



UNIVERSITY OF MINNESOTA | EXTENSION



EXTENSION CENTER FOR COMMUNITY VITALITY

# Pine City Market Area Profile

**A RETAIL AND SERVICE MARKET ANALYSIS OF THE PINE CITY AREA**

Authored by Liz Templin



**PROGRAM SPONSOR: CITY OF PINE CITY ECONOMIC DEVELOPMENT AUTHORITY**

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A RETAIL AND SERVICE MARKET ANALYSIS OF THE CITY OF PINE CITY

May 2018

Authored by Liz Templin, Extension Educator, Center for Community Vitality

The data, analysis and findings described in this report are specific to the geography, time frame and project requirements of Pine City. Findings are not transferable to other jurisdictions. Extension neither approves nor endorses the use or application of findings and other contents in this report by other jurisdictions.

## Report reviewers:

**Kenneth Cammilleri, City Administrator / Clerk, Pine City**

**Lezlie Sauter, Community Development Director, Pine City**

**Becky Schueller, Executive Director, Pine City Area Chamber of Commerce**



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## INTRODUCTION

University of Minnesota Extension created the Market Area Profile (MAP) program to assist Minnesota communities in developing their retail and service sectors. The purpose of this report is to provide existing businesses, potential businesses, and economic development organizations with information that will better serve their individual market and business strategies.

Extension staff created this report through secondary data and an analysis compiled through Business Analyst, a Geographic Information System (GIS) software program from Esri ([www.Esri.com](http://www.Esri.com)), along with the U.S. Census. Esri synthesizes national market research data every year from almost 26,000 adult consumers through in-home, face-to-face interviews about their media choices, demographics, lifestyles and attitudes, and usage of almost 6,000 products in 550 categories. Since the major customer for these data are national brands, information is not collected for independent business categories, such as antique stores, attorneys, dental offices, etc. For more information about Esri and the survey data, see Appendix A.

## GEOGRAPHIC AREA FOR ANALYSIS

Extension generated all reports and analysis based on the boundaries outlined Figure 1 including market profile demographics, commuting patterns, and retail spending data. The Pine City School District is the convenience trade area, identified in blue in Figure 1. The trade area for a discount general merchandise retailer is the destination trade area, identified in pink. **The areas outlined in Figure 1 are defined as the convenience and destination trade areas throughout the report.** According to Esri, the convenience trade area has a population of 10,597 and the destination trade area has a population of 47,753.

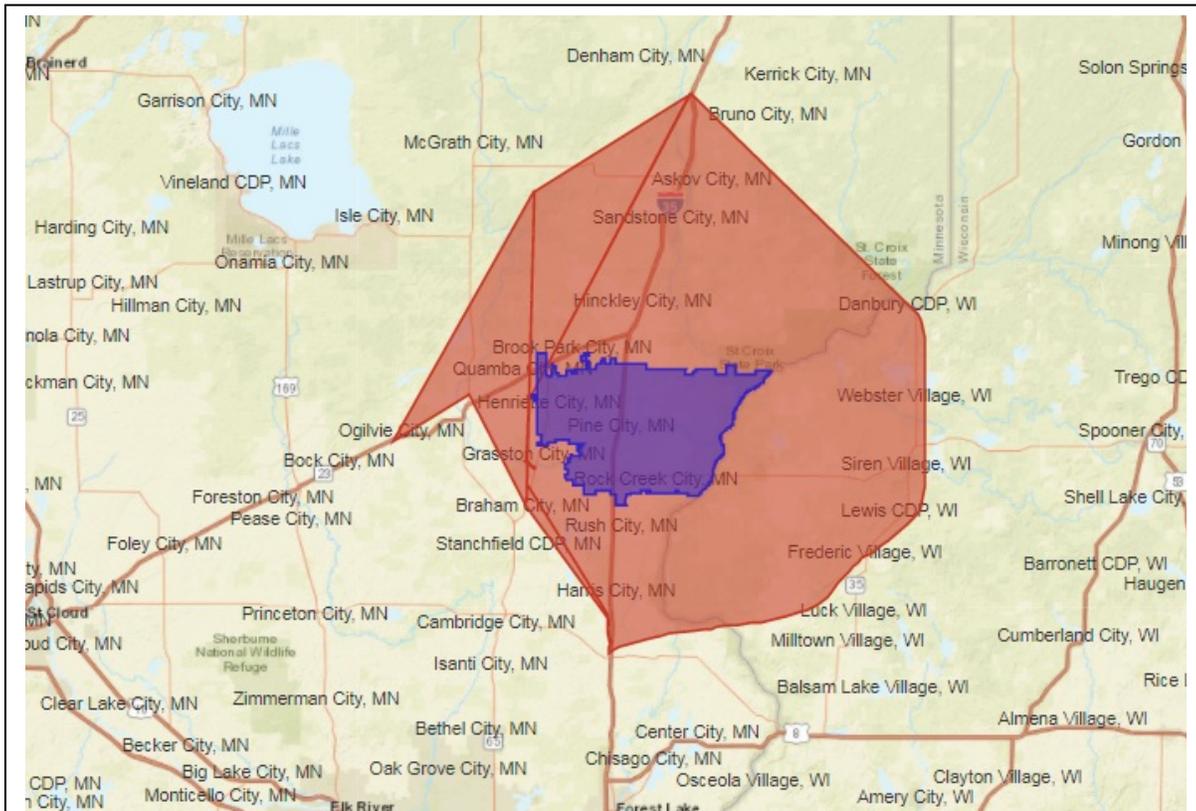
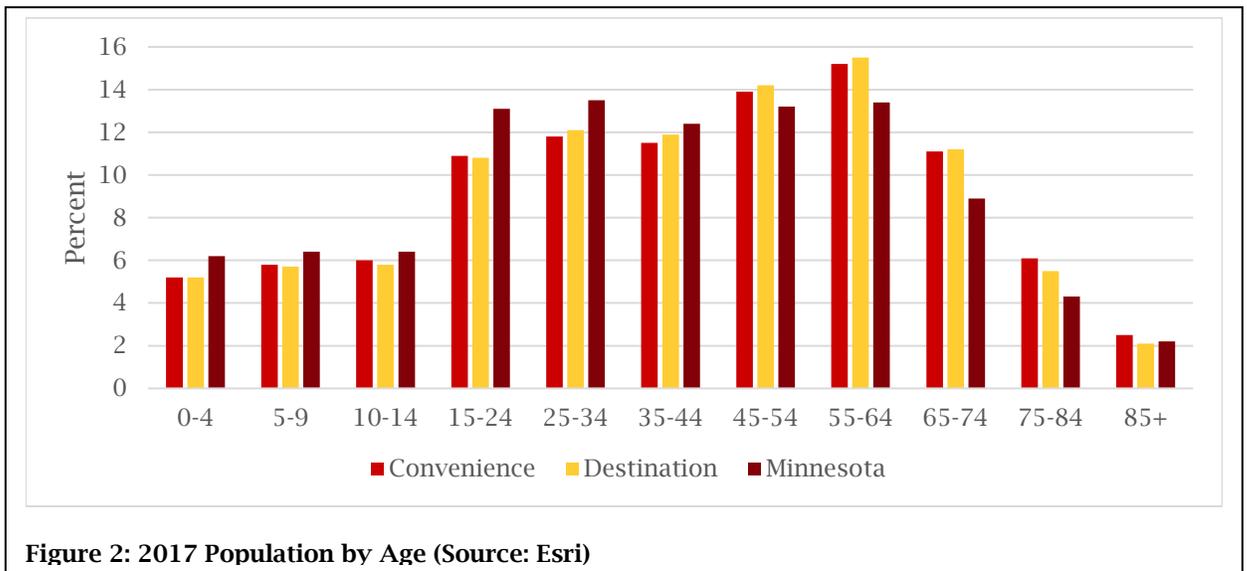


