



Department of Economic Development

TARGET INDUSTRY STUDY UPDATE

301 Centennial Mall South
P.O. Box 94666
Lincoln, NE 68509-4666
(402) 471-3111
www.neded.org

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PART I: STATEWIDE TARGETS

TARGET INDUSTRY STUDY UPDATE

Part I: Statewide Targets

HISTORY: Deloitte & Touche Fantus completed the inaugural Target Industry Study in December 2000 in cooperation with staff from the Nebraska Department of Economic Development (DED), and several sponsoring organizations in Nebraska. The study had a 20-year time horizon, but focused mostly on short-term objectives. There was recognition that the location needs of some industries, combined with location attributes in certain areas of the state might generate immediate opportunities. It was noted, however, that other industries require long-term attention, either because of evolving or cyclical location needs or, more likely, because of institutional and infrastructure investments needed to be more competitive in developing those industry clusters. Given the varying characteristics of the state's industries and economic geography, the consultant noted that the study should be reviewed and updated every three to five years. Aligning with the original study, this update concentrates on "traded industries," whose markets are located primarily outside of Nebraska.

This 2003 report update will:

1. Outline the original study and the steps taken to implement its recommendations;
2. Review steps taken for this update; and
3. Identify preliminary targets for sub-state regions.

SUMMARY OF ORIGINAL STUDY

Study Process

The consultant factored several components into the study process, including:

- Reviewed development and target-related studies previously undertaken in the state;
- Consulted with DED staff on study elements;
- Hosted regional meetings with business and community leaders statewide to learn about local interests related to local targets;
- Held briefings with representatives of nine sponsoring organizations; and
- Held regional meetings statewide to report findings before completing the final report.

Targeting Criteria

The study was undertaken to identify "new economy" industry clusters that would lead economic development in the 21st century and "fit" with development in Nebraska. In addition, the study identified industries that would increase the average Nebraska wage rate; expand value-added jobs; and broaden the competitiveness of Nebraska's economy. More specifically, the attributes used to identify industry targets were:

- High growth potential – Industries would have greater growth potential than the national average;
- Wealth enhancement – Industries would pay high wages thereby creating more wealth in the state;
- High value-added – Given Nebraska's centralized location in the U.S., and its proximity to major population centers, high value-added businesses would need to be those less sensitive to transportation costs;
- Large investment – Facilities requiring large investments would be more permanent, remaining longer in chosen locations.

Given the geographic diversity and population distribution across the state, consultants also identified four regions based on demography, existing economic structure, and skill levels. These are: the Metropolitan Region, comprised of the greater Lincoln and Omaha metropolitan areas; the I-80 Corridor

Region; the Industrial Region, covering the eastern one-third of the state; and the Rural Region, less populated areas north and south of I-80 that focus on agriculture.

Targets Identified in Original Study

The six clusters identified by the consultants included three industries based on "EXISTING SYNERGIES" (Agribusiness, Financial Services and Metal Products), and three industries encompassing "KNOWLEDGE-BASED, NEW ECONOMY" objectives (Biotechnology, Electronics Manufacturing, and Software). Each industry cluster included detailed information about specific industries within a cluster, and recommended short- and long-term actions for developing those industries.

Implementation Steps Taken by DED

DED has taken a number of steps to implement the original study's recommendations, including:

1. Completed industrial building/site guideline reports for each of the four identified regions. The reports provide substantial detail about those targeted industries/businesses that would have good location fit in each region, and the needed steps to improve preparedness.
2. DED Business Development staff was designated as "industrial specialists" for selected targets to gain expertise on their assigned industries, and to lead development efforts in those industries.
3. The Business Retention and Expansion Survey Program was revised to reflect study findings that indicated program representatives needed to give priority to targeted industries when planning personal visits to survey businesses in a specific community or area.
4. DED first considered and/or offered financial and customized training assistance to targeted industries.
5. DED initiated a Speculative Building Program for communities aggressively undertaking industrial development programs, and increased its emphasis on site preparation when working with communities. This initiative was spurred by study findings indicating that the decision-making process involved in locating and expanding businesses is often based on short timelines, subsequently communities need to be prepared.
6. To help smaller communities prepare labor availability information, DED initiated a Local Labor Survey Program to be used with small communities that were ready for, but unable to afford, local labor surveys. This program supplemented the technical assistance that small communities receive through DED's local workforce development guide, "Building the Foundations for Workforce Development".
7. Staff used the list of targeted industries to prescreen businesses before scheduling appointments prior to making marketing trips to various locations in the U.S. and abroad.

UPDATE OF TARGETS

Much work has been accomplished through the use of industry targets in guiding and implementing changes in DED's internal programming and policies. This work will continue. Reviewing the implementation process, however, there are factors that guide the need for refining the industry targets. Of particular importance are:

- The state's priorities must be influenced by economic trends. Certain industries, including much of the durable manufacturing sector – particularly metal fabrication and electronic manufacturing – have been substantially impacted by the recession and slow growth of the nation's and region's economies during the start of the 21st century. As the economy recovers, attention paid

to effects on targeted industries will determine and influence how much future attention should be devoted to them.

- Concern has been expressed about the large number of industries identified in the original study, which included some 30 four-digit SIC codes. Staff and time constraints limit the ability to become knowledgeable about, or intelligently target, such a long list. One objective of this update is to refine the list.
- The regional configuration in the original study, while well conceived and useful for categorizing the state's regions along with accompanying demographic patterns and economic base characteristics, has been difficult to implement within local targeting processes. This issue will be addressed later in this update.
- A more detailed process for helping communities target industries at the local development level needs to be developed. This issue will be addressed later in this update.

Of significant concern was the insufficient involvement of the Nebraska development community in the initial rollout of target industry selection and the identification of implementation steps and responsibilities. While the preparation of reports guiding follow-up actions was helpful, it is important that those whose actions will be affected be as involved as possible.

This update included the following activities:

- DED staff identified a reduced list of priority target industries.
- Members of the Nebraska Industrial Competitiveness Alliance (NICA) recommended several screening criteria for further identifying target industries, which was used to refine the DED staff list.
- An industry clustering methodology was used to independently identify clusters, and compare these clusters with the list generated by DED staff in cooperation with NICA.

Screening Criteria and Staff Targeting Results

In early 2003, DED staff began working on reducing the list of approximately 30, four-digit SIC code industries identified by Deloitte & Touche Fantus in the original Target Industry Study. DED requested input from NICA and the Nebraska Diplomats to gain consensus on the screening criteria that would be used. A list of 18 attributes was provided to the NICA Board at its April meeting, and to the Nebraska Diplomats at 2003 spring regional meetings. Each group was asked to select the five most important attributes and rank these in order of importance.

