



December 5, 2012

The Southeastern Louisiana University Business Research Center (BRC) is jointly operated by the Southeast Louisiana Business Center and the Southeastern College of Business. The BRC provides applied economic analyses and research studies that aid business and economic development efforts for the five-parish Northshore region of southeast Louisiana. The Center represents one aspect of the University's commitment to economic development in the region.

The Center is located in the Southeast Louisiana Business Center on Martens Drive, two blocks west of the main campus of Southeastern Louisiana University. The Business Research Center is a proud member of the Association for University Business and Economic Research (AUBER) and the Council for Community and Economic Research (C2ER).

The City of Bogalusa and the Bogalusa Chamber of Commerce commissioned the BRC to conduct a demographic and commerce analysis of the City of Bogalusa. The following analysis was conducted using generally accepted research methods, models and techniques.

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Sincerely,

A handwritten signature in black ink that reads 'William Joubert'. The signature is written in a cursive style with a long, sweeping underline.

William Joubert
Director
Business Research Center

Southeastern Louisiana University Business Research Center
A Collaborative Effort of the Southeast Louisiana Business Center and
the Southeastern Louisiana University College of Business

BOGALUSA COMMERCE STUDY

Prepared for the
City of Bogalusa
and the
Bogalusa Chamber of Commerce

December 2012

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Southeastern Louisiana
University Business
Research Center and
College of Business

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EXECUTIVE SUMMARY

Bogalusa has evolved over the last century from a company town built for employees of the Great Southern Lumber Company sawmill to a diversified community and healthcare/retail center for its residents and the surrounding rural areas.

Bogalusa had a 2010 estimated population of 12,232, while a surrounding trade area based on the Reilly model includes approximately 24,000 residents. Both the city and, to a lesser degree, the trade area, experienced population declines from 2000 to 2010, particularly among adults 35-44 years of age. Bogalusa's estimated median age in 2010 was 36.9, compared to 39.5 for its trade area, 35.8 for Louisiana, and 37.2 for the U.S.

The education levels attained by Bogalusa residents increased significantly from 1990 to 2012, with the percentage of residents having less than a high school diploma declining from 38.4 percent in 1990 to an estimated 23.2 percent in 2012, and the percentage of residents with *more* than a high school education increasing from 26.1 percent to 34.9 percent over the same period. Residents of the trade area had slightly higher levels of educational attainment than for the city alone, with a lower percentage of residents having less than a high school diploma and a higher percentage completing some level of education beyond high school.

The estimated 2011/12 median household income for the city (\$25,890) and the trade area (\$29,397), both significantly below that of Louisiana (\$41,575). The median income for the city grew at a faster rate from 1999-2011/12 than for the trade area, increasing 34.4 percent compared to 20.5 percent for the trade area.

The largest industry by employment of both city and trade area residents in 2010 was *Health Care & Social Assistance*, which employed approximately 16 percent of residents. The next three largest employment sectors, which each employ 10+ percent of residents, were *Retail Trade*, *Educational Services*, and *Manufacturing*. The fifth largest industry by number of residents employed was *Accommodation & Food Services*, which employed eight to nine percent of trade area and city residents. Combined, these five industries employed 58 percent of city residents and 57 percent of trade area residents in 2010.

Over one-fourth of employed Bogalusa and trade area residents work in either *Sales/Related* (14 – 15 percent) or *Office/Administrative Support* (13 percent) occupations.

Trade area households tend to spend much less than national averages on *Education Expenses*, *Rented Vehicles*, and *Travel*. They spend a larger share of their income than national average households on *Boats and Recreational Vehicles*, *Smoking Products and Supplies*, and *Prescription Drugs*.

Retail trade analysis of the estimated Bogalusa trade area reveals 2012 surpluses in four sectors and deficits in nine. The largest surplus is in the *Health & Personal Care Stores* sector (\$14 million), while the largest deficit is in *Motor Vehicles and Parts Dealers* (\$20 million).

INTRODUCTION

In order to successfully design strategies and programs to support the growth of Bogalusa's economy, it is important to know the baselines and recent trends of various demographic and commerce indicators.

This study utilizes secondary data sources from the U.S. Census Bureau, Claritas Incorporated, ESRI, and the Louisiana Department of Transportation and Development to create a "snapshot" of current conditions in Bogalusa and to illustrate the recent trends of several important factors.

This analysis will contribute to informed decision-making as Bogalusa's public officials and civic leaders seek to grow local businesses and improve the quality of life for area residents in the process.

BACKGROUND AND DEMOGRAPHICS

Bogalusa is located in Washington Parish in the midst of the extensive pine forests of the lower Pearl River Valley (Figure 1), and came into being due to an industry built to take advantage of those natural resources. As explained in the City of Bogalusa Community Assessment Report (2011),

"Bogalusa owes its birth to the enterprise of the Goodyear interests of Buffalo, New York, who established the lumber industry here in 1906, and erected the Great Southern Lumber Company plant. This plant became the largest pine sawmill in the world."

Bogalusa began life as a "company town" designed and quickly built to provide housing for the employees of the sawmill. The City of Bogalusa, Louisiana was formally incorporated on July 14, 1914.

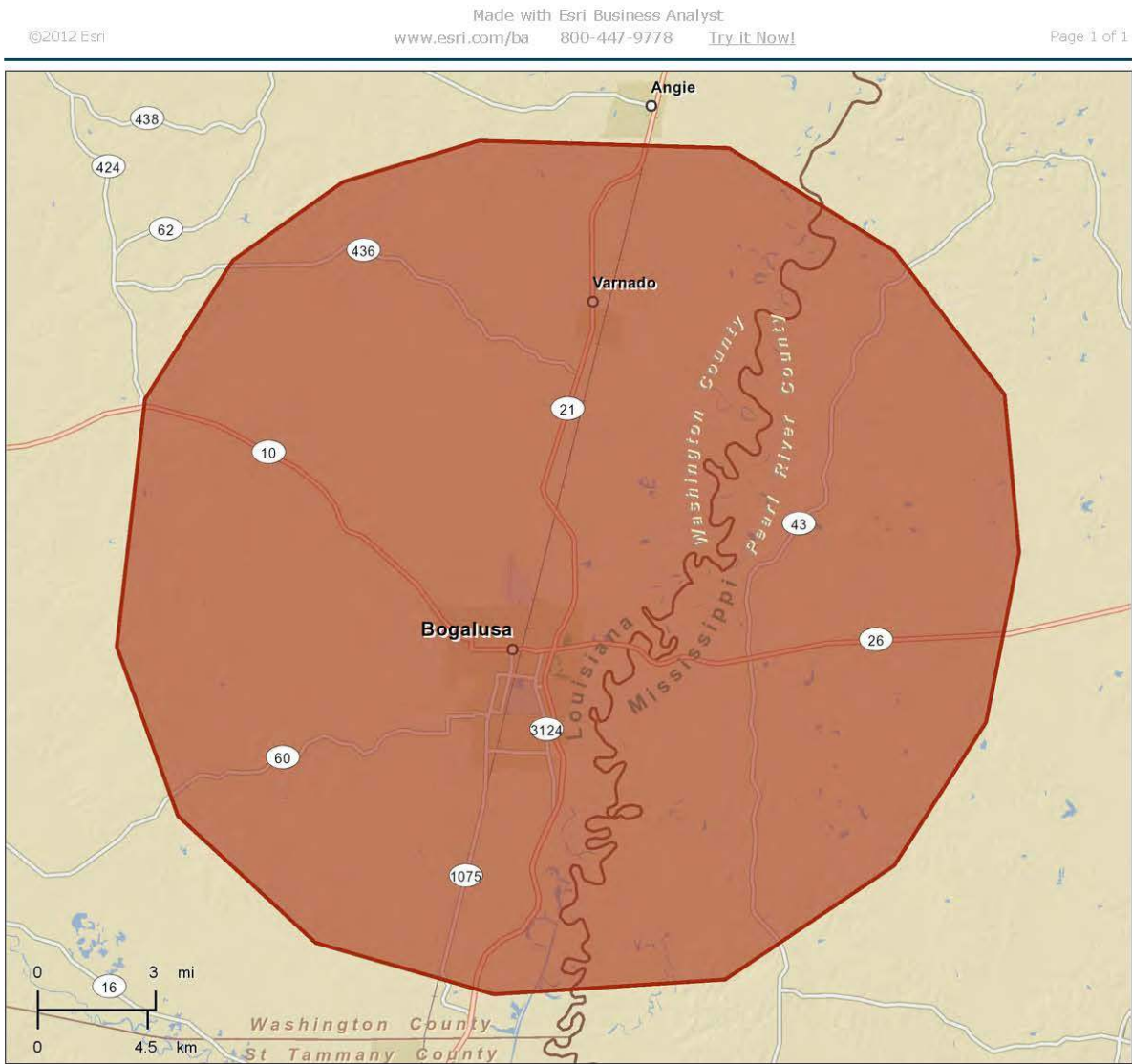
The sawmill has changed ownership through the years and evolved from a sawmill into a paper mill. International Paper became the fifth owner of the mill in its 106-year history when it purchased Temple-Inland Corporation in February 2012.

Timber and lumber industries continue to be important contributors to the area's economy, and the sawmill/paper mill was the largest employer in Bogalusa for many years. Bogalusa has diversified its economy over time, however, and now the LSU Regional Medical Center and the Bogalusa School System are the two largest employers, with the paper mill in third position.

This report analyzes the demographics and commerce for both the City of Bogalusa and its larger "trade area" (Figure 2), where the majority of customers of Bogalusa businesses are believed to reside. Note that approximately 1/3 of Bogalusa's estimated trade area is located in Mississippi. The process involved in estimating the boundaries of the trade area is discussed in a later section of this report.



Figure 2. Estimated Bogalusa Trade Area



Population

According to decennial Census estimates, Bogalusa's population declined from 14,329 in 1990 to 13,365 in 2000 (-6.7 percent), then declined another 8.5 percent to 12,232 in the 2010 Census (see Figure 3). (Note that the x-axis in Figure 3 is not to scale.)

Based on ESRI estimates, the trade area's estimated population increased 1.2 percent from 1990 to 2000, but declined 3.9 percent from 2000 to 2010, ending up at an estimated 24,121 residents in 2010. (Annual population estimates for the trade area from 2001-2009 were not available.)

When Bogalusa's 2000 and 2010 populations are analyzed by age category (Figure 4), the largest numeric and percentage growth occurred among 55-64 year olds, which grew from 1,189 to 1,546 (+30.0 percent, and up from 8.9 percent to 12.6 percent of the population). The greatest numeric and percentage decline occurred in the 35-44 age group, which dropped from 1,720 to 1,240 between 2000 and 2010 (-27.9 percent, and down from 12.9 to 10.1 percent of the city's population).

The population of Bogalusa's trade area showed similar patterns from 2000 to 2010, although the overall decline in population was less severe.

The number of 55-64 year olds increased by 40.5 percent (+953 individuals), while the population of 35-44 year olds declined by 24.2 percent (-879 people). As shown in Figure 5, the percentage of the population of the trade area made up of 55-64 year olds increased from 9.4 to 13.7 percent and the percentage of 45-54 year olds increased from 12.9 to 14.8 percent. Conversely, the percentage of 35-44 year olds declined from 14.4 to 11.4 percent of the trade area population, and the percentage of 15-24 year olds declined from 14.3 to 12.2 percent.

Bogalusa's median age in 2010 was 36.9, compared to 39.5 for the trade area, 35.8 for Louisiana, and 37.2 for the U.S.

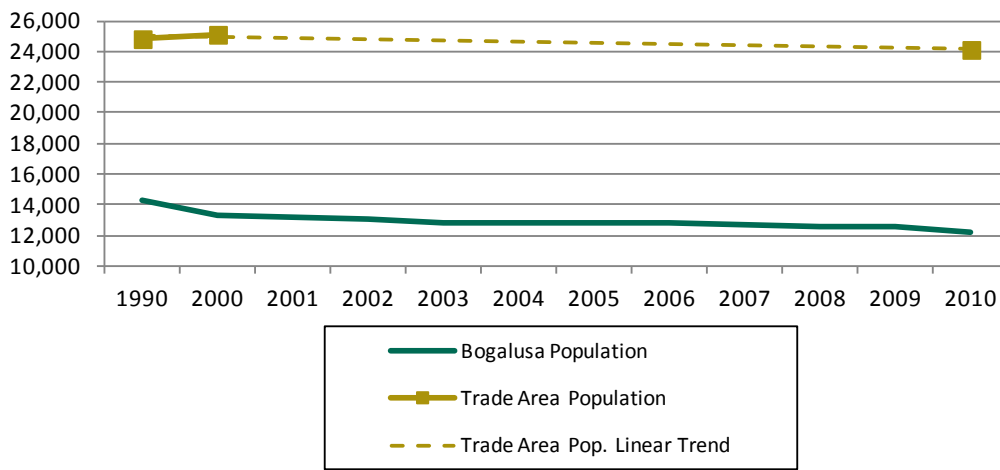
Bogalusa and its trade area's population distributions by age and gender can be compared to each other and to those of Louisiana and the United States by comparing Figures 6-9.

When the genders are combined, Bogalusa has higher percentages of children age 0-9 and adults aged 50+ than the state or nation. Conversely, Bogalusa has lower percentages of residents aged 10-49 than either the state or nation.

