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Since the Spring of 1974, the Center for Applied Urban Research, with the support of the Economic Development Council of the Greater Omaha Chamber of Commerce, has monitored the demographic and economic development of the Omaha area. A major portion of this development has now moved into areas peripheral to the Omaha City limits. In order to examine this expansion, CAUR has redefined its subareas to monitor more closely the growth trends in both the central and outlying portions of the Omaha metropolitan area. This redefinition of subareas has created three new suburban areas surrounding the City of Omaha.

The Northcentral Suburban area (NCS) extends from Girard Street north to the Washington County line and from 42nd Street to 72nd Street. The Northwest Suburban area (NWS) also borders Washington County, extending west to 180th Street and south to Dodge Street. The Southwest Suburban area (SWS) lies south of Dodge to Sarpy County and west from 144th to 180th. The addition of these new suburban areas will delineate Omaha’s growth patterns more extensively and thus provide an analysis of the metropolitan area’s population shifts, construction and financial activities.

Intra-urban migration figures for the third quarter of 1977 illustrate the tendency of Omaha residents to locate in the western subareas. During this period, Northcentral and Northeast areas experienced the highest out-migration rates while the Southwest and Northwest areas experienced the greatest net immigration. Indicators for the period also show that, in terms of net migration, Southeast and Southcentral neighborhoods are more stable than a year ago. In fact the level of net out-migration in the Southeast subarea dropped from 33 during third quarter, 1976, to 17 this period. The Southcentral area experienced a reversal from a net out-migration of 11 in 1976 to a net immigration of 2 in 1977.

The development of western Omaha is further demonstrated by the net natural increase (births–deaths) of the population in the second quarter of 1977. During this period 58 percent of the net natural increase occurred in the four subareas west of 72nd Street.

One of the strongest indicators of a community’s economic vitality is its new construction activity. As shown in Table 1 the number of single-family building permits issued in the defined Omaha area rose from 378 in the third quarter of 1976 to 483 in the same period of 1977. Due to a drop in the number of demolition permits during the period, the net increase in third quarter single-family permits was 411. This compares to a net increase of 281 in third quarter 1976. The dollar value of single-family building permits issued from July to September, 1977, was almost $10.9 million. This represented a $6.3 million increase over the previous year. The proportion of permits issued in the three new suburban areas accounted for 43 percent of the total in 1976, but grew to 64 percent during 1977. By far, the greatest amount of single-family building permits issued this quarter occurred in the Southwest Suburban area, with 184 permits valued at $4.1 million, an average of $22,300 per unit. This indicates substantial residential development in the suburban areas of Omaha.

The number of multi-family building units also rose between 1976 and 1977. In fact the 112 units recorded the fall quarter of 1977 was over six times greater than the same period a year earlier. The dollar value of these permits totaled over $1.1 million compared to $214,300 the previous year. Much of this growth is in the Southcentral Omaha area where two apartment buildings underwent construction with a combined total of 87 units worth $600,000. Only two multi-family demolition permits were recorded for the third quarter of 1977, a net increase of 110 multi-family units for Omaha during the period.

Accompanying the increase in building permits was a rise in mortgage lending activity. However, mortgages grew at a somewhat slower pace. The number of mortgages in the North-west Suburban area grew by 131 while mortgages in Southwest Suburban and Northcentral Suburban areas increased by 36 and 2, respectively. These increases were nearly offset by declines in mortgage lending activity in the remaining six subareas. As a result, the 2,974 mortgages recorded for Omaha in the third quarter of 1977 were only 16 more than those in third quarter, 1976. The dollar amount of mortgages for the fall quarter of 1977 totaled $98.4 million, slightly above the $97.2 million for the same period of 1976.
Introduction

The Bureau of Labor Statistics has devised the urban family budget to illustrate the impact of national economic trends on everyday expenditures for a hypothetical urban family of four.

