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NET IN-COMMUTER PATTERNS TO THE DOUGLAS COUNTY URBAN CORE AND TO THE OMAHA CBD

Introduction
During the past several decades workers have increasingly tended to live outside the area in which they are employed. The work area may be the core urban county in a large metropolitan area or the Central Business District (CBD) of the central city, but in either case such moves have tended to extend the average distance of the journey to work. Such moves have also led to the transfer of money in the form of paychecks out of the area in which the worker resides.1 Not all commuting, however, is one-way because some workers who live in a center commute to jobs outside. By subtracting the number of out-commuters from a center from the number of in-commuters to a center it is possible to obtain the net in-commuter total. This article examines the patterns of net in-commuters to Douglas County and the Omaha CBD.

Net In-Commuter Patterns to Douglas County
During the 1960-1970 decade Douglas County, Nebraska, of which the city of Omaha makes up a large part, incurred a sharp increase in the number of commuters living outside its boundaries. While the labor force of the County did expand by more than 22,000 (16%), this was partially offset by an increase in the number of net in-commuters (Table 1). Their total rose from 12,200 to 15,800, a 30% increase which was nearly twice

1While workers do contribute a great deal to the economy of the area or city in which they work, their paychecks are used to purchase goods and services closer to where they live. Using the median family income for each county in which there were net in-commuters (and assuming that each worker represents a family) the net “commuter drain” on Douglas County in salaries alone amounted to $147,880,407 in 1970. Such a drain on the economy of the urban county or central city has led some political units to levy income and commuter taxes on workers who do not reside within their boundaries.

The legality of this levy aside, most political units such as large cities have not chosen to approach this loss of income directly, and instead seek to recoup some of these monies through broadly based state and federal aid. In many cities such a drain is not considered severe enough to merit direct action partly for fear of inhibiting expansion of jobs in the city itself.

| TABLE 1 |
| COMMUTERS FROM OTHER COUNTIES IN THE DOUGLAS COUNTY NEBRASKA LABOR FORCE 1960-1970 |
| | 1960 | 1970 | Change | Percent |
| | Number | Percent | Number | Percent | |
| Total Labor Force | 139,314 | 100.0 | 161,685 | 100.0 | + 22,371 | + 16.0 |
| In-Commutes | 17,665 | 12.6 | 26,331 | 16.3 | + 8,666 | + 43.2 |
| Out-Commutes | 5,373 | 3.9 | 10,446 | 6.4 | + 5,073 | + 94.6 |
| Net In-Commutes | 12,212 | 8.5 | 15,885 | 9.8 | + 3,673 | + 30.0 |

Source: Special Tabulation Using 1970 Census by the Bureau of Economic Analysis.
the overall gain in the labor force. The greatest increase of net in-commuters to Douglas County occurred in the counties around and to the west of Omaha (Figure 1). Colfax, Dodge, Sarpy, Seward and Saunders Counties all had net to-Douglas increases of more than 100% (Table 2). In Saunders alone the gain was ten fold, rising from 60 to 603. Four other Nebraska counties (Cuming, Washington, Cass and Otoe) and four Iowa counties (Carroll, Shelby, Harrison and Montgomery) had net in-commuters increasing from 28% to 50%. The remaining counties in both states showed no change or a loss of net in-commuters during the decade. Four Nebraska counties (Platte, Thurston, Polk and Johnson) had no in-commuters in 1960.

The expansion of the Omaha urbanized area into neighboring Sarpy County and, because of the narrowing of Sarpy, into Cass County help to account for the number of in-commuters coming from south of Douglas County in 1970 (Figure 2). More than 75% of the total net in-commuters to Douglas County in 1970 came from contiguous Sarpy and Pottawattamie Counties, which were perforce classed by the U.S. Census as parts of the Omaha-Council Bluffs SMSA. (Figure 2).

Elsewhere, access to major highways, desires for rural living and unusual amenities and changes in rural land ownership patterns help to account for concentrations of net in-commuters. Interstate Routes 29 and 80 in Iowa provide Shelby and Harrison County residents access to Douglas County. Interstate 80 to the west in Nebraska provides similar access to workers in Cass and Seward Counties. The increasing popularity of rural and small-town living and of a permanent home in a recreation setting along the Platte River help to account for the concentrations of net in-commuters in Colfax, Dodge and Saunders Counties in Nebraska. Here too farmers are dividing their land into housing tracts and, seek non-farm work elsewhere.

In-Commutes to the Omaha CBD, 1970

Major access routes completed in the 1960's contributed to the expansion of residential areas to the west and to the increase in the journey distance to work for many workers. They also helped to localize along their routes many workers whose employment was in the CBD. In 1970 more than 23,500 workers commuted daily to the Omaha CBD from within the city (Table 3). The highest concentrations of in-commuters were, however, neither near the CBD or on the far suburban fringes. They were instead found in linear patterns which were located along or not far from the major routes through the city and which extended from the edge of the inner city to the new developments in the suburbs. Each of the shaded census tracts in Figure 3 contains more than 300 workers whose place of employment is in the CBD (Tracts 17 and 18). The twenty tracts on the map, which represent only 21% of the 95 in the city, contain 43% of the commuters to the CBD.

