Omaha Trade Area Study No. 2: An Analysis of Telephone Calls, Newspaper Circulation, and Correspondent Banks

Harold J. Retallick  
*University of Nebraska at Omaha*

Charles R. Gildersleeve  
*University of Nebraska at Omaha*

Follow this and additional works at: https://digitalcommons.unomaha.edu/cparpubarchives  
Part of the Demography, Population, and Ecology Commons, and the Public Affairs Commons

Recommended Citation
https://digitalcommons.unomaha.edu/cparpubarchives/13
OMAHA TRADE AREA STUDY NO. 2
AN ANALYSIS OF TELEPHONE CALLS, NEWSPAPER
CIRCULATION, AND CORRESPONDENT BANKS

Harold J. Retallick and Charles R. Gildersleeve

* * * * * * * * * *

from
Omaha Urban Area Research Project

L. A. Danton
Director

University of Omaha

August 1967
INTRODUCTION

There are many limitations and statistical uncertainties in making a full interpretation of the Omaha Trade Area, but we plan to go as far as we can to bring together the commonly used indicators that show the sphere of influence of a major trade center. A number of indicators, such as retail sales, newspaper circulation, correspondent banks, grain shipments, etc., will be mapped individually. Then, for the final analysis, a composite map will be constructed to show the area of overall dominance by Omaha.

Omaha Trade Area Study No. 1 (February, 1967) dealt with a license plate survey of cars using the parking lots of several shopping centers within the city of Omaha. Retail trade, however, is characterized by a few purchases over a short period of time. Hence, the trade area defined in Study No. 1 does not present the only delimitation of the sphere of influence of Omaha.

This study is designed to show the influence of Omaha by using factors which cover a larger area than retail shopping, but also are of a more constant nature in their affiliation with Omaha. Telephone toll calls, newspaper circulation, and correspondent banks are commonly used indicators.

The purpose of studies which indicate the varying nature of the city's region is not to merely show visually the main area served by the city, but hopefully to also aid businessmen and planners in their day to day activities. Examples of such applications are found throughout the literature of urban studies. Advertisements and articles in
magazines such as Business Week, Forbes, or Fortune clearly indicate the increasing use of studies of urban trade, financial, and service patterns.

Three representative indicators of the area of influence of Omaha were selected for this study. The plurality of telephone toll calls (see Map 1) to Omaha indicates an area of integration of business and personal relationships between the city and its countryside. The pattern of daily circulation of the Omaha World-Herald (see Map 2) shows another kind of influence. Still another influence, quite different in most aspects, is Omaha's role as a banking center. This role is illustrated by the map of correspondent banks (see Map 3).

TELEPHONE TOLL CALLS

Telephone toll call reports kept by, or collected by, Northwestern Bell Telephone Company in Omaha provided data for a plurality analysis. Plurality as used in this study would mean that at least one more toll call was made to Omaha than to any of the other cities surrounding Omaha which are in a similar size-influence class. These cities are St. Paul, Des Moines, Kansas City, and Denver. The data lends itself to the construction of a line which indicates Omaha's minimum dominance in comparison to the competing cities and in turn indicates Omaha's maximum toll call influence. The area of maximum influence is shown on Map 1.

Sixteen of the ninety-three Nebraska counties lie totally outside the plurality region. Five of these counties are in the southwestern
corner of the state with the remainder in the Panhandle. On the south, the Nebraska State Line is clearly the boundary of toll call plurality. The northern and eastern boundaries include all or parts of seven counties in south and southeastern South Dakota and twelve counties in western Iowa. All of western Iowa is not included in the telephone region and hence, two distinct sub-areas can be recognized -- Northwestern Iowa around Sioux City and Southwestern Iowa just east and southeast of Omaha.

The Nebraska portion of the plurality region includes some 58,224 square miles and 1,304,654 people. The twelve western Iowa counties and parts of seven South Dakota counties add another 11,050 square miles and 372,904 people. Thus, within the boundaries of the plurality region are some 69,274 square miles and 1,677,558 people.