The following attributes were ranked as most important (see Chart I for complete results):

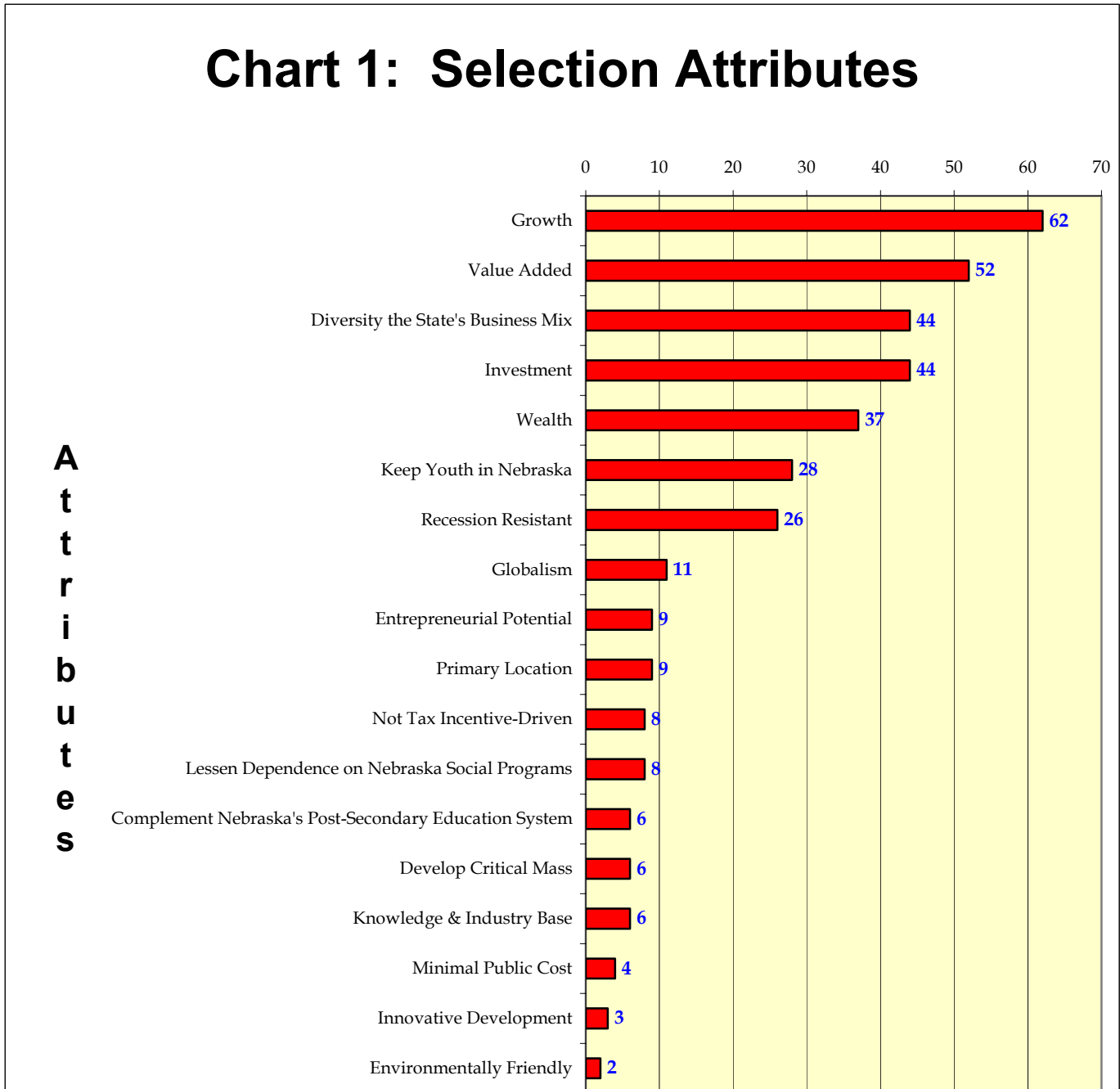
- High Growth
- Value-added
- Diversify the economy
- High investment per employee
- High Wages

Worth noting is that these screening attributes are essentially the same as the priority attributes identified in the original study by Deloitte & Touche Fantus.

The Cluster Mapping Project at Harvard University's Institute for Strategy and Competitiveness also was employed. Using SIC code data from County Business Patterns, issued by the U.S. Department of Commerce, staff was able to identify clusters between prominent "core" industries and other industries in Nebraska.

Harvard University's cluster for Nebraska and the original Deloitte Touche & Fantus clusters findings were screened using the revised 2003 DED/NICA/NE Diplomats criteria, resulting in a pared down list of industries (see Table 1). Notice that these industries already have a generally strong presence in Nebraska (and most are represented among the top employers in all 50 states in 2000), typically pay higher than average wages, and have experienced above average employment growth from 1990-2000.

Chart 1: Selection Attributes



*In the Spring 2003 72 Nebraska Diplomats and NICA Board Members were asked to choose the top 5 attributes for selecting targets. Values in the chart are the number selecting that attribute.

Table 1 – National Employment Growth Trends for Nebraska Target Industry Clusters

Target Industry Cluster		Thousands of jobs US 2000	Thousands of jobs US 2010	US % Change 2000 - 2010	Nebraska 2000	Nebraska 2010	% Change
Processed Foods	Food & Kindred Products	1,684	1,634	-3.0	37,730	42,945	13.8
Plastics		744	900	21.0	6,610	6,994	5.8
Heavy Machinery	Industrial Machinery	2,120	2,222		6,610	6,994	
	Transportation Equipment	1,849	2,063		6,610	6,994	
	Fabricated Structure	498	540		6,610	6,994	
	TOTAL	4,467	4,825	8.0	19,830	20,982	10.5
Financial Services	Holding & Other Investment				1,339	1,648	
	Depository Institutions	2,029	199		17,551	19,545	
	Non-Depository Institutions	932	1,075		3,104	3,634	
	Security/Commodity Broker	748	900		4,218	5,051	
	TOTAL	3,709	2,174	7.1	26,212	29,878	14.0
Transportation & Logistics	Trucking & Warehousing	1,856	2,262		25,932	33,868	
	Railroad Transportation	236	175		12,320	11,071	
	Transportation Services	471	585		1,966	2,449	
	Transportation Air	1,281	1,600		5,147	6,360	
	TOTAL	3,844	4,622	20.2	45,365	53,748	14.0
Hospitality & Tourism	Hotels	1,845	2,100		9,797	11,427	
	Other Lodging Places	67	67		N/A	N/A	
	Amusement & Recreational	1,728	2,325		9,434	11,747	
	TOTAL	3,640	4,492	23.4	19,231	23,174	20.5
Information Services	Printing & Publishing	1,547	1,545		9,564	9,338	
	Paper & Allied Products	357	626		2,119	2,558	
	Computer Services	2,095	3,900		19,568	25,305	
	Telemarketing Service/Fee	463	463		7,000	5,000	
	Internet Service Provider, Online Information Service	N/A	N/A		N/A	N/A	
	TOTAL	4,462	6,534	46.4	38,251	42,201	10.3
Medical Devices	Medical Equip, Instruments	288	324		3,216	3,727	
	Ophthalmic Goods	33	48		N/A	N/A	
	Surgical Instruments/Supp.	N/A	N/A		N/A	N/A	
	Diagnostic Substances	N/A	N/A		N/A	N/A	
	Biological Products	N/A	N/A		N/A	N/A	
	Dental Instruments/Supp.	N/A	N/A		N/A	N/A	
TOTAL	321	372	15.9	3,216	3,727	15.9	
Business Services	Computer Programming	N/A	N/A		N/A	N/A	
	Engineering Services	1,017	1,330		4,521	5,213	
	Facilities Support Services	994	1,120		6,696	7,659	
	Laundry Services	451	470		2,320	2,337	
	Management Consulting	1,090	1,550		3,780	4,761	
	Market Related Services	N/A	N/A		N/A	N/A	
	Photocopying	N/A	N/A		4,068	5,542	
	Professional Services	N/A	N/A		202	225	
	TOTAL	3,552	4,470	25.8	21,587	25,737	19.2
Biopharmaceutical	Drugs	315	390		1,965	18	
	Containers (Paperboard)	218	210		N/A	2,402	
	Health & Beauty Aids	N/A	N/A		26	N/A	
	TOTAL	533	600	12.6	1,991	2,420	21.5