Compared to the trade area, Bogalusa has higher percentages of residents in the following age categories:

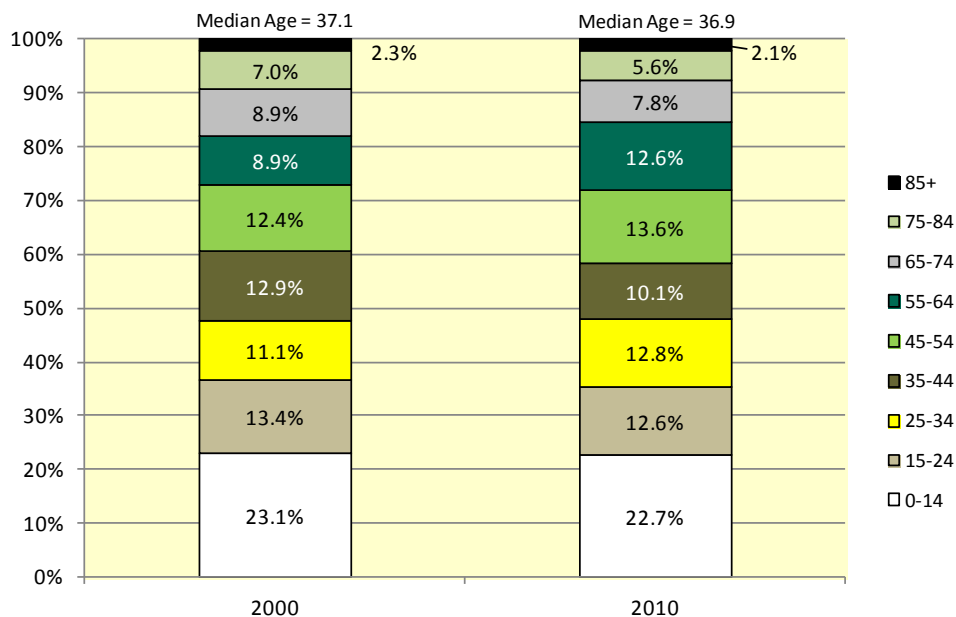
- Age 0-9 (+2.3 percent)
- Age 20-29 (+0.7 percent)
- Age 70-79 (+0.3 percent)
- Age 80-84 (+0.1 percent)

Figure 3. Bogalusa and Trade Area Populations

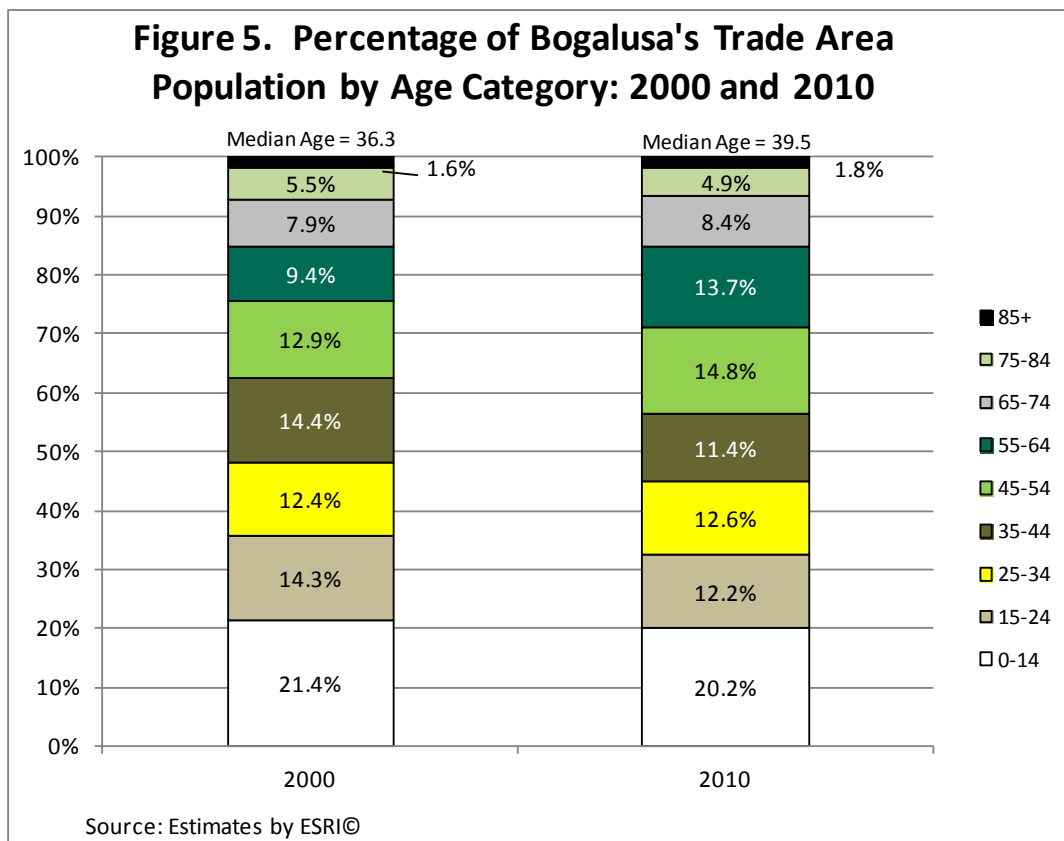


Sources: Bogalusa - U.S. Census Bureau data and estimates.
Trade Area - ESRI© estimates.

Figure 4. Percentage of Bogalusa's Population by Age Category: 2000 and 2010



Source: U.S. Census Bureau



Bogalusa had lower percentages of residents than the trade area in the following categories:

- Age 10-19 (-0.6 percent)
- Age 30-39 (-1.6 percent)
- Age 40-49 (-0.8 percent)
- Age 50-59 (-0.3 percent)
- Age 85+ (-0.1 percent)

The percentage of residents in Bogalusa and the trade area in the 60-69 age bracket are virtually equal.

When the genders are analyzed separately, the greatest differences are in Bogalusa's proportion of males in the 20-29, 30-39, and 40-49 age brackets, where Bogalusa has 1.3 – 2.0 percent smaller proportions in each category than either Louisiana or the U.S.

This difference is illustrated in Figure 10, where Bogalusa's proportion of "working age" males, age 20-69, is approximately five percent lower than the trade area, Louisiana, or the nation.

Bogalusa has a more typical distribution of females (Figure 11), while the trade area has a lower percentage of working age females than the city, Louisiana, or the U.S. Both Bogalusa and the trade area have somewhat higher proportions of females age 70+ than Louisiana or the U.S.

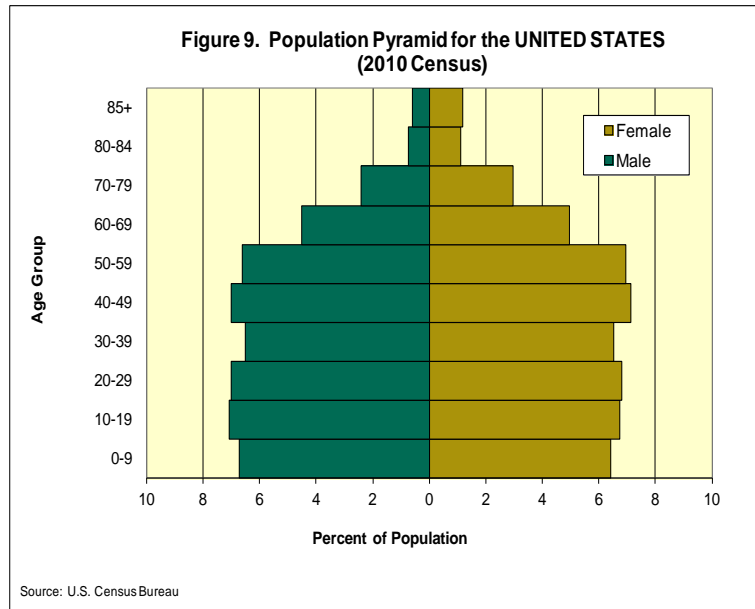
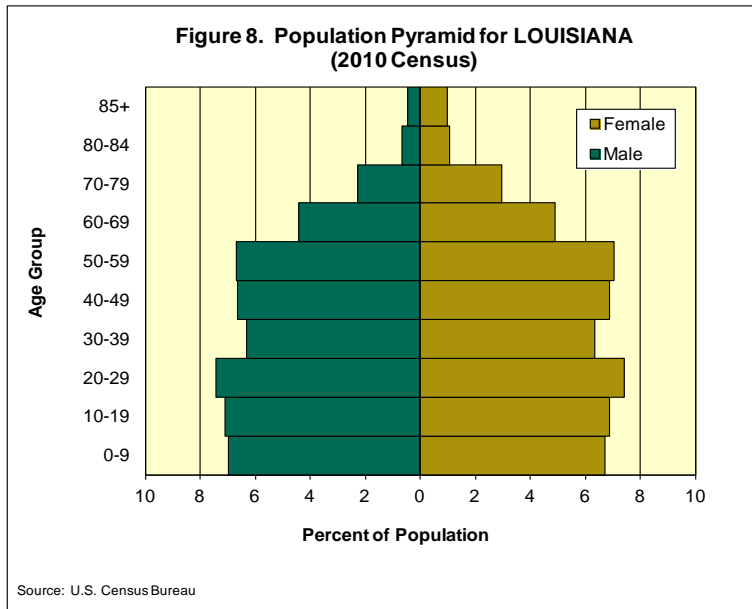
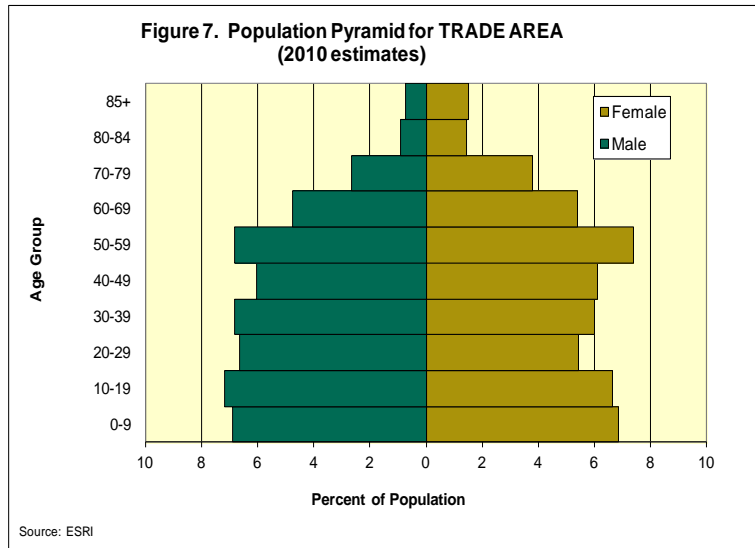
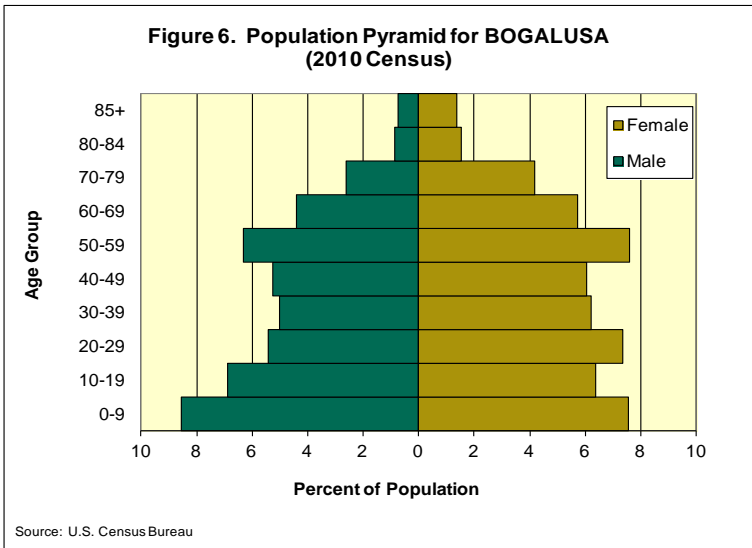
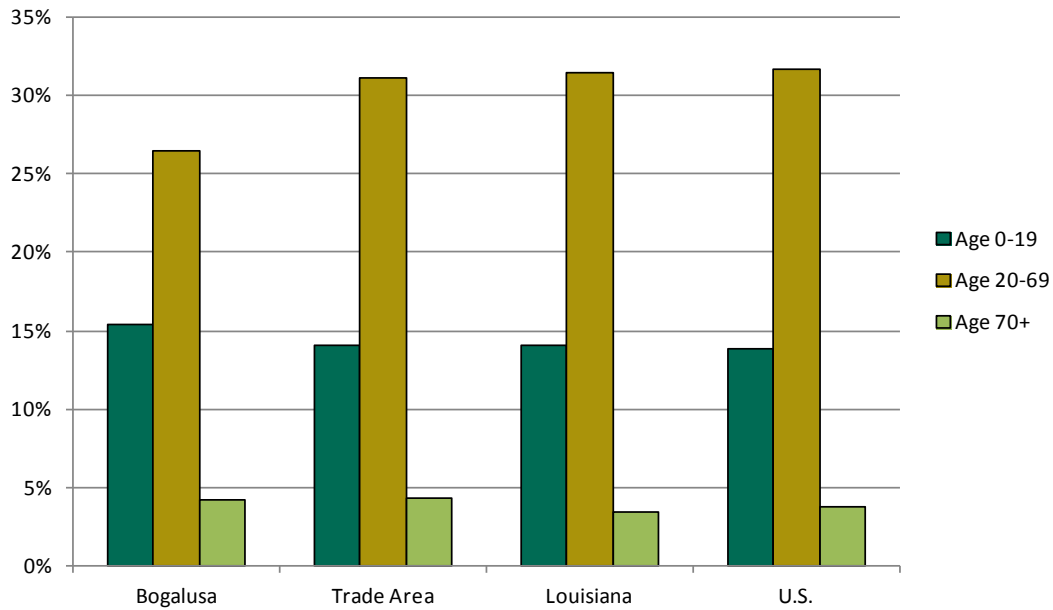
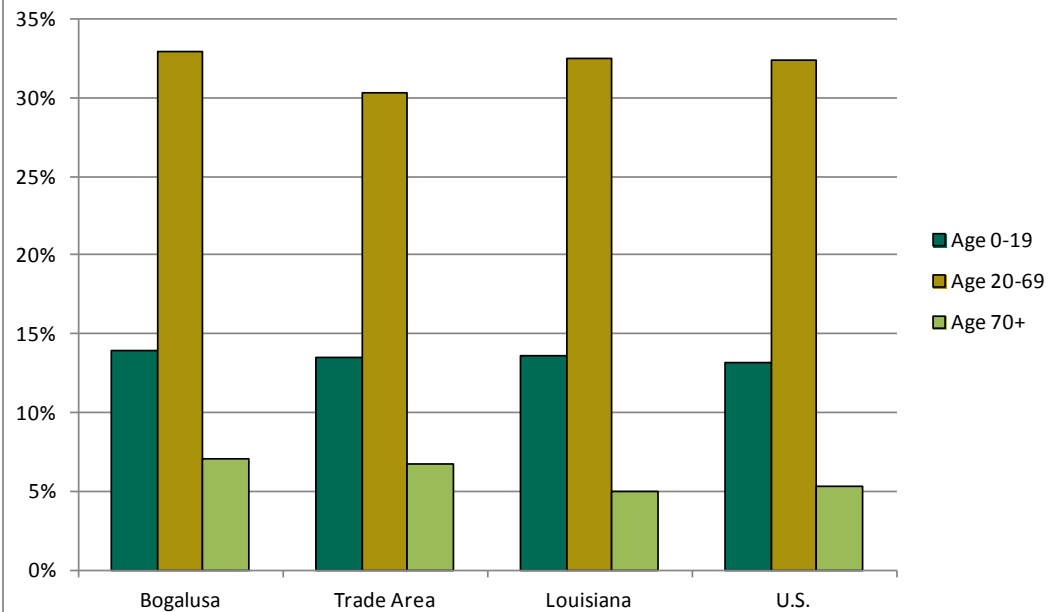


