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Business Transfer and Retention in Rural Nebraska

John C. Allen

University of Nebraska-Lincoln, jallen1@unl.edu

Rebecca J. Vogt

Center for Applied Rural Innovation, University of Nebraska-Lincoln, rvogt2@unl.edu

Sam Cordes

University of Nebraska-Lincoln, scordes1@unl.edu

Randolph L. Cantrell

Nebraska Rural Initiative, University of Nebraska-Lincoln, rcantrell1@unl.edu

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CENTER FOR APPLIED RURAL INNOVATION

A Research Report*

**Business Transfer and Retention
in Rural Nebraska**

2002 Nebraska Rural Poll Results

John C. Allen
Rebecca Vogt
Sam Cordes
Randolph L. Cantrell

Nebraska
INSTITUTE OF AGRICULTURE
& NATURAL RESOURCES

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Phone: 515.288.4431, FAX: 515.243.1979

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All of the Center's research reports detailing Nebraska Rural Poll results are located on the Center's World Wide Web page at <http://cari.unl.edu/ruralpoll.htm>.

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Executive Summary

Small businesses are an important part of the economic future of rural Nebraska. Therefore, it is important for communities to be able to retain their existing businesses. Part of retaining businesses involves transferring ownership of current businesses to the next generation. How important is transferring ownership of businesses in their community to rural Nebraskans? Which strategies do they think would be most effective in retaining businesses? What do rural Nebraskans who currently own a business, farm or ranch believe will happen to it after they are no longer involved in its operation?

This report details 2,841 responses to the 2002 Nebraska Rural Poll, the seventh annual effort to understand rural Nebraskans' perceptions. Respondents were asked a series of questions about business retention and transfer strategies. Comparisons are made among different respondent subgroups, i.e., comparisons by age, occupation, region, etc. Based on these analyses, some key findings emerged:

- ***Most rural Nebraskans view assisting people to take over local businesses and farms as important to the future of their community.*** Ninety-two percent think assisting people to take over local businesses as current owners retire is very or somewhat important for the future of their community. Similarly, 90 percent view the transfer of local farms as important.
- ***Persons living in or near smaller communities are more likely than those living in or near the largest communities to think transferring ownership of businesses is very important.*** Sixty-one percent of the persons living in or near communities with populations ranging from 500 to 999 think this is very important for the future of their community. However, only 47 percent of the persons living in or near communities with populations of 10,000 or more agree.
- ***Forty-one percent of the employed respondents own either a business or farm/ranch.*** Twenty-one percent own a farm or ranch, 13 percent own a business and seven percent own both a farm or ranch and another type of business. Fifty-nine percent do not own either.
- ***Many rural Nebraskans are involved in multiple enterprises.*** Only 51 percent of the farm and ranch owners indicate that their primary occupation is farming or ranching. And, fourteen percent of the farmers or ranchers indicate that they also own some other type of business.
- ***Persons owning a farm or ranch are more likely than those owning only a business to say it will stay in their family.*** Forty-one percent of the persons owning only a farm or ranch state that it will stay in their family. However, only 14 percent of the persons owning only a business believe it will stay in their family.

- ***Business owners living in or near communities with populations ranging from 5,000 to 9,999 are the most likely to say their business will be sold and closed down.*** Thirty-five percent of the business owners living in communities of this size say their business will be sold and closed down when they are no longer involved in its operation. In comparison, 28 percent of the business owners living in communities with populations of 10,000 or more say their business will be shut down.
- ***The farm or ranch owners living in the South Central region of the state are more likely than those living in other regions to say their farm or ranch will stay in their family.*** Fifty-one percent of the farm or ranch owners in the South Central region state that their farm or ranch will stay in their family. However, only 24 percent of the farm or ranch owners in the Panhandle say their operation will stay in their family.
- ***The business owners in the North Central region are more likely than the business owners in other regions of the state to say their business will be sold and closed down.*** Forty percent of the business owners in the North Central region say their business will be sold and closed down when they are no longer involved in its operation. However, only 18 percent of the business owners in the Panhandle say their business will share this same fate.
- ***The business retention strategies ranked the highest by rural Nebraskans in terms of their effectiveness include: creating a mentoring program for youth who are interested in becoming business owners, creating a program where people can save money that is matched with federal or other public dollars to use to start a small business, and enhancing the ability of businesses to use information technology.***
- ***The perceived effectiveness of several of the business retention strategies varied by community size.*** Providing entrepreneurial or business training to the youth in their community and educating business owners on how to develop a business plan that includes a transition plan for the business were more likely to be ranked highly by the persons living in or near the larger communities as compared to persons living in the smaller communities. Conversely, creating a revolving loan fund to be used to make loans to local businesses and creating a tax credit to use toward the development of new or existing buildings or other development costs ranked higher among the persons living in or near smaller communities than by those living in or near larger communities.

Introduction

Small businesses are an important part of the economic future of rural Nebraska. In the 70 most rural counties in Nebraska, the primary employment source is self-employment and the most prevalent business type is enterprises with fewer than 20 employees. Thus, retaining existing businesses represents an important strategy for revitalizing rural communities. An integral part of retaining businesses in rural communities involves transferring ownership of current businesses to the next generation. According to the U.S. Small Business Administration, only 30 percent of all family businesses succeed to the second generation. And of these, only 15 percent survive into the third generation.

Given that, how important is transferring ownership of businesses in their community to rural Nebraskans? What do rural Nebraskans who currently own a business, farm or ranch believe will happen to it after they are no longer involved in its operation? Which strategies do they think would be most effective in retaining businesses? Do their perceptions differ by the size of their community or their region of the state? This report addresses these questions.

The 2002 Nebraska Rural Poll is the seventh annual effort to understand rural Nebraskans' perceptions. Respondents were asked a series of questions about business retention and transfer strategies.

Methodology and Respondent Profile

This study is based on 2,841 responses from Nebraskans living in the 87 non-metropolitan counties in the state. A self-

administered questionnaire was mailed in February and March to approximately 6,400 randomly selected households. Metropolitan counties not included in the sample were Cass, Dakota, Douglas, Lancaster, Sarpy and Washington. The 14-page questionnaire included questions pertaining to well-being, community, work, successful rural communities, and technology use. This paper reports only results from the questions about business retention and transfer.