Sources: U.S. Department of Labor, Bureau of Labor Statistics, [Monthly Labor Review](#), November 2001, and Nebraska Department of Workforce Development, August 2002.

STATEWIDE TARGETS

In Table 1 ten (10) traded clusters were identified as possible targets. Some targets are more appropriate as regional targets and others have a broader geographic span. To address both the geographic relevance of targets and to provide focus to statewide marketing activities, target clusters are identified for both statewide and regional targeting activities.

Initial statewide targets are:

- Processed Foods
- Transportation & Logistics
- Information Services

PART II: IDENTIFICATION OF SUB-STATE TARGETS

TARGET INDUSTRY STUDY UPDATE

PART II: IDENTIFICATION OF SUB-STATE TARGETS

Approach: This study update strives to balance the viewpoints of building from existing strengths with finding innovative ways to plan for and meet the needs of future businesses. To accomplish this, staff combined the framework adopted by the Cluster Mapping Project, Institute for Strategy and Competitiveness with a more traditional approach to industry targeting to ultimately guide the selection of targeted industries based on strengths and desirable attributes.

The Cluster Mapping Project analyzes economies according to the proportion that is individually contributed by Resource, Local, and Traded Clusters. Resource Clusters build businesses around natural resources, such as coal mines and oil fields. Local Cluster businesses support local populations proportionately across the whole economy. Firms in Traded Cluster, however, compete with similar-sized firms in other locations for business outside of their local areas. These companies are the primary focus of this update effort.

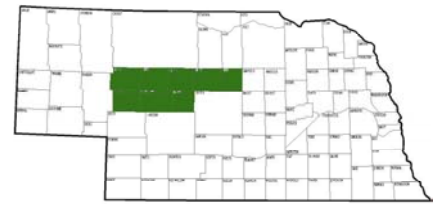
Regional Clusters: The 2000 Deloitte & Touche Fantus study grouped Nebraska counties into four types: Rural, I-80, Industrial, and Metropolitan. Some areas embraced the designations, undertaking regional development activities. With slight modifications, this study maintains most of the regions. One exception, however, was the "Rural" designation. Early in the implementation process, it became clear that geographic subsets were developing differently, both in type and rate of development. As a result, the 50 counties originally located in this "Rural" designation have now been regrouped into smaller regions based on dominant economic clusters. It is expected that this regrouping will allow staff to more easily provide regional development support.

Target Industry Regions



Nebraska Department of Labor employment, establishment and payroll data was used to determine predominant employment clusters. Where possible the data was supplemented with Business Retention and Expansion Survey and U.S. Census data. Many suggested regional targets build from existing strengths. Others, however, are recommended as ways of leveraging existing strengths to diversify the economic base. Only regional stakeholders can choose their targets. The "suggestions" here are intended to help energize that process.

Central Sandhills Region



Background: The Central Sandhills Region is characterized by ranches and small service communities. The 2000 U.S. Census reported that these eight counties had a total population of 5,123. Accordingly, the region has few wage paying business establishments. Based on 2001 Department of Labor payroll information, the area has 162 establishments with payrolls and 792 payroll jobs; many of which work for ranches or feed lots. Some existing businesses may be able to expand their markets and add jobs, and such a development strategy could be pursued. Other firms could be formed to further capitalize on the tourism potential of the area. Increasing business formations and attracting external expenditures is an important component of this area's growth.

Possible growth opportunities include:

- Agricultural Processing Operations
- Hospitality & Tourism
- Metal Fabrication (agricultural markets)

Targets by Attributes

Target	Selection Attributes				
	Growth	Value-Added	Diversify	Investment	Wealth
Agricultural Processing	Low	Moderate	Low	Moderate	Moderate
Hospitality & Tourism	High	Moderate	Moderate	Low	Low
Metal Fabrication	Low	High	Moderate	High	Moderate

Central Sandhills Region Data

	Arthur	Blaine	Grant	Hooker	Logan	Loup	McPherson	Thomas	TOTAL
Establishments	14	21	29	34	21	7	7	29	162
Payroll Employees	73	93	133	201	96	16	17	163	792
2000 Population	416	529	706	745	743	739	546	699	5,123

North Central Region



Background: The North Central Region transitions from ranching to more intensive agricultural production. Its economy contains many elements of a resource-based ranch economy. While there are some Traded Clusters, about 75 percent of the region's economy comes from local trade and services.

Some trade centers in the region have been able to diversify their economic base with manufacturing and traded services. With a regional population of about 30,000, there is labor available to attract and grow small firms.

Additionally, the area has considerable tourism potential, with scenic areas and outdoor adventure opportunities. Near-term targets include:

- Metal Fabrication
- Information Services (including back-office operations)
- Hospitality & Tourism
- Bioscience/Technology

Targets by Attributes

Target	Selection Attributes				
	Growth	Value-Added	Diversify	Investment	Wealth
Metal Fabrication	Low	High	Moderate	High	Moderate
Information Services	High	Moderate	High	Low	Moderate
Hospitality & Tourism	High	Moderate	Moderate	Low	Low
Bioscience/Technology	High	High	High	High	High