Figure 10. Proportion of Total Population Made Up of MALES of Varying Age Groups



Sources: Bogalusa, LA, and U.S. data from U.S. Census Bureau. Trade area estimates from ESRI.

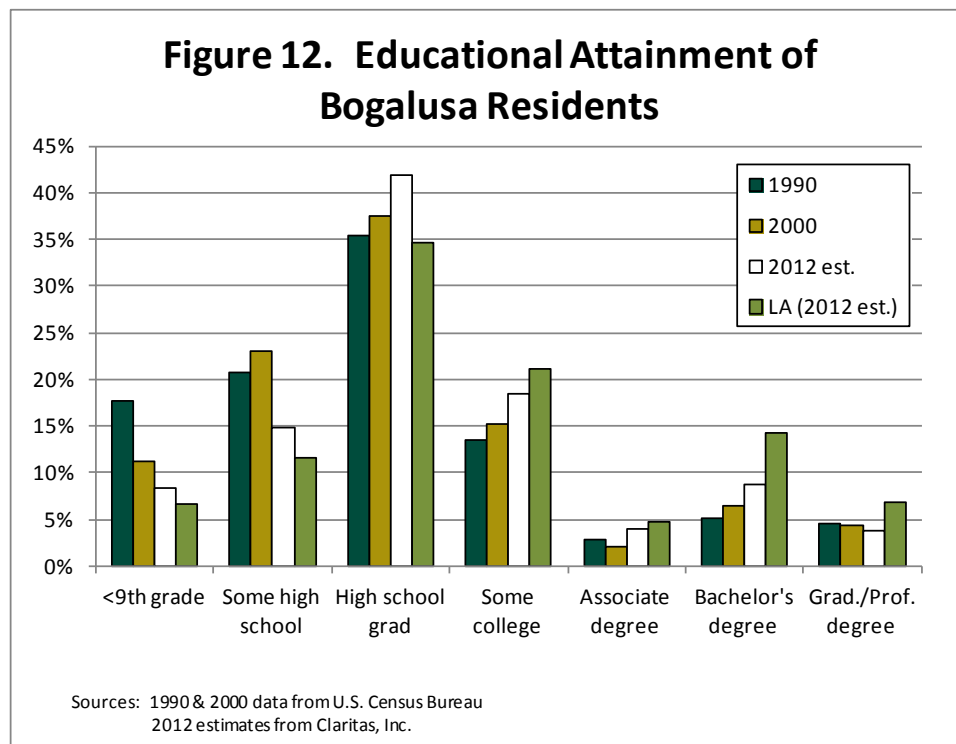
Figure 11. Proportion of Total Population Made Up of FEMALES of Varying Age Groups



Sources: Bogalusa, LA, and U.S. data from U.S. Census Bureau. Trade area estimates from ESRI.

Educational Attainment of Bogalusa Residents

The education levels attained by Bogalusa residents increased significantly from 1990 to 2012, with the percentage of residents having less than a high school diploma declining from 38.4 percent in 1990 to an estimated 23.2 percent in 2012, and the percentage of residents with *more* than a high school education increasing from 26.1 percent to 34.9 percent over the same period (see Figure 12).



As shown in Table 1, residents of the trade area had slightly higher levels of educational attainment than for the city alone, with a lower percentage (-1.8 percent) of residents having less than a high school diploma, and slightly more having a high school diploma (+0.9 percent) or higher (+0.9 percent).

<u>Education Level Attained</u>	<u>Bogalusa</u>	<u>Trade Area</u>
Less than 9th grade	8.3%	7.2%
Some high school	14.9%	14.2%
High school graduate	41.9%	42.8%
Some college	18.5%	18.4%
Associate degree	3.9%	5.0%
Bachelor's degree	8.7%	9.0%
Graduate/Professional degree	<u>3.8%</u>	<u>3.5%</u>
	100.0%	100.0%

Family and Household Incomes

Based on data from the U.S. Census Bureau and Claritas, Inc., 26.1 percent of families in Bogalusa and 20.6 percent of families in the trade area had incomes below the poverty level in 1999 (Table 2). By 2012, Claritas estimates that the Bogalusa percentage was down to 25.1 percent, while the trade area percentage increased to 22.5 percent.

Table 2. Percentage of families with incomes below the Federally-established poverty level		
<u>Bogalusa</u>	<u>1999</u>	<u>2012</u>
Percentage of families with incomes < the poverty level	26.1%	25.1%
<u>Trade Area</u>	<u>1999</u>	<u>2012</u>
Percentage of families with incomes < the poverty level	20.6%	22.5%
Sources: Bogalusa 1999 data – U.S. Census Bureau Bogalusa 2012 and all Trade Area – Estimates by Claritas, Inc.		

Households in the trade area have a higher median income than those in the City of Bogalusa alone (Figure 13), but the gap narrowed between 1999 and 2011/12. In 1999, the median household income in Bogalusa (\$19,261) was 78.9 percent of that of the trade area (\$24,403).

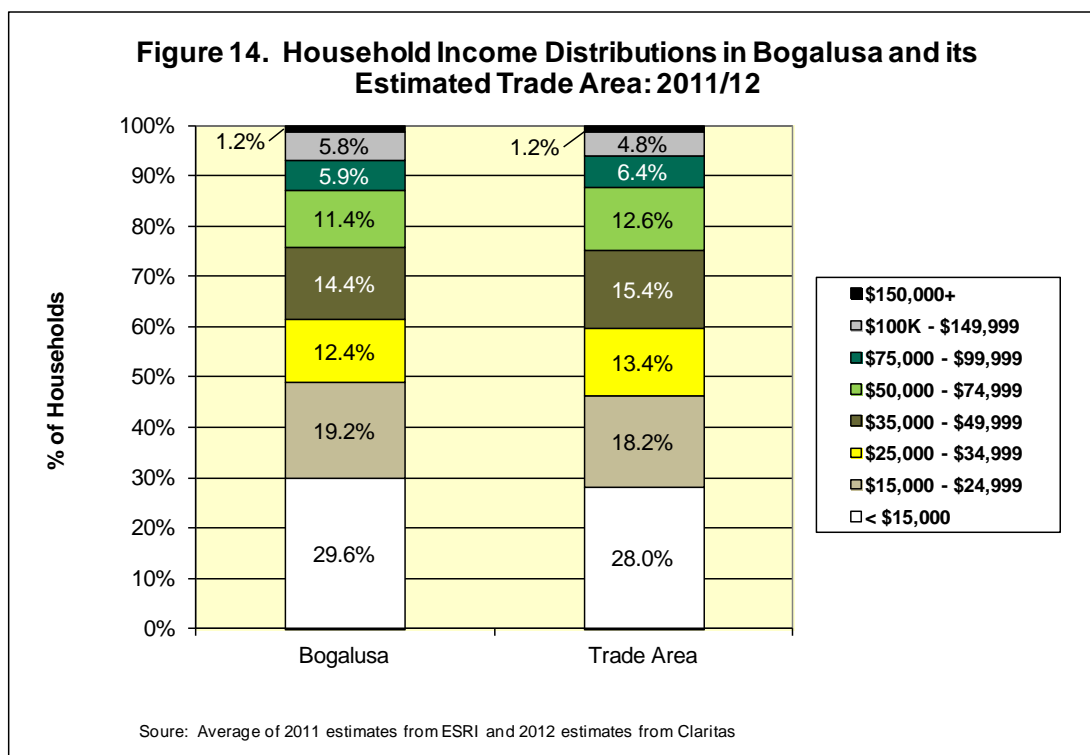
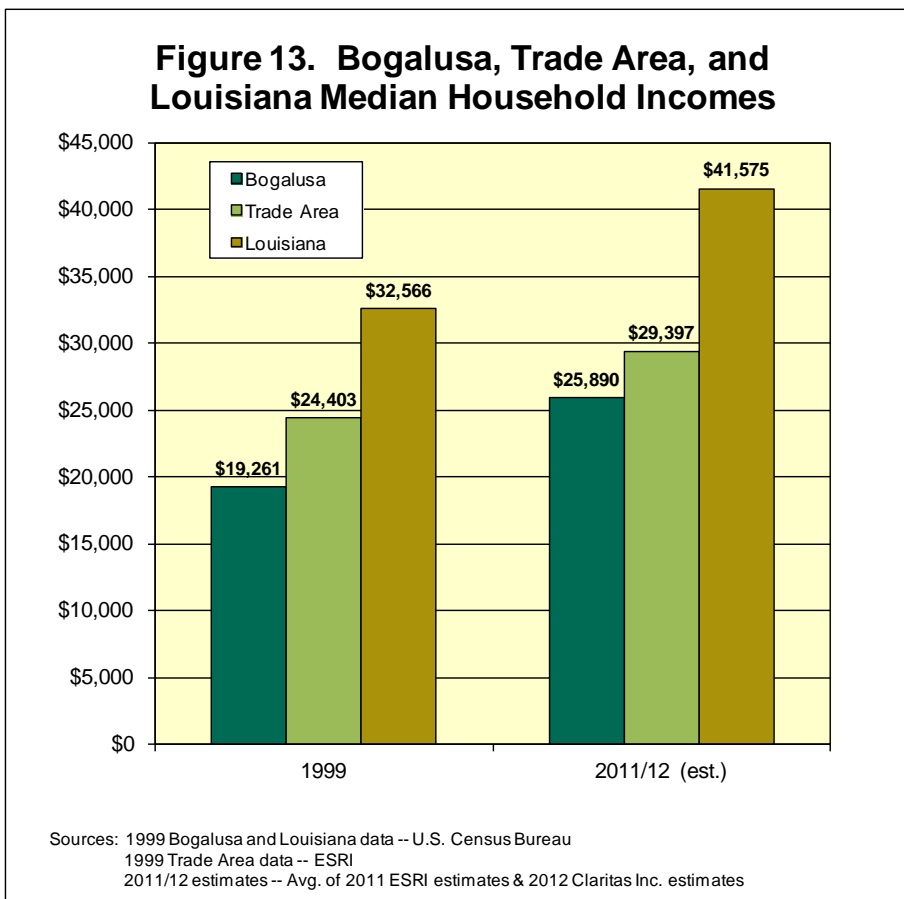
Between 1999 and 2011/12 the median income in Bogalusa grew by 34.4 percent to \$25,890, while the median income in the trade area increased by 20.5 percent to \$29,397. Because incomes in the city grew at a faster rate than in the trade area, by 2011/12 the estimated median household income in Bogalusa had grown to 88.1 percent of that in the trade area.

As shown in Figure 13, median household incomes in both Bogalusa and the trade area were substantially below incomes for Louisiana. The proportion of Bogalusa's median household income compared to the state's did increase from 59.1 percent in 1999 to an estimated 62.3 percent in 2011/12, while the ratio of trade area income to Louisiana's declined from 74.9 to 70.7 percent.

Figure 14 illustrates the distributions of estimated household incomes for Bogalusa and the trade area in 2011/12. Almost half of households in Bogalusa (48.9 percent) had estimated household incomes below \$25,000 in 2011/12, compared to a somewhat lower proportion (46.2 percent) of the trade area.

The trade area has smaller percentages of households in the two lowest income brackets and the \$100K-\$149,999 bracket and larger percentages in the four income brackets in between. Both the city and trade area had an estimated 1.2 percent of households in the highest bracket (\$150K and over).

Approximately 12.9 percent of Bogalusa households had incomes of \$75,000 or more in 2011/12, compared to 12.4 percent in the trade area.