OMAHA WORLD-HERALD DAILY CIRCULATION

Newspaper circulation data compiled by the Audit Bureau of Circulation of Chicago, Illinois, for the Omaha World-Herald, Des Moines Register and Tribune, Minneapolis Star and Tribune, Denver Post, and Kansas City Star and Times provided circulation figures for a plurality analysis. Delimitation of the region dominated (plurality) by the Omaha World-Herald daily circulation is shown on Map 2.

The Omaha World-Herald plurality region has an area of 92,090 square miles and a population of 1,771,600 (1965 estimate). The region is characterized by two offsetting population trends: (1) the steady
growth of the urban areas, and (2) the absolute decline of rural population. The population increase in the period 1960 to 1965 for the plurality region is estimated at 4.8 per cent which is somewhat less than the United States increase of 7.7 per cent or Nebraska's overall increase of 7 per cent. Within the plurality region, the Omaha SMSA (Douglas, Sarpy and Pottawattamie Counties) has an increase rate of 26 per cent.

Generally speaking, farming is the most extensive land use in the region. In 1964, the sale of farm products totaled $1,737,356,330. The overall agricultural economy has expanded approximately 11 per cent in the census period 1959 to 1964. During the same period, the number of farms decreased by 11 per cent with no appreciable change in total land in farms. The farms of today are larger and have higher cash receipts per farm. The great investment in agriculture is reflected in the value of lands and buildings which in 1964, was reported at $6,552,310,479.

The plurality region had a retail sales volume of $2,530,919,000 in 1964. The Omaha SMSA accounts for approximately 25.6 per cent of the total retail sales volume of the region. Likewise, the Omaha SMSA is important in the wholesale trade of the region, accounting for about 63 per cent of the region's $1,149,096,000 volume in 1963. The dominance of the Omaha SMSA in the volume of wholesale trade indicates that there is less focus on county urban centers in wholesale trade.

Manufacturing is an element in the economy of the plurality region which is growing in importance. The number of people employed in
### BASIC DATA FOR THE PLURALITY AREA OF OMAHA WORLD-HERALD DAILY CIRCULATION

<table>
<thead>
<tr>
<th>Land Area in Square Miles</th>
<th>92,090</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td></td>
</tr>
<tr>
<td>1950</td>
<td>1,610,901</td>
</tr>
<tr>
<td>1960</td>
<td>1,689,921</td>
</tr>
<tr>
<td>1965 (estimated)</td>
<td>1,771,600</td>
</tr>
<tr>
<td>Per Cent Change, 1960-1965</td>
<td>+4.8</td>
</tr>
<tr>
<td>Households, 1960</td>
<td>519,271</td>
</tr>
<tr>
<td>Agriculture, 1964</td>
<td></td>
</tr>
<tr>
<td>Number of Farms</td>
<td>101,062</td>
</tr>
<tr>
<td>Value of Land and Buildings</td>
<td>$6,552,310,479</td>
</tr>
<tr>
<td>Value of Farm Products Sold</td>
<td>$1,737,356,330</td>
</tr>
<tr>
<td>Percentage of Farms Operated by Tenants</td>
<td>29.6</td>
</tr>
<tr>
<td>Trade</td>
<td></td>
</tr>
<tr>
<td>Retail, 1964</td>
<td>$2,530,919,000</td>
</tr>
<tr>
<td>Wholesale, 1963</td>
<td>$1,149,096,000</td>
</tr>
<tr>
<td>Manufacturing, 1963</td>
<td></td>
</tr>
<tr>
<td>Number of Employees</td>
<td>69,110</td>
</tr>
<tr>
<td>Value Added by Manufacturing</td>
<td>$ 772,754,000</td>
</tr>
</tbody>
</table>

All data adapted from U.S. Census publications.
agriculture is declining, but the number employed in manufacturing increased by 11 per cent in the census period 1958 to 1963. Within the plurality area the total number of persons employed in manufacturing in 1963 was 64,822. The value added by manufacturing was $772,754,000 in 1963, an increase of 28 per cent over the 1958 total. The Omaha SMSA is the focal point of manufacturing in the plurality region.

In summary, the plurality region of the Omaha World-Herald circulation has an existing economic base of considerable stability. The basic data collected for this report indicates that the economy of the region should show steady gains in the years to come.