North Central Region Data

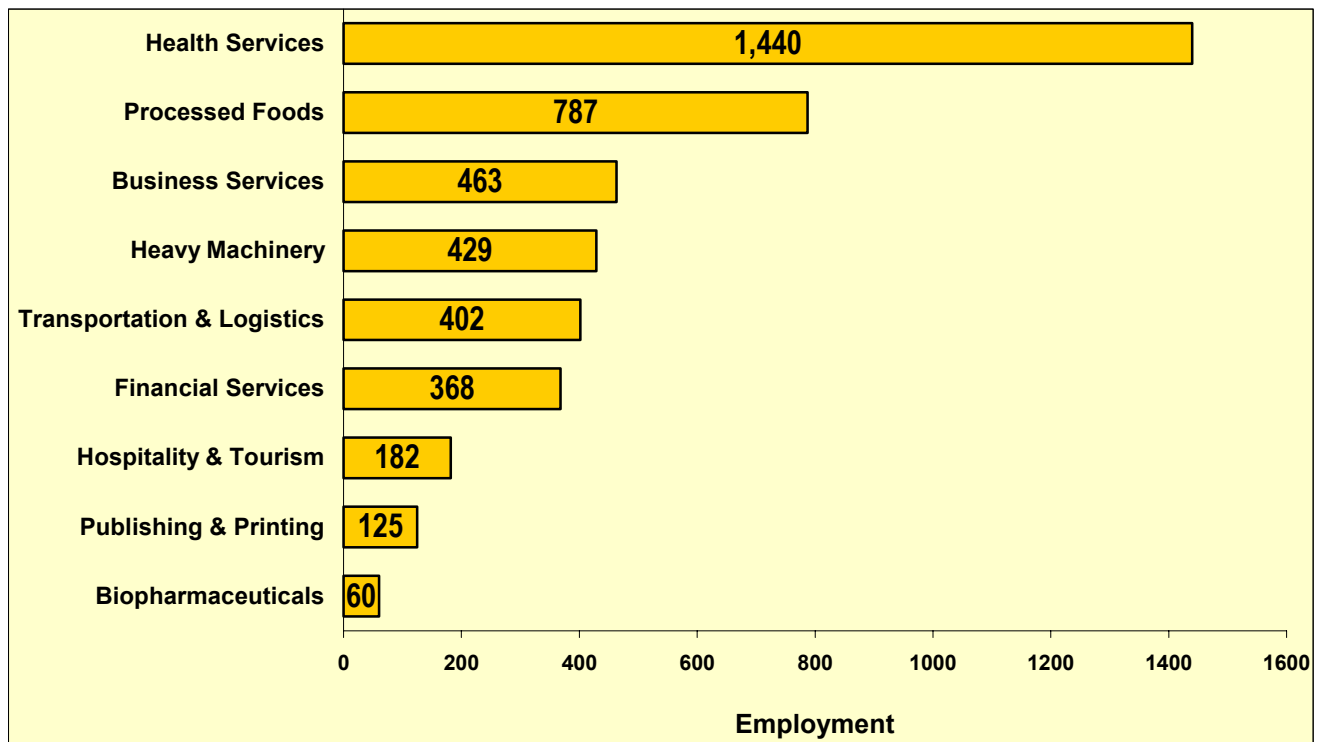
	Boyd	Brown	Cherry	Garfield	Holt	Keya Paha	Rock	Wheeler	TOTAL
Establishments	63	128	227	78	384	13	57	19	969
Payroll Employees	320	810	1,498	572	3,153	445	295	222	7,315
2000 Population	2,317	3,518	6,167	1,879	11,191	962	1,714	876	28,624

I-80 Corridor Region



Background: The 14 counties in this region have development assets and strengths not available to counties farther removed from major transportation corridors. Proximity to the traveling public, combined with significant ground transportation infrastructure, (road and rail) provides some competitive advantages for certain types of industry. Moreover, the region has several of Nebraska's largest non-metropolitan cities. The region's total population is 259,667 and the workforce exceeds 103,000. The following table shows employment by the region's major traded clusters.

I-80 Corridor Region's Major Traded Clusters



In addition, this region has substantial investments in ethanol facilities. Currently five ethanol facilities are operating and two are under construction. The outputs from these facilities may represent an input resource for certain **bioscience/technology** firms. Other technologies use processed food outputs as an input-stream for production of **pharmaceuticals**. Given the existing clusters in the region, these present significant opportunities.

Possible targets include:

- Processed Foods
- Heavy Machinery
- Transportation & Logistics
- Information Services (particularly associated with Transportation & Logistics and Manufacturing)
- Bioscience and Medical Technology
- Hospitality & Tourism
- Health Services

Targets by Attributes

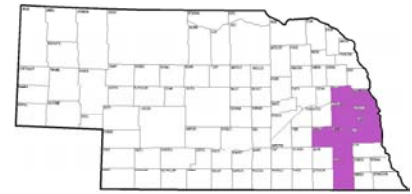
Target	Selection Attributes				
	Growth	Value-Added	Diversify	Investment	Wealth
Processed Foods	Low	Moderate	Moderate	Moderate	Moderate
Heavy Machinery	Low	High	Moderate	Moderate	Moderate
Transportation & Logistics	Moderate	Low	Moderate	Moderate	High
Fabricated Metal	Low	High	Moderate	High	Moderate
Information Services	High	Moderate	High	Low	Moderate
Bioscience/Technology	High	High	High	High	High
Hospitality & Tourism	High	Moderate	Moderate	Low	Low
Health Services	High	High	Moderate	High	Moderate

I-80 Corridor Data

	Adams	Buffalo	Cheyenne	Dawson	Deuel	Hall	Hamilton	Kearney
Establishments	896	1,270	299	676	63	1,647	244	189
Payroll Employees	12,286	19,390	6,049	9,107	371	26,302	2,068	1,531
2000 Population	31,151	42,259	9,830	24,365	2,098	53,534	9,403	6,882

	Keith	Kimball	Lincoln	Merrick	Phelps	York	TOTAL
Establishments	362	150	927	206	322	502	7,753
Payroll Employees	2,982	1,195	10,248	1,331	3,871	6,859	103,590
2000 Population	8,875	4,089	34,632	8,204	9,747	14,598	259,667

Metropolitan Region



Background: A major portion of Nebraska's employment and population is concentrated in the nine counties included in the Metropolitan Region. With a population of 975,065, this area contains 57 percent of the State's population, 53 percent of all private sector employers and 65 percent of the private sector workforce. The Metropolitan Region has three types of clusters: Natural Advantage, Historical and Investment-Driven. Examples of each type of cluster are:

1. Natural Advantage Clusters

- Processed Foods
- Transportation & Logistics
- Chemicals and Allied Products (Ethanol and Pharmaceuticals)