A 44% response rate was achieved using the total design method (Dillman, 1978). The sequence of steps used follow:

1. A pre-notification letter was sent requesting participation in the study.
2. The questionnaire was mailed with an informal letter signed by the project director approximately seven days later.
3. A reminder postcard was sent to the entire sample approximately seven days after the questionnaire had been sent.
4. Those who had not yet responded within approximately 14 days of the original mailing were sent a replacement questionnaire.

The average respondent is 55 years of age. Seventy-three percent are married (Appendix Table 1¹) and sixty-eight percent live within the city limits of a town or village. On average, respondents have lived in Nebraska 48 years and have lived in their current community 42 years. Fifty-seven percent are living in or near towns or villages with populations less than 5,000.

¹ Appendix Table 1 also includes demographic data from previous rural polls, as well as similar data based on the entire non-metropolitan population of Nebraska (using 1990 U.S. Census data).

Fifty-six percent of the respondents reported their approximate household income from all sources, before taxes, for 2001 was below \$40,000. Thirty percent reported incomes over \$50,000. Ninety-three percent have attained at least a high school diploma.

Seventy-two percent were employed in 2001 on a full-time, part-time, or seasonal basis. Twenty-four percent are retired. Thirty-four percent of those employed reported working in a professional, technical or administrative occupation. Seventeen percent indicated they were farmers or ranchers. The employed respondents reported having to drive an average of eight miles, one way, to their primary job.

Transferring Ownership of Businesses, Farms and Ranches

As stated earlier, most family-owned businesses do not succeed to the second or third generation. Therefore, as current owners of businesses, farms and ranches retire, it raises concerns over who will keep these operations running.

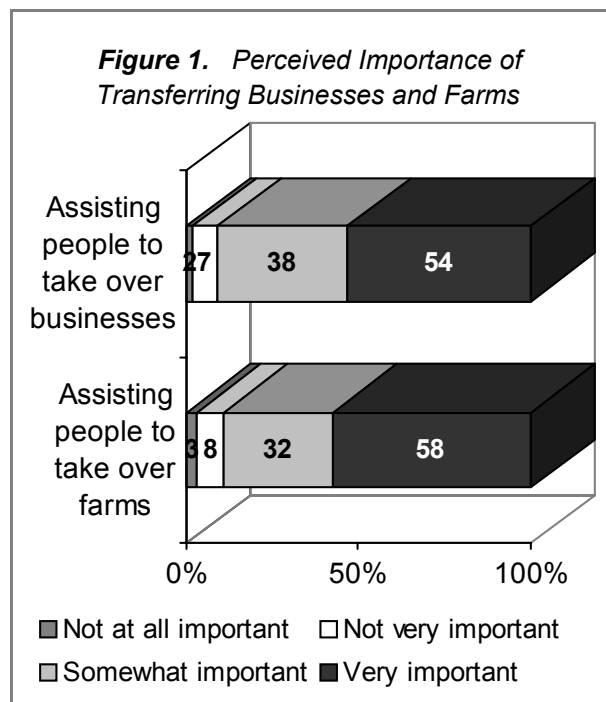
To examine how concerned rural Nebraskans are about this issue, they were asked the following question: “How important do you think the following items are for the future of your community?” Two of the items listed were: a) assisting people to take over local businesses as current owners retire and b) assisting people to take over local farms as the current owners retire.

The vast majority of rural Nebraskans view these items as either very important or somewhat important for the future of their community (Figure 1). Fifty-four percent of the respondents think assisting people to

take over local businesses as current owners retire is very important for the future of their community. Similarly, 58 percent view the transfer of local farms as very important.

The answers to this question are analyzed and reported for the region in which the respondent lives, by the size of their community, and for various individual characteristics (Appendix Table 2). Some differences do emerge.

The perceived importance of assisting people to take over local businesses differs by community size, gender, and by ownership of a business, farm or ranch. People living in or near smaller communities are more likely than the persons living in or near the largest communities to think transferring ownership of businesses is very important. Sixty-one percent of the persons living in or near communities with populations ranging from 500 to 999 think this is very important for



the future of their community (Figure 2). However, only 47 percent of the persons living in or near communities with populations of 10,000 or more believe this is very important.

Females are more likely than males to believe that assisting people to take over local businesses is important for the future of their community. And, persons who currently own both a farm or ranch and another type of business are more likely than the persons who do not own either to think this is important.

People’s perceptions of the importance of assisting people to take over local farms as the current owners retire differ by household income, gender and ownership of a business, farm or ranch. Persons with lower incomes, females, and persons who currently own both a farm or ranch and another type of business are the groups most likely to think transferring farms to the next generation is

important.

In addition to determining rural Nebraskans’ perceptions of the importance of transferring ownership of businesses, farms and ranches, they were asked about plans for their own operations. Specifically, the respondents who indicated they were employed during 2001 (including self-employment) were asked if they currently own a business, farm or ranch and what their future plans are for its operation.

The first question asked, “Do you currently own a business, farm or ranch in rural Nebraska?” The answer categories included: I own only a farm or ranch, I own only a business and not a farm or ranch, I own a farm or ranch and another type of business, and I do not own either. If they own a business or farm/ranch, they were asked, “What do you believe will happen to your business, farm or ranch after you are no longer involved in its operation?” The answer categories were: the business, farm or ranch will stay in my family; the business, farm or ranch will continue to operate, but by someone outside of my family; the business will be sold and closed down; don’t know; and other.

Twenty-one percent of the employed respondents own a farm or ranch, 13 percent own a business and seven percent own both a farm or ranch and another business (Figure 3). Fifty-nine percent did not own either.