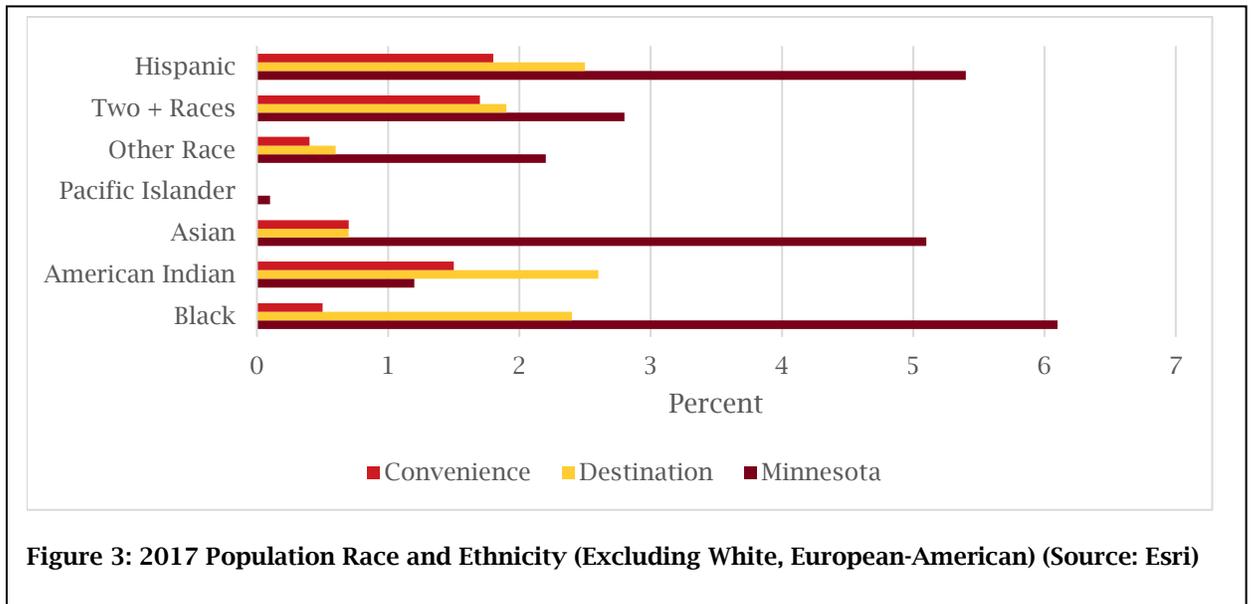
Figure 1: Pine City Convenience (blue) and Destination (pink) Trade Areas.

## MARKET PROFILE DEMOGRAPHICS

Predicting consumer spending begins with understanding area's population including the demographics of the market area. This information provides retailers with an indication of the types of goods and services households will purchase, as well as likely price points.

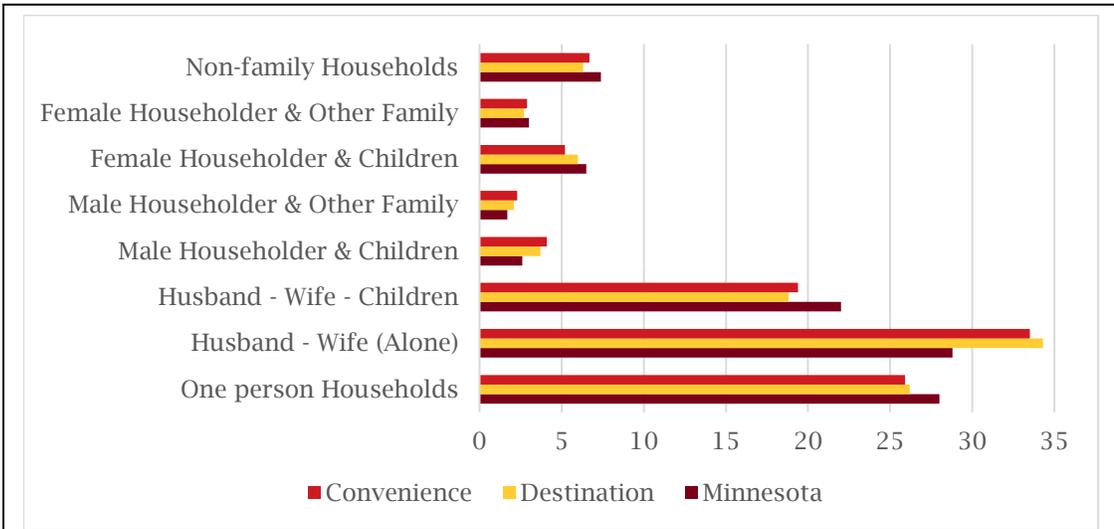


Both the convenience and destination trade areas have an older population than the Minnesota average (Figure 2). The median age of people living in the convenience trade area is 44.0 years, 43.8 in the destination area, and 38.4 years in Minnesota.



The Pine City area is significantly less diverse than the Minnesota average (Figure 3). The population of both the convenience and destination areas is overwhelmingly white at 95.3 percent and 91.8 percent, respectively. In comparison, the state has an 82.6 percent white population. Hispanics

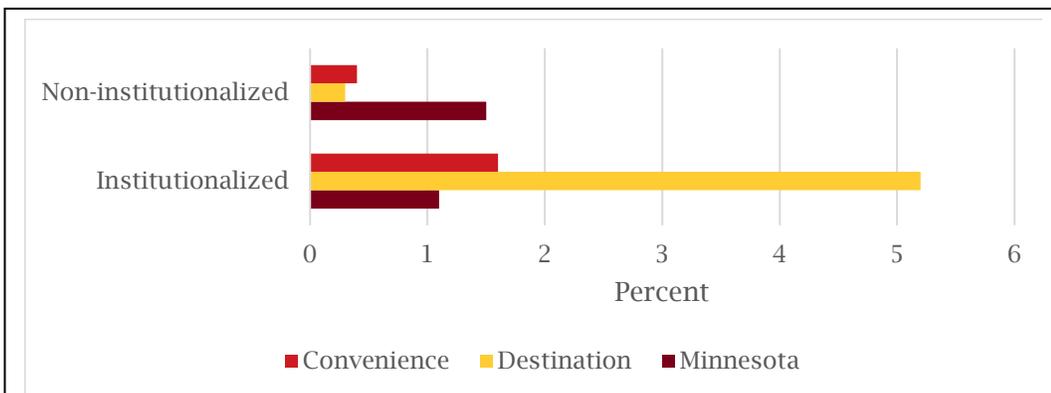
comprise 1.8 percent of the population in the convenience area and 2.5 percent in the destination trade area. These percentages, however, are significantly less than the state average of 5.4 percent (note: persons of Hispanic origin may be of any race). American Indians comprise 1.5 percent of the population in the convenience area and 2.6 percent in the destination area but only 1.2 percent of the Minnesota population. Persons of two or more races in the 2010 Census comprise 1.7 percent of the convenience area, 1.9 percent of the destination area, and 2.8 percent of Minnesota's population.



**Figure 4: 2010 Household Composition (Source: U.S. Census)**

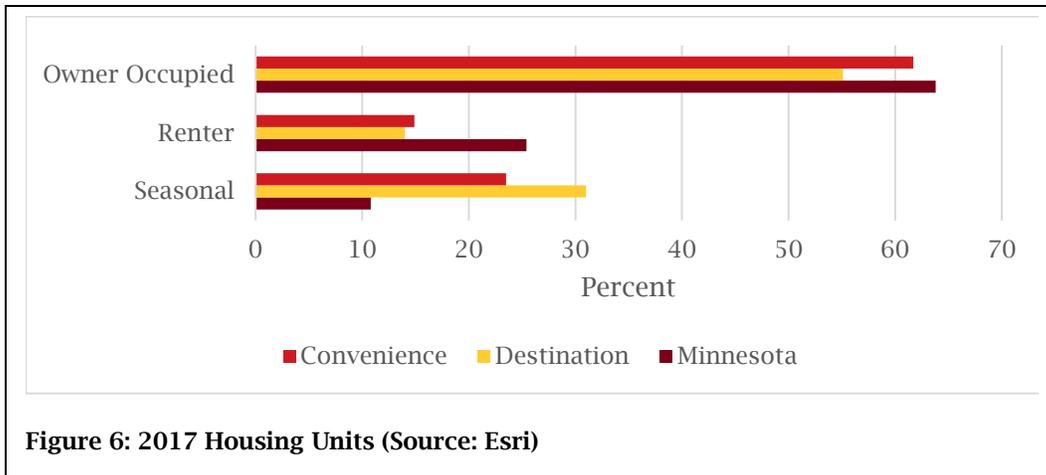
Similar to the state as a whole, more than half of both the convenience area (50.8 percent) and the destination trade area (52.9 percent) households are composed of husband-wife or husband-wife-children. One person households make up 25.9 percent of the convenience area, 26.2 percent of the destination area, and 28 percent of Minnesota (Figure 4). Because many college students rent in the area, they likely contribute to the size of the one-person household and non-family household numbers.

In addition, 5.5 percent of the destination area population lives in group quarters compared to 2 percent of the convenience area and 2.6 percent of Minnesota (Figure 5). Inmates at the correctional facilities in Rush City and Sandstone are included in the institutionalized numbers. Facilities like long-term care and group homes for the disabled are included in non-institutionalized numbers.



