

City of Sidney



Appendix #1 Economy

Comprehensive Development Plan 2012

Sidney, Nebraska.....Small Town Values.....Big Time Opportunities

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Income and Earnings

- **Per Capita Income**
- **Household and Family Income**
- **Gini Coefficient**
- **Wages and Salary**
- **Poverty Rates**
- **Free or Reduced Lunch Eligibility**

Per Capita Income

One of the best ways to compare the town's relative economic well-being to other areas is to measure the average wealth of persons. Since this number is not available, per capita income is a good measure.

Sidney's nominal per capita income grew by over 50% (4.6% annually) from 2000 to 2009 and more than doubled since 1990 (4.1% annually). Adjusting for inflation, the per capita income still grew a very healthy 22% (2.2% annually) from 2000 to 2009 and 42.2% (1.9% annually) since 1990. The increase in per capita incomes may not have resulted entirely from greater wealth/incomes as some it likely derived from an increase in the number of workers and a decline in non-workers (improved dependency ratio.)

Sidney now has a higher per capita income than the state. In 2000, Sidney's per capita income represented 87.5% of the state per capita income. By 2009, it is estimated that Sidney's per capita incomes were 4.9% greater than the state's per capita income.

Thus, the average Sidney resident has an annual income \$1,217 higher than the average Nebraskan and \$4,605 higher than the average Panhandle resident.

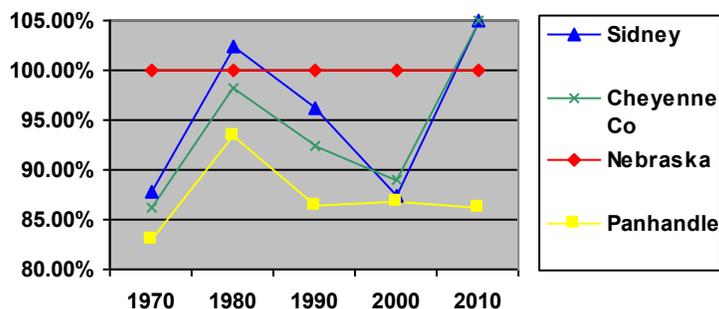
Sidney's success in greatly increasing its local incomes stands in contrast to the Panhandle region which saw its real per capita incomes stagnate during the last decade. Excluding Cheyenne County from the regional figure would result in a small loss in regional incomes.

Per Capita Income, 1970 to 2009

	Sidney		Cheyenne County		Panhandle		Nebraska	
	Income	Adjusted	Income	Adjusted	Income	Adjusted	Income	Change
1970	\$2,469	\$11,131	\$2,423	\$10,924	\$2,337	\$10,536	\$2,814	\$12,687
1980	\$7,107	\$16,317	\$6,805	\$15,624	\$6,475	\$14,866	\$6,936	\$15,924
1990	\$11,985	\$18,199	\$11,517	\$17,488	\$10,765	\$16,346	\$12,452	\$18,908
2000	\$17,158	\$21,221	\$17,437	\$21,566	\$17,022	\$21,053	\$19,613	\$24,258
2009	\$25,885	\$25,885	\$25,878	\$25,878	\$21,280	\$21,280	\$24,668	\$24,668

Note: Income Adjusted Using Gross Domestic Product Price Deflator with 2009 = 1.0

Per Capita Income as a Percentage of State Income, 1970 to 2009



Income

Personal Per Capita Income

Per capita personal income includes all forms of income including dividends, interest, and rent.

This data also indicates income levels in Cheyenne County are much higher than the Panhandle region. The average Cheyenne County resident earns \$5,521 more per year than the average Panhandle resident.

Per capita incomes in Cheyenne County have surpassed state and national levels. In 2000, Cheyenne County's per capita personal income only represented 87.5% of state incomes and just 82.5% of national incomes. County personal incomes are now 4% greater than state levels and 3.2% above national incomes.

Cheyenne County's 2009 per capita personal income of \$40,908 is 63.5% greater than 2000 levels in nominal terms and 32.2% greater after adjusting for inflation. This indicates a 5.5% annual increase nominally and 3.1% annually in real terms.

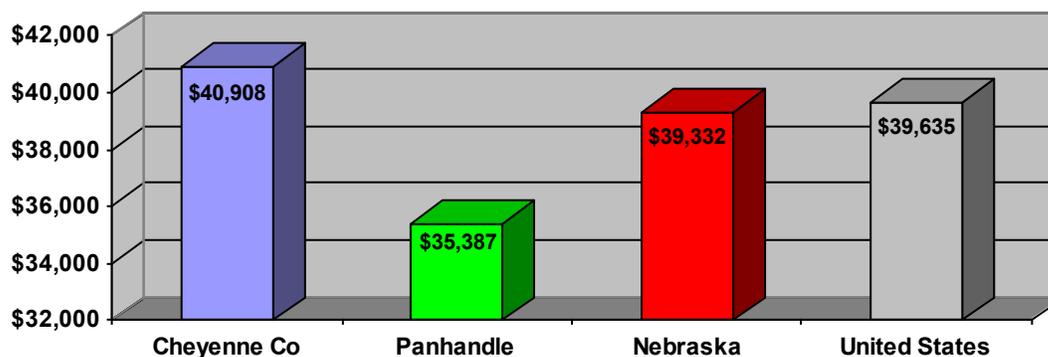
have more than doubled since 1980 even after adjusting for inflation. In 1980, the adjusted per capita

Per Capita Personal Income, 1970 - 2009

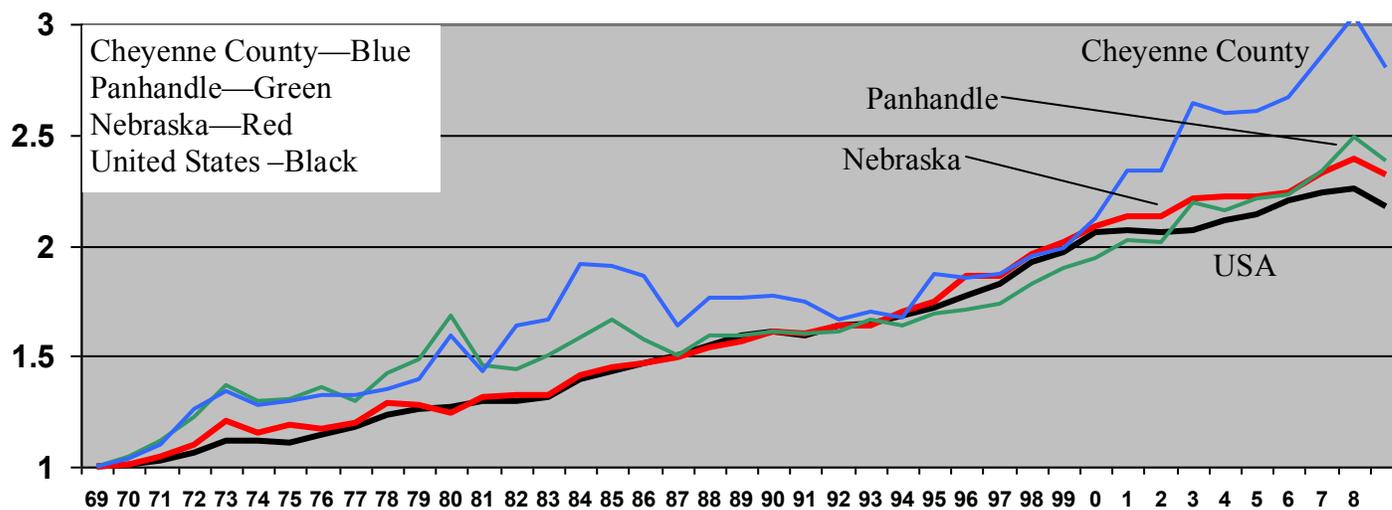
	Cheyenne County		Panhandle		Nebraska		United States	
	Income	Adjusted	Income	Adjusted	Income	Adjusted	Income	Adjusted
1970	3,354	15,122	3,455	15,578	3,793	17,101	4,084	18,413
1980	10,085	23,154	10,901	25,027	9,155	21,019	10,091	23,168
1990	16,992	25,801	15,776	23,955	17,948	27,253	19,354	29,388
2000	25,014	30,938	23,326	28,850	28,598	35,371	30,318	37,498
2009	40,908	40,908	35,387	35,387	39,332	39,332	39,635	39,635

Note: Figures adjusted to 2009 dollars

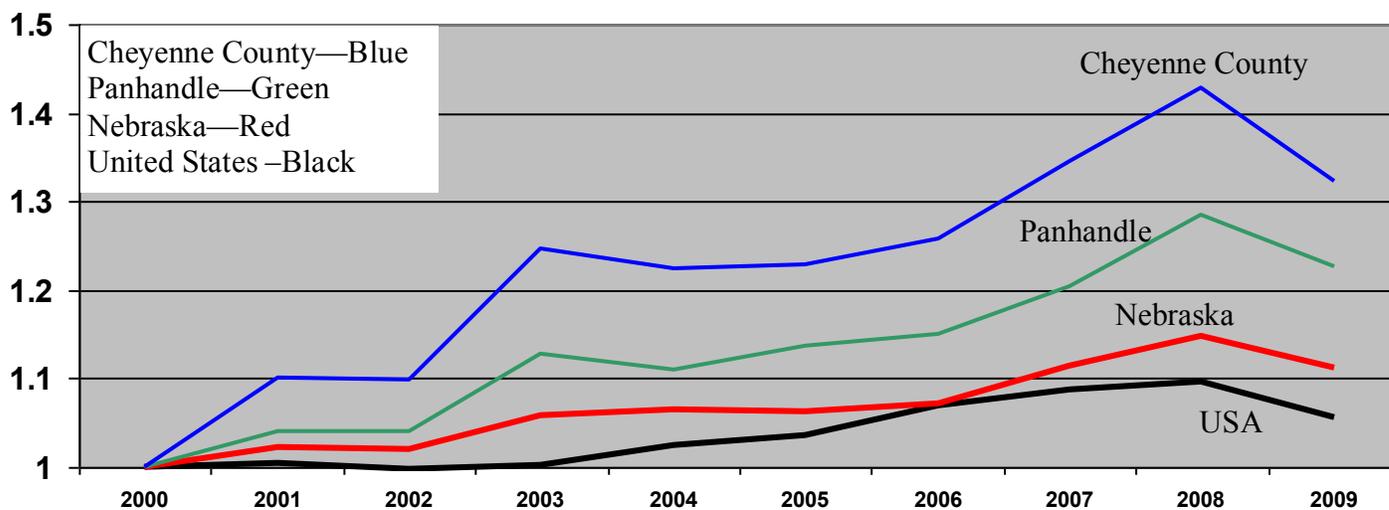
Per Capita Personal Income 2009



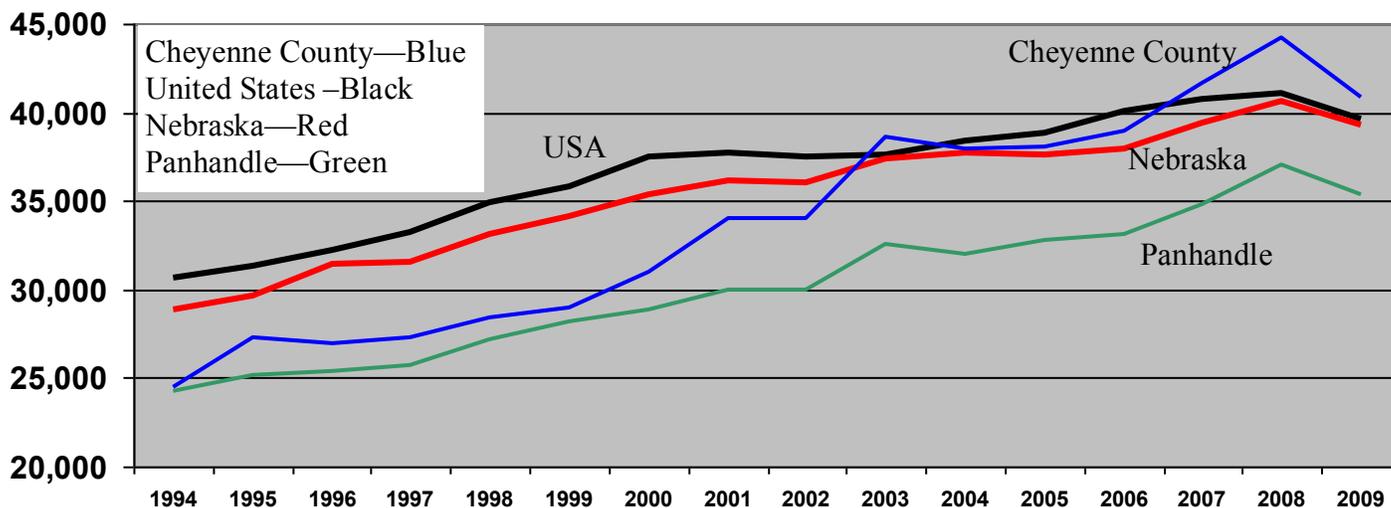
Inflation Adjusted Change in Per Capita Personal Income 1969 to 2009



Inflation Adjusted Change in Per Capita Personal Income 1994 to 2009



Per Capita Personal Income 2000 to 2009



Gini Coefficient

While per capita incomes in Cheyenne County rose rapidly during the past decade, the increase in average incomes alone does not demonstrate if the new wealth has been spread across the community or if a small number of people are driving the average gains higher.

The Gini coefficient is a measure of the inequality of distribution and can provide some in-sight into this question. A Gini value of 0 expresses total equality (everyone earns the same) while a value of 1 is maximum inequality (a few people own everything).

For comparison, most European countries have a Gini coefficients between .24 and .36 while a developing countries with a wide divide between the many persons in severe poverty and those with significant wealth have Gini coefficients well above 50.

The United States has a Gini coefficient of 45 which is well above a socialist country like Sweden (23) while well below countries with extreme income inequality like South Africa (65).

Nebraska has the 8th lowest Gini coefficient in the United States with an estimated Gini coefficient of 42.379.

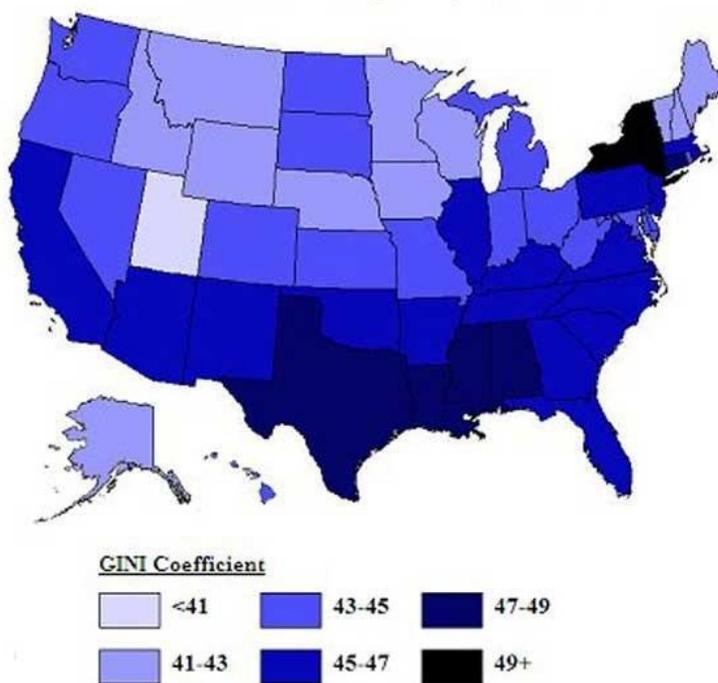
Even though Cheyenne County has some very wealthy residents and many low income residents, the Gini coefficient suggests wealth is being distributed throughout most of the local population.

The county's Gini coefficient of 40.76 is lower than the state level and well below the national level. **This indicates there is much less income inequality locally than there is nationally despite a great inflow of wealth in the past decade. This suggests a large number of local residents are benefiting from the rapidly improving aggregate incomes.**

Panhandle Estimated Gini Coefficients, 2009

County	Gini Level	State Rank
Deuel County	38.649	18
Sheridan County	40.268	40
Garden County	40.287	41
Morrill County	40.500	47
Cheyenne County	40.763	51
Box Butte County	41.366	56
Sioux County	43.421	80
Scotts Bluff County	44.110	83
Kimball County	44.755	87
Banner County	46.945	91
Dawes County	48.381	93
Nebraska	42.379	NR 8

Income Inequality by State



Median Household Income

Median household income can greatly differ from per capita income as it portrays the middle income of all households while per capita income can be skewed by a few persons making large sums of money.

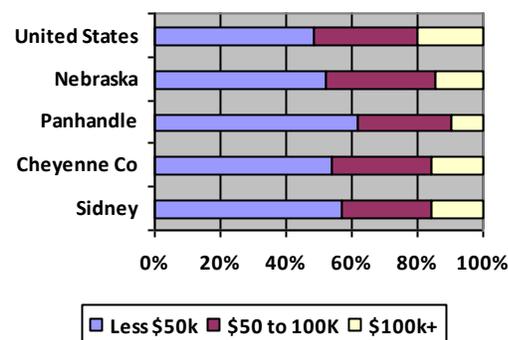
Median household income also differs from median family income in that household income includes the income of the householder and all other persons 15 years old and over in the household. Because many households consist of only one person, average household incomes are usually less than average family incomes.

Sidney has seen significant improvement in its median household income in the last decade. However, unlike per capita income, Sidney's median household income of \$46,095 remains below the state median.

The disparity in real household incomes between the City and the State in real terms grew from \$3,067 in 1990 to \$6,574 in 2000. However, by 2009, the disparity was reduced to \$1,900 which represented 96% of the state median income as real median income grew at an annual rate of 1% in Sidney between 2000 and 2009 compared to an annual decline of 0.1% statewide.

The county median of \$47,115 represented 98% of the state's. Median household incomes in the county grew at 1.4% annual in the past decade.

Sidney has a much smaller percentage of its households with low incomes than the Panhandle region. In 2009, 22.3% of Sidney residents earned less than \$25,000 while the Panhandle region had 31.3% of its residents in the lower income brackets. This is also a smaller ratio than the state and national levels.



Sidney also had a much higher share of its residents (30.6%) in the higher income brackets compared to the Panhandle region (20.4%). Sidney also has a greater share of high income earners than the state (27.1%). The ratio of high income earners is just below the national level of 32.6%.

Nearly half (47.1% of Sidney's households earn between 25,000 and \$75,000 per year. This percentage is below the regional (50.2%) and statewide ratios of 48.4% due to Sidney having a higher ratio of high income households

Household Income, 2009

	Sidney		Cheyenne County	Panhandle	Nebraska	United States
Less than \$15,000	314	11.2%	11.2%	16.7%	12.7%	13.0%
\$15 to \$24,999	311	11.1%	10.8%	14.6%	11.8%	10.8%
\$25 to \$34,999	330	11.8%	11.7%	13.4%	11.9%	10.6%
\$35 to \$49,999	637	22.8%	20.2%	17.1%	15.6%	14.3%
\$50 to \$74,999	348	12.5%	17.0%	17.7%	20.9%	18.7%
\$75 to \$99,999	411	14.7%	13.6%	10.5%	12.5%	12.3%
\$100 to \$149,999	305	10.9%	10.8%	7.1%	9.9%	12.1%
\$150,000+	139	5.0%	4.8%	2.8%	4.7%	8.2%
Total	2,795	100.0%	100.0%	100.0%	100.0%	100.0%

Median Household Income, 2009

	Sidney		Cheyenne County		Nebraska	
	Income	Adjusted	Income	Adjusted	Income	Adjusted
1980	15,843	36,374	15,071	34,602	15,925	36,562
1990	23,996	36,437	23,400	35,532	26,016	39,504
2000	33,935	41,971	33,438	41,357	39,250	48,545
2009	46,095	46,095	47,115	47,115	47,995	47,995

Median Family Income

In the year 2000, Sidney's real median family income was \$8,636 less than the state median, representing just 85.5% of the state median income.

However, between 2000 and 2009, real median family incomes were estimated to increase at an annual rate of 2.3% compared to just 0.2% statewide. As a result, Sidney's median family incomes of \$62,202 are estimated to now be greater than the statewide median of \$60,443.

Sidney has many more families in the higher income brackets (\$75,000+) than the statewide average. In 2009, 44.4% of the city's families earned more than \$75,000. This figure is much higher than the regional rate of 27.7%. It is also greater than the state and national median of 36.3% and 40.3%, respectively.

In 2009, only 19.7% of Sidney's families earned less than \$25,000 while nearly a third of the families in the Panhandle (31.9%) earned this amount.

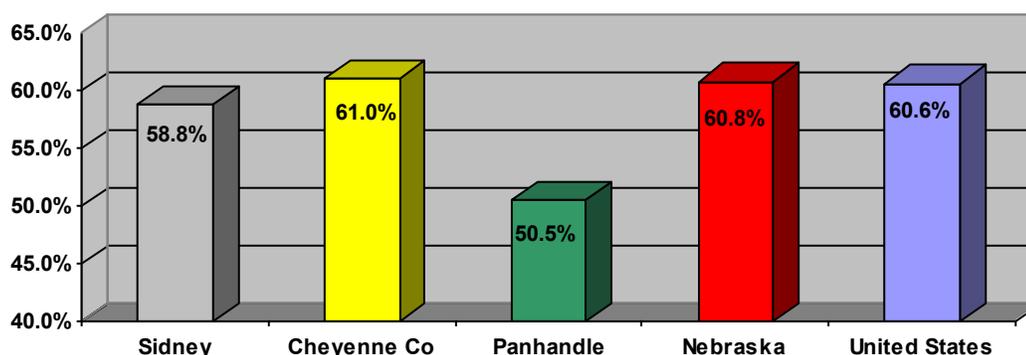
Family Income, 2009

	Sidney		Cheyenne Panhandle County		Nebraska	United States
Less than \$15,000	85	4.9%	4.5%	9.4%	6.5%	7.8%
\$15 to \$24,999	100	5.8%	6.0%	10.0%	7.9%	8.4%
\$25 to \$34,999	156	9.0%	9.9%	12.1%	9.6%	9.4%
\$35 to \$49,999	375	21.6%	18.7%	17.9%	15.2%	13.8%
\$50 to \$74,999	253	14.5%	21.3%	22.8%	24.5%	20.2%
\$75 to \$99,999	347	20.0%	17.2%	13.7%	16.3%	14.6%
\$100 to \$149,999	295	17.0%	15.8%	9.9%	13.6%	15.1%
\$150,000+	128	7.4%	6.7%	4.1%	6.4%	10.6%
Total	1,739					

Median Family Income, 2005-09

	Sidney		Cheyenne County		Nebraska	
	Income	Adjusted	Income	Adjusted	Income	Adjusted
1970	\$7,770	\$35,031	\$6,285	\$28,336	\$8,564	\$38,611
1980	\$18,978	\$43,572	\$17,604	\$40,417	\$19,122	\$43,902
1990	\$29,367	\$44,592	\$28,080	\$42,638	\$31,634	\$48,035
2000	\$41,050	\$50,771	\$41,024	\$50,739	\$48,032	\$59,407
2009	\$62,202	\$62,202	\$62,521	\$62,521	\$60,443	\$60,443

Percent of Families Earning more than \$50,000, 2009



Non-Family Income

Sidney's non-family households earn much less than family households, which is not surprising given many families have two or more workers. However, non-family households still earned more than their regional neighbors.