TRAFFIC COUNTS

Based on the most recent available data from the Louisiana Department of Transportation and Development, the most heavily traveled section of road in Bogalusa in 2010 was Avenue B (LA-60) just north of its intersection with Willis Avenue, which recorded an average daily traffic count of 13,419 vehicles (Figure 15). The second highest traffic location was on Superior Avenue (LA-10) between Cumberland Street and Austin Street with 12,900 vehicles per day, and the third-ranked location was on Sullivan Drive (LA-21) just south of its intersection with St. Louis Street (10,158 vehicles per day).

The Sullivan Drive location mentioned above showed both the greatest numeric and percentage increase in traffic from 2007 to 2010, growing by 2,187 vehicles/day (+27.4 percent). The second-highest numeric (+1,063) and third-highest percentage (+13.5 percent) growth monitoring station was also on Sullivan Drive (LA-21), just south of its intersection with Rosa Pearl Lane.

The greatest numeric decline in traffic counts from 2007 to 2010 was recorded on South Columbia Street (LA-3124) near its intersection with West 4th Street, which dropped from 11,888 vehicles in 2007 to 9,072 in 2010, a decrease of 2,816 vehicles (-23.7 percent). The greatest percentage decline occurred further south on South Columbia Street, just above its intersection with Harold Mitchell Drive, which declined from 5,281 vehicles in 2007 to 3,618 in 2010, a drop of 1,663 vehicles (-31.5 percent).

EMPLOYMENT, EARNINGS, and COMMUTING PATTERNS

Employment by Industry

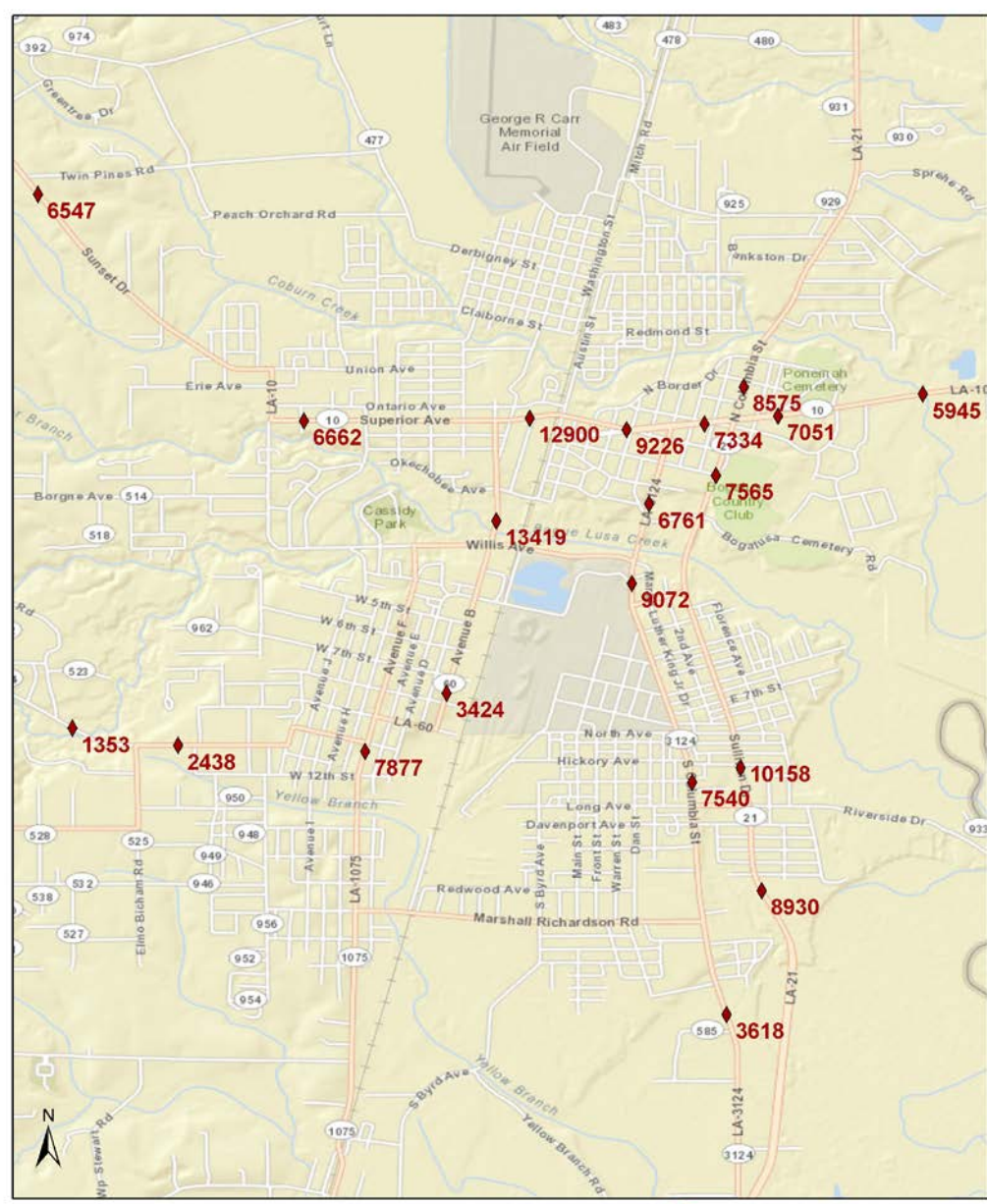
Figure 16 illustrates the percentage of Bogalusa and trade area residents employed in various industries in 2010 (including residents who commute to jobs outside the area). The percentages by industry for the City of Bogalusa and the trade area are very similar, with the top five industries employing local residents being the same.

The largest percentage of both city and trade area residents are employed in *Health Care & Social Assistance*, which employs approximately 16 percent of residents. The next three largest employment sectors, which each employ 10 percent or more of residents, are *Retail Trade* (12-13 percent), *Educational Services* (11 percent), and *Manufacturing* (10 percent). The fifth highest industry by employment of residents is *Accommodation & Food Services*, which employs eight to nine percent of trade area and city residents. Combined, these five industries employed 58 percent of city residents and 57 percent of trade area residents in 2010.

Figure 17 displays the percentage of jobs by industry based in the city and trade area, including jobs held by employees who commute in from outside the area.

The top five industries for employment in the trade area are *Health Care & Social Assistance* (20.9 percent), *Manufacturing* (17.9 percent), *Retail Trade* (14.0 percent), *Educational Services* (9.4 percent), and *Public Administration* (8.9 percent).

Figure 15. Average Daily Traffic Counts: Bogalusa (2010)

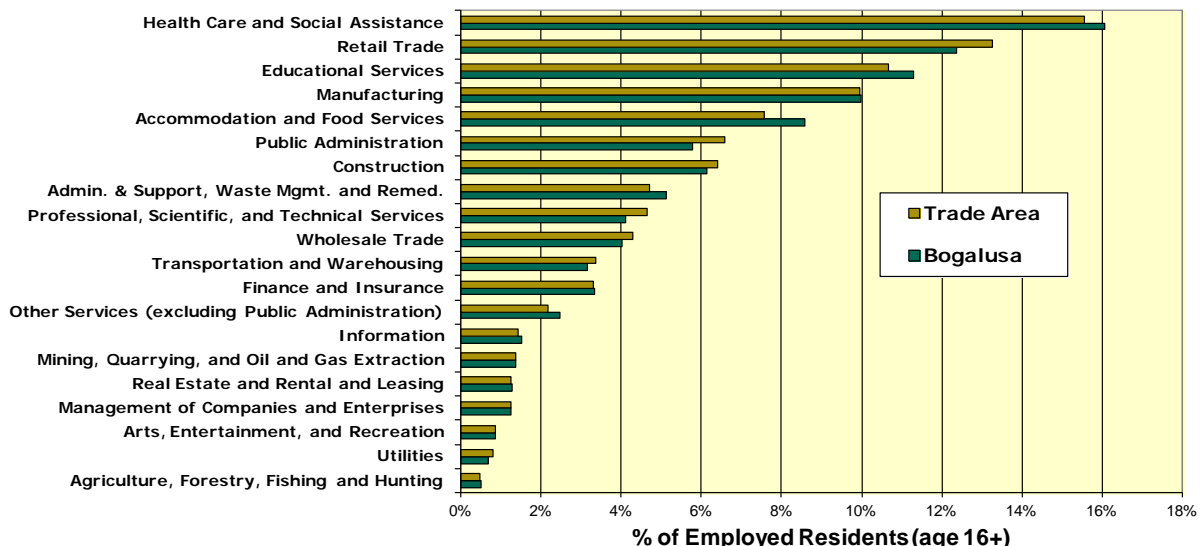


0 0.25 0.5 1 Miles

Source of Data: Louisiana Department of Transportation & Development

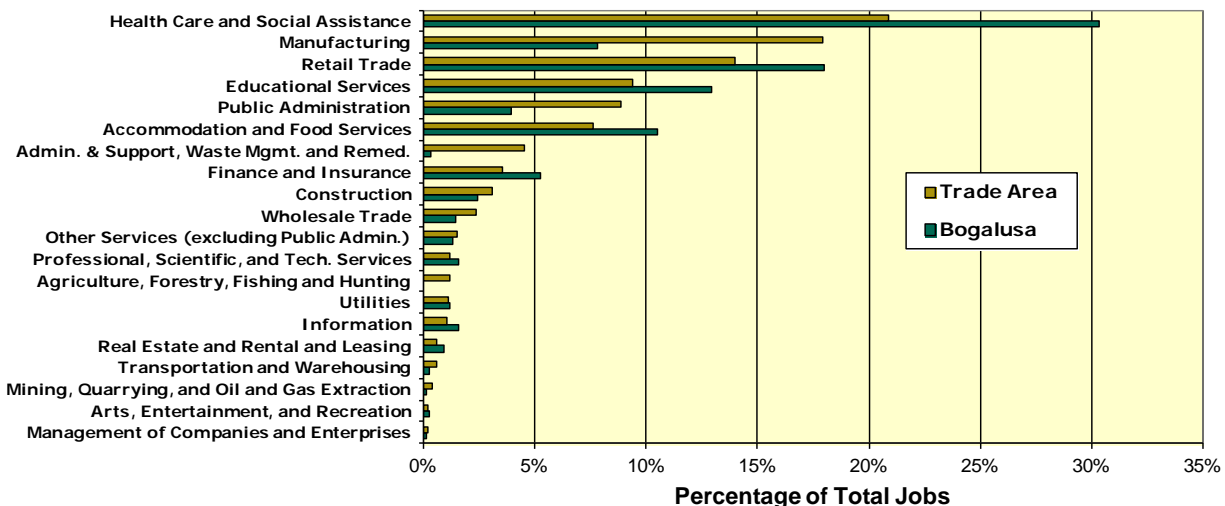


**Figure 16. Industries where Residents are Employed (2010)
Bogalusa and Trade Area**



Source: U.S. Census Bureau, LED OnTheMap website

**Figure 17. Total Employment by Local Industries (2010)
Bogalusa and Trade Area**



Source: U.S. Census Bureau, LED OnTheMap website

These five top industries for employment account for 71 percent of all jobs in the trade area.

Health Care & Social Assistance is also the largest employer in the City of Bogalusa, with an even larger percentage of jobs (30.3 percent) than in the trade area. Three of the next four industries for employment are the same in the city as for the trade area, but in a different order. Second through fifth positions for city employment by industry are held by: *Retail*

Trade (18.0 percent), *Educational Services* (12.9 percent), *Accommodation and Food Services* (10.5 percent), and *Manufacturing* (7.8 percent). These top five industries for employment account for 79.5 percent of all jobs in the City of Bogalusa.

Compared to the city, the trade area has noticeably higher percentages of jobs (greater than 1.0 percent difference) in *Manufacturing* (+10.9 percent), *Public Administration* (+4.9 percent), *Administration & Support, Waste Management, & Remediation* (+4.2 percent), and *Agriculture, Forestry, Fishing & Hunting* (+1.2 percent).

Compared to the trade area, the city has noticeably higher percentages of jobs in *Health Care & Social Assistance* (+9.5 percent), *Retail Trade* (+4.0 percent), *Educational Services* (+3.5 percent), *Accommodation & Food Services* (+2.9 percent), and *Finance & Insurance* (+1.7 percent).

Occupations Held by Residents

The top two occupations held by Bogalusa and trade area residents, accounting for 13 to 15 percent of employed residents, are *Sales & Related* and *Office & Administrative Support* positions (Figure 18). The third most common occupation in the city is *Food Prep/Serving* (9.4 percent), while in the trade area it is *Construction/Extraction* (8.9 percent). *Construction/Extraction* is in fourth position for city employees (7.1 percent), and ranking fifth is *Building & Grounds Maintenance* (6.6 percent).

For trade area employees, the fourth and fifth most common occupations are *Transportation & Moving* (7.3 percent) and *Food Prep & Serving* (6.8 percent).

These five largest occupational groups include approximately half of all employed city and trade area residents, at 51.3 and 49.8 percent, respectively.