Ownership of a business, farm or ranch differed by all the characteristics examined except region (Appendix Table 3). The groups more likely to own a farm, ranch or business include: persons living in or near the smaller communities, persons with the

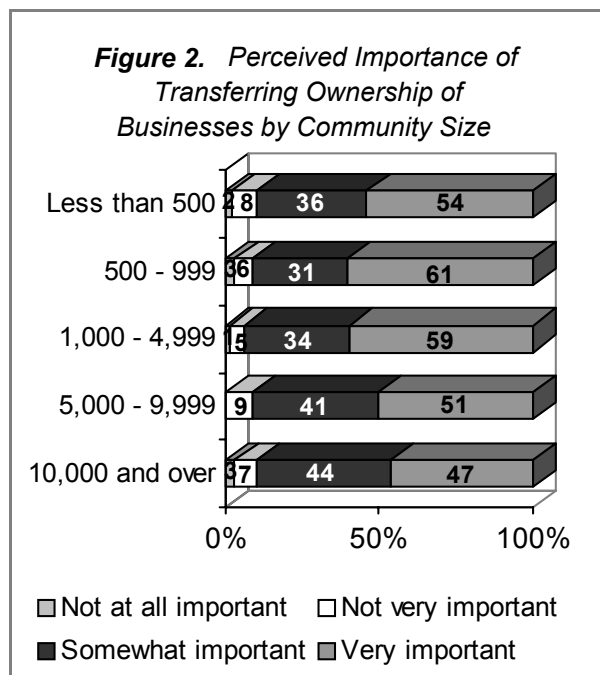
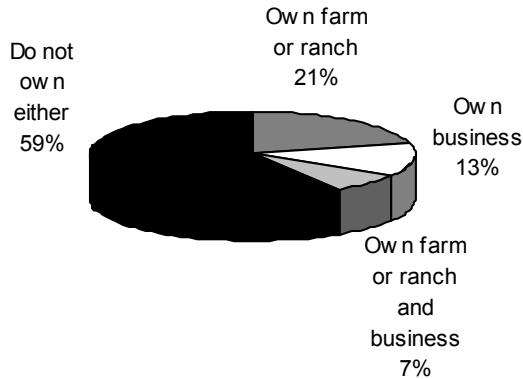


Figure 3. Ownership of Business, Farm or Ranch



lowest household incomes, the oldest respondents, males, the married persons, and farmers/ranchers.

These statistics reveal some interesting findings about farming and ranching in rural Nebraska. There are 610 respondents who indicated that they were directly involved in farming or ranching, either as owners or in some other capacity. This constitutes 30% of all employed respondents to the survey. Of these, 565 (93%) indicated that they owned a farm or ranch. The remaining 45 individuals indicated that while their primary occupation was farming, they did not own a farm or ranch operation themselves. Of the 565 farm and ranch owners, 290 (or 51%) indicated their primary occupation was farming or ranching; although 143 (25%) indicated they also owned some other type of business. Of the 335 (290 + 45) individuals who indicated that farming or ranching was their primary occupation, 46 (14%) also owned some other type of business.

When asked about their primary occupation, 335 respondents indicated that it was farming or ranching. Among the 565 farm and ranch owners, 290 (51%) indicated that their primary occupation was farming or ranching. This is comparable to the 50 percent of all American farmers who indicated in the 1997 U.S. Census of Agriculture that farming was their primary occupation. However, the 51 percent figure from this study is significantly lower than the Nebraska figure found in both the 1992 and 1997 U. S. Censuses of Agriculture (74% and 69%, respectively).

Persons owning only a farm or ranch are more likely than those owning only a business to say that it will stay in their family. Forty-one percent of the persons owning only a farm or ranch state that it will stay in their family (Figure 4). However,

Figure 4. Future Plans of Business, Farm or Ranch



only 14 percent of the persons owning only a business believe it will stay in their family.

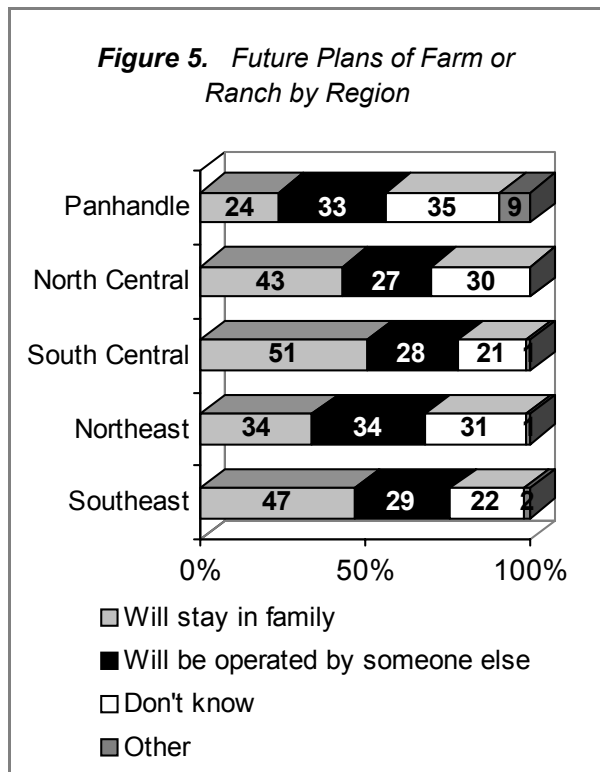
The future plans of the business, farm or ranch differ by community size (Appendix Table 4). The farm or ranch owners living in or near the smallest communities are more likely than those living in or near medium-sized communities to say it will stay in their family. Forty-eight percent of the farm or ranch owners living in or near communities with less than 500 people state their farm or ranch will stay in their family. In comparison, only 34 percent of the farm or ranch owners who live in or near communities with populations ranging from 5,000 to 9,999 say their operation will stay in their family.

However, business owners living in or near that same size category of communities

(5,000 - 9,999) are the most likely to say their business will stay in their family and also are the most likely to say their business will be sold and closed down. Twenty percent of the business owners in these towns say it will stay in their family and thirty-five percent say their business will be sold and closed down.

The future of the business, farm or ranch also differs by region (Appendix Table 5). The farm or ranch owners living in the South Central region of the state are more likely than those living in other regions to say their farm or ranch will stay in their family (see Appendix Figure 1 for the counties included in each region). Fifty-one percent of the farm or ranch owners in the South Central region state their farm or ranch will stay in their family. However, only 24 percent of the farm or ranch owners in the Panhandle say theirs will stay in the family (Figure 5).

The business owners in the North Central region are more likely than the business owners in other regions of the state to say their business will be sold and closed down. Forty percent of the business owners in the North Central region say their business will be sold and closed down when they are no longer involved in its operation. However, only 18 percent of the business owners in the Panhandle say their business will share this same fate. Forty-two percent of the business owners in the Northeast region don't know what will happen to their business after they are no longer involved in its operation.



