

HUMBOLDT COUNTY ECONOMY
Dimensions of Growth, Structure and Cyclical Change
1969 to 1998



HUMBOLDT COUNTY ECONOMY:
Dimensions of Growth, Structure and Change
1969 to 1998

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Executive Summary

This report examines Humboldt County's economic growth in whole, in part and in comparison with the state, the nation and other Nevada counties. The data are compiled by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. The BEA data for years 1969-1998 are among the most comprehensive, comparable and timely sources of county level information available.

The patterns of growth and the changing structure of income and earnings within the county are described using charts, indices, tables, and other techniques in order to address the following questions.

1. How does Humboldt County's economy compare with other counties, and what is its relative importance within the state of Nevada?
2. What has been the extent and pattern of Humboldt County's economic growth since the 1960's?
3. How well has the Humboldt County economy performed compared to other counties, the state and the nation in terms of population growth, total income, per capita income and employment?
4. What are the major sources of income within Humboldt County and how have they grown?
5. How do the structure and composition of income and industry earnings in Humboldt County compare with that of other counties, the state and the nation?
6. What are the different components of economic growth in Humboldt County?

Sections A, B, C and D review trends and patterns of economic growth and change using four broad indicators: population, personal income, per capita income and employment. Sections E and F examine growth of personal income focusing on three major components: transfer payments, property income and industry sources.

Population

- In 1998, Humboldt County population was estimated to be 18,083, which was 1.04% of total state population.
- In 1998, Humboldt County was ranked 9th largest of Nevada's 17 counties in population. Humboldt County's rank decreased to 10th largest over length of the study.
- Population in Humboldt County increased by 11,631 from 1969 to 1998. Humboldt County's population growth contributed to 0.92% of total state population growth during this time period.
- Clark County contributed 70.72% to total state population growth from 1969 to 1998.
- In 1969, the urban counties of Clark and Washoe contributed to 80.39% of total state population. This proportionate share increased in 1998 to 84.54% of total state population.
- Population growth in Humboldt County lags behind the state growth rate.

Personal Income

- Personal income for Humboldt County in 1998 was estimated to be \$402,155,000 which was 0.79% of total state income. Humboldt County ranked 9th in total personal income of Nevada's 17 counties in 1998. In 1969 Humboldt County was ranked 11th.
- The urban counties of Clark and Washoe had 86.87% of total state personal income in 1998, which is an increase from 1969's proportionate share of 82.03%.
- Annual percentage change in total income for Humboldt County is somewhat cyclical, which may be due to the primary economic sector of mining.

Per Capita Income

- In 1998 Humboldt County had a per capita income value of \$22,239, which was 81.1% of national per capita income.
- Humboldt County per capita income ranked 10th among Nevada's 17 counties, which is an increase from the 1969 ranking. In 1969 Humboldt County's per capita income ranked 12th among Nevada's 17 counties. From 1969 to 1998, Humboldt County's rank increased by 2.

- Douglas County was ranked first of Nevada's 17 counties in per capita income in 1998 and 1969. In 1998, Douglas County's per capita income was 140.7% of national per capita income.
- Humboldt County per capita income was relatively unstable ranging from about 6% above the national average in 1980 to 5% below in the 1990. It finally dropped to about 18% below the national average in 1998. Fluctuations in Humboldt County per capita income can be attributed to the local mining sector.

Employment

- Total employment in Humboldt County rose from 3,280 in 1969 to 10,304 in 1998, for a net gain of 7,024 jobs or a 214% increase in employment.
- During the 1990's employment in Humboldt County increased from 7,688 in 1990 to 10,304 in 1998 or a 34% increase in employment over the last eight years.
- In 1998 Humboldt County ranked 9th among Nevada's 17 counties in employment. Humboldt County was ranked 10th in 1969.
- The 7,024 job increase in Humboldt County between 1969 and 1998 accounted for 0.79% of total statewide growth. However for the same time period, Clark County accounted for 70.07% of total statewide growth.
- During the 1990's the 2,616 job increase in Humboldt County accounted for 0.91% of total statewide growth. However, during the 1990's Clark County accounted for 78.90% of total statewide growth.
- From 1969 to 1998, average annual rate of employment change for Humboldt County was 4.20% which ranked Humboldt County 9th among Nevada's 17 counties. During the 1970's Humboldt County's average annual rate of employment growth was 4.49%, which increased to 4.83% average annual rate of employment growth in the 1980's. This has decreased to 3.19% during the 1990's. It is of interest that Humboldt County's average annual rate of growth rank remained virtually unchanged over the study period.
- Humboldt County's rate of employment growth was 3.75% in 1997. It decreased to -5.45% in 1998.
- It is of interest that during the 1980's none of Nevada counties had a negative average annual rate of employment growth.

- Employment-population ratios are a thumbnail guide for gauging whether the local economy is generating jobs fast enough to absorb the increasing number of workers that accompany the growth in population. The total employment reported by BEA for Humboldt County in 1998 amounted to 10,304 while total population measured 18,083. Humboldt County's 1998 employment-population ratio is therefore 0.5698.

$$\text{i.e., } \frac{10,304}{18,083} = 0.5698$$

- Humboldt County's employment-population ratio advanced from 0.5084 in 1969 to 0.5698 in 1998 for a net gain of 0.0614. The State of Nevada's ratio posted a 0.143 net gain, while the national ratio advanced by 0.141. Increases in labor force participation rates underlie these long-term trends, with dramatic growth in the number and proportion of women in the labor market playing the leading role.
- Humboldt County's population-employment ratio cycled above and below the state and national figures from 1969 to 1998. Humboldt County's small employment to population ratio can be attributed to the number of commuters commuting in from neighboring counties. The number of jobs in Humboldt is approximately 0.9 times less than the population.

Major Sources of Personal Income

- Personal income consists of three components: net industry earnings, property income and transfer payments. Net industry earnings amounted to \$303,466,000 or 75.46% of Humboldt County's personal income for 1998. Property income equaled \$63,781,783 or 15.86% of Humboldt County's total personal income. Transfer payments totaled \$34,907,054 and comprised 8.68% of personal income.
- The share of Humboldt County's personal income from net industry earnings in 1998 (75.46%) was lower than the state (72.37%), but higher than national (67.82%) averages. Humboldt County's property income accounted for a lower share of personal income (15.86%) than the state (16.50%), lower the nation (18.80%). Transfer payments accounted for a smaller share of Humboldt County's income (8.68%) than the state (11.13%), and the nation (13.38%).
- For the entire study period of 1969 to 1998, Douglas County had the highest annual average change in personal income (7.99%) of all Nevada counties. However from 1989 to 1998, Clark County realized the highest average annual change in personal income. During the last ten years, Douglas County dropped to 3rd. For both study periods, Nye County had the largest average annual change for property income and transfer payments for Nevada's 17 counties. This could be due to the increase in retirement population in Nye County, especially in Pahrump, Nevada.

Transfer Payments

- Transfer payments from 1990 to 1998 were the fastest growing component of personal income ahead of net industry earnings and the dividends, interest and rents category. For this report, transfer payments are classified into six broad categories. The two largest components are the retirement-related category (46.50% of total transfers) and medical payments (27.29%). The remaining four components include unemployment insurance payments (5.39%), income maintenance payments (9.17%), veteran's benefits (2.38%) and other transfers (9.22%).
- In 1998 the Humboldt County Service Sector earnings were 113.21% of total county transfer payments and the Humboldt County Retail Trade Sector earnings were 92.99% of total county transfer payments.
- On a per capita basis, workman's compensation in Humboldt County in 1998 was \$111 compared to the state of Nevada's average of \$132 per capita and the national average of \$40 per capita. Humboldt County per capita Social Security payments in 1998 was \$713 compared to the state of Nevada and national average of \$1,286 and \$1,367 respectively.

In order to strengthen commercial sector capture, the following program can be used:

1. Analyze the local business sector to identify the needs and opportunities to be pursued by the program.
2. Provide management assistance and counseling to improve the efficiency and profitability of local business.
3. Assist new business start-ups and entrepreneurial activity by analyzing potential markets and local skills and matching entrepreneurs with technical and financial resources.
4. Provide assistance in identifying and obtaining finance.
5. Develop a one-stop permit center.
6. Involve active local organizations and the media.
7. Promote the development of home based enterprises.

INTRODUCTION

“The regional economy floats on a national sea, while being buffeted by local tides and winds.”

Stephen K. McNees and Geoffrey M.B. Tootle
Vice President and Economist and Economist, respectively,
Federal Reserve Bank of Boston

Regional economies are always changing. Economic forces within and outside the region affect how local resources are allocated to the production of goods and services for both internal consumption and for export. Some changes which are fundamental or structural in character, occur over the long term and may take decades to clearly identify. But minor shifts continuously occur because of changing cyclical conditions in the local and national economy, or as the result of unique conditions peculiar to the local area. Such changes may be transient and short-lived, or they may presage more fundamental changes. Examining patterns of economic growth and structural change within and among regions offers insight into the past and future structure and performance of the local economy.

Access to information is critical to monitoring and understanding changing local economic conditions and trends. Although policy makers may readily acquire an abundance of published information documenting and comparing economic conditions and trends of the states and nation, they often discover a dearth of such material for their local county. Further, they are often not provided a sound analytical or empirical framework for judging and comparing the performance of their local economy.

Nevada's counties are experiencing diverse and significant economic change. During the 1980's all Nevada counties grew in employment and personal income. However, in the 1990's some rural Nevada counties have lost employment and personal income. For some rural counties, these economies have not recovered from the recession of 1992. The economies for some counties continue on a path of expansion and long-run growth, while others struggle with stagnation and decline. Some areas wrestle with too much growth, while others are desperate to attract new or expand existing industries and businesses.

Humboldt County's economy is dependent on the export industries of agriculture and mining. However, the mining sector is the dominant export industry and through the 1980's and 1990's has been the primary sector for economic growth in Humboldt County. Recent weakness in this sector has caused decreases in local economic activity, which has increased uncertainty in future economic activity. By examining those changes, local decision makers may better understand the economy of Humboldt County, its past, present and future. Uncertainty surrounding their decisions can then be reduced.

Purpose

Like a corporation, family farm or private household, a county can be analyzed as an economic enterprise, when the appropriate documentation and records are available. Of course, the

particular tools of analysis will be different in each instance, but many of the basic questions are similar to those for any economic enterprise:

1. What are the current conditions and near-term trends?
2. What are the long-term trends?
3. What parts of the enterprise have contributed to growth, and what parts have detracted?
4. How has the enterprise weathered recessions and performed during the expansions?
5. How has the growth and performance of the enterprise compared with that of others?

This report serves two major purposes. First, it makes available to planners, community and business leaders, and citizens of Humboldt County a comprehensive and consistent source of data on their local economy. These data serve as the documentation and records that are necessary to analyze the growth, performance and changes occurring in the Humboldt County economy. Specifically these data are the estimates of Humboldt County personal income and its major components, prepared by the Regional Economic Measurement Division of the Bureau of Economic Analysis (BEA), U.S. Department of Commerce.

The second major purpose of this report is to illustrate, explain and apply various descriptive methods of regional economic analysis to the BEA personal income data for Humboldt County. These analyses organize the basic data so they can be better studied and analyzed to help the reader address the above questions concerning the performance of the county economy as an economic enterprise. Although these tools of analysis are intended to organize and synthesize information, by themselves they cannot analyze, interpret or prescribe. Therefore, the tasks of assimilating and analyzing this information rest ultimately with the readers and users of this report.

BEA is responsible for preparing annual estimates of personal income for approximately 3,100 counties or county equivalents in the nation. Although many people are unacquainted with the county economic data produced by this federal agency, they are often quite aware of the BEA Gross Domestic Product (GDP) and income data that are widely quoted and referenced when the performance of the national economy is discussed. By congressional directive, the personal income and other related data series are provided to BEA user group members throughout the United States. Representing various state agencies and universities, the user group members serve as distributors and field representatives for the regional data produced by BEA.

The county-level personal income data are distributed on CD-Rom by the BEA and reproduced in tabular form at UNR. The BEA personal income tables for Humboldt County are presented in the appendix of this report, along with the tables for three other related data series prepared by BEA: Transfer Payments (1969-98); Farm Income and Expenditures (1969-98); and Full-Time and Part-Time Employees by Major Industry (1969-98). Readers who wish to become more familiar with the sources for the Humboldt County data presented in the body of this report are encouraged to refer to the appendix.

This report will be a valuable reference in preparing county planning documents, economic development and other grant proposals, government budgets, environmental impact statements, product and labor market studies, county data books and general economic research reports.

Report Organization and Structure

The first several sections present information for readers who wish to study and compare the general trends in Humboldt County population, income and employment growth with those of the state, nation and other Nevada counties. The latter sections present more detailed information and apply more complex methods of analysis for readers who wish to examine in greater depth the relative importance and the growth patterns of the various sources of Humboldt County personal income. This report contains 8 sections.

Sections A, B, C and D review trends and patterns of economic growth and change using four broad indicators: population, personal income, per capita income and employment.

Sections E and F exercise growth of personal income focusing on three major components: transfer payments, property income, and industry sources.

Finally the appendix presents the BEA tables for Humboldt County.

Humboldt County and the Rest of Nevada

This report offers a comparative perspective about the performance and changing structure of the Humboldt County economy. Accordingly, almost every facet of the Humboldt County economy examined is supplemented by information useful in comparing Humboldt County with the nation, the state and other Nevada counties.

For comparisons, Nevada counties are grouped into urban and rural counties. Clark and Washoe counties are the designated Nevada urban counties, while the other 15 Nevada counties are designated as rural counties.

Nevada county groupings are combined for the four designated Nevada Cooperative Extension. This aggregation of counties by Nevada Cooperative Extension provides a more regional view of Nevada socio-economic data. The Northeast Area is comprised of Lander, White Pine, Eureka and Elko Counties. The Central Area is comprised of Eureka, Lyon, Churchill and Pershing Counties. The Western Area counties contain Carson City, Douglas, Mineral, Storey and Washoe Counties. The Southern Area includes Clark, Esmeralda, Lincoln and Nye Counties. Northern Nevada counties are also grouped into two development districts, the proposed Great Basin Development District and the Western Nevada Development District. The Great Basin Development District includes Eureka, Humboldt, Lander and White Pine Counties. The Western Nevada Development District contains Carson City, Churchill, Douglas, Lyon, Mineral, Pershing and Storey Counties.

Key for Urban and Rural County Classification

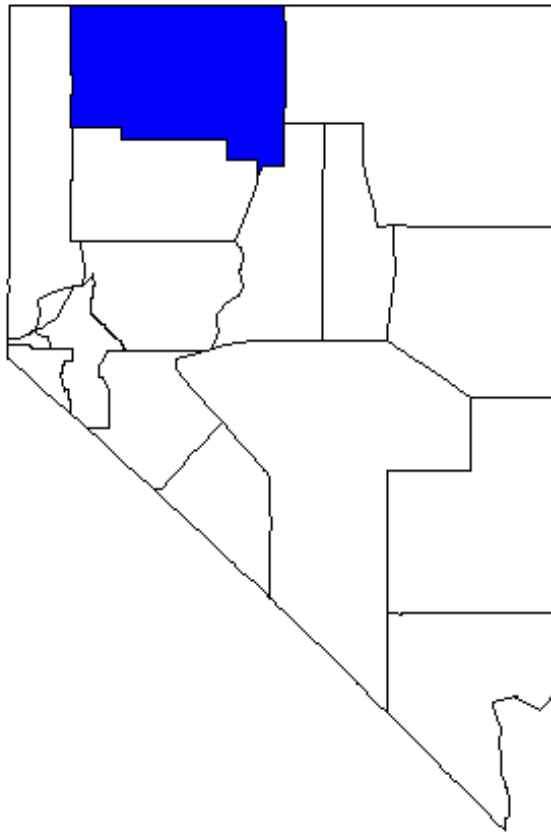
Urban	Rural
Clark Washoe	Carson City Churchill Douglas Elko Esmeralda Eureka Humboldt Lander Lincoln Lyon Mineral Nye Pershing Storey White Pine

Key for Cooperative Extension Areas and Development District County Classifications

Cooperative Extension Areas				Development Districts	
Northwest	Central	Western	Southern	GBDD	WNDD
Elko	Churchill	Carson City	Clark	Eureka	Carson City
Eureka	Lyon	Douglas	Esmeralda	Humboldt	Churchill
Lander	Pershing	Mineral	Lincoln	Lander	Douglas
White Pine		Storey	Nye	White Pine	Lyon
		Washoe			Mineral
					Pershing
					Storey

Section A.

County Patterns of Population Growth and Change

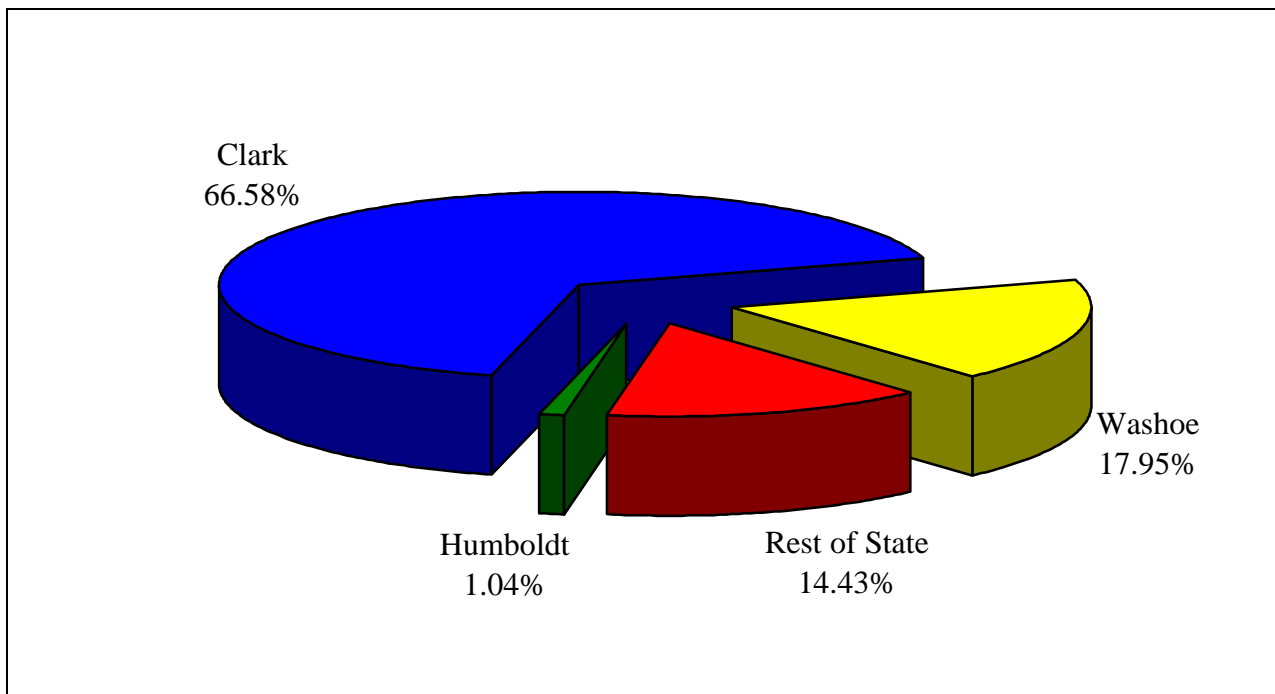


Section A. County Patterns of Population Growth and Change

Attracting and retaining people to live, work, raise a family and retire underlies the economic growth of any region. Population growth is both a cause and a consequence of economic growth. County patterns of population growth and change reflect differences among regions in their ability to attract and retain people both as producers and consumers in their economies.

Figure 1A shows the relationship of Eureka County population to the rest of Nevada in 1998. Two counties, Clark in the south and Washoe in the northwest comprise the urban population of Nevada. These two counties include the cities of Las Vegas and Reno-Sparks with their large gaming industries. A comparison of populations between the two urban counties, Eureka County, and the rest of rural Nevada is provided in Figure 1A. The two urban counties represented 84.53% of the state's total population in 1998 while the other fifteen Nevada counties comprising rural Nevada account for the other 14.43% of Nevada's population. Humboldt County population represented just over one percent of the total state population in 1998.

Figure 1A. Humboldt County Population as a Percent of State Total, 1998.



Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington, D.C. May 1998.

Population change from 1969 to 1998 is shown in Table 1A. Populations are presented in absolute terms and as a percent of the state total for both years. Counties are also ranked from largest to smallest in terms of 1998 population. In addition, population statistics are presented for the Great Basin Development District, Cooperative Extension Areas, the State of Nevada, the United States and Bureau of Economic Analysis (BEA) designated urban (metropolitan) and rural (non-metropolitan) United States. The designation of urban and rural Nevada is not BEA based and therefore may not be directly comparable to the national statistics. Net population change for the period and the percent of total change represented by each area is also provided in Table 1A.

In Table 1A Humboldt County ranked tenth in 1969. By 1998 it moved one spot up to the ninth most populous county in Nevada. Nearly eighty-five percent of the total change in Nevada's population for the period can be attributed to population growth in the two urban counties. The population of Clark County represents 55.72% of Nevada's population in 1969 and by 1998 it is 66.59%. Even with large absolute population growth, Washoe County's population rank decreased relative to that of Clark County over the period. In 1969 Washoe County had approximately twenty-five percent (24.67%) of total state population, which has declined to eighteen percent (17.9%) of the state total in 1998. Also, for the four counties (Eureka, Humboldt, Lander and White Pine counties) which comprise the proposed Great Basin Development District, the district's population increased from 20,075 in 1969 to 28,164 in 1998 or an increase of 9.62 percent. In comparison Western Nevada Development District, the only EDA Development District in the State of Nevada, which is comprised of Carson City, Churchill, Douglas, Lyon, Mineral, Pershing and Storey counties, increased from 51,380 in 1969 to 125,373 in 1998 or an increase of 144%.

Table 1A. Nevada Population by County and Region 1998 vs.1969.

Nevada Counties	----1998----			----1969----			----1969-1998----		
	1998 Population	Percent of State	Rank	1969 Population	Percent of State	Rank	Rank Change	Population Change	% of State Population Change
Clark	1,161,259	66.59	1	267,479	55.72	1	0	893,780	70.72
Washoe	313,008	17.95	2	118,399	24.67	2	0	194,609	15.40
Carson City	49,163	2.82	3	15,528	3.24	3	0	33,635	2.66
Elko	46,021	2.64	4	13,979	2.91	4	0	32,042	2.54
Douglas	36,815	2.11	5	6,674	1.39	9	4	30,141	2.39
Lyon	30,131	1.73	6	8,161	1.70	7	1	21,970	1.74
Nye	28,657	1.64	7	5,549	1.16	11	4	23,108	1.83
Churchill	23,147	1.33	8	10,498	2.19	5	-3	12,649	1.00
Humboldt	18,083	1.04	9	6,452	1.34	10	1	11,631	9.20
White Pine	10,081	0.58	10	10,044	2.09	6	-4	37	0.00
Lander	6,972	0.40	11	2,648	0.55	13	2	4,324	0.34
Mineral	5,332	0.31	12	7,150	1.49	8	-4	-1,818	-0.14
Pershing	4,834	0.28	13	2,687	0.56	12	-1	2,147	0.17
Lincoln	4,178	0.24	14	2,554	0.53	14	0	1,624	0.13
Storey	2,951	0.17	15	682	0.14	16	1	2,269	0.18
Eureka	1,990	0.11	16	931	0.19	15	-1	1,059	0.08
Esmeralda	1,150	0.07	17	585	0.12	17	0	565	0.04
Development District									
GBDD	28,164	1.62		20,075	4.17			8,089	9.62
WNDD	125,373	8.74		51,380	10.70			100,993	7.99
Extension Areas									
Northeast	65,064	3.73		27,602	5.75			37,462	2.96
Central	81,527	4.68		27,798	5.79			53,729	3.69
West	401,937	23.05		148,433	30.92			253,504	20.63
Southern	1,195,224	68.54		276,167	57.53			919,057	72.72
State of Nevada	1,743,772	100.00		480,000	100.00			1,263,772	100.00
Rural Nevada	240,848	13.81		94,122	19.61			146,726	12.05
Urban Nevada*	1,502,924	86.19		385,878	80.39			1,117,046	87.95
United States	270,248,003	100.00		201,298,000	100.00			68,950,003	100.00
Urban (BEA)	216,506,250	80.11		158,066,585	78.52			58,439,665	84.76
Rural (BEA)	53,741,753	19.89		43,231,415	21.48			10,510,338	15.24

*Urban Counties in the state of Nevada are denoted as Clark County and Washoe County

Table 2A. Nevada Population by County and Region, 1998 vs. 1990

	----- 1998 -----			----- 1990 -----			----- 1990 to 1998 -----		
Nevada Counties	1998 Population	Percent of State	Rank	1990 Population	Percent of State	Rank	Rank Change	Change 1990-96	% of State Population Change
Clark County	1,161,259	66.59	1	754,573	61.92	1	0	406,686	77.45
Washoe	313,008	17.95	2	256,356	21.04	2	0	56,652	10.79
Carson City	49,163	2.82	3	40,656	3.34	3	0	8,507	1.62
Elko	46,021	2.64	4	34,148	2.80	4	0	11,873	2.26
Douglas	36,815	2.11	5	27,956	2.29	5	0	8,859	1.69
Lyon	30,131	1.73	6	20,242	1.66	6	0	9,889	1.88
Nye	28,657	1.64	7	18,045	1.48	7	0	10,612	2.02
Churchill	23,147	1.33	8	18,025	1.48	8	0	5,122	0.98
Humboldt	18,083	1.04	9	12,956	1.06	9	0	5,127	0.98
White Pine	10,081	0.58	10	9,379	0.77	10	0	702	0.13
Lander	6,972	0.40	11	6,306	0.52	12	1	666	0.13
Mineral	5,332	0.31	12	6,445	0.53	11	-1	-1,113	-0.21
Pershing	4,834	0.28	13	4,334	0.36	13	0	500	0.10
Lincoln	4,178	0.24	14	3,814	0.31	14	0	364	0.07
Storey	2,951	0.17	15	2,525	0.21	15	0	426	0.08
Eureka	1,990	0.11	16	1,543	0.13	16	0	447	0.09
Esmeralda	1,150	0.07	17	1,348	0.11	17	0	-198	-0.04
Development District									
GBDD	28,164	1.62		30,184	2.48			-2,020	-0.39
WNDD	152,373	8.74		120,183	9.86			32190	6.13
Cooperative Areas									
Northeast	65,064	3.73		51,376	4.22			13,688	2.60
Central	81,527	4.68		55,557	4.56			25,790	4.91
West	401,937	23.05		333,938	27.40			67,999	12.95
Southern	1,195,224	68.54		777,780	63.82			417,444	79.49
State of Nevada	1,743,772	100.00		1,218,651	100.00			525,121	100.00
Rural Nevada	240,848	13.81		207,722	17.05			33,126	6.31
Urban Nevada*	1,502,924	86.19		1,010,929	82.95			491,995	93.69
United States	270,248,003	100.00		249,439,545	100.00			20,808,458	100.00
Urban (BEA)	216,506,250	80.11		198,900,983	79.74			17,605,267	84.61
Rural (BEA)	53,741,753	19.89		50,538,562	20.26			3,203,191	15.39

*Urban Counties in the state of Nevada are denoted as Clark County and Washoe County

Table 2A shows population growth from 1990 to 1998 and Humboldt County's rank remained unchanged. Again the state population is dominated by urban Clark County and the city of Las Vegas and to a lesser extent Washoe County and the communities of Reno and Sparks. Carson City, the third most populous county in Nevada for 1998, accounts for only three percent (2.82%) of statewide population. Ninth ranked Humboldt County accounts for just 1.04% of total state population.

Despite a 525,121 increase in population for the State of Nevada, the Great Basin Development District recorded an overall decrease in population from 30,184 in 1990 to 28,164 in 1998 or a 6.69 percent decrease. In comparison, the WNDD recorded an increase in population ranging from 120,183 in 1990 to 125,373 or a 4.32 increase. Although, the WNDD's population showed an increase over the time period its percent of the state total decreased from 9.86 percent in 1990 to 8.74 in 1998.

Aggregating counties by Nevada Cooperative Extension Area provides a more regional view of population growth in Nevada. The Northeast Area is comprised of Lander, White Pine, Eureka, and Elko Counties; the Central Area is composed of Churchill, Lyon, Eureka and Pershing Counties; the Western Area includes urban Washoe County along with Carson City, Douglas, Mineral and Storey Counties. The Southern Area is urban Clark County combined with the rural counties of Nye, Lincoln and Esmeralda. The Great Basin Development, which includes Eureka, Humboldt, Lander and White Pine Counties, is highlighted in both Table 1A and Table 2A. The Southern Area, which includes metropolitan Las Vegas in Clark County, is observed to dominate the population statewide growth trend with an increasing share of Nevada's population over time. Even the Western Area, which includes Washoe County and the metropolitan Reno-Sparks area, declines relative to the Southern Area over the study period.