Well over half of the non-family households in the Panhandle (56.6%) earned less than \$25,000 while less than half (42.3%) of Sidney's non-family households fell into the lowest income brackets.

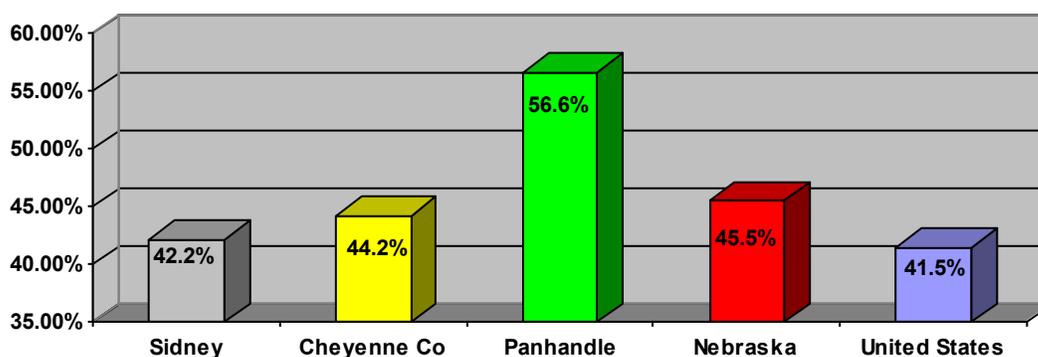
Surprisingly, Sidney does not have a large number of non-family households earning over \$75,000 as just 5.9% of non-family households fall into the higher income brackets. This is well below the national rate of 15% and the state rate of 8.6%. However, it is higher than the regional rate of 4.9%.

Thus, a majority of Sidney's non-family households (51.7%) earn between \$25,000 and \$75,000.

Non-Family Income, 2009

	Sidney		Cheyenne	Panhandle	Nebraska	United States
Less than \$15,000	249	23.6%	25.2%	33.1%	25.7%	25.1%
\$15 to \$24,999	197	18.7%	19.0%	23.5%	19.8%	16.4%
\$25 to \$34,999	185	17.5%	16.6%	16.1%	16.8%	13.6%
\$35 to \$49,999	256	24.2%	22.4%	13.9%	16.1%	15.1%
\$50 to \$74,999	106	10.0%	9.8%	8.5%	13.1%	14.8%
\$75 to \$99,999	42	4.0%	4.4%	3.2%	4.7%	6.9%
\$100 to \$149,999	10	0.9%	1.4%	1.4%	2.6%	5.1%
\$150,000+	11	1.0%	1.1%	0.3%	1.3%	3.0%
Total	1,056	--	11,821	--	220,444	--

Percent of Non-Family Households Earning Less than \$25,000, 2009



Wage and Salary per Job

The Bureau of Economic Analysis provides annual wages and salary data by county, but City data is not available for towns the size of Sidney.

The graph below shows that Cheyenne County's inflation-adjusted wages and salary were basically stagnant from 1970 to 1990. During the same time the county's real wages only grew by \$22 per year with an annual growth rate of 0.2%. During the same time, state wages grew 0.4% annually and the nation's wages grew at 0.7% annually.

After two decades of stagnating wages, the county saw a 30.3% increase between 1990 and 2000 which equates to an annual growth 2.5%. This is 12.5 times the growth rate of the prior two decades. This increase was also greater than the state and national annual growth rates which were both 2.0%.

Despite the severe recession at the end of the decade, Cheyenne County continued its strong wage and salary growth from 2000 to 2009. During this time, Cheyenne County maintained its 2.5% wage and salary growth which surpassed the state and nation which experienced growth rates of 0.9% and 0.6%, respectively.

The growth rate in Cheyenne County was even more impressive from 2000 to 2008 when wage and salaries grew by a very strong 3.4% annually.

Despite the large improvement in county wages the past 20 years, the average wage and salary of \$37,259 is still well below the national level of \$45,831. Thus the county's wages represent just 81% of the national level. However, this is much better than the 70.3% rate in 1970.

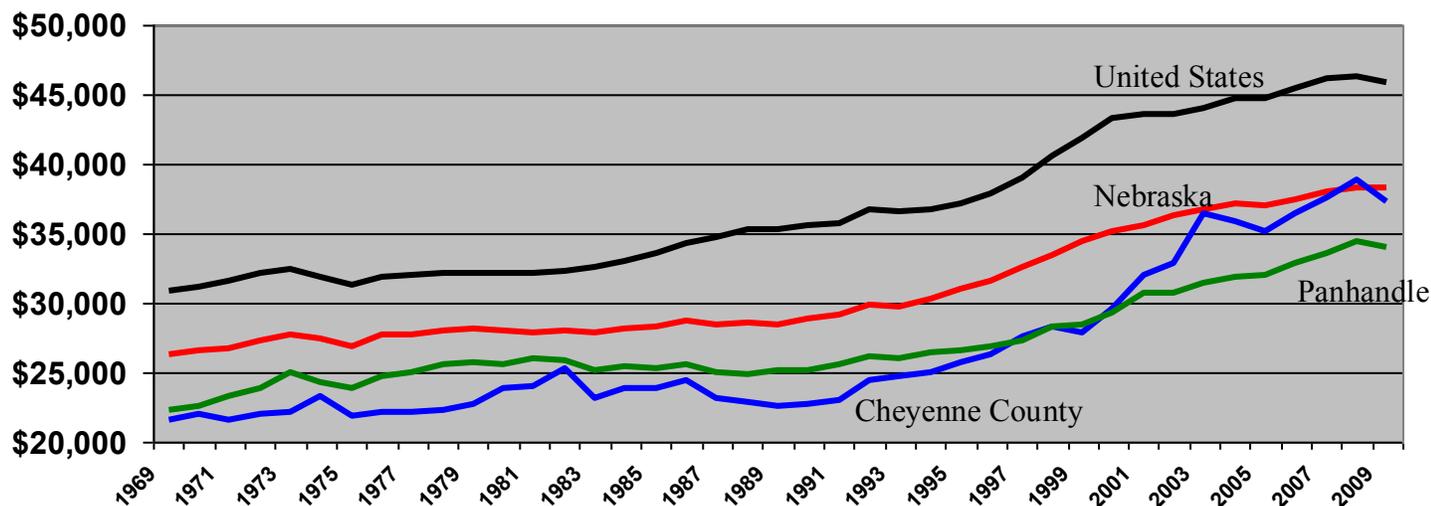
Cheyenne County's wages have surpassed the region during this time. In 1970, the county wages were only 96% of the Panhandle's wages. In 2009, though, the County's wages are nearly 10% higher than the region's.

The County wages have also gained ground on the state, increasing from 82.4% of the State's average wage and salary in 1970 to 97.5% in 2009. The county's average wage did surpass the state level in 2008.

Inflation Adjusted Wage and Salary per Job, 1970 to 2009

	Cheyenne County	Panhandle	Nebraska	United States
1970	21,938	22,635	26,614	31,208
1975	21,836	23,893	26,898	31,282
1980	23,882	25,638	27,985	32,143
1985	23,917	25,335	28,248	33,581
1990	22,736	25,190	28,846	35,567
1995	25,776	26,612	30,942	37,195
2000	29,628	29,350	35,202	43,355
2005	35,155	31,946	36,965	44,780
2009	37,259	34,003	38,225	45,831

Inflation Adjusted Wage and Salary per Job, 1970 to 2009



Average Annual Wage

According to the US Bureau of Economic analysis, Cheyenne County has one of the highest annual average wages among the 64 western-most counties in Nebraska. The County's 2009 annual average wage of \$37,259 trails just two counties with a high concentration of railroad jobs.

Average Annual Wages in Western Nebraska, 2009

County	Wage		County	Wage		County	Wage
Box Butte	41,712		Fillmore	31,194		Pierce	28,442
<i>Nebraska</i>	<i>38,225</i>		Morrill	31,163		Logan	28,204
Lincoln	37,412		Chase	31,156		Brown	28,177
Cheyenne	37,259		Loup	31,131		Valley	28,099
Arthur	36,371		Boone	31,052		Grant	27,880
Dundy	34,711		Furnas	30,958		Rock	27,593
Scotts Bluff	34,061		Dawson	30,941		Franklin	27,440
Hamilton	33,988		Sioux	30,654		Webster	27,403
Clay	33,904		Gosper	30,576		Dawes	27,347
Phelps	33,637		Red Willow	30,472		Harlan	27,095
Banner	33,627		Kimball	29,934		Howard	26,863
Hall	33,214		Holt	29,911		Nuckolls	26,819
Perkins	32,935		Merrick	29,875		Greeley	26,557
Buffalo	32,802		Thomas	29,760		Cherry	25,923
Madison	32,604		Frontier	29,715		Sheridan	25,727
Adams	32,561		Garden	29,574		Deuel	25,700
Hayes	32,084		Polk	29,358		Knox	25,362
Thayer	32,053		Nance	29,311		Sherman	24,342
Custer	31,710		Keith	29,120		Hooker	24,245
Kearney	31,647		Blaine	28,579		Garfield	23,493
York	31,243		Antelope	28,555		Boyd	23,016
Hitchcock	31,222		Keya Paha	28,464			

Poverty

Poverty rates in Sidney are below the Statewide level and well below the national level. The city's 2009 personal poverty rate was 10.6% compared to 11.8% statewide and 13.5% nationally. The poverty rate of families is even more impressive at just 5.1% which is nearly half the national rate of 9.9% and well below the state level of 7.9%.

The poverty rate of female householders in Sidney is so low, it appears to be in error. The American Community Survey indicates the poverty rate of female households is just 5.8%, way below the state and national levels of 30.1% and 28.7%, respectively. If this number is correct, it may be due to a large number of young, single female professionals in the community.

The poverty rate for elderly households of 11.5% is a bit higher than the state and national averages, but it is not so high as to be a significant concern.

Poverty Rate, 2009

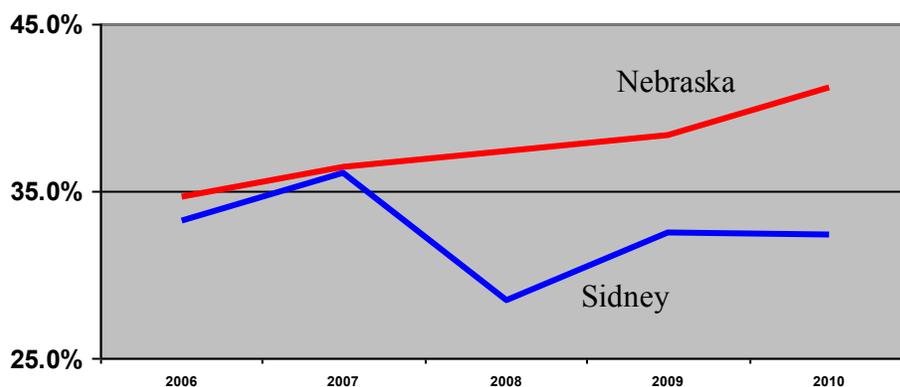
	Persons	Families	Female Householder	65+
Sidney	10.6%	5.1%	5.8%	11.5%
Cheyenne County	10.6%	5.0%	10.0%	9.0%
Nebraska	11.8%	7.9%	30.1%	9.9%
United States	13.5%	9.9%	28.7%	10.9%

Free or Reduced Lunch Eligibility

Data from the Department of Education indicates a third of the school districts students (32.41%) are eligible for free or reduced lunches. This is well below the 41.22% of students eligible statewide.

Unlike the state which experienced an 18.9% increase in student eligibility between 2006 and 2010, the percent of students in Sidney eligible for free or reduced lunches has remained fairly consistent.

Students on Free or Reduced Lunches, 2006 to 2010



Source of Earnings

- **Components of Income**
- **Income from Wages and Salary**
- **Income from Interest, Dividends, and Rent**
- **Income from Government Transfers**
- **Earnings by Industry**

Components of Income

Wages and salary earnings account for over half (57.3%) of total personal incomes in Cheyenne County. A large majority (82.8%) of these wages and salaries are from the private sector as less than a fifth (17.6%) come from government. Four-fifths of the government wage and salaries comes from local government (80%) with only 7.1% coming from state government positions and 12.9% from the federal government positions.

Transfer payments, excluding farm payments, account for only 15.4% of Cheyenne County incomes. This is well below regional and state levels. In 2009, county residents received \$61,307,000 in transfer payments. Most of the transfer payment are Government transfer payments. Social Security/disability (\$24,834,000) and Medical Benefits (\$24,934,000) account for 81.2% of government transfer payments. Income maintenance only accounts for 6.5% of local government transfer receipts.

When combining government transfers, direct farm payments and government wages over a quarter (27.3%) of personal income in Cheyenne County comes directly from government sources. This is very low compared to other Panhandle counties which tend to have government sources accounting for well over a third to half of all personal incomes.

Income from dividends, interest and rents account for \$68,176,000 or 17.1% of Cheyenne County income.

Nonfarm proprietor income is the fourth largest source of income in the county. In 2009, this source of income accounted for \$33,058,000 (8.3%).

Net farm incomes accounted for just 4.9% of the total personal income in the county in 2009. This figure has likely increased in the past two years and understates the local economic impact gross farming receipts have on the county.

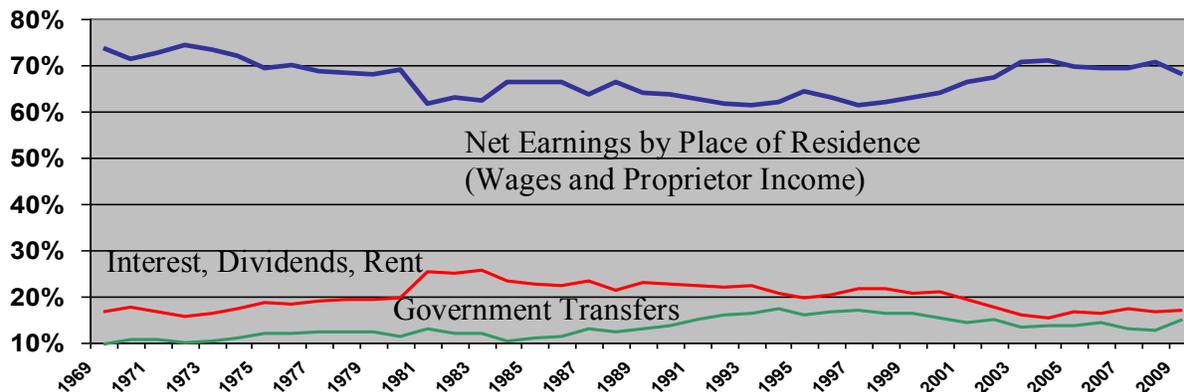
Other labor income accounted for \$52,259,000 of earnings by place of work in 2006. This accounts for approximately 13.1% of all county income.

Components of Income for Cheyenne County Residents, 2009

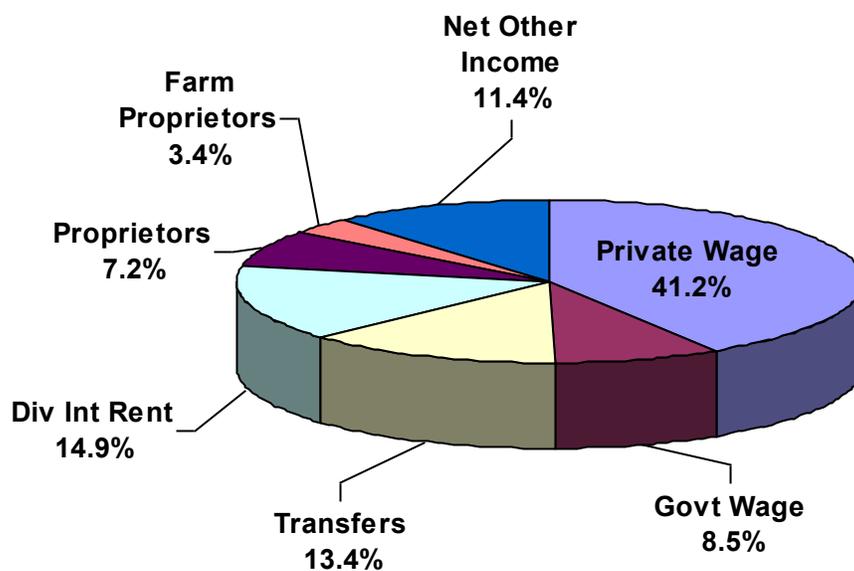
Components of Earnings	
Government Wage and Salary Disbursements	39,092,000
Federal Government	5,035,000
State Government	2,782,000
Local Government	31,275,000
Private Wage and Salary Disbursements	188,749,000
Other Labor Income	52,259,000
Farm Proprietor income	15,407,000
Nonfarm Proprietor Income	33,058,000
Equals Earning by Place of Work	328,565,000
Total Nonfarm Personal Income	309,001,000
Private Earnings	269,909,000
Public Earnings	39,092,000
Total Farm Income	19,564,000
Direct Government Farm Payments	8,423,000
Less: Personal Social Insurance Contributions	35,988,000
Plus: Adjustment for Place of Residence	-24,438,000
Equals: Net Earnings by Place of Residence	268,139,000
Plus: Dividends, Interest, and Rent	68,176,000
Plus: Transfer Payments	61,307,000
Equals: Total Personal Income	397,622,000
Population	9,720
Per Capita Personal Income	40,908

Source: Bureau of Economic Analysis

Breakdown of Total Earnings, Cheyenne County 1969 to 2009



Components of Income for Cheyenne County Residents and Non-resident Employees, 2009



Inflation Adjusted Dividends, Interest and Rent Per Person, 1969 to 2009

	Cheyenne County	Panhandle	Nebraska	United States
1969	2,435	2,389	2,573	2,476
1970	2,669	2,566	2,666	2,534
1971	2,653	2,624	2,687	2,557
1972	2,905	2,906	2,838	2,611
1973	3,177	3,218	3,051	2,741
1974	3,221	3,344	3,163	2,855
1975	3,563	3,506	3,231	2,813
1976	3,514	3,465	3,235	2,847
1977	3,696	3,644	3,419	2,973
1978	3,809	3,705	3,512	3,125
1979	3,973	3,858	3,675	3,317
1980	4,563	4,304	4,115	3,709
1981	5,253	4,852	4,689	4,193
1982	5,953	5,565	5,350	4,495
1983	6,227	5,643	5,306	4,622
1984	6,511	5,832	5,502	5,039
1985	6,268	5,665	5,452	5,200
1986	6,054	5,503	5,464	5,280
1987	5,578	5,092	5,289	5,236
1988	5,474	4,939	5,352	5,399
1989	5,939	5,359	5,621	5,855
1990	5,831	5,140	5,669	5,897
1991	5,681	5,214	5,710	5,733
1992	5,351	5,226	5,626	5,548
1993	5,558	5,076	5,540	5,466
1994	5,087	5,204	5,753	5,685
1995	5,362	5,274	6,052	5,853
1996	5,495	5,488	6,273	6,125
1997	5,888	5,625	6,454	6,378
1998	6,167	6,045	6,997	6,785
1999	5,996	5,778	6,884	6,584
2000	6,470	6,075	7,297	6,904
2001	6,589	6,186	7,101	6,692
2002	6,022	5,922	6,965	6,316
2003	6,114	5,903	6,792	6,087
2004	5,795	5,251	6,460	6,213
2005	6,296	5,027	6,375	6,378
2006	6,345	5,365	6,926	7,031
2007	7,250	6,068	7,604	7,535
2008	7,380	6,372	7,783	7,736
2009	7,014	6,008	7,158	7,143

Interest, Dividends and Rent

The Bureau of Economic Analysis provides per capita income data for interest, dividends and rent.

Real per capita earnings from Interest, dividends, and rent in Cheyenne County increased 167%, a strong 6.6% annual growth rate, between 1969 and 1984. This was likely due to rising ag land in the late 1970's and early 1980's.

By 1983, over a quarter of Cheyenne County's per capita personal income came for interest, dividends and rent (IDR).

Between 1984 and 1994, these income levels in the county fell after adjusting for inflation by nearly 22%, which is an annual decline rate of -2.5%.

By 2001, IDR was finally able to surpass 1984 levels, peaking at \$7,380 in 2008 before slipping to \$7,014 in 2009 due to the recession.

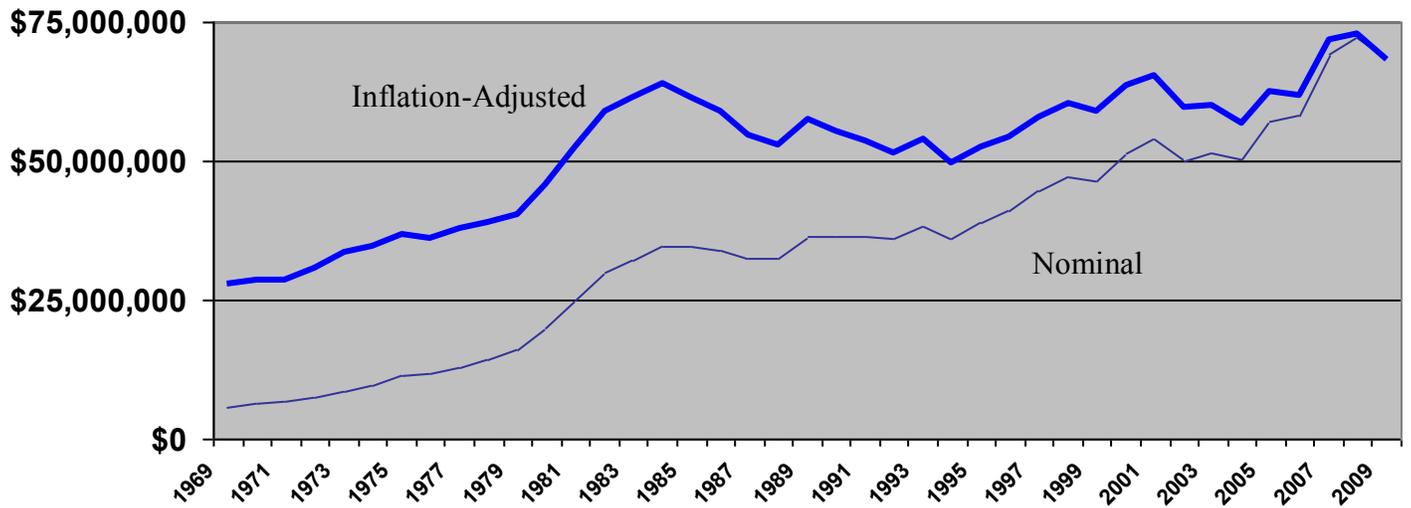
IDR thus increased 37.8% from 1994 to 2009, which equates to a healthy 2.2% annual growth rate.

IDR growth was especially strong between 2004 and 2008 due to rising ag commodity prices and local economic growth. During this time, IDR grew 27.4%, which equates to a very strong annual growth rate of 6%.