Business Retention Strategies

In addition to asking about business transfer,

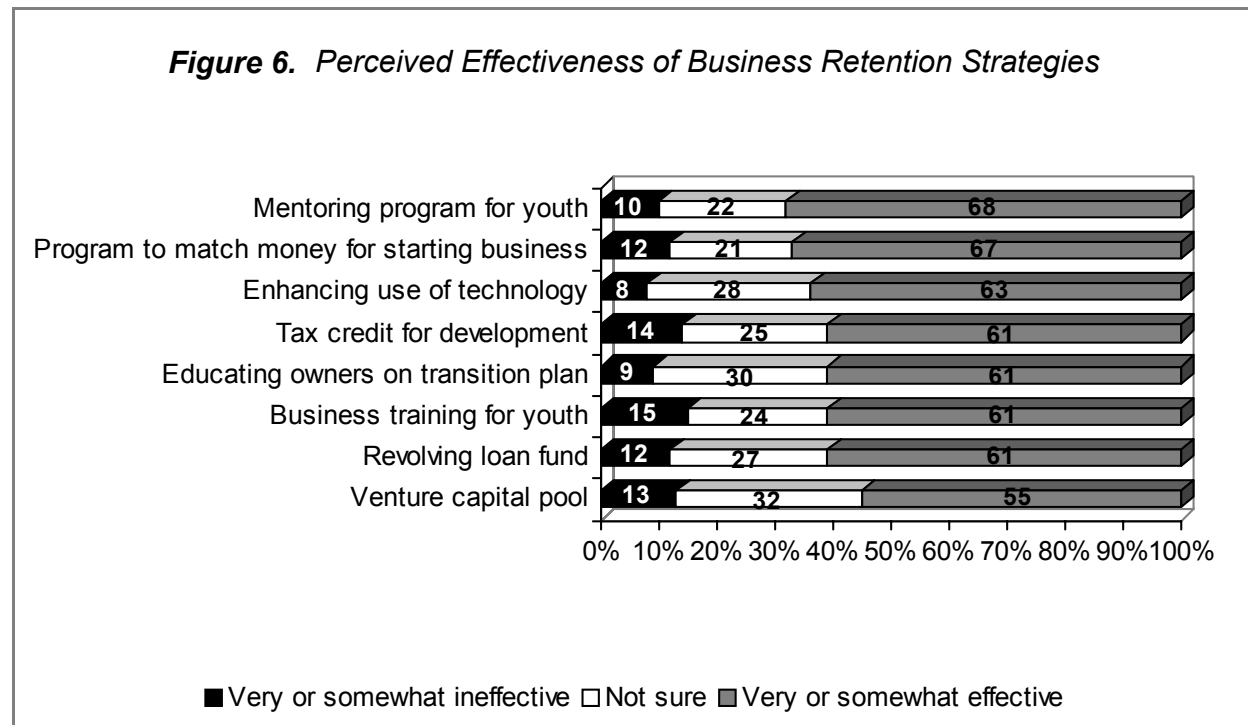
respondents were also asked how effective various strategies would be in retaining the existing businesses in their community. The exact question wording was, “How effective do you believe the following strategies would be in your community to retain its existing businesses?” The answer categories ranged from “very ineffective” to “very effective.”

The strategies with the highest percentages of “very effective” or “somewhat effective” responses include: creating a mentoring program for youth who are interested in becoming business owners (68%), creating a program where people can save money that is matched with federal or other public dollars to use to start a small business (67%), and enhancing the ability of businesses to use information technology (63%) (Figure 6).

The responses to this question were

analyzed by both community size and region (Appendix Table 6). When examining the responses by community size, some interesting findings emerge. First, creating a mentoring program for youth who are interested in becoming business owners and creating a program where people can save money that is matched with federal or other public dollars to use to start a small business were viewed as the two most important business retention strategies regardless of community size.

However, the relative ranking of several of the strategies varies considerably across the five different sizes of communities. The most dramatic case involves the strategy of providing entrepreneurial or business training to the youth in their community. This was ranked as the second most effective strategy by the respondents living in or near the largest communities but the second least effective strategy by the



persons living in or near the smallest communities. Similarly, educating business owners on how to develop a business plan that includes a transition plan for the business was more likely to be viewed as a relatively effective strategy by those living in the larger communities. It was ranked lower by persons living in or near smaller communities.

Conversely, creating a revolving loan fund to be used to make loans to local businesses and creating a tax credit to use toward the development of new or existing buildings or other development costs were ranked higher among the strategies by the persons living in or near smaller communities than by those living in or near larger communities.

When the strategies were analyzed by region, the overall pattern did not differ dramatically. However, there are a couple of instances in which the ranking did differ across the regions. Creating a tax credit to use toward the development of new or existing buildings or other development costs was ranked lower by persons living in both the Panhandle and North Central regions compared to those living in the other regions of the state. In addition, providing entrepreneurial or business training to the youth in your community was ranked somewhat lower by persons living in the Southeast region as compared to the other four regions. And finally, educating business owners on how to develop a business plan that includes a transition plan for the business was ranked somewhat lower by persons living in the Northeast region as compared to persons living elsewhere.

The data were also analyzed by size of community for each of the five regions. The

variations among the five different sizes of communities closely paralleled those found when the responses were analyzed by community size for the entire sample. However, there were some exceptions to the statewide pattern. In the statewide data, the communities with populations ranging from 1,000 to 4,999 ranked the strategy of providing entrepreneurial or business training to the youth in their community fairly low. However, this strategy was ranked relatively high by the persons living in this size of community in the Panhandle. This same size of communities in the statewide data ranked creating a revolving loan fund to be used to make loans to local businesses fairly high. Yet, respondents living in or near communities of this size in the Panhandle ranked this strategy relatively low.

The strategy of creating a venture capital pool to help fund new businesses was ranked fairly high by North Central residents living in or near communities with populations ranging from 5,000 to 9,999. However, when all the regions are combined, this strategy was ranked the lowest by communities of this size. Communities with populations ranging from 500 to 999 in the statewide sample ranked the strategy of creating a tax credit to use toward the development of new or existing buildings or other development costs as the second most effective strategy. However, communities of this size in the North Central region ranked this strategy as the second least effective.

Respondents living in or near communities with populations ranging from 5,000 to 9,999 in the statewide sample ranked the strategy of creating a tax credit to use

toward the development of new or existing buildings or other development costs relatively low. Yet, residents in communities of this size in the Northeast region ranked this strategy fairly high.