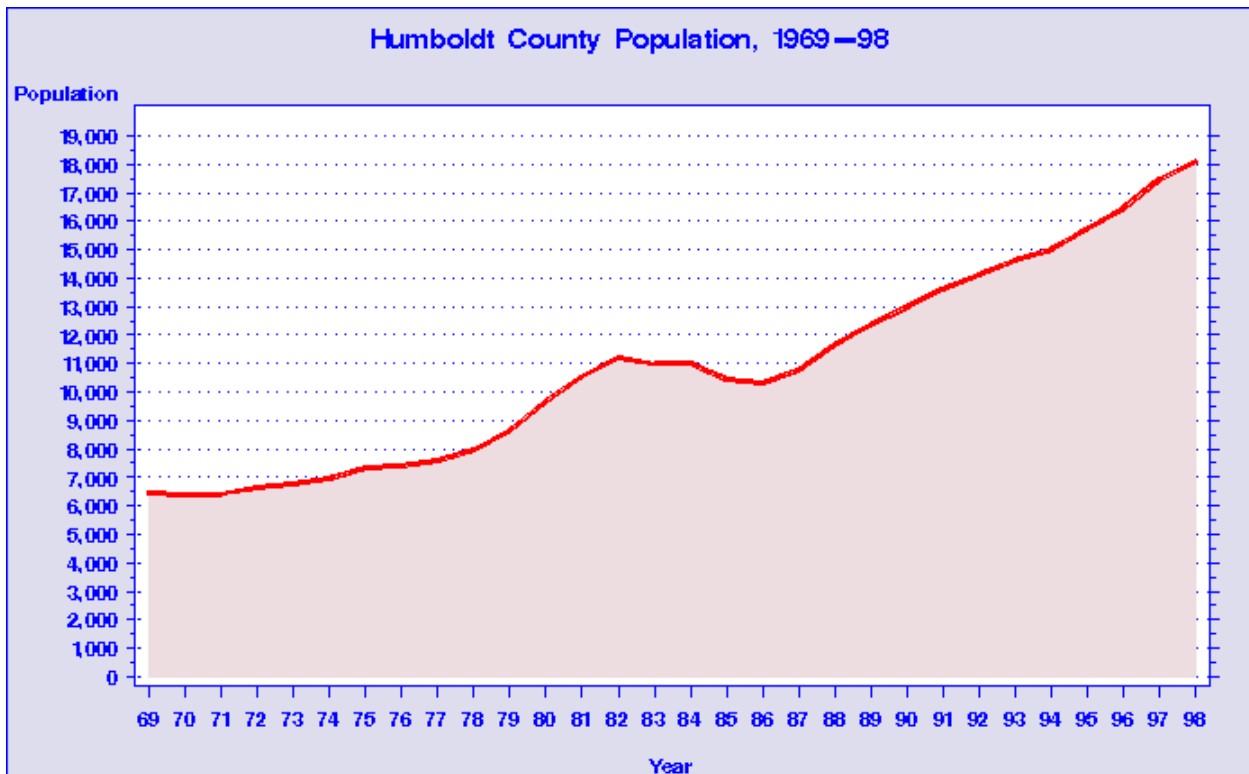
Comparisons between urban and rural area populations are presented in Tables 1A and 2A. During the period of study from 1969 to 1998, the proportionate share of total population held by rural Nevada counties declined. In 1969, the proportionate share of total Nevada population in rural Nevada counties was 19.6% which declined to 17.5% in 1990 and further declined to 13.8% in 1998. This proportional decline by rural Nevada counties is much larger than the national trend where the proportionate share of total national population residing in rural areas was 21.5% in 1969, decreased to 20.26% in 1990 and further decreased to 19.89% in 1998.

The difference between rural national and rural Nevada trends may be caused by several factors. First, population centers are more geographically isolated in rural Nevada than in most states. Second, Nevada has only seventeen counties, which means many of Nevada's counties, especially urban counties, are quite large. This means commuting from a rural to an urban area where population growth may occur, is not captured as in many of the smaller eastern, midwest and southern rural counties. Third, the population growth of Nevada's two urban counties has been phenomenal during the study period of 1969 to 1998. For example, population in Humboldt County has increased by 180% from 1969 to 1998 while its proportional share of total state population declined from 1.34% in 1969 to 1.04% in 1998. The percentage increase in population for Clark County and Washoe County was 334% and 164% respectively from 1969 to 1998.

In 1998, Humboldt County was the ninth populous Nevada county. However among Nevada's fifteen rural counties, Humboldt County ranked seventh in population. The state capital of Carson City had the highest population of Nevada's rural counties. In 1998 Carson City had 2.82% of total state population. Esmeralda County was rural Nevada's least populated county with only 0.07% of total state population. This perspective presents Humboldt County as a relatively average populated rural Nevada county.

Figure 2A shows Humboldt County population from 1969 to 1998 and reveals a general growth trend over time. Population declined slightly from 1982 through 1986 while in all other periods population increased. The generally upward trend in Humboldt County population can be put into perspective using data from Tables 1A and 2A. In 1969, Humboldt County population was 6,452, which increased to 18,083 in 1998 or an increase of 11,631. This represents 9.20% of the net population change in the state as a whole. Humboldt trailed only Clark and Washoe counties in this area. Clark County had the largest net increase in population during the period representing almost 70% of the state’s population growth. Mineral County had the least growth showing a net decline of 1,818 persons representing -0.14% of the total state’s population growth rate. While growing in absolute terms Humboldt County’s proportionate share of total state population is declining.

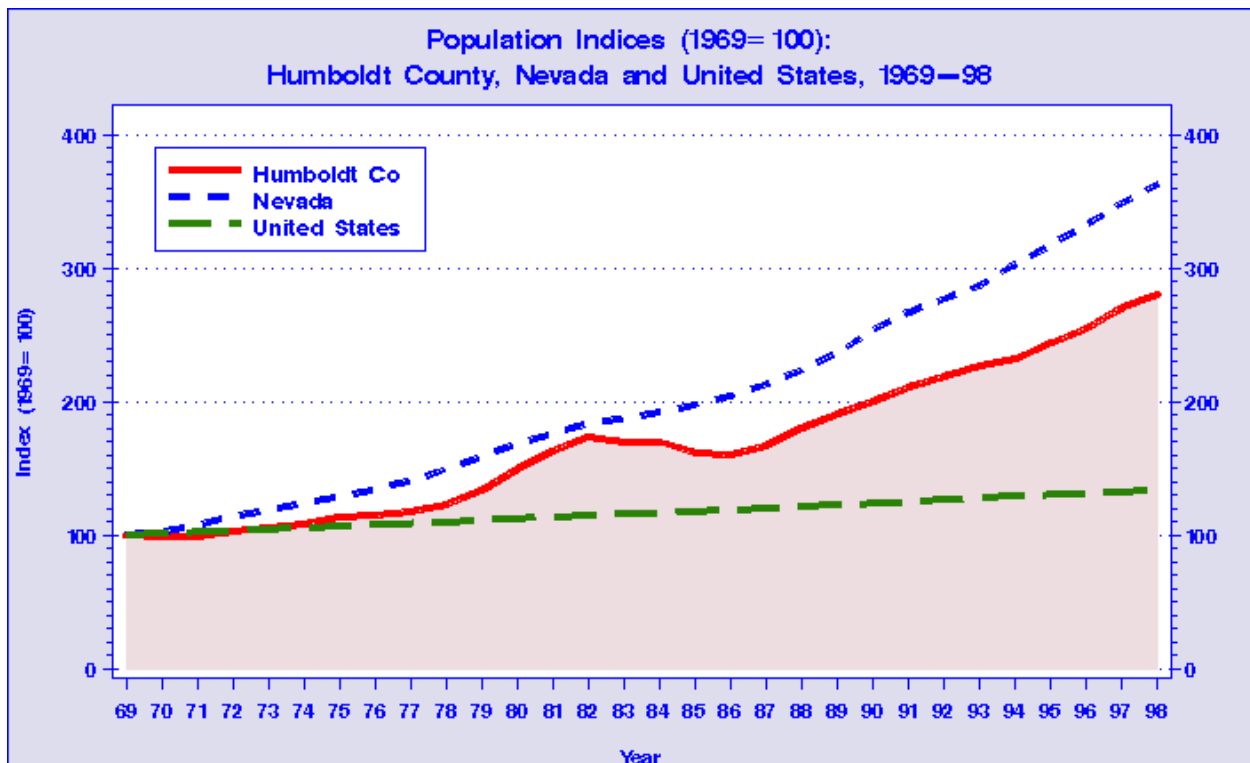
Figure 2A.



Source: U.S. Department of Commerce. “Regional Economic Information System.” Bureau of Economic Analysis: Washington, D.C. May 1998.

Indexing populations on a common base year provides a useful way of comparing local, state, and national population growth trends. Figure 3A shows indexed populations from 1969 to 1998 for Humboldt County, the State of Nevada, and the U.S. using 1969 as the base year (1969=100). In response to economic conditions, local populations would be expected to vary more than either the state or nation moving from one area to another. The averaging affect of the larger areas is evident in Figure 3A as is the larger variance in population over time expected in a smaller community. Humboldt County population is observed to grow slower than the state average over the time period. Figure 3A shows that the nation as a whole experienced a steady increase in population over time. As revealed in Figure 3A, Nevada population grew relative to the nation as a whole. The indexed population of Humboldt County shows periods of growth and decline over the period studied with a general upwards trend greater than the national average but less than that experienced by state as a whole.

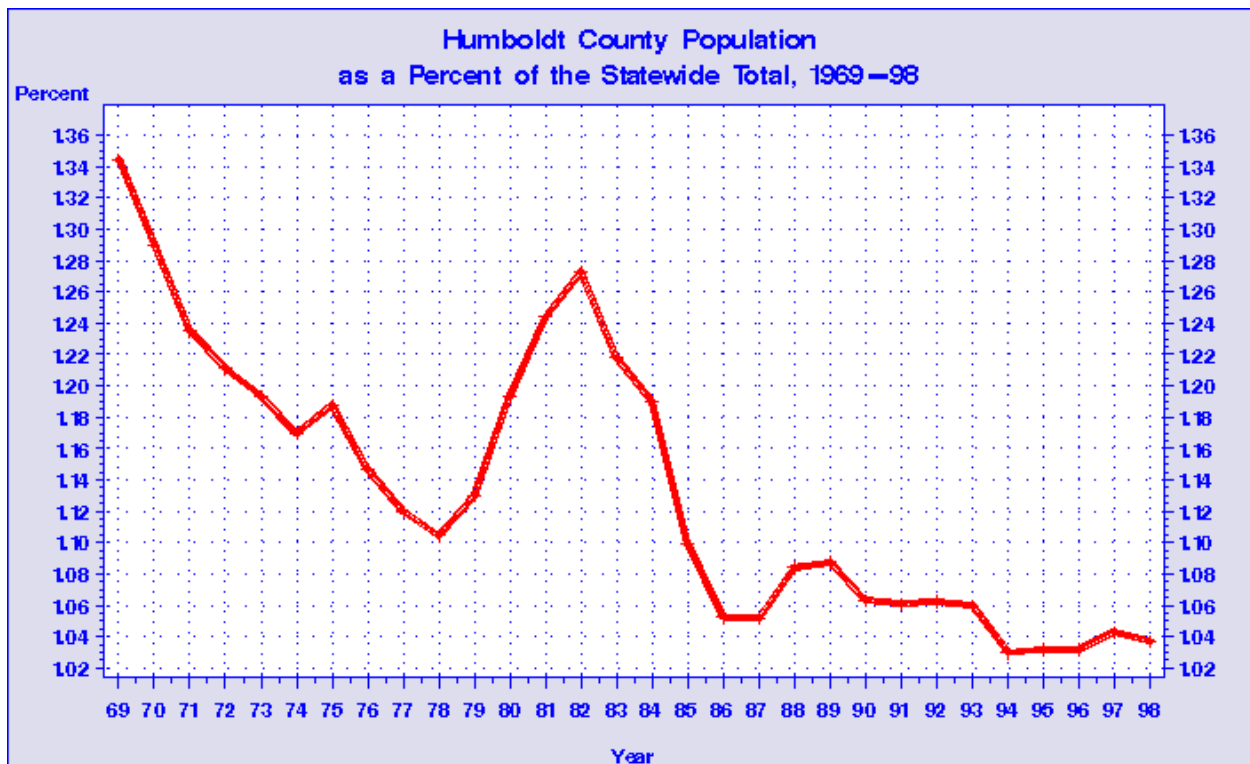
Figure 3A.



Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington, D.C. May 1998.

Figure 4A shows the Humboldt County population as a percent of the total Nevada population from 1969 to 1998. A declining share of total state population indicates that Humboldt County grew at a slower rate than the state in general. An example of this can be found in the period 1969 to 1974. Humboldt County experienced a sharp increase in its proportional share of population from 1978 to 1982, followed by a sharp decrease from 1982 to 1986. The general Humboldt County trend observed in Figure 4A is a declining percentage of total state population over time.

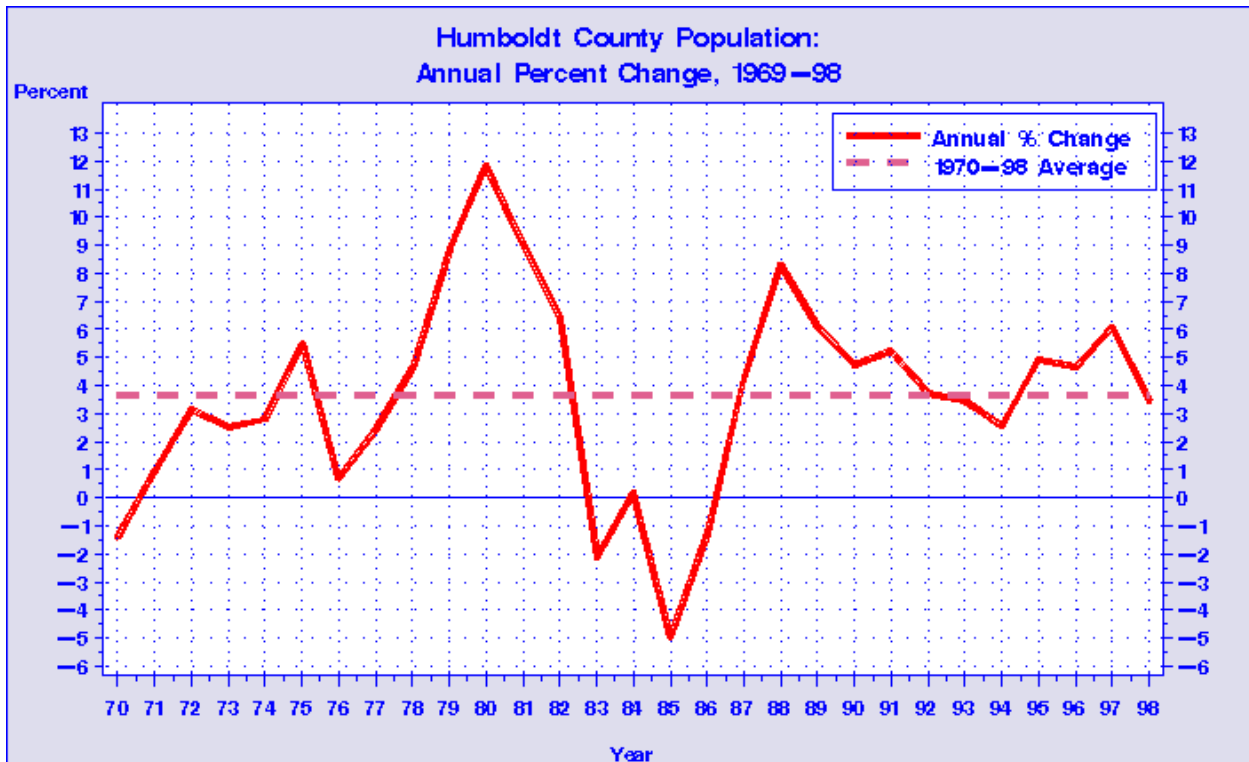
Figure 4A.



Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington, D.C. May 1998.

Figure 5A shows annual changes in population as a percent of the prior year's population. There are negative changes shown in 1976, 1983, 1985, and 1994. Overall the change has been steady but has evidenced some pretty extreme variable growth and decline over the period studied. This variability may be due to the cyclical nature of the county's mining industry.

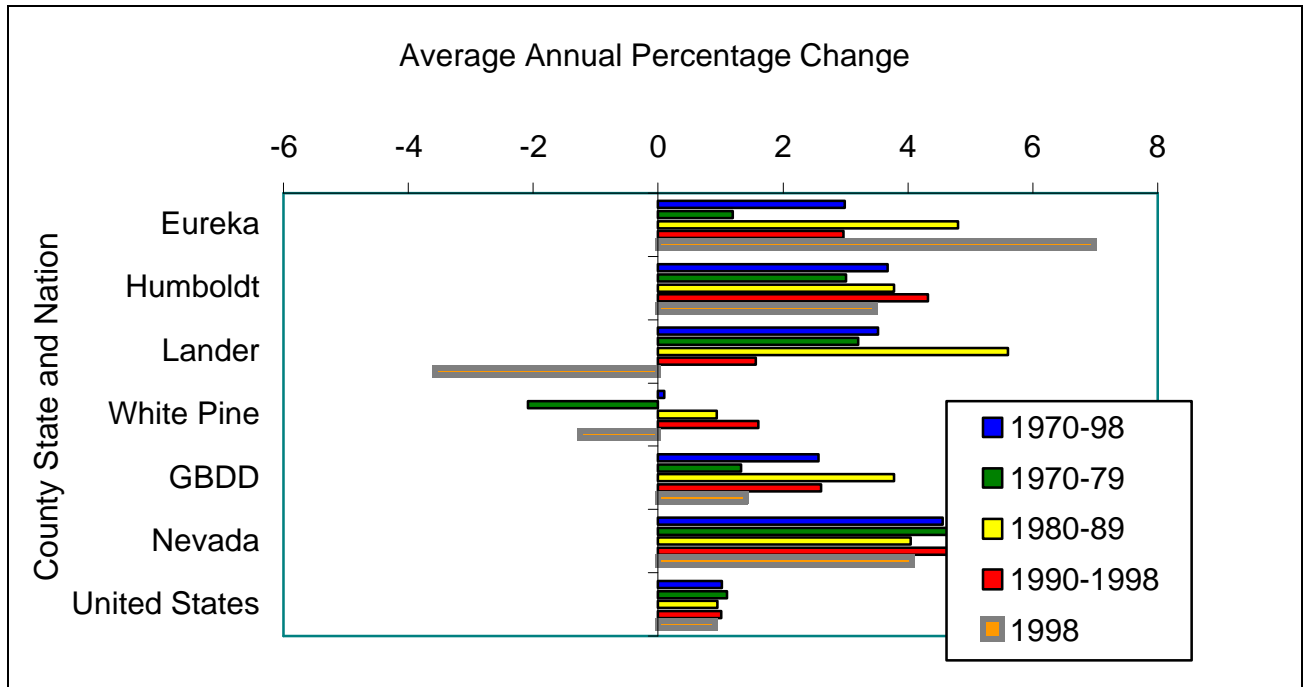
Figure 5A.



Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington, D.C. May 1998.

For comparison, average annual percent changes in populations are presented for Great Basin Development District counties, the state of Nevada, and the United States in Figure 6A. Four periods are shown including, 1970 to 1998 representing the entire period studied, 1970 to 1979, 1980 to 1989, 1990 to 1998, and 1998.

Figure 6A. Great Basin Development District Population Change, Comparison Between Time Periods



Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington, D.C. May 1998.

The averaging effect of a long-run perspective is evident in the 1970 to 1998 average population growth rates presented in Figure 6A. This time span represents the entire period studied. Comparing the one-year rate of growth for 1998 with the average rate of growth over the entire period studied provides an indication of the actual variability that may exist in interim periods. Short-term variance, or cycles in population growth and decline is smoothed out to reveal underlying long-term trends. This smoothing can also mask important information.

The affect of aggregation over geographic space is reflected in the closer average annual percent changes shown in Figure 6A for Nevada and the United States between time periods compared to those of the four Great Basin Development District counties. By averaging over many localities, decline in one area is mitigated by increase in another and vice versa.

All four counties in the Great Basin Development District are rural in nature. Of the Great Basin Development District counties, only Humboldt County had population growth similar to the state. Each county has its own unique circumstances impacting population changes.

No county in the Great Basin Development District realized an average annual growth rate in population that was higher than the state's value from 1970 to 1998. In 1998 Eureka and Humboldt experienced population increases while Lander and White Pine saw significant decreases in population. For this one-year period of growth, Humboldt County had the largest population growth rate of all four counties.

Overall White Pine County shows the most variance in population growth rate between periods. Humboldt and Eureka County growth rates appear to be less variable over time than either Lander or White Pine Counties. The growth rates over the entire study period are somewhat equal among Eureka, Humboldt and Lander despite differences in variation between periods. White Pine County's overall average growth rate is significantly less than the three other counties and its variation is much greater.

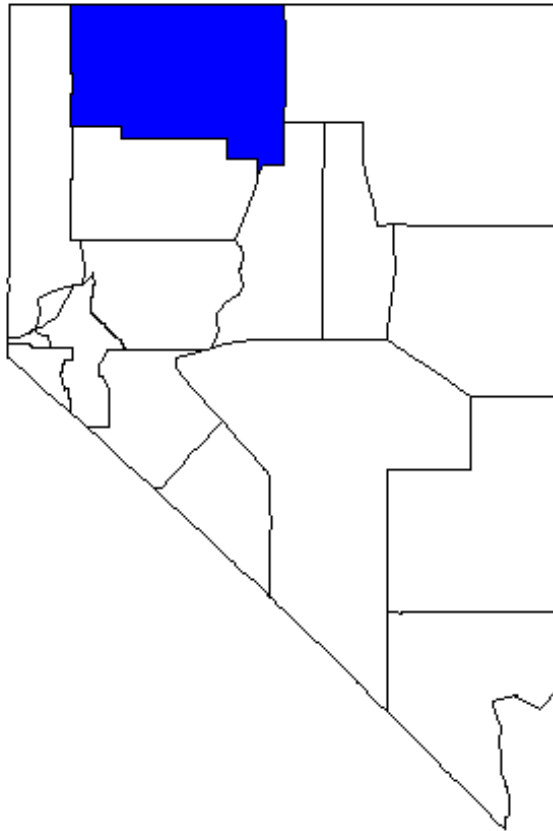
Appendix A:

BEA Population Estimates

County population totals reported by the Bureau of Economic Analysis for the years 1969-1998 are from the Bureau of Census' mid-year (July 1) estimates. Estimates for 1981-89 were revised in January 1992 to reflect 1980 to 1990 census population counts and therefore may differ from previously reported estimates.

Section B.

County Patterns of Personal Income Growth and Change



County Patterns of Personal Income Growth and Change

At the county level, the annual personal income estimates compiled by the Bureau of Economic Analysis (BEA) are among the most comprehensive, consistent, comparable and timely measures of economic activity available. They are also the best available local indicator of general purchasing power, and therefore central to examining and comparing county patterns of economic growth and change.

Personal income is an important measure of local economic activity and health. The U.S. Department of Commerce, Bureau of Economic Analysis (BEA) measures personal income in terms of money received by individuals from three sources, earnings, property, and transfer payments. Earnings income is that received by individuals for active participation in the current year's productive process. Property income is income derived from ownership of property or cash assets and includes such that received from dividends, interest, or rental of property. Transfer payments are personal income received by individuals and institutions on their behalf from government or private sources for which no services are rendered in the current year's productive process. Social Security income is a transfer payment as well as AFDC (Aid to Families with Dependent Children), and other government and private payments to individuals or institutions on their behalf.

The BEA measures income prior to payment of income or other personal taxes except social security. Social security tax on current earnings is treated as a negative transfer payment out of the area just as disbursements to area residents are counted as local transfer payment income. The measure of personal income then is total pre-tax income that accrues to individuals and non-profit institutions on behalf of individuals, net of social security deductions paid by the employer and individual.

There are two perspectives that can be taken in measurement of local personal income. One perspective looks at the total personal income generated within a local economy regardless of where persons receiving the income reside. This perspective focuses on the ability of local business to generate and provide personal income to workers and investors.

Another perspective focuses on the residents of an area and the income they receive regardless of where the source of income happens to be located. Measures of personal income utilizing this perspective provide a richer picture of local economic health. This measure provides an indication of local demand for secondary goods and services associated with residents of the area. Inferences can also be made as to the nature of the local quality of life. Where people live relative to where they work is also of interest.

The BEA records personal income by place of residence. Personal income of area residents earned outside of the area is included in area personal income measures. Personal income earned within the area by non-residents commuting into the area to work is excluded from personal income measurement. The result is net personal income by place of residence.

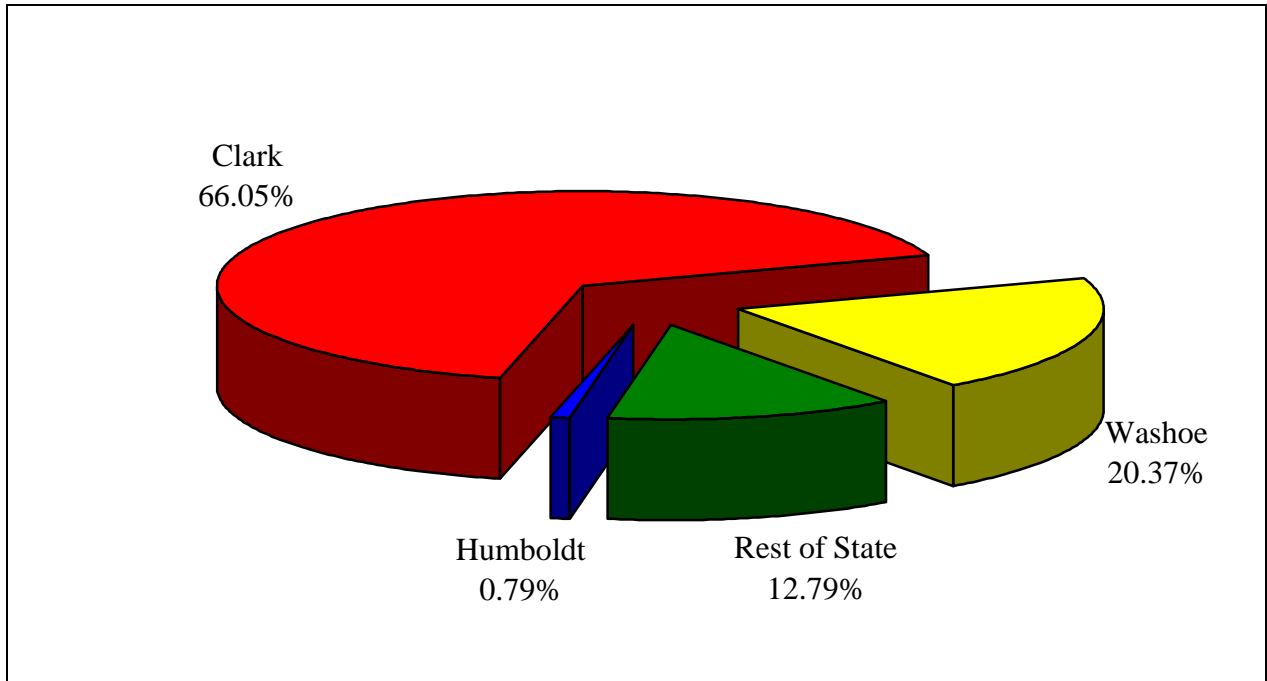
Neither perspective will provide a perfect story, however, but both provide valuable information for local decision-makers. In some ways the “place of residence” perspective might provide a less complete picture of what local industries pay to individuals in the form of wages, salaries, dividends, interest or other forms of payment. On the other hand it provides a more complete picture of the personal income of those actually living in the study area. With the “graying” of America and portable pensions, a place of residence measure reveals underlying socioeconomic patterns important to local decision-makers.

While capturing the local retirement trend, measuring the earned portion of income by “place of residence” can distort the true economic picture somewhat. For instance, in the mining and military sectors prevalent in rural Nevada there are many remote job sites where few people actually live or claim residency. In such cases the job may be physically located in one county while workers live in another county or even state. In such cases measurement of personal income will accrue to the county of residence. Conversely however, measuring by place of work would be equally distorted misrepresenting local demand potential.

Interpretation is required in utilizing the personal income data presented in this study. An active economy capable of generating current income to young and midlife working persons can generate demand for secondary goods and services. For such an economy jobs and industry must be encouraged to locate in the local area. However, the current workforce is only one segment of the population in a dynamic community. Enhancement of conditions amenable to retirees who enjoy transfer payments and investment income will also lead to secondary economic activity in the local community. It is up to local policymakers to make the best of their relative situation as it is portrayed by the data. There are tradeoffs involved. The community’s ability to attract income from non-current production activities such as relocation of retirees to the area may be limited by practices that encourage new business activity. Younger families have different community service demands than retirees. Taxes for new schools and other services might dissuade retirement in the local community for instance.

Figure 1B provides a comparison of Humboldt County total personal income in relation to the rest of the state. Clark and Washoe counties comprise the urban portion of the state and accounted for 86% of total personal income in Nevada for 1998. The remainder of Nevada accounted for 14% of the state's total personal income in 1998. Humboldt County accounted for less than 1% of total state of Nevada personal income in 1998.