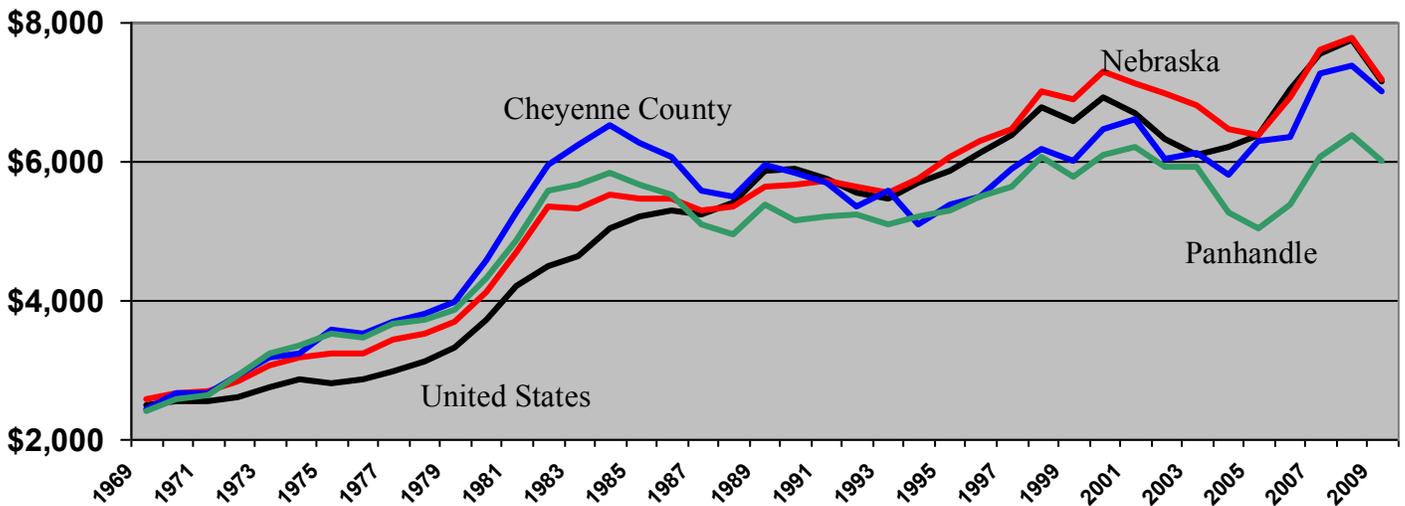
Cheyenne County's 2009 IDR per capita of \$7,014 is 14.3% higher than the Panhandle region and just \$144 less than the state average.

In actual dollar terms, IDR provided \$68,176,000 in personal income in Cheyenne County in 2009.

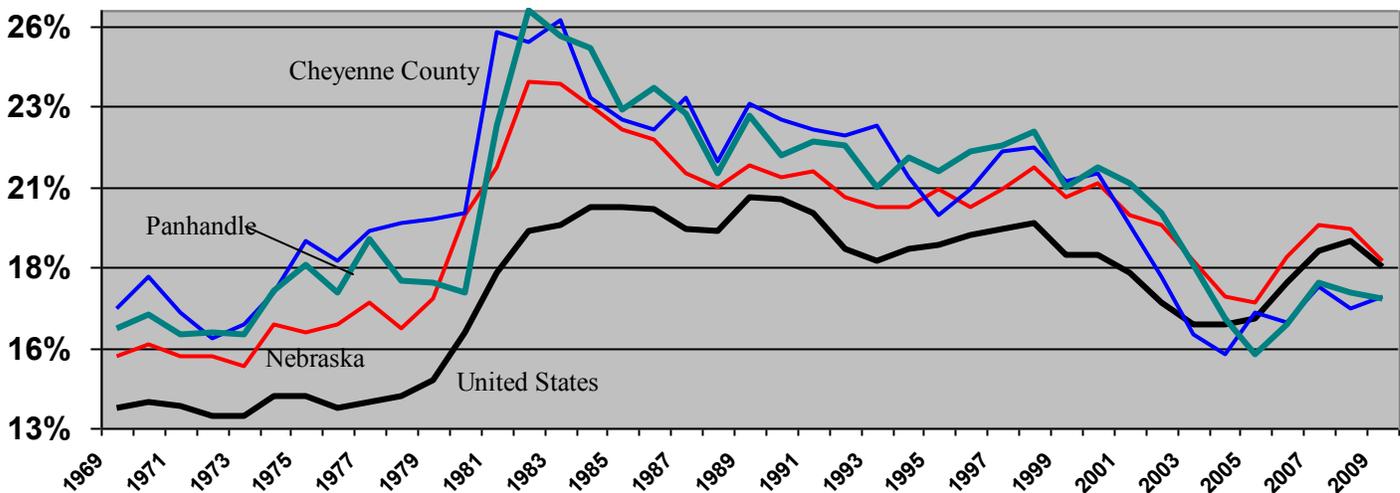
Earnings from Interest, Dividends and Rent for Cheyenne County, 1969 to 2009



Inflation Adjusted Dividends, Interest and Rent Per Person, 1969 to 2009



Percentage of Total Earnings from Interest, Dividends and Rent, 1969 to 2009



Transfer Payment Income

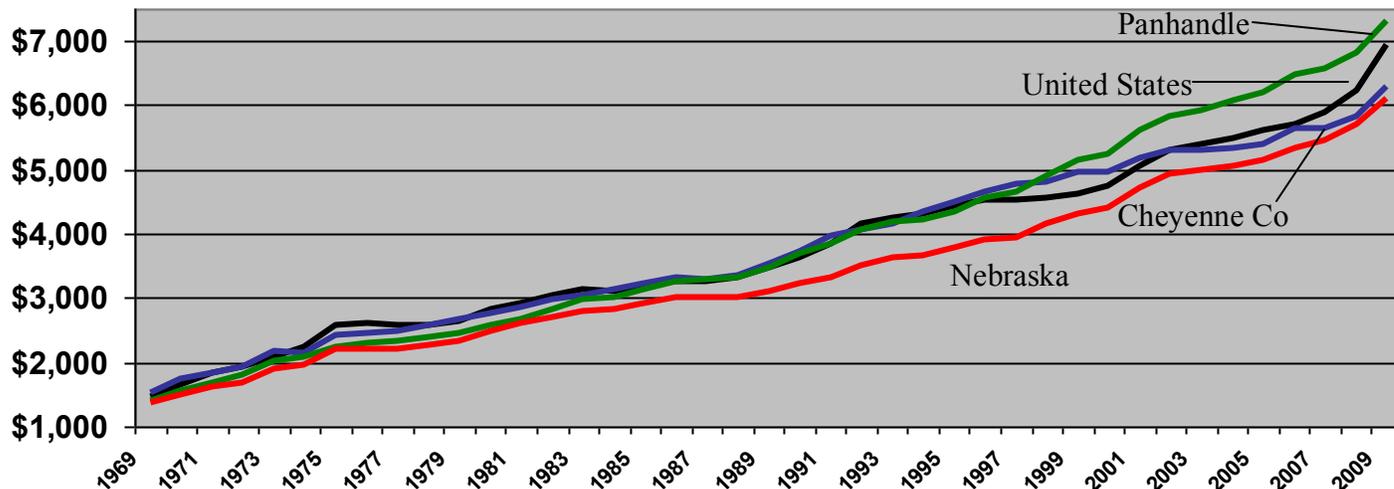
Unlike the rest of the Panhandle which has experienced a tremendous and steady increase in Government Transfer payments, the percent of Cheyenne County's personal income from government transfers has been declining since the mid-1990's.

In 1969, Cheyenne County's adjusted per capita personal transfer receipts totaled just \$1,516 which represented only 10.4% of total county income. However, by 1994, per capita personal transfer receipts had grown to \$4,349 which accounted for 17.8% of county income.

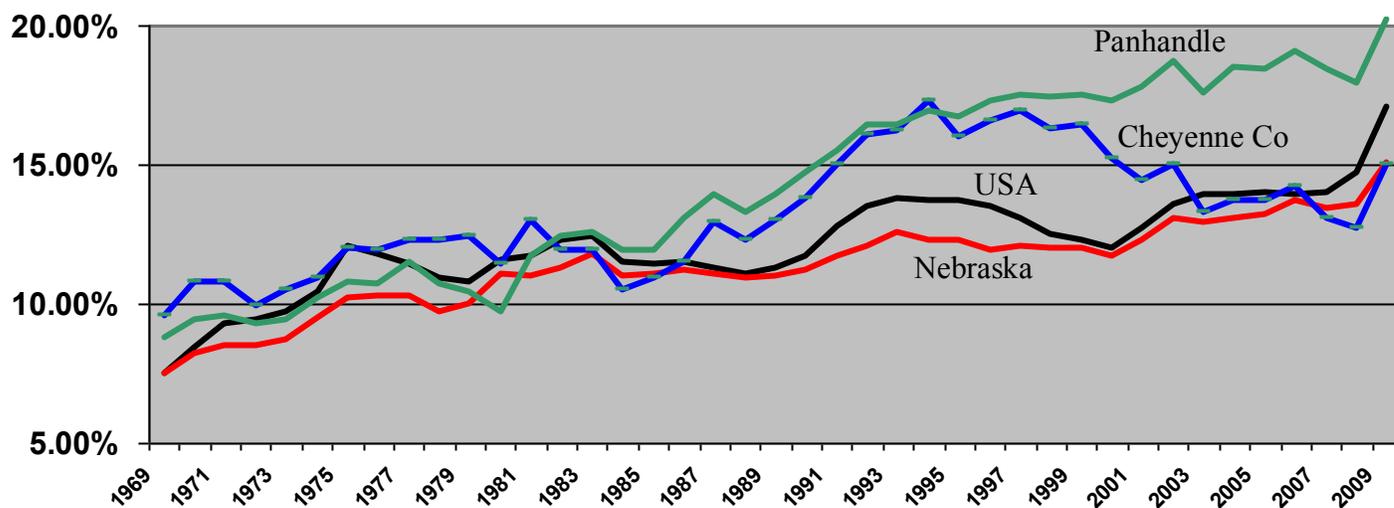
Since 1984, dependence on government transfer income has continued to grow in the Panhandle, surpassing 20%, with some individual counties topping 25%. Conversely, Cheyenne County's dependence on government transfer income has declined to 13.2% in 2008, before jumping back up to 15.4% in 2009 due to the recession.

Even though, the percent of income coming from government transfers declined since 1994, actual government transfer income increased 45% with an annual growth rate of 2.5%. This counter-intuitive event is actu-

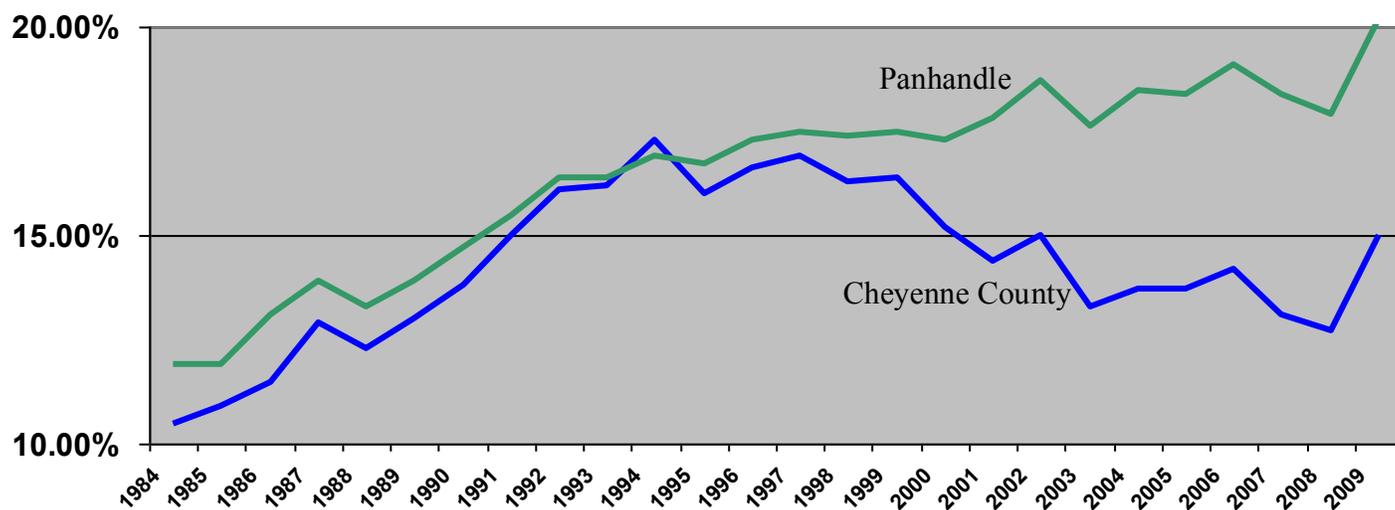
Inflation-Adjusted Per Capita Personal Income from Transfer Payments, 1969 to 2009



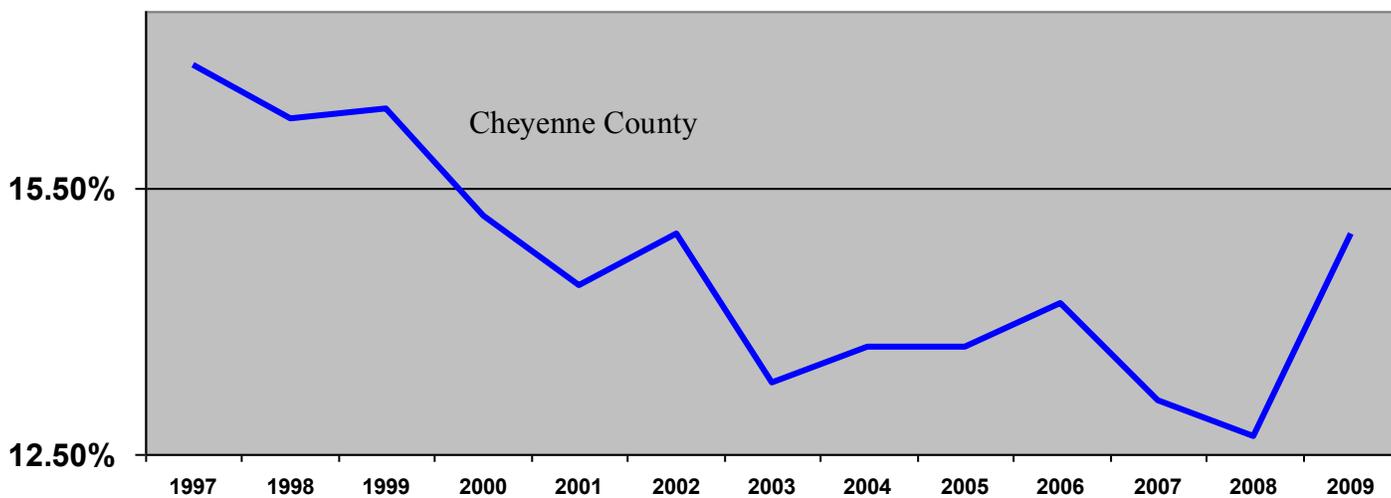
Percent of Total Income from Government Transfer Payments (excludes Farm Payments), 1969 to 2009



Percent of Total Income from Government Transfer Payments (excludes Farm Payments), 1984 to 2009



Percent of Total Income from Government Transfer Payments (excludes Farm Payments), 1994 to 2008



Inflation Adjusted Per Capita Personal Transfer Receipts, 1969 to 2009

	Cheyenne County		Panhandle		Nebraska		United States	
	Adjusted Income	% of Income						
1969	1,516	10.4%	1,415	9.5%	1,382	8.2%	1,469	8.1%
1970	1,729	11.4%	1,571	10.1%	1,508	8.8%	1,653	9.0%
1971	1,822	11.4%	1,688	10.2%	1,605	9.1%	1,832	9.8%
1972	1,917	10.4%	1,798	9.9%	1,680	9.0%	1,931	9.9%
1973	2,162	11.0%	2,013	9.9%	1,891	9.2%	2,083	10.2%
1974	2,150	11.5%	2,079	10.8%	1,969	10.1%	2,239	11.0%
1975	2,415	12.8%	2,246	11.6%	2,197	10.9%	2,585	12.8%
1976	2,447	12.6%	2,302	11.4%	2,200	11.1%	2,620	12.6%
1977	2,493	12.9%	2,339	12.1%	2,194	10.9%	2,574	12.0%
1978	2,564	13.0%	2,404	11.4%	2,267	10.4%	2,571	11.5%
1979	2,667	13.1%	2,452	11.1%	2,325	10.7%	2,635	11.5%
1980	2,778	12.0%	2,574	10.3%	2,473	11.8%	2,831	12.2%
1981	2,861	13.8%	2,684	12.4%	2,596	11.7%	2,920	12.4%
1982	2,976	12.5%	2,814	13.1%	2,690	12.0%	3,036	12.9%
1983	3,050	12.6%	2,977	13.3%	2,797	12.5%	3,128	13.1%
1984	3,136	11.2%	3,010	12.8%	2,819	11.8%	3,117	12.3%
1985	3,220	11.6%	3,147	12.7%	2,914	11.9%	3,183	12.2%
1986	3,327	12.2%	3,260	14.0%	3,000	12.1%	3,273	12.2%
1987	3,276	13.7%	3,295	14.8%	2,997	11.8%	3,267	12.0%
1988	3,345	13.0%	3,328	14.1%	3,013	11.6%	3,323	11.8%
1989	3,524	13.7%	3,480	14.7%	3,107	11.7%	3,467	11.9%
1990	3,736	14.5%	3,705	15.5%	3,231	11.9%	3,621	12.3%
1991	3,977	15.6%	3,850	16.2%	3,332	12.3%	3,860	13.3%
1992	4,049	16.7%	4,063	16.9%	3,499	12.6%	4,165	14.0%
1993	4,150	16.7%	4,182	16.9%	3,626	13.0%	4,264	14.2%
1994	4,349	17.8%	4,218	17.4%	3,673	12.7%	4,311	14.1%
1995	4,504	16.5%	4,351	17.3%	3,783	12.8%	4,438	14.2%
1996	4,646	17.2%	4,558	18.0%	3,909	12.4%	4,526	14.0%
1997	4,761	17.5%	4,651	18.1%	3,950	12.5%	4,514	13.6%
1998	4,813	16.9%	4,898	18.0%	4,143	12.5%	4,545	13.0%
1999	4,973	17.1%	5,142	18.3%	4,301	12.6%	4,626	12.9%
2000	4,950	16.0%	5,237	18.2%	4,395	12.4%	4,747	12.7%
2001	5,172	15.2%	5,617	18.7%	4,712	13.0%	5,040	13.4%
2002	5,293	15.6%	5,820	19.4%	4,917	13.6%	5,302	14.2%
2003	5,296	13.7%	5,912	18.2%	4,992	13.3%	5,387	14.3%
2004	5,330	14.1%	6,066	18.9%	5,065	13.4%	5,477	14.3%
2005	5,386	14.2%	6,201	18.9%	5,143	13.7%	5,597	14.4%
2006	5,654	14.5%	6,476	19.5%	5,334	14.1%	5,713	14.3%
2007	5,639	13.5%	6,572	18.9%	5,453	13.8%	5,884	14.4%
2008	5,816	13.2%	6,828	18.4%	5,698	14.0%	6,240	15.2%
2009	6,307	15.4%	7,318	20.7%	6,114	15.5%	6,944	17.5%

Earnings by Industry for Cheyenne County

Total inflation-adjusted earnings in Cheyenne County have increased by 174% since 1970, with nearly half of the growth occurring in the past decade. Between 2000 and 2009, adjusted earnings 40.6%, which is an annual growth rate of 3.8%.

After being the largest industry earner in 1970 and 1980, net farm earnings in Cheyenne County in 2009 were only the seventh largest industry earner. Farm earnings decreased from an inflation-adjusted \$31,325,438 in 1980 to just \$19,564,000 in 2009, a 37.5% drop. The proportion of farm earnings in Cheyenne County has thus fallen from 18.8% in 1980 to just 6% in 2009. However, this understates the economic impact gross earnings have on the county economy.

Services, which were the second highest in earnings in 1970, is now the largest industry earner in the county with an estimated \$111,000,000, which represents 33.8% of all county earnings. This is over five and a half times higher than the 1970 level.

Having an industry this size in a small county and still only represent a third of county earnings is a strong testament to the economic diversity in the county.

Wholesale Trade, which was just the seventh largest industry in the county in 1970, representing just 4.1% of county earnings, is now the second largest industry earner in the county. By 2009, wholesale trade had increased 923% to account for 15.4% of county earnings.

The government sector earnings has moved from the fifth largest industry earner in 1970 to the third highest industry earner in 2009. Since 1970, government earnings have nearly doubled (+98%) from an inflation-adjusted \$19,625,523 in 1970 to \$39,092,000 in 2009. Government earnings now account for 11.9% of county earnings. Although government is the third highest industry earner, having nearly 12% of government earnings from government is actually lower than most rural communities.

Retail Trade was the third largest industry earner in the county in 1970, but has fallen to 4th in 2009. From 1970 to 2000 using SIC classifications, retail trade increased by 52.4%. Retail trade actually declined between 1990 and 2000 before increasing to a level below 1990 levels. Much of what some might perceive to be retail sales are actually classified as wholesale trade..

Manufacturing earnings have increased tremendously in the county since 1970. Manufacturing was the ninth largest industry earner in the county in 1970, but now ranks fifth due to 486% growth.

Transportation, Communications and Public Utility (TCPU) earnings have nearly doubled from 1970 to 2009. FIRE (Finance, Insurance, and Real Estate) has experienced good growth (143.8%) since 1970.

Construction is one of the few industries that has not grown since 1970 after adjusting for inflation. Real construction earnings have actually increased 50% since 1990. However, construction earnings declined 43% from 1980 to 1990.

Mining has seen the largest decline in earnings, falling about 85% from \$4,549,082 in 1970 to 698,000 in 2009.

Inflation Adjusted Earnings by Industry by Place of Work, Cheyenne County, 1970 to 2009

	1970	1980	1990	2000	2009	'70 to '09	
Service	19,855,457	21,652,756	26,159,825	41,252,820	Est 111,000,000	Est +91,144,543	Est +459.0%
Wholesale Tr	4,936,813	15,945,116	8,535,197	D	50,526,000	+45,589,187	+923.5%
Government	19,625,523	23,514,742	28,842,923	31,872,794	39,092,000	+19,466,477	+99.2%
Retail Trade	19,720,202	18,975,722	33,068,764	30,063,330	32,254,000	+12,533,798	+63.6%
Manufacturing	4,359,725	12,721,654	11,866,672	25,014,640	29,913,000	+25,553,275	+586.1%
TCPU	14,571,489	22,520,611	24,826,628	29,324,950	27,198,000	+12,626,511	+86.7%
Farm	21,077,262	31,325,438	29,514,077	11,805,426	19,564,000	-1,513,262	-7.2%
FIRE	3,733,042	5,342,590	4,755,780	8,734,407	9,102,000	+5,368,958	+143.8%
Construction	7,136,964	8,182,634	4,688,968	8,145,682	7,034,000	-102,964	-1.4%
AgFF Services	784,480	1,519,894	894,366	D	est 2,184,000	Est +1,399,520	Est +178.4%
Mining	4,549,082	4,979,835	1,324,087	D	698,000	-3,851,082	-84.7%
Total	120,350,038	166,680,994	174,477,287	233,759,798	328,565,000	+208,214,962	+173.0%

*Notes: All figures adjusted to 2009 dollars using gross domestic price deflators
1970 to 2000 use SIC classification; *2009 uses NAICS
D= Not Disclosed

Employment & Labor Force

- **Labor Force**
- **Employment**
- **Unemployment**
- **Employment by Place of Work**
- **Nonfarm Employment by Sector**
- **Employment in Government Sectors**
- **Self-Employment**
- **Commuting Patterns**
- **Net Flow of Commuter Earnings**
- **Net Jobs Flow**

Labor Force

Cheyenne County’s labor force and employment numbers have largely moved in sync in the past decade.

