996	951,125	955,528	976,034	985,340	4.4%
Unemployment	28,085	29,334	34,214	39,370	37,458	33.4%
Unemployment Rate	3.0	3.1	3.6	4.0	3.8	
Employment	915,911	921,791	921,314	936,664	947,882	3.5%
Non-Farm Employment	908,893	913,302	905,629	903,744	922,905	1.5%
Tot Government (Pub Admin)	154,436	156,821	158,914	160,025	160,094	3.7%
Federal Government	16,571	16,041	16,327	16,665	16,591	0.1%
State Government	38,870	39,864	39,437	38,813	38,760	-0.3%
Local Government	98,995	100,916	103,150	104,548	104,742	5.8%
	Lincoln County					
Labor Force Total	17,721	18,202	18,502	19,314	20,877	17.8%
Unemployment	634	606	612	711	725	14.4%
Unemployment Rate	3.6	3.3	3.3	3.7	3.5	
Employment	17,087	17,596	17,890	18,603	20,152	17.9%
Non-Farm Employment	14,240	15,287	15,494	15,850	16,302	14.5%
Manufacturing	444	413	367	348	297	-33.1%
Tot Government (Pub Admin)	2,738	2,819	2,805	2,772	2,797	2.2%
Federal Government	282	240	244	251	231	-18.1%
State Government	434	430	426	399	426	-1.8%
Local Government	2,022	2,149	2,135	2,122	2,140	5.8%

Source: Nebraska Department of Labor, 2005.