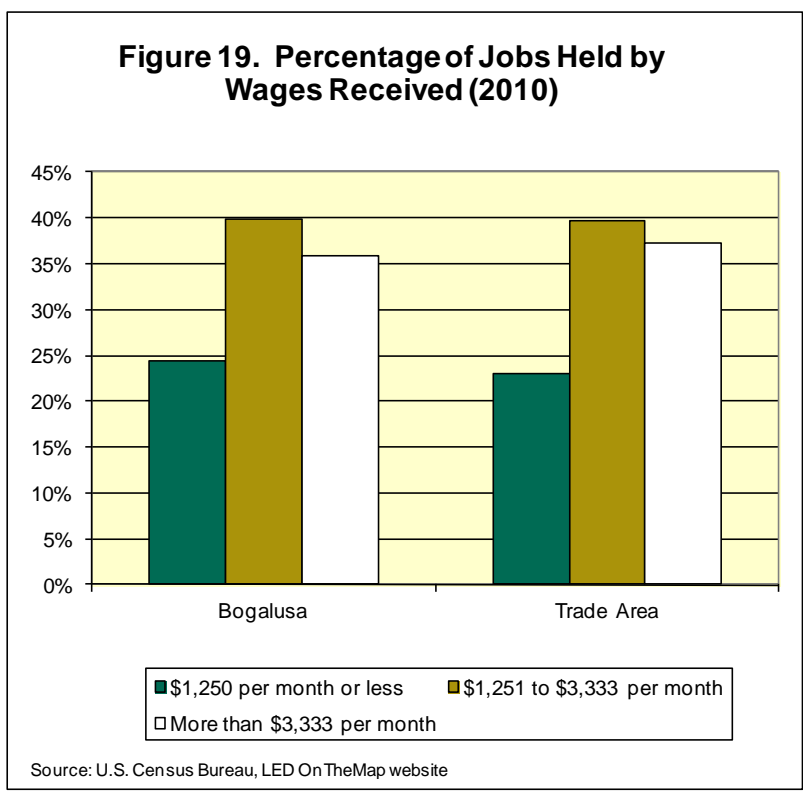
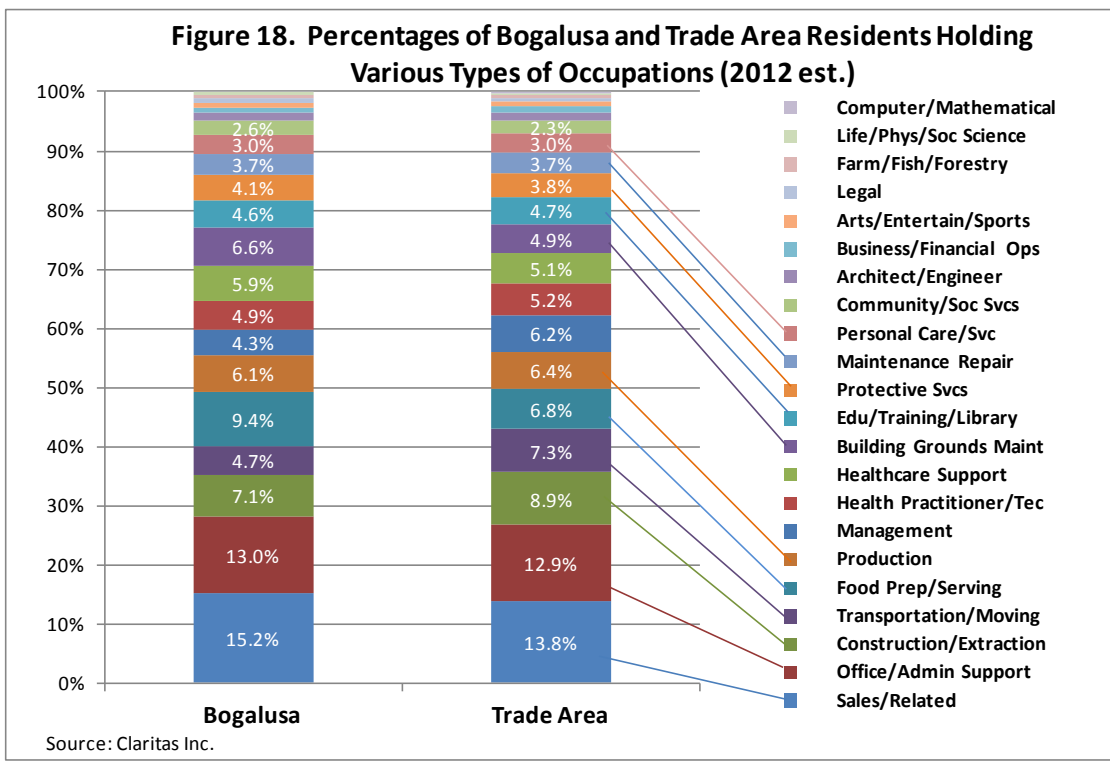
The most dramatic decline in occupation proportions over time occurred for *Production* positions, which dropped from 12.9 percent of Bogalusa and 11.8 percent of trade area employees in 2000 to estimates of 6.1 and 6.4 percent, respectively, in 2012.

The largest increase since 2000 was for *Sales & Related* occupations, which climbed from 9.1 and 9.8 percent for the city and trade area, respectively, to estimates of 15.2 and 13.8 percent in 2012.

Earnings per Job

As shown in Figure 19, the distribution of earnings per job in 2010 was very similar for residents of Bogalusa and the trade area. The trade area has approximately 1.3 percent fewer residents in the lowest earnings bracket and about 1.5 percent more in the highest earnings bracket, while the percentage in the middle bracket is almost equal.

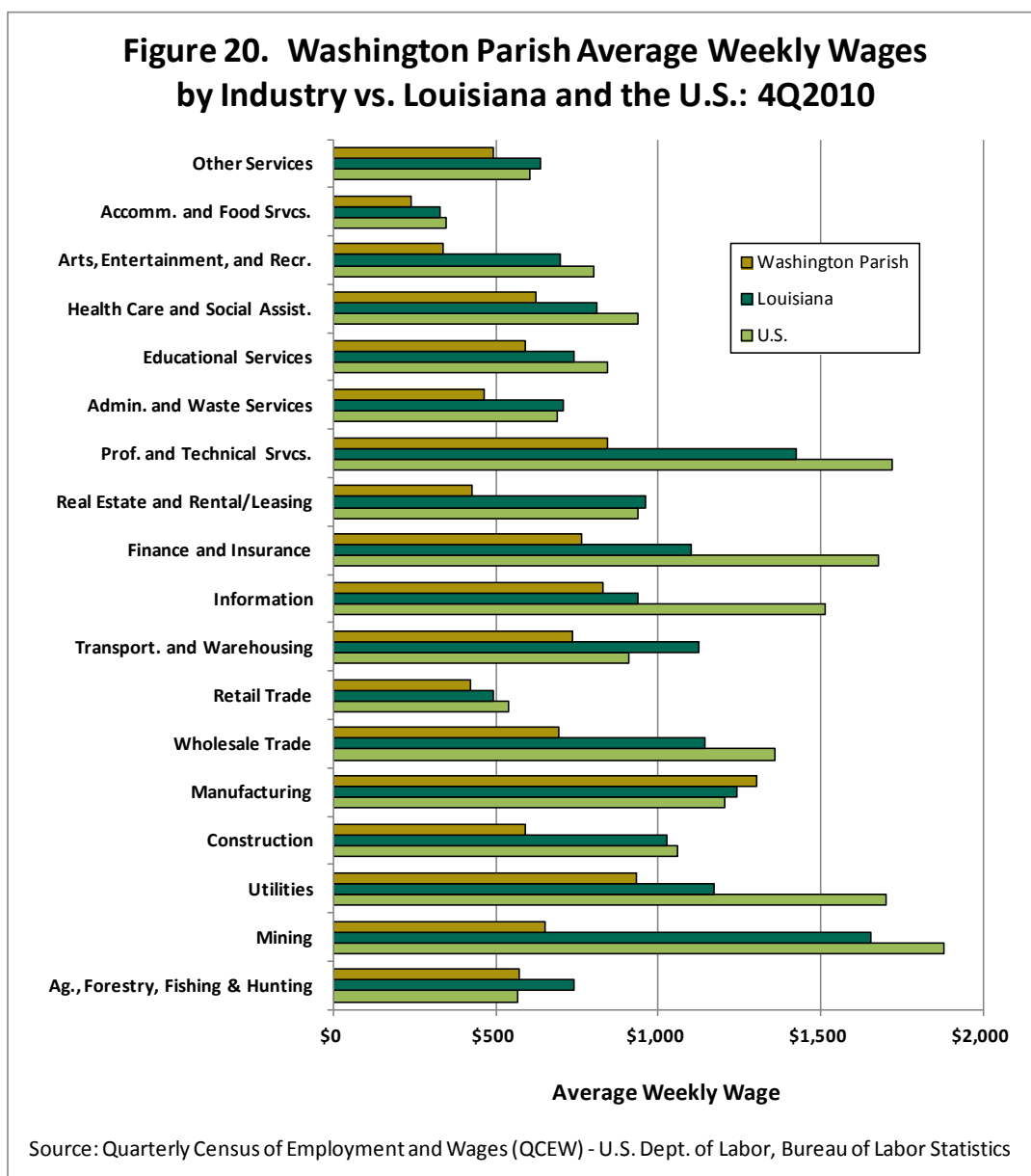
Approximately 23-24 percent of employed residents earned \$1,250 or less per month (\$15,000 or less per year) in 2010, 40 percent earned between \$1,251 and \$3,333 per month (\$15,001 - \$40,000 per year), and 36 – 37 percent earned more than \$3,333 per month (\$40,001+ per year).



Washington Parish Average Weekly Wages by Industry

Figure 20 illustrates the average weekly wages by industry in Washington Parish compared to Louisiana and the U.S. for 4Q2010 (the latest national data available). Weekly wage data were not available for Bogalusa or the trade area, so Washington Parish was used as a proxy.

Washington Parish had lower weekly average wages than Louisiana in 4Q2010 for all industries except *Manufacturing*, and lower than the U.S. for all industries except *Manufacturing* and *Agriculture, Forestry, Fishing and Hunting*. The ratio of Washington Parish weekly wages to U.S. average weekly wages ranged from 0.35 for the *Mining* industry to 108.0 for *Manufacturing*.

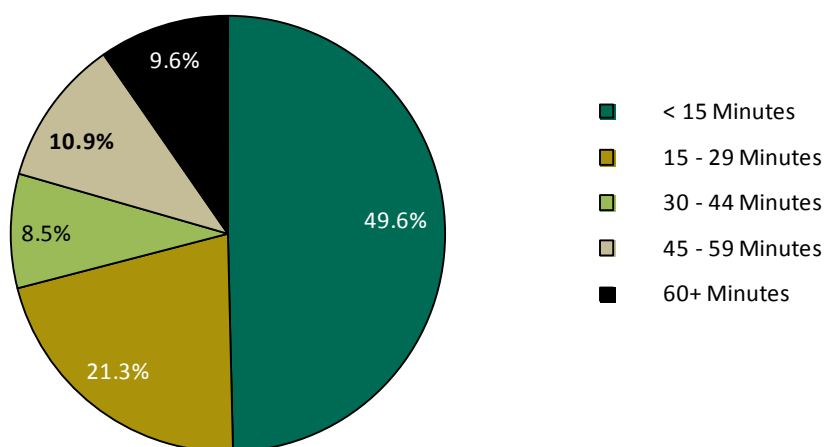


Commute Shed (where Bogalusa and trade area residents work)

Claritas, Inc. estimates that the average travel time to work for Bogalusa and trade area residents in 2012 is 25.5 minutes and 29.4 minutes, respectively.

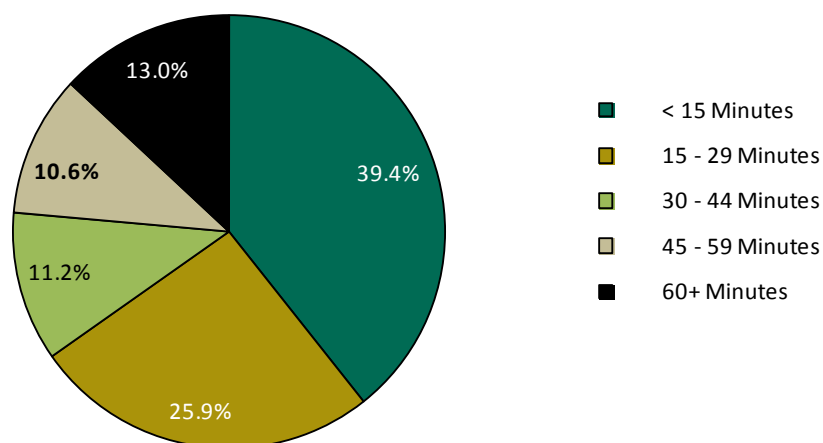
Approximately one-half (49.6 percent) of employed Bogalusa residents are estimated to have a commute of less than 15 minutes (Figure 21), compared to 39.4 percent of employed individuals who live in the trade area (Figure 22). Combining the first two categories in Figures 20 and 21, approximately 71 percent of Bogalusa workers and 65 percent of those living in the trade area have commutes of less than 30 minutes.

Figure 21. Percentages of Employed Bogalusa Residents by Travel Time to Work



Source: Claritas, Inc.