The BLS urban family budgets represent spending patterns of a hypothetical city-dwelling family comprised of a 38-year-old husband who works full-time, his nonworking wife, their 13-year-old son and 8-year-old daughter. If they own a house they purchased it six years ago. The family is thus established in occupation and household with no unusual expenses such as those related to changing locations.

Other BLS assumptions are more subjective to challenge. For instance, no budget is made to allow for the wife to be earning a portion of the annual family income, a distortion even in 1976 when the first budgets were devised.

A different kind of distortion occurs when the methodology is based on family expenses as they might be rather than as they are. Food budgets are a case in point. Actual food patterns identified by consumer spending surveys and USDA recommended dietary allowances. The BLS food budget is designed to include fewer processed foods, substituting lower-priced items that require more home preparation. There is little evidence that lower-budget families actually spend so wisely.

Health considerations also stray from the usual to the desired spending patterns. The medical budget provides for the same insurance that is included but medical care is assumed to be cheaper. Even the allowance for mental health services is presumably higher than it is.

Public utilities are especially subject to question. The BLS budget assumes monthly charges for a general budgetary household, whereas many in the larger central city area have gas and electric accounts in addition to their rent. In the fall of 1975, for instance, personal living expenses increased 4.9 percent while the urban family budgets included an allowance of 3.4 percent.

The budgets have been computed for three income levels and reflect national trends in seven categories of consumer goods and services: two categories of taxes and miscellaneous other expenses. An examination of the autumn 1976 budgets identifies the pro portion spent for each component; trends since 1971 indicate changes in the stereotypical family’s expenditures during the five year period.

Urban Family Expenditures, Autumn 1976

Lower, intermediate and higher family budgets are shown in Table 1. Some items are common to all three budgets but the quantity or quality increases in the higher budgets. The table contains 584 rows and 11 columns. The table includes 11 variables: Item Code, Item Name, Category, Subcategory, Component, Annual Total, Average Value, Standard Error, Percent of Total, Percent of Average, and Percent Change. The table is a representation of the urban family budget for autumn 1976.
budget stipulates that the hypothetical family purchased their home six years earlier. Thus the lower 1969-1970 mortgage interest rates have been applied. Housing expenditures also incorporate fuel, utilities, repairs, maintenance, appropriate property taxes and insurance.

Medical care expenditures increased nearly ten percent at all budget levels between autumn 1975 and autumn 1976. This component of the urban family budget includes a group hospital-surgical insurance plan, a fixed number of visits to physicians, dentists and eye care specialists, and prescriptions. The higher-income budget also provides for a major medical insurance plan.

Transportation expenditures also increased by nine to ten percent between autumn 1975 and autumn 1976. Transportation expenses include purchase of a new (higher-budget) or two-year-old (lower-budget) automobile every four years, maintenance and gasoline expenses, and mass transit fares for a percentage of families in larger urban areas. These expenses have been budgeted at approximately eight percent of 1976 urban family expenses.

Since both taxes and consumer prices vary among urban areas, the BLS took these variations into consideration. The size of the urban area has an influence, as the 1976 intermediate budget for nonmetropolitan urban areas (populations 2,500-50,000) was ten percent lower than for the aggregate; for metropolitan areas (populations above 50,000) it was two percent higher. Regional variations also influenced the budget, with both housing and food expenses lower in Southern urban areas.


The total budget of the hypothetical urban family increased less between 1975 and 1976 than at any time since 1972. Figure 2 shows the percentage change for each budget component between 1971 and 1976. Only the intermediate budget is shown, as the percentage change from year to year is similar for the three budget levels.

The noticeable rate of increase between 1972 and 1974 slowed somewhat between 1974 and 1975. From 1975 to 1976 this slower rate continued for consumer goods and services. Taxes, however, increased more rapidly during 1976 than during 1975.

Between 1971 and 1976 expenditures of the intermediate-budget family increased a total of 48 percent. The greatest five year rise occurred in Social Security/disability deductions (114 percent), personal income taxes (64 percent) and food (52 percent).  

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