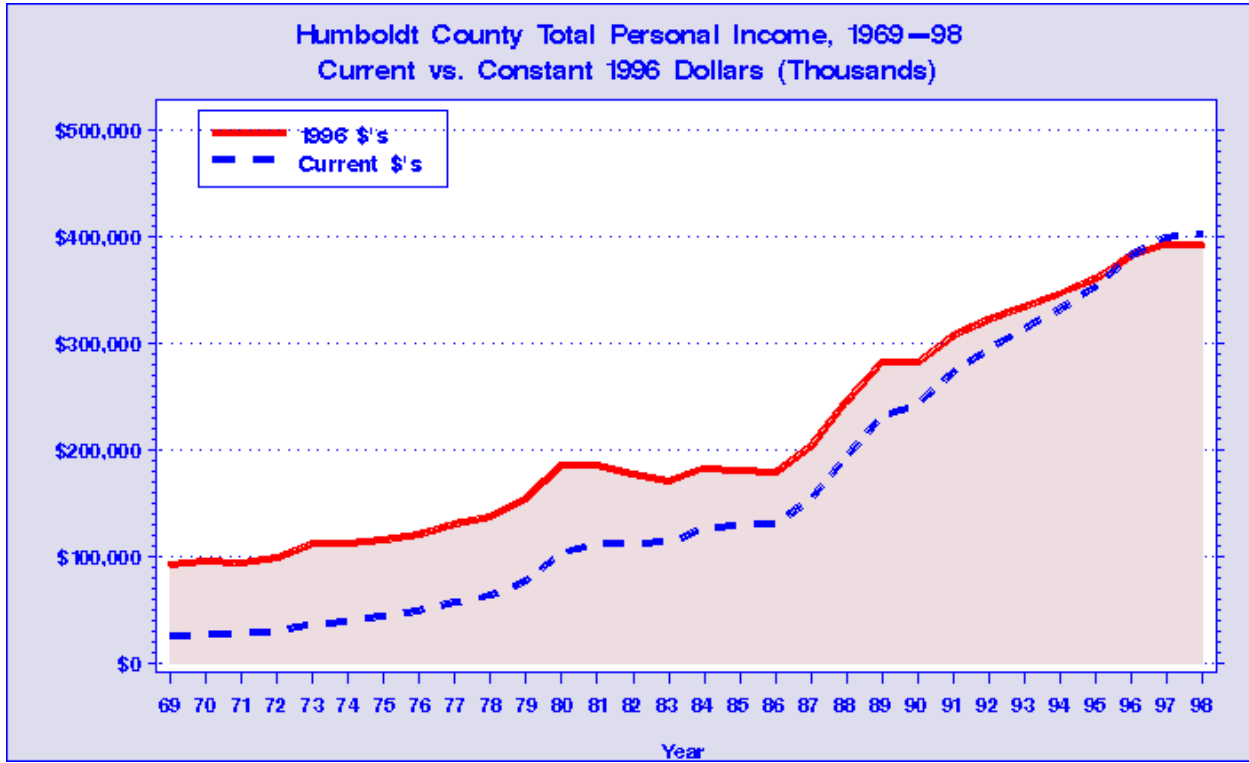
Figure 1B. Humboldt County Total Personal Income as Percent of Total State Personal Income, 1998.



Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington D.C. May 1998.

Total personal income for the years 1969 to 1998 for Humboldt County, expressed in both nominal (current) dollars and real 1996 dollars, is shown in Figure 2B. A general upward trend in personal income for Humboldt County is revealed in Figure 2B over the study period. Some variance can be observed in the general long-run trend between 1969 and 1998. Within the general long-run trend shown in Figure 2B, a slight yet noticeable short-term trend is evident for the period between 1980 and 1987. During this period the growth in nominal income leveled off and declined slightly, and then began to level off again 1997.

Figure 2B.



Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington D.C. May 1998.

Indexing allows the change in income for different areas to be compared on a common basis over time. The indexing process observed in Figure 3B “normalizes” the data of different sized areas expressing it as a percentage of a common base year. The effects of spatial aggregation also come into play in this case. The highly aggregated national and state data provide averages of their respective areas over time. In Figure 3B, personal income is indexed to 1969 = 100 for Humboldt County, Nevada, and the U.S. from 1969 to 1998. Growth of personal income in Humboldt County relative to the state and nation can be observed in the graph.

In Figure 3B it is evident that total personal income growth in Humboldt County has been relatively lower than the state as a whole and has kept pace with the nation over time. Between 1980 and 1986 a slight decreasing trend in the indexed Humboldt County total personal income is noticeable while the index for national income is steady. For the same period state total personal income index is seen to have performed considerably better than that of Humboldt County. In 1988 the county experienced a sharp increase in personal income, which was followed a leveling off with an increasing trend over the rest of the study period.

Figure 3B.

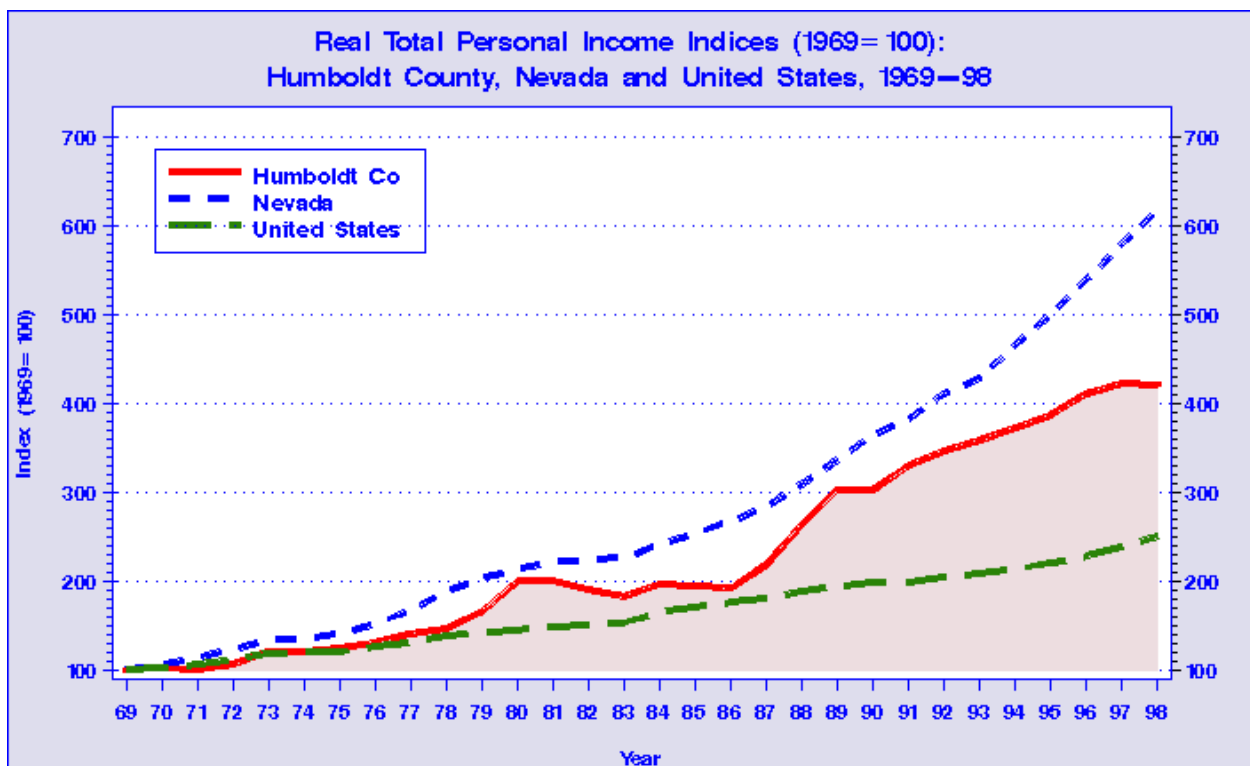


Table 1B presents a comparison of Humboldt County total personal income to the other Nevada counties, the state of Nevada, and the U. S. Humboldt County is ranked 9th of 17 Nevada Counties in terms of total personal income for the year 1998 with a 0.79% share of total state personal income. Interestingly, in 1969 Humboldt County was ranked lower as the 10th largest in terms of total personal income with 1.15% of total personal income for the state. The urban influence of the relatively fast growing Clark and Washoe counties undoubtedly accounts for this decrease in share over time. All rural Nevada counties except Douglas are observed to have a decrease in percentage share of total state personal income over the time period studied.

It is important to observe Humboldt County in the context of other rural Nevada counties. Carson City is the highest-ranking rural county for 1998 accounting for 2.95% of state personal income. The urban influence of nearby Reno/Sparks as well as business and jobs associated with state governance in the capital city make Carson City much more urban relative to other designated rural Nevada counties. Ten of Nevada's 17 counties count for less than 1.00% of total personal income each. The lowest ranking county is Esmeralda, which accounts for just 0.04% of Nevada's total personal income. Humboldt County with 0.79% of total state personal income in 1998, accounts for more than half that of the next smallest county Lander, which is ranked 10th in total personal income. Lander accounts for 0.30% of total state personal income.

There is much less variance between Humboldt County and other rural counties than there is between any of Nevada's rural counties and either Washoe or Clark County in terms of personal income. However it can be observed that there is quite a bit of variance even between the individual rural counties of Nevada as well. The differences between rural counties might prove more valuable in terms of policy implication than the differences between urban and rural counties within the state.

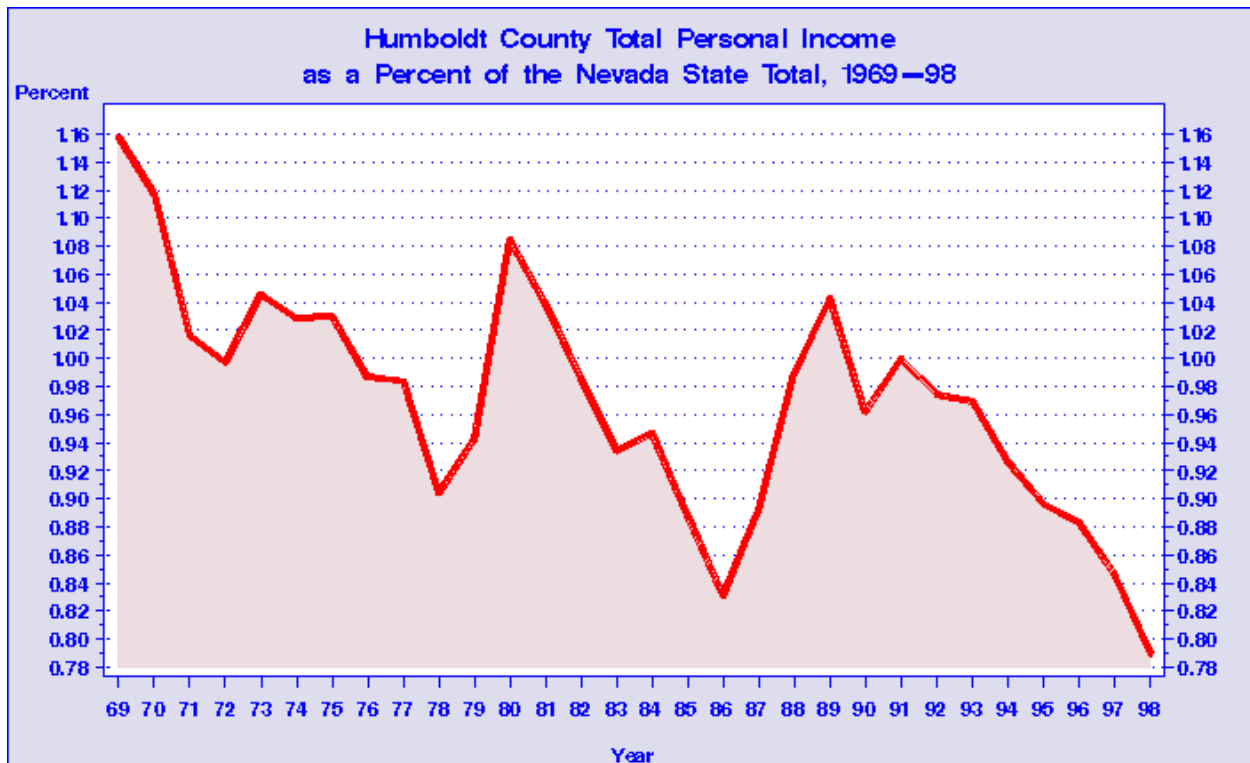
Table 1B. Nevada (Nominal) Personal Income by County and Region 1998 vs. 1969

	1998			1969			1969 to 1998
	Personal Income (1,000)	Percent of State	Rank	Personal Income (1,000)	Percent of State	Rank	Change In Rank
Nevada Counties							
Clark	33,541,675	65.87%	1	1,196,870	55.49%	1	0
Washoe	10,341,886	20.31%	2	576,794	26.74%	2	0
Carson City	1,499,876	2.95%	3	67,129	3.11%	3	0
Douglas	1,408,655	2.77%	4	41,328	1.92%	5	1
Elko	1,084,920	2.13%	5	58,352	2.71%	4	-1
Nye	649,233	1.29%	6	28,076	1.30%	9	3
Lyon	656,620	1.28%	7	31,378	1.45%	8	1
Churchill	510,177	1.00%	8	31,598	1.47%	7	-1
Humboldt	402,155	0.79%	9	24,875	1.15%	10	1
Lander	152,422	0.30%	10	10,192	0.47%	13	3
Mineral	130,331	0.26%	11	24,545	1.14%	11	0
Pershing	114,012	0.23%	12	12,261	0.57%	12	0
Lincoln	85,126	0.17%	13	7,931	0.37%	14	1
Storey	78,090	0.15%	14	2,993	0.14%	16	2
White Pine	202,306	0.10%	15	34,588	1.60%	6	-9
Eureka	41,229	0.08%	16	5,524	0.26%	15	-1
Esmeralda	19,820	0.04%	17	2,411	0.11%	17	0
Development Districts							
GBDD	798,112	1.57%		75,179	3.49%		
WNDD	4,397,761	8.36%		211,232	9.79%		
Extension Areas							
Northeast	1,480,877	2.91%		108,656	5.04%		
Central	1,805,908	3.55%		100,112	4.64%		
Western	13,328,507	26.18%		712,789	33.05%		
Southern	34,303,241	67.37%		1,235,288	57.27%		
State of Nevada	50,918,533	100.00%		2,156,845	100.00%		
United States	6,480,031,000			772,952,000			

Source: U.S. Department of Commerce, Regional Economic Information System, Bureau of Economic Analysis: Washington, D.C. 1998.

Figure 4B provides a comparison of Humboldt County personal income with that of the state by showing Humboldt County total personal income as a percent of state personal income over time. When the percentage is observed to be increasing, total personal income in Humboldt County is growing relatively faster than the state. Conversely a decreasing share indicates a slower growth rate in Humboldt County relative to the state as a whole. Figure 4B reveals a general downward trend in the growth rate for Humboldt County personal income relative to the state over the time period studied. The up and down cycles within the general trend indicate several periods of faster and slower growth rates for Humboldt County relative to the state. Fluctuations in personal income growth rates for Humboldt County relative to the state rate may possibly be linked to activity of basic industries within the county such as mining and agriculture. Differences could also possibly be attributed to national and international economic trends that affect the rural Humboldt County economy differently than they influence the state as a whole.

Figure 4B.

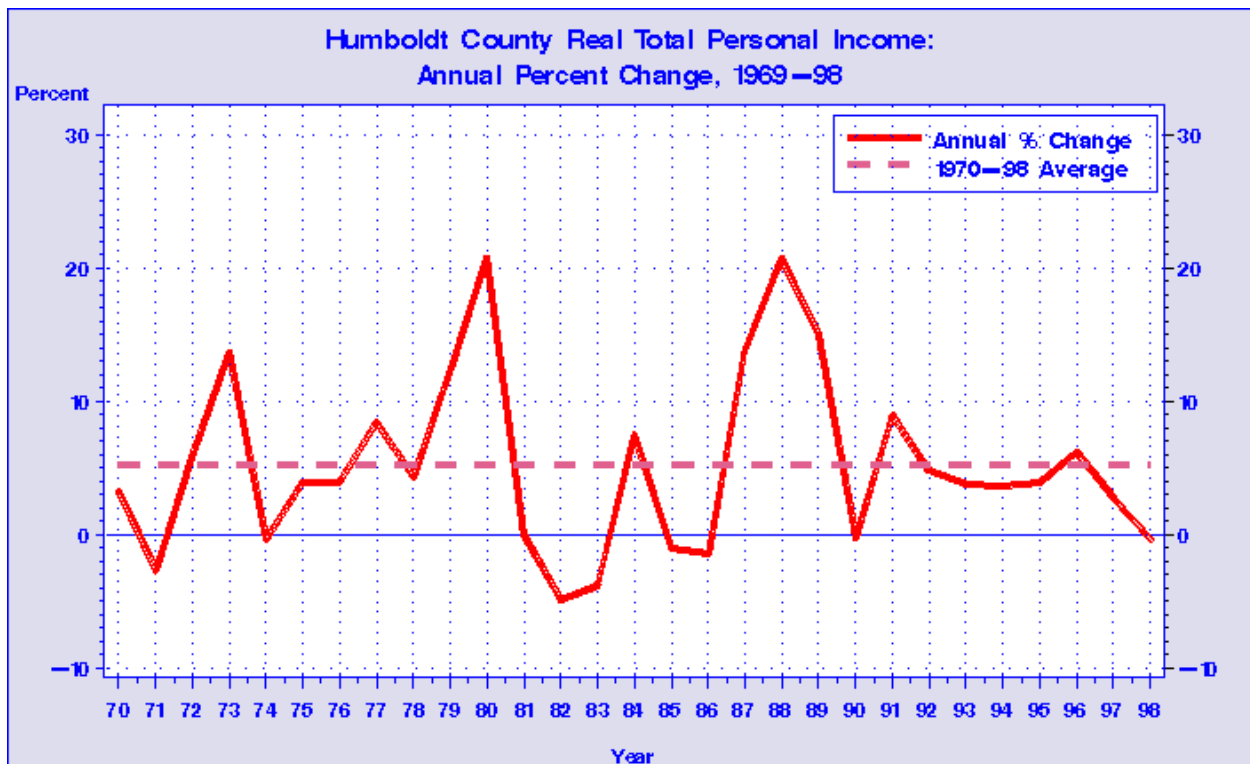


Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington, D.C. 1998.

The graphic presentation of annual percent change in real personal income for Humboldt County shown in Figure 5B reinforces the information revealed in Figure 4B. There are notable large changes for the years of 1978-1984 and 1986-1990.

Correlation might be drawn between local economic activity and these variations. The mining industry is known to be locally important. Possibly much of the variation from year to year can be associated with fluctuation in just this one economic sector.

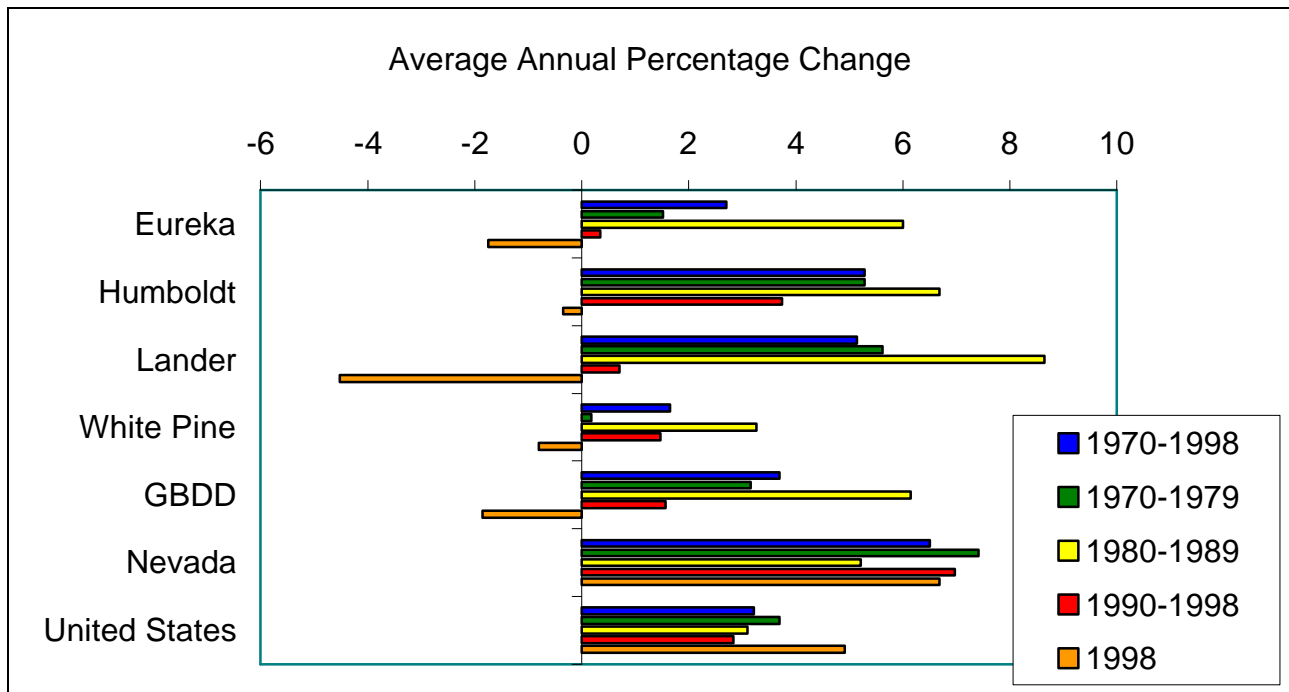
Figure 5B.



Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington, D.C. 1998.

A comparison of average annual percentage change in total personal income for central Nevada counties, Nevada, and the United States is presented in Figure 6B. Several periods are presented for comparison. For the period 1970 to 1998 the average annual percent change in total personal income for Humboldt County was greater than all the GBDD counties, the national average, and less than the state average. 1970-1979 compares similarly to the overall study period, where Humboldt was higher than all entities except Lander and the state. White Pine experienced to least amount of growth in nearly all study periods. All the Great Basin Development District counties witness decreases in annual growth rate in 1998. For all periods shown in Figure 6B, Humboldt County's growth rate is closest to Lander.

Figure 6B. Great Basin Development District, State of Nevada and U.S. Real Income Changes for 1970 to 1998; 1970 to 1989; 1980 to 1989; and 1990 to 1998.



Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington, D.C. 1998.

“Normalized” data, expressed in “pure” percentages can present interpretation problems of its own. White Pine County for example is observed to exhibit markedly different patterns of annual average growth rates of personal income than the other three counties. Part of what is observed between the periods shown can be attributed to the arbitrary conditions existing in the base period. Starting from a relatively large or small base will influence subsequent percentages. For example, part of what is observed in the 1980 to 1989 period might be as a result of what occurred in the earlier 1970 to 1979 period.

Putting all measures on a relative basis can magnify small absolute changes for those having a small basis. Simply stated the smaller the basis the larger the percentage change that will be observed from small absolute changes that occur. Personal income in Humboldt County is much smaller than that of the other GBDD counties. It is clear however that something changed dramatically in each county’s economic structure between 1980 and 1989.

The state average, which represents a composite of all counties, exhibits a slightly different pattern over time than three of the four central area counties. This may be attributed largely to the influence of tourism-based urban economies of Clark and Washoe counties versus the mining and agricultural based rural economies. Given the differences in rural and urban economic structures and the relative size differences between urban and rural counties, the lack of more drastic differences between state patterns of change and those exhibited by the three Central Area counties is notable. The pattern of real income change in Humboldt County is observed to be quite different than that of the state and the other three GBDD counties.

Since people are the community, the quality of life experienced by individuals and families that comprise it, is an important consideration in economic analysis. One of the best indicators of quality of life is personal income. This economic data combined with other data provides a look at the underlying social and economic health of a local community. Opportunity to make a relatively sufficient income is important to sustaining and developing a local community.

Personal income is also an indicator of the relative purchasing power a community has relative to the rest of the state and nation.

Appendix B:

Current vs. Constant Dollar Estimates of Personal Income

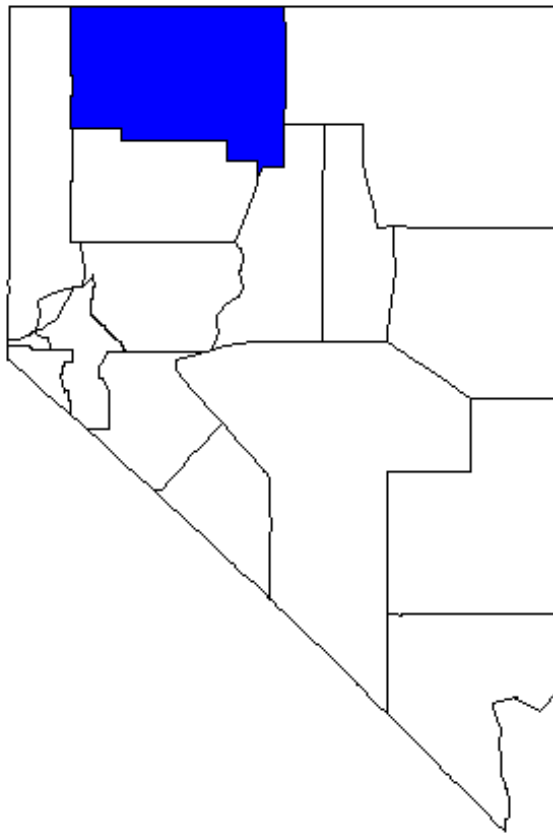
BEA reports personal income in current dollars. In other words, it reports personal income based on the value or purchasing power of the dollar in the year incomes are received. Constant dollar or real estimates of personal income are computed using the Implicit Price Deflator for Personal Consumption (IPDPC). This removes the effects of inflation and allows a direct comparison of personal income in terms that approximate real purchasing power over time. The basis for the IPDPC is the consumer expenditure patterns during the current period. Therefore the IPDPC reflects changes in consumer expenditure pattern from one period to another. The IPDPC index tells how much it costs to buy the mix of items in each time period relative to what it would cost to purchase the same selection in the base period.

The Consumer Price Index (CPI) is used to compute constant dollar or real estimates of personal income. Its basis is the assumption that consumer expenditure patterns are the same from one period to another. The CPI shows how much it would cost consumers in any period to purchase the identical mix of items (or the same “market basket”) they purchased in the base period. Given the different constructions, it is generally considered that the CPI tends to overstate price increases, and therefore understate changes in the real purchasing power of income. The IPDPC, on the other had, tends to understate price increases and therefore overstates the changes in real income. The two indices differ, because each is designed to answer a different question. In this report the IPDPC reflects the changes in the real purchasing power of income in the context of changes that occur in the expenditure patterns of consumers. Humboldt County’s current or nominal dollar 1998 total personal income amounted to \$402,155,000 while the IPDPC for 1998 registered 1.0322. The real constant (1996) dollar estimate for Humboldt County’s 1998 personal income is: \$389,609,572.

$$\left(\frac{\$402,155,000}{1.0322} = \$389,609,572 \right) \text{ rounding to thousands.}$$

Section C.

County Patterns of Per Capita Income Growth and Change

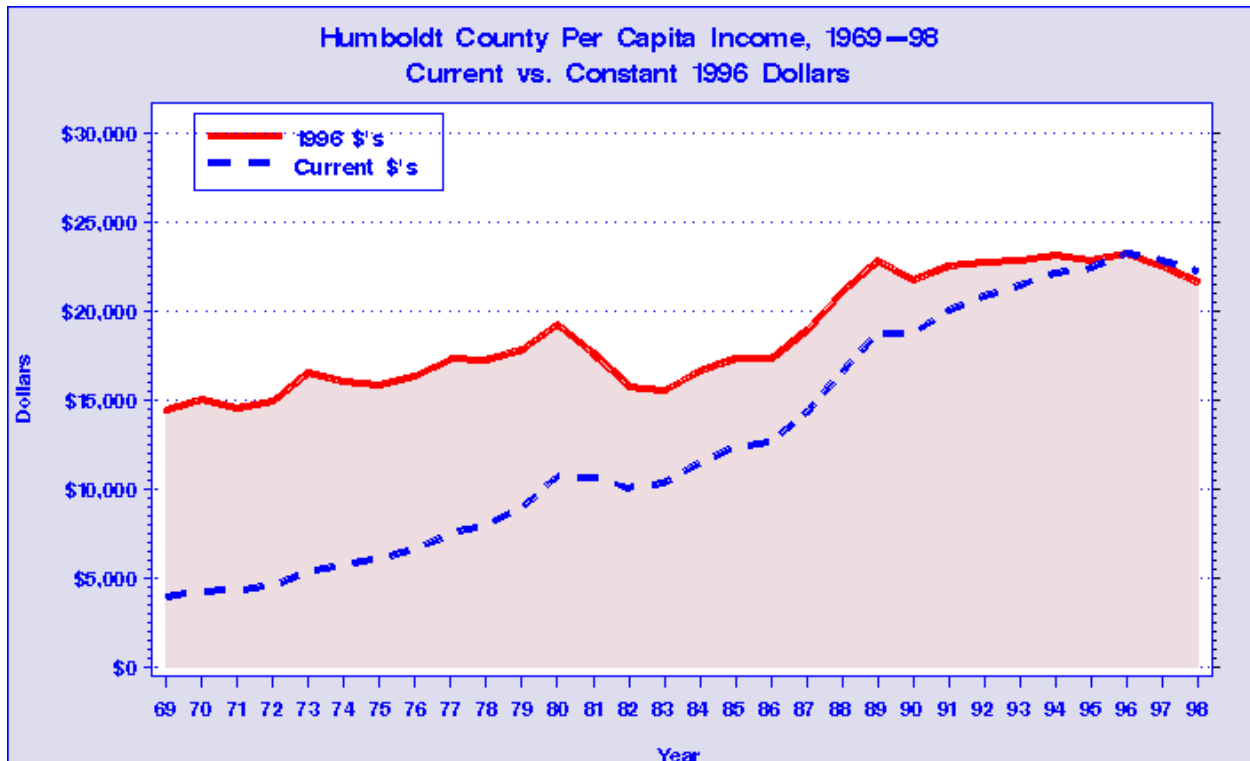


County Patterns of Per Capita Income Growth and Change

Per capita income serves as a general indicator of the economic well-being of area residents and the quality of consumer markets. While increases in real (inflation adjusted) total personal income serve as an indicator of overall regional economic growth, increases in real total personal income relative to population (i.e. per capita income) serve to signal improvement in the well-being of individuals.