The county experienced strong employment growth between 2002 and 2005 as the number of employed persons living in the county increased by 408 persons (8.7%) which equates to an annual growth rate of 2.8%.

During the same time, the local labor force increased by a nearly identical 402 persons (8.3%). The number of unemployed persons thus dropped by six persons from 160 in 2002 to 154 in 2005. This dropped the unemployment from 3.3% to 2.9%. Both of these figures are well below what economists would consider full employment.

Both the level of employment and the labor force in the county remained fairly constant between 2005 and 2008. The number of employed remained in a tight range between 5,098 and 5,136 over these three years, while the labor force staying within a range of 5,220 and 5,278.

During the 2005 to 2008 period, employment declined by 14 persons while the labor force declined by 21 persons. The number of unemployed thus declined by 7 persons. Due to the greater decline in labor force than employment, the unemployment rate fell to 2.8% in 2008.

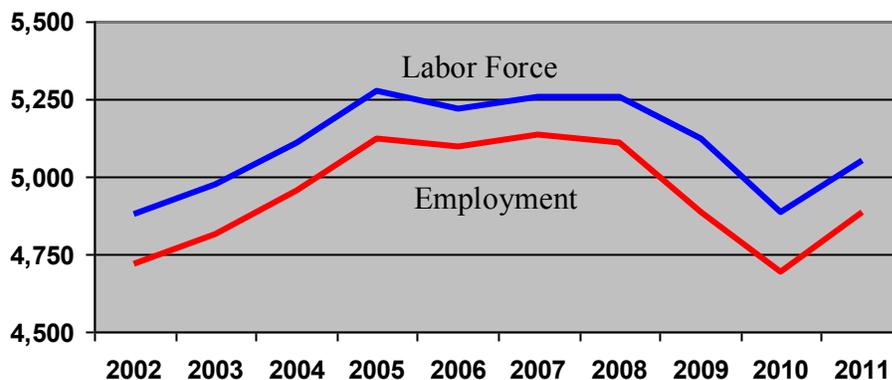
The national recession did not hit Sidney as hard as most of America, but it still had a pretty significant impact on the local employment and labor force. Between 2008 and 2010, the number of employed persons living in the county declined by 420 persons (8%) which equals a 3.6% annual decline rate. On the bright side, the labor force did not decline at the same rate, as it fell by 370 persons (7%) in the two years. The unemployment rate “spiked” to 4.6% in 2009 before settling in at 4% in 2010. Although these were high levels of unemployment for the recent history of Sidney, it was less than half the national unemployment level.

Both the labor force and employment have experienced a nice rebound in 2011. The county’s labor force has increased 162 persons in the first nine months of 2011, led by an even greater increase in employment of 197 persons, a 4.2% increase. The unemployment rate has fallen to 3.2% which is nearly a third of the national rate.

Cheyenne County Labor Force and Employment, 2002 to September 2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Labor Force	4,876	4,976	5,112	5,278	5,220	5,258	5,257	5,119	4,887	5,049
Employment	4,716	4,812	4,952	5,124	5,098	5,136	5,110	4,885	4,690	4,887
Unemployed	160	164	160	154	122	122	147	234	197	162
Unemployment Rate	3.3%	3.3%	3.1%	2.9%	2.3%	2.3%	2.8%	4.6%	4.0%	3.2%

Cheyenne County Labor Force and Employment, 2002 to September 2011



Employment

Total employment in Cheyenne County in September 2011 has increased by 3.6% in the past decade, which equals an annual growth rate of just 0.4%. However, the county experienced strong employment in the first half of the last decade before the national recession offset much of the growth.

Between 2002 and 2005, employment in Cheyenne County grew at an annual rate of 2.8%. This was much stronger than the national and statewide employment growth rates of 1.3% and 0.5%, respectively.

Employment in Cheyenne County remained fairly constant from 2005 to 2008. During the same time, the national employment grew at 0.8% annually while the state grew its employment 0.9% annually.

Even though the nation experienced a much greater increase in its unemployment rate during the recession, the rate of employment declined at a greater rate in Cheyenne County. Between 2008 and 2010, employment declined by 8.2%, an annual decline rate of 4.3%. During the same time the nation only experienced a 2.2% annual decline in employment while the state saw its employment fall 1.5%.

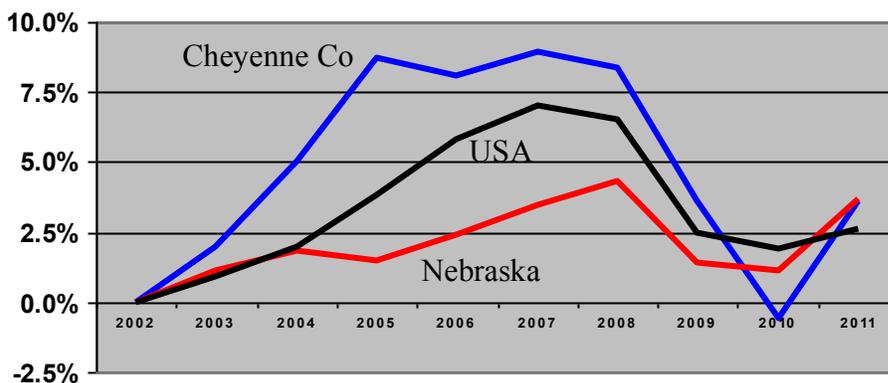
The reason Sidney had nearly double the rate of decline in employment during the recession than the nation yet maintained a much lower unemployment rate was due to the difference in labor force. While Cheyenne County’s labor force fell 7.6% while the national labor force only fell 0.3%. Also, while Sidney’s labor force is still 4% below 2008 levels, the national labor force is actually greater than 2008 levels. This is part of the reason why the national unemployment rate is nearly three times the county level.

Employment in Cheyenne County has bounced back strongly in the past year. In the first 9 months of 2011, employment n Cheyenne County has increased by a very strong 4.2%. This is a much greater rate than the county experienced in the first part of the previous decade. It is also much greater than the state and national employment increases over the past 9 months which have experienced employment growth of 2.5% and 0.7%, respectively.

Employment, 2002 to September 2011 (US in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Cheyenne County	4,716	4,812	4,952	5,124	5,098	5,136	5,110	4,885	4,690	4,887
Nebraska	921,201	931,622	938,105	935,447	943,176	953,057	960,652	934,161	931,414	955,106
United States	136,485	137,736	139,252	141,730	144,427	146,047	145,362	139,877	139,064	140,025

Change in Employment, 2002 to September 2011



Unemployment

The unemployment rate of 3.2% in Cheyenne County in September 2011 is very little changed from the annual unemployment rate of 3.3% in 2002. However, the rate has fluctuated throughout the decade.

Between 2002 and 2007, the unemployment steadily declined from the 3.3% annual rate in 2002. By 2006, the unemployment rate fell to a low of 2.3% in 2006 and 2007. This rate is well below what would be considered full employment.

As the impact of the national recession spread to Sidney, unemployment rose to a high of 4.6% in 2009. The local economy has been experiencing a rebound the past two years, dropping the unemployment to 3.2%, which is below the 2002 level.

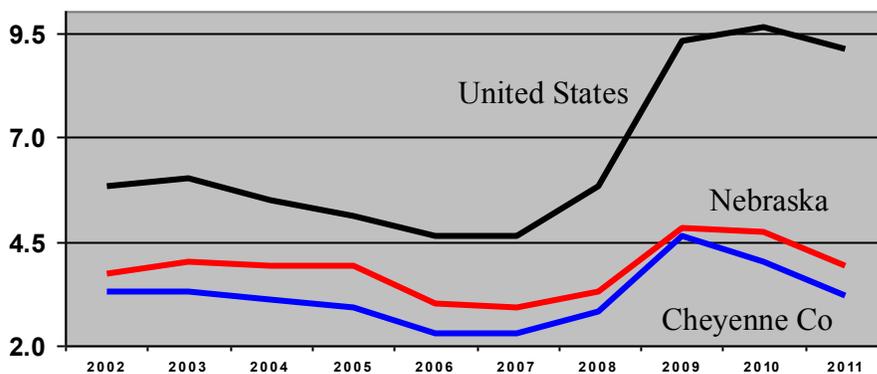
Cheyenne County’s unemployment rate has remained below the statewide rate. The closest the county’s unemployment has been to the state level was at the peak of the recession when the county’s unemployment of 4.6% approached the state’s 4.8% level. For most of the decade, though, the county unemployment rate has been around 0.7 less than the state’s, which is equal to the present difference of 3.2% to 3.9%.

Both the county’s and the state’s unemployment rate have remained well below the national unemployment rate. Cheyenne County’s unemployment rate were consistently 2.0 or more below the national rate. However, during the great recession, the county rate has been less than half the national rate and is presently nearly a third of the national level.

Unemployment Rate, 2002 to September 2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Cheyenne County	3.3	3.3	3.1	2.9	2.3	2.3	2.8	4.6	4.0	3.2
Nebraska	3.7	4.0	3.9	3.9	3.0	2.9	3.3	4.8	4.7	3.9
United States	5.8	6.0	5.5	5.1	4.6	4.6	5.8	9.3	9.6	9.1

Unemployment Rate, 2002 to September 2011



Employment by Place of Work

While the Department of Labor measures the amount of workers and the number of employed persons in the county, they do not measure the total amount of jobs held by those local workers or the number of jobs held by out-of county workers. (ie: a person holding two jobs is counted as one employed person in the labor force) The Bureau of Economic Analysis measures the economy, which includes the number of jobs.

Since 1970, Cheyenne County has increased the number of jobs available by 55.8% even though the population has declined by 13.8% during the same time period.

The ratio of jobs to people in Cheyenne County is now incredibly high. In 1969, Cheyenne County only had 44 jobs per 100 residents which was slightly less than Nebraska's 45.2 and the nation's 47.7. By 2009, Cheyenne County had 80.4 job per resident, much higher than the state's 67.9 and the nation's 56.6.

Cheyenne County actually has over 1,000 more jobs than it has persons age 15 to 70. The county's employers thus has to rely heavily on persons commuting from other counties and having local residents working more than one job.

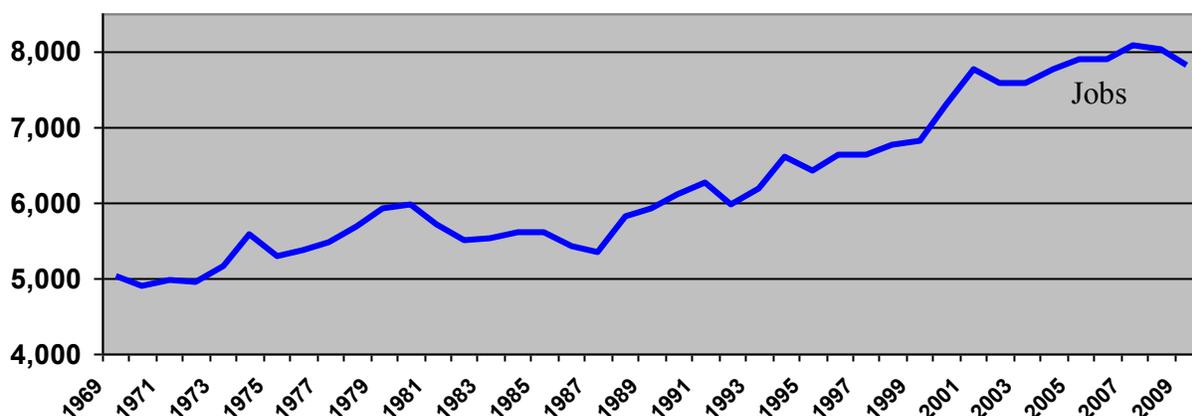
A large majority of the job growth over the past 40 years has occurred since 1992. The county had good job growth from 1969 to 1980, as the number of jobs increased from 5,014 to 5,983 during this time. This is a 19.3% increase that equates to an jobs growth of 1.6%.

Job growth then stagnated from 1980 to 1992. During this time, the number of jobs declined slightly from 5,983 to 5,972.

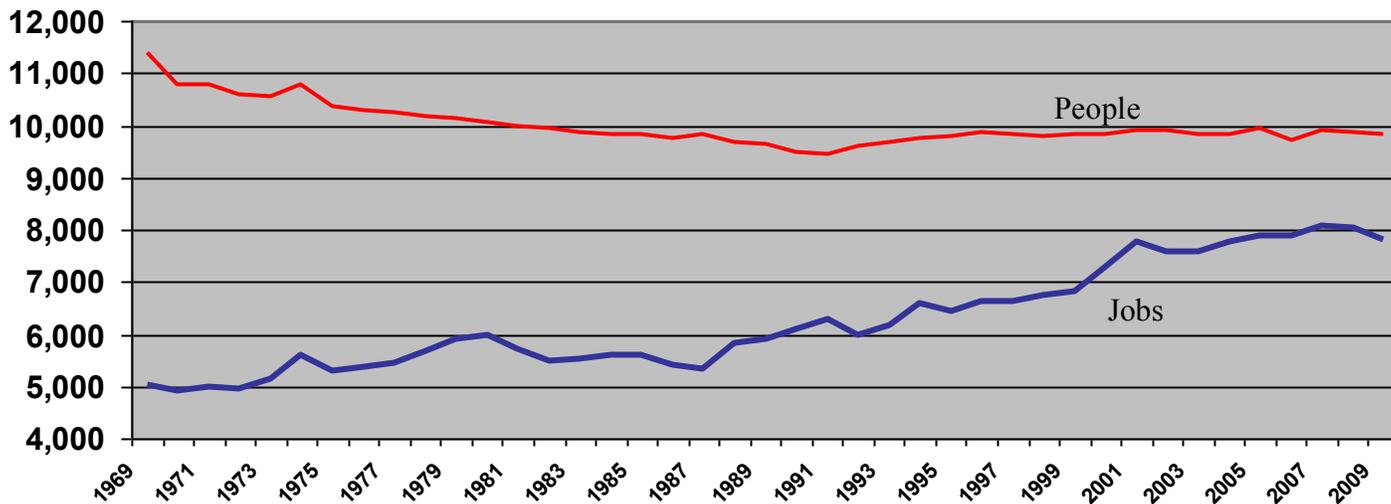
Employment in the county started to grow again after 1992. Between 1992 and 1999, the number of jobs increased to 6,814, a 14% increase that equates to 1.9% annual growth in employment. Employment then exploded between 1999 and 2001, increasing by 941 jobs, a 13.8% increase with an incredible annual employment growth rate of 6.5%. Net employment from 2001 to 2009 has been modest due to employment declines during the recession. Employment in 2009 was 7,812, down from the peak of 8,070 in 2008.

More recent data from the Nebraska Department of Labor indicates the local employment has rebounded since 2009. Thus, total employment is likely returning to the 8,000 job level.

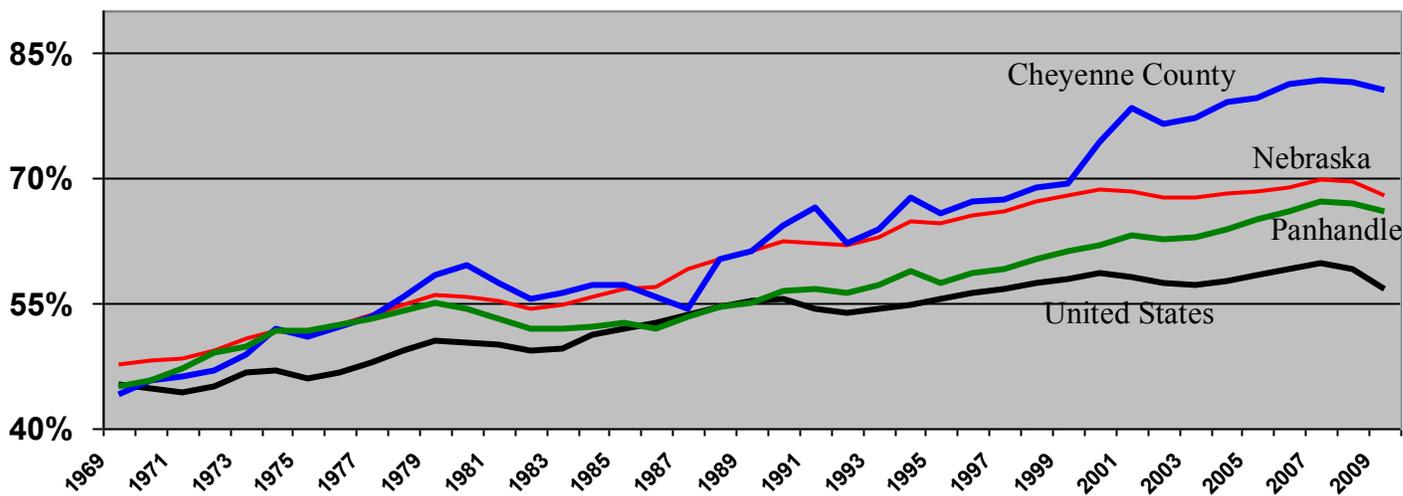
Employment by Place of Work, Cheyenne County 1969 to 2009



Employment by Place of Work/Population, Cheyenne County 1969 to 2009



Ratio of Employment by Place of Work to Population 1969 to 2009



Nonfarm Employment by Sector

Cheyenne County's rank order of industries by employment is quite different from the state's rank order.

Wholesale trade provides the most jobs of any sector in the county. This sector provides 1,162 jobs. Even though it is the largest industry, it only accounts for 16% of the employment. The state only has 3.8% of its jobs in wholesale trade.

Retail trade also provides over a thousand jobs and makes up 14.2% of county non-farm employment. This is a slightly higher ratio than the state's 11.1%.

Government jobs rank third in the county with 12.2% of the jobs. A large majority (84%) of these 887 jobs are categorized as local government jobs. A majority of the local government jobs are likely associated with the local public schools. The county's ratio of government jobs is actually lower than the state and nation.

Over a tenth of the job sectors are not disclosed. It is likely that a large share of these 772 jobs are in the management of companies and enterprises. This figure and the large number of wholesale and retail jobs are likely associated with Cabela's.

All of the remaining industries account for less than 10% of the county's jobs. The health care accounts for 7.9%; accommodation and food services 7.7%; transportation and warehousing 5.4%; manufacturing 4.7%; other services 4.3% construction 3.5%, finance and insurance 3.1%, real estate 1.7%, mining 1% and all other sectors have less than 1%.

Nonfarm Employment by Sector, 2009

	Cheyenne County		Nebraska	United
Wholesale trade	1,162	16.0%	3.8%	3.6%
Retail trade	1,031	14.2%	11.1%	10.3%
Government and government enterprises	887	12.2%	15.1%	14.4%
Local government	745	10.3%	9.4%	8.4%
State government	57	0.8%	3.0%	3.1%
Federal, civilian	43	0.6%	1.4%	1.7%
Military	42	0.6%	1.2%	1.2%
Not Disclosed	772	10.6%	7.5%	8.6%
Health care and social assistance	576	7.9%	11.0%	11.0%
Accommodation and food services	560	7.7%	6.4%	7.0%
Administrative and waste management ser-	407	5.6%	4.8%	5.8%
Transportation and warehousing	393	5.4%	5.2%	3.2%
Manufacturing	341	4.7%	8.2%	7.2%
Other services, except public administration	310	4.3%	5.5%	5.8%
Construction	253	3.5%	5.9%	5.6%
Finance and insurance	224	3.1%	6.5%	5.5%
Real estate and rental and leasing	120	1.7%	3.1%	4.4%
Mining	70	1.0%	0.3%	0.8%
Information	50	0.7%	1.7%	2.0%
Utilities	41	0.6%	0.2%	0.4%
Arts, entertainment, and recreation	41	0.6%	1.9%	2.2%
Educational services	15	0.2%	1.9%	2.3%
Professional, scientific, and technical services	(D)	(D)	5.2%	6.9%
Management of companies and enterprises	(D)	(D)	1.5%	1.1%
Forestry, fishing, and related activities	(D)	(D)	0.8%	0.5%

Employment in Government Sectors

Cheyenne County has become much less dependent on government jobs in the past two decade.

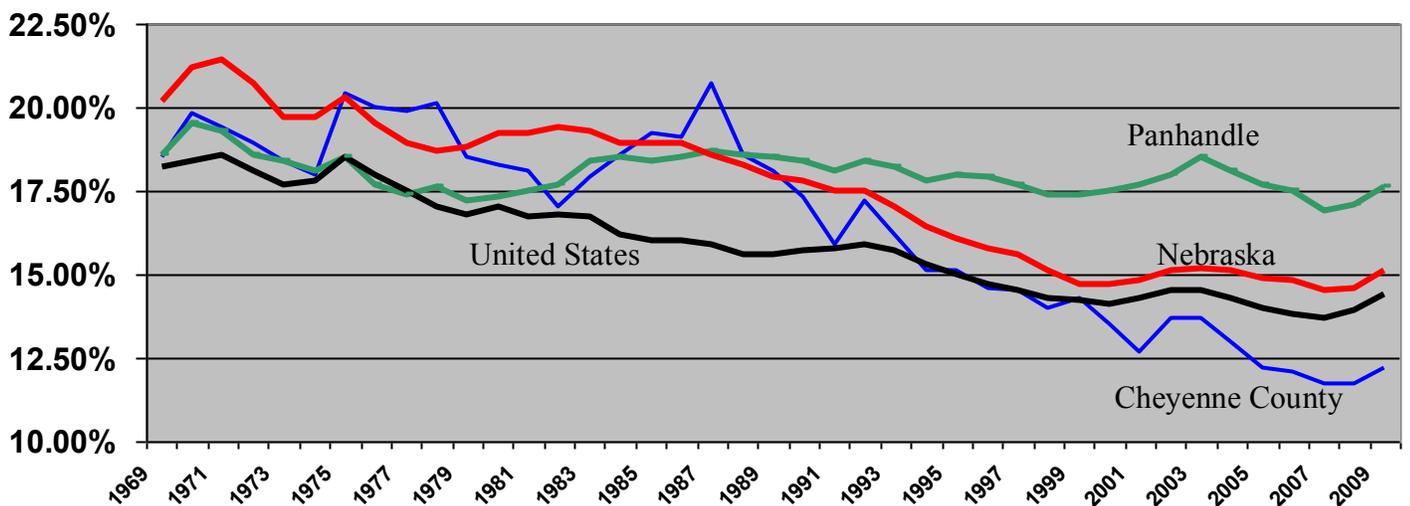
As recently as 1987, over one in five (20.9%) non-farm jobs in the county were government sector positions. This was above the state and regional levels of 18.6% and 18.7%, respectively and well above the national rate of 15.9%.