**Figure 5: 2010 Population in Group Quarters (Source: U.S. Census)**

Both the convenience and destination trade areas have a lower percentages of owner-occupied housing and renter-occupied housing than the state. However, these data are skewed due to the large number of seasonal housing units which are classified as vacant by Esri (Figure 6). (Note: The East Central Regional Housing Study, available from the City of Pine City, has details of housing vacancies in jurisdictions in the convenience and destination trade areas.).



Education levels of people living in both the convenience and destination areas are below state averages. Of the adults ages 25 and older living in the convenience area, 48 percent have some level of post-secondary education. Forty-nine percent of the adults ages 25 and older living in the destination area have some level of post-secondary education and 68 percent of Minnesotans ages 25 and older do. Fewer Minnesota adults age 85 and older have a high school diploma compared to younger generations. Because the Pine City area has more adults ages 85 and older than the state average, this may explain the larger percentage of people having less than a high school diploma. In addition, inmates at the correctional facility in the destination area may also account for a portion of lower education levels (Figure 7).

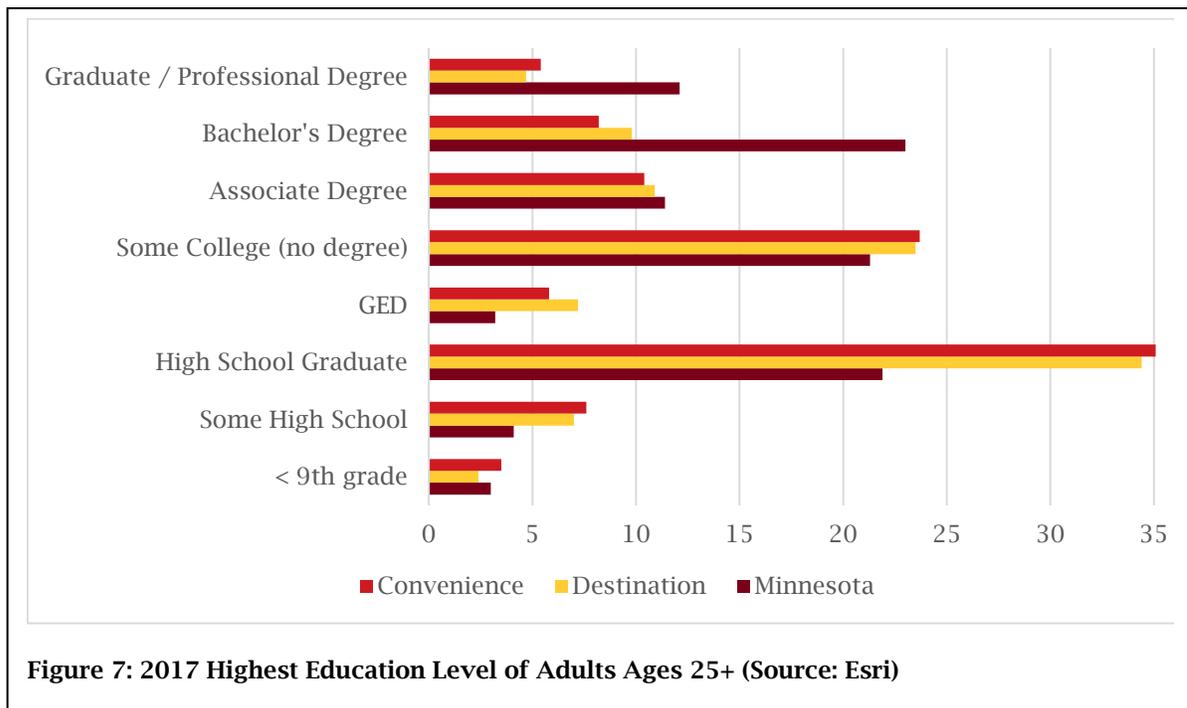
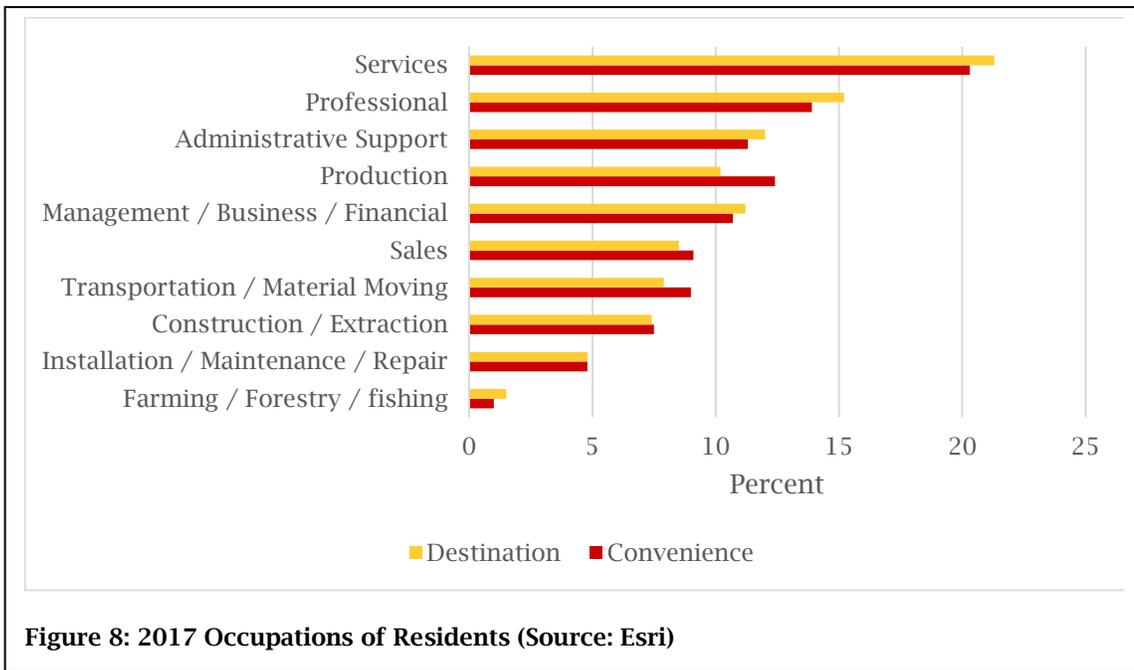
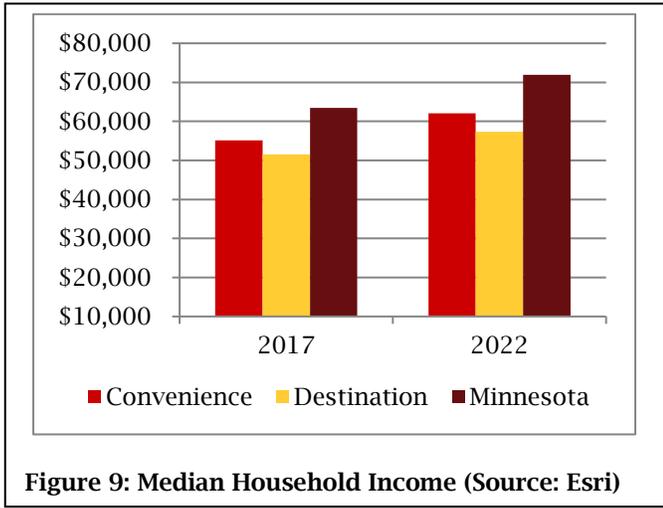


Figure 7: 2017 Highest Education Level of Adults Ages 25+ (Source: Esri)



More than half of residents in the convenience area (45 percent) and destination area (47 percent) areas work in white collar occupations. White collar occupations in Figure 8 are professional, administrative support, management / business / financial, and sales. Service jobs are the second largest source of employment accounting for 35 percent of residents in the convenience area and 32 percent in the destination area. Service jobs include health care, social assistance, personal care, food preparation, and building and grounds maintenance. Blue collar jobs employ 20 percent of the residents in the convenience area and 21 percent in the destination area (Figure 8). The blue collar jobs in Figure 8 are transportation / material moving, construction / extraction, installation / maintenance / repair, and farming / forestry / fishing.