2. Historical Clusters

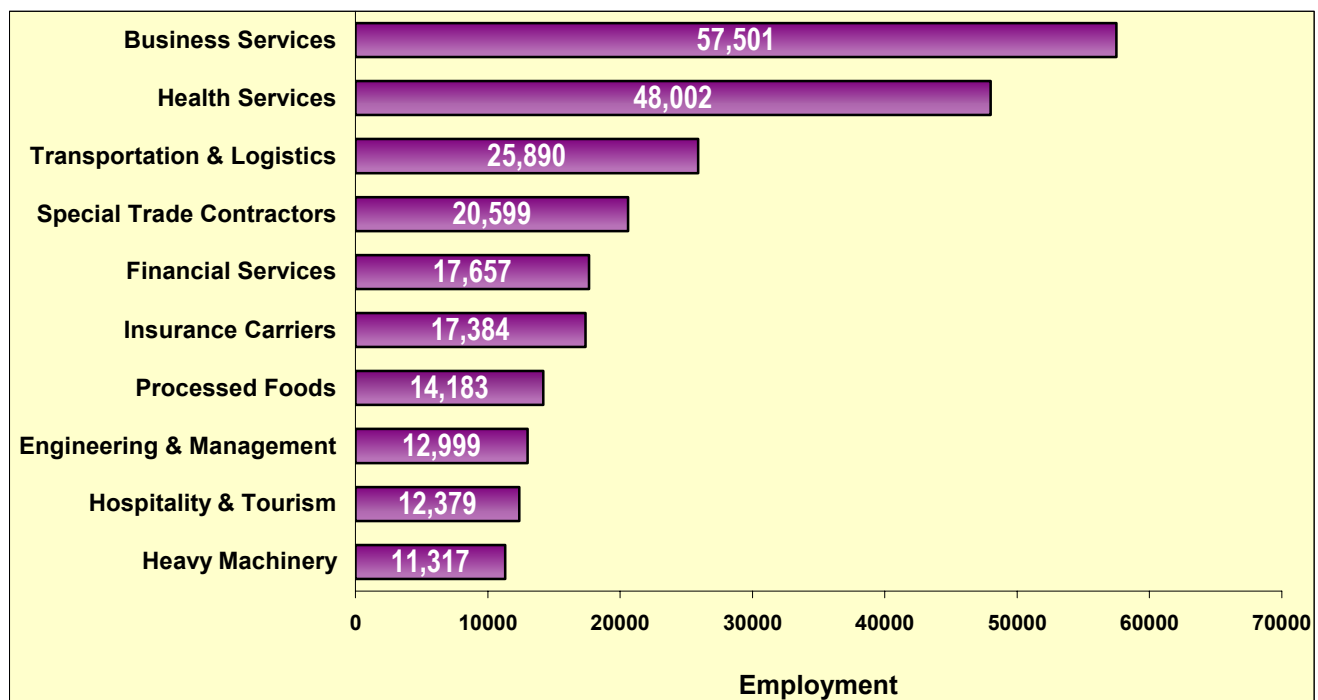
- Insurance
- Engineering and Management
- Business Services (including data processing)
- Heavy Machinery
- Electronics (including Medical and Testing & Measuring Devices)
- Defense

3. Investment -Driven Clusters

- Hospitality & Tourism
- Medical Research
- Health Services

Major employment in the region by traded cluster is depicted in the following table.

Metropolitan Region Employment by Traded Cluster



Possible targets include:

- Processed Foods
- Information Services
- Medical Devices
- Heavy Machinery
- Transportation and Logistics
- Insurance Carriers
- Hospitality and Tourism
- Bioscience and Medical Technology
- Health Services

Targets by Attributes

Target	Selection Attributes				
	Growth	Value-Added	Diversify	Investment	Wealth
Processed Foods	Low	Moderate	Moderate	Moderate	Moderate
Information Services	High	Moderate	High	Low	Moderate
Medical Devices	High	High	High	Moderate	Moderate
Heavy Machinery	Low	High	Moderate	Moderate	Moderate
Transportation & Logistics	Moderate	Low	Moderate	Moderate	High
Insurance Carriers	Low	High	Moderate	High	Moderate
Hospitality & Tourism	High	Moderate	Moderate	Low	Low
Bioscience/Technology	High	High	High	High	High
Health Services	High	High	Moderate	High	Moderate

Metropolitan Region Data

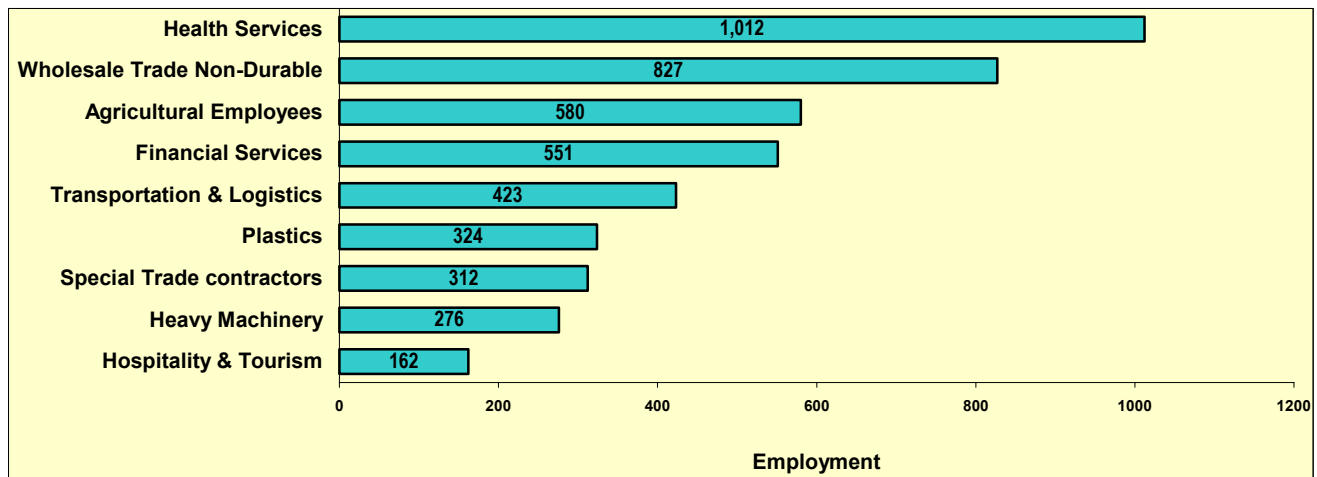
	Cass	Dodge	Douglas	Gage	Lancaster	Saunders	Sarpy	Seward	Washington	TOTAL
Establishments	471	983	14,484	628	6,797	426	1,934	373	503	26,599
Payroll Employees	3,371	13,746	289,189	7,572	117,734	3,238	32,779	4,764	5,986	478,379
2000 Population	24,334	36,160	463,585	22,993	250,291	19,830	122,596	16,496	18,780	975,065

Southwest Region



Background: The 11 southwestern counties have an agricultural and local trade development pattern. Private sector employment in the region is 9,705. The services sector accounts for 7,283 jobs (75%) of the region's private sector employment. Major Employment Clusters are shown in the following table. Continue entrepreneurial development efforts in tourism, retail and information technology while capitalizing on front range proximity.