Due to a large increase in private sector jobs, the share of jobs in government sectors is much lower. By 2008, government sector jobs only accounted for 11.7% of county employment. Due to the recession costing millions of private sector jobs nationally, the share of government jobs rose across the nation, including Cheyenne County. In 2009, government jobs still represented just 12.2% of county jobs which was below the state and national rates of 15.1% and 14.4%, respectively. This figure was well below the Panhandle region which still had a high level of government sector jobs (17.6%).

The share of government sector jobs is likely lower in Cheyenne County in 2011 than 2009 levels. Although data is not yet available at the county level, nationally, private sector employment has increased by over 2 million jobs since May 2010 while government sector positions have been greatly reduced, falling by over 1 million positions.

Recent employment data along with anecdotal observation has shown an increase in private sector employment locally in the past year while government sector jobs have been stagnant at best.

Percent of Nonfarm Employment in Government Sectors



Self-Employment

While the United States has experienced a significant increase in the number and share of self-employment in the past decade, Cheyenne County has seen a dramatic reduction in the share of workers who are self-employed. However, **the number of non-farm proprietors in Cheyenne County has never been higher.**

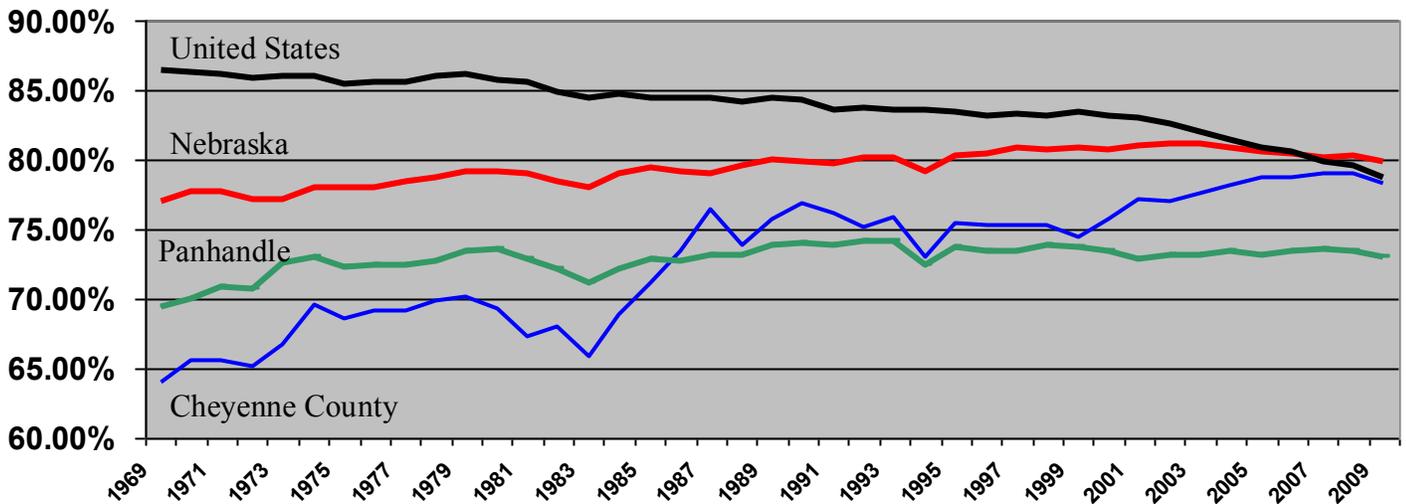
The declining share of self-employment locally is not the result of Cheyenne County becoming less entrepreneurial, but rather, it shows the success of several local entrepreneurs adding thousands of wage and salary jobs to assist in their growth.

Between 1969 and 2007, the number of wage and salary jobs in Cheyenne County nearly doubled, increasing from 3,210 wage and salary jobs in 1969 to 6,374 at the 2007 peak, before settling in at 6,115 in 2009.

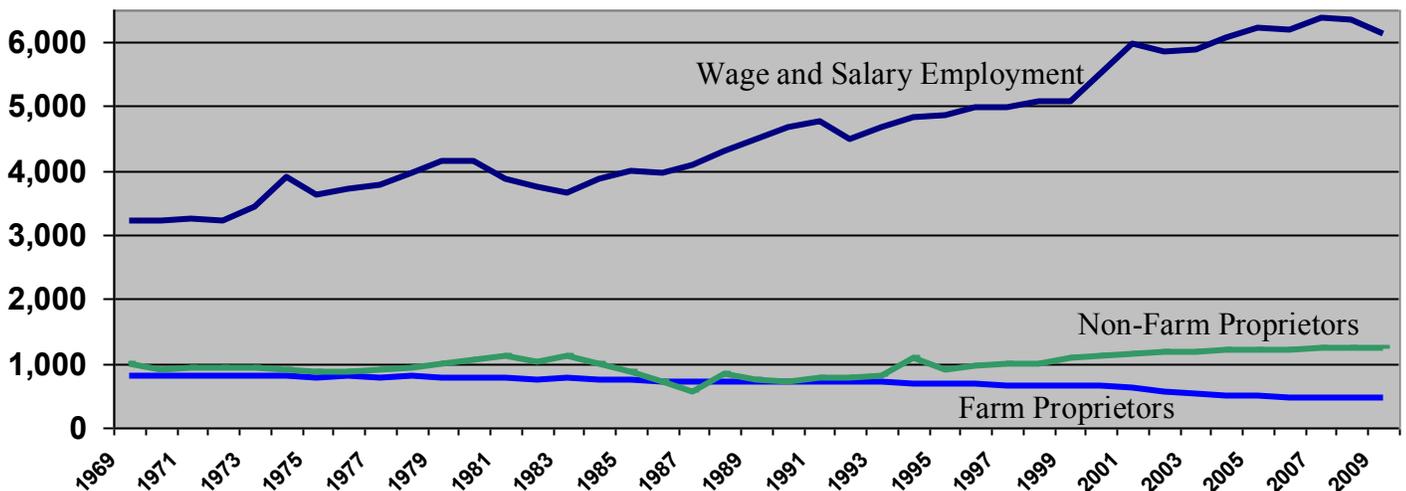
Thus, even though the share of non-farm proprietors has declined, the number of non-farm proprietors in Cheyenne County has never been higher. In 2009, the county had 1,238 non-farm proprietors, up 39.5% from the 887 in 1995. This equates to a strong annual growth rate of 2.4%.

Cheyenne County's percent of employment is thus nearly identical to the country's. In 2009, 21.7% of Cheyenne County workers were self-employed compared to the national rate of 21.3%. This is far different from 1969 when 36% of Cheyenne County's workers were self-employed while only 13.5% of the nation's and 23% of the state's workers were self-employed.

Percent of Employment that is Not Self-Employed



Total Employment by Type



Commuting Patterns

With Cheyenne County having far more jobs than working age persons, it is not surprising that the vast majority of Sidney workers are employed in the county. All but 110 of Sidney's workers are employed in Cheyenne County. Of these, only 41 worked in another Nebraska county while 69 worked outside of the state.

This ratio is vastly different from the state and nation where around 1 out of four workers works outside their home county.

Place of Work, 2005-09 estimate

	Sidney		Cheyenne County	Nebraska	United States
Work in home County	3,336	96.7%	95.6%	.78.8%	72.6%
Work in other County in State	41	1.2%	2.5%	18.3%	23.6%
Work outside of State	69	2.0%	1.9%	2.9%	3.8%

Commuting Times

The average commute for all Sidney workers is less than half the nation's commuting time. The average travel time to work in Sidney is just 11.2 minutes compared to 17.7 minutes in Nebraska and nearly a half/hour (25.2 minutes) for the nation.

Nearly half (48.3%) of Sidney's workers spend less than ten minutes travelling to work. Statewide, only a quarter (25.4%) of workers have a drive of less than ten minutes to work. Nationally, only 14.3% of workers have such a short commute.

Sidney has a low percentage of its workforce who travel 30 or more minutes compared to the state and national averages. Only one in twenty Sidney workers (5.1%) drive more than 30 minutes to attend their job while 16.1% statewide and 35.1% of workers nationally drive this far to work.

Travel time to work, 2005-09 estimate

	Sidney	Cheyenne County	Nebraska	United States
Less than 10 minutes	48.3%	39.2%	25.4%	14.3%
10 to 19 minutes	41.7%	36.5%	34.1%	29.9%
20 to 29 minutes	4.8%	14.3%	20.2%	20.6%
30 to 44 minutes	1.5%	6.5%	11.3%	19.6%
45 to 59 minutes	0.7%	0.8%	3.0%	7.5%
60+ minutes	2.9%	2.8%	2.8%	8.0%
Average Travel Time	11.2	14.2	17.7	25.2

Net Flow of Earnings to Neighboring Counties

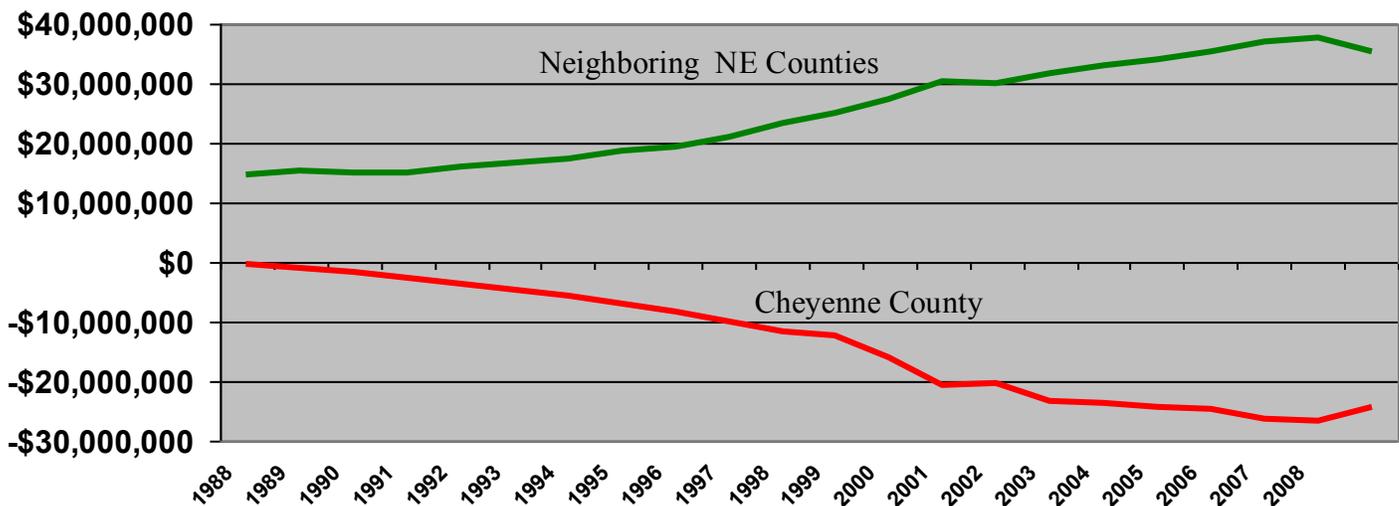
Prior to 1986, more earnings were flowing into Cheyenne County through commuting than out of it. This implies more Cheyenne County residents were working in neighboring counties than the residents of neighboring counties were working in Cheyenne County.

Since the late 1980's, the amount of net wages flowing to neighboring counties has grown nearly fifteen fold in real terms from \$1,796,325 in 1990 to \$26,699,204 in 2008. During this time, wages flowing into the county remained fairly constant while real outflows increased more than five times from \$6,195,269 in 1990 to \$31,728,420 in 2008.

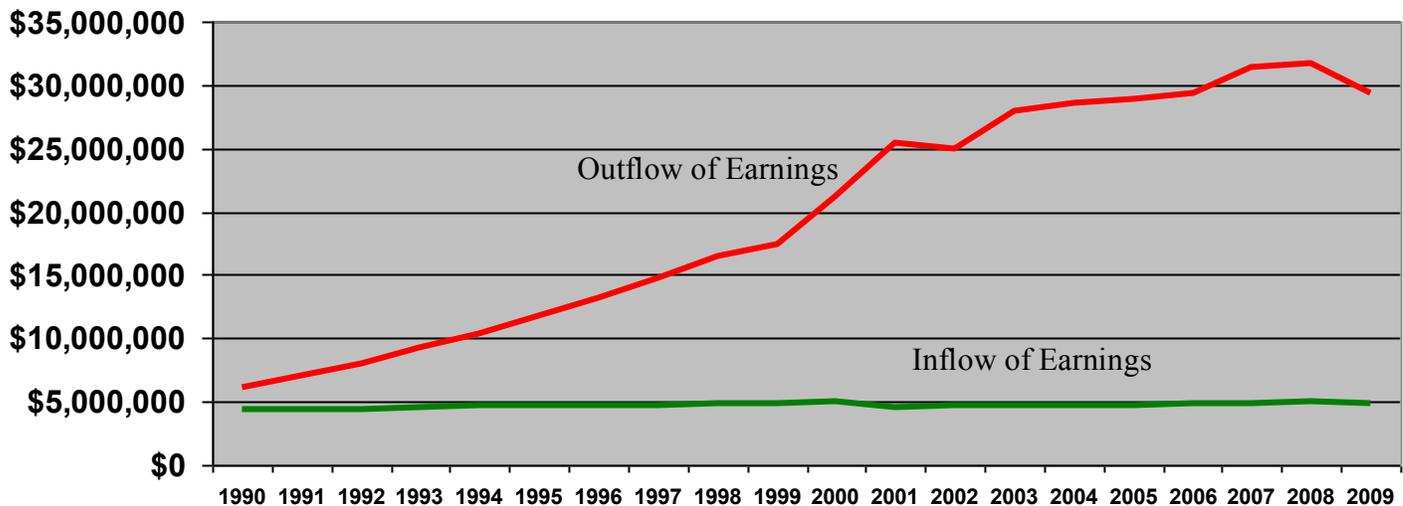
These figures demonstrate how Cheyenne County's economy transitioned from not being able to employ its own labor force to becoming the predominant economic engine of the entire southern Panhandle in less than a decade.

It is particularly noteworthy how Cheyenne and Kimball Counties switched economic roles in the matter of one decade. During the 1970's and the first half of the 1980's, Kimball County had more wages flowing out than in (demonstrating it as a commuter destination) while Cheyenne County had more earnings flowing in than out. However, since the late 1980's, Cheyenne County has increasingly grown as a commuter destination while Kimball County residents increasingly earn their incomes in other counties.

Inflation-Adjusted Net Earnings Flowing into Neighboring Counties/out of Cheyenne County, 1988 to 2009

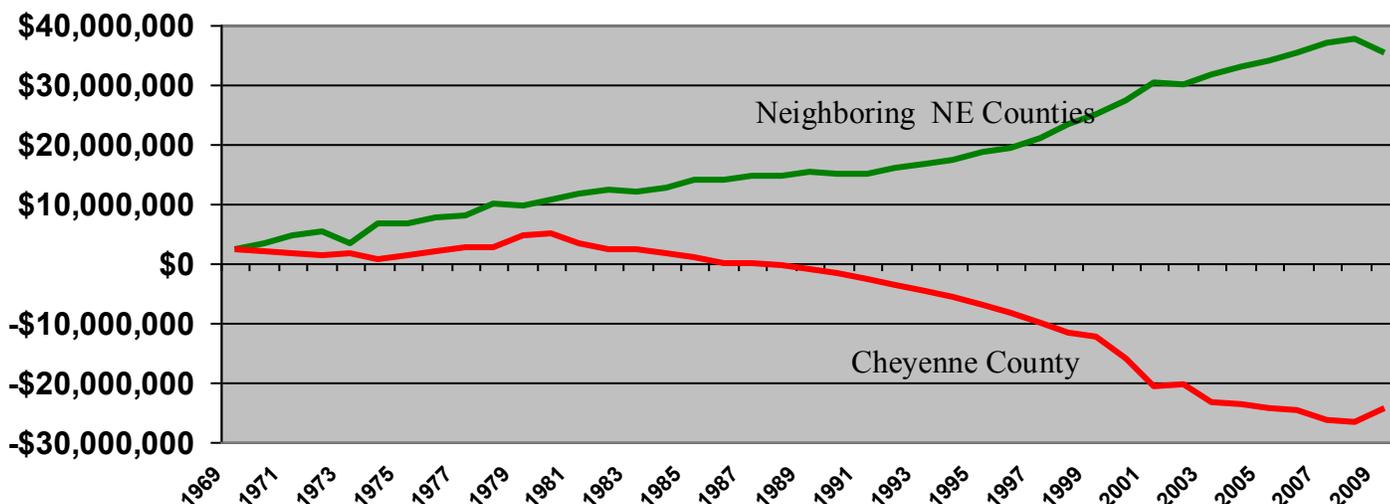


Inflation-Adjusted Earnings Flowing in/out of Cheyenne County, 1990 to 2009

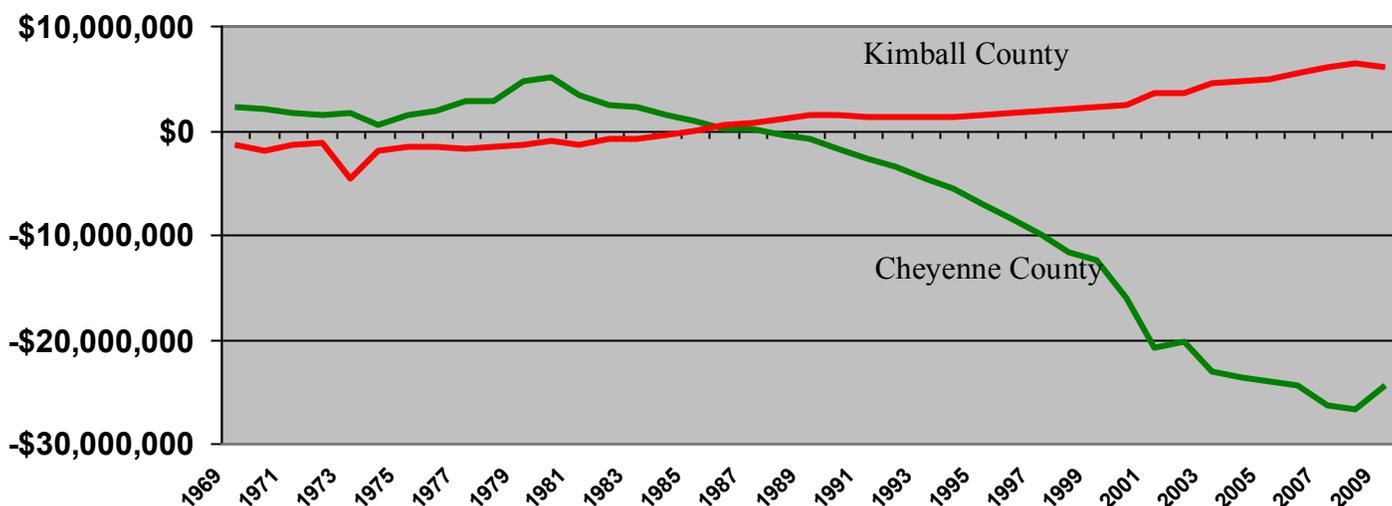


Source: Bureau of Economic Analysis

Inflation-Adjusted Net Earnings Flowing into Neighboring Counties/out of Cheyenne County, 1969 to 2009



Inflation-Adjusted Net Earnings Flowing into Kimball County/out of Cheyenne County, 1969 to 2009



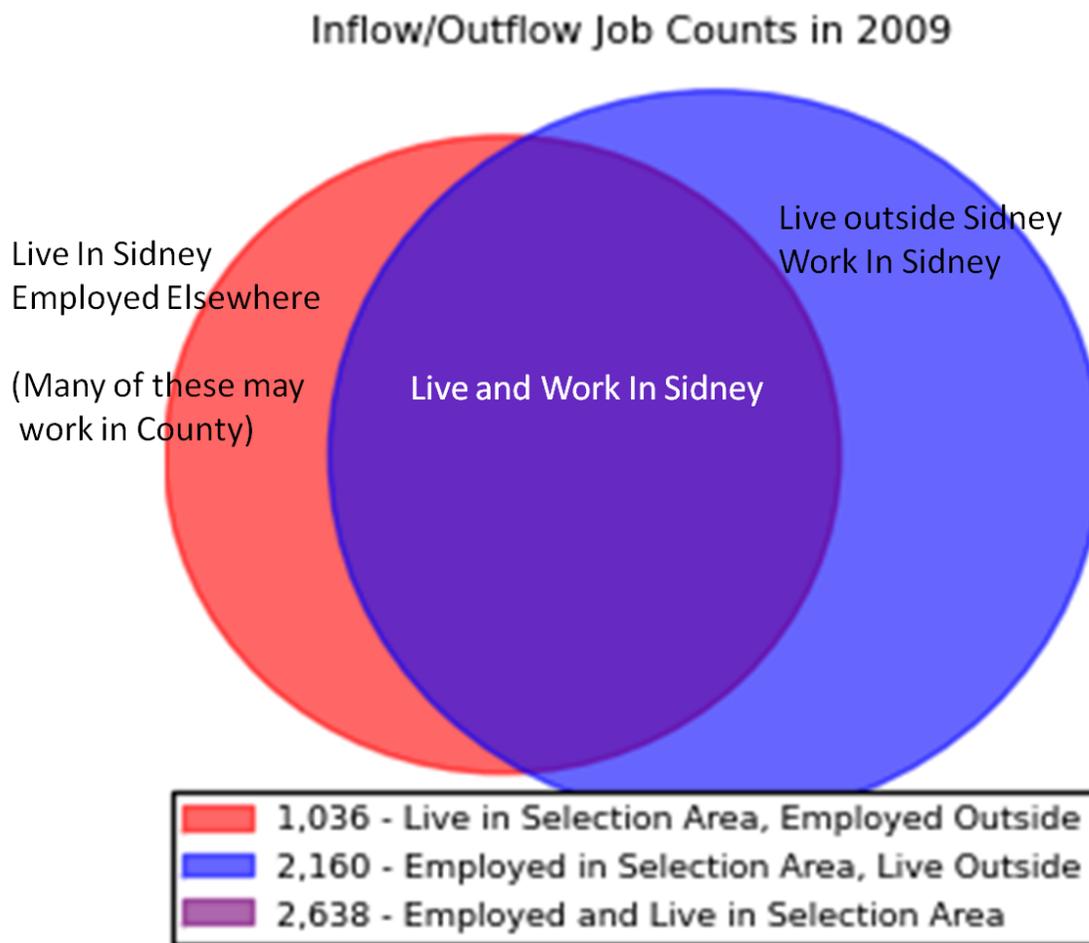
Net Jobs Flow

While the Bureau of Economic Analysis does not provide data for towns the size of Sidney, the IRS does provide some data for the city on job flow.

According to the IRS, Sidney has more jobs than workers. In 2009, Sidney had 3,674 workers. Of these persons, 2,638 lived and worked in Sidney while 1,036 Sidney residents worked outside the city limits. However, cross-referencing this data with census data, one can assume that a large majority of the Sidney residents working outside the city limits were employed in Cheyenne County.

