

Development Opportunity Assessment For Fillmore County, Nebraska Top 5 Considerations for Fillmore County:

This assessment has been prepared by the **Center for Rural Entrepreneurship** in support of the Southeast Nebraska Development District's (SEND D's) Comprehensive Economic Development Strategy (CED S).

All supporting research and analysis for this assessment is available in the Center's online library at:

<http://bit.ly/tgD2Y5>

Research in the electronic library provides expanded analysis: demographics, the local economy, businesses, agriculture and trade capture.

You are encouraged to view all of these resources for additional insight and clarification.

We welcome your questions and our team will work with SEND D to be responsive to your feedback.

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www.energizingentrepreneurs.org

1. **Demographics and People Attraction.** Based on the preliminary analysis of the Center for Rural Entrepreneurship, they recommend that Fillmore County economic development leadership focus development efforts on targeted people attraction and demographic stabilization. They particularly encourage the County to explore how it can attract home a larger share of its young people. The Center for Rural Entrepreneurship (CRE) recommends that Fillmore County leaders study the successful attraction strategies in Chase County, Nebraska and Rawlins County, Kansas.
2. **Regional Collaboration.** The County has considerable shared development challenges and opportunities with other communities in this region. CRE strongly recommends that Fillmore County leaders explore deeper regional collaboration as a way to create a more comprehensive development strategy and enable more robust staffing and funding.
3. **Business and Farm Transition.** Fillmore County has an aging owner/operator demographic in both farm and non-farm ventures. CRE recommends that Fillmore County leaders consider a targeted strategy focused on business and farm transition to ensure a new generation of rooted owner/operators. **This strategy could be particularly important to the future of the County's non-farm and locally owned business community.**
4. **Retirees.** Retirees are a big part of the current economy. Their spending stabilizes the area's economy. However, chronic and severe depopulation will eventually reduce this as a development opportunity. Many retirees tend to follow their children and grandchildren. Fillmore County currently has a strong set of retiree assets including local health care and shopping. Focusing on the needs of Baby Boomers as they retire should be a priority.
5. **Commuters.** Commuters are important to the County's economy with both inbound and outbound commuters. This illustrates that Fillmore County is part of a regional economy. However, commuting as an employment strategy is being challenged by rising fuel costs once again. Fillmore County ED efforts should focus on creating work opportunities closer to home and help those who must commute with strategies to manage fuel costs.

The Findings

Location. Fillmore County and its principle city of Geneva are part of the U.S. 81 corridor. This rural community is deeply tied to production agriculture and part of a larger region experiencing chronic and severe historical depopulation. Since the 1930's, this region has been losing people as farm mechanization has reduced the need for both area communities and farm labor.

Demographics. The County still has a sizable population (just over 6,000 residents in 2010), but is facing population loss due to slowing birth rates, rising death rates and net out-migration. Between 1970 and 2010, the County averaged 0.69% population loss annually. This rate of loss is severe and cannot be sustained without adversely impacting access to local shopping, health care and education. The declining workforce due to depopulation is also a concern to limited potential development in manufacturing and other sectors. During the 2000's, the County lost 10% of its population and projections call for slowing depopulation, but continued declines. The County is at a critical point where it must stabilize its population in the coming decade and move back towards slow growth in the outer decades (2020 through 2060).

Economy. The single largest source of personal income driving the County's economy is retirees. Total retiree spending is estimated at \$86 million in 2009 followed by personal income from farming estimated at \$60 million. Government, construction, wholesale trade, manufacturing, and health care round out the top drivers of economic activity within the County. Commuting is important to the County and the area economy with both substantial outbound (County residents working outside of the County) and inbound (non-County residents coming into the County for work). This suggests a regional economy that is inter-connected. Fostering regional economic development makes sense and better understanding the dynamics and opportunities of the regional economy and society is recommended.

Household Personal Income by Economic Sector, 2009

Retirement	\$86 million
Farming	\$60 million
Government	\$30 million
Commuters	\$26 million
Construction	\$14 million
Wholesale Trade	\$13 million
Manufacturing	\$8 million
Health Care	\$6 million

Recession. The County was impacted by both the 9-11 Recession (2001) and the Great Recession (2007-2009). Core unemployment rates have been rising within the County for 20 years. Unemployment in the County peaked at 5.5% in January 2010 and has now returned to pre-recession levels. The County has a pattern of not fully recovering following major recessions and we recommend more aggressive development efforts to ensure full recovery as we grow out of the Great Recession nationally.

Business. According to www.youreconomy.org between 1992 and 2001, the County saw 179 net new businesses created and 501 new jobs. The rate of growth slowed in the 2001 through 2008 period with 136 new businesses and 165 net new jobs. Non-resident (outside Nebraska employers) saw net job destruction during the later period and there was a small spike in self-employment (an indicator of emergent entrepreneurial activity). Proprietorships are an important part of the County's economy and can be described as smaller, locally and family owned businesses. These businesses are the main stay of both agriculture and main street. Non-farm proprietorship personal income grew during the 1970's through 1990's period, but has since seen some erosion. But farm proprietorship income has grown from \$10 million in the early 2000's to \$70 million today. Fillmore County has some of the best agricultural land in the world. The strong farm sector has contributed to overall economic strength and growth during the last decade continued into the current period.

Wealth. Fillmore County, when compared to Nebraska, has a higher percentage of both low and middle income and wealth households (as measured by current net worth in 2010 by ESRI). It has a lower share of higher income and wealth households. Nearly four percent of all households in the County are classified by ESRI as millionaires. There is clear capacity for philanthropic giveback. The creation of community endowments could support critically needed new funding for both community betterment projects and critically needed economic development.

Regional Collaboration

People Attraction

Fillmore County has considerable opportunity for development given its foundation of remarkable farm ground and its association with the U.S. 81 highway corridor. But Fillmore County has reached a point where it must turn the tide with respect to chronic and severe depopulation. A key strategy consideration is working aggressively with area communities and counties on a regional strategy focused on targeted people attraction.

The Center for Rural Entrepreneurship is the focal point for energizing entrepreneurial communities where entrepreneurs can flourish. Created in 2001 with founding support from the Kauffman Foundation and the Rural Policy Research Institute (RUPRI), the Center is located jointly in Nebraska, North Carolina, and Missouri. The Center's work to date has been to develop the knowledge base of effective practices and to share that knowledge through training and strategic engagement across rural America. Working with economic development practitioners and researchers, the Center conducts practice-driven research and evaluation that serves as the basis for developing insights into model practices and other learning. The Center is committed to connecting economic development practitioners and policy makers to the resources needed to energize entrepreneurs and implement entrepreneurship as a core economic development strategy. To learn more about the Center, visit www.energizingentrepreneurs.org.

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