Conclusion

Rural Nebraskans are concerned about transferring ownership of local businesses and farms in their communities. The majority view these issues as either very or somewhat important for the future of their community. Assisting people to take over local businesses is even more critical to those living in smaller communities across the state.

The importance of this issue is also evident when looking at rural Nebraskans' plans for their own businesses, farms and ranches. Forty-one percent of the persons owning only a farm or ranch say it will stay in their family. However, only 14 percent of the business owners believe their business will stay in their family.

The results of this report also show that businesses located in smaller communities and in the North Central region are more susceptible to being sold and closed down when the owners are no longer involved in their operation. Farms and ranches in the Panhandle are the least likely to be kept in the family. Thus, efforts to transfer local businesses, farms and ranches can be targeted in these areas.

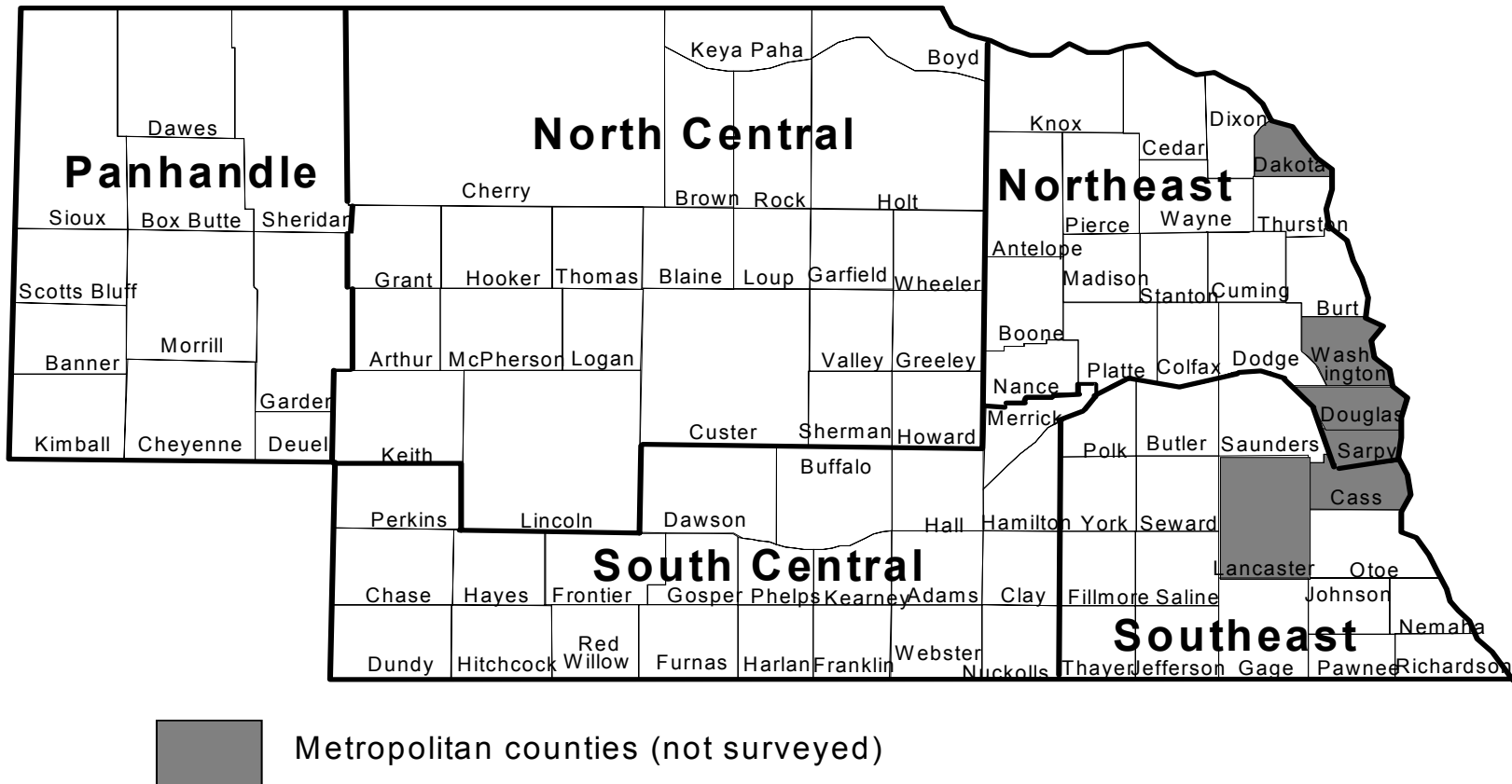
When asked how to retain existing businesses in their community, the strategy rated as most effective was creating a mentoring program for youth who are interested in becoming business owners.

Thus, rural Nebraskans recognize the opportunity to keep young persons in their community by helping them to take over existing businesses or start new ones.

Another strategy rated as being effective was creating a program where people can save money that is matched with federal or other public dollars to use to start a small business. This program is currently included in the Homestead Economic Opportunity Act proposed by Senators Byron Dorgan (North Dakota) and Chuck Hagel (Nebraska).

Rural Nebraskans also recognize the potential information technology can hold for businesses in their community. The strategy of enhancing the ability of businesses to use information technology was also highly rated as being effective in retaining existing businesses.

Appendix Figure 1. Regions of Nebraska



Appendix Table 1. Demographic Profile of Rural Poll Respondents Compared to 1990 Census

	2002	2001	2000	1999	1998	1990
	Poll	Poll	Poll	Poll	Poll	Census
Age : ¹						
20 - 39	16%	17%	20%	21%	25%	38%
40 - 64	51%	49%	54%	52%	55%	36%
65 and over	32%	33%	26%	28%	20%	26%
Gender: ²						
Female	36%	37%	57%	31%	58%	49%
Male	64%	63%	43%	69%	42%	51%
Education: ³						
Less than 9 th grade	3%	4%	2%	3%	2%	10%
9 th to 12 th grade (no diploma)	4%	5%	4%	5%	3%	12%
High school diploma (or equivalent)	32%	35%	34%	36%	33%	38%
Some college, no degree	25%	26%	28%	25%	27%	21%
Associate degree	10%	8%	9%	9%	10%	7%
Bachelors degree	16%	13%	15%	15%	16%	9%
Graduate or professional degree	10%	8%	9%	8%	9%	3%
Household income: ⁴						
Less than \$10,000	8%	9%	3%	8%	3%	19%
\$10,000 - \$19,999	15%	16%	10%	15%	10%	25%
\$20,000 - \$29,999	17%	20%	15%	18%	17%	21%
\$30,000 - \$39,999	17%	16%	19%	18%	20%	15%
\$40,000 - \$49,999	14%	14%	17%	15%	18%	9%
\$50,000 - \$59,999	11%	9%	15%	9%	12%	5%
\$60,000 - \$74,999	9%	8%	11%	8%	10%	3%
\$75,000 or more	10%	8%	11%	10%	10%	3%
Marital Status: ⁵						
Married	73%	70%	95%	76%	95%	64%
Never married	6%	7%	0.2%	7%	0.4%	20%
Divorced/separated	9%	10%	2%	8%	1%	7%
Widowed/widower	12%	14%	4%	10%	3%	10%

¹ 1990 Census universe is non-metro population 20 years of age and over.

