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Employment and Unemployment

During the third quarter of 1976, Midcontinent metropolitan areas experienced the most universal decline in unemployment rates since the monitoring system was initiated for the fourth quarter of 1975. September unemployment rates in all 25 areas were lower than the United States rate, which declined from 8.1 percent during September of 1975 to 7.4 during September of 1976. Only Fargo, Rapid City and Cheyenne experienced unemployment rates higher than during September of 1975. The increase in average weekly earnings of production workers in manufacturing continued as 13 areas experienced more rapid growth rates in average weekly manufacturing earnings than the nation and average earnings for manufacturing workers in 16 of the metro areas exceeded the national average.

Despite the widespread decline in unemployment rates and the continuing increase in average manufacturing production worker wages, the increase of 96,700 nonagricultural wage and salary positions represents only two percent more jobs for the 25 Midcontinent areas since the third quarter of 1975, an increase even less than the United States' three percent increase during the same period. Seven Midcontinent areas showed less than one percent gain in third quarter employment in nonagricultural wage and salary positions as compared to the third quarter of 1975. Employment increases were greatest in Casper (9.3 percent), Fargo (6.4 percent) and Springfield (4.8 percent).

Employment in the construction industry has been a key factor in the slow growth in nonagricultural wage and salary jobs. Construction employment for the nation continued to decline during the third quarter in comparison with the same quarter one year ago. Low employment in the construction sector contributed to lagging nonagricultural wage and salary employment in 14 Midcontinent areas, although conditions varied from St. Joseph's 32 percent increase over third quarter 1975 to Cheyenne's 26 percent decrease. Construction employment in Midcontinent metropolitan areas also varied considerably from previous quarterly reports, but Topeka has experienced steady growth for the past three quarters compared to 1975 and Wichita for the past two.

Building Permits

Changes in building permit data are reflected in construction employment only after a considerable time lag, as evidenced in the notable increases in third quarter building permits issued in Denver, Des Moines, Dubuque, Springfield and Great Falls, none of which registered improvement in third quarter construction employment. Construction activity during the next months as forecasted by third quarter building permits should increase most in Springfield, Oklahoma City and Des Moines. Third quarter data show more increase in nonresidential than residential permits issued in all areas except Sioux Falls and Great Falls.

Department Store Sales

Department store sales continued to increase for the nation and for all except three of the Midcontinent metropolitan areas.
The number of telephone customers in the Midcontinent metropolitan areas increased 4.4 percent over third quarter 1975, but varied considerably by metropolitan area. The number of customers in Rapid City declined by 6.1 percent while Denver experienced a 9.8 percent increase. Third quarter 1976 and third quarter 1975 economic indicators for selected Midcontinent metropolitan areas are presented in Table 1.

Telephone Customers

One of the most distressing price rises in the first half of this decade has occurred in the cost of housing. Current information to assist the consumer, the homebuilder or the financier in understanding local price changes is difficult to obtain. However, several helpful sources of regional or national housing data are available on a monthly or quarterly basis. Since dollar values vary according to local cost-of-living influences, indexes showing the percent change in relation to a base year are most helpful in identifying price trends on regional or national levels. Three such indexes, all using the base year 1967, relate to various aspects of housing prices.

Consumer Price Indexes

The Consumer Price Index, compiled monthly by the U.S. Department of Labor, measures changes in the prices of approximately 400 items "purchased for daily living" by urban wage earners and clerical workers in 85 urban areas throughout the United States. One of the major components of the CPI is housing-related prices, including costs of purchase, taxes, rent, utilities, maintenance, and furnishings. Regional Consumer Price Indexes are compiled monthly or quarterly for 25 Standard Metropolitan Statistical Areas, of which Kansas City is the nearest to Oklahoma. The Consumer Price Index for all items and the sub-indexes for Housing and Rent are calculated for the United States and Kansas City over the past two years are presented in Figure 1.

Both the United States and the Kansas City Indexes show that from 1975 to 1976, the housing sector (which includes both housing-related and non-housing-related prices) increased more rapidly than the all-item CPI since the base year of 1967. This difference has been greater for the United States than for Kansas City, although the gap in prices between the housing

The Cost of Housing: Current Information Sources

By Linda Ferrin

Increases in costs of both general construction and residential construction since 1967 are shown by these indexes to be more rapid than increases in the all-items Consumer Price Index. Approximately the same change, between 13 and 14 percent, occurred between September of 1974 and August of 1976 in construction costs and in the all-items CPI. A comparison of the two construction cost indexes shows a greater increase in costs for all classes of construction than for residential construction until the second quarter of 1976, however, the construction cost indexes show the greatest six-month increase between March and September of 1976, when costs of residential construction rose more than three percent during the first three months of this period alone.

Median Sales Price of New Homes

Using 1967 as a base, the change in median sales prices of new one-family homes and lots in the United States as reported quarterly by the Census Bureau and the Department of Housing and Urban Development can be compared to changes in the more general price and cost indexes, as shown in Figure 3. North Central States include 12 states from Ohio north and west through Nebraska.

Table 1

The selected Midcontinent regional urban indicators are presented for which data are available. Billings sales surged 28 percent over the third quarter of 1975 and Waterloo continued to lose subscribers, reported for by city rather than by SMSA. Nonresidential permits include additions and alterations in some cases. Data compiled for by city rather than by SMSA. Nonresidential permits for Lincoln and Des Moines also include additions as well as new construction. Nonresidential permits for St. Louis and Des Moines also include additions as well as new construction. The residences component of the Boeckh Construction Cost Index includes costs of materials and skilled and common laborers as reported by local building-materials dealers, contractors and trade associations in 20 cities. The Composite Construction Cost Index includes the residences component of the Boeckh Index, both using 1967 as the base year, are presented in Figure 2.