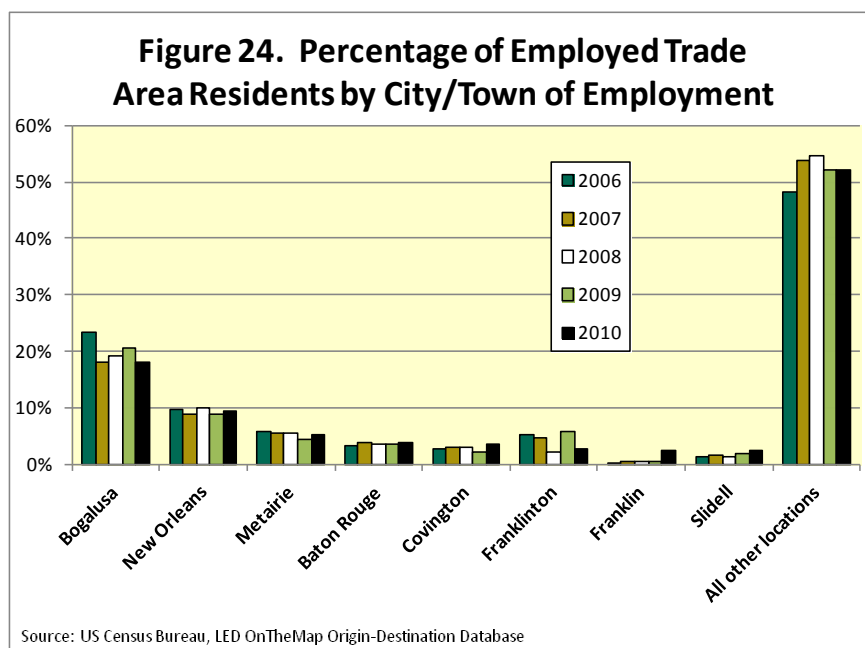
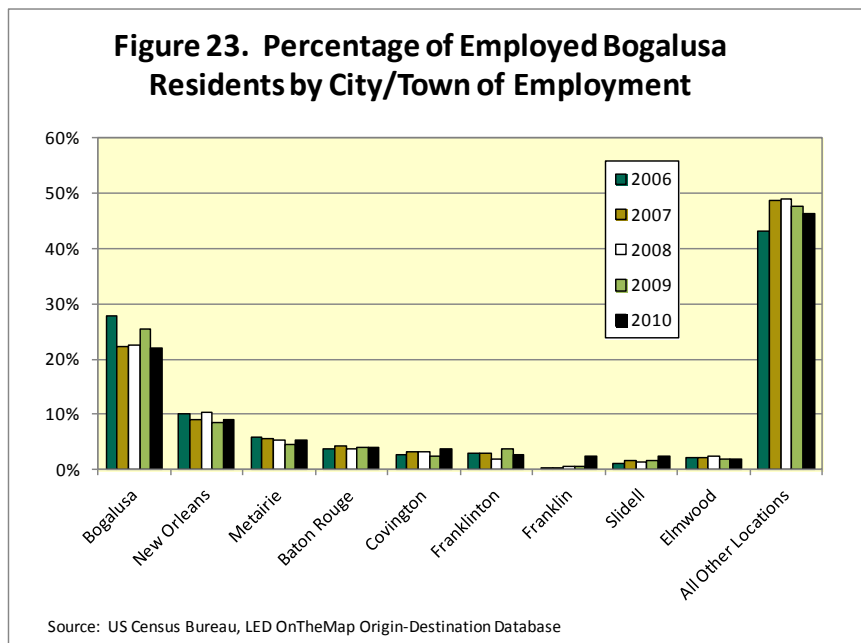
Figure 22. Percentages of Employed Trade Area Residents by Travel Time to Work



Source: Claritas, Inc.

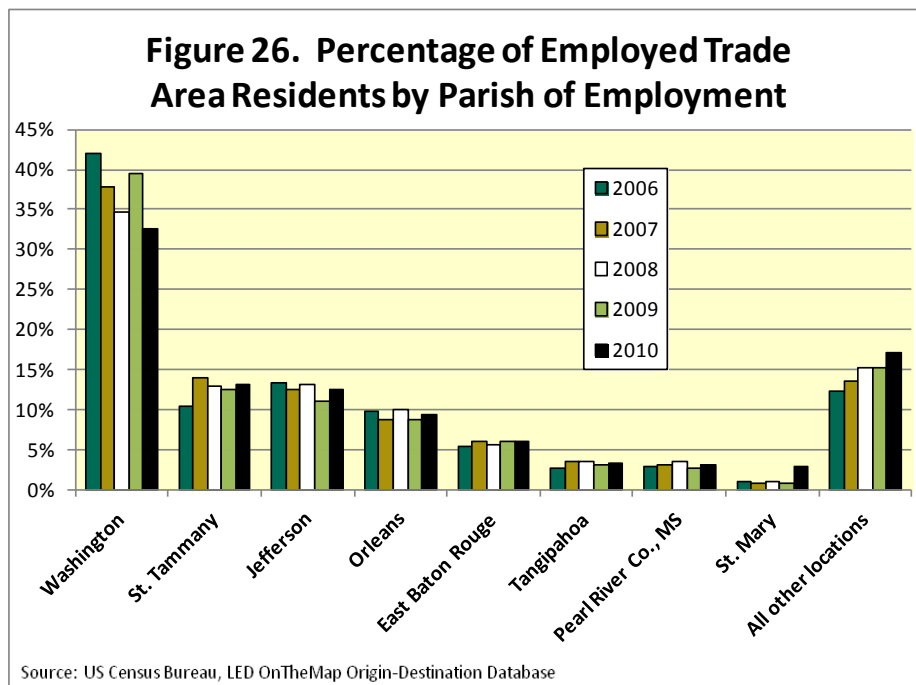
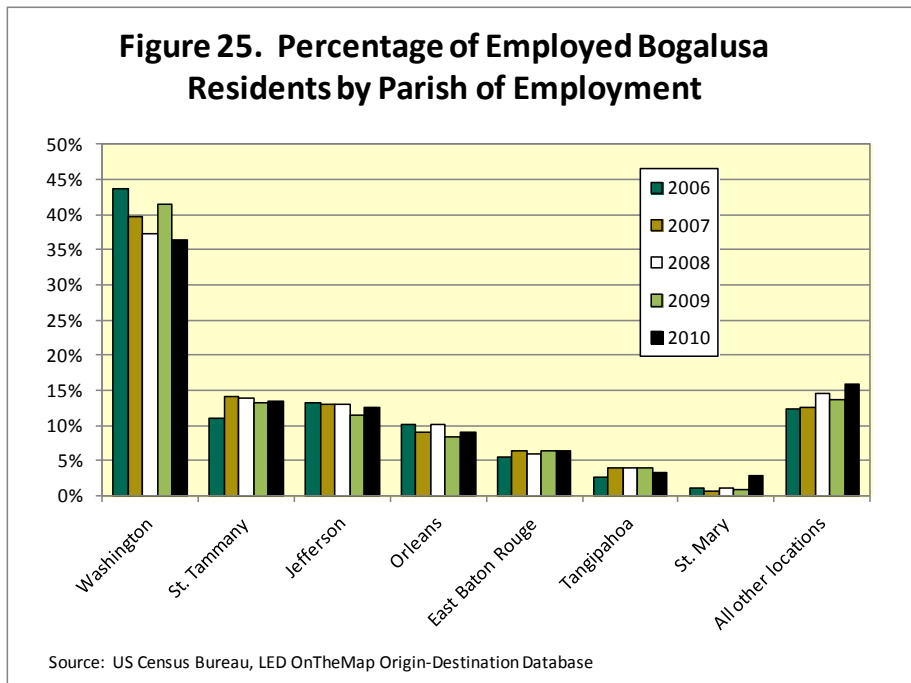
Approximately 22 percent of employed Bogalusa residents worked in Bogalusa in 2010 (Figure 23), down from 28 percent in 2006 (and 34 percent in 2003). The second-highest percentage worked in New Orleans, ranging between 8.5 and 10.3 percent over the period from 2006-2010. Metairie, Baton Rouge, and Covington rounded out the top 5 cities where Bogalusa residents worked.

The commuting patterns for trade area residents were very similar (Figure 24), with the same leading destination cities. The percentage employed in Bogalusa was somewhat lower, however.



When analyzed by parish/county of employment, similar commuting patterns also exist for employed Bogalusa and trade area residents (Figures 25 and 26).

The percentage of employed trade area residents who work within Washington Parish is somewhat lower than the percentage of Bogalusa residents, but both declined by eight to nine percent from 2006 to 2010. The primary difference is Pearl River County, MS in the seventh position for trade area employees.

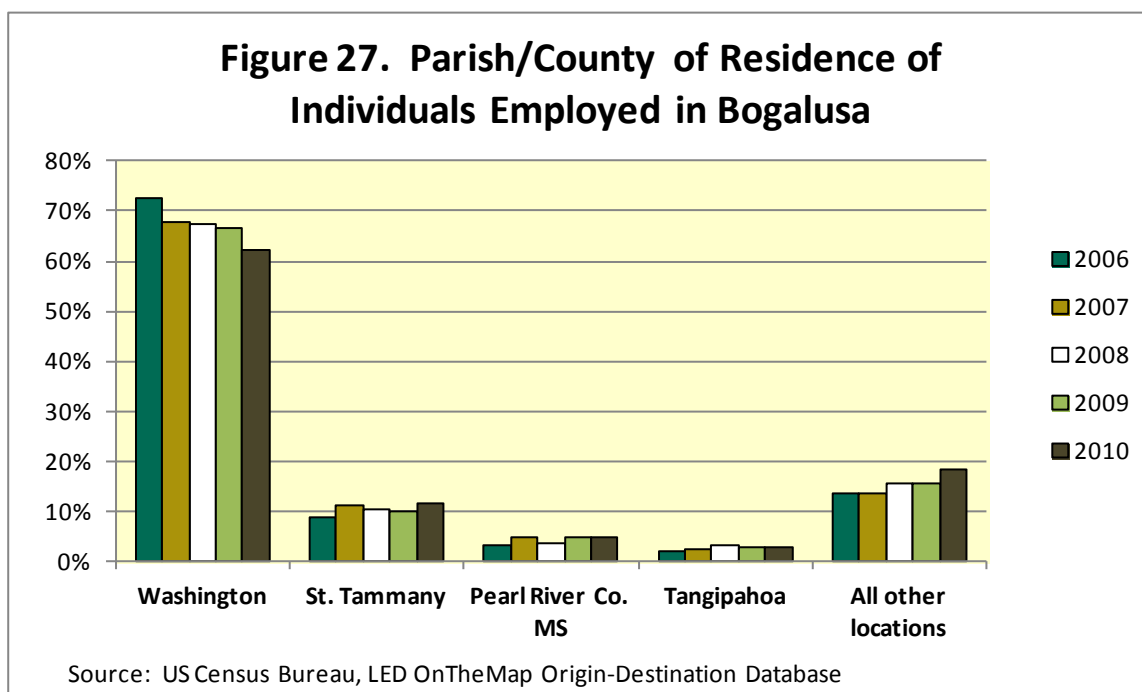


Labor Shed (where Bogalusa and trade area employees live)

When analyzed by parish of residence of employees, the city and trade area showed very similar patterns. The parish of residence of Bogalusa employees is illustrated in Figure 27.

Based on U.S. Census Bureau data, approximately 62-64 percent of Bogalusa and trade area employees were residents of Washington Parish in 2010, down from 72-73 percent in 2006 (and 75-76 percent in 2002).

St. Tammany Parish was the home of 10-12 percent of area employees in 2010, followed by Pearl River County, MS with five to six percent. Approximately three percent of area workers lived in Tangipahoa Parish in 2010.



Net Out-In Commuting by Parish

There are more employed individuals in Bogalusa and the trade area (4,828 and 9,082, respectively, in 2010) than there are jobs (3,533 and 5,354, respectively, in 2010), so some residents have to leave the area for their employment. In addition, it would be highly unlikely for the skills and training of residents of an area to exactly match the requirements of jobs located in that area, which means that even if jobs equaled or outnumbered working residents, there would be some degree of in- and out-commuting.

Table 3 details the levels of in- and out-commuting for primary jobs estimated by the Census Bureau for Bogalusa and the trade area for 2010.

Approximately 22 percent (1,056 of 4,828) of employed Bogalusa residents work in Bogalusa, filling approximately 30 percent (1,056 of 3,533) of Bogalusa positions.

	Bogalusa		Trade Area	
	Count	Share	Count	Share
Labor Market Size (Primary Jobs)				
Employed in the Selection Area	3,533	100.0%	5,354	100.0%
Living in the Selection Area	4,828	136.7%	9,082	169.6%
Net Inflow (+) or Outflow (-)	-1,295	-	-3,728	-
In-Area Labor Force Efficiency (Primary Jobs)				
Living in the Selection Area	4,828	100.0%	9,082	100.0%
Living and Employed in the Selection Area	1,056	21.9%	2,467	27.2%
Living in the Selection Area but Employed Outside	3,772	78.1%	6,615	72.8%
In-Area Employment Efficiency (Primary Jobs)				
Employed in the Selection Area	3,533	100.0%	5,354	100.0%
Employed and Living in the Selection Area	1,056	29.9%	2,467	46.1%
Employed in the Selection Area but Living Outside	2,477	70.1%	2,887	53.9%

Approximately 27 percent (2,467 of 9,082) of employed trade area residents work within the trade area, filling 46 percent (2,467 of 5,354) of trade area positions.

As shown in Table 3, Bogalusa has a net outflow of commuting employees of 1,295, while the trade area has a net outflow of 3,728. Tables 4 and 5 detail the leading parishes (counties) that are sources of incoming and destinations of outgoing workers for Bogalusa and the trade area in 2010.