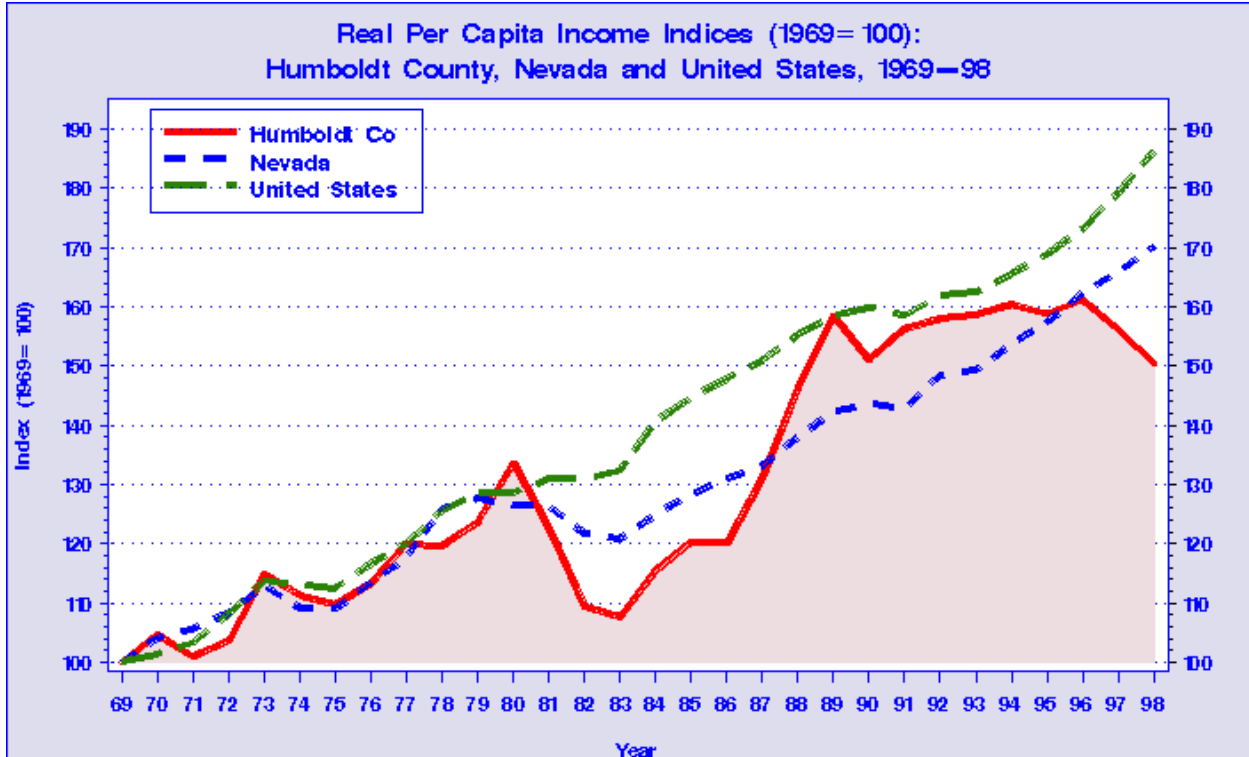
In Figure 1C per capita income for residents of Humboldt County is shown in nominal (current) dollars and real (constant) 1996 dollars for the time period 1969 to 1998. This technique allows for comparison of spending power over time. For comparative analysis between regions in the same time period it might be more appropriate to compare nominal dollars directly since the spending power is the same. Both measures are provided since it is useful to observe per capita income in both forms. It may also be useful to make comparisons between the two measures.

Figure 1C.



Source: U.S. Department of Commerce. "Regional Economic Information System."
Bureau of Economic Analysis, Washington, D.C. 1998.

Figure 2C.

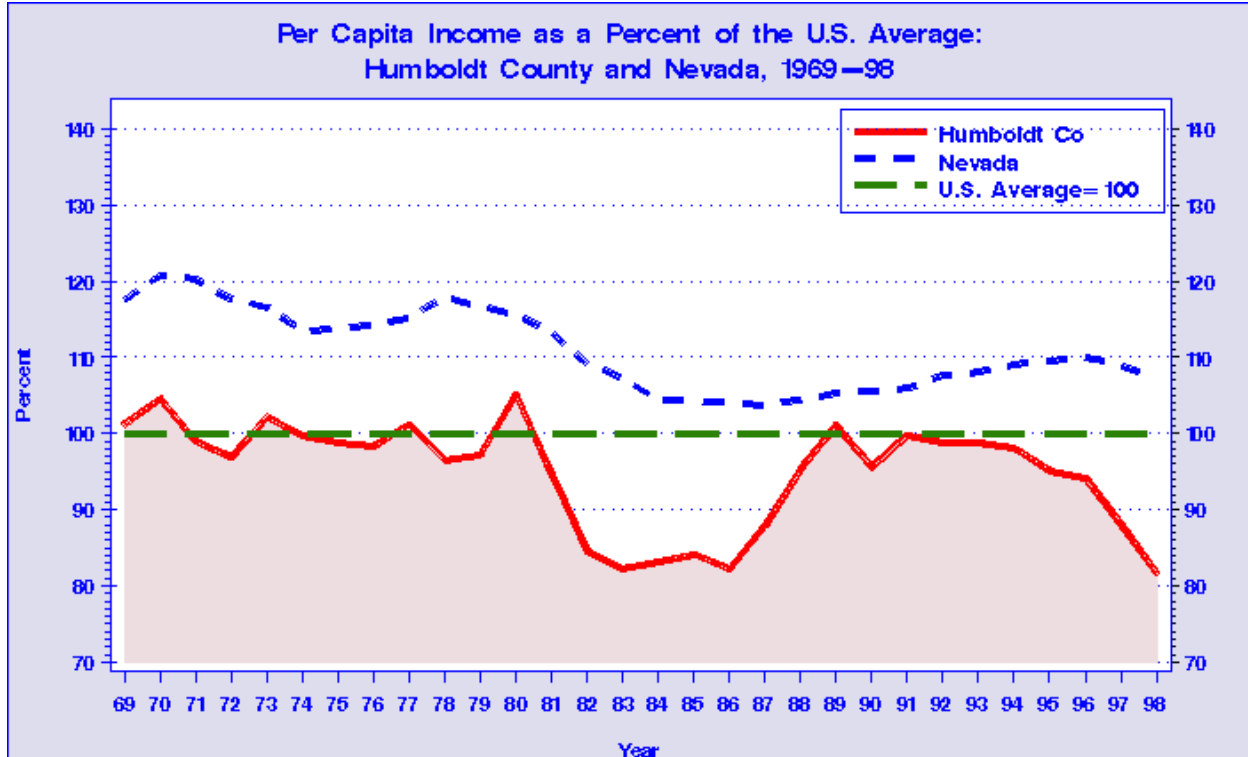


Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis, Washington, D.C. 1998.

Figure 2C provides a comparison of the real per capita personal income of Humboldt County, Nevada and the United States. The hierarchical nature of the data should be kept in mind when making inferences. The state trend represents an average of the various local economies that comprise the larger state economy. The national trend represents an average of all regions and localities. It would be expected that the state and national averages based on larger areas would show less variation over time. In effect, Figure 2C presents the per capita income of Humboldt County relative to the larger areas of which it is a portion. Differences and similarities can be observed. Investigation for underlying causal factors and possible policy actions indicated in this analysis requires further information and interpretation on the part of local policy makers.

Trends in national, state, and local per capita personal income can be observed in Figure 2C and compared. The performance of the local economy in terms of per capita personal income surpassed that of the nation at several points. Statewide real per capita income was less than the national average for the entire period shown.

Figure 3C.



Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis, Washington, D.C. 1998.

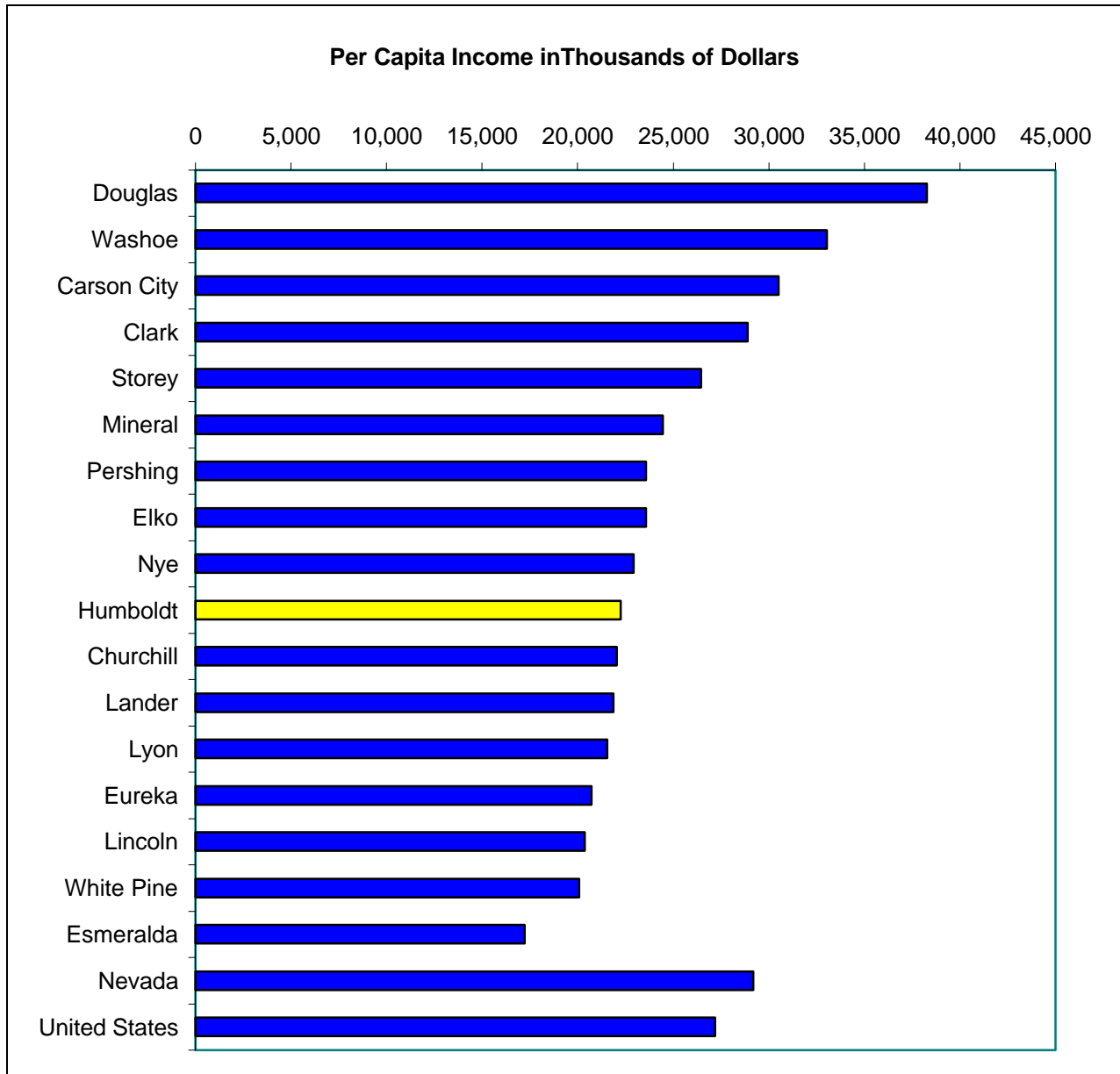
In Figure 3C Humboldt County per capita income is expressed as a percentage of state and national average nominal income over time. Humboldt County displays a cyclical trend consistently rising above and falling below the national average for the last twenty years. In general, Humboldt's average runs much like the states. Early in the study period the state and county of Humboldt were higher than the national average. This could be an indication that the underlying economic structure in Humboldt County has less economic similarity to the nation. Humboldt matches the state trends but is still not totally comparable.

Several underlying factors might explain much of the dissimilarity observed in Figure 3C. Per capita income in Humboldt County is known to be dependent on the state of the mining industry and its "boom or bust" nature. Large shifts in Humboldt's average can be attributed to the price of gold and in turn the amount of production. The state average per capita income is heavily influenced by urban Clark and Washoe counties, which have tourism-based economies heavily dependent on gaming. Other parts of the state have enjoyed an influx of retirees bringing retirement income into the local economies. It is evident in Figure 3C that the structure of the Humboldt County economy is somewhat different than that for the state of Nevada as a whole.

A relational graph showing the 1998 per capita income of all 17 Nevada counties and the state and nation is presented in Figure 4C. Three Nevada counties, Douglas, Washoe, and Carson

City, are observed to have higher per capita incomes than the state average in 1998. Urban Clark County is observed to have an average per capita income slightly below the state average for 1998 but slightly larger than the national average. All other Nevada counties had per capita incomes less than the national average.

Figure 4C. 1998 Per Capita Income, Counties, State and Nation

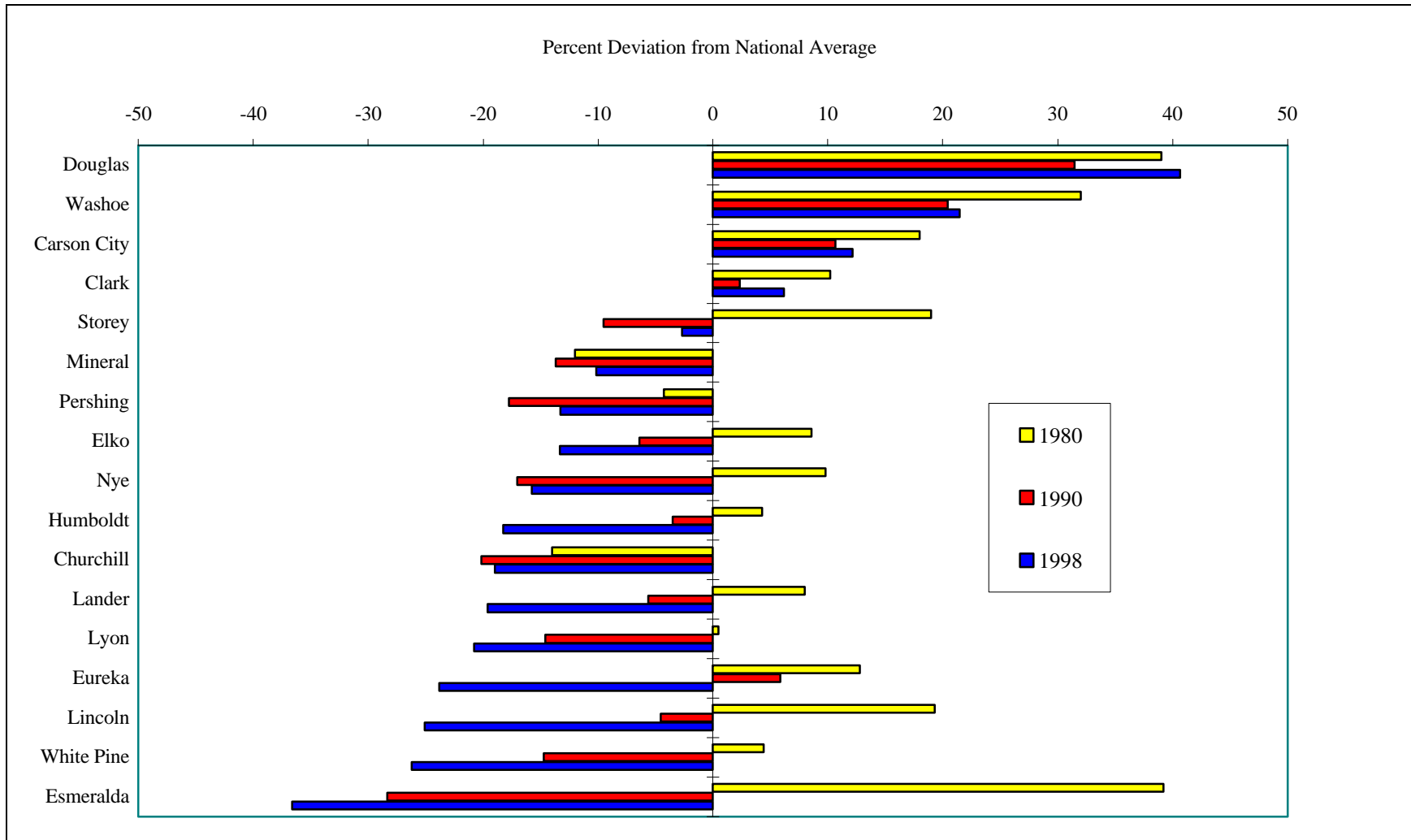


Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis, Washington, D.C. 1998.

Figure 5C presents per capita personal income of Nevada counties as a percentage of the national average for 1980, 1990, and 1998. The Counties are arranged by size from largest to smallest in terms of per capita personal income in 1998. Seven counties had larger per capita incomes in 1980 while having less than the national average in 1990 and 1998. Other than these exceptions it can be observed that counties with per capita personal income higher than the national average in one year generally had per capita incomes larger than the national average in all years and vice versa. Esmeralda County shows the largest change between periods with 40% larger than national per capita income in 1980 and 30% and 25% less than the national average in 1990 and 1998 respectively.

Fluctuations in Humboldt County per capita income might be attributed to a change in activity of the local mining industry. Humboldt County, which is known to be economically dependent on the mining industry was above the national average per capita personal income in 1980 and below 1990, and had a sharp drop in 1998 as shown in Figure 5C. Douglas County, known as a desirable retirement area for wealthy Californians, shows a higher than average per capita income for both years. The relatively volatile nature of the mining sector in Humboldt, versus the steady nature of property income associated with wealthy retirees in Douglas County most likely accounts for the variances between periods and between areas visible in the graph.

Figure 5C. Per Capita Income by County, Percent Deviation from National Average



Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis, Washington, D.C. 1998.

Table 1C provides comparisons of Humboldt County per capita income with those of the other counties in Nevada, the state, and the nation for 1969 and 1998. In addition, BEA designated urban and rural average per capita incomes are provided.

In 1969 Humboldt County per capita income was higher than the national average. At approximately 1.2% above than the national average in 1969, Humboldt County ranked 12th out of the 17 Nevada counties for the year. However, in 1998 Humboldt County ranked 10th with approximately 81.75% of the national average per capita income. The relative decline in per capita income was great for many rural Nevada counties and for Humboldt over the period between 1969 and 1998. Humboldt County per capita income as a percent of the national average declined much like other Nevada counties.

A general pattern of relative increase in per capita personal incomes in the more urban counties can be observed in Table 1C. For this study, Clark and Washoe counties have been designated as urban. While not designated as urban, Carson City and Douglas County both have economies closely associated with urban influences. Carson City is in close proximity to the Reno-Sparks metropolitan area and is also the seat of Nevada government. Douglas County includes the South Shore area of Lake Tahoe and its gaming industry. The Minden-Gardnerville and Lake Tahoe areas of Douglas County are also known for attracting relatively wealthy retirees from California and other regions. Douglas County is perceived as offering a higher quality of life, low tax rates and a low cost of living relative to other areas.

The same areas examined in Table 1C are presented in Table 2C for 1990 and 1998. In this shorter time period more recent changes and trends can be observed. Humboldt County is ranked 6th among Nevada's 17 counties in terms of per capita personal income in 1990. It is of interest that Humboldt County's rank in per capita income declined from 6th highest in 1990 to 10th in 1998. Also, the percentage of Humboldt County's per capita income to the national average decreased from 3.52% below the average in 1990 to 18.25% below in 1998.

Table 1C. Nominal Per Capita Income Comparison, 1969 to 1998

County or Region	1998				1969				1969 to 1998
	Average Per Capita Income	Difference From US Average	Percent of US Average	Rank	Average Per Capita Income	Difference From US Average	Percent of US Average	Rank	Rank Change
Douglas	38,263	11,060	140.66%	1	6,280	2,434	163.3%	1	0
Washoe	33,040	5,837	121.46%	2	4,869	1,023	126.6%	4	2
Carson City	30,508	3,305	112.15%	3	4,356	510	113.3%	8	5
Clark	28,884	1,681	106.18%	4	4,499	653	117.0%	6	2
Storey	26,462	-741	97.28%	5	4,413	567	114.30%	7	2
Mineral	24,443	-2,760	89.85%	6	3,642	-204	94.7%	15	8
Pershing	23,585	-3,618	86.70%	7	4,606	760	119.8%	5	-2
Elko	23,574	-3,629	86.66%	8	4,186	340	108.8%	9	1
Nye	22,913	-4,290	84.23%	9	5,082	1,236	132.1%	3	-6
Humboldt	22,239	-4,964	81.75%	10	3,893	47	101.2%	11	2
Churchill	22,041	-5,162	81.02%	11	3,066	-780	78.39%	17	6
Lander	21,862	-5,341	80.37%	12	3,892	46	101.2%	12	1
Lyon	21,547	-5,656	79.21%	13	4,071	225	105.9%	13	-2
Eureka	20,718	-6,485	76.16%	14	6,083	2,237	158.2%	2	-12
Lincoln	20,375	-6,828	74.90%	15	3,164	-682	82.3%	16	1
White Pine	20,068	-7,135	73.77%	16	3,506	-343	91.1%	14	-1
Esmeralda	17,235	-9,968	63.36%	17	4,179	333	108.7%	10	-7
Nevada	29,200	1,997	107.34%		4,520	647	117.5%		
United States	27,203	0	100.00%		3,346	0	100.00%		
US Metro	28,872	1,669	106.14%		4,096	250	106.6%		
US Non Metro	20,478	-6,725	75.28%		2,930	-916	76.2%		

Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis, Washington, D.C. 1998.

Table 2C. Nominal Per Capita Income Comparison, 1969 to 1990

County or Region	1998				1990			1990 to 1998	
	Average Per Capita Income	Difference From US Average	Percent of US Average	Rank	Average Per Capita Income	Difference From US Average	Percent of US Average	Rank	Rank Change
Douglas	38,263	9,063	140.66%	1	25,230	6,042	131.49%	1	0
Washoe	33,040	3,840	121.46%	2	23,110	3,922	120.44%	2	0
Carson City	30,508	1,308	112.15%	3	21,230	2,042	110.64%	3	0
Clark	28,884	-316	106.18%	4	19,640	452	102.36%	5	1
Storey	26,462	-2,738	97.28%	5	17,362	-1,8267	90.48%	10	5
Mineral	24,443	-4,757	89.85%	6	16,564	-2,624	86.32%	11	5
Pershing	23,585	-5,615	86.70%	7	15,782	-3,406	82.25%	15	8
Elko	23,574	-5,626	86.66%	8	17,995	-1,234	93.57%	9	1
Nye	22,913	-6,287	84.23%	9	15,914	-3,274	82.94%	14	5
Humboldt	22,239	-6,961	81.75%	10	18,513	-6755	96.48%	6	4
Churchill	22,041	-7,159	81.02%	11	15,319	-3,869	79.84%	16	5
Lander	21,862	-7,338	80.37%	12	18,101	-1,094	94.34%	8	-4
Lyon	21,547	-7,653	79.21%	13	16,391	-2,809	85.42%	12	-1
Eureka	20,718	-8,482	76.16%	14	20,315	1,131	105.87%	4	-10
Lincoln	20,375	-8,825	74.90%	15	18,315	-873	95.45%	7	-8
White Pine	20,068	-9,132	73.77%	16	16,357	-2,836	85.25%	13	-3
Esmeralda	17,235	-11,965	63.36%	17	13,749	-5,443	71.65%	17	0
Nevada	29,200	1,997	107.34%		20,241	1,053	105.49%		
United States	27,203	0	100.00%		19,188	8	100.00%		
US Metro	28,872	1,669	106.14%		20,387	1,199	106.25%		
US Non Metro	20,478	-6,725	75.28%		14,472	-4,716	75.42%		

Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis, Washington, D.C. 1998.

Appendix C:

Per Capita Income

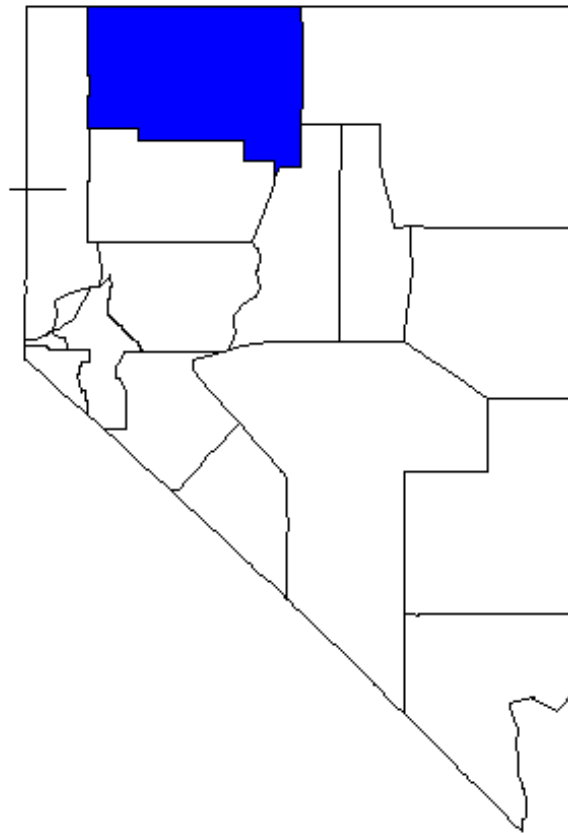
County per capita income is the annual total personal income of county residents for a specific year divided by county resident population as of July 1. Use and interpret per capita income estimates with care. Personal income is measured as a flow throughout the year, while the measurement of population is at one point in mid-year. Therefore, per capita income is distorted if a significant change in population occurs during the year. In any given year, per capita income may be exceptionally high or low in the short run because of unusual local conditions, such as a bumper crop, a new mine, a catastrophe, or a major construction project. Over the past two decades for example, gold mining developments resulted in extreme short-run variations in the per capita income of several smaller Nevada counties.

Farm and mining incomes are especially subject to sharp fluctuations over time due to changing weather, world market conditions and alterations in government, farm, public lands and mineral lease programs. Therefore, per capita income of Nevada counties dependent on farming and mining is exceptionally volatile. The presence of large institutional populations – such as residents of a college, prison or state mental hospital – can significantly lower per capita income estimates of an area. Such results may not reflect the economic well-being of the noninstitutional population, and may mislead if care is not given to their interpretation. Because per capita income is only a simple average, it does not account for the concentration or distribution of personal income among county residents or households.

The 1981-89 population estimates were revised as of January 1992 to reflect 1980 and 1990 Bureau of Census population counts. Further the 1998 census county population estimates have been adjusted by the BEA to be consistent with the 1998 Census state population estimates released in January 1998.

Section D.

County Patterns of Employment Growth and Change

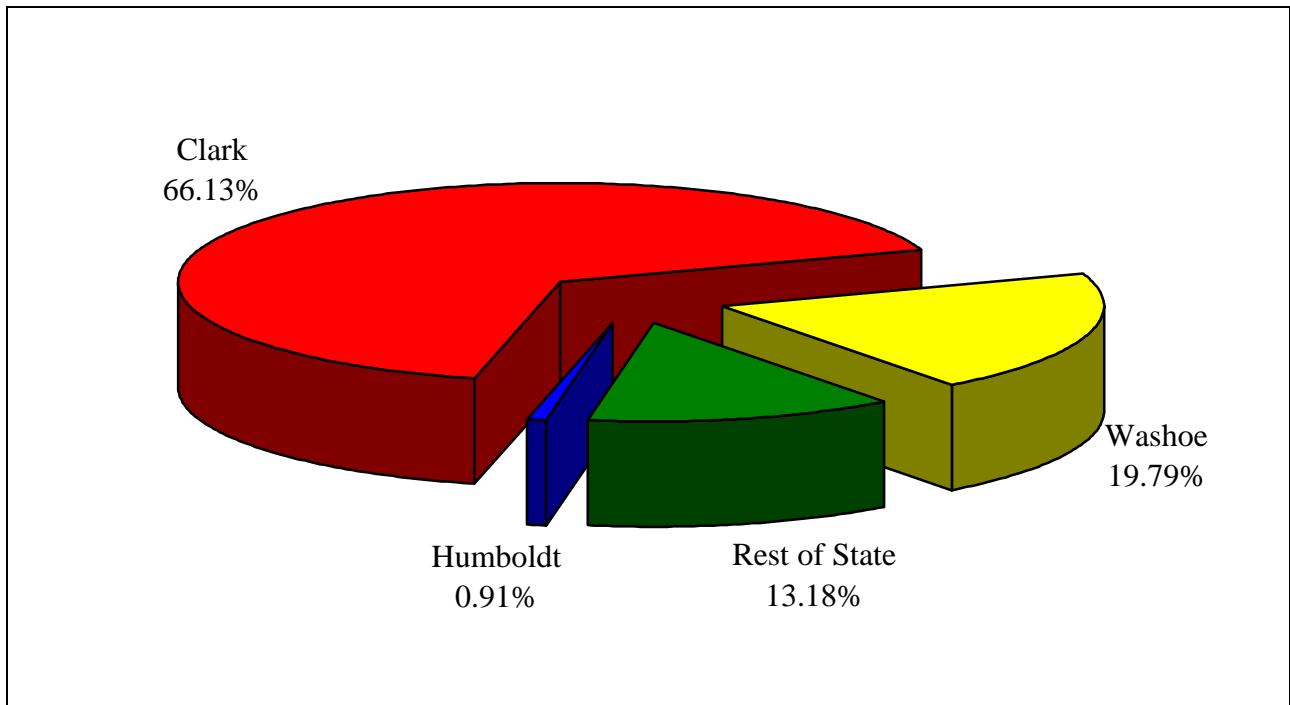


County Patterns of Employment Growth and Change

Employment estimates compiled by BEA measure the number of full- and part-time wage and salary employees, plus the number of proprietors of unincorporated businesses. People holding more than one job are counted in the employment estimates for each job they hold. This means BEA employment estimates represent a job count, not a people count. Also, BEA employment is by place-of-work, rather than by place-of-residence. Jobs held by commuting Elko County residents working in Humboldt County, for example, are included in the employment count for Humboldt County.

