

Development Opportunity Assessment For Thayer County, Nebraska

Top 5 Considerations for Thayer 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. **Depopulation and People Attraction.** Despite a relatively diversified and strong economy, Thayer County is continuing to lose population at relatively high rates. Having a strong and diversified economy is a plus and offers the potential to address depopulation through a targeted people attraction strategy. There are likely job and career opportunities that could support more residents. The Center for Rural Entrepreneurship strongly encourages Thayer County leadership to explore people attraction strategy options.
2. **Business Retention & Expansion.** Thayer County has a number of larger employers. The Center for Rural Entrepreneurship recommends a focused business retention and expansion strategy to ensure the continued success of these employers.
3. **Business Transition.** Thayer County has a relatively large number of successful locally owned businesses. Ensuring successful business succession to new owners is important to maintaining and growth to the business community within the County.
4. **Retirees.** Thayer County continues to have the core amenities (e.g., housing, health care & local shopping) necessary to support retirees. However, loss of children and grand children over time is creating a threat that seniors will leave to be closer to family. Development of a strategy to ensure the community can meet and exceed the needs of elders is recommended.
5. **Self-Employed Entrepreneurs.** The last decade suggests there is a new crop of self-employed entrepreneurs within Thayer County. The Center for Rural Entrepreneurship recommends that Thayer County discover who these entrepreneurs are and how it might help them become more successful, enabling a new generation of businesses within the County. This strategy could create employment and career opportunities needed for attracting former and new residents to Thayer County.

The Findings

Location. Thayer County and its primary city Hebron, is located along the U.S. Highway 81 corridor that connects York and I-80 with Salina, Kansas and I-70. The County is rural and farm dependent. It is part of a collection of border counties running from the Mississippi River in Iowa and Missouri into the eastern high plains of Colorado. Most these counties, including Thayer County, are experiencing a similar set of development challenges and opportunities.

Demographics. Thayer County, like most other rural and somewhat remote (not adjacent to urban employment hubs) counties in the Great Plains, is experiencing chronic and severe depopulation. Between 1970 and 2010 the County witnessed a nearly 1% (0.82%) annualized population loss. Current projections actually call for accelerating population loss in the coming five decades. In the 2000's deaths exceeded births (780 deaths vs. 499 births) and net migration was negative at -740 residents. Overall, the County experienced a 17% decline in population. This is a severe situation calling for aggressive development to first stabilize and then enable moderate population growth.

Economy. Thayer County, for its size and location, has a fairly diversified economy with anchors in retirees, farming, government, manufacturing and wholesale trade (likely tied to both farming and manufacturing). Personal income related to farming increased by 36% between 2001 and 2009. Wholesale trade experienced even a stronger growth increasing by 140% (\$7.5 million in 2001 to nearly \$18 million in 2009). Personal income related to manufacturing declined moderately by nearly \$3 million or 10%. Thayer County has a fluid workforce as measured by commuters. Personal income associated with outbound (County residents working outside of the County - \$16 million in personal income in 2009) and inbound (non-residents working in the County - \$20 million) commuters. These levels of commuting suggest a relatively integrated area economy that is larger than the County. Another strong sign of economic resilience is the County trade balance. According to ESRI for 2010, the County actually has an ever so positive trade balance with retail supply from the County being larger than estimated in County retail demand.

Retirees	\$74 million
Farming	\$36 million
Government	\$30 million
Manufacturing	\$26 million
Wholesale Trade	\$18 million

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Recession. The Great Recession (2007-2009) as measured by unemployment rates had a very moderate impact on Thayer County's economy. Pre-recession unemployment was running in the 2% range and bumped up to 5.2% in January 2010. Post-recession rates are somewhat elevated running in the 3% and 2% range today. The modest downturn in manufacturing related personal income suggests some stress (U.S. manufacturing was severely impacted by the Recession).

Business. During the 1990's (1992-2001), the County witnessed relatively strong business (+125 business or +20% increase) and employment (+616 jobs or +24% increase) expansion. During the 2000's there was a 150 business gain (+20%), but only 27 net new jobs were created according to www.youreconomy.org. There was strong self-employment growth between 2001 and 2008 (+168 or 63% increase) suggesting emerging entrepreneurship opportunities. In rural counties like Thayer County, proprietorships (typically locally owned and smaller) are an important business class. Since the early 1990's, Thayer County has seen significant growth in non-farm proprietorship personal income rising from around \$8 million to nearly \$16 million in the late 2000's. This is a very positive sign. Farm proprietor personal income has grown from around \$10 million in the mid-2000's peaking out at around \$45 million in 2008. Farm income levels remain relatively high today further stimulating local

and regional farm related spending. These relatively strong business indicators have not resulted in population stabilization but offer the opportunity to improve the County's demographics in the future.

Wealth. Thayer County, like other counties in the Great Plains, has a higher share of low income households (32% vs. 25% for Nebraska), a similar share of middle income households (61% vs. 61%) and a smaller share of higher income households (7.3% vs. 14.6%). When 2010 household current net-worth is considered we see a similar pattern with more low wealth households (45% vs. 39%), more middle wealth households (38% vs. 34%) and fewer higher wealth households (17% vs. 27%). A careful reading of this analysis will highlight that there is a higher share of higher wealth households when compared to higher income households. This might suggest a disconnection, but it reflects that there is rooted wealth in the County tied to agricultural real estate and closely held family businesses. There is significant opportunity for community giveback and the creation

of community endowments. Development of these endowments could provide important funding for both community betterment projects and 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.



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For **Thayer** County, Nebraska