Two main linear patterns, Dodge and I-80 contain the residences of 6,407 CBD commuters or 28% of the total. Dodge Street provides access to the northeast suburbs and to the tracts along this route. More than 3,600 commuters to the CBD (16% of the total) live in these seven tracts strung out along and adjacent to Dodge. More than 2,700 CBD commuters reside in or adjacent to the I-80 corridor linking the CBD with some of the new southwestern suburbs.

Relative proximity to the CBD, despite lack of direct freeway access, may help account for the Benson and Florence clusters of high commuter tracts in the north part of Omaha.

Conclusion

During the decade the journey to work was extended for many workers in both Douglas County and the Omaha CBD. Suburban, rural and small-town amenities, and changes in farm tenure, combined with improved access to aid this extension of commuting distances. If the number of workers residing outside Douglas County continues to increase so may the drain on the county's economy. Within the city, however, no political boundary separates the CBD from the suburban tracts, and while the residential trend is outward, a very large proportion of CBD workers still live in the tracts within the older city.

Armin Ludwig

FIGURE 1

PERCENT CHANGE IN NET IN-COMMUTERS TO DOUGLAS COUNTY, 1960-1970

Source: Special Tabulation Using 1970 Census by the Bureau of Economic Analysis.
Growth in Personal Income

Personal income has come to be regarded as one of the best single measures of economic growth and market potentials of a region. Personal income is defined as the current income of residents of an area from all sources before deduction of income and other personal taxes, but after deduction of personal contributions to social security, government retirement, and other social insurance programs. It consists of wages and salaries (in cash and in-kind, and including tips and bonuses), various types of supplementary earnings termed "other labor income" (the largest item of which is employer contributions to private pension and welfare funds), proprietors income, the net income of owners of unincorporated businesses (farm and nonfarm, including the income of independent professionals), property income, (net rental income, royalties, dividends, and interest), and government and business transfer payments (generally disbursements of persons for which no services are rendered).

Important Components of Personal Income

The major sources of personal income are wages and salaries, proprietors income, and personal transfer payments. Other labor income, including tips and bonuses, various types of supplementary earnings termed "other labor income" (the largest item of which is employer contributions to private pension and welfare funds), and proprietors income, the net income of owners of unincorporated businesses (farm and nonfarm, including the income of independent professionals), property income, (net rental income, royalties, dividends, and interest), and government and business transfer payments form the major components of personal income. Other labor income and proprietors income are important components of personal income, but their relative importance varies among the three SMSA's. In Sioux City wages and salaries declined in relative importance, accounting for 66 percent of personal income in 1962 and 62 percent in 1972. In Omaha and Lincoln the amount of personal income derived from wages and salaries in both 1962 and 1972 was 72 and 68 percent respectively. Property incomes (rent, interest and dividends) declined in importance in all three SMSA's, but remained relatively more important in Sioux City. Also there was a dramatic increase in transfer payments in Omaha, but not in Lincoln or Sioux City. The dramatic increase in transfer payment income was up 3 to 4 percentage points in all three SMSA's.

The relative importance of sources of personal income may be seen in Table 2. Wages and salaries are the major component of personal income, but their relative importance varies among the three SMSA's. In Sioux City wages and salaries declined in relative importance, accounting for 66 percent of personal income in 1962 and 62 percent in 1972. In Omaha and Lincoln the amount of personal income derived from wages and salaries in both 1962 and 1972 was 72 and 68 percent respectively. Property incomes (rent, interest and dividends) declined in importance in all three SMSA's, but remained relatively more important in Sioux City. Also there was a dramatic increase in transfer payment income which was up from 3 to 4 percentage points in all three SMSA's.

Per Capita Personal Income

For an area economy to progress in an economic sense it is necessary for income to rise more rapidly than population and to the extent that this takes place there will be a rise in per capita personal income.

The data on per capita personal income in the three metropolitan areas are contained in Table 4. During the 1962-1972 period, per capita personal income increased from $2,510 to $4,496 in Lincoln, $2,635 to $4,475 in Omaha and from $2,335 to $4,151 in Sioux City.

Also shown is a comparison between per capita personal income in the three SMSA's and the average for Nebraska, the United States and the Great Plains Region. In 1962 per capita personal income in all three SMSA's was above the average for Nebraska. In 1972 the average per capita personal income in Nebraska was $4,515. It is necessary for income to rise more rapidly than population and to the extent that this takes place there will be a rise in per capita personal income. 

1. The standard metropolitan statistical area (SMSA) is defined by the Bureau of Census as a county or group of contiguous counties which contains at least one city of 50,000 inhabitants or more, or "a new city" with a combined population of at least 50,000. In addition to the county or counties containing such a city or cities, contiguous counties are included in a SMSA if, they are socially and economically integrated with the central city. The Lincoln SMSA includes all of Lancaster County in Nebraska. The Omaha SMSA includes Douglas and Sarpy Counties in Nebraska and Pottawattamie County in Iowa. The Sioux City SMSA includes Dakota County in Nebraska and Woodbury County in Iowa.