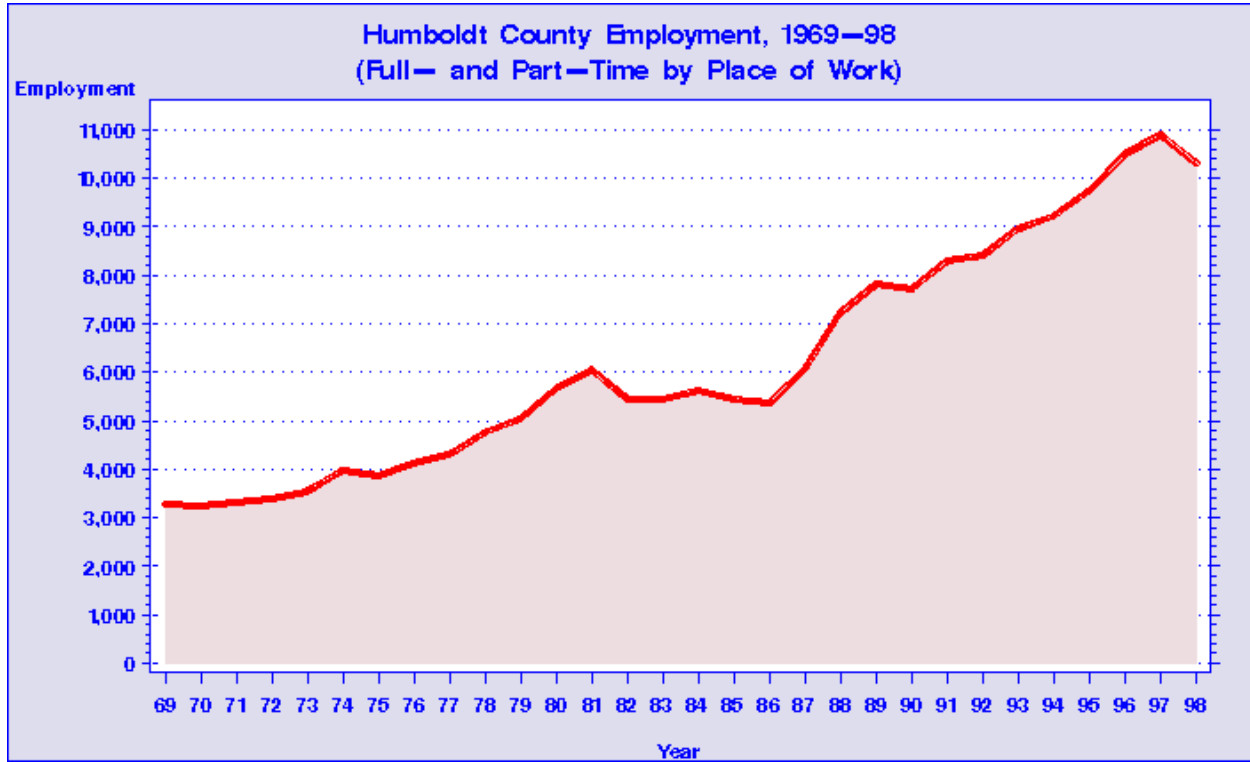
The total employment in Humboldt County for 1998 was 10,304 jobs representing 0.91% of total state employment (Figure 1D). The urban areas of Clark and Washoe counties accounted for over 85.92% of the jobs in Nevada for the same period. The remaining 14 rural Nevada counties accounted for fewer than 14% of Nevada jobs in 1998. The relationship of employment in Humboldt County to that of the state as a whole is evident in Figure 1D.

Figure 1D. Employment and Percentage of Total State Employment in Humboldt, Clark, Washoe and Rest of Nevada Counties, 1998.



Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington, D.C. 1998.

Figure 2D.

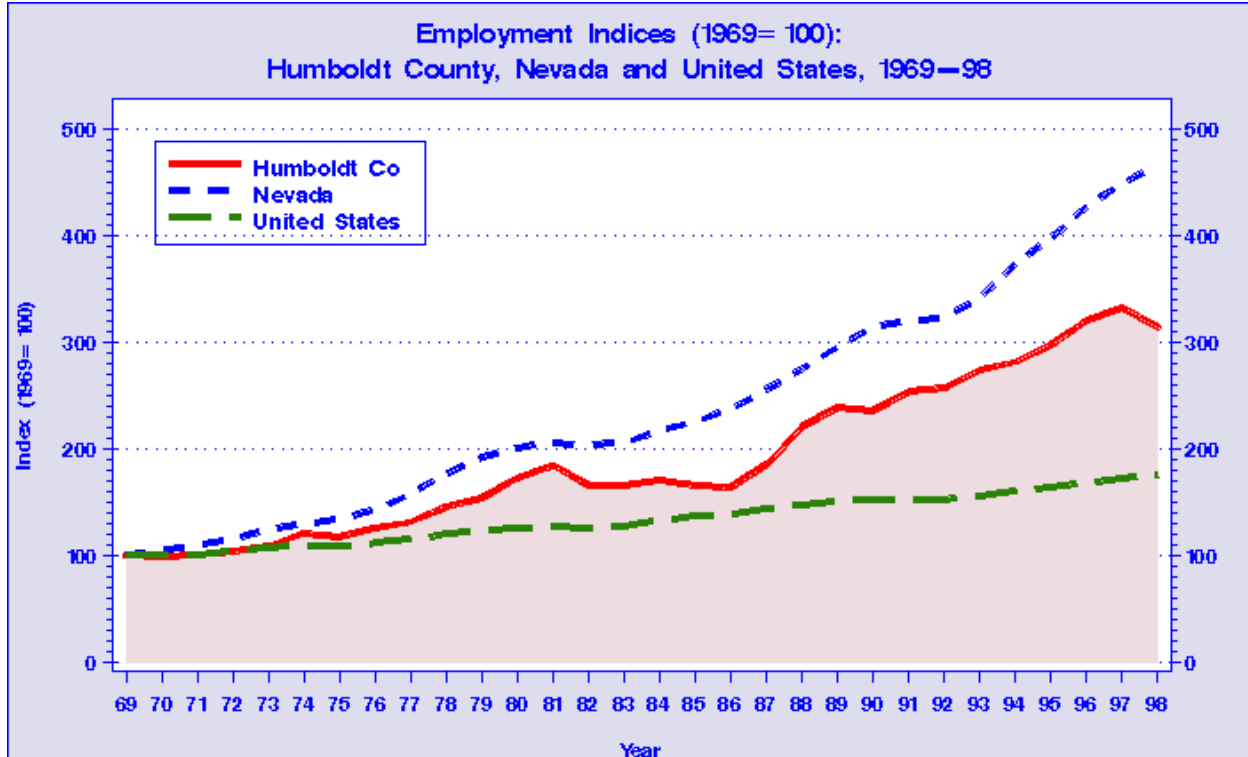


Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis, Washington, D.C. 1998.

Annual Humboldt County employment for the period 1969 to 1998 is shown in Figure 2D. The local economy is known to be heavily dependent on the one primary sector, mining. The economic activity that the mining industry generates produces demand for secondary economic sectors such as retail trade and services for Humboldt County. A majority of the demand for secondary sectors is realized within the county. Humboldt County has a population of 18,083, and employs 10,304, meaning that few workers of Humboldt's workforce commute from surrounding counties. In turn, the local work force spends much of their earnings in their resident county. Fluctuations in employment visible in Figure 2D may be attributed to fluctuations in economic activity of the county's primary sector as well as state and national economic influences.

In Figure 3D, indexed employment data (1969 = 100) is presented for Humboldt County, Nevada, and the United States, for the years 1969 through 1998. Indexing the data from regions of different sizes over time allows for comparison of employment growth on an equal basis. The indexing process "normalizes" data over time expressing it as a percentage of a given, common base year for all areas compared. Performance over time is observed in Figure 3D relative to the 1969 base year period.

Figure 3D.



Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis, Washington, D.C. 1998.

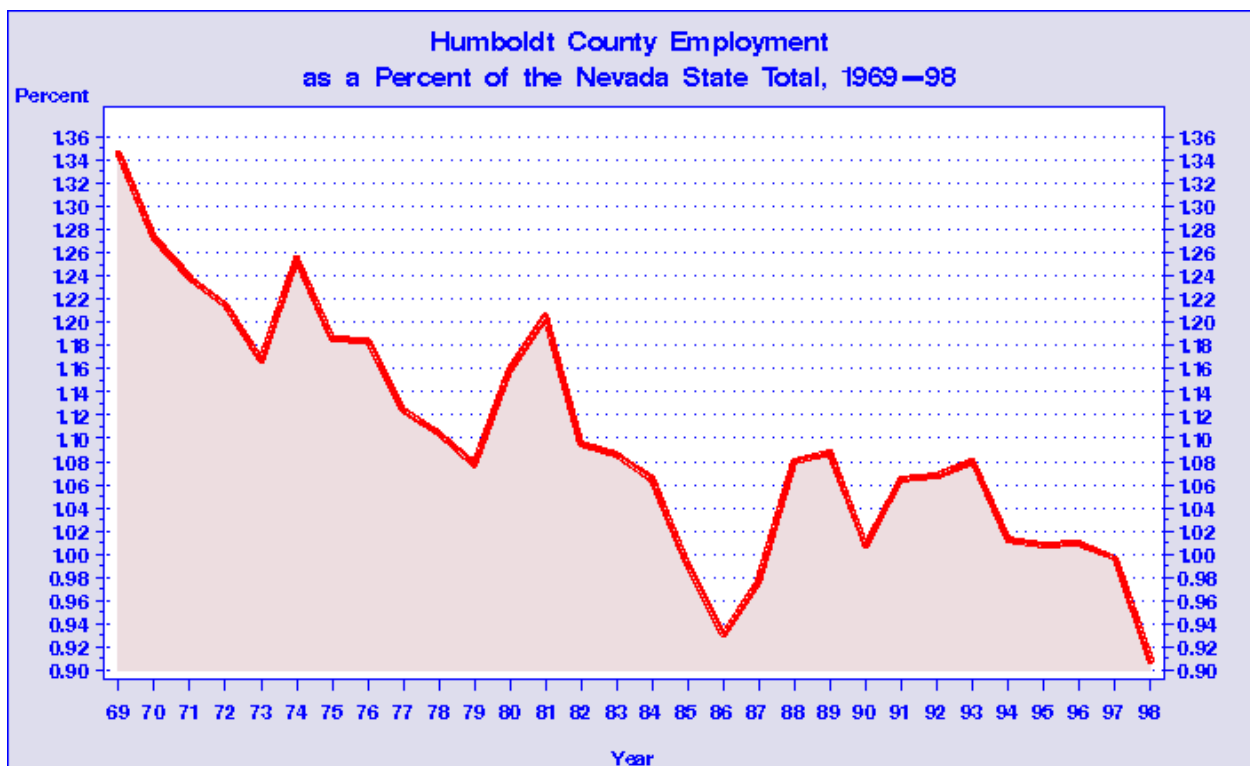
The averaging effect of aggregating over many diverse geographical areas is observed in the national trend shown in Figure 3D. The national trend reflects many economies in a variety of geographic areas. It is thus an average of all smaller areas and their individual economic bases and structures including areas of both decline and growth. The graph of indexed employment reveals that the rate of job growth in Nevada has been greater than that of the nation over time. The national trend is observed as a small but steady increase in employment over the period studied.

Employment growth in Humboldt County and statewide is observed to have experienced increases and decreases during the period shown in Figure 3D. Urban Clark and Washoe counties heavily influence the statewide employment index. Humboldt County employment growth expressed as a percentage of the 1969 base year has lagged behind statewide growth rates during much of the period studied. From 1982 to 1986 employment growth in Humboldt County was somewhat slower. For the same period there is a slight slowdown in the statewide index growth as well. The national index, reflecting a highly aggregated total, is observed to level off between 1981 and 1983. From 1987 to 1997 Humboldt and the state witnessed a significant increase in employment versus the nation.

Figure 4D tracks the Humboldt County employment as a percentage of state employment from 1969 to 1998. In times where Humboldt County is observed to have an increasing percentage of

the state's total employment, employment in Humboldt County is increasing at a rate greater than that for the state as a whole. Conversely, when the Humboldt County employment share is observed to be decreasing, the state employment rate is growing faster than that of the county. While there are relative increases and decreases observed in Figure 4D, their two obvious trends for Humboldt County employment as a percent of the statewide total. Employment growth in Humboldt County generally declined over the first 17 years. Increases were followed by equal and or larger decreases in all cases. The remaining 12 years witnessed the employment percentage rise above the previous low of 1986. Employment in the last two years of 1997 and 1998 declined below the low of 1986. Overall, Humboldt's percentage of state employment has been variable and decreasing over time.

Figure 4D.



Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis, Washington, D.C. 1998.

Table 1D. Total Employment by County and Region for 1998 vs. 1990.

County	1998			1990			1990-1998		
	Jobs	Percent of State	Rank	Jobs	Percent of State	Rank	Jobs	Rank Change	% of State Change
Clark	750,923	66.14%	1	457,090	59.91%	1	293,833	0	78.90%
Washoe	224,684	19.79%	2	175,875	23.05%	2	48,809	0	13.11%
Carson City	36,986	3.26%	3	26,951	3.53%	3	10,035	0	2.69%
Douglas	27,844	2.45%	4	23,866	3.13%	4	3,978	0	1.07%
Elko	25,287	2.23%	5	19,454	2.55%	5	5,833	0	1.57%
Churchill	12,665	1.12%	6	9,142	1.20%	7	3,523	1	0.95%
Nye	11,918	1.05%	7	13,310	1.74%	6	-1,392	-1	-0.37%
Lyon	11,856	1.04%	8	7,833	1.03%	8	4,023	0	1.08%
Humboldt	10,304	0.91%	9	7,688	1.01%	9	2,616	0	0.70%
Eureka	4,944	0.44%	10	4,182	0.55%	11	762	1	0.20%
White Pine	4,847	0.43%	11	4,971	0.65%	10	-124	-1	-0.03%
Lander	3,286	0.29%	12	3,262	0.43%	12	24	0	0.01%
Mineral	2,991	0.26%	13	3,181	0.42%	13	-190	0	-0.05%
Pershing	2,912	0.26%	14	2,278	0.30%	15	634	1	0.17%
Lincoln	2,130	0.19%	15	2,397	0.31%	14	-267	-1	-0.07%
Storey	1,351	0.12%	16	973	0.13%	16	378	0	0.10%
Esmeralda	452	0.04%	17	510	0.07%	17	-58	0	-0.02%
Nevada	1,135,380	100.00%		762,963	100.00%		372,417		100.00%
Urban	987,525	86.98%		632,965	82.96%		354,560		95.21%
Rural	147,855	13.02%		129,998	17.04%		17,857		4.79%
Development Districts									
GBDD	23,381	2.06%		20,103	2.63%		3,278		0.88%
WNDD	96,605	8.51%		74,224	9.73%		22,381		6.01%
Extension Areas									
Northeast	38,364	3.38%		31,869	4.18%		6,495		1.74%
Central	40,728	3.59%		26,941	3.53%		13,787		3.70%
Western	290,865	25.62%		230,846	30.26%		60,019		16.12%
Southern	765,423	67.42%		473,307	62.03%		292,116		78.44%
United States	160,198,700	100.00%		139,184,600	100.00%		21,014,100		100.00%
Metro	132,123,876	82.47%		114,793,009	82.48%		17,330,867		82.47%
Nonmetro	28,074,824	17.53%		24,391,591	17.52%		3,683,233		17.53%

Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis, Washington, D.C. 1998.

The relationship between absolute employment growth and relative growth can be observed in Table 1D which presents the relationship between Humboldt County employment and total state employment in more detail. In Table 1D Nevada counties are ranked in terms of number of jobs for 1990 and 1998. The absolute change in number of jobs between 1990 and 1998 is also presented.

Employment in Humboldt County is observed to have grown by 2,616 jobs from 1990 to 1998. This represents 0.70% of the statewide change in employment of 372,417 jobs. During the same period, five Nevada counties are observed to have lost jobs. The two urban counties of Clark and Washoe account for 92.01% of the statewide change with employment growth in Clark County alone accounting for approximately 80% of the change.

In Table 1D the ranking of Nevada counties does not vary substantially between 1990 and 1998. However urban Clark County is observed to gain five percentage points during the six-year period while all other counties are observed to have a declining portion of statewide employment. The statewide employment figures are clearly dominated by urban Clark County in southern Nevada with its Las Vegas metropolitan area. Even Washoe County, with the metropolitan Reno-Sparks area and with an absolute gain of 48,809 jobs between 1990 and 1998 is observed to represent a smaller portion of overall state employment in 1998 than it did in 1990.

Table 2D. Total Employment by County and Region for 1998 vs. 1969.

County	1998			1969			1969-1998		
	Jobs	Percent of State	Rank	Jobs	Percent of State	Rank	Jobs	Rank Change	% of State Change
Clark	750,923	64.90%	1	126,122	51.75%	1	624,801	0	70.07%
Washoe	224,684	20.36%	2	63,976	26.25%	2	160,708	0	18.02%
Carson City	36,986	3.31%	3	7,636	3.13%	4	29,350	1	3.29%
Douglas	27,844	2.59%	4	7,537	3.09%	5	20,307	1	2.28%
Elko	25,287	2.37%	5	6,914	2.84%	6	18,373	1	2.06%
Churchill	12,665	1.14%	6	4,024	1.65%	8	8,641	2	0.97%
Nye	11,918	1.08%	7	8,957	3.68%	3	2,961	-4	0.33%
Lyon	11,856	1.00%	8	2,936	1.20%	11	8,920	3	1.00%
Humboldt	10,340	1.00%	9	3,280	1.35%	10	7,060	1	0.79%
White Pine	4,847	0.51%	10	4,223	1.73%	7	624	-3	0.07%
Eureka	4,944	0.50%	11	645	0.26%	15	4,299	4	0.48%
Lander	3,286	0.33%	12	1,243	0.51%	12	2,043	0	0.23%
Mineral	2,991	0.31%	13	3,331	1.37%	9	-340	-4	-0.04%
Pershing	2,912	0.25%	14	1,217	0.50%	13	1,695	-1	0.19%
Lincoln	2,130	0.20%	15	955	0.39%	14	1,175	-1	0.13%
Storey	1,351	0.11%	16	365	0.15%	16	986	0	0.11%
Esmeralda	452	0.04%	17	338	0.14%	17	114	0	0.01%
Nevada	1,135,380	100.00%		243,699	100.00%		891,681		100.00%
Urban	987,525	86.98%		190,098	78.01%		785,509		88.09%
Rural	147,855	13.02%		53,601	21.99%		106,208		11.91%
Development District									
GBDD	23,417	2.06%		9,391	3.85%		14,026		1.57%
WNDD	96,605	8.51%		27,046	11.10%		69,559		7.80%
Extension Areas									
Northeast	38,364	3.38%		13,025	5.34%		25,160		2.82%
Central	40,728	3.59%		11,457	4.70%		23,412		2.63%
Western	290,865	25.62%		82,845	33.99%		191,854		21.52%
Southern	795,423	70.06%		136,372	55.96%		545,341		61.16%
United States	160,198,700	100.00%		91,057,200	100.00%		61,256,700		100.00%
Metro	132,123,876	82.47%		732,327,952	8053.00%		51,837,452		84.62%
Nonmetro	28,074,824	17.53%		17,729,248	1947.00%		9,419,248		15.38%

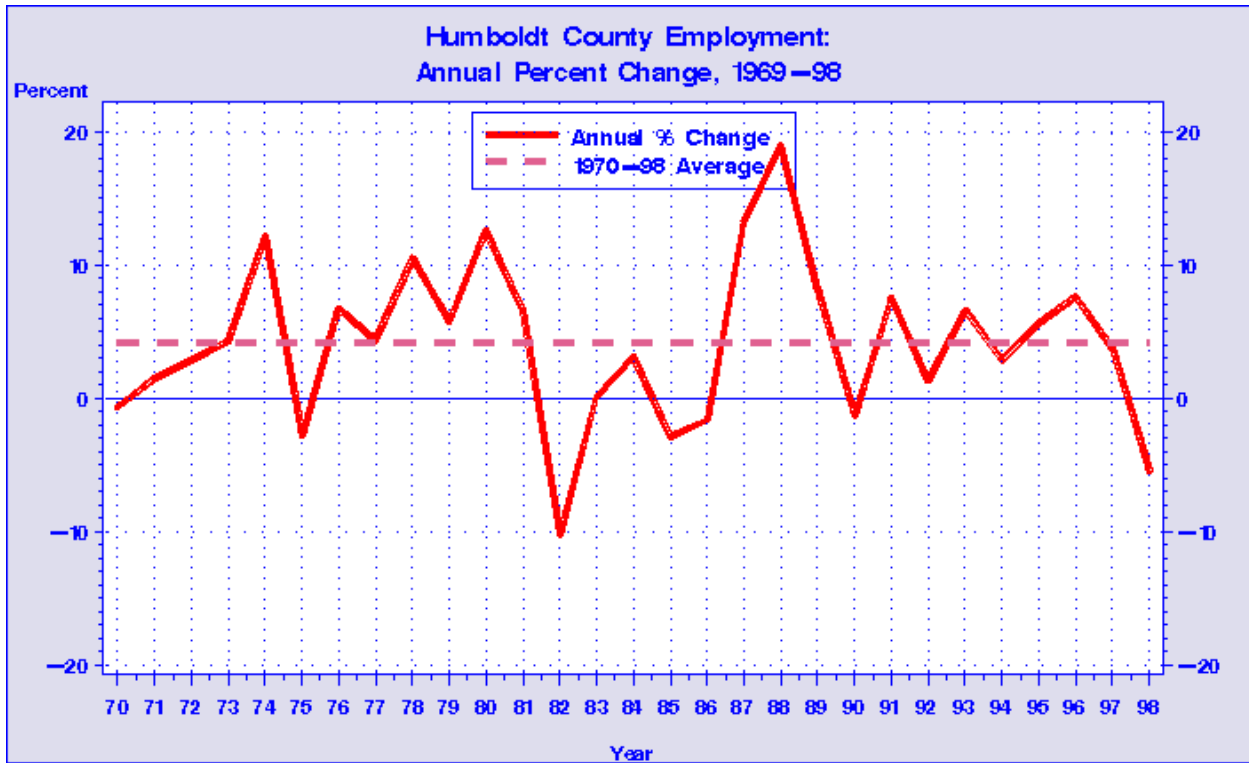
Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis, Washington, D.C. 1998.

A longer timeframe is presented in Table 2D and provides more perspective for examining the relationship of employment in Humboldt County relative to the rest of Nevada over time. For urban Clark and Washoe counties the same overall trend of urban dominance of state employment growth is evidenced in Table 2D as in Table 1D. Shifts in employment ranking over the longer time frame presented in Table 1D hint at the underlying employment fluctuations known to exist in rural Nevada. The statewide total number of jobs in Nevada for 1969 was 243,699, which increased to 1,135,380 jobs in 1998. Humboldt County accounted for less than 1% of statewide job growth between 1969 and 1998. Six other rural counties accounted for less job growth than Humboldt County.

The longer time period presented in Table 2D smoothes out smaller cycles of employment growth and decline found in rural Nevada revealing long-term trends. Mineral County is the only Nevada county exhibiting long-term employment decline. Mineral County employment declined by 146 jobs between 1969 and 1998. Urban Clark County grew fivefold from 1969 to 1998 while urban Washoe County expanded employment over threefold.

Examining the annual change in number of jobs in Figure 5D provides a better understanding of Humboldt County’s employment growth. The changes are expressed as rates and thus a steady growth trend in employment would be seen as a constant annual percent change. Differences in annual percent change indicate either acceleration or deceleration of growth. The annual rate of job growth is observed to vary over the period shown. A decreasing rate of employment growth is observed for the years 1980 through 1982. A notable increase is observed in 1986, 1987 and 1988. The highest observed growth rate is for 1988 after which there is significant decrease for the following two years.

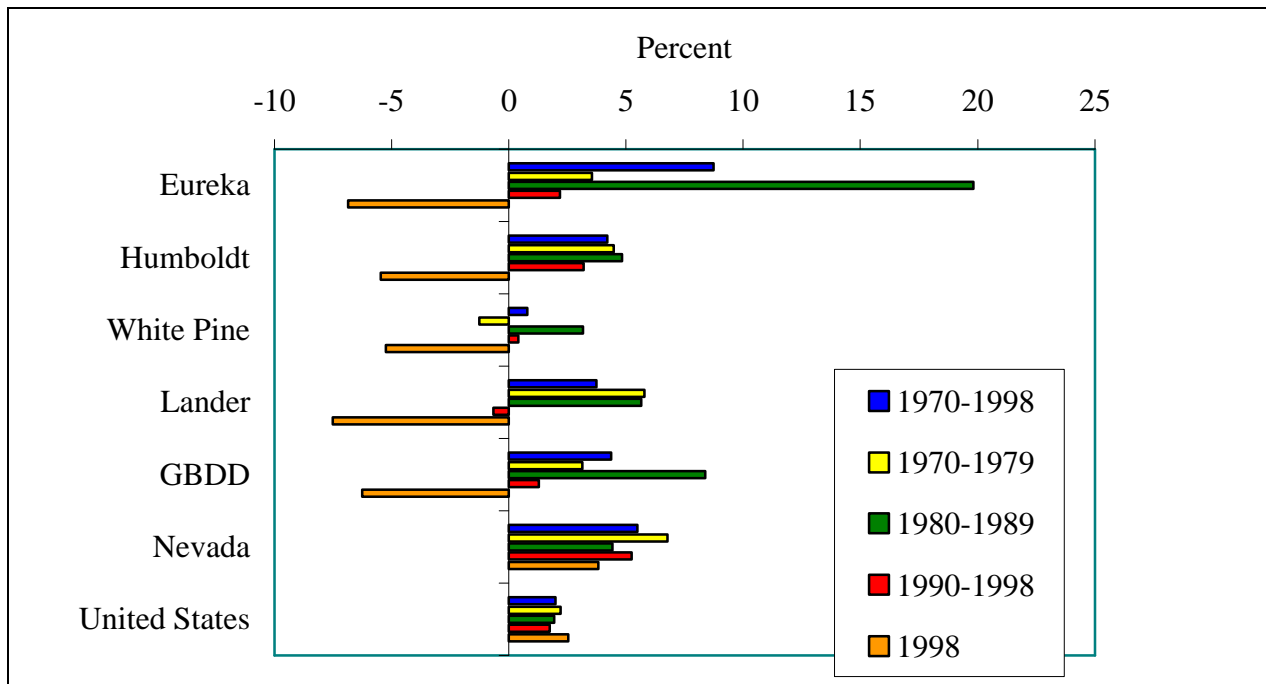
Figure 5D.



Source: U.S. Department of Commerce. “Regional Economic Information System.” Bureau of Economic Analysis, Washington, D.C. 1998.

In Figure 6D Humboldt County employment growth is compared to the other GBDD Counties, Nevada, and the U.S. Average annual percent change in employment is presented for several time spans including the entire period studied in this analysis, from 1970 to 1998, two ten year periods, 1970 to 1979 and 1980 to 1989, and the most recent eight year period 1990 to 1998.

Figure 6D. Average Annual Employment Growth, Great Basin Development District, Nevada and United States.



Source: U.S. Department of Commerce. “Regional Economic Information System.” Bureau of Economic Analysis, Washington, D.C. 1998.

Each of the four counties that comprise the Great Basin Development District in Nevada is relatively small and rural in nature. Each has its own unique natural endowments and other characteristics that determine local economic structure, but each is largely dependent on mining. White Pine County is smaller than the other three counties and thus has a smaller base upon which statistics are derived. Humboldt County has less in-commuters and thus realizes a larger secondary economic industry than Eureka. Humboldt’s employment in mining and retail are nearly equal. The boom-bust cycle of the mining sector that results from the cycle of discovery and depletion and which is heavily influenced by technology and global market prices, makes it difficult to make a blanket statement about the economies of the four counties pertaining to mining activity. Numerous anecdotal sources suggest that workers in the mining sector accept the nature of their chosen careers and tend to follow employment opportunities. This implies that employment in the mining sector of rural Nevada is more local in nature.

The economy of the state of Nevada as a whole, in contrast to the rural GBDD counties, is heavily dominated by the urban influences of Clark and Washoe Counties and their gaming

sector. Comparing the rural GBDD counties to the nation and to the state reveals that the four rural Nevada counties did relatively better than the U.S. as a whole but not as well as the state with its urban influence.

Regional Employment Growth Comparisons

Table 3D details Humboldt County's employment growth over 1970-1998 compared with all other Nevada counties and Cooperative Extension regions and Development Districts. Over the study period Humboldt ranks ninth out the 17 Nevada counties. During the 1990's, Humboldt County ranked 7th of Nevada's 17 counties in average annual percentage change in employment growth. However, employment growth rank in Humboldt County during 1998 declined to 14th among Nevada's 17 counties.

It is of interest that Eureka County had the highest average annual employment growth for both the 1970's and 1980's with 8.74% and 19.84%, respectively. No county in the state of Nevada realized a negative average annual percentage change in employment during the 1980's. Only Mineral County had an average annual growth rate below the national average during that decade.

During the 1990's Humboldt County was ranked 7th highest in average annual changes for employment growth among Nevada's 17 counties. In 1997, Humboldt County realized 3.75% increase and in 1998 a 5.45% decrease in employment growth.