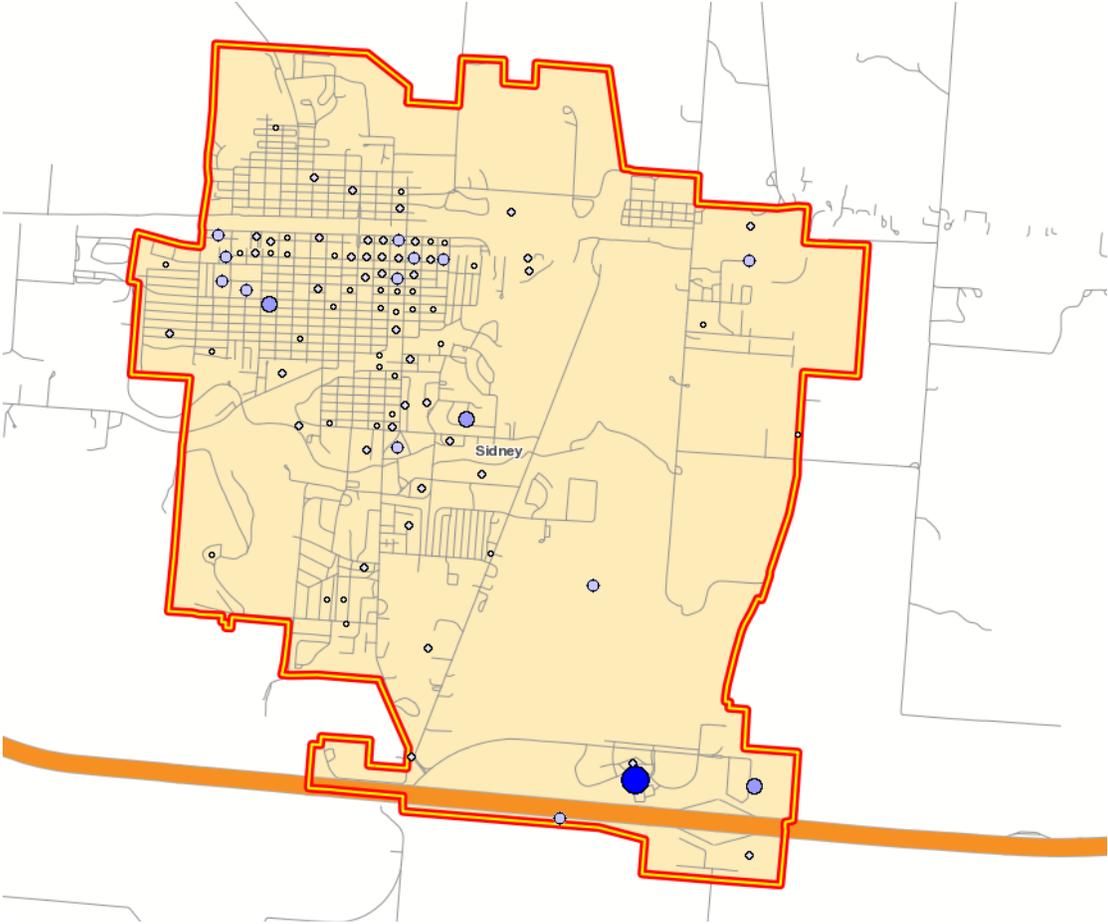
The IRS data indicates that 4,798 people worked in Sidney in 2009. This figures is 31% greater than the total number of local workers and 82% greater than the number of locally employed Sidney residents.

This situation provides Sidney with an enviable ability to concentrate on providing higher quality jobs whereas much of America is challenged with simply providing any type of work for their residents.

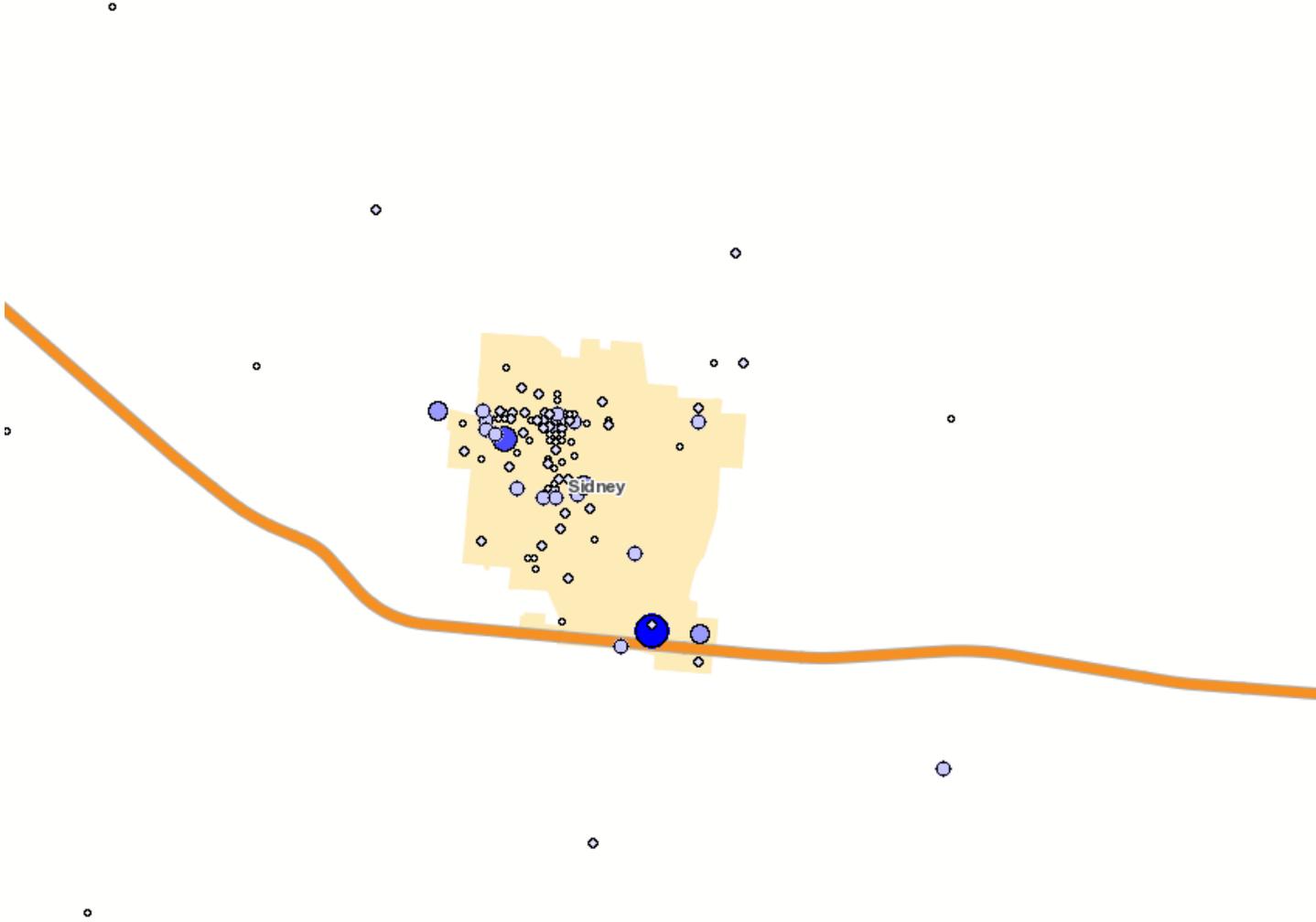


Note the blue/purple area (jobs) is larger than red/purple area (residents)

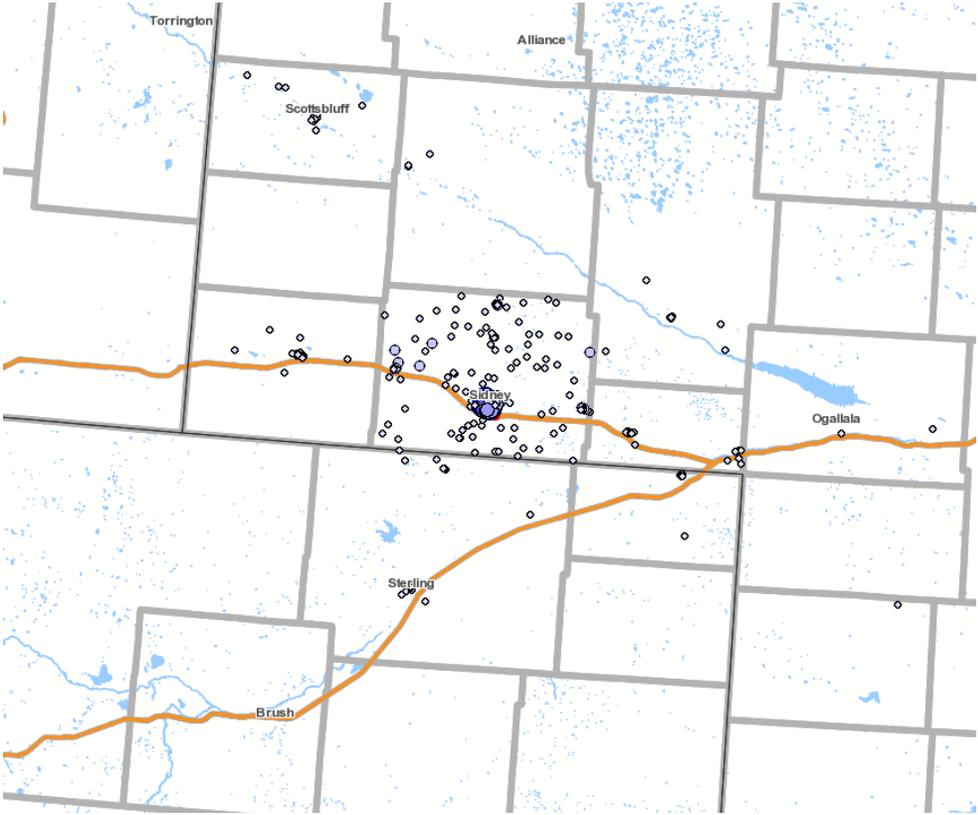
Where Sidney's Jobs are Located



Where Sidney Residents Work



Where Sidney Workers Live



Tax Revenue

- **Taxable Retail Sales**
- **Lodging Tax Revenue**
- **Aggregate Property Valuation**

Taxable Retail Sales

Although taxable retail sales continued to trend higher, pre-recession, from 1997 to 2008 in nominal terms, taxable retail sales actually peaked in 2000 in real dollar terms.

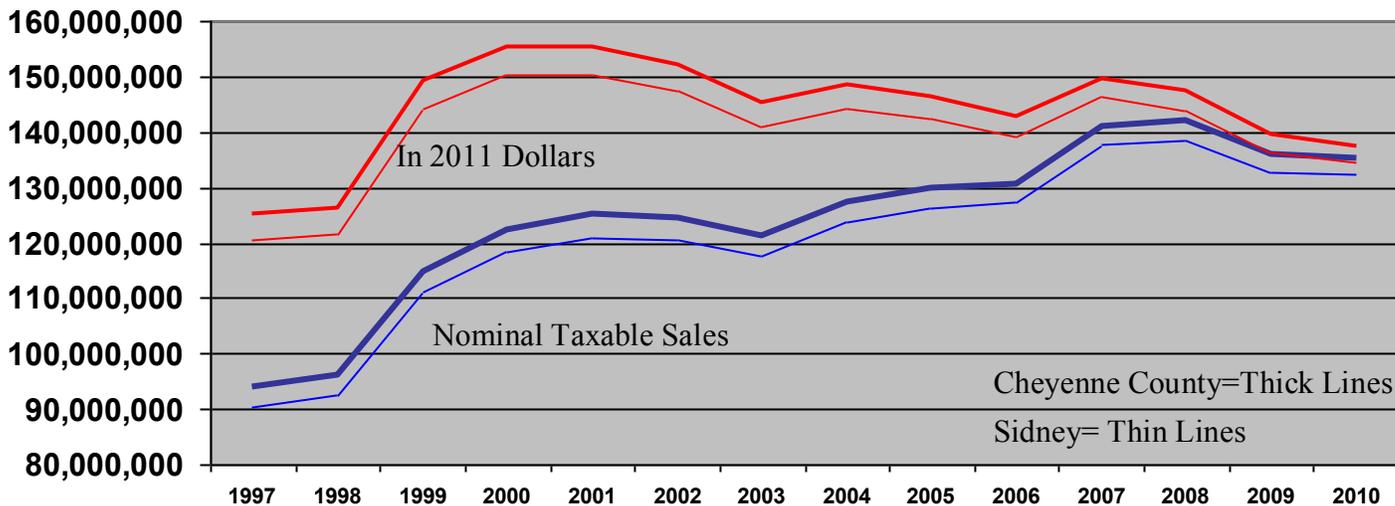
Taxable retail sales increased from \$90,383,437 in 1997 to \$138,618,422 in 2008. This is a 53.4% increase which equates to a very strong 3.9% annual growth rate. However, after adjusting for inflation, taxable retail sales only increased by 19.5% from 1997 to 2008, which equates to a more modest, but still good 1.6% annual growth rate.

However, in inflation-adjusted terms, all the real growth occurred between 1997 and 2000. Between 2000 and 2008, real taxable sales declined 4.2% with an annual decline rate -0.5%.

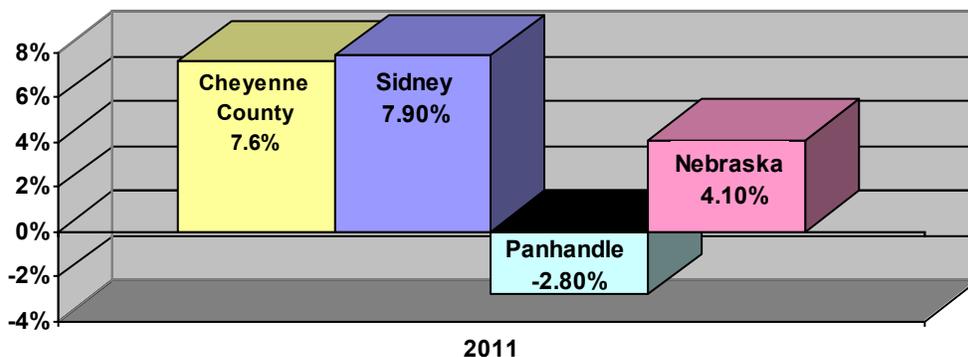
Retail sales slipped in both real and nominal terms between 2008 and 2010. Nominal retail sales in 2010 were \$132,341,016, a 4.5% decline from 2008. In real terms, retail sales were down 6.5% from 2008, but remained 11.6% higher than 1997 levels.

Taxable retail sales have bounced back strongly in the first half of 2011. In the first six months of the year, Sidney experienced a 9.3% increase in taxable retail sales which equals 7.9% after adjusting for inflation.

Sidney and Cheyenne County Taxable Retail Sales, 1997 to 2010



Change in Inflation Adjusted Taxable Retail Sales, First Half 2010 vs First Half 2011



Change in Inflation Adjusted Taxable Retail Sales, First Half 2010 vs First Half 2011

Sidney Share of Taxable Sales, 1997 to FH2011

Taxable Retail Sales

Sidney greatly outperformed the state and region in taxable retail sales growth from 1998 to 2001 as it added several new businesses.

However, from 2001 to 2006 both the state and the Panhandle region outperformed Sidney in retail sales growth. After a better year for Sidney in 2007, this trend continued through 2010.

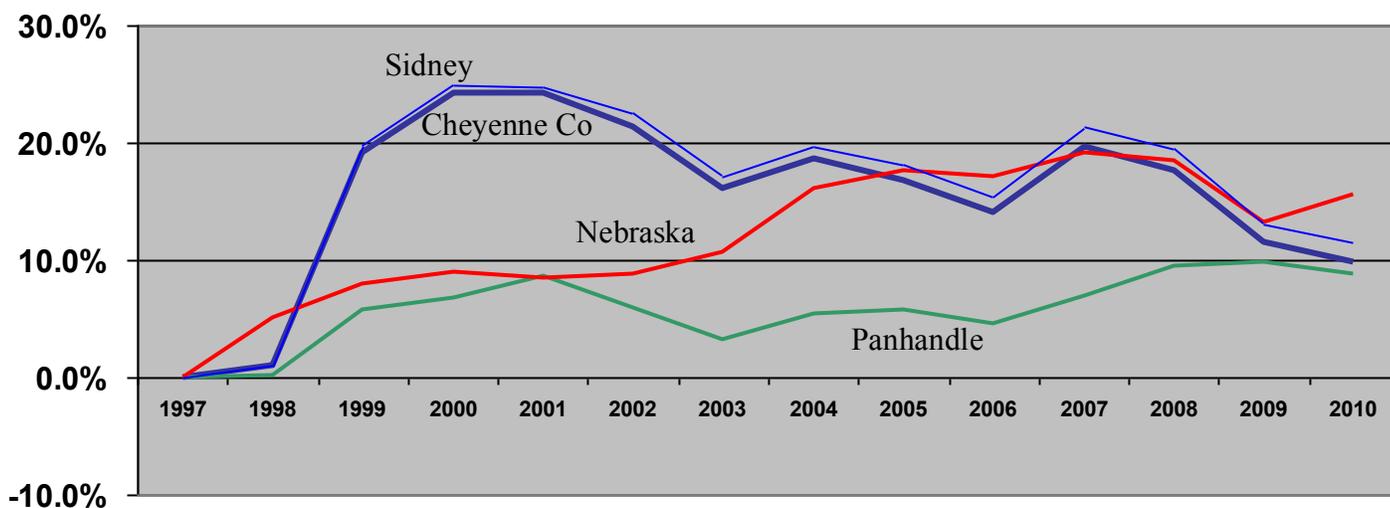
However, in the first half of 2011, Sidney has greatly out-performed the region as taxable sales increased 9.6% while regional sales continued to decline in both real and nominal terms. Sidney has also outperformed the state so far in 2011, although the state has now outperformed Sidney in retail sales growth from 1997 to the present.

	County	Region	State
1997	96.2%	14.3%	0.58%
1998	96.3%	14.4%	0.56%
1999	96.7%	16.2%	0.64%
2000	96.7%	16.7%	0.66%
2001	96.6%	16.4%	0.67%
2002	97.0%	16.5%	0.65%
2003	97.0%	16.2%	0.61%
2004	97.1%	16.2%	0.60%
2005	97.3%	16.0%	0.58%
2006	97.5%	15.8%	0.57%
2007	97.6%	16.2%	0.59%
2008	97.7%	15.6%	0.58%
2009	97.6%	14.7%	0.58%
2010	97.7%	14.6%	0.56%
FH2011	97.9%	15.3%	0.54%

Change in Taxable Inflation Adjusted Retail Sales, 2010 to the First Half of 2011

	2010 Sales	2010 Inflation-Adjusted	2011 Sales	Nominal Change	Adjusted Change
Cheyenne Co	\$59,771,048	\$60,717,931	\$65,347,121	9.3%	7.6%
Sidney	\$58,395,212	\$59,320,300	\$63,980,226	9.6%	7.9%
Panhandle	\$423,203,726	\$429,908,051	\$417,830,280	-1.3%	-2.8%
Nebraska	\$11,277,300,158	\$11,455,953,325	\$11,927,895,382	5.8%	4.1%

Change in Taxable Inflation Adjusted Retail Sales, 1997 to 2010



Lodging Tax Receipts

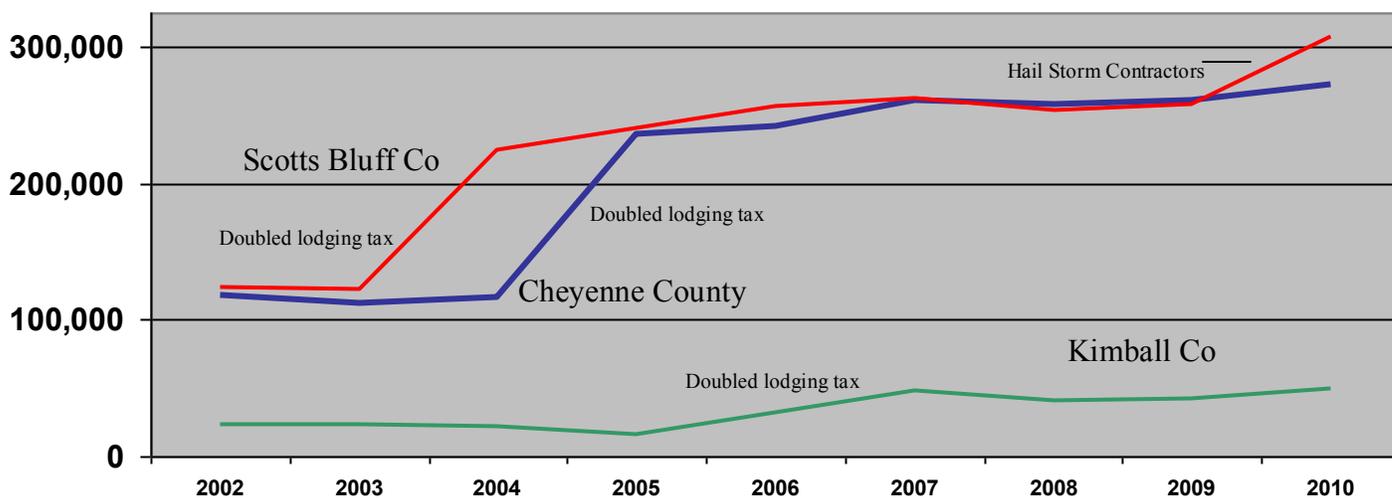
Lodging tax receipts have consistently grown year-over-year in Cheyenne County in the past decade. However, after adjusting for inflation and changes in the lodging tax rate, lodging tax receipts have only grown modestly in the past decade.

Between 2002 and 2004, inflation-adjusted lodging tax receipts were stable with receipts around \$117,000 per year. After doubling the tax rate in 2005, tax receipts jumped to \$236,768, slightly more than double the level of the previous year. By 2010, real lodging tax receipts grew to \$273,219. This is a 15% increase since 2005 and approximately a 16.7% increase from 2002. This implies a healthy annual growth rate of 2.9% since 2005 and 1.9% annual growth since 2002.

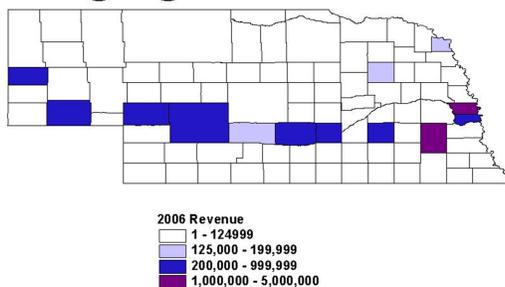
Cheyenne County’s lodging tax receipts closely mirrored Scotts Bluff County’s lodging tax receipts from 2002 to 2009. Scotts Bluff County did experience a big jump in 2010, but that was due to many contractors staying in local hotels to fix hail damage.

Cheyenne County’s ability to collect lodging taxes equivalent to Scotts Bluff County is impressive when one considers that they are more than 3.5 times larger and have more tourist attractions. It does demonstrate the large advantage of having an Interstate highway. However, the Interstate in itself does not guarantee hotel stays as demonstrated by Cheyenne County’s lodging taxes being 5.5 times greater than Kimball County’s. While some of the difference is likely due to much greater business stays in Sidney, it also demonstrates the benefits of having a greater variety of service offerings and having a more attractive and inviting interchange village.