Parish/County	Commuting OUT	Commuting IN	Net Inflow/ (Outflow)
Rest of Washington Parish	702	1,147	445
Pearl River County, MS	39	168	129
Walthall County, MS	7	44	37
Marion County, MS	18	49	31
Vermilion	0	11	11
All Other Locations	561	344	(217)
St. Charles	56	11	(45)
Tangipahoa	164	102	(62)
Lafayette	91	19	(72)
St. Mary	138	5	(133)
St. Tammany	647	409	(238)
E. Baton Rouge	309	68	(241)
Orleans	433	35	(398)
Jefferson	607	65	(542)
Total Commuters	3,772	2,477	(1,295)
Bogalusa (live & work)	1,056	1,056	--
Total Employees	4,828	3,533	(1,295)

Source: U.S. Census Bureau, Center for Economic Studies

Table 5. Trade area net inflow/outflow by parish/county: 2010			
9,082 employed residents - 5,354 jobs in Trade Area = 3,728 net outflow			
<u>Parish/County</u>	<u>Commuting OUT</u>	<u>Commuting IN</u>	<u>Net Inflow/ (Outflow)</u>
Rest of Washington Parish	492	937	445
Walthall County, MS	17	92	75
Marion County, MS	33	105	72
Pearl River County, MS	288	324	36
All Other Locations	1,176	490	(686)
Terrebonne	89	20	(69)
St. Charles	99	13	(86)
Lafayette	149	23	(126)
Tangipahoa	295	141	(154)
St. Mary	257	6	(251)
East Baton Rouge	549	84	(465)
St. Tammany	1,187	539	(648)
Orleans	845	42	(803)
Jefferson	<u>1,139</u>	<u>71</u>	<u>(1,068)</u>
Total Commuters	6,615	2,887	(3,728)
Trade Area (live & work)	<u>2,467</u>	<u>2,467</u>	<u>0</u>
Total Employees	9,082	5,354	(3,728)

The balance of Washington Parish was the leading source of in-commuting workers for both Bogalusa and the trade area, followed by Pearl River, Walthall, and Marion counties in Mississippi (in differing orders). It is important to remember when analyzing the trade area commuting patterns that approximately 1/3 of the trade area is located in Mississippi.

Jefferson Parish was the leading destination of (net) out-commuting Bogalusa and trade area workers, followed by Orleans Parish in second place. St. Tammany was the third-highest net out-commuting destination for the trade area, while East Baton Rouge and St. Tammany were essentially tied for third position among Bogalusa workers.

While St. Tammany ranks high for net out-commuting, note that there is much flow of workers both to and FROM St. Tammany Parish – much more so than for the other leading net out-commuting parishes. The number of in-commuters from St. Tammany Parish equals 63 percent of out-commuters from Bogalusa and 45 percent of those from the trade area. In contrast, in-commuters from Jefferson Parish equal only 11 and six percent of out-commuters to Jefferson Parish from Bogalusa and the trade area, respectively.

The approximately 6,600 trade area residents who commute to jobs outside the trade area illustrate a readily available labor supply for new businesses in Bogalusa and the trade area that offer competitive wages and benefits.

GEODEMOGRAPHIC MARKET SEGMENTATION

ESRI's Tapestry[®] market segmentation system is used by retailers and marketers to locate favorable markets for their particular types of products. As described in ESRI's 2010 Tapestry Methodology Statement:

For the past 30 years, companies, agencies, and organizations have used segmentation to divide and group their markets to more precisely target their best customers, prospects, citizens, residents, members, and donors. Segmentation systems operate on the theory that people with similar tastes, lifestyles, and behaviors seek others with the same tastes—"like seeks like." These behaviors can be measured, predicted, and targeted. Segmentation explains customer diversity, describes lifestyle and lifestages, and incorporates a wide range of data.

Table 6 lists the Tapestry[®] market segments that ESRI has determined were represented in the Bogalusa and trade area markets in 2011, and the estimated number and percentage of total households characterized by each segment. Segments are listed in descending order of percentages of households in the trade area.

Tapestry [®] Segment	Bogalusa		Bogalusa Trade area	
	# of Households	% of Households	# of Households	% of Households
Heartland Communities (Seg. 50)	1,513	31.3%	2,438	26.6%
Modest Income Homes (Seg. 62)	2,013	41.6%	2,135	23.3%
Rooted Rural (Segment 46)	--	--	2,106	23.0%
Rural Bypasses (Segment 56)	575	11.9%	1,687	18.4%
Metro City Edge (Segment 51)	412	8.5%	422	4.6%
Rustbelt Retirees (Segment 29)	<u>326</u>	<u>6.7%</u>	<u>366</u>	<u>4.0%</u>
Totals	4,839	100.0%	9,154	100.0%

ESRI's descriptions of the six market segments shown in Table 6 are included as Appendices 1-6.

CONSUMER SPENDING PATTERNS

Claritas Incorporated publishes Consumer Spending Patterns Reports which are derived from the Consumer Buying Power database using information from the U.S. Bureau of Labor Statistics Consumer Expenditure Survey. These data can be compared to national averages using a Market Index to illustrate how local spending patterns differ from the average U.S. household.

Table 7 illustrates the estimated annual spending per household in Bogalusa and the trade area and shows the Market Index for each category for the two local areas compared to the U.S. average.

The overall spending indices ("TOTAL SPECIFIED CONSUMER EXPENDITURES") of 69 for Bogalusa households and 74 for trade area residents indicate that Bogalusa households and trade area households spend approximately 69 percent and 74 percent, respectively, of the national average household on the total of the listed categories.

If Bogalusa and trade area residents spent their money in the same proportions among the various categories as the national average, their index for each category would be the same as their overall spending index (69 or 74). Obviously they don't, so categories with an index less than the overall index are categories where local households spend proportionately less than the national average; the categories with an index higher than the overall index are those where local households spend proportionately more.

Table 8 lists the 10 categories or sub-categories where Bogalusa and trade area households spend the least relative to national averages. Table 9 shows the 10 categories or sub-categories where local households spend the most compared to national averages.

Among the categories where local residents spend proportionately low amounts are education expenses including *Room and Board* and *Tuition/School Supplies, Travel, Contributions, Rented Vehicles, New Autos/Trucks/Vans, and Other Apparel Products & Services* (see Table 8). Nine of the bottom 10 categories are the same for Bogalusa and trade area residents (albeit in different orders), with the only difference being the inclusion of *Reading Materials* on the city resident list and *Household Services* on the trade area list.

As shown in Table 9, Bogalusa and trade area residents are also very similar in the categories where they spend disproportionately more than national norms. Both groups spend a larger share of their budgets than the national average on *Smoking Products/Supplies, Prescription Drugs, Boats and Recreational Vehicle Purchases, Boy's Apparel, Meats, Fats and Oils, Fuels and Utilities, and Total Housing Expenses*.

The categories which differ among the top 10 in Table 9 are *Eggs* and *Infant's Apparel* on the city household list and *Motor Oil* and *Fresh Milk and Cream* on the trade area list.

Table 7. Estimated annual expenditures (2012) in Bogalusa and the trade area				
<u>Category</u>	Average Bogalusa Household	Market Index to U.S.	Average Trade Area Household	Market Index to U.S.
FOOD AT HOME	\$4,701	81	\$ 4,946	85
Bakery Products	\$438	81	\$ 462	85
Cereal Products	\$224	81	\$ 230	84
Dairy Products	\$474	78	\$ 509	83
Fresh Milk and Cream	\$136	83	\$ 144	89
Other Dairy Products	\$283	74	\$ 309	81
Eggs	\$56	86	\$ 56	87
Fats and Oils	\$47	85	\$ 49	90
Fish and Seafood	\$108	76	\$ 111	78
Fruits and Vegetables	\$538	74	\$ 572	79
Juices	\$135	74	\$ 136	75
Meats (All)	\$1,012	89	\$ 1,033	91
Nonalcoholic Beverages	\$520	82	\$ 551	87
Prepared Foods	\$917	81	\$ 980	87
Sugar and Other Sweets	\$289	76	\$ 314	82
FOOD AWAY FROM HOME & ALCOHOL				
Alcoholic Beverages	\$782	76	\$ 830	80
Alcoholic Beverages at Home	\$696	78	\$ 739	82
Alcoholic Bvgs. away from Home	\$87	64	\$ 91	67
Total Food away from Home	\$1,799	62	\$ 1,964	67
Lunch	\$476	63	\$ 510	68
Dinner	\$716	61	\$ 784	67
Breakfast and Brunch	\$156	63	\$ 168	68
DAY CARE, EDUC. & CONTRIBUTIONS				
All Day Care	\$245	75	\$ 242	74
Contributions (All)	\$656	45	\$ 683	47
Education	\$708	36	\$ 770	40
Room and Board	\$30	21	\$ 42	29
Tuition/School Supplies	\$678	38	\$ 728	41
HEALTHCARE				
Medical Services	\$1,608	73	\$ 1,704	77
Prescription Drugs	\$2,482	94	\$ 2,600	99
Medical Supplies	\$132	65	\$ 142	70
HOUSEHOLD FURN. & APPLIANCES				
Total Furniture	\$406	59	\$ 441	64
Bedroom Furniture	\$119	66	\$ 125	70
Living/Dining Room Furniture	\$180	58	\$ 196	63
Other Furniture	\$101	55	\$ 113	61
Total Household Textiles	\$329	67	\$ 354	72
Domestic Textiles	\$263	68	\$ 283	73
Window and Furniture Covers	\$67	65	\$ 71	70
Major Appliances	\$175	70	\$ 191	77
Misc Household Equipment	\$313	66	\$ 343	73
Small Appliances/Housewares	\$372	60	\$ 412	67
HOUSING RELATED & PERSONAL				
Total Housing Expenses	\$3,671	87	\$ 3,771	89
Fuels and Utilities	\$2,013	89	\$ 2,101	93
Telephone Service	\$940	85	\$ 942	85

Table 7. Estimated annual expenditures (2012) in Bogalusa and the trade area (continued)				
<u>Category</u>	<u>Average Bogalusa Household</u>	<u>Market Index to U.S.</u>	<u>Average Trade Area Household</u>	<u>Market Index to U.S.</u>
Household Repairs	\$303	70	\$ 339	78
Household Services	\$337	61	\$ 336	60
Housekeeping Supplies	\$305	84	\$ 321	88
Personal Expenses and Services	\$1,139	70	\$ 1,209	74
PERSONAL CARE & SMOKING PRODUCTS				
Personal Care Products and Services	\$722	69	\$ 761	73
Personal Care Services	\$309	69	\$ 323	72
Smoking Products/Supplies	\$871	99	\$ 949	108
PET EXPENSES	\$408	72	\$ 479	84
SPORTS & ENTERTAINMENT				
Photographic Equipment	\$59	57	\$ 65	63
Reading Materials	\$242	56	\$ 278	65
Sports and Recreation	\$1,021	68	\$ 1,073	71
Sports Equipment	\$601	71	\$ 630	75
Travel	\$855	41	\$ 947	46
TV, Radio and Sound Equipment	\$420	61	\$ 448	65
Computers, Software & Accessories	\$356	60	\$ 380	64
TRANSPORTATION & AUTO EXPENSES				
Automotive Maintenance/Repair/Other	\$1,405	73	\$ 1,509	79
Gasoline	\$1,815	78	\$ 1,959	84
Diesel Fuel	\$15	80	\$ 17	88
Motor Oil	\$35	85	\$ 38	92
Vehicle Purchases & Leases	\$3,140	58	\$ 3,481	64
New Autos/Trucks/Vans	\$1,159	41	\$ 1,334	47
Used Vehicles	\$1,649	74	\$ 1,751	79
Boats and Recreational Vehicle Purchase	\$333	93	\$ 397	110
Rented Vehicles	\$96	48	\$ 77	39
TOTAL APPAREL	\$2,656	67	\$ 2,775	70
Women's Apparel	\$846	65	\$ 910	70
Men's Apparel	\$501	60	\$ 544	65
Girl's Apparel	\$240	84	\$ 236	83
Boy's Apparel	\$187	91	\$ 181	89
Infant's Apparel	\$96	85	\$ 94	84
Footwear (excl. Infants)	\$413	80	\$ 427	82
Other Apparel Prods/Services	\$374	51	\$ 383	52
TOTAL SPECIFIED CONSUMER EXPENDITURES	\$34,694	69	\$ 36,951	74
Source: Claritas Incorporated - based on data from the Consumer Expenditure Survey (Data collected for the Bureau of Labor Statistics by the U.S. Census Bureau)				

Table 8. Categories where local residents spend the LEAST compared to the national average			
Bogalusa		Trade area	
Category or Sub-category	Category Market Index	Category or Sub-category	Category Market Index
Room and Board (Educ.)	21	Room and Board (Educ.)	29
Education	36	Rented Vehicles	39
Tuition/School Supplies	38	Education	40
New Autos/Trucks/Vans	41	Tuition/School Supplies	41
Travel	41	Travel	46
Contributions (All)	45	Contributions (All)	47
Rented Vehicles	48	New Autos/Trucks/Vans	47
Other Apparel Prods/Services	51	Other Apparel Prods/Services	52
Other Furniture	55	Household Services	60
Reading Materials	56	Other Furniture	61
Source: Claritas Incorporated			

Table 9. Categories where local residents spend the MOST compared to the national average			
Bogalusa		Trade area	
Category or Sub-category	Category Market Index	Category or Sub-category	Category Market Index
Infant's Apparel	85	Fresh Milk and Cream	89
Fats and Oils	85	Boy's Apparel	89
Eggs	86	Total Housing Expenses	89
Total Housing Expenses	87	Fats and Oils	90
Fuels and Utilities (Housing)	89	Meats (All)	91
Meats (All)	89	Motor Oil	92
Boy's Apparel	91	Fuels and Utilities	93
Boats and Recreational Vehicle Purchases	93	Prescription Drugs	99
Prescription Drugs	94	Smoking Prods/Supplies	108
Smoking Prods/Supplies	99	Boats and Recreational Vehicle Purchases	110
Source: Claritas Incorporated			

RETAIL TRADE ANALYSIS

Using the known population (or number of households) of an area and the estimated per capita (per household) expenditures (as detailed in Table 7, collected by the U.S. Census Bureau for the Bureau of Labor Statistics), it is possible to estimate the cumulative **demand** for various products and services by residents of the area based on their spending patterns.

These demand estimates can then be compared to sales data for businesses in the area derived from the Census of Retail Trade reported by the U.S. Census Bureau, which represent the **supply** of goods and services in that area.