Table 3D. Employment Growth Comparisons, Counties, State, Extension Areas and United States

Time Period	<u>1970-1998</u>		<u>1970-1979</u>		<u>1980-1989</u>		<u>1990-1998</u>		<u>1997</u>		<u>1998</u>	
	Average		Average		Average		Average		Percent		Percent	
	Annual		Annual		Annual		Annual		Change		Change	
County	% Change	Rank	% Change	Rank	% Change	Rank	% Change	Rank				Rank
Eureka	8.74%	1	3.53%	11	19.84%	1	2.19%	10	-7.69%	16	-6.84%	16
Clark	6.39%	2	7.20%	5	5.29%	7	6.74%	1	6.80%	3	4.79%	2
Carson City	5.67%	3	9.66%	1	3.17%	13	4.03%	3	7.62%	2	3.57%	3
Storey	4.97%	4	8.24%	3	2.81%	15	3.75%	5	2.81%	10	2.58%	6
Lyon	4.96%	5	3.38%	12	6.36%	5	5.19%	2	5.86%	4	6.02%	1
Douglas	4.72%	6	8.92%	2	3.14%	14	1.83%	11	5.13%	6	1.13%	9
Elko	4.63%	7	3.61%	10	6.80%	3	3.37%	6	4.11%	9	-0.61%	11
Washoe	4.49%	8	7.74%	4	2.56%	16	3.02%	9	4.24%	8	2.89%	4
Humboldt	4.20%	9	4.49%	9	4.84%	9	3.19%	7	5.31%	5	-5.45%	14
Churchill	4.07%	10	4.51%	8	3.68%	11	4.02%	4	2.47%	11	2.88%	5
Lander	3.75%	11	5.80%	6	5.65%	6	-0.65%	13	1.58%	12	-7.51%	17
Pershing	3.28%	12	2.40%	13	4.26%	10	3.18%	8	4.81%	7	-0.48%	10
Lincoln	3.04%	13	4.94%	7	5.10%	8	-1.37%	15	-6.68%	15	1.62%	8
Esmeralda	1.55%	14	0.07%	14	6.45%	4	-2.23%	17	-19.51%	17	-6.80%	15
Nye	1.29%	15	-2.51%	17	7.62%	2	-1.54%	16	1.33%	13	1.72%	7
White Pine	0.79%	16	-1.26%	15	3.18%	12	0.41%	12	18.63%	1	-5.24%	13
Mineral	-0.26%	17	-1.75%	16	1.71%	17	-0.78%	14	-0.03%	14	-2.79%	12
Nevada	5.49%		6.78%		4.71%		5.23%		5.90%		3.81%	
Urban	5.98%		7.33%		4.64%		5.63%		6.19%		4.31%	
Rural	4.26%		5.35%		5.09%		2.89%		4.70%		0.61%	
Development District												
GBDD	4.37%		3.14%		8.38%		1.29%		4.46%		-6.26%	
WNDD	3.91%		4.96%		3.59%		3.03%		4.10%		1.84%	
Extension Areas												
Northeast	3.91%		2.43%		6.82%		2.34%		3.99%		-2.67%	
Central	3.59%		3.97%		4.69%		3.59%		4.48%		0.83%	
Western	4.64%		7.78%		2.67%		3.03%		4.68%		2.80%	
Southern	6.18%		6.72%		5.34%		6.50%		6.62%		4.72%	
United States	1.98%		2.22%		1.95%		1.74%		2.61%		2.54%	
Metropolitan Portion	2.06%		2.27%		2.16%		1.72%		2.62%		2.74%	
Nonmetropolitan Portion	1.62%		2.06%		1.01%		1.83%		2.53%		1.62%	

Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis, Washington, D.C. 1998.

Employment to Population Ratios

One approach to evaluating local employment growth and labor market conditions is to look at trends in the employment-population ratio. This ratio is a thumbnail guide for gauging whether the local economy is generating jobs fast enough to absorb the increasing numbers of workers that accompany the growth in population. Like per capita income, the employment-population ratio is a broad and simple indicator of how the economy is performing and should be interpreted with caution.

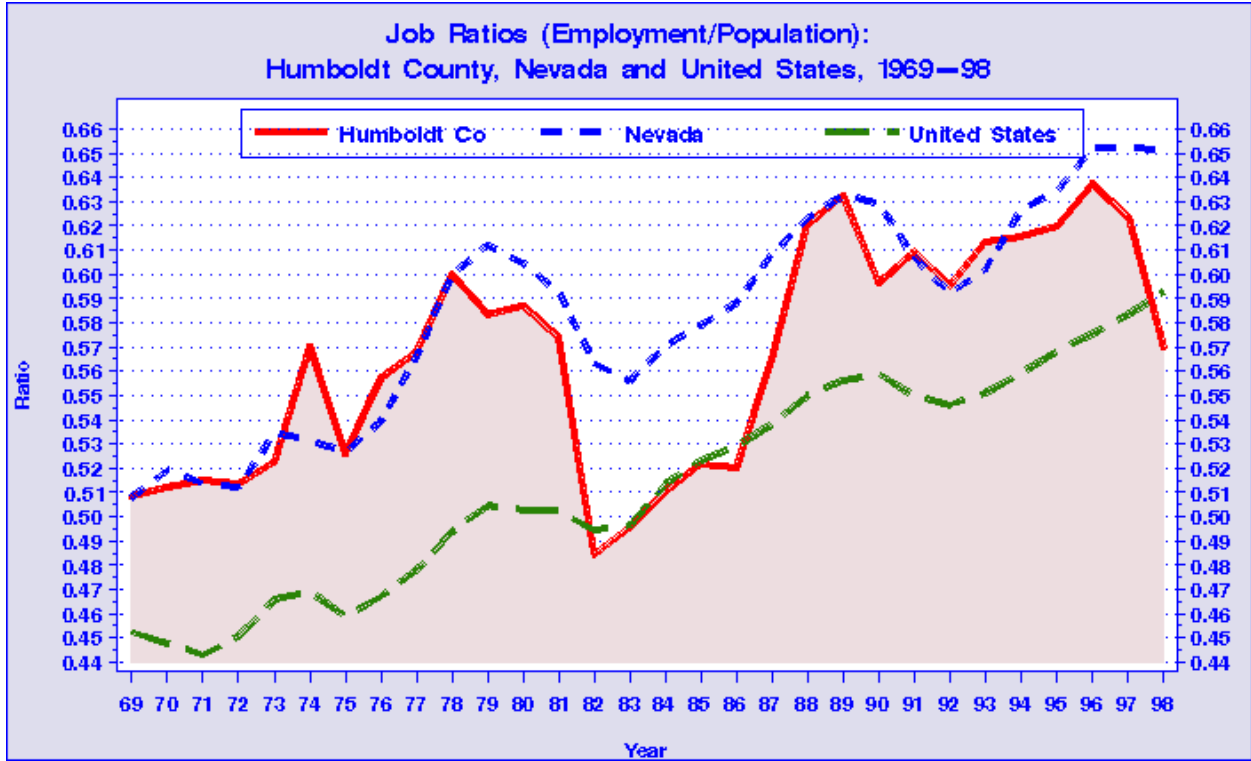
The total employment in 1998 reported by BEA for Humboldt County amounted to 10,304 employees while total population measured 18,083. Humboldt County's 1998 employment population ratio is therefore 0.5698.

Figure 7D compares Humboldt County's employment-population ratio over 1969-1998 with the state and nation. Several general observations are warranted. First, the ratio of all three regions increased over the study period. Humboldt County's employment-population ratio advanced from 0.5084 in 1969 to 0.5698 in 1998, for an approximate net gain increase of 0.0614 percent. The state of Nevada's ratio posted a 0.1434 net gain, while the national ratio advanced by 0.1404. Increases in labor force participation rates underlie these long-term trends, with dramatic growth in numbers and proportion of women in the labor market playing the lead role.

Second Humboldt County's employment population ratio remained above national averages for nearly all periods from 1969 to 1998. Humboldt County employment-population ratio reflects the cyclical nature of the mining industry.

Third, superimposed on the upward trends in the employment-population ratios are pronounced variations associated with business cycle activities. For Humboldt County, the economic development of the early 1980's and to a lesser extent the 1990's were the only national recessions felt in Humboldt County. The decline of the late nineties runs contrary to the economic boom realized throughout Nevada and the nation. The decline can be contributed to the welfare of the mining industry and the national and international gold market. The employment-population ratios not only reflect important long-term trends, but are also relatively good indicators of short-run economic conditions in a cyclical context.

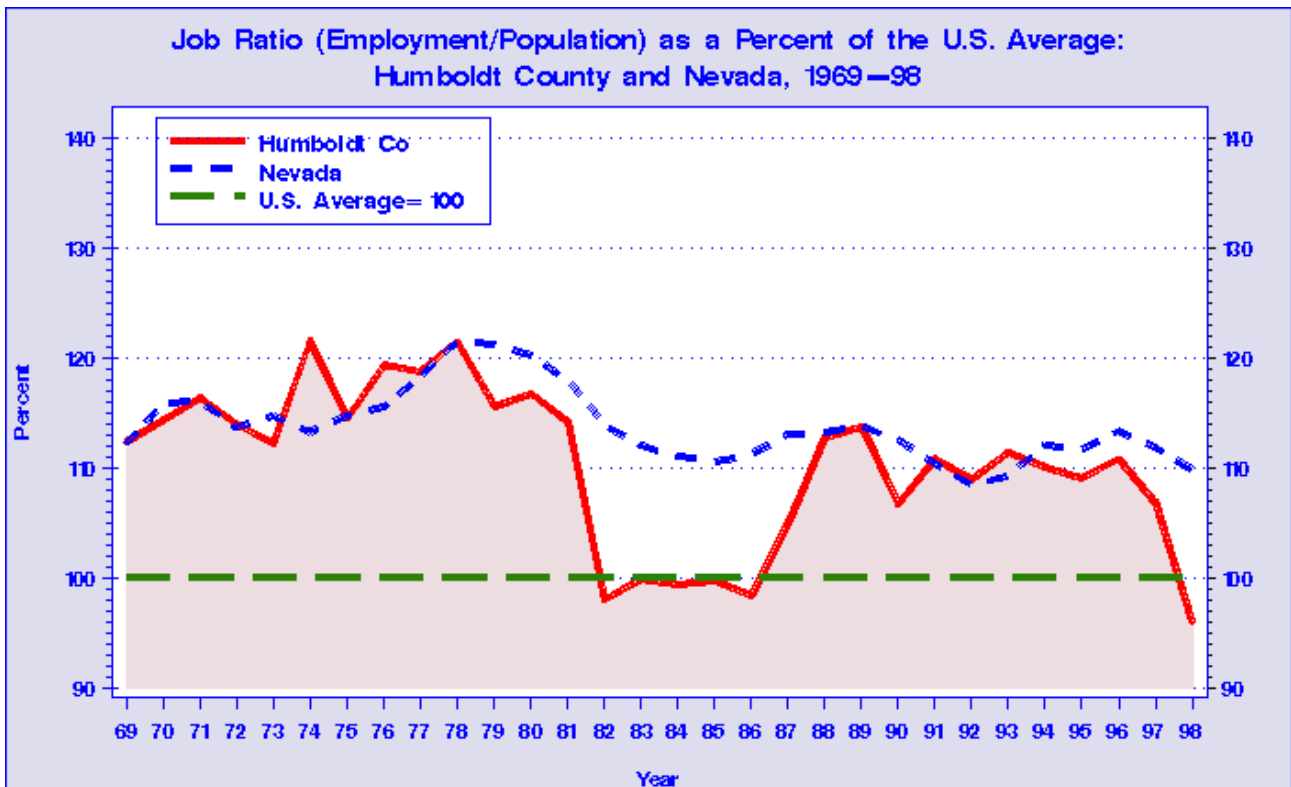
Figure 7D.



Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis, Washington, D.C. 1998.

Figure 8D more closely examines Humboldt County’s economic performance relative to that of the nation. It traces the county’s and the state’s employment-population ratio as a ratio of the national average from 1969 to 1998. The 1982 to 1988 decrease in economic activity in Humboldt County is shown in Figure 8D. For all other time periods, Humboldt County’s economic activity performed in a cyclical manner by increasing and decreasing as a percent of the U.S. average. For all time periods, the state ratio was above national average, which signifies a growing economy.

Figure 8D.



Source: U.S. Department of Commerce. “Regional Economic Information System.” Bureau of Economic Analysis, Washington, D.C. 1998.

Appendix D.

Employment-Population Ratios

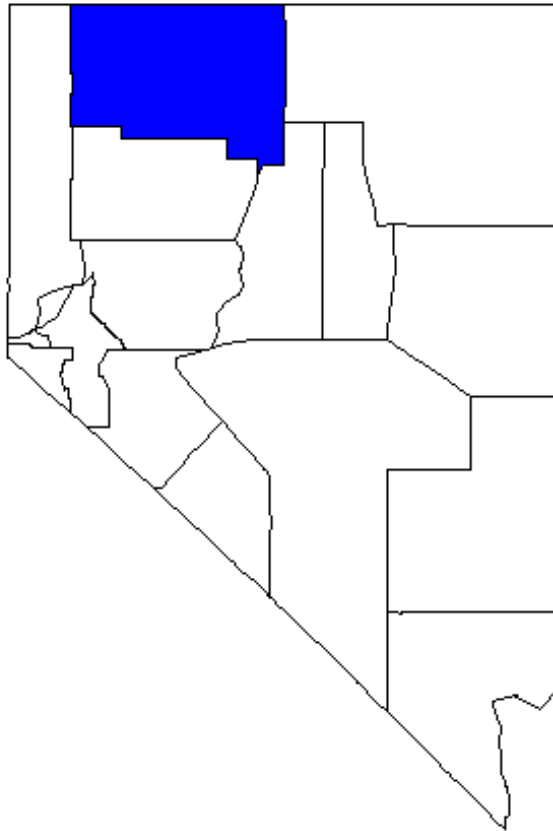
Interpret employment-population ratios with caution, especially since the BEA employment estimates used to derive the employment-population ratios are on a place-of-work basis. The employment data include the jobs held by workers residing outside Humboldt County who commute to work within the county, while the population data omits these workers. Disproportionate changes in the net number of commuting workers will therefore alter the employment-population ratio over time. Avoid interpreting employment-population ratio as the fraction (or percent) of the local population employed.

Interregional differences in the employment-population ratios should be interpreted with even greater caution because employment data are reported by place of work. For example, many miners work in Eureka County, but live in Elko County. Therefore, the employment-population ratio for Eureka County is quite high (2.5095 in 1998). Other factors contributing to regional differences in employment-population ratios include labor force participation rates, unemployment rates, part-time employment rates, age and sex distribution, degree of urbanization and differences in industry composition.

Section E.

Major Sources of Humboldt County Personal Income:

County Patterns of Growth and Change



Section E. Major Sources of Humboldt County Personal Income: Patterns of Growth and Change

Paralleling a national trend, the composition of Nevada's total personal income has undergone a dramatic change during the past twenty-five years. Transfer payments and property incomes increased in importance, while employment-related industry earnings declined. Within this trend, notable differences are revealed among the 17 Nevada counties. These differences are a major factor in county patterns of economic growth and change.

The mix between various sources of personal income in a community is a structural condition. Comparing the local community structure with that of others, both similar and dissimilar, can provide insight into the relative advantages and disadvantages the community has, and its potential for future development. Income source mix is one of many underlying structural factors that collectively determine the characteristics of a community and its economy.

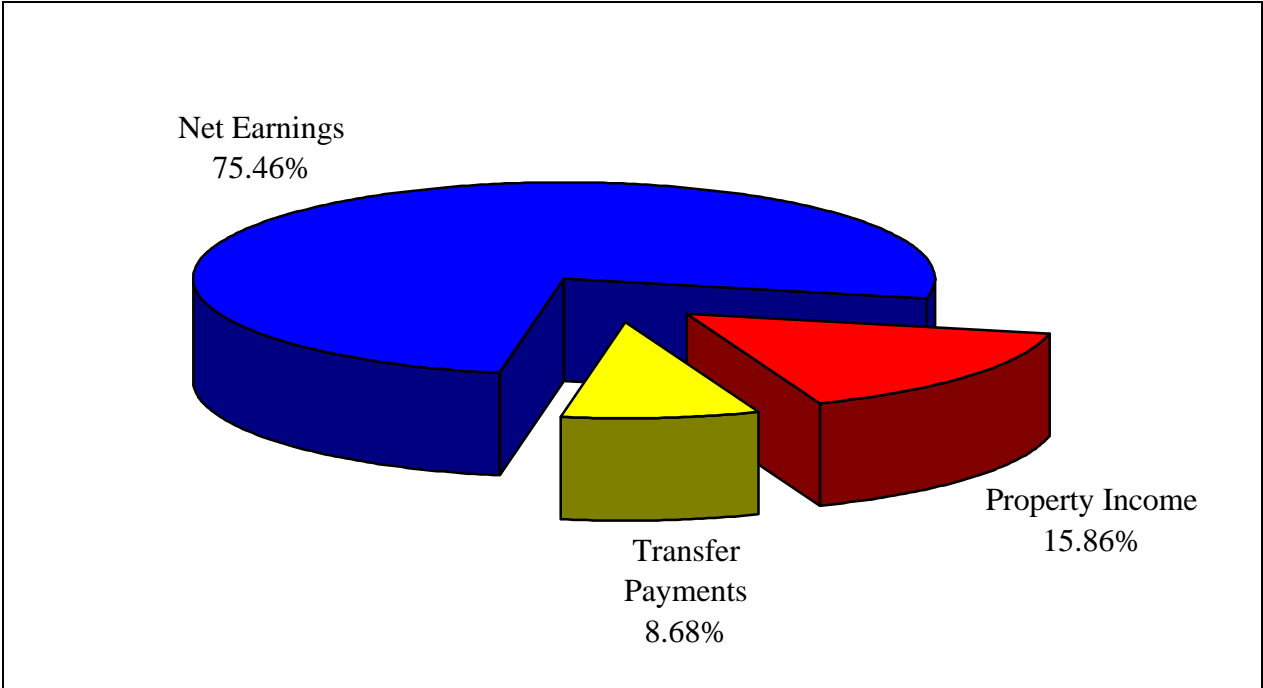
The Bureau of Economic Analysis (BEA) provides measures of personal income in terms of money received by individuals from three sources: earnings income, property income, and transfer payments. Earnings income is that received for active participation in the current year's productive process. Property income is that derived from ownership of property or cash assets and includes such income as that received from dividends, interest, or rental of property. Personal income from transfer payments is that received by individuals and institutions on their behalf from government or private sources for which no services are rendered in the current year's productive process. Examples of transfer payments include Social Security income, AFDC (Aid to Families with Dependent Children), and other government and private payments to individuals or institutions on their behalf.

The personal income source data itself does not provide all of the specific details of the community's economic situation. Inference requires a more intimate knowledge of the community. A large percentage of earned income might indicate a community with abundant local employment opportunity while a large percentage of transfer payment income might indicate that the community is a desirable place to retire. Income source statistics can be compared between regions and over time providing valuable insights into the local socioeconomic situation and mapping underlying structural change. Informed and cautious judgement must be applied when inferences are made.

Policy implications can be found in the personal income data presented in this study. Demographic and other more qualitative data and local values must be considered as well. An active economy capable of generating current income to young and midlife working persons can generate demand for secondary goods and services. For such an economy, jobs and industry should be encouraged in the local area. But current working people are only one segment of the population in a dynamic community. Enhancement of conditions amenable to retirees who receive transfer payments and investment income will also lead to secondary economic activity in the local community.

Figure 1E presents the relationship between the three BEA designated sources of personal income in Humboldt County for 1998. Earned income comprised 75.46% of all personal income in 1998. Income in the form of transfer payments amounted to 8.68% of all county income in 1998. Property income accounted for the remaining 15.86% of personal income for the year.

Figure 1E. Major Sources of Income Humboldt County, 1998.



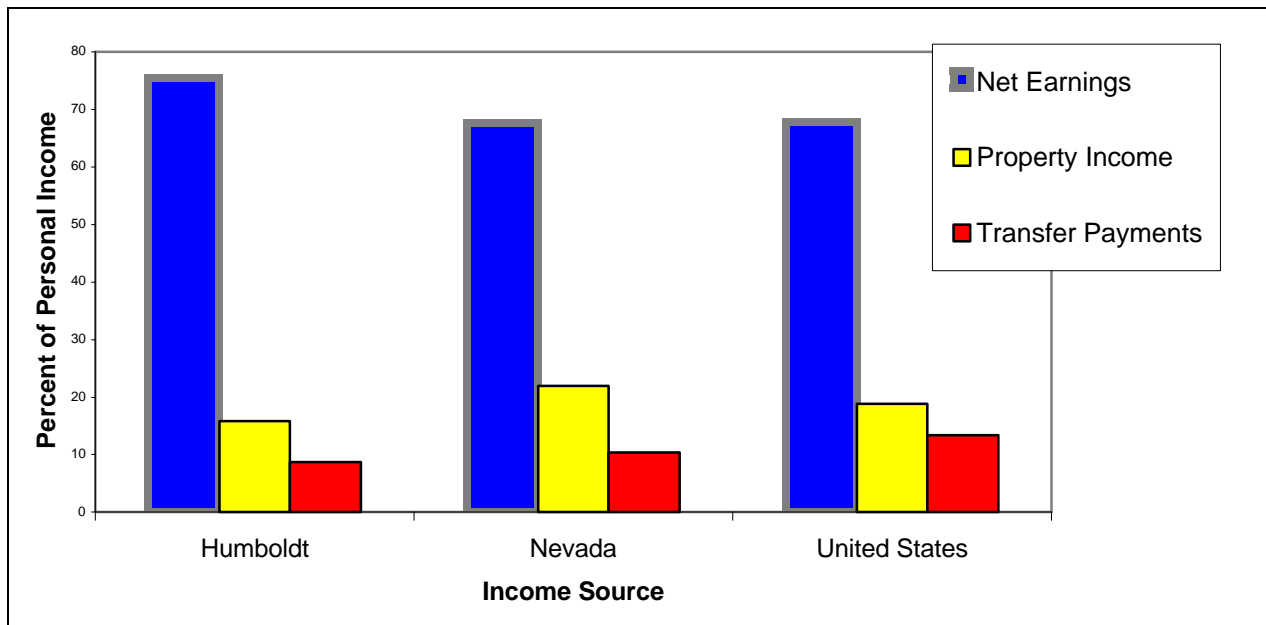
Source: U.S. Department of Commerce. Regional Economic Information System. Bureau of Economic Analysis: Washington, D.C. 1998.

In Figure 2E the personal income profile of Humboldt County is compared with those of the state and nation. The earned income portion is higher for Humboldt County than it is for either the state of Nevada or the United States as a whole. However the profiles are similar in that earned income is the largest portion followed by property income and finally transfer payments.

The percentages are however a relative measure expressed in terms of the total personal income base. The base, upon which the percentages are “normalized” into pure and comparable figures, is affected by the amounts of the three sources. This means that percentages of all of the categories are interrelated. (For example if one category goes up in absolute terms the base becomes bigger and the others are relatively smaller with no absolute change.)

The percentages are based on dollar amounts. This factor necessitates further care in interpretation as well. For example, the underlying explanation for the earned income portion of Humboldt County personal income being higher than it is for either the state of Nevada or the United States as a whole can be attributed to two factors. There could be relatively more employment in Humboldt County than the nation or the employment in Humboldt County is higher paid than that in the rest of the nation. Most likely this observation can be attributed to some combination of both. With careful informed interpretation the relationship between the sources of income as compared to other regions provides important insight into the community’s economic structure. Policymakers are concerned with both quality and quantity of jobs in the local community and will need to look at their situation in more detail.

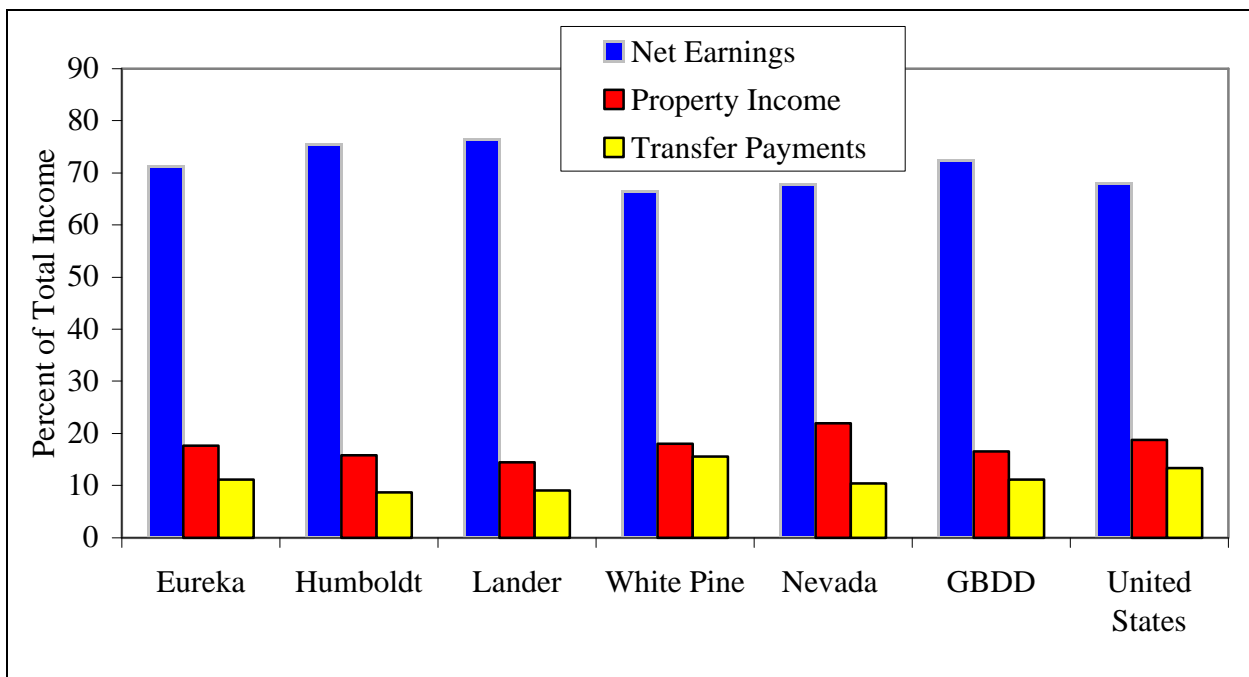
Figure 2E. Comparisons of Humboldt County, Nevada and Nation



Source: U.S. Department of Commerce. Regional Economic Information System. Bureau of Economic Analysis: Washington, D.C. 1998.

Figure 3E expands the comparison to include other counties from Nevada’s Great Basin Development District. In this comparison the percentages of the state and nation appear quite similar. All four GBDD counties exhibit a pattern similar to the state and nation where the largest proportion of personal income is earned, the next largest is derived from property, and the smallest portion is in the form of transfer payments. Humboldt, Eureka and Lander most closely resemble the state and nation. Each of the three have higher earned income ratios than the state and nation. White Pine earns greater amounts in property income and transfer payments than the other three counties. White Pine also has a higher ration of transfer payments than does the state or nation.

Figure 3E. Major Sources of Income as Percent of Total, GBDD Counties, Nevada and the United States



Source: U.S. Department of Commerce. Regional Economic Information System. Bureau of Economic Analysis: Washington, D.C. 1998.

Table 1E shows the three components of personal income for all Nevada Counties, the state as a whole, the United States as a whole and the BEA designated metropolitan and non-metropolitan portions of the United States. The individual counties are ranked from largest to smallest in terms of per capita income. They are similarly ranked in terms of the percent of total personal income represented by each of the three income sources. For instance Douglas County is observed to rank first in per capita personal income while it ranks last for net earnings as a percent of total personal income. It ranks first in property income indicating the relative wealth of Douglas County residents. Humboldt County on the other hand ranks 10th in per capita income, third for Net Earnings, fifteenth for property income, and fifteenth for transfer payment income. It appears that in Humboldt County income is dependent upon local economic activity and wages. Douglas County, by comparison, appears to be a place where wealthy people retire and where wages are those typically associated with low-skilled service sector workers. Inferences such as these are not facts however, and should be made with care and due diligence in uncovering the underlying explanations.

Location quotients are also shown in Table 1E. The location quotients are a relative expression of local percentages in terms of the national average. An area having a location quotient of one in a given category has the same percentage as the nation. A location quotient greater than one means that the area has a relatively larger percentage of that income type, conversely a location quotient less than one indicates that the local percentage is less than the national average.

The location quotient of 1.11 for Humboldt County net earned income indicates a larger degree of dependence on earned income in Humboldt County than is observed in the Nation as a whole. The values associated with these statistics and the latent potential for exploitation in community development are for policymakers to decide. The location quotient of 0.84 for property income indicates less dependence than the national economy. However, Humboldt County has a location quotient value of 0.65 indicating a smaller degree of dependency than the nation.

Humboldt County compares equally to the GBDD as a whole. The GBDD has location quotients of 1.07, 0.88 and 0.83 for earned income, property income and transfer payments, respectively. The GBDD as whole compares quite differently to WNDD. This shows the relative differences in the types of economies contained in areas in the state. WNDD is less dependent on personal income with a location quotient less than one. The location quotient for property income is well over one at 1.19. While both the GBDD and WNDD have greater dependence on property income than the nation, WNDD is much more dependent than GBDD.

Table 1E. Personal Income. Nevada Counties, Nevada and United States, 1998.