OMAHA CORRESPONDENT BANKS

Records kept by the Polk agency and found in Polk's Bank Directory were the major source of data for discerning Omaha's financial influence in banking shown on Map 3. The term correspondent bank generally refers to a voluntary arrangement made by banks to serve each other and to do business with each other. The nature of these business relationships is normally check clearing and commercial loans and deposits.

Map 3 then shows the area where at least half of the banking services are with Omaha concerning business operations between banks. Outside of the darkened area on the map, banks carry on more than half of their correspondence with Denver, Kansas City, Des Moines, or Minneapolis-St. Paul. Unlike the two previous influence indicators,
this portion of the study is not based on a plurality of services but on a percentage of services and business operations. Thus, one basically knows the relative importance of the dominance of Omaha in the banking category.

A factor which normally sets the stage for banking relationships is the federal reserve system and its respective districts and subdistricts. Omaha is the headquarters of a subdistrict of the Kansas City Federal Reserve District. Omaha's subdistrict area officially is Nebraska and Wyoming. However, these federal reserve district and subdistrict boundaries, even though they set the general pattern for correspondent bank areas, do not over-ride the factors of time, convenience, and historical contacts. Hence, banks corresponding with Omaha are in two major instances outside the Federal Reserve District boundaries on the east and north and Denver exerts a major influence in the western portion of Omaha's subdistrict (see Map 3).

Normally as one progresses away from a focus point like Omaha the influence of this point gradually declines until another focal point becomes more important. Omaha, however, is the major city in Nebraska and is also a branch of the Federal Reserve, so most of the banks in the state carry on 75 per cent to 100 per cent of their correspondence with Omaha. Only when the area reaches the Panhandle does the influence very gradually decline to 50 per cent to 100 per cent influence. It is interesting to note that the city of Scottsbluff is not in the 50 per cent area, but Gering is in the area.

There are a few notable exceptions to the gradual decline in influence with distance from Omaha. The Nebraska State Line on the
south is obviously a definite boundary, even directly south of Omaha. In southwest Nebraska the counties immediately adjacent to the Colorado border correspond with Omaha to a greater degree than the tier of counties just to the east of them. And once again the state boundary is the correspondence boundary. Still another exception is the island of less than 50 per cent influence in the south-central part of the state. This comes about due to two cities, Kearney and Bertrand, which respectively correspond with Omaha only 44 per cent and 33 per cent of the time.

On the east and north, man made official boundaries do not exert the definite influence like in the south and southwest. In western Iowa Omaha's influence reaches into all or part of nineteen counties (see Map 3). Omaha is then greatly infringing in the correspondence area of Des Moines. In southern South Dakota one major extension of Omaha's influence is significant. This extension generally follows the western bank of the Missouri River and continues beyond Fort Pierre.

The western part of the 50 per cent region is very complex (see inset, Map 3). Even though Wyoming is part of Omaha's federal reserve subdistrict, Denver exerts a strong influence in Wyoming. Areally speaking, all but seven counties and part of an eighth county in Wyoming are within Omaha's 50 per cent region of correspondence. However, out of a total of 23 counties and one national park division in the state, the area of Wyoming which corresponds over 50 per cent of the time with Denver contains the two largest cities (Cheyenne and Casper) in Wyoming. More significantly, the Denver region of Wyoming contains approximately 45 per cent of the population of the state.
It appears, in conclusion, that man made political and other organizational boundaries strongly affect the boundary of correspondent bank associations with Omaha on the south and partially on the west. But elsewhere economic convenience and time considerations seem to be dominant in shaping the boundaries of Omaha correspondent banking relationships.

CONCLUSION

It is best in concluding this discussion to emphasize complexity. Any urban focal point with its sphere of influence does not exist in a vacuum. Omaha faces competition in not only cities of the same size class, but also, in a number of services, Omaha is competing with cities of different size classes. This study has approached the problem from the point of view of competition from cities in a similar size class. In this way the three indicators used begin to show the embryo of a core of dominance which will later develop into a composite analysis of Omaha's Trade Area.