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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 lead time, 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.
### Telephone Customers

The number of telephone customers in the Midcontinent metropolitan areas increased 4.4 percent over the third quarter of 1975, but varied considerably by metropolitan area. The number of customers in Rapid City declined by 1.1 percent while further expansion was reported in the Sioux Falls area. The decrease in Rapid City resulted from the larger increase in South Dakota's nonmetropolitan population. The Department of Commerce forecasts that expected residential sales of new single-family houses and other related data relative to new houses are published by the Departments of Commerce and Housing and Urban Development in the Current Construction Reports C-25 Series.

#### Table 1

<table>
<thead>
<tr>
<th>Metropolitan Area</th>
<th>Sales 3rd Qtr. 1976</th>
<th>Sales 3rd Qtr. 1975</th>
<th>Percent Change 3rd Qtr. 1976 over 3rd Qtr. 1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado Springs</td>
<td>392,258</td>
<td>376,750</td>
<td>+4.1</td>
</tr>
<tr>
<td>Denver</td>
<td>716,298</td>
<td>688,500</td>
<td>+3.9</td>
</tr>
<tr>
<td>Chicago</td>
<td>1,345,460</td>
<td>1,306,400</td>
<td>+2.9</td>
</tr>
<tr>
<td>New Orleans</td>
<td>609,100</td>
<td>587,100</td>
<td>+3.7</td>
</tr>
<tr>
<td>Kansas City</td>
<td>275,700</td>
<td>266,500</td>
<td>+3.4</td>
</tr>
<tr>
<td>Minneapolis</td>
<td>719,594</td>
<td>689,800</td>
<td>+4.2</td>
</tr>
<tr>
<td>St. Louis</td>
<td>201,900</td>
<td>193,800</td>
<td>+4.2</td>
</tr>
<tr>
<td>Salt Lake</td>
<td>245,900</td>
<td>231,200</td>
<td>+6.2</td>
</tr>
<tr>
<td>Seattle</td>
<td>318,000</td>
<td>305,000</td>
<td>+4.2</td>
</tr>
<tr>
<td>Washington</td>
<td>683,000</td>
<td>650,600</td>
<td>+5.0</td>
</tr>
<tr>
<td>Kansas</td>
<td>74,874</td>
<td>71,400</td>
<td>+4.9</td>
</tr>
<tr>
<td>Missouri</td>
<td>180,000</td>
<td>174,800</td>
<td>+3.4</td>
</tr>
<tr>
<td>North Dakota</td>
<td>82,180</td>
<td>79,000</td>
<td>+4.0</td>
</tr>
<tr>
<td>South Dakota</td>
<td>153,784</td>
<td>146,500</td>
<td>+5.0</td>
</tr>
<tr>
<td>Iowa</td>
<td>193,600</td>
<td>183,800</td>
<td>+5.0</td>
</tr>
<tr>
<td>Ohio</td>
<td>271,900</td>
<td>259,800</td>
<td>+4.6</td>
</tr>
<tr>
<td>Tennessee</td>
<td>206,000</td>
<td>200,000</td>
<td>+3.0</td>
</tr>
<tr>
<td>United States</td>
<td>13,150,000</td>
<td>12,600,000</td>
<td>+4.3</td>
</tr>
</tbody>
</table>

### The Cost of Housing: Current Information Sources

By Linda Perrin

The Consumer Price Index, compiled monthly by the U.S. Department of Commerce from 16 indexes of costs of different classes of construction throughout the United States. A similar index of construction costs relating to housing costs was compiled by the American Appraisal Company. The presidential 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 and the residential component of the Boeckh Index, both using 1967 as the base year, are presented in Figure 2.

### Construction Cost Indexes

The Composite Construction Cost Index is compiled monthly by the U.S. Department of Commerce from 16 indexes of costs differing classes of construction throughout the United States. A similar index of construction costs relating to housing costs is compiled by the American Appraisal Company, compiled monthly by the U.S. Department of Commerce from 16 indexes of costs differing classes of construction throughout the United States.

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, however, increases in 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 houses 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.
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 Residencies 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>
<thead>
<tr>
<th></th>
<th>1974</th>
<th>1975</th>
<th>1975</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Third Quarter</td>
<td>Fourth Quarter</td>
<td>First Quarter</td>
<td>Second Quarter</td>
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<tr>
<td>All Items</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kansas City</td>
<td>148.5</td>
<td>155.8</td>
<td>156.2</td>
<td></td>
</tr>
<tr>
<td>Omaha</td>
<td>151.9</td>
<td>157.6</td>
<td>155.9</td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kansas City</td>
<td>145.7</td>
<td>156.1</td>
<td>158.7</td>
<td></td>
</tr>
<tr>
<td>Omaha</td>
<td>139.6</td>
<td>149.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.

2The Consumer Price Index for Omaha from 1967 through the second quarter of 1975 is reported in the Review of Applied Urban Research, May, 1975.


Government and Legislation


An Evaluation of the Recommended Omaha City Budget for 1976; August, 1975.

Fiscal Year 1975 Rating Factors - HUD Community Development Grant Program, December, 1975.


"Housing and Community Development in the Nebraska-Iowa Riverfront Development Project Area, December, 1975.

"Incentives for Attracting Commercial, Industrial and Housing Investments into the Mississipp Riverfront Development Project," October, 1975.


"Medical Care Facilities in Omaha," Kaleidoscope, August, 1972.


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

"Intra-Urban Migration and Omaha's Western Expansion," Review, March.


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

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


"Intra-Urban Migration and Omaha's Western Expansion," Review, March.


Health Care Services

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


"A Comment on the Health Delivery System in the Omaha Area, April, 1975.


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


Housing (See also Quarterly Demographic and Economic Indicators)


"Housing and Business Investment in Nebraska, February, 1976.

Incentives for Attracting Commercial, Industrial and Housing Investments into the Mississipp Riverfront Development Project, October, 1975.


Income and Prices (See also Quarterly Demographic and Economic Indicators)


Land Use (See also Transportation)


Population Characteristics (See also Quarterly Demographic and Economic Indicators)

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


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

"Intra-Urban Migration and Omaha's Western Expansion," Review, March.


Quarterly Demographic and Economic Indicators

Omaha Subarea


"Omaha Intra-Urban Demographics and Economic Indicators," (Second Quarter) 1974 Review, August, 1974.


Mid-Continent Metropolitan Areas


Taxes

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


Transportation


DOWNTOWN DEVELOPMENT IN DETROIT

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

The Renaissance Center is strong evidence that whenever the community power structure unites behind a comprehensive program of CBD redevelopment, in the above case through a major bearing on future CBD redevelopment efforts and bears watching by central cities of the Midcontinent Region.