Southwest Region's Major Employment Sectors



Possible targets include:

- Agricultural Processing Operations
- Plastics Manufacturing
- Hospitality & Tourism
- Information Services
- Heavy Machinery

Targets by Attributes

Target	Selection Attributes				
	Growth	Value-Added	Diversify	Investment	Wealth
Agricultural Processing	Low	Moderate	Low	Moderate	Moderate
Plastics Manufacturing	Moderate	Moderate	Moderate	Moderate	Moderate
Hospitality & Tourism	High	Moderate	Moderate	Low	Low
Information Services	High	Moderate	High	Low	Moderate
Heavy Machinery	Low	High	Moderate	Moderate	Moderate

Southwest Region Data

	Chase	Dundy	Frontier	Furnas	Franklin	Gosper	Harlan
Establishments	143	73	83	88	140	50	99
Payroll Employees	1,160	399	465	1,192	507	254	615
2000 Population	4,068	2,292	3,099	5,324	3,574	2,143	3,786

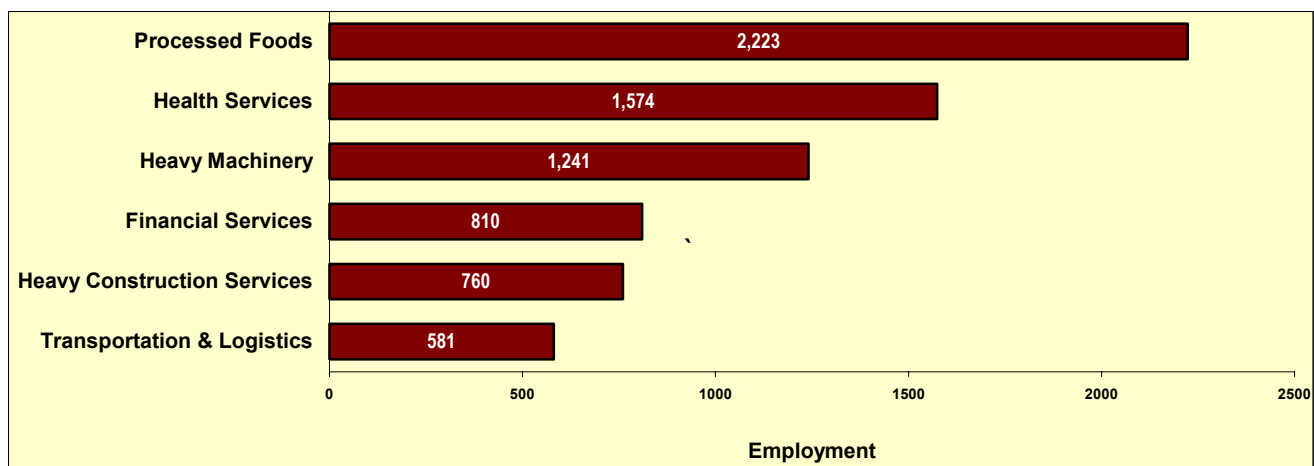
	Hayes	Hitchcock	Perkins	Red Willow	TOTAL
Establishments	23	58	99	397	1,253
Payroll Employees	103	337	555	4,118	9,705
2000 Population	1,068	3,111	3,200	11,448	43,113

South Central Region



Background: These south central counties form a transition region, containing elements of the Southwest, I-80 and Metropolitan areas. These seven counties have a population of 51,022 and an economy with several Traded Clusters. Of the 14,870 private sector employees, 6,025 (40%) are in traditional manufacturing, and goods producing industries. Reviewing the composition of the number of establishments shows that of the 1,342 total private sector firms, 1,056 (79%) are in the service sector. There are several larger manufacturing employers in the area that represent a substantial employment base.

South Central Traded Clusters



Possible targets include:

- Processed Foods
- Transportation & Logistics
- Plastics Manufacturing
- Information Services
- Hospitality & Tourism

Targets by Attributes

Target	Selection Attributes				
	Growth	Value-Added	Diversify	Investment	Wealth
Processed Foods	Low	Moderate	Moderate	Moderate	Moderate
Transportation & Logistics	Moderate	Low	Moderate	Moderate	High
Plastics Manufacturing	Moderate	Moderate	Moderate	Moderate	Moderate
Information Services	High	Moderate	High	Low	Moderate
Hospitality & Tourism	High	Moderate	Moderate	Low	Low

South Central Region Data

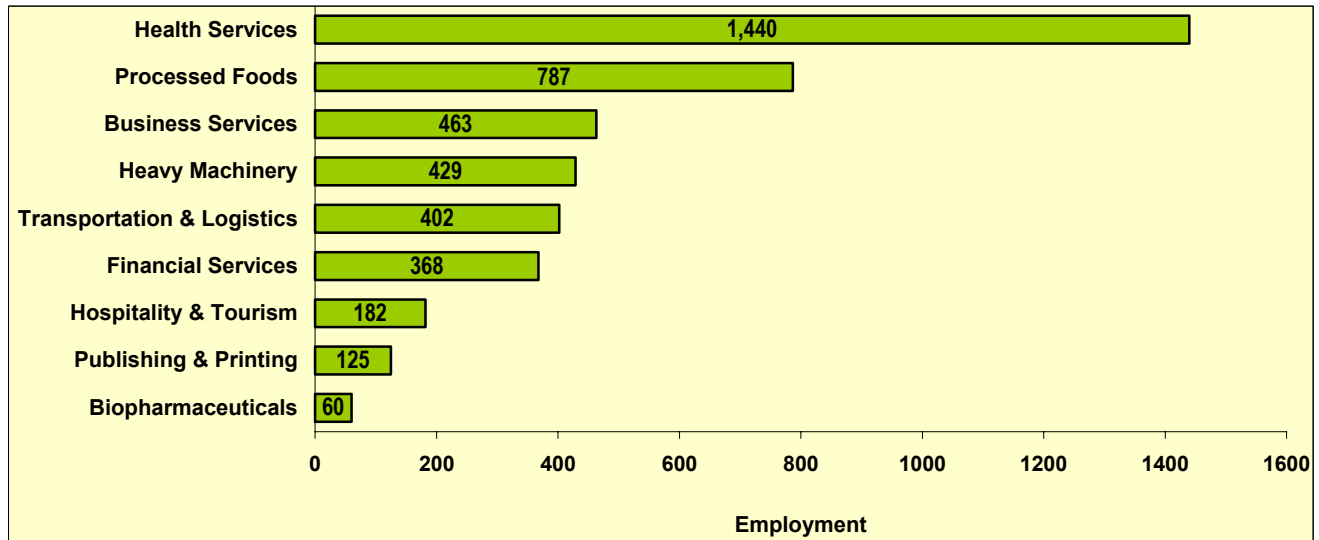
	Clay	Fillmore	Jefferson	Nuckolls	Saline	Thayer	Webster	TOTAL
Establishments	190	220	229	176	279	193	89	1,376
Payroll Employees	1,857	1,519	2,447	1,161	5,436	1,646	804	14,870
2000 Population	7,039	6,634	8,333	5,057	13,843	6,055	4,061	51,022



Southeast Nebraska Region

Background: Geographic locations of these counties place them about equal distance from Lincoln, Omaha, and Kansas City. With relatively good access to Interstate 29 and U.S. Highways 2 and 75, services of these larger areas are fairly accessible. Moreover, the Missouri River offers some of these communities opportunities to integrate truck, rail and barge transportation in moving goods. The following table shows the current major Traded Clusters.