The Composite Construction Cost Index is compiled monthly by the U.S. Department of Commerce from 16 indexes of costs of differing classes of construction throughout the United States. A similar index of construction costs relating to housing costs of the Boeckh Index, compiled monthly by the American Appraisal Company. The residences component of the Boeckh Construction Cost Index includes costs of materials and skilled and common laborers as reported by local building-materials dealers, contractors and trade associations in 20 cities. The Composite Construction Cost Index includes the residences component of the Boeckh Index, both using 1967 as the base year, are presented in Figure 2.

The Housing Division of CAUR has identified the four most urgent aspects of current housing problems as (1) the need for more complete housing information, (2) for more stable financing at lower interest rates, (3) for new energy conservation measures and new energy sources, and (4) for consumer education in housing matters. In response, the Review will begin to place emphasis on informing our readers of new developments related to housing.
Median sales prices reported have increased more for the United States than for the North Central States since 1967, with the greatest increases between September of 1975 and March of 1976, when median sales prices in the United States increased by ten percent and in the North Central States by eight percent. New home sales data for the North Central States also reflect the increase through the second quarter of 1976 noted in the Boeckh Residences Index. In keeping with its erratic pattern, median sales prices in North Central States decreased during the third quarter of 1976 but data from the past two years lend no basis for assuming any extended decline.

The most recent median sales price reported for houses sold in the United States is $44,700 for one-family houses sold in the United States during the third quarter of 1976 and $44,300 for those sold in the North Central States during the same period.

Cost Indexes and Costs

Since all the indexes discussed are averages or medians, based on data from extremely differing cases, they are most valuable as a starting point in understanding costs on a local basis. A comparison of the available indexes shows three general conditions. First, all indexes relative to costs of new construction show more increase during the most recent 12-month period for which information is available than during the previous 12 months, while the all-item Consumer Price Index has been leveling off during 1976. Second, between 1967 and late 1974, increases were highest for construction costs but since 1974 increases have been highest in the costs of new one-family houses.

Third, differences between United States data and the available regional or local indexes were considerable, especially differences in short-term prices. These differences are also significant in comparing metropolitan areas in the same region, as evidenced in Table 1, relating the Kansas City CPI to the most recent available Omaha CPI:

<table>
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<tr>
<th>TABLE 1</th>
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<tr>
<td>CONSUMER PRICE INDEX</td>
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<td>(1967 - 100)</td>
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<td>1974</td>
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<td>1975</td>
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Efforts are now being undertaken to develop current data on local housing cost conditions, and thereby identify which components of the complex of housing costs can most readily be brought under control in order to assure the availability of quality housing for families of all income levels.

The Consumer Price Index for Omaha from 1967 through the second quarter of 1975 is reported in the Review of Applied Urban Research, May, 1975.

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Crime and Law Enforcement


Education


Education Profile: Omaha and the State, April, 1975.


Employment and Industry (See also Quarterly Demographic and Economic Indicators)


An Analysis of Omaha's Comprehensive Manpower Program, October, 1975.


Housing and Business Investment in Nebraska, February, 1976.

Incentives for Attracting Commercial, Industrial and Housing Investments into the Missouri Riverfront Development Project, October, 1973. (Work sponsored in part through a grant from the Economic Development Administration, U.S. Department of Commerce.)


Manpower Needs in the Omaha SMSA, September, 1975.


Government and Legislation


Land Use (See also Transportation)


Community}

"Community Development Needs in Rural Nebraska and Iowa, June, 1976.


"Population Characteristics (See also Quarterly Demographic and Economic Indicators)"

"Child Care Facilities in Omaha," Kaldalope, August, 1972.


"Demographic Survey of the Omaha Jewish Community, September, 1976.


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"Attitude Survey About the American Red Cross, September, 1976.


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"Medical and Other Health Professions in the Omaha SMSA," Kaldalope, April, 1972.


Housing (See also Quarterly Demographic and Economic Indicators)


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"Use of Housing and Community Study of the Omaha Area Delivery (See also Quarterly Demographic and Economic Indicators"

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Quarterly Demographic and Economic Indicators

"Omaha Subarea"


"An Analysis of Effective Property Tax Rates in the City of Omaha, November, 1976.


"Intensity Industrial Tax Commissions, 1971-1975, August.


"Transportation"


DOWNTOWN DEVELOPMENT IN DETROIT

The Renaissance Center, a $337 million, high rise riverfront development that many people hope will become the focal point of a downtown revival in Detroit, is moving to completion in early 1977. The Detroit Development Corporation, a subsidiary of the Ford Motor Company, is financing the center through a 51 member partnership of investors. The Renaissance Center is the brainchild of Henry Ford II, chairman of the auto company. When the center is finished it will consist of four office towers, the basic structures of which are in place, plus the Detroit Plaza, a 70-story glass walled cylinder that its backers say will be the tallest hotel in the nation.

It is a common story in the older cities, but Detroit's case was extreme. A few modern buildings had been erected in the downtown area since World War II, but for the most part there had been no really basic change in the appearance of downtown in three decades.

One concern often expressed is that the Renaissance Center will draw tenants away from older downtown buildings. Those involved in the project say that may be true in the short run, but they see it as the necessary price of a long period of rebirth of the city. Without new buildings such as those in the Renaissance Center, they say, downtown will eventually become a ghost town.

The Renaissance Center is strong evidence that wherever the community power structure unites behind a comprehensive program of CBD re-development, in the absence of aggressive Downtown Development Corporation firmly established and funded, things start to happen. Although its ultimate local impact is still uncertain, the Center will undoubtedly have a major bearing on future CBD re-development efforts and bears watching by central cities of the Midcontinent Region.