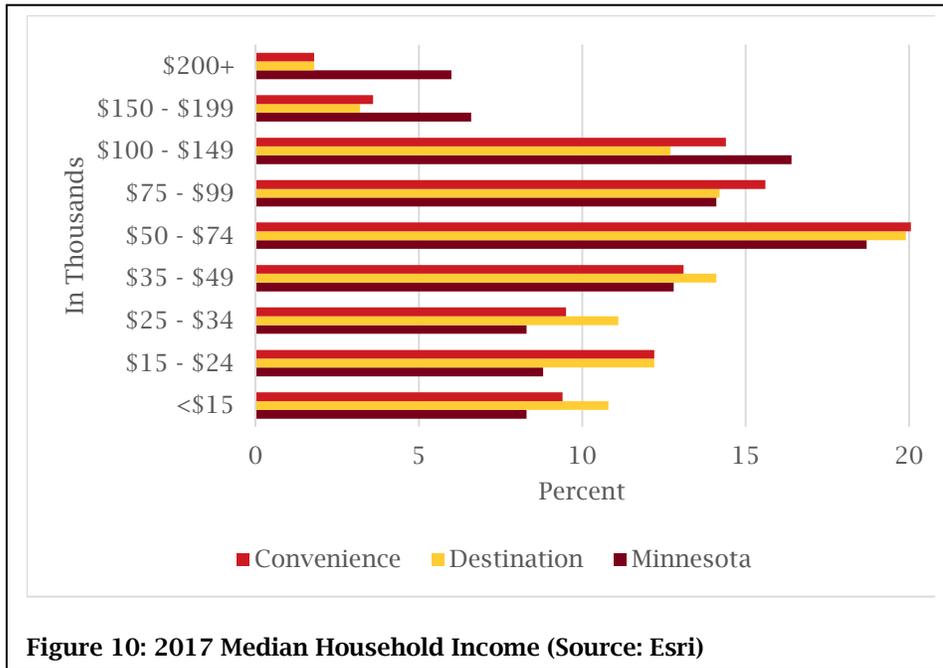
Both convenience and destination area household incomes are less than state averages (Figure 9). The median convenience area household income in 2017 was \$55,155 compared to \$51,531 in the destination area and \$63,470 in the state. Figure 10 shows the majority of households in both the convenience and destination trade areas are in the range of \$50,000-\$74,000.



Household Size	Poverty Level
1	\$12,060
2	\$16,240
3	\$20,420
4	\$24,600
5	\$28,780
6	\$32,960
7	\$37,140
8	\$41,320
9	\$45,500
10	\$49,680

**Table 1: 2017 Federal Poverty Guidelines**

Demographic data suggests both the convenience and destination trade areas have households living in poverty. The federal government defined the poverty level in 2017 for all states, except Alaska and Hawaii (Table 1).

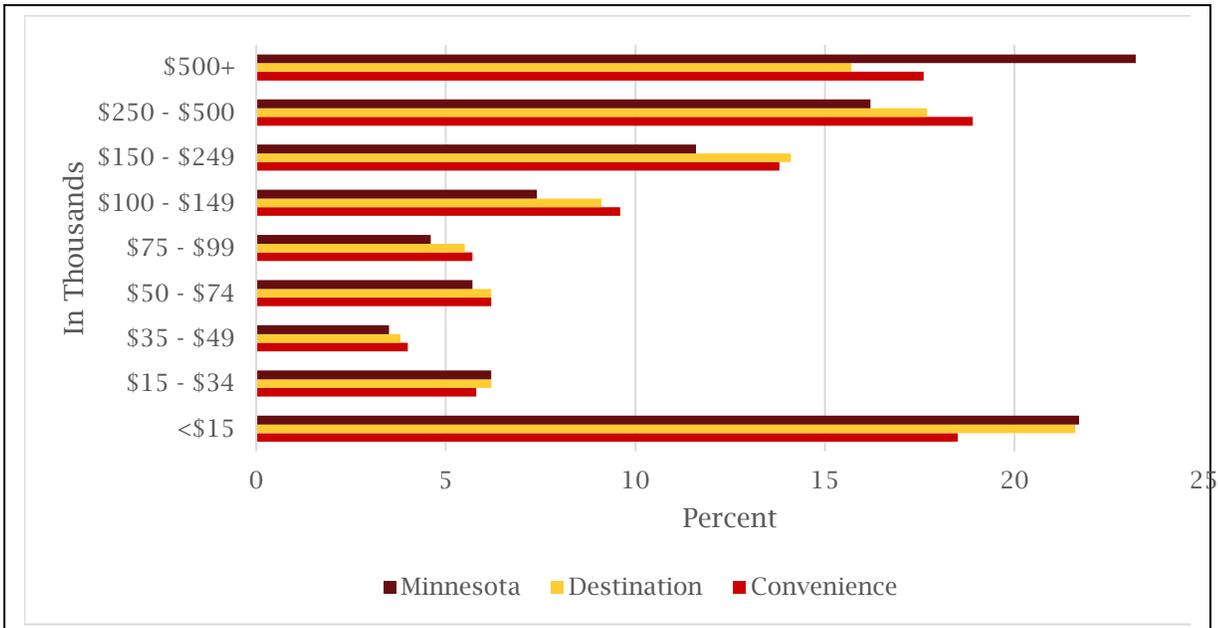


The 2017 median household income for the convenience trade area was \$55,155, \$51,531 for the destination trade area and \$63,470 for the state. In percentage terms, the median household income of the destination trade area is seven percent lower than the convenience trade area. Both, however, are lower than the state's median household income with the convenience trade area 13 percent lower and the destination trade area 19 percent lower.

The distribution of household income is illustrated in Figure 10. The destination trade area has a larger share of their households with \$49,000 and less income than either the convenience trade area or the state. The convenience trade area has a larger share of their households in the \$50,000 to \$149,000 household income than the destination trade area or the state.

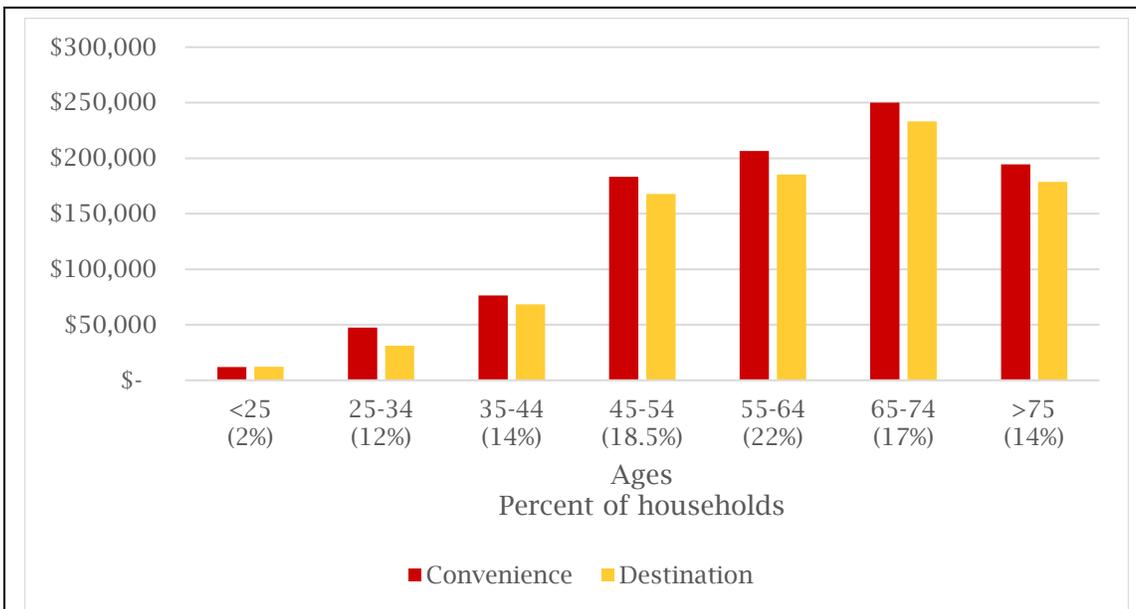
The 2017 median household net worth for the convenience trade area was \$151,321, \$133,085 for the destination trade area and \$151,171 for the state. The median household net worth of the destination trade area is 12 percent lower than the median household net worth of both the convenience trade area and the state.

Figure 11 shows nineteen percent of convenience area households and 22 percent of destination trade area households have net worth of less than \$15,000. On the other end of the spectrum, 37 percent of convenience area households and 33 percent of destination trade area households have net worth over \$250,000.



**Figure 11: 2017 Household Net Worth (Source: Esri)**

Figure 12 shows the 17 percent of households headed by someone 65-74 years old have the highest median net worth at \$250,000 for convenience trade area and \$233,065 for destination trade area. Forty percent of households are headed by someone 45-64 years. These households have a median net worth between \$183,150 and \$206,534 for convenience trade area households and \$167,928 and \$185,244 for destination trade area households. Households headed by persons under 25 years old have the lowest median net worth in both trade areas.



