

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 (CEDs).

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.

The analysis contained in this report was prepared by Don Macke, with support from Ahmet Binerer, John Hitt, Dr. Deborah Markley, Kyle Cummings and Ann Chaffin. Information about the Center's team can be found at:

www.energizingentrepreneurs.org

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

Top 5 Considerations for Polk County:

1. **Columbus & York & the Region.** **Polk County Economic Development leaders should explore the idea of its role within a larger regional economy dominated by employment and service hubs like Columbus.** Many residents already live in the County, but work outside of the County. In 2009 nearly \$48 million in personal income is realized by these commuters. Total personal income from farming for the same year was \$80 million, illustrating the importance of the County's relationship with Columbus and other employment hubs. Supporting economic development in Columbus and other employment centers should be explored as a development strategy. (Discussion at the sub-regional caucus noted that Polk County efforts were finding valuable linkages with York.)
2. **Farmers.** **Farming is the soul of both the County's economy and society.** Production agriculture will continue to mechanize reducing need for farm labor. But the bulk of this population displacing trend has run its course. Ensuring farm ownership transition is important as the current aging farm operator population must be replaced with a younger generation of farmer. (Feedback from the field noted that strong commodity prices were sustaining strong transitioning to younger farmers.)
3. **Business Transitions.** **Just as farmer owner operators are aging, so are non-farm businesses within the County.** The Center for Rural Entrepreneurship recommends a strong focus on business and farm transition as a core development strategy that will contribute to both economic and demographic progress. Working with resources like the Nebraska Business Development Centers, UNL's Cooperative Extension Services and private business transition consultants is recommended.
4. **Retirees.** Ensuring adequate services for area retirees is central to maintaining this large and important consumer group within the County. Access to both local and regional services like health care, home care and shopping resources will be important. **The Center for Rural Entrepreneurship encourages Polk County leaders work with SENDD to explore a retiree focused development strategy.**
5. **People Attraction.** **As the economies of adjacent urban communities like Columbus continue to grow, Polk County provides a favorable location for residents who are seeking a rural or small town quality of life.** Polk County has the potential to grow its role as neighborhoods within the larger area community. Consideration should be given to a targeted and selective people attraction strategy. Development of affordable housing (for both purchase and rent) could stabilize the County's population and ensure adequate populations for local health care, education and shopping.

The Findings

Location. Polk County is primarily a farm and rural community located adjacent to Columbus and within the economic footprints of both York and Grand Island. Polk County can best be described as dominated by smaller villages and cities and farmsteads. While rural, it is not isolated and has off-farm work opportunities in the larger trade center communities within the region.

Demographics. Like other farm dependent and rural counties in the Great Plains, Polk County has been losing population for a long time. Over the past four decades the County lost on average 0.41% of its population annually. There are still nearly 5,500 residents and current population projections call for continued depopulation, but at a slower rate of decline in the coming decades. During the most recent decade natural population change (births over deaths) is relatively stable, but net migration is negative (about 10% of the population base during the 2000's). Stabilizing the County's population in the coming decades should be an important development goal.

Economy. The County's economy is dominated by farming and allied activities, commuters and retirees. Residents working outside of the County generated in 2009 about \$48 million in personal income which is moderately less than the personal income associated with retirees (\$61 million in 2009). Farm related personal income in 2009 was around \$80 million. Other key activities include construction, health care and government. Local health care and good access to higher order health care and other elder services contributes to retention of retirees as a core population and economic driver. The economy is relatively undiversified but should be viewed within its role as a neighborhood within a much larger regional economy. Supporting development in adjacent urban centers like Columbus is key to Polk County's economic success.

Household Personal Income by Economic Sector, 2009

Retirees	\$98 million
Farming	\$81 million
Commuters	\$36 million
Government	\$23 million
Construction	\$8 million

Recession. The Great Recession (2007-2009) had a minimal impact on the County's economy and population. The strong farm economy coupled with a fairly strong Columbus economy helped residents weather the economic storm that battered the rest of the Country.

Business. Rates of business activity are moderate with the County seeing a 23% increase in ventures between 1992 and 2001 (+102 businesses) and an even higher rate of net business creation of 41% between 2001 and 2008 (+223 businesses). Job creation was stronger during the earlier period with 657 net jobs (+37%) created and weaker during the later period with 84 net jobs (+4%) created. The increase in business creation is largely due to a rise in self-employment (+204 between 2001 and 2008). Farm proprietor personal income increased from about \$10 million in 2002 to around \$70 million today. Expansion in net farm income drove non-farm proprietorship and other business activity within the County. Given the County's relative location to larger trade centers one would expect significant spending leakages. This is clearly the case and further defines the strong relationship between the County and the larger communities adjacent to it.

Wealth. The County has a higher share of its households who are classified as middle income with a similar share of lower income households and a moderately lower share of higher income households (when compared to Nebraska averages – 2010 Census). According to ESRI in 2010, there is a similar pattern with respect to household current net worth with more middle wealth and fewer higher wealth households. However, this analysis may well underestimate wealth associated with agricultural real estate. Bottom line there is significant potential for charitable giveback. Focusing on just the next decade, a 5% capture of household related transfer of wealth opportunity could create over \$11 million in endowments capable of generating over one-half million dollars per year in support of community betterment and economic development projects.

Regional Collaboration

Polk County's economy heavily depends on retirees, farming and commuters. Due to its location Polk County should focus on strategies that would position itself within the region. It already has ties to other employment hubs in the region. Commuters are the third largest source of income.

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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SEND D

Southeast Nebraska Development District

www.sendd.org

MAIN OFFICE
2631 "O" Street, Lincoln, NE 68510
Office: 402-475-2560
Fax: 402-475-2794
dtaladay@sendd.org

HUMBOLDT OFFICE
PO Box 308, Humboldt, NE 68376
Office: 402-862-2201
senddhumboldt@windstream.net
senddlisa@windstream.net

Office Location – 727 4th Street

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