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**Send a Letter to the Editor**

The Platte Institute strongly believes in the importance of citizens participating in the public dialogue on issues important to Nebraska. Writing a letter to the editor is an outstanding way to partake in the discussion and have your voice heard by thousands of

# PLATTE CHAT

## Nebraska Brings Up the Rear Among Midwest States

Berk Brown  
Platte Institute

If you're looking for a Midwestern state with a strong economic outlook, Nebraska isn't it. In fact, a study released yesterday by the American Legislative Exchange Council says Nebraska's economic outlook is dead last when compared to neighboring states.

In the 2010 version of *Rich States, Poor States*, Nebraska's economic outlook is ranked 34th in the nation - a drop of five spots from last year. Here is a look at how Nebraska stacks up with its neighbors:

- Colorado – 2<sup>nd</sup>
- South Dakota – 4<sup>th</sup>
- Wyoming – 6<sup>th</sup>
- Missouri – 15<sup>th</sup>
- Kansas – 25<sup>th</sup>
- Iowa – 28<sup>th</sup>
- Nebraska – 34<sup>th</sup>

Among the 15 important state policy variables, ALEC's

people. To make the process easier, the Platte Institute has assembled a list of links which allow you to submit a letter to the editor to nearly all Nebraska newspapers. Simply [CLICK HERE](#) for a listing of the newspapers and follow the appropriate link to submit your letter.

## Contact Us

If you would like to contact someone at the Platte Institute, you are always welcome to give us a call, drop us an email or stop by the office. Our telephone number is 402.452.3737. We are located at 10050 Regency Circle – Suite 120 – in Omaha. Below is a list of staff email address:

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study indentified four which brings our rating down:

- Public employees per 10,000 of population
- Income tax progressivity
- Estate/Inheritance taxes
- Property tax burden

Nebraska can be proud of its low unemployment, but the composition of the employment is a concern. As a result, Nebraska now ranks 47th among all state in public employees per 10,000 of population. There is some comfort that our neighboring states bring up the rear with Nebraska, but the economic vitality of any state suffers with ever-increasing public employment.

Here is how Nebraska and its neighbors compare when looking at the number of public employees per 10,000 of population in each state:

- Wyoming – 927 – highest rate in the nation
- Kansas – 696 – third highest in the nation
- Nebraska – 656 – fourth highest in the nation
- Iowa – 607
- Missouri – 555
- South Dakota – 540
- Colorado – 535

According to the report, “When government expenditures grow beyond the private sector’s ability to pay for them, economic growth suffers. Put simply, growth in government crowds out growth in the private sector. Nationwide, the burdens from total federal, state, and local government expenditures have risen by more than 5 percent of GDP within the past two years— an extraordinarily high growth rate. These increased government expenditures will reduce private-sector growth and increase overall unemployment throughout the United States.”

Secondly, contributing to the low economic outlook for Nebraska is its lack of addressing the personal income tax progressivity – which is the change in tax liability per

\$1,000 of income.

Nebraska imposes a larger tax burden than most other states at higher levels of income. Among our neighboring states, the states of Wyoming and South Dakota are obvious choices for high income individuals because of the lack of an income tax. With lower tax burdens, it is not surprising that these states lead the pack in Gross State Product growth and per capita personal income growth over the last 10 years.

Gross State Product Growth from 1998-2008:

- Wyoming – 137%
- South Dakota – 77%
- Colorado – 73%
- Iowa – 62%
- Kansas – 61%
- Nebraska – 59%
- Missouri – 44%

Personal Income Growth from 1998-2008:

- Wyoming – 117%
- Colorado – 76%
- South Dakota – 71%
- Kansas – 57%
- Nebraska – 55%
- Iowa – 53%
- Missouri – 51%

Personal Income Per Capita Growth from 1998-2008:

- Wyoming – 96%
- South Dakota – 58%
- Kansas – 49%
- Iowa – 49%
- Colorado – 48%
- Nebraska – 47%
- Missouri – 40%

Population Growth from 1998-2008:

- Colorado – 19%
- Wyoming – 8%
- South Dakota – 7%
- Missouri – 7%
- Kansas – 5%
- Nebraska – 5%
- Iowa – 3%

Nebraska's excessive property taxes contribute to the fact that Nebraska ranks 36th in property tax burden according to the study. Research from the Tax Foundation confirms ALEC's statistics and ranks the Cornhusker state third highest in the country when property taxes are factored against home values. Finally, the continuation of the inheritance tax in the state hurts our economic outlook rank according to ALEC.

This study should be a wake-up call to the leaders of Nebraska that our state is at a crossroads and that there are many troublesome warning signs that the economic future of the state is bleak. Government spending and growth – at all levels in the state – is threatening our state's economic vitality. Why would a business or citizen contemplating where to relocate consider Nebraska – a state struggling to keep pace with its surrounding states? That's a question our elected leaders should be held accountable to answer and that voters should consider when at the polls.

ALEC's study is done in conjunction with Art Laffer, who was a member of President Ronald Reagan's Economic Policy Advisory Board, and Stephen Moore, who is a member of the Wall Street Journal's Editorial Board.

You can download the study in its entirety [here](#), or just the Nebraska page [here](#).

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