**Figure 12: 2017 Household Net Worth by Age of Head of Household (Source: Esri)**

How businesses can use demographic information:

A list of helpful tools for communities to use to strengthen their downtowns can be found at <http://www.extension.umn.edu/community/retail/downtown/>. The following information is excerpt from this site.

- **Age** is an important factor to consider, as personal expenditures change as people grow older. As baby boomers age, catering to the needs of this generation may be beneficial to retailers. Consumer spending at drug stores and for assisted care services flourishes in areas with a large elderly population. In general, however, older populations tend to spend less on a majority of goods and services. Studies indicate that nightlife and entertainment spending (e.g., restaurants, bars, and theaters) by people over 65 is roughly half than the amount spent by those under 65. Older adults also spend considerably less on apparel than other age groups.

At the other end of the spectrum, toy stores, day care centers, and stores with baby care items do well in areas with families that have children. Clothing stores and fast food establishments also thrive in areas with a high adolescent population. Some entertainment and recreational venues, such as movie theatres and golf courses, serve a broad section of the population. Other venues, such as water parks or arcades, target certain age groups.

- Data show that **race and ethnicity** affects spending habits as much as other demographic characteristics, such as income and age. Retailers using segmentation based on race and ethnic groups must ensure their efforts accurately reflect the true preferences and behaviors of the community.
- **Home ownership** directly correlates with expenditures for home furnishings and equipment. Furniture, appliances, hardware, paint/wallpaper, floor covering, gardening items, and other home improvement products all prosper in active housing markets.
- In general, people living in areas with high levels of **educational attainment** tend to prefer shopping at smaller, non-chain specialty retail stores located downtown. They also tend to visit cultural establishments like museums and theaters at a frequency more than three times greater than those without a college degree. On the other hand, less educated populations generally have lower incomes and thus tend to prefer shopping at discount retail outlets and chain stores. This group also spends more money on car maintenance and tobacco products than those with a college degree.
- **Occupational concentrations** of white and blue-collar workers are used as another gauge for a market's taste preferences. Specialty apparel stores thrive in middle-to-upper income areas and those with above-average white-collar employment levels. Second-hand clothing stores and used car dealerships are successful in areas with a higher concentration of blue-collar workers. Office supply stores and large music and video stores are especially sensitive to the occupational profile, as these retailers target growth areas with a majority of white-collar workers.
- **Household income** data is a good indicator of residents' spending power, as it positively correlates with retail expenditures in many product categories. When evaluating a market, retailers should look at the median, or average, household income in a trade area

and seek a minimum number of households within a certain income range before establishing a business or setting prices.

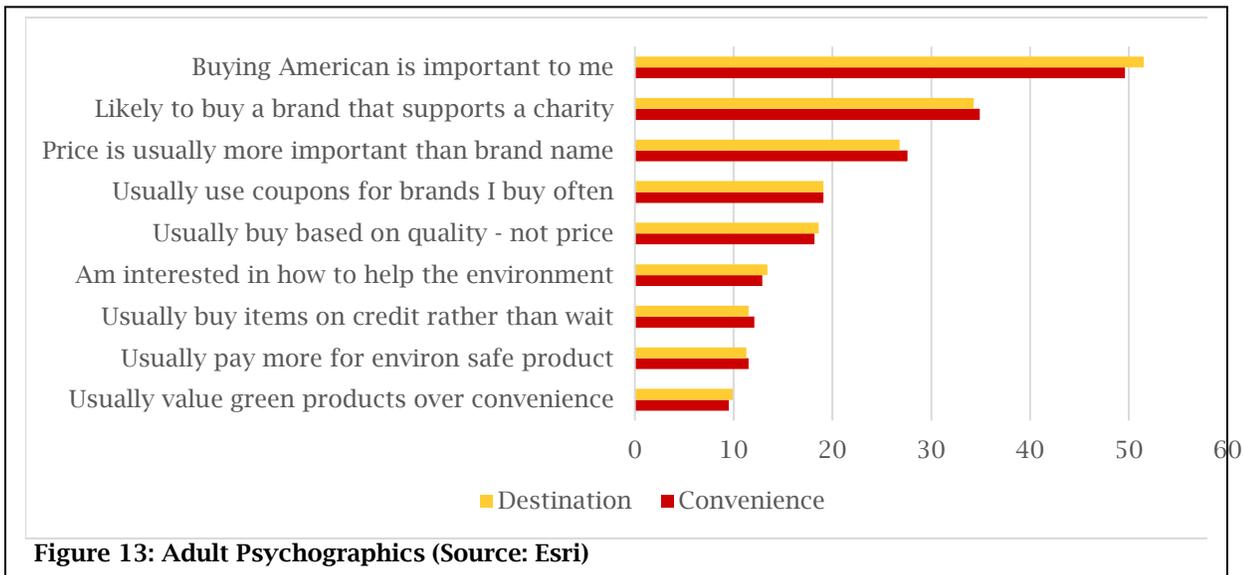
Another common practice is to analyze the distribution of household incomes. A few store categories, such as auto parts, are more commonly found in areas with lower household incomes. Highly affluent households with annual incomes above \$100,000 are strong consumers, as well as physically active and civic-minded. Gearing a retail mix toward this segment may require a focus in luxury goods and services.

Middle-income households with an annual income between \$20,000 and \$50,000 are more mindful of their expenses than highly affluent families. These households tend to be more frugal and selective with their buying behavior, shopping at discount outlets for groceries and other goods rather than high-end stores.

Big box stores are particularly popular for middle and low-income households. Low-income households with annual incomes below \$20,000 are living in poverty and thus spend very little on goods and services across the board.

## ADULT PSYCHOGRAPHICS

Consumers may weigh certain values in their purchasing decisions, as illustrated in Figure 13. For example, buying American is an important consideration for about half of both convenience and destination residents. Businesses that support charities are also important to a third of adults. Price and incentives, such as coupons, influence 27 percent and 19 percent of adults, respectively. Because only 12 percent of adults buy on credit, they prefer to save for their purchases. Products that are environmentally safe rank low on purchasing criteria.



How businesses can use this information:

- After identifying the lifestyle customers for your business, examine merchandise to determine whether or not your price range fits with their household budget and spending patterns.
- Inform customers of American-made products within your merchandise selection.
- If you support charities, ensure your customers are aware of your donations.
- Explore coupons or other incentives for your customers.

## **HOUSEHOLD BUDGETS**

Based on the *Survey of the American Consumer*, Esri estimates household expenditures (see Appendix A for more details). Table 2 shows the estimated average household expenditures for both the convenience and destination trade areas.

How businesses can use this information

- Compare your store sales to estimated household expenditures to determine your capture of the convenience and destination trade area markets.
- Identify product lines with opportunities for your business based on gross household expenditures in the convenience and destination trade areas.

**Table 2**  
**Household Retail Goods and Services Expenditures**

(Source: Esri)

	Convenience Trade Area	Destination Trade Area
Population	10,597	51,923
Households	4,178	20,054
Families	2,802	13,461
Median Age	44.0	43.8
Median Household Income	\$55,155	\$51,531
	<b>Average</b>	<b>Average</b>
<b>Apparel and Services</b>	\$1,741.29	\$1,630.74
Men's	\$343.78	\$322.97
Women's	\$607.89	\$569.37
Children's	\$262.93	\$248.18
Footwear	\$371.70	\$350.59
Watches & Jewelry	\$92.74	\$84.64
Apparel Products and Services (1)	\$62.26	\$54.99
<b>Computer</b>		
Computers and Hardware for Home Use	\$137.85	\$127.19
Portable Memory	\$4.19	\$3.93
Computer Software	\$8.80	\$7.92
Computer Accessories	\$14.92	\$13.74
<b>Entertainment &amp; Recreation</b>	\$2,711.80	\$2,635.49
Fees and Admissions	\$495.27	\$442.38
Membership Fees for Clubs (2)	\$166.41	\$147.73
Fees for Participant Sports, excl. Trips	\$80.30	\$71.84
Tickets to Theatre/Operas/Concerts	\$47.43	\$42.45
Tickets to Movies/Museums/Parks	\$57.81	\$52.66
Admission to Sporting Events, excl. Trips	\$44.79	\$40.01
Fees for Recreational Lessons	\$97.94	\$87.22
Dating Services	\$0.59	\$0.48
TV/Video/Audio	\$1,119.65	\$1,099.08
Cable and Satellite Television Services	\$849.19	\$841.57
Televisions	\$96.89	\$90.52
Satellite Dishes	\$1.08	\$1.02
VCRs, Video Cameras, and DVD Players	\$5.39	\$5.27
Miscellaneous Video Equipment	\$8.26	\$8.00
Video Cassettes and DVDs	\$13.16	\$13.09
Video Game Hardware/Accessories	\$23.37	\$22.58
Video Game Software	\$12.16	\$11.58
Streaming/Downloaded Video	\$20.38	\$19.26
Rental of Video Cassettes and DVDs	\$12.03	\$11.71
Installation of Televisions	\$0.75	\$0.62