Areas	Per Capita Personal Income	Rank	Net Earnings	Location Quotient	Rank	Property Income	Location Quotient	Rank	Transfer Payments	Location Quotient	Rank
Douglas	38,263	1	55.37%	0.82	17	36.71%	1.95	1	7.92%	0.59	16
Washoe	33,040	2	64.43%	0.95	12	26.86%	1.43	2	8.70%	0.65	14
Carson City	30,508	3	62.03%	0.91	14	26.25%	1.40	3	11.72%	0.88	10
Clark	28,884	4	69.28%	1.02	7	20.07%	1.07	6	10.65%	0.80	11
Storey	26,462	5	71.98%	1.06	4	18.95%	1.01	8	9.07%	0.68	13
Mineral	24,443	6	64.59%	0.95	11	17.07%	0.91	12	18.34%	1.37	1
Pershing	23,585	7	70.90%	1.05	6	16.54%	0.88	14	12.56%	0.94	8
Elko	23,574	8	77.58%	1.14	1	15.28%	0.81	16	7.14%	0.53	17
Nye	22,913	9	61.01%	0.90	16	20.97%	1.12	5	18.02%	1.35	2
Humboldt	22,239	10	75.46%	1.11	3	15.86%	0.84	15	8.68%	0.65	15
Churchill	22,041	11	66.80%	0.99	8	19.59%	1.04	7	13.61%	1.02	7
Lander	21,862	12	76.50%	1.13	2	14.42%	0.77	17	9.09%	0.68	12
Lyon	21,547	13	61.98%	0.91	15	21.84%	1.16	4	16.18%	1.21	5
Eureka	20,718	14	71.14%	1.05	5	17.68%	0.94	11	11.18%	0.84	9
Lincoln	20,375	15	63.99%	0.94	13	18.37%	0.98	9	17.64%	1.32	3
White Pine	20,068	16	66.38%	0.98	9	18.05%	0.96	10	15.57%	1.16	6
Esmeralda	17,235	17	65.56%	0.97	10	16.93%	0.90	13	17.51%	1.31	4
Nevada	29,200		67.69%	1.00		21.94%	1.17		10.37%	0.78	
Urban	30,962		66.86%	0.99		23.47%	1.25		9.68%	0.72	
Rural	23,722		67.42%	0.99		19.63%	1.04		12.95%	0.97	
Development Districts											
GBDD	21,222		72.37%	1.07		16.50%	0.88		11.13%	0.83	
WNDD	26,693		64.81%	0.96		22.42%	1.19		12.77%	0.95	
Extension Areas											
Northeast	21,556		72.90%	1.07		16.36%	0.87		10.74%	0.80	
Central	22,391		66.56%	0.98		19.32%	1.03		14.12%	1.06	
Western	30,543		63.68%	0.94		25.17%	1.34		11.15%	0.83	
Southern	22,352		64.96%	0.96		19.08%	1.01		15.96%	1.19	
United States	27,203		67.82%	1.00		18.80%	1.00		13.38%	1.00	
Metro-US	28,872		68.97%			18.67%			12.37%		
Non-Metro-US	20,478		61.28%			19.59%			19.13%		

In Table 2E, average annual percent changes for the period 1970 to 1998 are presented for all Nevada counties. Average annual percent change is shown for total personal income as well as for the three major sources of personal income. Percentages for the nation as a whole and for the metropolitan and non-metropolitan portions of the United States as defined by the BEA are also included in Table 2E for comparison.

The period 1970 to 1998 shown in Table 2E represents a relatively long-run perspective. Humboldt County ranked 9th in average annual total personal income growth out of the seventeen Nevada counties. Humboldt County averaged 5.36% annual growth in real total personal income over the period. For net earnings Humboldt County ranked 7th. In the property income and transfer payment categories Humboldt County ranked 11th and 14th, respectively. The long-run perspective is valuable but tends to mask the volatile nature known to exist in the rural Nevada economies shown.

In Table 3E, the same comparisons presented in Table 2E are made for the most recent ten-year period, 1989 to 1998. In terms of average annual growth in total personal income Humboldt County ranked 9th. Humboldt County ranked 11th in average annual growth of net earnings while ranking only 9th and 9th respectively for average annual growth in property and transfer payment income. The average annual growth rate for Humboldt County net earnings lagged the Nevada State average of 7.32% by over six percentage points for the period. The Humboldt County rate of 5.33% is well above the GBDD rate of 2.96% and the Northeast extension area rate of 3.88%. Humboldt soared above the rural Nevada rate of 3.77% and the national rate of 2.99%. This comparison of rural Humboldt County and the rural United States as a whole illustrates the unique situation of the county and rural Nevada in general.

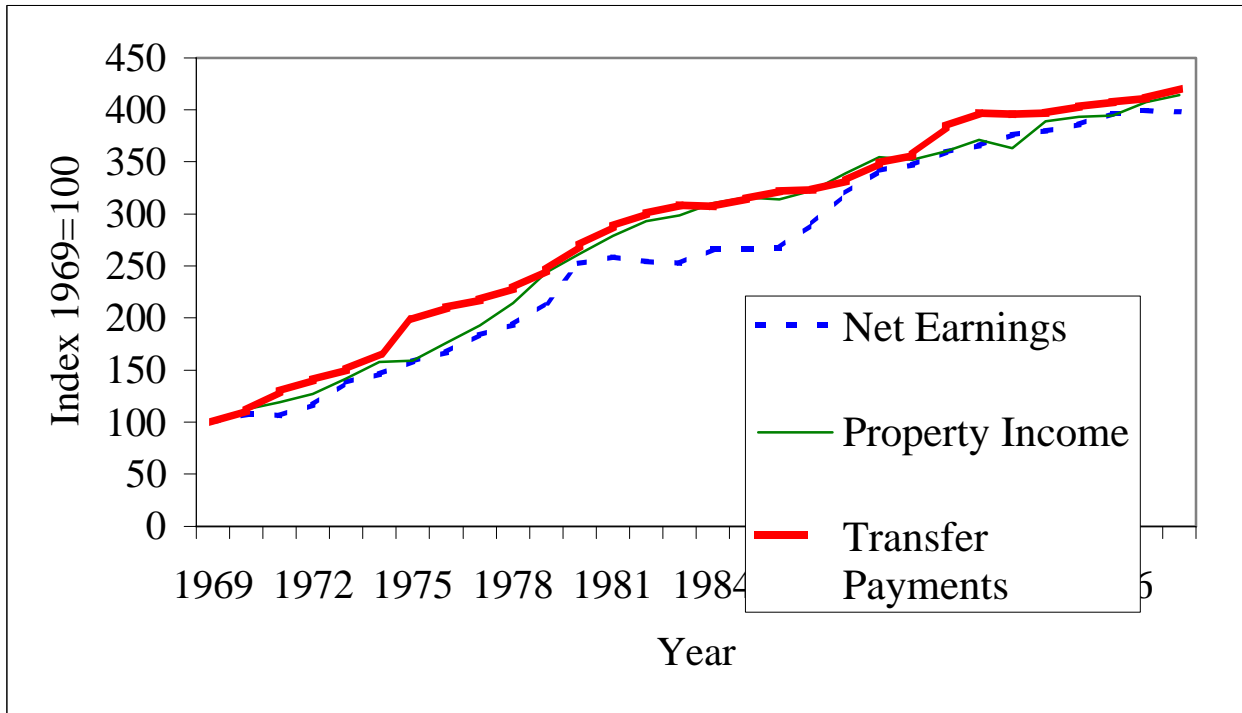
Table 2E. Average Annual Change in Personal Income and Major Components, 1970 to 1998.

	Personal Income		Net Industry Income		Property Income		Transfer Payments	
	Average Change	Rank	Average Change	Rank	Average Change	Rank	Average Change	Rank
Douglas	7.99%	1	7.12%	1	9.71%	2	10.03%	3
Clark	7.21%	2	6.52%	3	9.56%	3	10.04%	2
Storey	7.07%	3	7.01%	2	7.55%	5	8.22%	6
Nye	6.68%	4	5.38%	6	10.93%	1	11.80%	1
Carson City	6.41%	5	5.59%	5	8.31%	4	9.03%	5
Lyon	5.94%	6	5.22%	8	7.06%	7	9.53%	10
Elko	5.82%	7	5.95%	4	5.47%	13	6.27%	12
Washoe	5.61%	8	5.02%	10	7.25%	6	6.96%	8
Humboldt	5.36%	9	5.33%	7	5.85%	11	6.02%	14
Churchill	5.24%	10	4.86%	11	6.54%	8	6.39%	11
Lander	5.21%	11	5.06%	9	6.30%	9	6.91%	9
Lincoln	3.80%	12	3.42%	13	4.65%	15	5.57%	15
Esmeralda	3.67%	13	3.13%	14	6.12%	10	7.35%	7
Pershing	3.65%	14	3.51%	12	5.52%	12	4.91%	12
Eureka	2.76%	15	2.30%	15	5.38%	14	6.14%	13
White Pine	1.71%	16	1.19%	16	4.10%	16	4.36%	17
Mineral	1.11%	17	0.20%	17	3.97%	17	5.19%	16
Nevada	6.57%		5.93%		8.49%		8.91%	
Urban	6.41%		5.77%		8.41%		8.50%	
Rural	4.83%		4.35%		6.50%		7.18%	
Development Districts								
GBDD	3.76%		3.47%		5.41%		5.86%	
WNDD	5.34%		4.79%		6.95%		7.61%	
Extension Districts								
Northeast	3.88%		3.63%		5.32%		5.92%	
Central	4.94%		4.53%		6.37%		6.94%	
Western	5.64%		4.99%		7.36%		7.89%	
Southern	5.34%		4.61%		7.82%		8.69%	
United States	3.28%		2.79%		4.44%		5.21%	
Metro-US	3.33%		2.89%		4.41%		5.21%	
Non-Metro-US	2.99%		2.21%		4.64%		5.22%	

Table 2E. Average Annual Change in Personal Income and Major Components, 1989 to 1998.

	Personal Income		Net Industry Income		Property Income		Transfer Payments	
	Average Change	Rank	Average Change	Rank	Average Change	Rank	Average Change	Rank
Clark	8.69%	1	8.40%	3	9.96%	2	8.56%	2
Nye	7.87%	2	5.84%	7	11.78%	1	13.78%	1
Douglas	6.68%	3	5.63%	1	8.43%	3	8.74%	3
Elko	5.42%	4	5.33%	4	6.01%	11	5.56%	11
Storey	5.36%	5	4.31%	2	9.46%	6	8.66%	6
Lyon	5.18%	6	5.14%	6	4.55%	7	7.07%	4
Washoe	5.07%	7	4.28%	8	7.33%	5	5.32%	7
Carson City	5.02%	8	4.40%	5	6.56%	4	5.53%	5
Humboldt	5.01%	9	5.04%	11	4.83%	9	6.09%	9
Churchill	4.68%	10	4.75%	10	4.31%	8	5.12%	10
Pershing	3.76%	11	3.38%	14	5.85%	15	3.90%	12
White Pine	3.31%	12	3.50%	16	2.95%	16	3.59%	17
Lander	2.60%	13	2.12%	9	3.61%	10	6.30%	13
Lincoln	1.34%	14	-0.02%	12	4.24%	14	5.21%	16
Mineral	1.20%	15	0.23%	17	1.95%	17	5.01%	15
Eureka	0.92%	16	0.49%	15	1.13%	13	6.30%	8
Esmeralda	-1.80%	17	-3.61%	13	1.69%	12	5.42%	14
Nevada	7.32%		6.91%		8.66%		7.66%	
Urban	6.88%		6.34%		8.65%		6.94%	
Rural	3.77%		3.10%		5.16%		6.42%	
Development Districts								
GBDD	2.96%		2.79%		3.13%		5.57%	
WNDD	4.56%		3.98%		5.87%		6.29%	
Extension Districts								
Northeast	3.06%		2.86%		3.43%		5.44%	
Central	4.54%		4.42%		4.90%		5.36%	
Western	4.67%		3.77%		6.75%		6.65%	
Southern	4.02%		2.65%		6.92%		8.24%	
United States	3.00%		2.83%		2.75%		4.43%	
Metro-US	3.04%		2.90%		2.81%		4.43%	
Non-Metro-US	2.74%		2.39%		2.42%		4.45%	

Figure 4E. Personal Income Sources for Humboldt County



In Figure 4E, the three major income sources are indexed with 1969 = 100, for the period from 1969 to 1998 in Humboldt County. Change over time can be observed relative to the base year of 1969. All three components of income show the same general trend over the study period. Each component increased at a steady rate over the time period. For the most part net earnings lagged behind the other categories, although it eclipsed property income in a few cases. From 1980 to 1983 net earnings leveled off and declined slightly. Property income and transfer payments were very closely correlated over the study period. Property income noticeably dropped below transfer payments in 1975 and again in 1993, otherwise they nearly mirrored each other.

Figure 5E. Major Sources of Income as a Percent of Total Personal Income

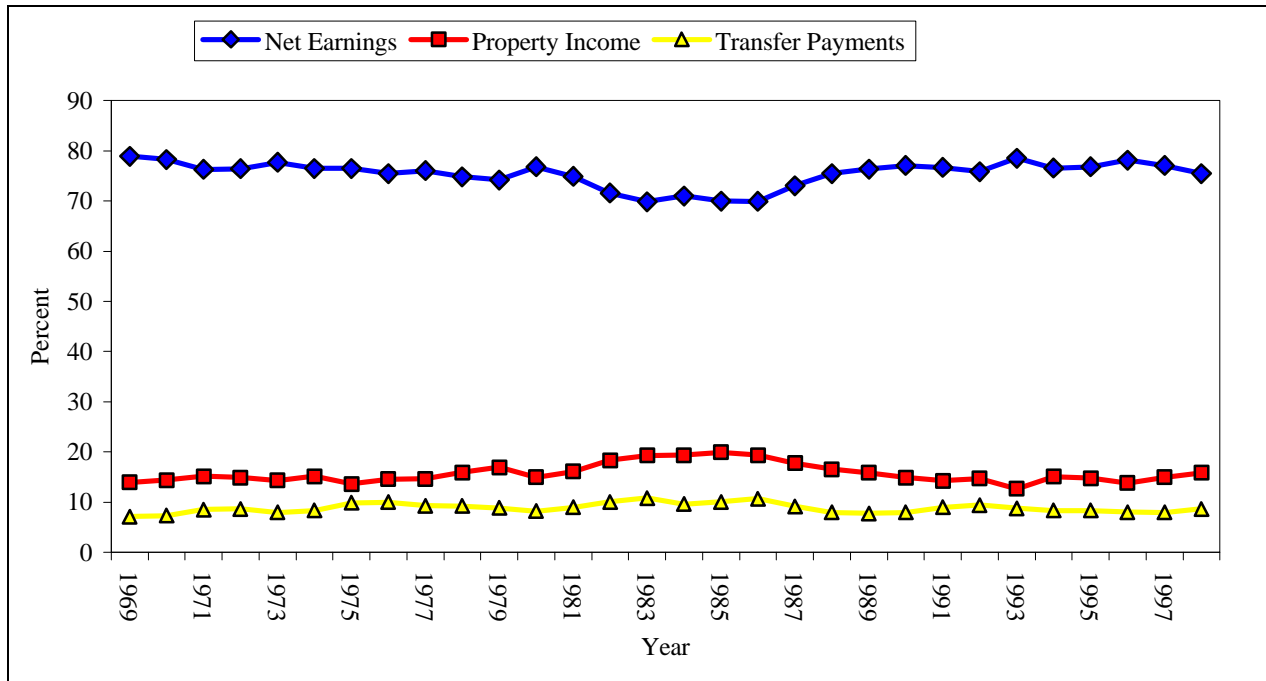
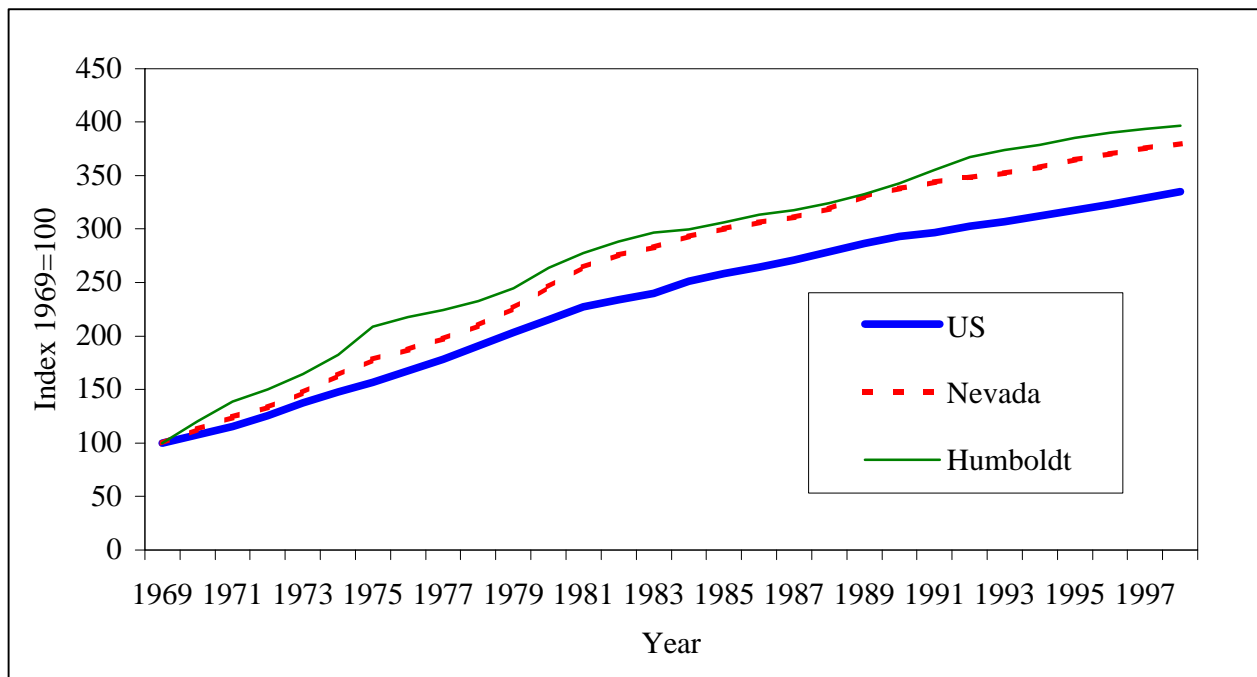


Figure 5E presents the major sources as a percent of total personal income from 1969 to 1998. The percentage changes in the sources are interrelated. An increase in one category will be observed as a relative decline in the others and conversely a decline in any one category will be observed as a relative increase in the others. For example, the increasing percentage of personal income observed in Figure 5E from property income and transfer payments starting about 1979 and continuing until about 1986 might well be a reflection of an absolute decline in earned income rather than an increase in income derived from the other two sources. Relative increases and decreases are indicators of structural change and may be attributed to a variety of factors.

Structural Change Over Time

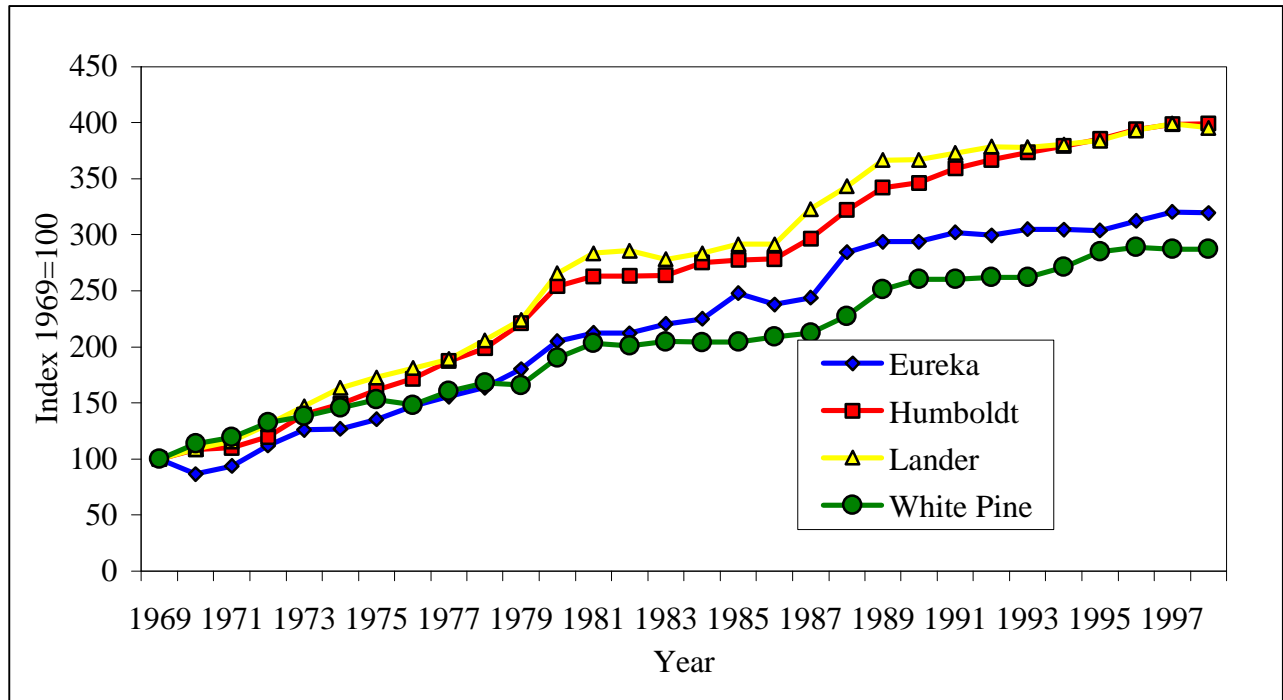
Many factors contribute to structural changes in a local economy. Over time, technology and demographics change, industries are born, mature and die. Over the period studied, 1969 to 1998, there have been some notable general changes in the United States. The baby-boomers have been aging and their parents have been living longer causing what many have described as the “graying of America.” The longer trend of population shifts towards urban centers and away from rural farming areas has continued with the maturation of agriculture as an industry. A counter movement of urban flight, to the suburbs and rural bedroom communities away from the urban problems and towards a quality of life found in rural communities has also been witnessed. There are socioeconomic causes and implications in these often crosscutting trends.

Figure 6E. Structural Change Indices for Major Income Sources, Humboldt County, Nevada and United States



In Figure 6E an indexing method is used to map the structural changes found in the composition of Humboldt County personal income. The index compares percentage change of subsequent years with the base year 1969. Absolute change, positive or negative, relative to the base year is summed across the three income categories to yield the structural change index. Indices for the state of Nevada and the United States are also included for comparison. In Figure 4E the pattern of structural change in Humboldt County fairly closely resembles that of the nation throughout the study period. The state of Nevada shows a slightly sharper increase starting about 1979. Humboldt County has remained relatively steady in its structural composition from 1993 through 1998.

Figure 7E. Structural Change Indices for Major Income Sources, Great Basin Development District Counties



The Humboldt County pattern of structural change is compared to that of other GBDD counties in Figure 7E. The pattern of the four counties appears to be broken down into two distinct trends. The general pattern of the Humboldt County structural change index is similar to White Pine County. While, Lander and Humboldt Counties indices exhibit a pattern similar to each other. Starting in 1986, Lander and Humboldt indices show a much greater increase than Humboldt and White Pine. There are numerous factors that can add up to explain these observations. Indications might be found in employment, retirement, and other socioeconomic and demographic trends.

The analysis presented can reveal patterns of change in terms of the three income sources, but interpretation of the analysis for policy making ultimately requires normative values. Analysis of historical trends can indicate potential for development. Current socioeconomic factors such as state and national demographic trends and in the case of rural Nevada, world market prices for precious metals along with the natural endowments in the local area will constrain and shape viable policy alternatives.

APPENDIX E:

Location Quotient

The location quotient used in this section measures the concentration of income by major sources relative to the national average. Subscripts identify region, industry and year.

$$LQ_{irt} = \frac{(Y_{rit} / Y_{rTt})}{(Y_{USit} / Y_{USTt})}$$

Where:

Y = Personal Income

r = region

US = United States

i = Major Income Source

T = Total Personal Income

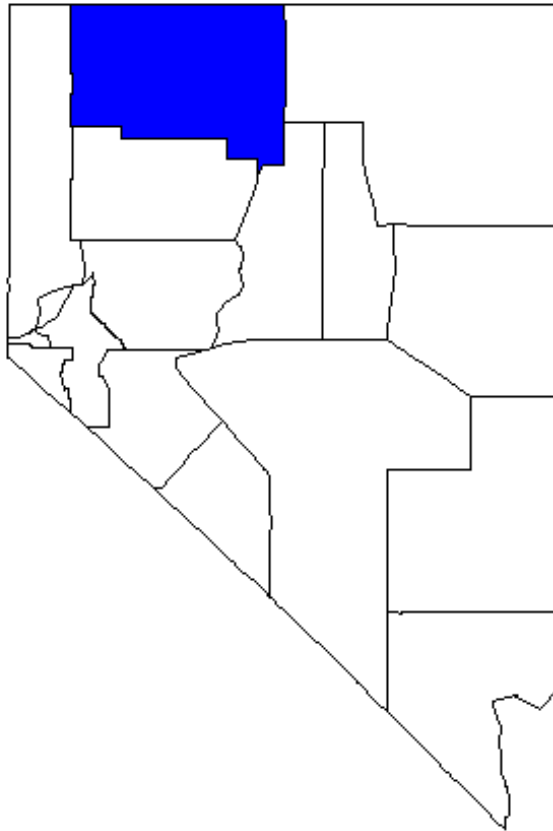
t = Year

A location quotient is only a rough descriptive indicator of income concentration. A location quotient that is roughly equal to one means an income component's share of the income locally is about equivalent to its share nationally. If a major income source concentrates in a region, the location quotient is greater than one. This indicates that its share of the income locally is greater than the major source's share nationally. If a major income source does not concentrate in a region, the location quotient is less than one. This indicates that the major income source's share of earnings locally is less than nationally.

Section F:

Transfer Payments:

County Patterns of Growth and Change



Section F: Transfer Payments: County Patterns of Growth and Change

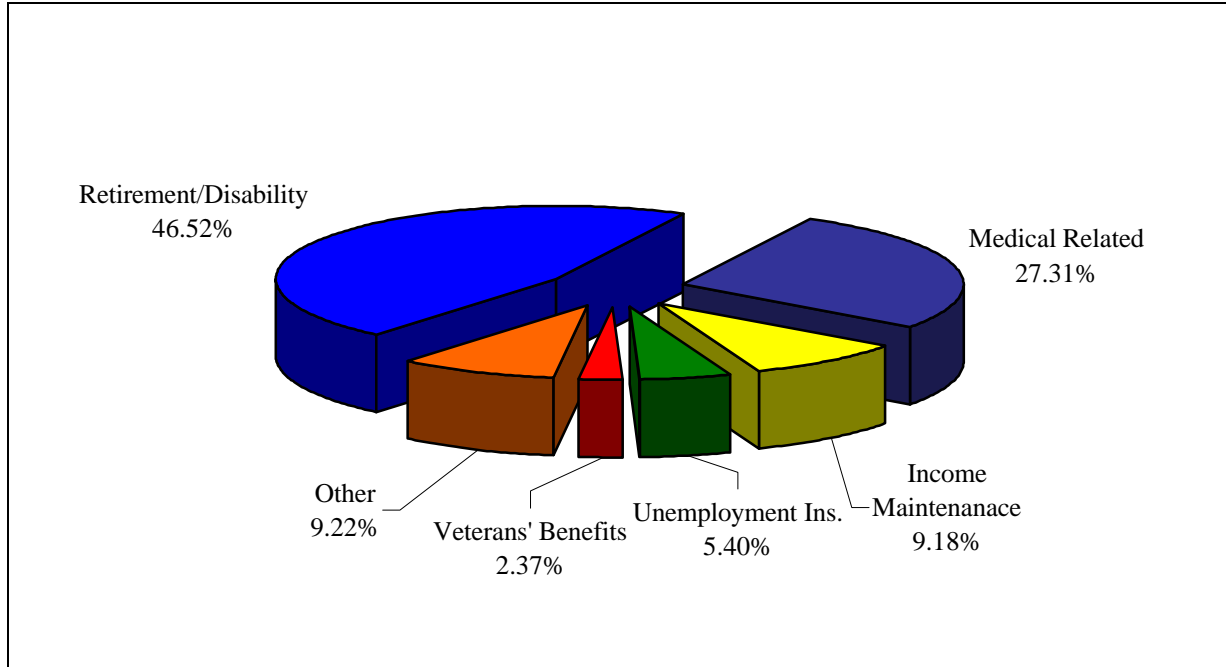
Section E revealed the increasing importance of transfer payments as a share of total personal income on national, state and county levels. This structural change in the composition of personal income's major sources reflects an important demographic trend, the aging of the American population. People age 65 and over are increasing as a share of total population. Social security and government pension incomes of retirees comprise a major part of transfer payments and are among the leading sources of total personal income growth. Some counties lose many people when they retire and locate elsewhere, while other counties are able to attract them. The retirement-related component of transfer payments follows people to their retirement residence and influences county patterns of economic growth and change.

Transfer payments are a source of personal income that is generally becoming more important in the United States. This trend is attributed at least in part to underlying demographic trends such as longer life spans and the aging and retirement of the baby boom generation. Smaller rural communities are increasingly concerned with attracting retirees to their local areas as a means of sustaining economic growth and stability. Not all transfer payment income is retirement related however. Other sources of transfer payments are also studied by policy makers for important indications of change and opportunity. As noted in Section E, transfer payments represented a much smaller portion of total personal income in Humboldt County than the national average.

Personal income from transfer payments is income received by individuals and institutions on their behalf from government or private sources for which no services are rendered in the current year's productive process. The Bureau of Economic Analysis (BEA) Regional Economic Information Service (REIS) categorizes transfer payment income into nine major categories which are further broken out into sub categories. One category accounts for business payments to individuals. The other eight of the nine major REIS transfer payment categories are government payments to individuals and include, retirement and disability insurance payments, medical payments, income maintenance benefit payments, unemployment insurance benefit payments, veterans benefit payments, federal education and training assistance payments, other government payments to individuals, and payments to non-profit institutions on behalf of individuals.

