

Top Five Considerations for  
Gage 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](http://www.energizingentrepreneurs.org)

- 1. Business Retention and Expansion.** Gage County and particularly Beatrice have a number of relatively large employers (e.g., the Beatrice State Home & manufacturers) that are foundational to the economy. The Center for Rural Entrepreneurship strongly recommends a pro-active business retention and expansion strategy focused on these employers. The Center also recommends a diversification strategy to reduce overall dependence on these employers and particularly national or international companies. Comments in the field emphasized that great jobs exist here.
- 2. Commuters.** A relatively large number of Gage County residents commute regularly to work outside of the County. The Center for Rural Entrepreneurship assumes that the primary commuting pattern is to Lincoln. This strategy has been good for retaining residents, but is challenged by rising and relatively high fuel costs. Should fuel costs continue to rise in comparison to compensation rates, this strategy could be increasingly compromised adversely impacting the area economy. Creation of more local employment opportunities could ensure retention of these residents and reduce dependence within the economy on commuting.
- 3. Retirees.** Gage County has a strong set of amenities coupled with competitive costs for a retiree based economy. The new health care facility coupled with strong local retail and service offerings makes Beatrice and Gage County attractive for retirees. For those who want a somewhat smaller community for retirement, Gage County offers this attribute while being relatively close to the amenities located in Lincoln. **Focusing on the full spectrum needs of "age in home" Baby Boomers offer a unique long-term and stabilizing development**
- 4. Demographics.** Gage County's location between two robust and growing urban corridors offers wider development opportunities. This location can connect Beatrice consumers and businesses to a much larger marketplace and provide Gage County with a significantly larger workforce pool when competitive jobs are available. The Center for Rural Entrepreneurship recommends that Gage County more aggressively explore possible development strategies including targeted people attraction as a pathway back to demographic growth. Comments in the field pointed to a strong desire to identify Southeast Community College as a key contributor / resource in Gage County.
- 5. Regional Alignment.** In many ways Gage County, Beatrice and its rural villages represent unique offerings for both residents and businesses within the larger regional economy. The Center for Rural Entrepreneurship recommends that Gage County better understand this niche opportunity as a core development thrust. Better aligning with the genuine competitive advantages within the County as part of the larger regional growth context could prove very effective in not only growing a stronger and more resilient economy, but also positively impact demographic growth and structures.

## The Findings

**Location.** Gage County and its largest community Beatrice rest between the growing eastern Nebraska I-80 (e.g., Tri-Cities, Lincoln and Omaha) and eastern Kansas I-70 (e.g., Salina, Manhattan, Topeka, Lawrence and Kansas City) corridors. This is a favorable location and offers unique development opportunities. However, the immediate non-urbanized region has been undergoing chronic and severe depopulation adversely impacting the growth of primarily Beatrice and consequently Gage County. Better positioning with and connection to the dual growth corridors is recommended. Gage County also has a number of rural and village communities that offer attractive quality of life opportunities and affordable locations for both residential and business locations.

**Demographics.** Reflecting the area population losses, over the past 40 years Gage County has averaged annualize population declines of 0.3%. While this rate of loss is not comparable to the declining populations of the more rural counties in the region, it is a red flag and should be addressed. Assuming Gage County can take advantage of the larger regional urban growth, some forecasts call for slight to moderate population growth over the coming 50 years. Looking at just the past decade natural change (deaths over births by 27) was ever so negative and net migration was moderate at a negative 171. Overall population change for the 2000's was a wash once the final 2010 Census count was totaled. Returning to positive demographic growth driven by the attraction of younger working families and retention of both youth and elders is recommended.

**Household Personal Income by  
Economic Sector, 2009**

Retirees	\$263 million
Commuters	\$112 million
Government	\$119 million
Manufacturing	\$86 million
Farming	\$65 million
Health Care	\$54 million
Retail Trade	\$34 million

**Economy.** The inset to the top-right summarizes the primary drivers of Gage County's economy as measured by sources of personal income. The primary drivers of the economy include retirees, commuters, government, manufacturing and farming. Beatrice is an area trade center with relatively strong retail, service and health care offerings. Improved four lane transportation and heavy worker commuting to Lincoln is a challenge to local retail and service businesses. Government dependence is somewhat higher in large part to the Beatrice State Home facility for disabled persons. Gage County is also the location of the Homestead National Monument. Production agriculture along with allied support business activities continues to be a large part of the overall economy within Gage County.

**Recession.** Pre-recession unemployment rates ran in the 2% and 3% range. During the Great Recession (2007-2009), unemployment peaked at 7% in January 2010. Today unemployment remains elevated in the 5% range. Unemployment is somewhat volatile in Gage County due to the fortunes of manufacturing operations. When manufacturing is hiring unemployment rates drop, but rise when there are cut backs. The Great Recession has impacted Gage County (offset in part by strong agriculture) and continues to contribute to elevated likely under- and unemployment rates.

**Business.** Between 1992 and 2001 the net gain in County businesses was 426 (+32%) and net job growth was up 23% or by 2,401. These represent both positive and strong growth rates. The number of net new businesses between 2001 and 2008 actual increased 30% or by 515 ventures largely on the strength of 385 new self-employment entrepreneurial ventures. The County lost 801 jobs (-6.2%) with non-resident (owners outside of Nebraska) cutting 1,462 jobs. Resident or instate owned businesses actually added 501 net new jobs during this period according to [www.youreconomy.org](http://www.youreconomy.org). Gage County has a relatively healthy trade demand and supply. While there are leakages, this part of the economy continues to be competitive and relatively strong. The Center for Rural Entrepreneurship suggests the reader take a closer look at the ESRI Retail Marketplace Report located in the Electronic Library. Non-farm proprietorships is a good indicator of locally and family owned "main street" type businesses. Between the mid-1990's and the mid-2000's net personal income from these businesses grew from around \$30 to \$50 million. This suggests some strength despite external competition from Lincoln, the internet and mail order companies. Farm proprietorship personal income has grown from around \$10

million in 2002 to around \$65 million today. This trend has been a positive for both village and city economies.

**Wealth** Gage County based on 2010 Census information has a comparable share of its households that are middle income with a larger relative share (compared to Nebraska) of lower income and a smaller share of higher income households. This same pattern is repeated when we compare the share of low, middle and high net worth households in Gage County with Nebraska averages. Overall, Gage County has somewhat lower relative wealth when compared to Nebraska. Nevertheless, there is significant rooted household wealth in Gage County and the giveback potential is large. Promotion of community philanthropy could create both short-term and permanent funding for community betterment projects and long-term economic development.

**Regional Development**

Given the size and location of Gage County the Center for Rural Entrepreneurship strongly recommends pursuit of a regional development strategy where collaborating counties and communities pool development resources to hire staff and step up development efforts. Active consideration should be given to including counties and communities from Kansas along the border. There are considerable shared challenges and opportunities within this border area.

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](http://www.energizingentrepreneurs.org).



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Development Opportunity Assessment  
For **Gage** County, Nebraska