Audio (3)		\$73.88	\$71.02
Rental and Repair of TV/Radio/Sound Equipment		\$3.10	\$2.84
Pets		\$564.31	\$578.50
Toys/Games/Crafts/Hobbies (4)		\$104.80	\$100.13
Recreational Vehicles and Fees (5)		\$99.59	\$99.65
Sports/Recreation/Exercise Equipment (6)		\$144.69	\$141.48
Photo Equipment and Supplies (7)		\$44.89	\$42.20
Reading (8)		\$113.88	\$110.54
Catered Affairs (9)		\$24.73	\$21.53
<b>Food</b>		\$7,093.69	\$6,893.40
Food at Home		\$4,342.57	\$4,274.21
Bakery and Cereal Products		\$576.35	\$566.48
Meats, Poultry, Fish, and Eggs		\$990.75	\$975.08
Dairy Products		\$468.99	\$468.34
Fruits and Vegetables		\$823.74	\$800.77
Snacks and Other Food at Home (10)		\$1,482.74	\$1,463.55
Food Away from Home		\$2,751.12	\$2,619.18
Alcoholic Beverages		\$452.85	\$422.34
<b>Financial</b>			
Value of Stocks/Bonds/Mutual Funds		\$5,487.38	\$5,031.20
Value of Retirement Plans		\$22,334.51	\$21,076.53
Value of Other Financial Assets		\$1,304.53	\$1,346.55
Vehicle Loan Amount excluding Interest		\$2,504.16	\$2,539.57
Value of Credit Card Debt		\$499.65	\$472.34
<b>Health</b>			
Nonprescription Drugs		\$118.65	\$119.79
Prescription Drugs		\$376.57	\$382.93
Eyeglasses and Contact Lenses		\$86.73	\$85.47
<b>Home</b>			
Mortgage Payment and Basics (11)		\$7,574.86	\$7,046.17
Maintenance and Remodeling Services		\$1,782.44	\$1,684.55
Maintenance and Remodeling Materials (12)		\$399.81	\$409.48
Utilities, Fuel, and Public Services		\$4,512.25	\$4,448.35
<b>Household Furnishings and Equipment</b>			
Household Textiles (13)		\$79.06	\$74.56
Furniture		\$471.57	\$443.80
Rugs		\$19.23	\$17.62
Major Appliances (14)		\$297.89	\$298.32
Housewares (15)		\$82.12	\$80.33
Small Appliances		\$41.33	\$39.56
Luggage		\$9.05	\$7.96
Telephones and Accessories		\$57.00	\$53.32
<b>Household Operations</b>			
Child Care		\$349.36	\$316.42

Lawn and Garden (16)		\$408.00	\$408.12
Moving/Storage/Freight Express		\$47.05	\$43.68
Housekeeping Supplies (17)		\$629.30	\$620.28
<b>Insurance</b>			
Owners and Renters Insurance		\$505.40	\$501.49
Vehicle Insurance		\$1,023.36	\$997.19
Life/Other Insurance		\$390.75	\$373.73
Health Insurance		\$3,343.67	\$3,299.28
Personal Care Products (18)		\$395.06	\$378.79
School Books and Supplies (19)		\$122.89	\$115.34
Smoking Products		\$405.43	\$439.06
<b>Transportation</b>			
Payments on Vehicles excluding Leases		\$2,029.16	\$1,992.35
Gasoline and Motor Oil		\$2,461.05	\$2,457.04
Vehicle Maintenance and Repairs		\$947.65	\$930.73
<b>Travel</b>			
Airline Fares		\$401.02	\$366.57
Lodging on Trips		\$451.49	\$426.81
Auto/Truck Rental on Trips		\$21.24	\$20.20
Food and Drink on Trips		\$422.50	\$399.59

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- (1) **Apparel Products and Services** includes material for making clothes, sewing patterns and notions, shoe repair and other shoe services, apparel laundry and dry cleaning, alteration, repair and tailoring of apparel, clothing rental and storage, and watch and jewelry repair.
- (2) **Membership Fees for Clubs** includes membership fees for social, recreational, and civic clubs.
- (3) **Audio** includes satellite radio service, sound components and systems, digital audio players, records, CDs, audio tapes, streaming/downloaded audio, tape recorders, radios, musical instruments and accessories, and rental and repair of musical instruments.
- (4) **Toys and Games** includes toys, games, arts and crafts, tricycles, playground equipment, arcade games, and online entertainment and games.
- (5) **Recreational Vehicles & Fees** includes docking and landing fees for boats and planes, purchase and rental of RVs or boats, and camp fees.
- (6) **Sports/Recreation/Exercise Equipment** includes exercise equipment and gear, game tables, bicycles, camping equipment, hunting and fishing equipment, winter sports equipment, water sports equipment, other sports equipment, and rental/repair of sports/recreation/exercise equipment.
- (7) **Photo Equipment and Supplies** includes film, film processing, photographic equipment, rental and repair of photo equipment, and photographer fees.
- (8) **Reading** includes digital book readers, books, magazine and newspaper subscriptions, and single copies of magazines and newspapers..
- (9) **Catered Affairs** includes expenses associated with live entertainment and rental of party supplies.
- (10) **Snacks and Other Food at Home** includes candy, chewing gum, sugar, artificial sweeteners, jam, jelly, preserves, margarine, fat, oil, salad dressing, nondairy cream and milk, peanut butter, frozen prepared food, potato chips, nuts, salt, spices, seasonings, olives, pickles, relishes, sauces, gravy, other condiments, soup, prepared salad, prepared dessert, baby food, miscellaneous prepared food, and nonalcoholic beverages.
- (11) **Mortgage Payment and Basics** includes mortgage interest, mortgage principal, property taxes, homeowners insurance, and ground rent.
- (12) **Maintenance and Remodeling Materials** includes supplies/tools/equipment for painting and wallpapering, plumbing supplies and equipment, electrical/heating/AC supplies, materials for hard surface flooring, materials for roofing/gutters, materials for plaster/panel/siding, materials for patio/fence/brick work, landscaping materials, and insulation materials for owned homes.
- (13) **Household Textiles** includes bathroom linens, bedroom linens, kitchen linens, dining room linens, other linens, curtains, draperies, slipcovers, decorative pillows, and materials for slipcovers and curtains.
- (14) **Major Appliances** includes dishwashers, disposals, refrigerators, freezers, washers, dryers, stoves, ovens, microwaves, window air conditioners, electric floor cleaning equipment, sewing machines, and miscellaneous appliances.
- (15) **Housewares** includes plastic dinnerware, china, flatware, glassware, serving pieces, nonelectric cookware, and tableware.
- (16) **Lawn and Garden** includes lawn and garden supplies, equipment and care service, indoor plants, fresh flowers, and repair/rental of lawn and garden equipment.
- (17) **Housekeeping Supplies** includes soaps and laundry detergents, cleaning products, toilet tissue, paper towels, napkins, paper/plastic/foil products, stationery, giftwrap supplies, postage, and delivery services.
- (18) **Personal Care Products** includes hair care products, nonelectric articles for hair, wigs, hairpieces, oral hygiene products, shaving needs, perfume, cosmetics, skincare, bath products, nail products, deodorant, feminine hygiene products, adult diapers, and personal care appliances.
- (19) **School Books and Supplies** includes school books and supplies for College, Elementary school, High school, Vocational/Technical School, Preschool/Other Schools, and Other School Supplies.

**Data Note:** Detail may not sum to totals due to rounding. This report is not a comprehensive list of all consumer spending variables therefore the variables in each section may not sum to totals.

**Source:** Esri forecasts for 2017 and 2022; Consumer Spending data are derived from the 2014 and 2015 Consumer Expenditure Surveys, Bureau of Labor Statistics.

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## COMMUTING PATTERNS

People tend to buy goods and services near where they live or work. Therefore, it is important to understand commuting patterns to better identify retail competition.