² 1990 Census universe is total non-metro population.

³ 1990 Census universe is non-metro population 18 years of age and over.

⁴ 1990 Census universe is all non-metro households.

⁵ 1990 Census universe is non-metro population 15 years of age and over.

Appendix Table 2. Perceived Importance of Transferring Businesses by Community Size, Region and Individual Attributes.

How important do you think the following items are for the future of your community?										
<i>Assisting people to take over local businesses as current owners retire</i>					<i>Assisting people to take over local farms as the current owners retire</i>					
	<u>Not at all important</u>	<u>Not very important</u>	<u>Somewhat important</u>	<u>Very important</u>	<u>Significance</u>	<u>Not at all important</u>	<u>Not very important</u>	<u>Somewhat important</u>	<u>Very important</u>	<u>Significance</u>
					<i>Percentages</i>					
<u>Community Size</u>	(n = 2655)				(n = 2639)					
Less than 500	2	8	36	54		3	8	29	60	
500 - 999	3	6	31	61		3	7	27	63	
1,000 - 4,999	1	5	34	59		3	7	31	59	
5,000 - 9,999	0*	9	41	51	P ² = 44.52	1	9	33	57	P ² = 17.65
10,000 and up	3	7	44	47	(.000)	3	8	36	53	(.127)
<u>Region</u>	(n = 2719)				(n = 2705)					
Panhandle	2	9	35	54		2	9	30	60	
North Central	2	7	38	53		3	9	33	56	
South Central	2	7	39	52		3	8	32	58	
Northeast	2	7	37	55	P ² = 13.73	3	7	30	61	P ² = 8.55
Southeast	1	6	38	56	(.319)	3	8	35	55	(.741)
<u>Individual Attributes:</u>										
<i>Income Level</i>	(n = 2486)				(n = 2477)					
Under \$20,000	2	8	40	50		4	7	27	62	
\$20,000 - \$39,999	2	6	40	52		2	7	35	57	
\$40,000 - \$59,999	1	7	33	59	P ² = 14.77	2	9	31	58	P ² = 18.64
\$60,000 and over	2	7	36	56	(.098)	3	9	35	54	(.028)
<i>Age</i>	(n = 2740)				(n = 2726)					
19 - 29	1	8	39	51		4	4	36	56	
30 - 39	1	6	36	57		2	9	30	59	
40 - 49	1	6	37	56		2	8	33	58	
50 - 64	2	7	36	55	P ² = 12.13	3	8	32	58	P ² = 12.58
65 and older	3	7	40	51	(.436)	4	8	31	58	(.400)
<i>Gender</i>	(n = 2705)				(n = 2691)					
Male	2	8	38	53	P ² = 9.17	3	9	32	57	P ² = 11.24
Female	1	5	37	56	(.027)	2	6	32	60	(.011)

Appendix Table 2 Continued.

<i>How important do you think the following items are for the future of your community?</i>										
	<i>Assisting people to take over local businesses as current owners retire</i>					<i>Assisting people to take over local farms as the current owners retire</i>				
	<u>Not at all important</u>	<u>Not very important</u>	<u>Somewhat important</u>	<u>Very important</u>	<u>Significance</u>	<u>Not at all important</u>	<u>Not very important</u>	<u>Somewhat important</u>	<u>Very important</u>	<u>Significance</u>
<i>Education</i>	(n = 2707)					(n = 2692)				
No H.S. diploma	2	9	43	46		5	9	29	57	
H. S. diploma	2	7	39	52		3	6	32	60	
Some college	2	7	39	53	P ² = 16.19	3	8	34	56	P ² = 12.69
Bachelors or graduate degree	2	6	33	59	(.063)	2	10	31	58	(.177)
<i>Marital Status</i>	(n = 2705)					(n = 2691)				
Married	2	7	37	54		3	8	32	57	
Never married	1	8	41	51		1	7	32	60	
Divorced/separated	1	7	37	55	P ² = 11.99	2	7	31	61	P ² = 6.78
Widowed	4	6	40	51	(.214)	4	7	30	59	(.660)
<i>Occupation</i>	(n = 1885)					(n = 1879)				
Sales	2	6	37	56		2	7	36	55	
Manual laborer	1	8	39	53		2	8	32	57	
Prof/tech/admin	2	6	35	57		2	8	34	56	
Service	1	6	40	52		3	6	33	58	
Farming/ranching	1	7	36	56		2	7	24	67	
Skilled laborer	1	8	39	51		1	8	32	59	
Admin. support	0	6	31	63	P ² = 16.29	1	6	34	59	P ² = 21.54
Other	8	0	42	50	(.753)	9	0	36	55	(.426)
<i>Business, Farm or Ranch Ownership</i>	(n = 1995)					(n = 1988)				
Own a farm/ranch	1	6	38	54		2	7	27	64	
Own a business	2	6	30	62		3	9	30	59	
Own both a farm/ranch and a business	0	5	25	71	P ² = 23.26	1	7	21	71	P ² = 26.17
Do not own either	1	7	39	53	(.006)	2	7	36	55	(.002)

0* = Less than 1 percent.

Appendix Table 3. Ownership of Business, Farm or Ranch by Community Size, Region and Individual Attributes.

