

Development Opportunity Assessment For York County, Nebraska

Top 5 Considerations for York County:

This assessment has been prepared by the **Center for Rural Entrepreneurship** in support of the Southeast Nebraska Development District's (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. **Location, Location & Location.** From a development opportunity perspective, York County's location within the Tri-Cities to Lincoln/Omaha metropolitan areas is a prime asset. York County offers a variety of small city (York) to village to rural life-style settings. Its adjacency to larger urban centers offers the best of both worlds. This is a huge development asset for both businesses and households wanting to be close to larger markets and communities, but wanting a smaller scale community quality of life.
2. **Business Retention & Expansion.** York County has a number of relatively larger employers who are critically important to the current economy. Because of this reality The Center for Rural Entrepreneurship recommends a strong and aggressive business retention and expansion development strategy. Coupled with this strategy should be particular concern for externally owned companies where corporate merger or reorganization can either spur development or close facilities. Tracking trends with larger external owners is wise. From an opportunity point of view we also recommend focusing on the emerging re-shoring trend within manufacturing.
3. **Value-Added Agriculture.** York County includes some of the world's best farming grounds and farming technology. Value-added agriculture is already a key part of farming in this area. Continued support for connecting agricultural output with higher value applications is recommended. **Such a strategy will ensure a premium to farmers and a stronger overall economy.**
4. **Retail/Service Hub.** The City of York is a retail and service hub. But local businesses are constantly challenged with outsider competition from both big box and internet competitors. Location here is a bit of a weakness due to ready access to other retail/service centers outside of the County. **An assertive strategy to retain and strengthen locally owned retail and services businesses is recommended.**
5. **Retirement Center.** York County has all the necessary amenities to be a retirement hub. Maintaining and growing the retirement economy can both diversify and stabilize the local economy. Retirement incomes and spending tend to be less volatile when compared to either manufacturing or agriculture. **Focusing on meeting the full range of needs of the very large and retiring Baby Boom Generation is strongly recommended.**

The Findings

Location. York County has a relatively strong location at the intersection of I-80 and U.S. 81. York County and its communities are part of the growing Tri-City, Lincoln and Omaha development corridor. This location within a growing region is a plus and creates ready access to regional customers and workforce. Both factors are critical to robust and sustained growth. York County continues to have a strong farm and rural character. The City of York provides a smaller city quality of life. Area villages serve as neighborhoods within the larger regional economy. These communities provide very affordable housing options.

Demographics. Despite York County's favorable location it has seen flat population growth over the past four decades. Future projections call for very slow growth. During the most recent decade the County witnessed positive natural growth (births over deaths) but experienced relatively strong net out migration (over 1,000 with a population base of 14,000 or 7%). The continued loss of younger adults and retirees (parents and grandparents tend to follow children and grandchildren) is undermining domestic demographic growth and potentially limiting economic growth as well. Even though York County is not at a crisis point with respect to population, active consideration on how to restart demographic growth should be explored.

Economy. The inset to the right provides a summary of the economic drivers within York County based on sources of personal income in 2009. Retirees are the largest driver followed by farming, government and manufacturing. The County also has a relatively strong health care sector and higher levels of wholesale trade, warehousing and transportation activity tied back to agriculture and manufacturing. The City of York is an area employment hub. Commuting is important to the area economy with \$57 million (2009) of personal income tied to outside residents coming into York County to work and \$32 million associated with County residents commuting to work outside of the County. As fuel costs rise and stay higher, this will impact commuting as an employment strategy. For the size of the County's population, York County has a relatively diversified economy.

Household Personal Income by Economic Sector, 2009

| | |
|-----------------|---------------|
| Retirees | \$162 million |
| Farming | \$88 million |
| Government | \$64 million |
| Manufacturing | \$53 million |
| Commuters | \$32 million |
| Retail Trade | \$28 million |
| Wholesale Trade | \$28 million |

Recession. Pre-recession unemployment in York County was very low ranging in the 2% to 3% range. The Great Recession (2007-2009) impacted York County's unemployment rate, peaking in January 2010 at 6.8% or two to three times the pre-recession averages. Unemployment rates have been declining as good times in agriculture and broader national economy recovery has asserted themselves. Today unemployment is in the 3% range. Clearly the Great Recession impacted particular households and businesses, but recovery is well established and there does not appear to be long-term adverse impacts.

Business. Between 1992 and 2001 York County added 22% more businesses (+238) and over 2,500 net new jobs (35% increase). In the more recent period (2001-2008), the rate of new business creation was up 28% (+377), but there was net job destruction (-632) according to www.youreconomy.org. The primary source of job destruction was related to non-resident (companies located outside of Nebraska) employers. Self-employment increases (+282 between 2001 & 2008) accounted for the higher levels of new business growth during this period. Rising self-employment represents an important opportunity for growing a more entrepreneurial economy. The City of York helps the County be a retail hub with a retail supply of \$230 million (ESRI, 2010) corresponding to a projected retail demand of just \$119 million). A very strong U.S. 81 and I-80 interchange contributes to strong retail supply serving the

commercial and personal motor vehicle traffic. During the 1990's non-farm proprietorship personal income grew from \$18 to \$25 million. Today this critical indicator of locally-owned businesses has leveled out at around \$30 million. Like elsewhere in Nebraska, farm personal income is up from \$20 million in the early 2000's to \$80 million in recent years.

Wealth. York County has a higher percentage of middle income households when compared to Nebraska averages. It has comparable numbers of lower income households and a lower percentage of higher income households according to the 2010 Census. We see comparable patterns with respect to household current net worth with comparable numbers of low wealth households, more middle wealth households and fewer higher wealth households. This is a typical pattern in Southeastern Nebraska according to 2010 ESRI data. Over 5% (probably more once farm wealth was fully accounted for) of County households are millionaires. Bottom line, York County has considerable opportunity for charitable giveback in support of both community betterment and economic development.

Important I-80 Link

Much of Nebraska's population base is anchored into urbanized centers including the Tri-Cities (e.g., Kearney, Hastings & Grand Island) and the Lincoln/Omaha Metropolitan areas. The I-80 Corridor is very important and York County and particularly the City of York is an "anchor" community located between Lincoln and the Tri-Cities. Fostering York's development not only will strengthen the County's economy but provide an important hub for employment, services, etc. for an entire multi-county region.

York College is an important development asset within the community. It not only creates diverse economic activity, but it contributes to cultural and social quality of life of the community. Rural communities with higher education institutions tend to do better than those communities without them.

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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