### Convenience Trade Area

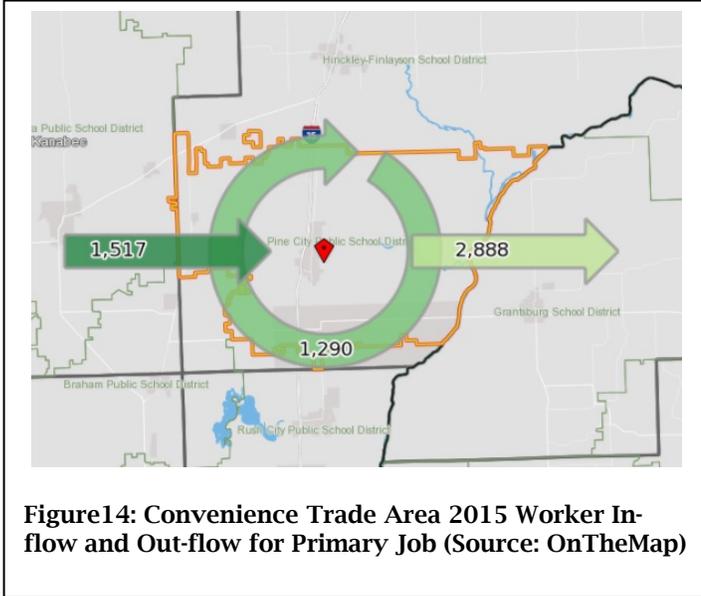
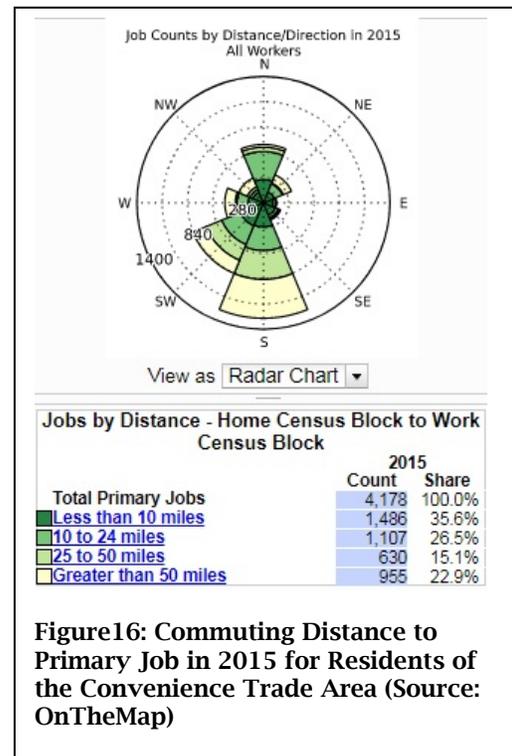
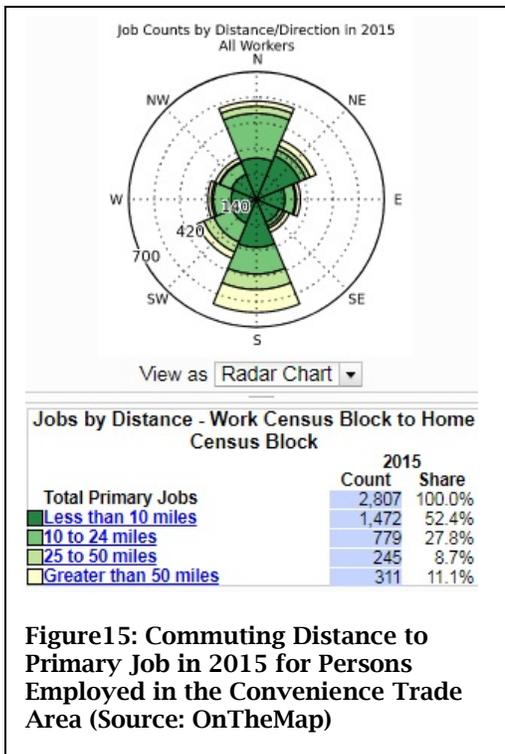
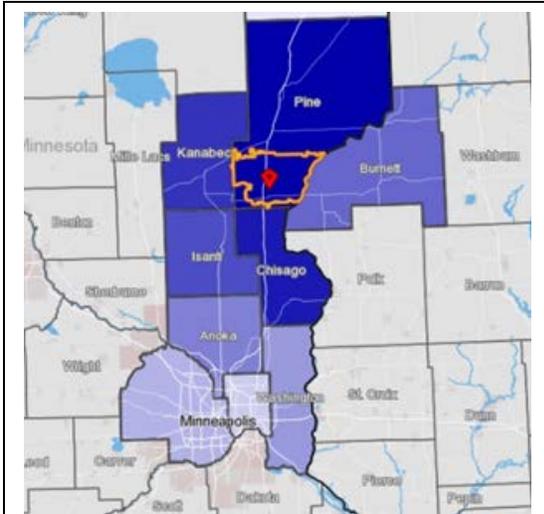


Figure 14 shows the worker inflow and outflow of the convenience trade area. It also reveals that area employers drew 1,517 workers from outside the trade area and 1,290 from residents of the trade area. More than two-thirds of employed residents (2,888), however, commuted outside the trade area for their primary job in 2015.

Employers in the convenience area drew 80 percent of their employees from within 24 miles (Figure 15). Similarly, nearly two-thirds of convenience area residents also commuted less than 24 miles to their primary job in 2015 (Figure 16).



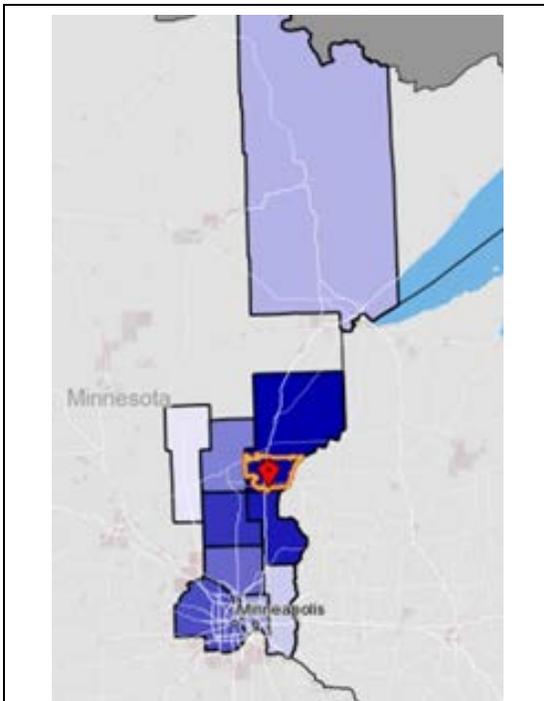


**Figure17: Top 10 Counties where People Live Who are Employed in the Convenience Trade Area (Source: OnTheMap)**

County	Count	Percent
Pine	1,779	63.4%
Chisago	250	8.9%
Kanabec	172	6.1%
Isanti	121	4.3%
Burnett (WI)	70	2.5%
Anoka	63	2.2%
Washington	38	1.4%
Hennepin	34	1.2%
Ramsey	25	0.9%
Carlton	21	0.7%
	2,552	91.0%

**Table 3: Top 10 Counties where People Live Who are Employed in the Convenience Trade Area (Source: OnTheMap)**

The top ten counties, identified in Figure 17, account for 91 percent of the home locations of people employed in the convenience trade area, with Table 3 detailing employee counts. The top ten counties of residents' job locations are identified in Figure 18 with Table 4 detailing employee counts.



**Figure18: 2015 Primary Job Locations of Residents of the Convenience Trade Area (Source: OnTheMap)**

County	Count	Percent
Pine	1843	44.1%
Chisago	499	11.9%
Isanti	337	8.1%
Hennepin	284	6.8%
Anoka	198	4.7%
Kanabec	157	3.8%
Ramsey	101	2.4%
St Louis	83	2.0%
Washington	65	1.6%
Mille Lacs	51	1.2%
	3618	86.6%

