

Development Opportunity Assessment For Saunders County, Nebraska

Top 5 Considerations for Saunders County:

This assessment has been prepared by the **Center for Rural Entrepreneurship** in support of the Southeast Nebraska Development District (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. **Smart Growth.** Unlike most other rural counties in Nebraska, Saunders County has the potential for significant growth throughout the coming five decades. This transformation offers both opportunities and threats. If Saunders County economic development leaders desire Saunders County to be more than a bedroom community to Omaha, Lincoln and Columbus, then it must vision long-term and invest aggressively in smart growth plans. Being a bedroom community was found to be "OK" as part of that delicate balance location brings.
2. **Commuters.** The largest single source of income driving the Saunders County economy is from commuters. Commuting is impacted by fuel prices and rising real fuel prices is likely impacting the economic viability of commuters. Better understanding the "commuting economy" can help the Saunders County leadership better address both development opportunities and challenges. Some communities will tire of the drive and seek to bring or start ventures closer to where they live. **This is a potentially large development opportunity for growing the domestic economy.**
3. **Spending Leakages.** Given Saunders County's location **spending leakages are to be expected.** However, as the County's population grows there will be opportunities to reduce leakages through home grown businesses. The Center for Rural Entrepreneurship recommends a medium term strategy focused on reducing leakages strategically over time.
4. **Wealth Capture and Use.** Saunders County has significant household wealth and substantial giveback potential. The Center for Rural Entrepreneurship strongly recommends that Saunders County economic development leaders better understand transfer of wealth opportunities and aggressively move on community foundation and giveback strategies. **This opportunity could provide meaningful new funding for community betterment and economic development.**
5. **Entrepreneurs.** Saunders County has the potential to grow a **more diverse and prosperous economy by intentionally supporting entrepreneurs.** Coupling the County's unique quality of life options (rural to small town) with entrepreneurial development could ensure that Saunders County does not overly depend upon the "commuting and bedroom community" economy.

The Findings

Location. Saunders County's location relative to the rapidly expanding Omaha and Lincoln metropolitan areas, and Columbus to the west, is driving development and represents expansive development opportunities into the future. Increasing urbanization has the potential to fundamentally reshape the County and some of its communities. How Saunders County embraces and influences this growth opportunity could well define the nature of the community over the next decades.

Demographics. Unlike most rural counties in Nebraska, Saunders County over the past four decades has witnessed a remarkably strong 0.55% annualized growth rate. This is very strong and illustrates the accelerating urbanization trend. Population projections strongly suggest even more robust annualized population growth rates. During the most recent decade the overall growth was ironically more moderate with relatively strong natural growth (births over deaths) but negative migration. The County is still losing young people and elders while it is gaining new suburban and acreage residents. Strong location coupled with smart growth plans can enable accelerated growth into the future. As part of this growth pattern the County is becoming more diverse with respect to the kinds of households (e.g., age, income, professions, backgrounds, etc.). Increasing diversity offers opportunity but also assimilation challenges.

Economy. Saunders County has a relatively dynamic economy with over 70% of its income coming from current labor earnings. This is a relatively high value for a rural county. Within the current decade Saunders County will top \$1 billion in personal income which is an important growth benchmark. The inset to the right summarizes the larger sources of household personal income.



Commuters	\$394 million
Retirees	\$204 million
Farming	\$67 million
Government	\$65 million
Construction	\$36 million
Manufacturing	\$20 million
Retail Trade	\$19 million

Agriculture remains an important bedrock within the County's economy coupled with a relatively large dependence on government. Actually the largest sources of income are with commuters (persons who live in the County and work outside of the County - \$328 million or over one-third of all income) and retirees (\$204 million in 2009 or about one fourth of all income). Rounding out the economy are construction, manufacturing (witnessed a 25% personal income drop in the 2000s) and retail trade (saw nearly a 10% drop in income in the past decade).

Recession. Rising prospects in agriculture helped moderate the worst of the Great Recession (2007-2009). But unemployment which ran in the two to three percent range pre-recession peaked at 6.4% in January 2010 and has now dropped back to the high three percent range. Manufacturing and consumer trade and services were particularly impacted. Like most of Nebraska the overall impacts were moderate compared to other parts of the Country.

Business. According to www.youreconomy.org the net gain in businesses during the 1990's was up 37% with 400 additional businesses added to the County's economy. Net job creation for this period was up 39% (1992-2001) or by 1,864 jobs. Business creation actually increased in the 2000's rising to 2,057 ventures in 2009 or by 578 (+39%). Job creation was more moderate increasing by 1,289 jobs or 19%. Self-employment grew by 64% during the 2000's (349 net new entrepreneurs) suggesting opportunity for entrepreneur-focused economic development. According to the ESRI data in 2010, the County has a significant retail gap with substantial spending leakages. This pattern is to be expected given the high rate of working commuters and shopping opportunities within west Omaha, north Lincoln and

Omaha & Lincoln

Omaha, Lincoln and Columbus are positioned to see sustained and above average growth in the next 50 years with their economic footprints expanding dramatically. This development can be supported and steered by communities like Saunders County if local leadership is pro-active, plans well and encourages smart growth. Communities that fail to assume this role can be simply overwhelmed and become the victims of urbanization.

Columbus. There is opportunity to strengthen local retail and service businesses as the local market continues to grow demographically. Proprietorships continue to be an important part of the County's smaller and home owned business community. Nonfarm proprietorship income has grown steadily since 1969 reaching \$15 million in personal income in 1990 and peaking at \$35 million in the mid-2000. With the recession there has been about \$10 million in income erosion. Like elsewhere in Nebraska farm proprietorship income has been very strong during the 2000's with record commodity prices further strengthening the area economy.

Wealth. Uncharacteristic of rural counties in Nebraska, Saunders County has a higher percentage of high and middle income households and a smaller share of low income households when compared to Nebraska averages in 2010. The County has a comparable

share of households that are high wealth, more middle wealth households and a significantly lower share of low wealth households. These numbers are conservative and could be stronger once farm land and closely-held family business wealth is included. The County has a significant and growing transfer of wealth opportunity that could increase charitable giving within the County and formation of permanent endowments capable of funding both community betterment projects but strategic economic development.

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.

Center for Rural Entrepreneurship

energizing entrepreneurial communities

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