Change in Inflation-Adjusted Lodging Tax Receipts, 2002 to 2010



Lodging Tax Revenues



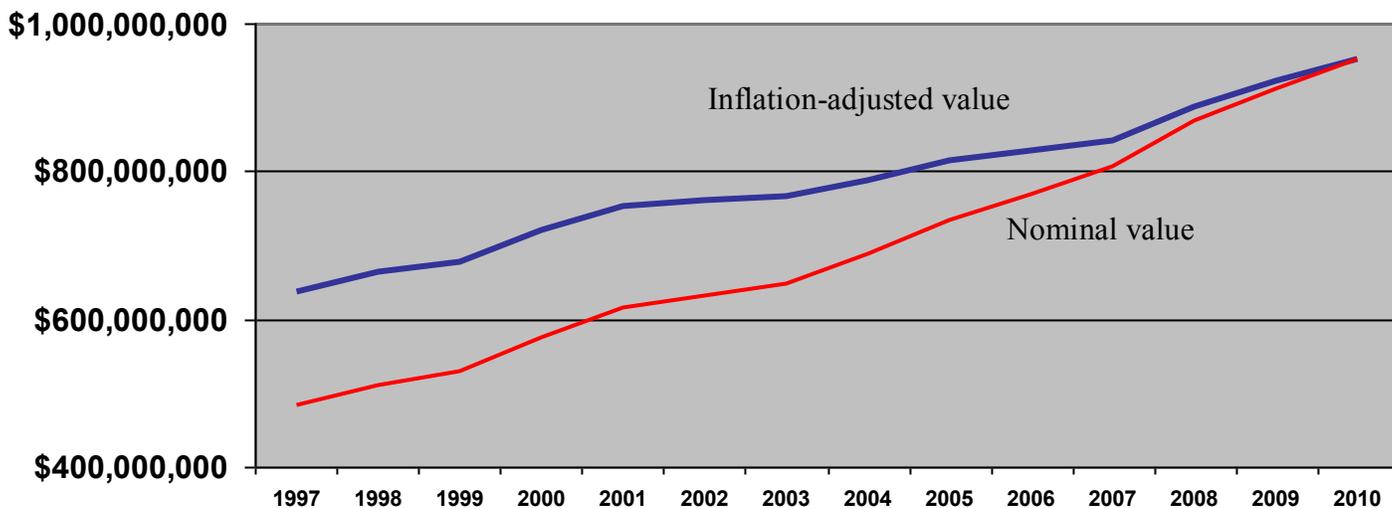
Aggregate Property Valuation

Cheyenne County’s aggregate property valuation has nearly doubled since 1997, increasing from \$484,496,294 in 1997 to nearly a billion dollars in 2010 (\$950,750,337.) This is a 96.2% increase with a very strong annual growth rate of 5.2%.

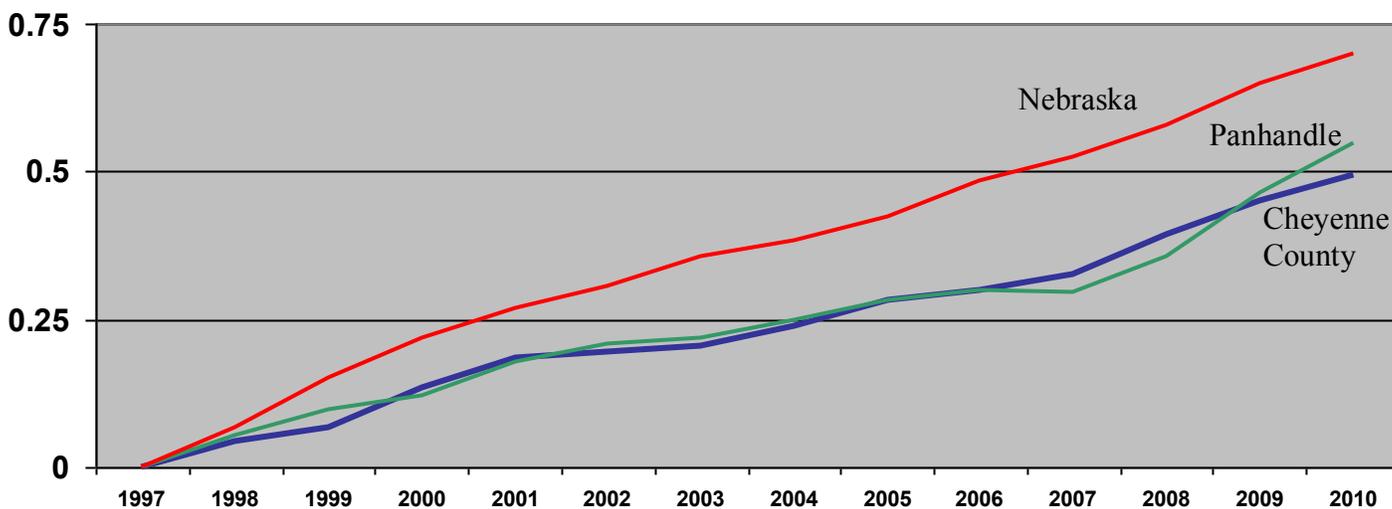
Even after adjusting for inflation, property valuations in the county increased by 49.6%, which equates to a strong annual growth rate of 3.1%.

Despite this strong growth in property valuations, Cheyenne County valuation increase surprisingly trails the Panhandle region’s real growth of 54.9% from 1997 to 2010. It also is well below the real statewide valuation growth of 70.1%, which one would expect given the large increase in irrigated farmland and the greater valuations and growth in Omaha and Lincoln.

Change in Cheyenne County Aggregate Property Valuation, 1997 to 2010



Percentage Change in Aggregate Inflation-Adjusted Property Valuation, 1997 to 2010



Education

- **Education Attainment**
- **Earnings by Education Level**
- **Public School Proficiency**
- **Education Facilities**

Education Attainment

As the nation's economy moves toward more service and technology jobs, education attainment is more closely correlated with economic prosperity. As this trend progresses, educational attainment and skill levels of the labor force will play an increasingly important role in the town's ability to maintain its strong economy and population base.

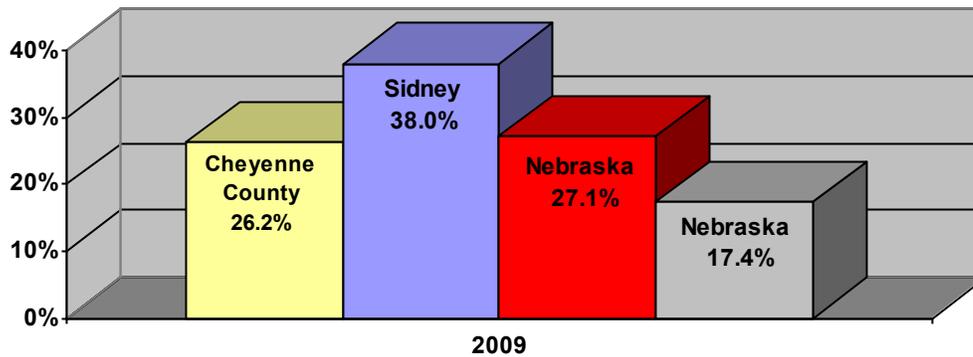
ACS estimates for 2009 indicate that Sidney residents have education attainment levels well above the state and nation. Sidney's college education attainment rate of 38% of adults 25+ is more than double the national average of 17.4% and is well above the state rate of 27.1%. Sidney also has high school attainment levels (92.9%) that are well ahead of the state (89.7%) and nation 84.6%.

Sidney also has a high share of residents receiving a Master's degree or higher (9.2%) than the state (8.5%). The national rate (10.1%) of advanced degrees is a bit higher than Sidney's even though the nation has a lower attainment rate at the high school and college degree level.

Education Attainment, 25 years old +, 2009

	Sidney	Cheyenne Co	Nebraska	United States
High School	92.9	93.1	89.7	84.6
College Degree	38.0	26.2	27.1	17.4
Master's or Higher	9.2	7.6	8.5	10.1

College Degree Attainment Rates, 2009



Education Attainment by Age

Sidney's younger generations are, not surprisingly, more likely to have a college degree than the older generations. Sidney's younger generations are also more likely to have a college education than their state and national counterparts.

Well over a third (38%) of Sidney's 25 to 34 years have a college degree compared to just 30.5% nationwide and 32.3% statewide. Sidney's 35 to 44 year olds are also more educated than their state and nation counterparts as 32.3% of Sidney residents in this age group have a college degree. This is slightly higher than the state 31.5% and national (30.2%) levels.

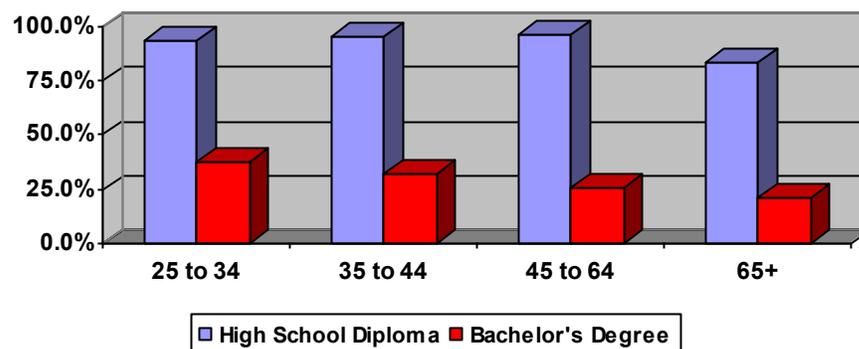
Sidney's 45 to 64 year olds are more likely to have a high school degree than their state and national counterparts, but they are less likely to have a college degree. Sidney residents in this age group have a higher high school graduation rate 96.7% than local 25 to 44 year olds. This is well above the 87.2% national rate and above the statewide 92.9%. However, only 26% have college degree compared to 28% statewide and 28.5% nationally.

While Sidney's 65+ population has lower high school and college graduation rates than the locals under age 65, they have higher education attainment levels than the state and nation at both the high school and college level.

Education Attainment, 25 years old +, 2009

	Sidney	Cheyenne Co	Nebraska	United States
Population 25 to 34 years	893	1,156	224,517	40,443,203
High school graduate or	93.60%	92.30%	90.10%	86.60%
Bachelor's degree or higher	38.00%	34.90%	32.30%	30.50%
Population 35 to 44 years	789	1,277	228,914	42,748,574
High school graduate or	95.80%	96.40%	91.20%	87.20%
Bachelor's degree or higher	32.30%	30.00%	31.50%	30.20%
Population 45 to 64 years	1,556	2,728	441,654	76,248,125
High school graduate or	96.70%	96.60%	92.90%	87.20%
Bachelor's degree or higher	26.00%	26.00%	28.00%	28.50%
Population 65 years and	971	1,525	236,108	38,000,870
High school graduate or	83.90%	84.70%	81.70%	74.20%
Bachelor's degree or higher	21.30%	16.60%	16.10%	19.30%

Education Attainment by Age, 2009



Earnings by Education Level

Although Sidney generally has higher education attainment levels than the state and the nation, Sidney residents with the higher levels of education earn less on average than their state and national counterparts.

Sidney residents without a high school degree, though, earn more than the state and national counterparts.

With the exception of an anomaly of persons without a high school degree earning more locally than high school graduates, more educated persons generally have significantly higher earnings than persons with lower levels of education.

A Sidney resident with a Bachelor's degree on average earns twice as much as a high school graduate. The average Sidney resident with a Bachelor's degree earns \$41,914. This is slightly higher than their statewide counterpart, but well below (14%) the national average of \$47,747.

These earnings are more than double the average earnings of a Sidney resident with just a high school degree (\$20,388). These earnings are also well below the earnings of their state (\$25,695) and national (\$27,272) counterparts.

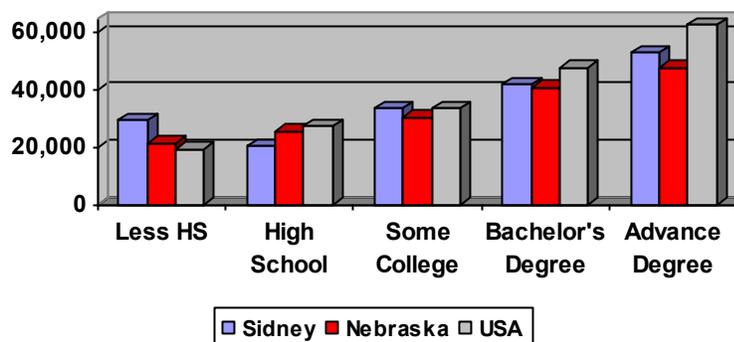
Sidney residents with an advanced degree also earn more than their statewide counterparts while earning 18% less than their national counterparts.

Sidney residents with some college or an Associate's degree earn slightly more than their national counterpart and 11% more than their statewide counterparts. Persons with this level of education, though, earn much less than persons who completed four year of college.

Median Earnings by Education Level, 2009

	Sidney	Cheyenne Co	Nebraska	United States
Less than High School	29,313	27,917	21,341	19,420
High School	20,388	22,069	25,695	27,272
Some College or Associates Degree	33,515	31,798	30,170	33,457
Bachelor's Degree	41,914	41,702	40,903	47,747
Graduate or Professional Degree	53,092	48,942	52,299	62,708

College Degree Attainment Rates, 2009

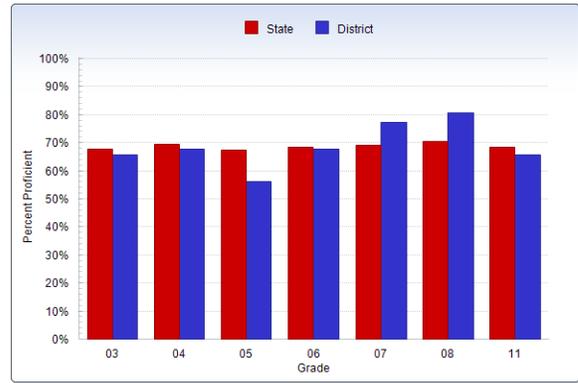


Reading Proficiency

Data from the Nebraska Department of Education indicates the reading proficiency of Sidney’s junior high students surpass the state proficiency levels.

However, the reading proficiency of Sidney’s elementary and 11th graders trails the state proficiency levels.

Reading Proficiency by Grade

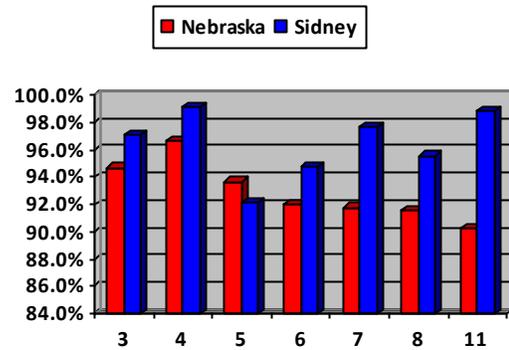


Math Proficiency

Data from the Nebraska Department of Education indicates the math proficiency of Sidney’s students surpasses the state proficiency levels.

Sidney’s junior high and high school students have mathematic proficiency well above the state proficiency levels.

Math Proficiency by Grade

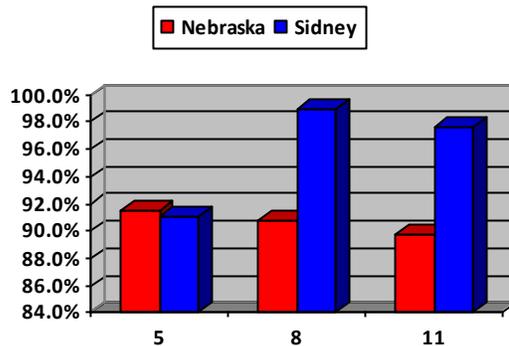


Science Proficiency

Data from the Nebraska Department of Education indicates the science proficiency of Sidney’s junior high and high school students surpass the state proficiency levels by a fairly high margin.

The science proficiency standards for elementary students are only measured at the fifth grade level, which is Sidney’s lowest scoring grade for reading and math. Nevertheless, the science proficiency of Sidney’s fifth graders was equivalent to the state proficiency level.

Science Proficiency by Grade



Sidney Public Schools

The Sidney Public High School provides a well-rounded education for students who wish to advance their education either in a four-year college, University, or through a technical program. The District shares staff with Western Nebraska Community College and Nebraska Wesleyan in order to extend the opportunities for students. The district has invested resources that allow students to develop skills in using technology while allowing students to benefit from academic growth.

Small class sizes allow for educators to develop a relationship with the students and to provide for meeting individual needs. Inclusive Special Education assistance is available as well as pull out classes. Non-traditional students have the opportunity to take advantage of the "Plato Program" in an Alternative Education setting.

Students participate in sports, award winning musical activities, clubs, and organizations and serve as assistants to teachers. A school to work program is available.

The Middle School exists to provide a transition from elementary to senior high school. The educators in this building believe in a blended Middle School and Junior High philosophy. The academic curriculum consist of required courses and elective classes. Required courses continue the students basic education in Math, Science, Social Studies, and English. The elective classes are designed to develop the students appreciation for and basic understanding of the subject areas offered. Sidney Middle School students have consistently done well in mastering the state standards. Standardized test scores also show students scoring above the national average. Team teaching, co-teaching, pull out special education, and assistance for "at-risk" students are available.

Sidney Middle School offers football, basketball, track, wrestling, volleyball, cross-country, band, chorus, student council, national honor society, FCCLA, quiz bowl and spirit club.

South Elementary is a kindergarten and first grade school. This past year there were six sections of kindergarten and six sections of first grade. All day kindergarten was started during the 2003-2004 school year for all students. The Reading First philosophy has prompted more instructional time and consistent teaching methodology across the K-3 reading curriculum.

South Elementary has a school wide Title program. Students are in small classes to encourage the development of basic skills. All levels of special education and an "At Risk" program are available.

South Elementary is fortunate to have volunteers and paraeducators working with classroom teachers to foster the development of basic skills and overall learning for all students.

North Elementary houses the second and third grades. North Elementary has a school wide Title program which provides support to any student with reading and math assistance. Saxon phonics and math are used to ensure that students have structured instruction in these areas. The Reading First philosophy has prompted more instructional time and consistent teaching methodology across the K-3 reading curriculum. Classes are below 20 students per class to encourage extra attention and the chance for more practice. North is the home of the Cool Kids Club / No limits grant program for at risk students which provides before and after school activities as well as a ten week summer program.

Central elementary has a unique arrangement in that only fourth grade students attend this school. Students benefit from 90-minute blocks of instruction for Reading and Math and work with their homeroom teachers for the remaining core subjects. A full gamut of Special courses are offered each week including Art, Guidance, Library and Computer Skills, as well as Music and Physical Education, which are offered biweekly. Students have access to individual assistance through para-educators and volunteers. Students at Central Elementary continue to raise standardized test scores as well as meet proficiency requirements of the Nebraska State Standards. Central Elementary also houses the office for Special Education and Curriculum and Assessment. The Cool Kids program also has an office at Central.

West Elementary is the grade level attendance center for al 5th and 6th graders in Sidney with an approximate total attendance of 180 students. Students benefit from 90-minute blocks of instruction for Reading and Math and departmentalized instruction for the other core subjects. . A full gamut of Special courses are offered each week including Art, Guidance, Library and Computer Skills, as well as Music and Physical Education, which are offered biweekly. Special Education students receive the majority of their instruction n the classrooms with assistance. All students have access to individual assistance through para-educators and volunteers. Students have the opportunity to access a before and after school tutoring programs for extra assistance. Standardized test scores continue to be well above the national average.

Western Nebraska Community College

The Western Nebraska Vocational Technical School was founded in 1965 by the State Legislature at the Sioux Army Depot. In October 1966, classes began at the technical vocational school. The school changed its name to Western Nebraska Technical College in 1971. On July 1, 1978, the Area Board of Governors placed three entities, Nebraska Western College, Western Nebraska Technical College, and Alliance School of Practical Nursing, into a single college, multiple campus setting. On July 1, 1988, the Board of Governors discontinued the separate campus names and changed the name of the college to Western Nebraska Community College.

Credit and noncredit courses are offered at the Sidney campus. WNCC works closely with communities to ensure that course offerings meet the educational needs of each community. WNCC also provides job training opportunities for local businesses

Agricultural Economy

- **Farm Employment**
- **Farm Size**
- **Farm Values**
- **Age of Farm Operators**
- **Agricultural Sales**

Farm Employment

Farmers make up a very small percentage of Cheyenne County's total population but account for a large share of economic activity in the county.

The number of persons with farming as their principal occupation has been steadily decreasing. In 1982 the County had 545 principle farmers. By 2007, the number of principle farmers declined 35% to just 354 persons.

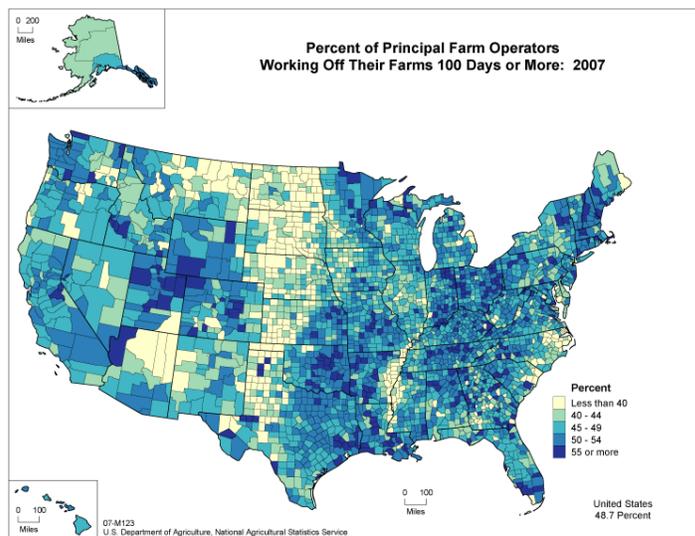
The number of persons farming part-time actually increased from 154 in 2002 to 249 in 2007. Thus the total number of farmers only declined by 13 from 2002 to 2007, although the overall number of persons who farmed decreased from 701 persons in 1982 to 603 persons in 2007, a 13.9% decline.

Operators by Principal Occupation, Cheyenne County, 1982 - 2007

	1982	1987	1992	1997	2002	2007
Farming	545	546	505	475	462	354
Other	156	194	163	170	154	249
Total	701	740	668	645	616	603

In 1982, only 21.8% of the farmers had another full-time job. By 2007, nearly a third (31.8%) of the farmers had a full-time job off of the farm.

Also, well over half of farmers (56.9%) worked off of the farm at least one day in 2007. This figure is well above 1982 figures when only 43.9% of farmers worked at least one day off of the farm.