Southeast Region's Major Traded Clusters



Possible targets include:

- Processed Foods
- Plastics
- Bioscience/Technology
- Transportation & Logistics (establishing a Foreign Trade Zone)
- Hospitality & Tourism
- Information Services

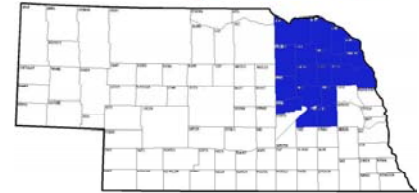
Targets by Attributes

Target	Selection Attributes				
	Growth	Value-Added	Diversify	Investment	Wealth
Processed Foods	Low	Moderate	Moderate	Moderate	Moderate
Plastics Manufacturing	Moderate	Moderate	Moderate	Moderate	Moderate
Bioscience/Technology	High	High	High	High	High
Transportation & Logistics	Moderate	Low	Moderate	Moderate	High
Hospitality & Tourism	High	Moderate	Moderate	Low	Low
Information Services	High	Moderate	High	Low	Moderate

Southeast Region Data

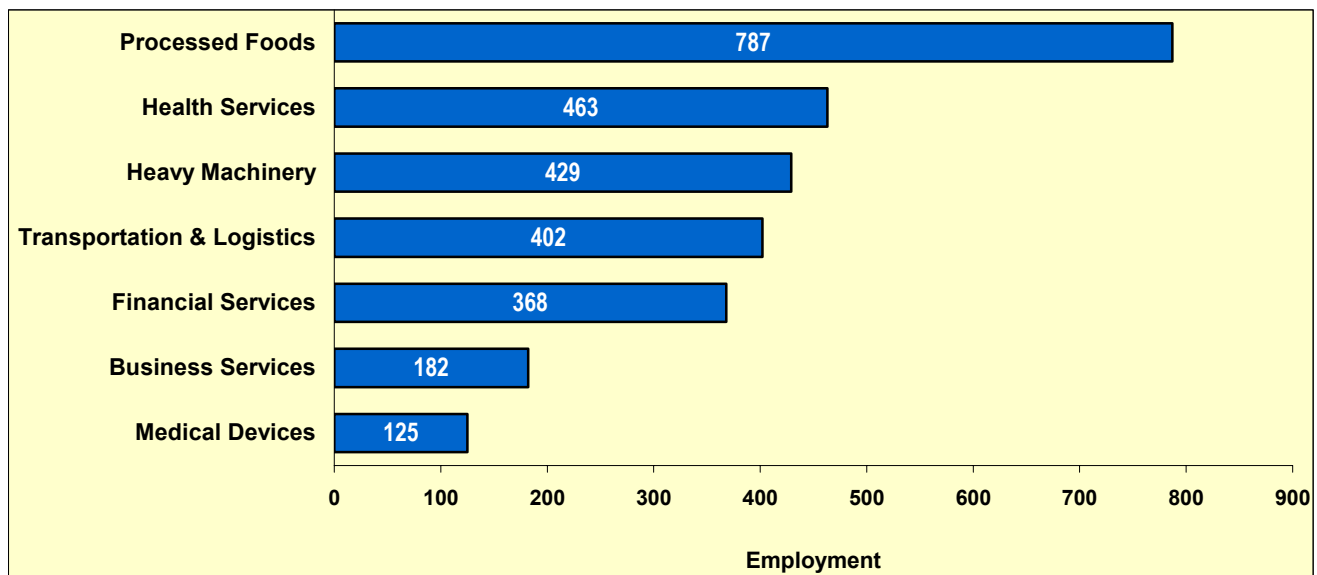
	Johnson	Nemaha	Otoe	Pawnee	Richardson	TOTAL
Establishments	121	195	416	67	264	1,063
Payroll Employees	991	2,359	4,786	503	2,095	10,734
2000 Population	4,488	7,576	15,396	3,087	9,531	40,078

Northeast Region



Background: Eighteen counties have been included in the Northeast Region. Parts of the region have concentrations of Traded Cluster industries. Other parts are production agriculture areas. Regional population is 204,993 with 29,498 (42%) goods producing employees and 40,824 (58%) service employees. Of the 5,382 private sector establishments, 4,083 (76%) are service sector firms. This indicates the contribution made by the larger employers in the area. Employment by major clusters is shown on the following table.

Northeast Region's Major Employment Clusters



Possible targets include:

- Processed Foods & Supply Chain
- Medical Devices
- Heavy Machinery
- Bioscience/Technology (including ethanol plant byproduct usage)
- Information Services
- Hospitality & Tourism

Targets by Attributes

Target	Selection Attributes				
	Growth	Value-Added	Diversify	Investment	Wealth
Processed Foods	Low	Moderate	Moderate	Moderate	Moderate
Medical Devices	High	High	High	Moderate	Moderate
Heavy Machinery	Low	High	Moderate	Moderate	Moderate
Bioscience/Technology	High	High	High	High	High
Information Services	High	Moderate	High	Low	Moderate
Hospitality & Tourism	High	Moderate	Moderate	Low	Low

Northeast Region Data

	Antelope	Boone	Burt	Butler	Cedar	Colfax	Cumming
Establishments	228	182	202	170	256	252	354
Payroll Employees	1,412	1,359	1,272	1,659	1,863	4,275	3,401
2000 Population	7,452	6,259	7,791	8,767	9,615	10,441	10,203

	Dakota	Dixon	Knox	Madison	Nance	Pierce	Platte
Establishments	457	106	253	1152	98	186	910
Payroll Employees	11,827	1,232	1,535	17,777	482	1,424	14,607
2000 Population	20,253	6,339	9,374	35,226	4,038	7,857	31,662

