

Development Opportunity Assessment For Seward County, Nebraska

Top 5 Considerations for Seward County:

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

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 SENDD to be responsive to your feedback.

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www.energizingentrepreneurs.org

1. **Smart Growth.** Given Seward County's location, the potential for strong and consistent growth is likely. Some urbanization will occur regardless of what Seward County does development wise. The Center for Rural Entrepreneurship strongly recommends that Seward County economic development leaders engage in long range visioning and visit metro adjacent communities that have become urbanized. Developing a smart growth strategy enabling urbanization while ensuring protection of current quality of life is recommended. **Clearly Seward County seeks to be more than a bedroom community to Lincoln.**
2. **Business Retention and Expansion.** Seward County has a number of larger employers (e.g., manufacturing & higher education) that are critically important to the community's economy, quality of life and character. The Center for Rural Entrepreneurship **recommends a strong retention and expansion strategy to ensure that Seward County leadership does all it can do to enable the long-term success of these larger employers.**
3. **Commuters.** **Commuting is very important to Seward County's economy and likely to continue to be critical.** Fuel costs are challenging the economics of commuting. The Center for Rural Entrepreneurship recommends a deeper study around the commuter part of Seward County's economy and options to ensure its long-term success.
4. **Retirees.** **Retirees are already a big part of Seward County's economy and the potential to grow this "stabilizing" sector of the economy is possible.** Ensuring strong local services and access to advanced services in Lincoln could enable this sector to grow while creating both local business and career opportunities for existing and new residents.
5. **Entrepreneurs.** Seward County has seen a material increase in new entrepreneurial activity. It continues to have a relatively strong base of existing entrepreneurs. **Assuming Seward County wants to grow its domestic economy (versus increasing commuters), a focus on entrepreneurs offers promise for evolving a more diverse, resilient and prosperous economy over time.**

The Findings

Location. Seward County is located in the transition zone from the City of Lincoln into some of the richest farm ground in the world. Seward County has been experiencing urbanization associated with acreages and suburban development. The relatively close commuting distance into Lincoln allows residents to live a more “small town” or “country” quality of life but enjoy a fuller range of career, business and employment opportunities. This association with Lincoln and the eastern I-80 corridor will likely drive increasing urbanization in the coming decades.

Demographics. Over the past 40 years, Seward County has an annualized population growth rate of 0.4%. This is a relatively strong growth rate and is an indicator of both core economic strength, but also urbanization associated with Lincoln. Seward County is projected to continue experiencing relatively strong, but not explosive population growth in the coming decades. In part, the rate of growth will depend upon development policies that encourage or restrict urbanization. During the past decade while natural growth (births over deaths) was positive, net migration was slightly negative resulting in stagnate growth for the decade. This may be more a reflection of the recession and its impact on overall growth in the Lincoln metro area. Stronger growth is likely to return as the regional and national economies recover.

Economy. Seward County has a relatively dynamic economy where current labor earnings (versus non-labor earnings) account for over 70% of all personal income in 2009. Production agriculture and government share important roles within Seward County’s personal income mix, each representing about 18% of all personal income. Manufacturing, transportation and warehousing are also important generating about 23% of County income. Commuters (residents of Seward County but working outside of Seward County) are very important drivers of the area’s economy generating nearly \$217 million in personal income in 2009. This indicator reflects the importance of Seward County’s location within the overall growing I-80 and Lincoln economies. In 1990 personal income related to commuting was just \$80 million reflecting strong growth. Rising fuel costs challenge commuting as an employment strategy and could adverse impact households should prices continued to rise and stay high. Retirees are also an important part of the Seward economy and could increase in importance over time. Retirees in 2009 generated over \$160 million in personal income and spending.

Household Personal Income by Economic Sector	
Retirees	\$35 million
Commuters	\$20 million
Farming	\$16 million
Government	\$13 million
Manufacturing	\$6 million
Health Care	\$4 million

Recession. Lincoln and Seward County were not as impacted by the Great Recession as was the case in most of America. Unemployment pre-recession was in the two and three percent range and peaked in June 2009 at just 5.2% in Seward County. Unemployment rates are dropping and now are in the 4% and 3% transition ranges. Relatively strong performance during the recession positions Seward County for more rapid growth post-recession.

Business. During the 1990’s (1992-2001) Seward County’s business community expanded by 35% resulting in 298 new businesses. Employment for the same period increased by 1,807 net new jobs or by 30%. During the 2000’s business formation exceeded rates in the 1990’s (371 net new businesses – 32% increase). However, the number decreased between 2001 and 2008 by 698 (9% decrease). Nearly 900 jobs were lost from non-resident (owners outside of Nebraska) business owners. Resident business owners also decreased employment by 322 jobs. There was an up tick in self-employment (+247 jobs) and Stage 1 employers (2 to 9 jobs - +242 jobs). Seward County has a net retail gap primarily due to

Lincoln & Being a Bedroom Community

Seward County's location relative to metropolitan Lincoln is driving development. But Seward County has the potential to be more than a bedroom community to Lincoln with its own mix of industries, businesses and economic sectors ranging from farming to manufacturing to higher education. Pursuing smart growth strategies can optimize the Lincoln connection while ensuring the domestic development of the local economy.

its high level of commuters and close association with Lincoln. There is room for increasing trade capture as a development strategy. Both non-farm and farm proprietorships (an indicator of smaller and locally owned entrepreneurial ventures) are showing strength. Non-farm proprietorships peaked in personal income in the late 1990s and have witnessed moderate decline since. Box store, mail order and internet competition is a likely challenge to hometown businesses. Farm personal income is up from zero in 2002 to nearly \$60 million today. The farm sector is strong and very important to current prosperity.

Wealth. Seward County looks a lot like Nebraska with respect to household in-

comes with slightly fewer low income households, more middle income households and slightly more higher income households. The same pattern exists with respect to household current net worth. Seward County has over 200 millionaires and significant capacity for charitable giveback. The potential to create significant community endowments (nearly \$25 million short-term) for both community betterment and economic development is feasible.

Concordia College. Concordia College located in Seward is a very important development asset and economic driver in the community's economy. Rural communities with higher education institutions tend to perform better economically and socially than those communities without such institutions. Ensuring the future of Concordia College and its growth should be an important development focus for Seward County.

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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