Do you currently own a business, farm or ranch in rural Nebraska?					
	<i>Own only farm or ranch</i>	<i>Own only a business</i>	<i>Own farm or ranch and a business</i>	<i>Do not own either</i>	<i>Chi-square (sig.)</i>
<i>Percentages</i>					
<u>Community Size</u>	(n = 1984)				
Less than 500	36	12	10	42	
500 - 999	34	9	10	47	
1,000 - 4,999	24	14	9	53	
5,000 - 9,999	16	15	7	63	P ² = 196.53
10,000 and up	7	14	3	76	(.000)
<u>Region</u>	(n = 2020)				
Panhandle	20	15	7	59	
North Central	27	14	8	52	
South Central	16	14	9	61	
Northeast	22	13	6	60	P ² = 20.86
Southeast	23	12	6	60	(.052)
<u>Individual Attributes:</u>					
<i>Income Level</i>	(n = 1911)				
Under \$20,000	29	15	4	52	
\$20,000 - \$39,999	21	11	7	61	
\$40,000 - \$59,999	16	13	7	65	P ² = 50.07
\$60,000 and over	16	18	11	56	(.000)
<i>Age</i>	(n = 2033)				
19 - 29	9	8	2	81	
30 - 39	12	14	7	67	
40 - 49	20	16	6	59	
50 - 64	23	14	8	55	P ² = 87.41
65 and older	34	9	10	47	(.000)
<i>Gender</i>	(n = 2017)				
Male	22	15	9	54	P ² = 41.33
Female	17	11	4	68	(.000)
<i>Education</i>	(n = 2020)				
No H.S. diploma	20	17	8	55	
H. S. diploma	23	10	6	61	
Some college	20	14	6	60	P ² = 21.51
Bachelors or graduate degree	19	16	10	55	(.011)
<i>Marital Status</i>	(n = 2017)				
Married	23	15	8	54	
Never married	16	6	3	76	
Divorced/separated	8	12	2	78	P ² = 71.23
Widowed	20	10	4	67	(.000)
<i>Occupation</i>	(n = 1905)				
Sales	9	24	10	58	
Manual laborer	9	7	1	83	
Prof/tech/admin	9	16	5	70	
Service	11	16	6	68	
Farming/ranching	74	1	13	13	
Skilled laborer	8	15	5	72	
Admin. support	16	5	4	75	P ² = 815.79
Other	25	25	8	42	(.000)

Appendix Table 4. Future Plans of Business, Farm or Ranch by Community Size.

Less than 500			
	Own a farm or ranch	Own a business	Own a farm/ranch and a business
	<i>Percentages</i>		
The business, farm or ranch will stay in my family	48	16	41
The business, farm or ranch will continue to operate, but by someone outside of my family	23	13	7
The business will be sold and closed down	0	34	17
Don't know	28	34	28
Other	1	3	7
500 - 999			
	Own a farm or ranch	Own a business	Own a farm/ranch and a business
	<i>Percentages</i>		
The business, farm or ranch will stay in my family	43	14	38
The business, farm or ranch will continue to operate, but by someone outside of my family	35	18	8
The business will be sold and closed down	0	32	25
Don't know	21	32	21
Other	1	5	8
1,000 - 4,999			
	Own a farm or ranch	Own a business	Own a farm/ranch and a business
	<i>Percentages</i>		
The business, farm or ranch will stay in my family	37	16	32
The business, farm or ranch will continue to operate, but by someone outside of my family	30	25	20
The business will be sold and closed down	0	30	20
Don't know	32	27	22
Other	2	3	6

Appendix Table 4 continued.

5,000 - 9,999			
	Own a farm or ranch	Own a business	Own a farm/ranch and a business
	<i>Percentages</i>		
The business, farm or ranch will stay in my family	34	20	41
The business, farm or ranch will continue to operate, but by someone outside of my family	43	28	18
The business will be sold and closed down	0	35	12
Don't know	21	15	29
Other	2	3	0
10,000 and more			
	Own a farm or ranch	Own a business	Own a farm/ranch and a business
	<i>Percentages</i>		
The business, farm or ranch will stay in my family	46	11	21
The business, farm or ranch will continue to operate, but by someone outside of my family	24	23	7
The business will be sold and closed down	0	28	36
Don't know	22	33	21
Other	7	5	14

Appendix Table 5. Future Plans of Business, Farm or Ranch by Region.

<i>Panhandle</i>			
	Own a farm or ranch	Own a business	Own a farm/ranch and a business
	<i>Percentages</i>		
The business, farm or ranch will stay in my family	24	21	26
The business, farm or ranch will continue to operate, but by someone outside of my family	33	29	7
The business will be sold and closed down	0	18	40
Don't know	35	24	20
Other	9	9	7
<i>North Central</i>			
	Own a farm or ranch	Own a business	Own a farm/ranch and a business
	<i>Percentages</i>		
The business, farm or ranch will stay in my family	43	15	41
The business, farm or ranch will continue to operate, but by someone outside of my family	27	18	9
The business will be sold and closed down	0	40	23
Don't know	30	25	27
Other	0	3	0
<i>South Central</i>			
	Own a farm or ranch	Own a business	Own a farm/ranch and a business
	<i>Percentages</i>		
The business, farm or ranch will stay in my family	51	12	47
The business, farm or ranch will continue to operate, but by someone outside of my family	28	31	14
The business will be sold and closed down	0	31	20
Don't know	21	21	16
Other	1	5	4

Appendix Table 5 continued.

	<i>Northeast</i>		
	Own a farm or ranch	Own a business	Own a farm/ranch and a business
	<i>Percentages</i>		
The business, farm or ranch will stay in my family	34	16	17
The business, farm or ranch will continue to operate, but by someone outside of my family	34	12	13
The business will be sold and closed down	0	30	17
Don't know	31	42	44
Other	1	0	9

	<i>Southeast</i>		
	Own a farm or ranch	Own a business	Own a farm/ranch and a business
	<i>Percentages</i>		
The business, farm or ranch will stay in my family	47	13	27
The business, farm or ranch will continue to operate, but by someone outside of my family	29	23	19
The business will be sold and closed down	0	36	19
Don't know	22	26	23
Other	2	2	12

Appendix Table 6. Perceived Effectiveness of Strategies to Retain Existing Businesses by Community Size and Region.

