

Nebraska Equipment Dealers Impact on the State Economy

By Mark Othmer, Nebraska Field Director

Is There An Identity Crisis?

During recent conversations with state senators and legislative candidates, a common theme emerged. It appears the trend recognized most about our industry by this group is the declining number of equipment dealerships in Nebraska today compared to 10-20 years ago.

Many Association members have also experienced similar discussions with elected officials. Quite often, a senator will ask how many dealers remain in Nebraska. When told, “around 150 dealers,” it’s often followed by, “Well, with so few businesses it’s very hard to get anything accomplished for your industry.” With that in mind, we at the Association felt it was time to try and get a real grasp on the collective impact our members have on the state economy.

Time For A Survey

As many of you know, we recently sent out a survey asking you to report some very basic business numbers. This data included total dealership sales, new and used equipment sales, parts sales, service sales, number of employees, and annual payroll. We received information from business organizations representing 51 of the 150 locations in Nebraska, or one-third. By survey standards, this is a very good response rate.

The information was received from some of the smallest businesses (less than 1.5 million dollars in sales), up to some of the largest groups (representing over 50 million dollars in sales), so I feel it provided an excellent snap shot of the Nebraska equipment dealer group. My thanks go out to members who took the time to complete the survey. As always, your individual numbers will be kept in strict confidence.

Survey Says!

After determining the average per location of this group and multiplying it by the number of locations in Nebraska, we were able to determine the total economic impact of the farm equipment industry in the state of Nebraska. According to survey results, the total sales of farm equipment dealerships remain well over 1.3 billion dollars a year. Yes, that’s billion with a capital “B.”

The total sales of new and used equipment in the state exceed one billion dollars, while total parts sales are over 243 million dollars and total service sales remain over 130 million dollars. Over 3,200 employees work in farm equipment dealerships, with a total annual payroll of over 115 million dollars. Only 27 organizations reported for the total of 51 locations, so the impact of multiple location dealers remains quite evident.

What Does All This Mean?

Any time you interact with local leaders, state leaders, or members of the press, these numbers should be on the tip of your tongue. Our industry is suffering from an identity crisis. Few people recognize the size and scope of the equipment industry in the state of Nebraska.

Without this recognition, elected officials, legislative leaders, educational officials, and the general public will place very little value on delivering and making available goods and services that equipment dealers depend on. This includes roads, highways, railroads, electricity, the Internet, education, phone systems, and an available pool of employees. Without any of this, it would be hard for the equipment industry to remain the economic juggernaut that it is for Nebraska.

These facts will prove beneficial for our lobbyist in Lincoln to have at his fingertips. As one legislative official remarked after hearing the survey numbers, “We’ve done way more legislatively for industries in Nebraska that contribute way less to the economy than your group.” For additional information, contact Mark at mother@kdsi.net.