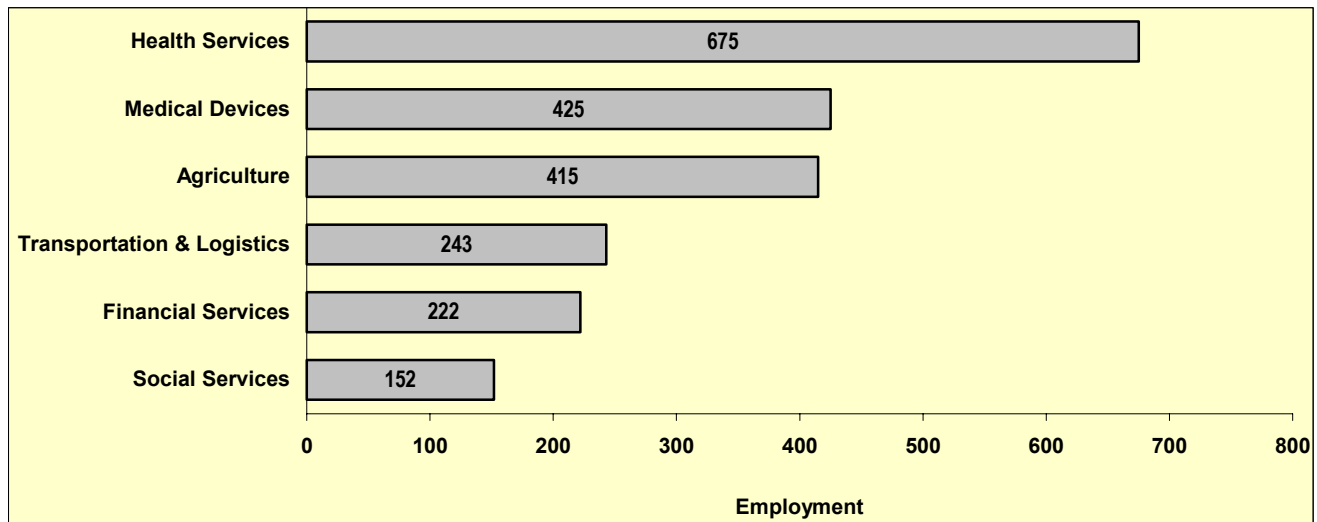
	Dakota	Dixon	Knox	Madison	TOTAL
Establishments	137	81	117	241	5,382
Payroll Employees	919	1,029	1,218	3,041	70,332
2000 Population	5,639	6,455	7,171	9,851	204,393

Sandhills Region



Background: Area included in the Sandhills Region consists of ranch and farm land, transitioning between cattle range and irrigated intensive agriculture. Of the 773 establishments with employees, 569 are local cluster businesses (73%). Employees are similarly distributed between Traded and Local clusters, with 3,769 of 5,140 employees being employed by Local Cluster establishments. Following is a table showing employees by cluster.

Sandhills Region Major Employment Cluster



Possible targets include:

- Agricultural Processing Operations
- Medical Devices
- Information Services
- Heavy Machinery
- Hospitality & Tourism

Targets by Attributes

Target	Selection Attributes				
	Growth	Value-Added	Diversify	Investment	Wealth
Agricultural Processing	Low	Moderate	Low	Moderate	Moderate
Medical Devices	High	High	High	Moderate	Moderate
Information Services	High	Moderate	High	Low	Moderate
Heavy Machinery	Low	High	Moderate	Moderate	Moderate
Hospitality & Tourism	High	Moderate	Moderate	Low	Low

Sandhills Region Data

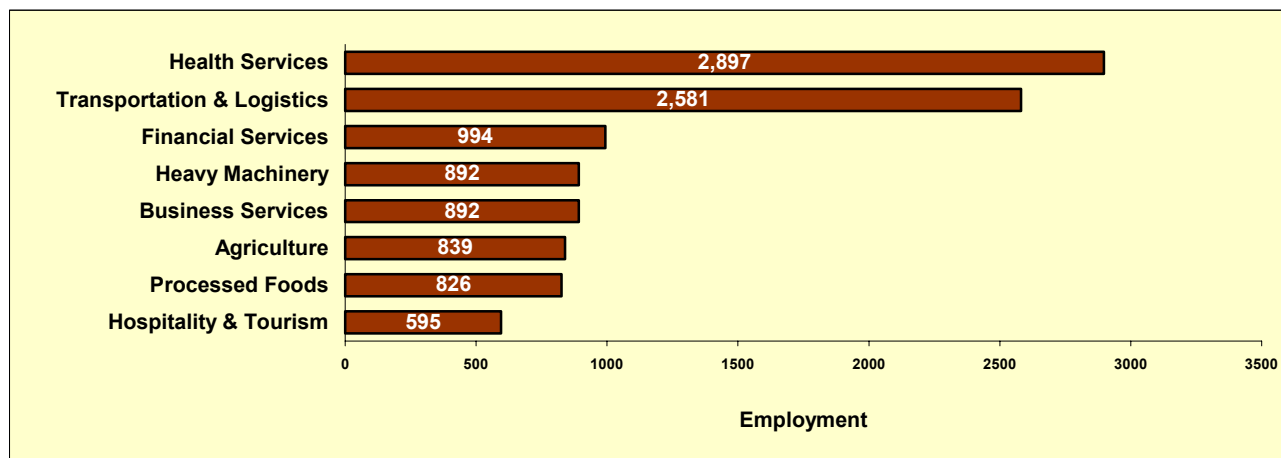
	Custer	Greeley	Howard	Sherman	Valley	TOTAL
Establishments	339	72	135	77	150	773
Payroll Employees	2,814	359	704	406	857	5,140
2000 Population	11,793	2,717	6,567	3,318	4,647	29,042

Western Region



Background: For the purposes of targeting industries, the eight counties not on the I-80 corridor were combined into a region. With a population of 74,393, and its proximity to the front-range, the region has an opportunity to further develop businesses that can benefit from front-range markets. Nearly 80% of both establishments and employees are comprised of Local Cluster firms. The following table presents data on Major Employment Clusters.

Western Region Major Employment Clusters



Possible targets include:

- Processed Foods
- Transportation & Logistics
- Information Services
- Hospitality & Tourism
- Heavy Machinery
- Health Services

Targets by Attributes

Target	Selection Attributes				
	Growth	Value-Added	Diversify	Investment	Wealth
Processed Foods	Low	Moderate	Moderate	Moderate	Moderate
Transportation & Logistics	Moderate	Low	Moderate	Moderate	High
Information Services	High	Moderate	High	Low	Moderate
Hospitality & Tourism	High	Moderate	Moderate	Low	Low
Heavy Machinery	Low	High	Moderate	Moderate	Moderate
Health Services	High	High	Moderate	High	Moderate

Western Region Data

	Banner	Box Butte	Dawes	Garden	Morrill	Scotts Bluff	Sheridan	Sioux	TOTAL
Establishments	9	369	275	61	134	1,153	187	18	2,206
Payroll Employees	57	3,273	2,257	333	885	13,619	1,083	54	21,561
2000 Population	819	12,159	9,060	2,292	5,440	36,951	6,198	1,475	74,394

Summary of Regional Targets: Targets for each region vary both in number and type. The following table summarizes the proposed regional targets. While the list for each region is clearly not exhaustive, hopefully, it will be useful in encouraging discussions about what targets to pursue.

Summary of Regional Targets

Targets	Regions									
	Central Sandhills	North Central	I-80 Corridor	Metro	Southwest	South Central	Southeast	Northeast	Sandhills	Western
Agricultural Processing	x				x				x	
Plastics Manufacturing					x	x	x			
Hospitality & Tourism	x	x	x	x	x	x	x	x	x	x
Metal Fabrication	x	x								
Processed Foods		x	x	x		x	x	x	x	x
Information Services		x	x	x	x	x	x	x	x	x
Bioscience/Technology		x	x	x			x	x		
Health Services			x	x						x
Transportation & Logistics			x	x		x	x			x
Heavy Machinery			x	x	x			x	x	x
Medical Devices				x				x	x	
Insurance				x						