	<i>Statewide</i>					Total
	Less than 500	500 - 999	1,000 - 4,999	5,000 - 9,999	10,000 & over	
	<i>Percent Rating Each Strategy as "Somewhat Effective" or "Very Effective"</i>					
	(n = 389)	(n = 315)	(n = 745)	(n = 367)	(n = 771)	(n = 2587)
Providing entrepreneurial or business training to the youth in your community	49	53	61	63	69	61
Creating a revolving loan fund to be used to make loans to local businesses	55	61	65	61	61	61
Creating a program where people can save money that is matched with federal or other public dollars to use to start a small business	60	71	69	64	69	67
Creating a mentoring program for youth who are interested in becoming business owners	61	65	69	69	73	68
Creating a tax credit to use toward the development of new or existing buildings or other development costs	57	65	63	58	63	61
Creating a venture capital pool to help fund new businesses	47	57	58	56	57	55
Enhancing the ability of businesses to use information technology	58	64	64	62	66	63
Educating business owners on how to develop a business plan that includes a transition plan for the business	51	59	62	64	66	61

Appendix Table 6 Continued.

	<i>Panhandle</i>					Total
	Less than 500	500 - 999	1,000 - 4,999	5,000 - 9,999	10,000 & over	
	<i>Percent Rating Each Strategy as "Somewhat Effective" or "Very Effective"</i>					
	(n = 31)	(n = 22)	(n = 61)	(n = 99)	(n = 86)	(n = 305)
Providing entrepreneurial or business training to the youth in your community	49	50	62	62	70	61
Creating a revolving loan fund to be used to make loans to local businesses	52	65	52	57	69	59
Creating a program where people can save money that is matched with federal or other public dollars to use to start a small business	55	65	66	62	74	65
Creating a mentoring program for youth who are interested in becoming business owners	56	65	68	65	76	67
Creating a tax credit to use toward the development of new or existing buildings or other development costs	56	65	58	51	68	58
Creating a venture capital pool to help fund new businesses	49	41	51	54	66	54
Enhancing the ability of businesses to use information technology	65	55	61	58	70	62
Educating business owners on how to develop a business plan that includes a transition plan for the business	47	55	59	62	64	59

Appendix Table 6 Continued.

	<i>North Central</i>					Total
	Less than 500	500 - 999	1,000 - 4,999	5,000 - 9,999	10,000 & over	
	<i>Percent Rating Each Strategy as "Somewhat Effective" or "Very Effective"</i>					
	(n = 77)	(n = 50)	(n = 144)	(n = 17)	(n = 76)	(n = 365)
Providing entrepreneurial or business training to the youth in your community	53	56	68	50	71	63
Creating a revolving loan fund to be used to make loans to local businesses	61	52	69	50	63	63
Creating a program where people can save money that is matched with federal or other public dollars to use to start a small business	63	66	72	56	72	68
Creating a mentoring program for youth who are interested in becoming business owners	60	64	75	65	76	70
Creating a tax credit to use toward the development of new or existing buildings or other development costs	56	54	63	47	60	59
Creating a venture capital pool to help fund new businesses	53	56	56	56	62	57
Enhancing the ability of businesses to use information technology	60	62	66	67	69	65
Educating business owners on how to develop a business plan that includes a transition plan for the business	46	58	67	56	72	62

Appendix Table 6 Continued.

	<i>South Central</i>					Total
	Less than 500	500 - 999	1,000 - 4,999	5,000 - 9,999	10,000 & over	
	<i>Percent Rating Each Strategy as "Somewhat Effective" or "Very Effective"</i>					
	(n = 102)	(n = 108)	(n = 172)	(n = 99)	(n = 313)	(n = 794)
Providing entrepreneurial or business training to the youth in your community	50	48	65	58	68	61
Creating a revolving loan fund to be used to make loans to local businesses	59	63	68	65	57	61
Creating a program where people can save money that is matched with federal or other public dollars to use to start a small business	63	72	70	67	68	68
Creating a mentoring program for youth who are interested in becoming business owners	65	64	72	64	71	68
Creating a tax credit to use toward the development of new or existing buildings or other development costs	58	71	62	56	63	62
Creating a venture capital pool to help fund new businesses	49	56	58	61	54	55
Enhancing the ability of businesses to use information technology	63	69	67	64	70	67
Educating business owners on how to develop a business plan that includes a transition plan for the business	59	57	63	68	66	63

Appendix Table 6 Continued.

	<i>Northeast</i>					Total
	Less than 500	500 - 999	1,000 - 4,999	5,000 - 9,999	10,000 & over	
	<i>Percent Rating Each Strategy as "Somewhat Effective" or "Very Effective"</i>					
	(n = 57)	(n = 72)	(n = 170)	(n = 33)	(n = 245)	(n = 580)
Providing entrepreneurial or business training to the youth in your community	53	57	53	74	71	62
Creating a revolving loan fund to be used to make loans to local businesses	64	66	64	65	65	65
Creating a program where people can save money that is matched with federal or other public dollars to use to start a small business	61	73	64	70	70	68
Creating a mentoring program for youth who are interested in becoming business owners	63	63	64	76	74	69
Creating a tax credit to use toward the development of new or existing buildings or other development costs	66	66	62	70	63	64
Creating a venture capital pool to help fund new businesses	53	61	62	49	57	58
Enhancing the ability of businesses to use information technology	57	63	59	64	64	62
Educating business owners on how to develop a business plan that includes a transition plan for the business	55	58	58	66	64	61

Appendix Table 6 Continued.

	<i>Southeast</i>					Total
	Less than 500	500 - 999	1,000 - 4,999	5,000 - 9,999	10,000 & over	
	<i>Percent Rating Each Strategy as "Somewhat Effective" or "Very Effective"</i>					
	(n = 120)	(n = 62)	(n = 210)	(n = 117)	(n = 51)	(n = 560)
Providing entrepreneurial or business training to the youth in your community	44	55	61	69	65	58
Creating a revolving loan fund to be used to make loans to local businesses	47	53	66	62	60	59
Creating a program where people can save money that is matched with federal or other public dollars to use to start a small business	58	73	73	66	58	67
Creating a mentoring program for youth who are interested in becoming business owners	60	66	69	75	70	68
Creating a tax credit to use toward the development of new or existing buildings or other development costs	55	63	65	64	58	61
Creating a venture capital pool to help fund new businesses	39	60	60	56	52	53
Enhancing the ability of businesses to use information technology	53	59	68	63	47	60
Educating business owners on how to develop a business plan that includes a transition plan for the business	49	61	64	63	65	60

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