2. Details may not add to totals as a result of rounding. Source: Compiled by CAUR from data made available by Regional Economics Information System, Bureau of Business Analysis, Department of Commerce.
the State of Nebraska, the Great Plains and with the exception of per capita income in Sioux City above the average for the United States. By 1972 average per capita personal income in all three SMSA's declined relative to the State of Nebraska, the Great Plains, and the United States. As can be seen in Table 4 the decline is most noticeable when per capita averages of the SMSA's are compared to the Nebraska and Great Plains averages. In 1962 the ratio of per capita personal income in Lincoln to the per capita average for the United States was 1.05; by 1972 this ratio had declined by .99. In Omaha this ratio was 1.11 in 1962; by 1972 the ratio was .96. In Sioux City the ratio was .98 in 1962 and declined to .91 by 1972.

Earnings by Broad Industrial Sector

In Table 5 we turn to a detailed compilation of earnings by broad industrial sector. Measurement of the relative importance of earnings originating in the key sectors provides a clear insight into the economic structure of the three SMSA's. Over a period of time this type of analysis yields valuable information on basic changes which may be taking place in the structure of each of the area economies.

Total earnings varied from $401 million in Sioux City to $2,168 million in the Omaha SMSA. In 1972 the Omaha metropolitan SMSA area accounted for 68 percent of total earnings with 20 and 12 percent respectively contributed by Lincoln and Sioux City SMSA's.

In Table 6, the percentage change in earnings by broad industrial sector is presented for the years 1962 and 1972. The greatest increase in total earnings was in the Lincoln SMSA, 121 percent. Total government earnings were up the most in Omaha, 146 percent. In both Lincoln and Sioux City there were decreases in the amount of earnings from the federal government sector, whereas in Omaha there was a 130 percent increase in such earnings. During the same period of time state and local government sector earnings were up 168 percent in the Lincoln SMSA. Private non-farm earnings increased by 68 percent in Sioux City, 90 percent in Omaha and 105 percent in Lincoln over the 10 year period.

Details of private non-farm earnings are presented in Table 7. Manufacturing earnings increased most spectacularly in the Lincoln SMSA, up 172 percent during the 10 year period. Sector service earnings increased by the greatest percentage in Omaha while earnings in “other non-farm” sectors increased most in the Lincoln SMSA.

Perhaps the most important single finding to emerge from an examination of the percentage distribution of earnings by broad industrial sector (Table 8) is that the relative importance of government earnings declined if two of the three SMSA's from 1962 to 1972. However, in Omaha earnings from government as a percent of total earnings increased from 15 to 19 percent from 1962 to 1972. Farm earnings as a proportion of total earnings increased in both Lincoln and Sioux City going from 1 to 2 percent in Lincoln and from 5 to 7 percent in Sioux City. Earnings from Manufacturing as a proportion declined by 4 percentage points in Omaha remained the same in Sioux City and increased by 4 percentage points in Lincoln. Earnings from the service sector increased by 3 percentage points in Omaha and 2 percentage points in Sioux City. Wholesale and Retail Trade earnings declined by 3 percentage points in Lincoln and Sioux City and remained the same in Omaha. These are the basic structural changes in the three individual area economies.

Summary

Between 1962 and 1972 the metropolitan areas of Lincoln, Omaha and Sioux City experienced considerable growth in personal income. The greatest gain in personal income was in the Omaha metropolitan area, with a 101 percent increase from 1962 to 1972. However, when changes in per capita personal income are taken into account the Lincoln SMSA had the most impressive growth, a 79 percent increase from 1962 to 1972. When the percentage change in income earnings by broad industrial sectors is examined, Lincoln had the largest increase: 127 percent in total earnings; 139 percent in farm earnings and 105 percent in private non-farm earnings. Omaha, however, experienced the largest percentage increase in government earnings.

Although the structure of the three metropolitan area economics did not undergo great change, the private non-farm sector was less important in 1972 than in 1962 in both Omaha and Sioux City and earnings from the private sector by 1972 played an increasing role in the Lincoln economy.
Announcement

William B. Rogers recently joined the staff of the Center for Applied Urban Research at the University of Nebraska at Omaha as a Senior Research Fellow. Mr. Rogers is on assignment from the U.S. Department of Housing & Urban Development. His appointment was made possible under the Intergovernmental Personnel Act. Mr. Rogers brings to the Center professional experience in urban, regional, state and federal public policy analysis, planning, management and teaching. Mr. Rogers who previously served as Director, Mid-Atlantic Region, Office of Economic Adjustment, U.S. Department of Defense and Deputy Director, Office of Planning and Management Assistance, U.S. Department of Housing and Urban Development, has over 14 years of experience in community planning and development in local and state government in Kentucky, Pennsylvania, New Jersey and Alaska. Mr. Rogers has also served as a government service consultant, Fels Institute of Local and State Government and Academic Fellow, Washington Center for Metropolitan Studies, Washington, D.C.