Retirement and disability insurance benefit payments account for the largest percent of transfer payments in Humboldt County. These payments are labeled Retirement/Disability in Figure 1F and account for 46.52% of all Humboldt County transfer payment income. This category includes old age-survivors-and disability insurance payments (Social Security), railroad retirement and disability payments, federal civilian employee retirement payments, worker's compensation payments (both federal and state), and other government disability insurance and retirement payments.

Figure 1F. Major Sources of Humboldt County Transfer Payments, 1998



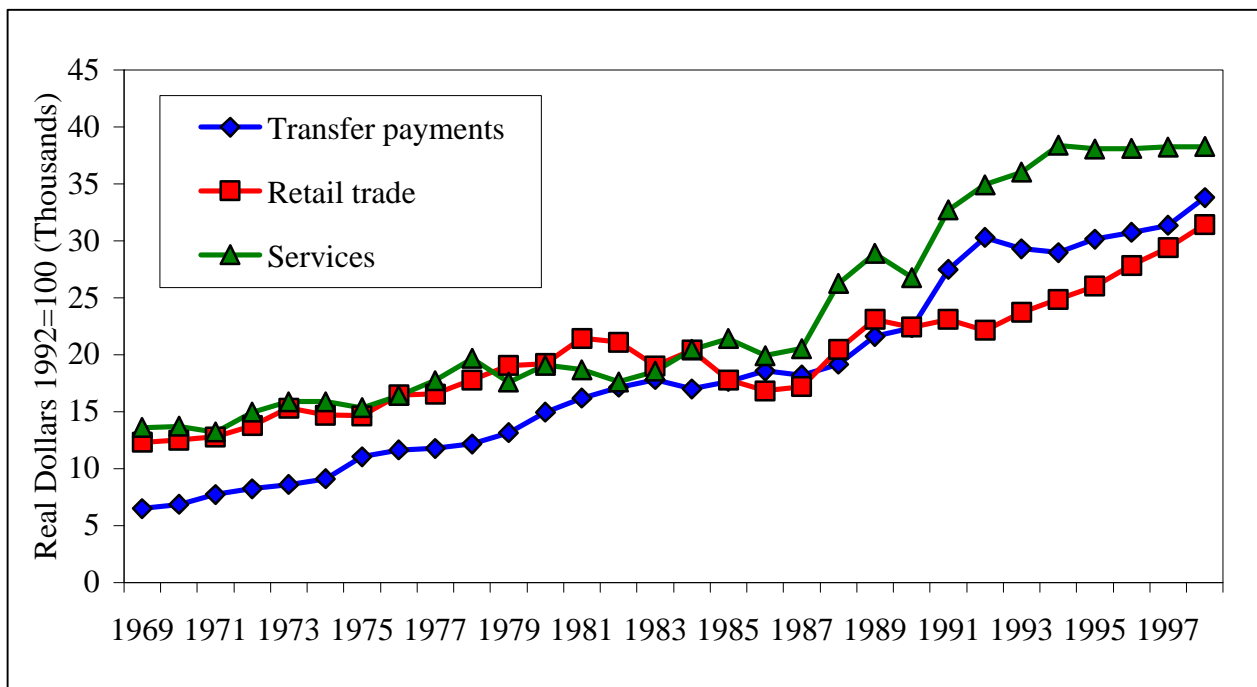
Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington, D.C. 1998.

Medical payments represent the next largest category with 27.31% of all Humboldt County transfer payments. This category includes Medicare, public assistance medical care, and CHAMPUS payments.

Other major categories representing the remaining 9.22% of transfer payment income in Humboldt County in 1998 are relatively small with business payments to individual representing less than one half of one percent. Unemployment compensation represented 5.40% of Humboldt County transfer payments in 1998. Income maintenance payments include supplemental security income payments (SSI), family assistance, food stamps, and other income maintenance payments. Income maintenance represented almost 9.18% of transfer payments in Humboldt County in 1998. Veteran's benefits accounted for only 2.37% of Humboldt County total transfer payment income in 1998. The last four major categories collectively represented 26.17% of Humboldt County transfer payments. These categories are federal education and training assistance payments, other payments to individuals, government payments to non-profit institutions and business payments to individuals. These four categories are collectively represented in Figure 1F as "Other" payments.

In Figure 2F Humboldt County transfer payments are compared to county retail trade and service sector earnings from 1969 to 1998. Over time, the service income has generally become larger absolutely and in relation to the transfer payments and service sectors. The service and retail trade sectors show an increased sensitivity to fluctuations in the economy of Humboldt. Large shifts in the service sector are evident in the years of 1988 and again in 1991. Retail trade has generally been stable over the study period showing a slow increase for the first 16 years followed by a slight decrease from 1982 to 1987 and a slow rebound over the remaining years. The importance of transfer payment income to the local economy is emphasized by this comparison.

Figure 2F. Transfer Payments, Retail Trade and Service Sector Earnings for Humboldt County



Attributes of the various income sources must also be considered. Growth in share for such transfer payment categories as income maintenance, unemployment compensation, family assistance, food stamps, may be seen as an indication of economic distress. Growth in more stable categories such as retirement related payments could be seen as a diversification strategy, making the local economy less susceptible to the effects of economic downturns.

Table 1F provides more detail on the importance of transfer payment income relative to income earned in the retail trade and service sectors. The table puts Humboldt County into perspective with other Nevada counties and the United States as well. In Table 1F the Nevada counties are ranked in terms of total personal income from transfer payments, as well as from retail trade and service sector earnings. The state is divided into four regions following Extension Service areas and two Development Districts so that area comparisons can be made on a larger scale. For additional comparison data for the BEA-REIS designated urban and rural portions of the United States are also shown. Earnings from the retail trade and service sectors are expressed as totals and as a percent of transfer payment income. Humboldt County is observed to have the largest proportion of retail trade sector earnings expressed as a percent of transfer payment income at over 92% compared to Eureka County at just over 33 %. Humboldt has a higher average than the state (66.18%). The national percentage falls below Humboldt and the state with personal earnings from retail trade being over 47% of total transfer payment income. GBDD and WNDD retail trade sector earnings are 63.80% and 44.73% of transfer payment income, respectively.

Service sector earnings expressed as a percent of transfer payment income tend to be much higher in all Nevada counties. In 1998 service sector income was 113% of transfer payment income in Humboldt County. Douglas County had the highest service sector earning relative to transfer payment income with 334.23%. Statewide service sector earnings were 2.7 times (270.6%) transfer payment income. Nationally service sector earnings were 1.6 times (152.9%) transfer payment income. While transfer payments represent a smaller portion of Humboldt County total personal income than is observed for the state and nation, they are still observed to have a substantial relative presence in the local economy.

Table 1F. Transfer Payments Compared with Retail Trade and Services Earnings by County and Region, 1998

County	Transfer Payments		Retail Trade Earnings			Services Earnings		
	Current Dollars	Rank	Current Dollars	Rank	Percent of Transfer Payments	Current Dollars	Rank	Percent of Transfer Payments
Clark	3,573,554	1	2,442,964	1	68.36%	10,403,511	1	291.13%
Washoe	899,954	2	681,775	2	75.76%	2,582,654	2	286.98%
Carson City	175,774	3	106,059	3	60.34%	235,894	5	134.20%
Nye	118,333	4	23,486	9	19.85%	168,525	6	142.42%
Douglas	111,576	5	48,988	5	43.91%	372,918	3	334.23%
Lyon	105,045	6	23,712	8	22.57%	51,062	8	48.61%
Elko	77,447	7	60,259	4	77.81%	243,121	4	313.92%
Churchill	69,446	8	33,129	6	47.70%	89,115	7	128.32%
Humboldt	34,916	9	32,469	7	92.99%	39,529	9	113.21%
White Pine	31,505	10	12,406	10	39.38%	20,076	12	63.72%
Mineral	23,906	11	4,632	13	19.38%	34,369	10	143.77%
Lincoln	15,016	12	4,050	14	26.97%	24,350	11	162.16%
Pershing	14,315	13	6,381	12	44.58%	3,146	15	21.98%
Lander	13,850	14	7,736	11	55.86%	9,720	13	70.18%
Storey	7,082	15	3,956	15	55.86%	5,252	14	74.16%
Eureka	4,609	16	1,539	16	33.39%	2,632	16	57.11%
Esmeralda	3,471	17	385	17	11.09%	895	17	25.79%
Nevada	5,279,799		3,493,926		66.18%	14,287,344		270.60%
Rural	806,291		369,187		45.79%	1,299,709		161.20%
Urban	4,473,508		3,124,739		69.85%	12,986,165		290.29%
Development Districts								
GBDD	84,880		54,150		63.80%	71,957		84.77%
WNDD	507,144		226,857		44.73%	791,756		156.12%
Extension Areas								
Northeast	127,411		81,940		64.31%	275,549		216.27%
Central	188,806		63,222		33.49%	143,323		75.91%
Southern	3,710,374		2,470,885		66.59%	10,597,281		285.61%
Western	1,218,292		845,410		69.39%	3,231,087		265.21%
United States	983,530,000		464,753,000		47.25%	1,503,725,000		152.89%
United States Metro	773,017,396		397,183,279		51.38%	1,372,204,903		177.51%
United States Nonmetro	210,512,604		67,569,721		32.10%	131,520,097		62.48%

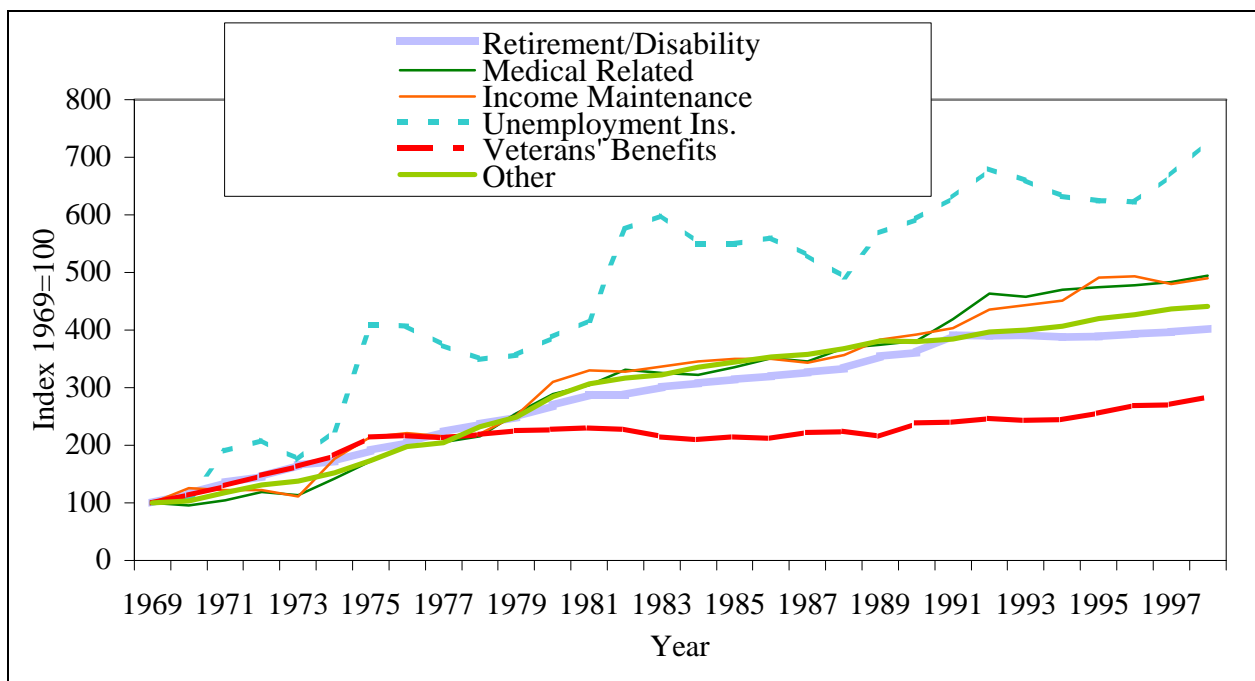
Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington D.C. 1998.

*Northeast area is Lander, White Pine, Eureka and Elko Counties. Central area is Churchill, Lyon and Pershing Counties.

Western Area is Douglas, Mineral, Storey and Washoe Counties and Carson City. Southern Area is Clark, Nye, Lincoln and Esmeralda Counties.

Figure 3F compares growth of the retirement and disability category and all other¹ transfer payment income in Humboldt County from 1969 to 1998 using indices to express annual values as a percent of the 1969 base year value. The line in Figure 3F representing unemployment pretty much reflects cycles in the national economy with a peak for each recession. The retirement and disability line shows a steady increase over the study period. All other payments grew nearly identical to the retirement and disability (except Veterans' Benefits) category until the last three-year period, where all other payments increased at a faster rate. Veterans' Benefits fell below the other categories in 1978 and flattened out over the rest of the study period.

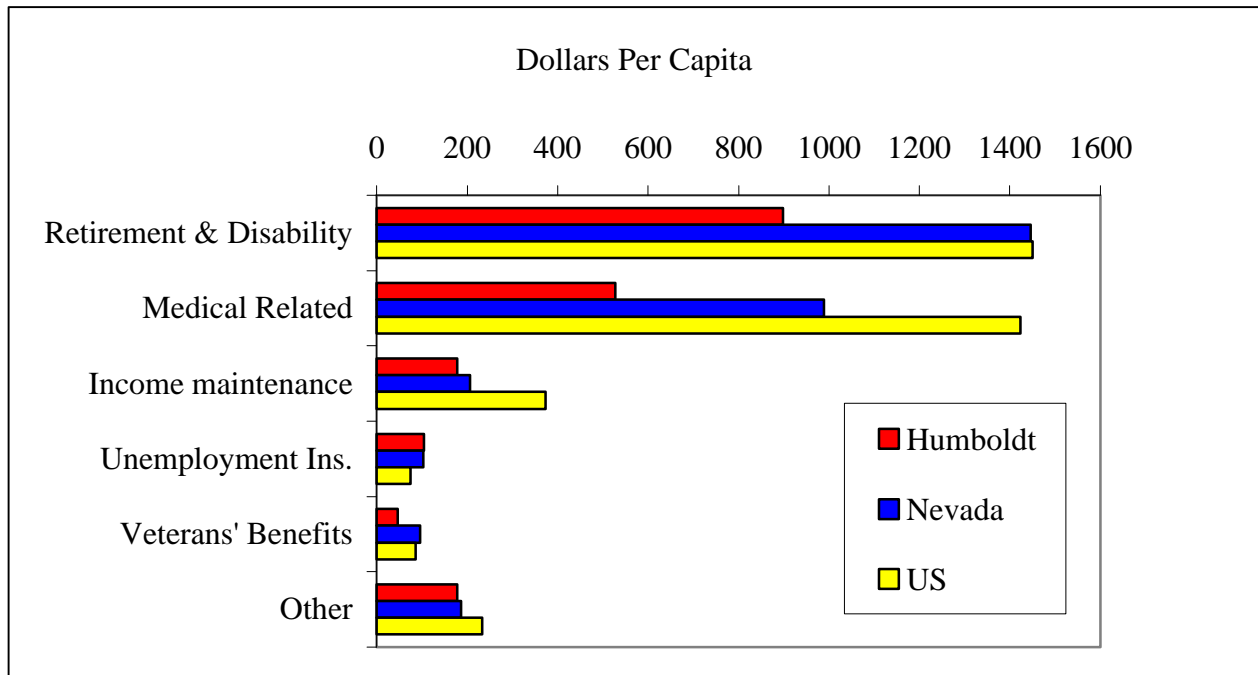
Figure 3F. Real Growth Indices for the Major Components of Transfer Payments: Humboldt County, 1969 to 1998.



¹ All other transfer payments includes income maintenance, veteran's benefits, medical related payments, unemployment, business payments and payments to nonprofits.

A per capita comparison allows a different perspective of transfer payments. In Figure 4F Humboldt County per capita transfer payments are compared to the state and nation by category. Humboldt County per capita was lower than the state and national values for all categories except Unemployment Insurance Payments.

Figure 4F. Per Capita Transfer Payments by Major Source: Humboldt County, Nevada and United States, 1998



For more detailed comparison, Table 2F shows the per capita transfer payments for all Nevada Counties by major category. Humboldt County ranks low for all categories. Overall it ranks 16th out of 17 in per capita transfer payments. It ranks 15th in terms of retirement and disability related transfer payments. Per capita transfer payments for Humboldt County were 64% of the national average and 53% of the state average.

Table 2F. Transfer Payments Compared with Manufacturing and Services Earnings by County and Region, 1998 per capita basis.

County	Total Transfer Pmts	Rank	Retirement & Disability	Rank	Medical Related	Rank	Income Maintenance	Rank	Unemployment Insurance	Rank	Veterans Benefits	Rank	Other Pmts	Rank
Mineral	4,483	1	1,729	5	1,666	1	589	1	125	6	190	2	185	5
Nye	4,129	2	2,353	1	1,198	2	222	8	94	13	87	10	176	10
Lincoln	3,594	3	1,653	6	1,092	4	351	4	71	17	249	1	160	15
Carson City	3,575	4	1,738	4	1,196	3	208	10	139	5	106	6	188	3
Lyon	3,486	5	1,858	2	961	9	198	11	173	3	121	5	176	11
White Pine	3,125	6	1,428	10	1,031	7	337	5	91	14	60	13	177	9
Clark	3,077	7	1,448	9	1,031	6	215	9	100	12	97	8	187	4
Douglas	3,031	8	1,843	3	738	12	106	17	89	15	78	11	176	12
Esmeralda	3,018	9	1,583	7	758	11	143	16	179	1	169	3	157	17
Churchill	3,000	10	1,278	12	1,032	5	264	7	111	7	148	4	168	13
Pershing	2,961	11	1,231	13	1,026	8	360	3	72	16	74	12	190	2
Washoe	2,875	12	1,380	11	918	10	179	12	105	9	98	7	195	1
Storey	2,400	13	1,542	8	274	17	156	14	148	4	97	9	164	14
Eureka	2,316	14	979	14	549	13	451	2	109	8	54	14	159	16
Lander	1,987	15	802	16	521	15	274	6	176	2	36	17	178	7
Humboldt	1,931	16	898	15	527	14	177	13	104	10	46	15	178	8
Elko	1,683	17	760	17	455	16	143	15	100	11	43	16	182	6
Nevada	3,028		1,446		989		207		103		96		187	
Rural	2,981		1,445		868		265		119		104		174	
Urban	2,976		1,414		975		197		102		97		191	
Development Districts														
GBDD	2,340		1,027		657		310		120		49		173	
WNDD	3,277		1,603		985		269		122		116		178	
Extension Areas														
Northeast	2,278	4	992	4	639	4	301	1	119	2	48	4	174	3
Central	2,946	3	1,297	3	992	2	267	2	96	4	107	3	184	1
Western	3,273	2	1,647	2	958	3	248	3	121	1	114	2	181	2
Southern	3,455	1	1,759	1	1,020	1	232	4	111	3	150	1	170	4
US	3,639		1,450		1,424		373		75		85		232	
US-Metro	3,570		1,398		1,416		372		73		80		232	
US-Non Metro	3,917		1,659		1,455		379		80		108		236	

Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington D.C. 1998.

Retirement and Disability Related Transfer Payments

The retirement and disability related transfer payments category represents 46.52% of all Humboldt County transfer payment income. Figure 5 shows the Retirement/Disability portion of Figure 1F in greater detail. Old Age, Survivor and Disability income payments make up 36.93% of this category. Workman's Compensation and state and local retirement accounted for 5.76% of this category. Railroad retirement and disability accounted for 3.80% of this county and all other payments account for 0.03% of this total.

Figure 5F. Detail of Humboldt County Retirement and Disability Payments, 1998

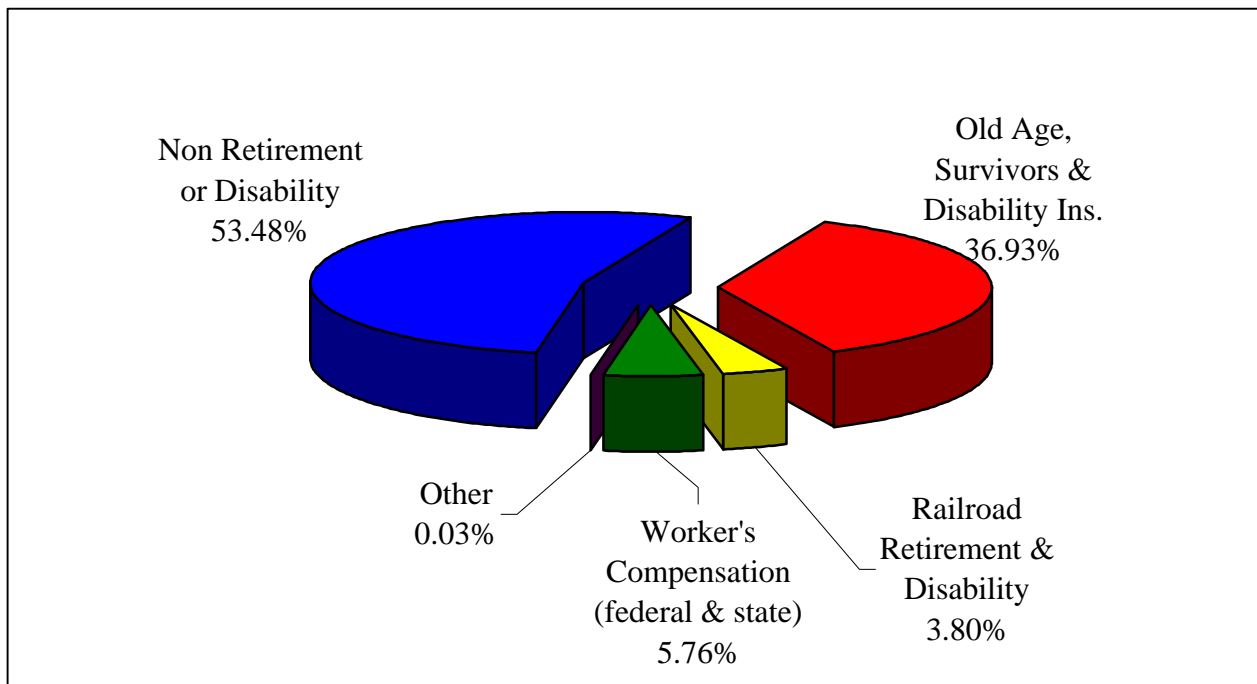


Figure 6F shows detail of the per capita retirement/disability transfer payments in relation to the state and nation by category. It is interesting to note that Humboldt County has a lower per capita retirement/disability related payment than the state or nation. It also has a higher than national workers' compensation portion and lower than state average.

**Figure 6F. Retirement & Disability Related Transfer Payments Per Capita, 1998
Humboldt County, Nevada and United States**

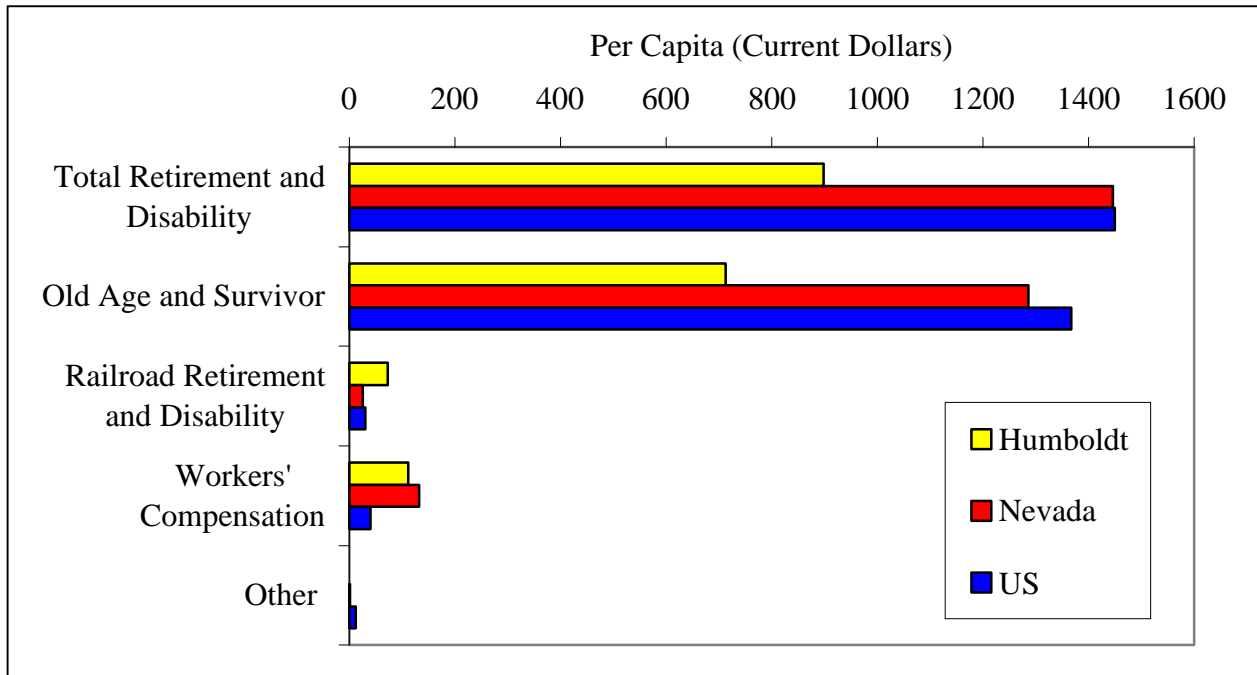


Table 3F provides comparisons between Nevada counties, state and national averages, BEA designated urban and rural portions of the U.S. In Table 3F worker's compensation in Humboldt County was lower than the state average of \$132 per capita and higher than the national average of \$42. Humboldt County per capita Old age and survivor payments are lower than state and national averages at \$898 compared to \$1,286 and \$1,367 respectively.

Table 3F. Retirement and Disability Related Payments Per Capita, 1998

County	Total Retirement & Disability	Rank	Old Age & Survivor	Rank	Railroad Retirement & Disability	Rank	Workers' Compensation	Rank	Other, Retirement & Disability	Rank
Nye	2,353	1	2,224	1	32	8	95	13	2.06	3
Lyon	1,858	2	1,730	2	28	10	97	12	1.83	6
Douglas	1,843	3	1,686	3	20	14	135	3	1.55	9
Carson City	1,738	4	1,589	4	29	9	119	7	1.97	T4
Mineral	1,729	5	1,582	5	26	11	120	6	1.50	10
Lincoln	1,653	6	1,473	6	87	1	91	15	1.68	7
Esmeralda	1,583	7	1,460	7	34	7	80	16	8.70	1
Storey	1,542	8	1,389	8	2	17	151	1	0.68	15
Clark	1,448	9	1,293	9	20	13	134	4	1.97	T4
White Pine	1,428	10	1,258	10	71	5	98	11	1.19	11
Washoe	1,380	11	1,201	11	34	6	143	2	1.57	8
Churchill	1,278	12	1,160	12	23	12	93	14	1.12	12
Pershing	1,231	13	1,040	13	77	2	113	9	0.83	13
Eureka	979	14	921	14	11	16	42	17	5.53	2
Humboldt	898	15	713	15	73	4	111	10	0.55	16
Lander	802	16	675	16	12	15	114	8	0.72	14
Elko	760	17	556	17	75	3	129	5	0.54	17
Nevada	1,446		1,286		26		132		1.80	
Rural	1,445		1,297		40		106		2.03	
Urban	1,414		1,247		27		138		1.77	
Development Districts										
GBDD	1,027		892		42		91		2.00	
WNDD	1,603		1,454		29		118		1.35	
Extension Areas										
Northeast	992		852		42		96		1.99	
Central	1,456		1,310		43		101		1.26	
Western	1,647		1,489		22		134		1.45	
Southern	1,759		1,612		43		100		3.60	
US	1,450		1,367		30		40		12.80	
US-Metro	1,398		1,315		28		43		12.70	
US-Non Metro	1,659		1,576		41		28		13.18	

Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington DC 1998

Appendix F:

Transfer Payments

Transfer payments are incomes received by people that do not render current services. They include payment by government and business to individuals and nonprofit institutions. For this report, transfer payments are classified into six broad categories.

- 1. Retirement-related** transfer payments include payments for Social Security; payments for specific retirement programs covering railroad workers, federal civilian employees, military personnel, state and local government employees; and payments for worker's compensation and other government disability, insurance and retirement programs.
- 2. Medical Payments** are for programs such as Medicare, Medicaid and Civilian Health and Medical Plan of the Uniformed Services (CHAMPUS).
- 3. Unemployment Insurance** payments to individuals from the unemployment insurance program.
- 4. Income maintenance** payments are for programs such as Aid to Families with Dependent Children (AFDC), food stamps and Supplemental Security Income (SSI) payments.
- 5. Veteran's benefits** include veteran's pensions and other compensations, educational assistance and life insurance benefit programs.
- 6. Other** transfer payments cover payments for education and training assistance; business payments to individuals for such things as cash prizes, unrecovered thefts and consumer bad debts; and government and business payments to nonprofit institutions.

References

U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington, D.C. 1998.

Woods and Poole Economics, Inc. "1998 State Profile: Nevada and Utah." Woods and Poole Economics, Inc.: Washington, D.C. 1998.

APPENDIX F:

BEA Personal Income Data for Humboldt County

APPENDIX G:

BEA Employment Data for Humboldt County

APPENDIX H:
BEA Transfer Payments for Humboldt County