**Table 4: 2015 Primary Job Locations of Residents of the Convenience Trade Area (Source: OnTheMap)**

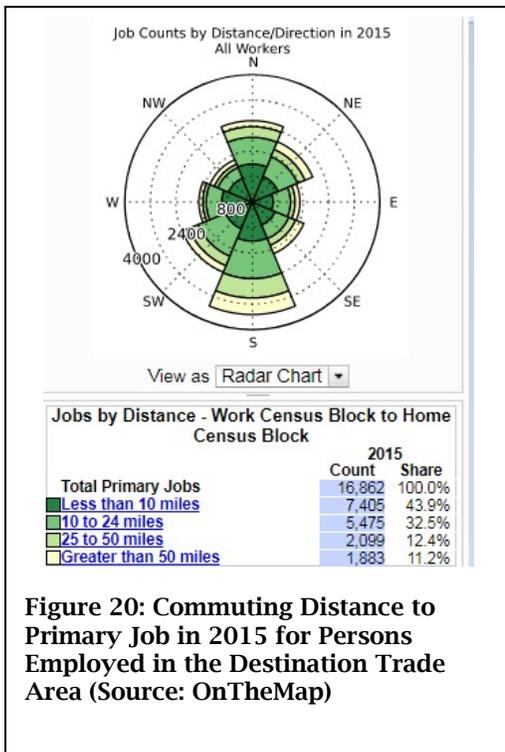
## Destination Trade Area



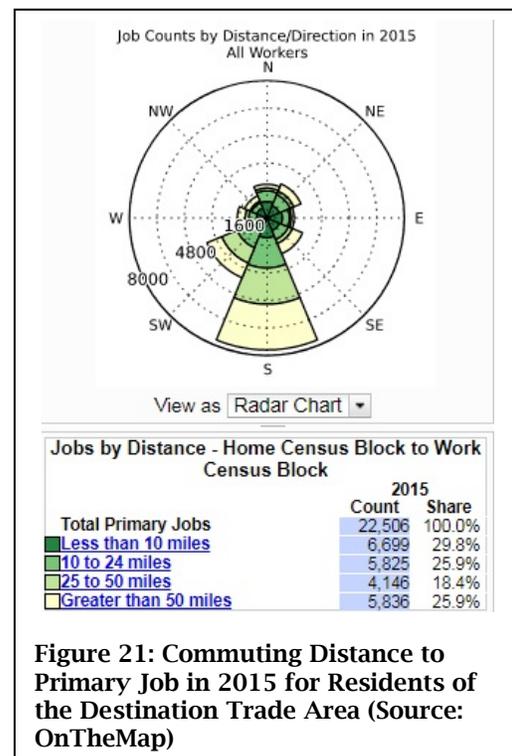
**Figure 19: Destination Trade Area 2015 Worker In-flow and Out-flow for Primary Job (Source: OnTheMap)**

Figure 19 shows the worker inflow and outflow of the destination trade area. It also reveals that area employers drew 7,154 workers from outside the trade area and 9,708 from residents of the trade area. Over half (57 percent) of employed residents (12,798) commuted outside the trade area for their primary job in 2015.

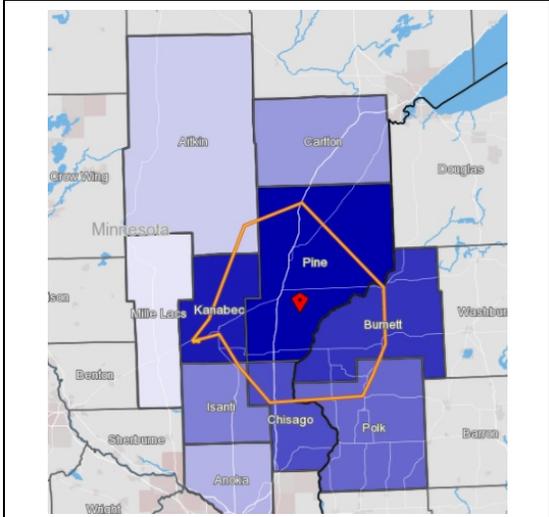
Employers in the destination area drew 76.4 percent of their employees from within 24 miles (Figure 20). Of the 22,506 residents who are employed, 56 percent commuted less than 24 miles to their primary job in 2015 (Figure 21).



**Figure 20: Commuting Distance to Primary Job in 2015 for Persons Employed in the Destination Trade Area (Source: OnTheMap)**



**Figure 21: Commuting Distance to Primary Job in 2015 for Residents of the Destination Trade Area (Source: OnTheMap)**

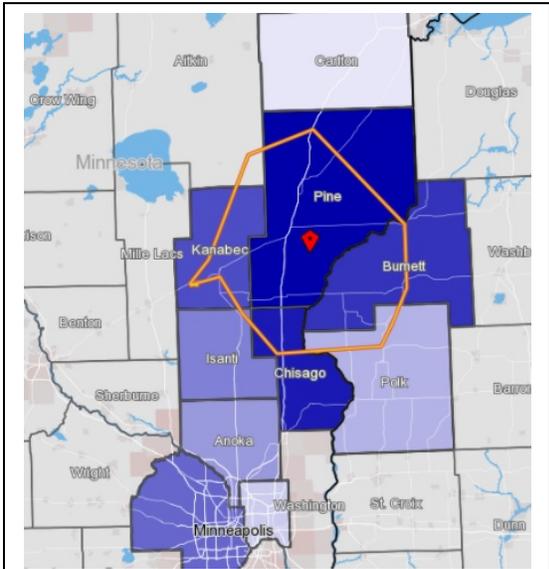


**Figure 22: Top 10 Counties where People Live Who are Employed in the Destination Trade Area (Source: OnTheMap)**

County	Count	Percent
Pine	5,408	32.1%
Kanabec	2,704	16.0%
Burnett (WI)	2,567	15.2%
Chisago	1,295	7.7%
Polk (WI)	951	5.6%
Isanti	827	4.9%
Carlton	255	1.5%
Anoka	231	1.4%
Aitkin	218	1.3%
Mille Lacs	198	1.2%
<b>Total</b>	<b>14,654</b>	<b>87.0%</b>

**Table 5: Top 10 Counties where People Live Who are Employed in the Destination Trade Area (Source: OnTheMap)**

The top ten counties, identified in Figure 22, account for 87 percent of the home locations of people employed in the destination trade area, with Table 5 detailing employee counts. The top ten counties of residents' job locations are identified in Figure 23 with Table 6 detailing employee counts.



**Figure 23: 2015 Primary Job Locations of Residents of the Destination Trade Area (Source: OnTheMap)**

County	Count	Share
Pine	5,026	22.3%
Chisago	1,970	8.8%
Burnett (WI)	1,959	8.7%
Kanabec	1,821	8.1%
Hennepin	1,701	7.6%
Isanti	1,612	7.2%
Anoka	1,079	4.8%
Polk (WI)	1,035	4.6%
Ramsey	871	3.9%
Carlton	474	2.1%
		78.0%

**Table 6: 2015 Primary Job Locations of Residents of the Destination Trade Area (Source: OnTheMap)**

How businesses can use this information:

- Identifying the commuting distance of your customers can help identify competitors. Once you have identified competitors in your area, you can then compare your merchandise selection, quality, price point, and service.
- Identifying residents' work hour and commuting times can inform store hours. If stores are closed evenings and weekends, commuting residents will shop out of town.
- Consider increasing customer convenience by providing online shopping and local delivery or shipping.
- Expanding your services, or better marketing them, can give your store an advantage over big box retailers.

## APPENDIX

### Esri's Data Collection Process

The following information describes Esri's data collection process:

These data are based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by GfK MRI in a nationally representative survey of U.S. households. Esri forecasts for 2015 and 2020.

The *Survey of the American Consumer* provides a detailed view of the 226 million adult consumers in the U.S.—their media choices, demographics, lifestyles and attitudes, and usage of almost 6,000 products in 550 categories. Data are collected in person, with in-home, face-to-face interviews. At each state of the data collection process—from recruiting respondents and interviewing them, to working with them to understand and complete a comprehensive product and lifestyle questionnaire—GfK MRI relies on direct personal interaction. Every year, GfK MRI interviews almost 26,000 adult consumers in the 48 contiguous states for the *Survey of the American Consumer*. Data collection for the *Survey* is a two-state process, and in each state the personal approach advances the reliability of the data.

During the initial in-home interview, GfK MRI interviewers observe and verify household and respondent characteristics and collect a wide range of demographic and media usage data.

The interviewer also solicits cooperation for participation in the second, self-administered phase of the data collection process. The interviewer explains how to fill out the questionnaire booklet and arranges for its return to GfK MRI, often by personally picking it up. This level of attention makes it highly likely that participants will complete the questionnaire, further enhancing the reliability of *Survey* data.

For more detailed information about the data collection, visit:

<http://www.gfkmri.com/Products/TheSurveyoftheAmericanConsumer.aspx>

To view personal interview questions, visit:

[http://www.gfkmri.com/PDF/GfKMRI\\_Wave65PersonalInterview.pdf](http://www.gfkmri.com/PDF/GfKMRI_Wave65PersonalInterview.pdf)

To view the survey, visit:

[http://www.gfkmri.com/PDF/GfKMRI\\_Wave65ProductBooklet.pdf](http://www.gfkmri.com/PDF/GfKMRI_Wave65ProductBooklet.pdf)