Operators by Days worked off farm, Cheyenne County, 1982-2007

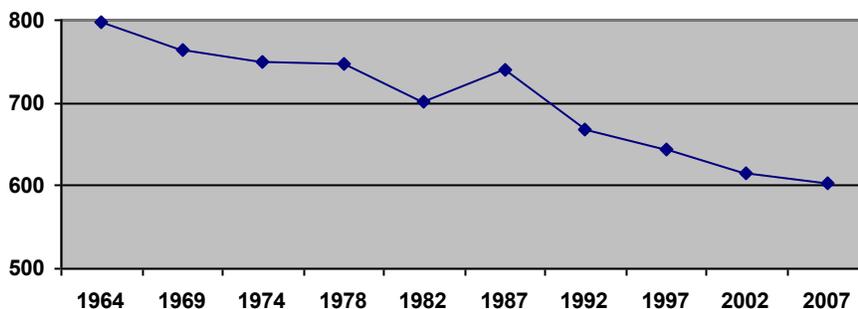
	1982	1987	1992	1997	2002	2007
Any Days	308	280	266	261	290	343
200 or more days	153	118	133	133	184	192

The number of farms in Cheyenne County has steadily decreased from 1964 to 2007, a 24.3%. During this time period, the number of farms has declined from 797 to just 603.

Number farms in Cheyenne County, 1964 - 2007

	1964	1969	1974	1978	1982	1987	1992	1997	2002	2007
Farms	797	765	750	748	701	740	668	645	616	603

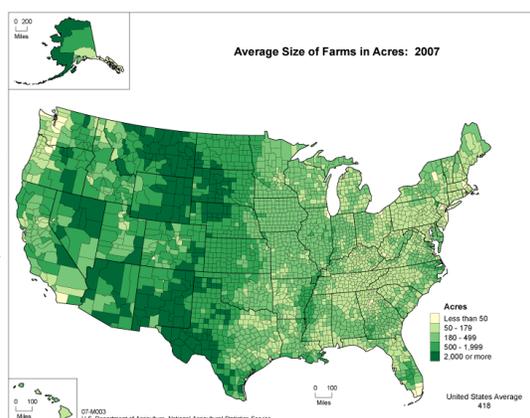
Number of farms in Cheyenne County, 1964 to 2002



Farm Size

The average size of a farm increased 16.5% from 1,073 acres in 1982 to 1,251 acres in 2007. Most of this increase occurred prior to 1992. Since then, farm sizes have remained relatively stable.

From 1982 to 2007, the number of acres in the county that were farmed remained relatively stable. In 1982, 752,179 acres were farmed. By 2007, the figure increased to 754,598 acres.



Land in Farms, 1982 to 2007

	1982	1987	1992	1997	2002	2007
Land in Farms	752,179	765,900	772,453	829,430	803,181	754,598
Ave Farm Size	1,073	1,035	1,156	1,175	1,304	1,251

Farms by Size

The percentage of farms in Cheyenne County that are 1,000 acres in size or larger has increased slightly to 42% of all farms compared to 41.1% in 1982. However, the number of farms this size actually declined from 288 farms in 1982 to 253 in 2007.

The percentage of farms in Cheyenne County that are less than 180 acres increased from 17.6% in 1982 to 25% in 2007. The actual number of farms this size also increased from 124 farms to 151 farms.

The trend for more larger farms and more small farms in the county obviously means the number of medium sized farms is declining. In 1982, the 156 farms 500 to 999 acres represented 22.3% of county farms. By 2007, the number of farms this size declined by 43.5% to just 88 farms accounting for just 14.6% of county farms.

Farms by Size, 1982 to 2007

	1982		1987		1992		1997		2002		2007	
1 to 9 acres	23	3.3%	32	4.3%	23	3.4%	8	1.1%	3	0.5%	6	1.0%
10 to 49 acres	24	3.4%	26	3.5%	20	3.0%	27	3.8%	30	4.9%	45	7.5%
50 to 179 acres	77	11.0%	94	12.7%	85	12.7%	87	12.3%	90	14.6%	100	16.6%
180 to 499 acres	133	19.0%	141	19.1%	118	17.7%	152	21.5%	110	17.9%	111	18.4%
500 to 999 acres	156	22.3%	164	22.2%	140	21.0%	138	19.6%	99	16.1%	88	14.6%
1,000 or more acres	288	41.1%	283	38.2%	282	42.2%	294	41.6%	284	46.1%	253	42.0%
	701	-	740	-	668	-	706	-	616	-	603	-

Farm Values

The real dollar value of farms in Cheyenne County increased significantly between 2002 and 2007. Farm values have likely increased just as strongly since the last ag census. However, real farm values in 2007 of \$946,141 are slightly below the 1982 level of \$946,141. The average value per acre of \$741 in 2007 is well above levels seen from 1987 to 2002, but well below adjusted 1982 levels of \$896.

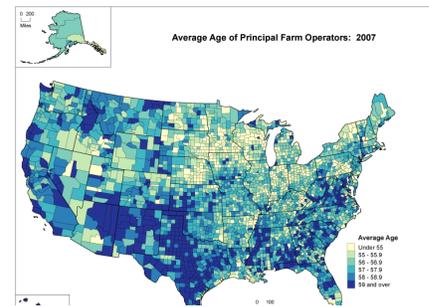
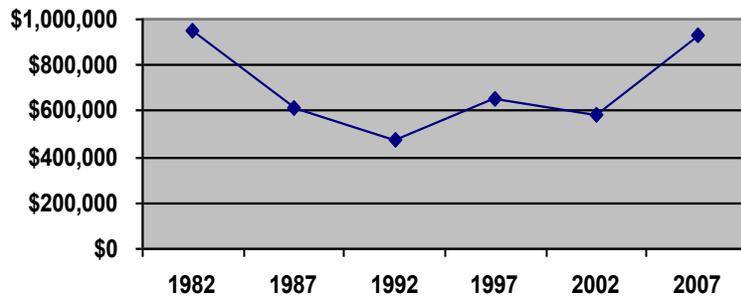
Although current farm values are below the 1982 level, they are nearly double 1992 values. In 1992, the real farm value was just \$479,055. Thus, 2007 values are 94% higher.

Value of Land and Buildings

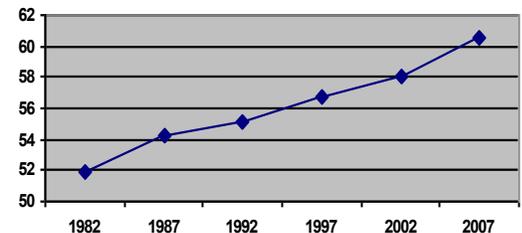
	1982	1987	1992	1997	2002	2007
Average value per farm	493,981	374,484	345,426	523,913	506,534	927,431
Adjusted value per farm	946,141	613,750	479,055	657,631	583,607	927,431
Average value per acre	468	366	343	434	374	741
Adjusted value per acre	896	600	476	545	431	741

*Note: Values adjusted using Gross Domestic Product Price Deflator with 2007= 1.0

Inflation-Adjusted Average Value of Farms, 1982 to 2007



Average Age of Farmers, 1982 to 2007



Age of Farm Operators

Farmers in Cheyenne County have been steadily growing older for many years. From 1982 to 2007, the average age of farmers in the county increased from 51.9 to 60.6 years of age.

During this time, the number of farmers under 35 declined from 125 in 1982 to just 18 in 2007. This is a 81.3% decline.

The number of farmers over 55 years of age increased from 165 persons in 1982 to 233 persons in 2007, a 41.2% increase.

The number of farmers over the age of 65 in Cheyenne County exceeds the number of farmers under the age of 55.

Average Age of Farmer, 1982 to 2007

	1982	1987	1992	1997	2002	2007
Average Age	51.9	54.2	55.1	56.7	58.1	60.6

Age of Farmer, 1982 to 2002

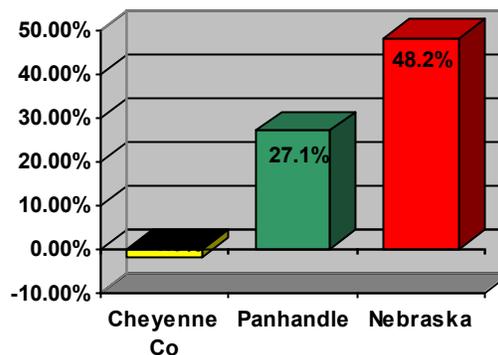
	1982	1987	1992	1997	2002	2007
Under 25	18	12	3	5	1	0
25 to 34	107	88	68	35	23	18
35 to 44	99	127	144	137	77	51
45 to 54	150	110	103	159	178	141
55 to 64	162	163	144	122	125	160
65 and over	165	219	206	248	212	233

Agriculture Sales

Agricultural Sales in Cheyenne County increased tremendously from 2002 to 2007. During this time period, real agricultural sales for Cheyenne County increased 49.6% while the Panhandle increased just 24.6% and the state increased 38.7%.

However, 2007 agriculture sales were actually lower than 1987 levels after adjusting for inflation and were only modestly higher than 1992 and 1997 in real terms. The state actually increased its ag sales from 1987 to 2007 by 48% while the Panhandle region grew its ag sales 27% in real terms. County Ag sales have likely increased significantly since 2007,

Change in Ag Sales, 1987 to 2007



Agricultural Sales, 1987 to 2007

	Cheyenne County		Panhandle		Nebraska	
	Sales	Adjusted	Sales	Adjusted	Sales	Adjusted
1987	94,405,000	154,722,472	\$617,836,000	1,012,585,276	\$6,385,047,000	10,464,596,719
1992	98,633,000	136,789,547	\$791,823,000	1,098,142,706	\$8,239,692,000	11,427,247,842
1997	114,696,000	143,969,833	\$957,180,000	1,201,480,828	\$9,831,519,000	12,340,815,304
2002	88,114,000	101,521,161	\$896,583,000	1,033,004,375	\$9,703,657,000	11,180,136,286
2007	151,884,000	151,884,000	\$1,287,091,000	1,287,091,000	\$15,506,035,000	15,506,035,000

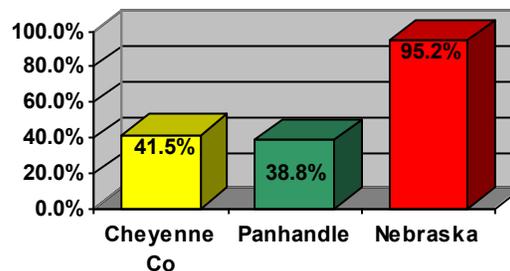
Note: Sales adjusted using Gross Domestic Product Price Deflator with 2007 = 1.0 though. .

Crop Sales

Cheyenne County is the state leader in wheat and millet and rank 36th and 2nd nationally for these crops. It is also ranks 7th in the state for dry edible beans.

Crop sales in Cheyenne County have lagged statewide increases. Crop sales grew significantly in the County from 2002 to 2007 as they nearly doubled in real terms. Crop sales for 2007 also exceeded 1987 levels by 41.5%. This was greater than the Panhandle’s 38.8% but was far below the statewide growth of 95.2% as eastern Nebraska has more productive irrigated farmland and higher value crops.

Change in Crop Sales, 1987 to 2007



Inflation Adjusted Crop Sales, 1987 to 2007

	Cheyenne County		Panhandle		Nebraska	
	Sales	Adjusted	Sales	Adjusted	Sales	Adjusted
1987	29,059,000	47,625,447	\$195,593,000	320,561,754	\$2,139,116,000	3,505,845,184
1992	23,567,000	32,683,983	\$225,463,000	312,684,210	\$2,651,484,000	3,677,220,558
1997	41,384,000	51,946,429	\$286,722,000	359,901,989	\$3,798,462,000	4,767,942,571
2002	30,356,000	34,974,878	\$242,250,000	279,110,032	\$3,388,265,000	3,903,813,219
2007	67,402,000	67,402,000	\$444,935,000	444,935,000	\$6,843,325,000	6,843,325,000

Note: Sales adjusted using Gross Domestic Product Price Deflator with 2007 = 1.0

Livestock Sales

Unlike the remainder of the Panhandle and the state, raising livestock has been a declining industry over the past quarter century in Cheyenne County.

Livestock sales accounted for over half of total county ag sales in 2007. This is down significantly from 69.2% in 1987.

Livestock sales in Cheyenne County increased tremendously from 2002 to 2007. During this time period, livestock sales increased 27% in real dollars while the panhandle and state only experienced increases of 11.7% and 19%, respectively.

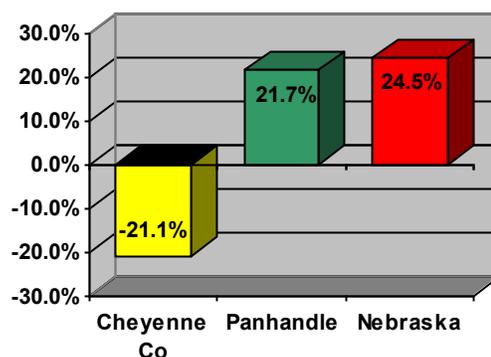
However, between 1987 and 2007, real livestock sales in the county declined 21.1%. During the same time, regional livestock sales grew 21.7% and the state increased livestock sales 24.5%.

Inflation-Adjusted Livestock Sales, 1987 to 2007

	Cheyenne County		Panhandle		Nebraska	
	Sales	Adjusted	Sales	Adjusted	Sales	Adjusted
1987	65,346,000	107,097,025	\$422,243,000	692,023,522	\$4,245,931,000	6,958,751,535
1992	75,067,000	104,106,951	\$566,360,000	785,458,496	\$5,558,208,000	7,708,421,671
1997	73,312,000	92,023,405	\$670,458,000	841,578,839	\$6,033,057,000	7,572,872,733
2002	57,758,000	66,546,284	\$654,334,000	753,895,495	\$6,315,392,000	7,276,323,066
2007	84,482,000	84,482,000	\$842,156,000	842,156,000	\$8,662,710,000	8,662,710,000

Note: Sales adjusted using Gross Domestic Product Price Deflator with 2007 = 1.0

Change in Livestock Sales, 1987 to 2007



Economic Resources

- **Major Employers**
- **Facilities Available for Development**
- **Local Economic Development Efforts**

Major Employers

Cabela's is the largest employer in Sidney with approximately 2,100 employees. **This is well over half the number of Sidney's local labor force.**

Memorial Health Care and TE Connectivity both have more than 200 workers each with 300 and 225 employees, respectively. Wal-Mart (100), The Egging Company (61), Commercial Resins (40), and Pennington Seed (40) are other large private sector employers.

The public sector also employs hundreds of workers. Sidney Public Schools is the largest public employer with 125 employees while the County (83) and the city (78) also employ many residents.

Sidney's Largest Employers

Employer	Workers	Established	Product
Cabela's	2,100	1961	Mail order sporting goods, distributing world wide; world-class retail store
Memorial Health Care	300	1955	Health care
TE Connectivity	225	1974	Telecommunications and data wires
Sidney Public Schools	125	1873	K-12 public education
Wal-Mart	100	2003	Discount retail store
Cheyenne County	83	-	County Government
City of Sidney	78	1884	Local Government
Egging Company	61	1960	Steel fabrication
Commercial Resins	40	2005	Pipe coating manufacturer
Pennington Seed	40	1996	Wild bird feed

Facilities available for Development

The former Sioux Army Depot, now Sioux Meadows Park provides Sidney with an excellent business park. This industrial area has eight buildings that are available for industrial development or warehousing.

Adams Industries provides logistical services to local businesses as well as provides commercial and industrial space for current and prospective industries at its industrial park complex. This site was also part of the Sioux Army Depot and has good access to the interstate as well as logistic capabilities through rail, trucking, warehousing and building sites.

The Adams Industries site has ten buildings that are 90,000 square feet in size that are available for warehousing, distribution, or manufacturing.. There are also 500 acres of undeveloped land adjacent to the buildings. The entire area is zoned for heavy industry.

Numerous vacant lots with outstanding accessibility to highway traffic are available at Sidney's Interchange 59. These lots are easily connected to the City's water and sewer system.

Sidney recently purchased a 90 acre tract on the east side of the Upland Parkway. This location has excellent access to Interstate 80, Highways 30 and 385 and access to the Union Pacific railroad.

In total, Sidney has over 500,000 square feet of warehouse and commercial space for prospective clients.

Local Economic Development Efforts

The City of Sidney, Cheyenne County, and the Cheyenne County Chamber of Commerce have provided a consolidated economic development partnership. This partnership helps support existing businesses and educates prospective businesses on local resources and programs.

Sidney's LB840 sales tax fund has enabled the City to implement numerous economic development efforts. Sidney collects approximately \$2.1 million annually from this tax which is used for property tax relief, community development projects, and job creation incentives. Sidney's location by the interchange has enabled this program to be largely funded by persons who do not live in Sidney.

The City also provides an incentive programs for downtown businesses and historic preservation. The downtown incentives include up to \$3,000 in rental assistance for retail operations.

The City also has a New Neighborhoods Initiative that provides up to \$60,000 in discount incentives. The program provides homes valued at \$159,000 for just \$129,000 regardless of income. For low income households, homes can be purchased for as low as \$99,000.

Strengths

- Real per capita incomes in Sidney have grown 22% between 2000 and 2009
- Sidney's per capita personal income is higher than both the state and national level
- Cheyenne County has a lower (more equitable) Gini coefficient than the state and nation
- Sidney's household income grew at a faster rate this past decade than the state's
- Sidney has a lower percentage of its population in the lower income brackets than the state or nation
- Sidney has a higher percentage of residents in the higher income brackets than the state
- Sidney's median family income has an annual growth rate of 2.2% last decade compared to the state's 0.2% rate
- The county's annual wage and salary growth rate of 2.5% last decade far exceeded the nation's 0.6% rate
- Poverty rates in Sidney are well below the national level, especially for female householders
- A large majority (82.8%) of local wage and salary income are from private sector sources
- While the Panhandle has been increasingly dependent on transfer payments, it only accounts for 15.4% of local income which is well below the region, state and nation
- Income from interest, dividends, and rent increased 37.8% in real terms from 1994 to 2009, including an annual growth rate of 6% from 2004 to 2008..
- Although the share of income coming from government transfer payments has declined locally, it has actually increased at an annual rate of 2.5% since 1994. This demonstrates the local economy's private sector income is out-pacing the growth of government transfer payments.
- The county has strong annual employment growth of 2.8% between 2002 and 2005.
- Unemployment in Cheyenne County is well below what economists consider full employment
- Sidney's unemployment rate is nearly a third of the national rate
- Both employment and the number of persons in the labor force have rebounded strongly in 2011.
- Since 1970, Cheyenne County has increased the number of jobs by 55.8% even though the population declined by 13.8% during the same time period.
- Cheyenne County has 1,000 more jobs than it has persons age 15 to 70
- Sidney has 31% more jobs than it has local workers
- Cheyenne County added 941 jobs between 1999 and 2001
- Cheyenne County has become much less dependent on government jobs in the past two decades. As recently as 1987, one in five county jobs was in the government sector, by 2008 it was down to 11.7%.

Strengths, continued

- The number of non-farm proprietors has never been higher in Cheyenne County even though they represent a smaller share of overall employment.
- The declining share of self-employment locally is not the result of Sidney becoming less entrepreneurial, but rather, it shows the success of several local entrepreneurs adding thousands of wage and salary jobs
- The number of local wage and salary jobs doubled between 1969 and 2007
- Sidney's workers have very short trips to work compared to the state and nation
- The amount of net earnings flowing to neighboring counties has grown nearly fifteen fold in real terms between 1990 and 2008
- In less than a decade, the local economy transitioned from not being able to employ its own labor force to becoming the predominant economic engine of the entire southern Panhandle
- Despite a stagnation of retail sales in real terms between 2000 and 2008, retail sales in 2008 were 53.4% higher than 1997 in nominal terms and 19.5% higher after adjusting for inflation
- Taxable retail sales bounced back strongly in the first half of 2011
- Lodging tax receipts have been growing at a healthy 2.9% rate in real terms since 2005
- Cheyenne County's nominal property valuations have doubled since 1997
- Cheyenne County's workers are more educated than their state and national counterparts
- Sidney's college attainment level is more than double the national ratio
- Over a third of Sidney's 25 to 34 year olds have a college degree
- Sidney residents without a high school degree earn more than their state and national counterparts
- Sidney residents with a Bachelor's degree on average earn twice as much as high school graduates
- Sidney's junior high students exceed the state average in reading proficiency
- Sidney's junior high and high school students exceed the state average in math and science proficiency
- The real dollar value of farms increased significantly between 2002 and 2007. This trend has likely continued in the past few years.
- Ag sales in 2007 were \$151,884,000, a 49.6% increase from 2002
- Crop sales in the county nearly doubled between 2002 and 2007
- Sidney has several businesses that employ over 100 workers

Weaknesses

- A third of Sidney's students are eligible for free or reduced lunches.
- Employment in the county declined by 3.6% annually between 2008 and 2010
- The national recession tempered much of the strong growth Sidney experienced in the first half of the previous decade
- Employment declined at a much faster rate in Cheyenne County between 2008 and 2010 than it did nationally
- Although the nation actually has a larger labor force today than it had in 2008, Cheyenne County experienced a significant decline in labor force between 2008 and 2010.
- Even though Cheyenne County's labor force has increased in 2011, it is still 4% below 2008 levels.
- The primary reason unemployment in Cheyenne County is well below the national rate is the nation increased its labor force while the county experienced a decline in labor.
- While Cheyenne County's low unemployment rate is largely due to strong employment growth, it is also partly due to losing young workers and not attracting enough new workers to the community.
- Sidney's employers are highly dependent on commuters coming from neighboring counties that are both declining in population and becoming much older
- Although taxable retail sales continued to trend higher from 1997 to 2008 in nominal terms, taxable retail sales adjusted for inflation actually peaked in 2000
- Between 2001 and 2010 both the state and region outperformed Sidney in retail sales growth
- Although Sidney's 45 to 64 year olds are more likely to have a high school diploma than their state and national counterparts, they are less likely to have a college degree
- Even though Sidney residents are generally more educated than their state and national counterparts, local residents with higher education earn less on average than their state and national counterparts
- The reading proficiency of Sidney's elementary and 11th grade students trail state proficiency levels
- The number of persons with farming as their principle occupation has declined by 35% in the county since 1982.
- The number of farms in the county has declined by 24.3% since 1964
- The number of farms 500 to 999 acres in the county has been declining.
- The average farmer in Cheyenne County was 60.6 years old in 2007
- The number of farmers under the age of 35 has declined 81.3% since 1982
- In 2007, the county had more farmers over 65 years of age than it had farmers under 55 years of age
- Livestock sales in the county have declined significantly since 1992

Opportunities

- With far more jobs than working age persons, Sidney can focus on creating better paying jobs rather than simply finding employment for unemployed residents like much of America.
- Having a corporate headquarters provides high paying professional opportunities that most communities Sidney's size do not have.
- Sidney has a well educated workforce that is well suited for higher value employment opportunities
- Sidney's location along an Interstate highway provides a good opportunity to continue to increase travel and tourism revenue
- WNCC provides training opportunities for local businesses
- Agricultural and fuel commodities could bring significant wealth into the county in the coming decade

Threats

- Sidney's large dependence on out-of-county workers may constrain future employment growth as the population in the surrounding counties is becoming smaller and much older.
- Sidney's tight labor supply makes it more challenging to recruit new businesses
- Higher gasoline prices may make it less appealing for long-distance commuter to work in Sidney if they are unable to move.
- One local company employs the equivalent of over half the city's labor force. This makes the employment of the city's residents highly dependent upon their continued success.
- The face of agriculture could change dramatically in the next decade as a large percentage of farmers in the county are well past traditional retirement age