If the demand (consumer expenditures) for goods and services exceeds the supply (sales totals) in the area under study, the difference represents how much the residents of the area are spending *outside* the area for goods and services. These dollars, known as *retail leakages*, represent the loss of potential economic activity, jobs, and sales tax revenue for the community.

On the other hand, if total sales (supply) by business establishments in the area exceed consumer expenditures (demand) by residents, this indicates that the businesses are drawing customers (and their spending) from outside the area, creating a *retail sales surplus*.

It should be noted that any retail trade analysis is based on estimates and averages. Many times there may be mitigating factors that can cause a market's retail activity and potential to deviate substantially from what would be expected or predicted. Proximity to large regional shopping areas, geographic features, road networks, and traffic and commuting patterns are among the factors that could affect an area's actual retail potential.

Therefore, a retail trade analysis should not be thought of as a detailed schematic or plan of action, but rather as one piece of information that can contribute to a retail development and growth strategy by highlighting retail sectors that are not fully meeting the needs of the community.

In analyzing the retail trade of Bogalusa, the decision was made to base the demand and supply measurements on Bogalusa's estimated *trade area*.

The borders of the trade area were drawn using the Reilly Gravitation Model. The Reilly model is based on an analogy to Newton's theory of gravitational attraction – *the degree of attraction between two objects is based on the mass of the objects and the distance between them*. Thus larger stores or communities have a stronger attraction or "pull" on consumers and can draw them from longer distances than smaller stores or communities.

The Reilly Model was used to calculate trade area breakpoints based on travel distance between Bogalusa and competing communities and each community's volume of total retail sales. Travel distances were based on the shortest/most logical route between communities. The equation used to calculate the breakpoints is:

$$\text{Reilly Breakpoint} = \frac{\text{Travel Distance between towns A and B}}{1 + \text{Square root of (Retail sales in Town A/Retail sales in Town B)}}$$

Communities used to calculate the Reilly breakpoints were Amite, Columbia (MS), Franklinton, Hammond/Ponchatoula, Hattiesburg (MS), Mandeville/Covington, Picayune (MS), Poplarville (MS), Slidell, and Tylertown (MS).

Based on the total retail sales in a polygon surrounding each of these communities and their travel distance from Bogalusa, the trade area for Bogalusa drawn using the calculated breakpoints is shown in Figure 2. The trade area encompasses approximately 310 square miles, with approximately 1/3 of the area located in Mississippi.

The Bogalusa trade area's retail trade balance was analyzed using Claritas Incorporated's RMP (Retail Market Power) Opportunity Gap report (Table 10).

The RMP report analyzes retail supply and demand at multiple levels based on 3-digit to 6-digit NAICS (North American Industry Classification System) codes. The 3-digit codes are the broadest categories – Food and Beverage Stores (Code 445), Motor Vehicle and Parts Dealers (Code 441), etc. As more digits are added to the code, the scope of that classification becomes increasingly narrow. For example, one 4-digit code under Food and Beverage Stores (Code 445) is Grocery Stores (Code 4451), which is further sub-divided into two 5-digit codes – Supermarkets & Grocery (exc. Convenience) Stores (Code 44511) and Convenience Stores (Code 44512).

The RMP Opportunity Gap report includes 13 primary 3-digit sectors. The trade area's retail supply and demand in these 13 major categories is illustrated in Figure 28.

Bogalusa's trade area has a retail surplus in four of the 3-digit sectors:

<u>Sector</u>	<u>Demand-Supply</u>
Health and Personal Care Stores	(\$14,416,595)
General Merchandise Stores	(\$10,708,676)
Food and Beverage Stores	(\$8,915,175)
Gasoline Stations	(\$7,051,633)

These are the sectors where Bogalusa-area businesses are "pulling" in customers and spending from outside the trade area, i.e. they are selling more than is demanded by customers from the trade area alone.

There may still be opportunities for growth in these four sectors through increased sales to both local and non-local customers. Measuring that potential would require more in-depth data collection and analysis than is possible in this study.

The other nine sectors show retail leakages ranging from approximately \$2 million to almost \$20 million, totaling an estimated \$74.6 million of sales lost to businesses outside the area.

<u>Sector</u>	<u>Demand-Supply</u>
Motor Vehicle and Parts Dealers	\$ 19,973,937
Foodservice and Drinking Places	\$ 14,542,928
Non-Store Retailers	\$ 10,342,391
Clothing and Clothing Accessories Stores	\$ 8,490,741
Building Material and Garden Equipment Stores	\$ 5,628,615
Miscellaneous Store Retailers	\$ 5,117,597
Electronics and Appliance Stores	\$ 4,192,540
Sporting Goods, Hobby, Book, Music Stores	\$ 4,069,089
Furniture and Home Furnishings Stores	\$ 2,264,439

The *Non-Store Retailers* sector, which includes mail-order and Internet-based firms, may not be a feasible sector for growth in Bogalusa, but the other sectors with leakages may be opportunity areas for increased retail activity in Bogalusa.

However, the analysis must go deeper than the 3-digit level of the 13 primary sectors, because included in the 3-digit summations are vastly different retail trade balances for more detailed sub-sectors within the major sectors. As shown in the complete RMP Opportunity Gap Report (Table 10), within the *Health and Personal Care Stores* sector, which in sum has a surplus of over \$14 million, the sub-sectors of *Cosmetic, Beauty Supplies, and Perfume Stores* and *Optical Goods Stores* both show deficits.

In the *Building Material and Garden Equipment* sector, which has a deficit of \$5.6 million, the *Home Centers* and *Nursery and Garden Centers* sub-sectors both show surpluses.

Outside and extenuating factors also have to be considered when analyzing opportunities. For some major purchases such as vehicles, furniture, or appliances, travel to a distant market may contribute to the enjoyment and excitement of the shopping activity, and there may be perceived advantages of retailers in major markets that are difficult with which to compete.

There may also be economic and/or structural factors, such as economies of scale or supplier restrictions, that would make it difficult to build or grow profitable businesses in Bogalusa in some of the sectors that show opportunity gaps.

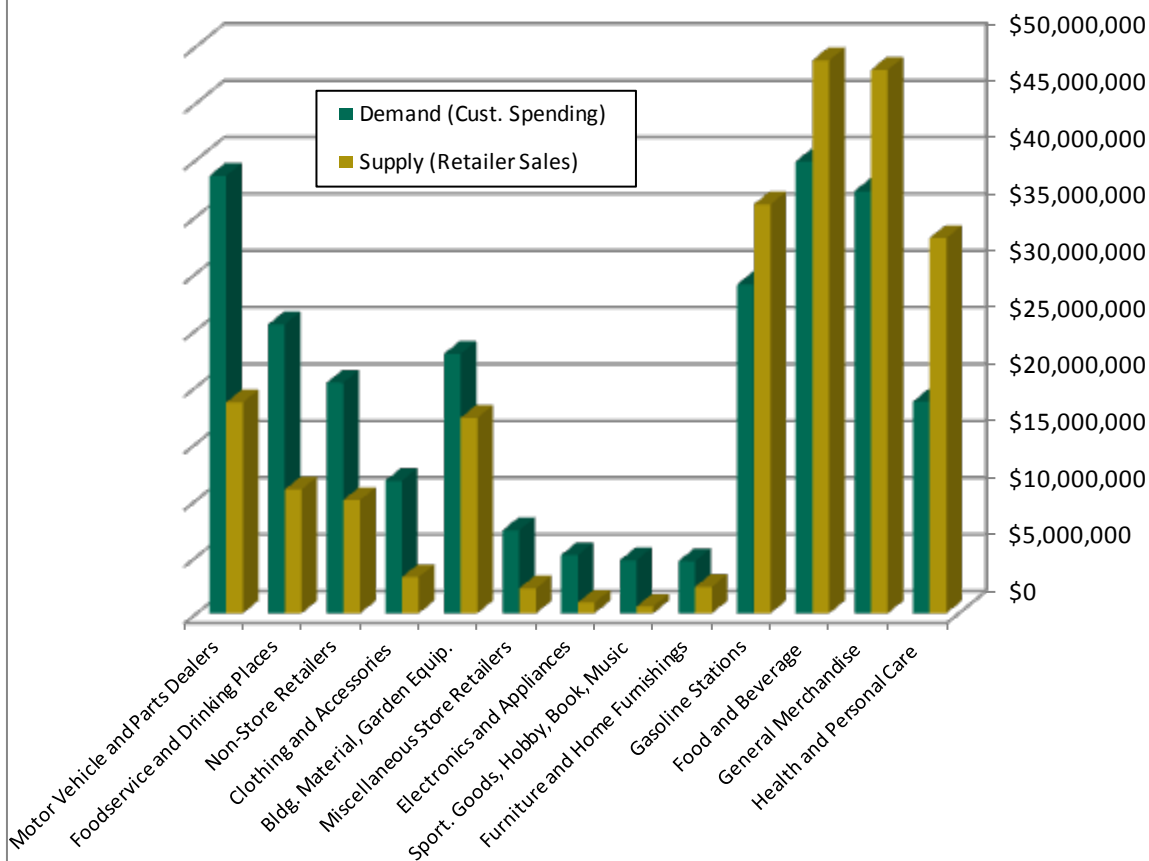
Therefore, Table 10 should be analyzed carefully for insight into the particular types of businesses that could be targeted for growth or expansion, but it should be considered as only one piece of information that can contribute to an informed decision.

Table 10. RMP Opportunity Gap – Retail Stores 2012			
Demand and supply based on Bogalusa's trade area			
	Trade Area Demand (Consumer Exp.)	Trade Area Supply (Retail Sales)	Opportunity Gap/ Surplus
Total Retail Sales Including Eating and Drinking Places	\$ 265,244,120	\$ 231,713,923	\$ 33,530,197
Motor Vehicle and Parts Dealers-441	\$ 38,563,445	\$ 18,589,508	\$ 19,973,937
Automotive Dealers-4411	\$ 31,890,889	\$ 13,693,030	\$ 18,197,859
Other Motor Vehicle Dealers-4412	\$ 3,597,661	\$ 490,396	\$ 3,107,265
Automotive Parts/Accessories, Tire Stores-4413	\$ 3,074,894	\$ 4,406,081	\$ (1,331,187)
Furniture and Home Furnishings Stores-442	\$ 4,591,697	\$ 2,327,258	\$ 2,264,439
Furniture Stores-4421	\$ 2,399,758	\$ 2,327,258	\$ 72,500
Home Furnishing Stores-4422	\$ 2,191,939	\$ -	\$ 2,191,939
Electronics and Appliance Stores-443	\$ 5,135,210	\$ 942,670	\$ 4,192,540
Appliances, TVs, Electronics Stores-44311	\$ 3,833,813	\$ 720,375	\$ 3,113,438
Household Appliances Stores-443111	\$ 933,022	\$ 402,919	\$ 530,103
Radio, Television, Electronics Stores-443112	\$ 2,900,791	\$ 317,456	\$ 2,583,335
Computer and Software Stores-44312	\$ 1,084,906	\$ 222,295	\$ 862,611
Camera and Photo. Equipment Stores-44313	\$ 216,491	\$ -	\$ 216,491
Building Material, Garden Equip Stores -444	\$ 22,860,824	\$ 17,232,209	\$ 5,628,615
Building Material and Supply Dealers-4441	\$ 20,491,585	\$ 14,164,529	\$ 6,327,056
Home Centers-44411	\$ 8,235,571	\$ 12,262,645	\$ (4,027,074)
Paint and Wallpaper Stores-44412	\$ 493,476	\$ -	\$ 493,476
Hardware Stores-44413	\$ 2,136,846	\$ 490,223	\$ 1,646,623
Other Building Materials Dealers-44419	\$ 9,625,692	\$ 1,411,661	\$ 8,214,031
Building Materials, Lumberyards-444191	\$ 3,742,082	\$ 551,957	\$ 3,190,125
Lawn, Garden Equip., Supplies Stores-4442	\$ 2,369,240	\$ 3,067,680	\$ (698,440)
Outdoor Power Equipment Stores-44421	\$ 425,218	\$ 339,732	\$ 85,486
Nursery and Garden Centers-44422	\$ 1,944,022	\$ 2,727,948	\$ (783,926)
Food and Beverage Stores-445	\$ 39,819,141	\$ 48,734,316	\$ (8,915,175)
Grocery Stores-4451	\$ 36,308,288	\$ 46,815,329	\$ (10,507,041)
Supermarkets, Groc. (Ex Conv) Stores-44511	\$ 34,426,688	\$ 44,834,739	\$ (10,408,051)
Convenience Stores-44512	\$ 1,881,600	\$ 1,980,590	\$ (98,990)
Specialty Food Stores-4452	\$ 1,126,034	\$ 1,128,330	\$ (2,296)
Beer, Wine and Liquor Stores-4453	\$ 2,384,819	\$ 790,657	\$ 1,594,162
Health and Personal Care Stores-446	\$ 18,655,103	\$ 33,071,698	\$ (14,416,595)
Pharmacies and Drug Stores-44611	\$ 16,264,550	\$ 32,363,410	\$ (16,098,860)
Cosmetic, Beauty Supplies, Perfume Stores-44612	\$ 683,947	\$ 409,068	\$ 274,879
Optical Goods Stores-44613	\$ 495,463	\$ 106,390	\$ 389,073
Other Health and Personal Care Stores-44619	\$ 1,211,143	\$ 192,830	\$ 1,018,313
Gasoline Stations-447	\$ 28,985,609	\$ 36,037,242	\$ (7,051,633)
Gasoline Stations With Conv. Stores-44711	\$ 21,899,573	\$ 32,798,145	\$ (10,898,572)
Other Gasoline Stations-44719	\$ 7,086,036	\$ 3,239,097	\$ 3,846,939
Clothing and Clothing Accessories Stores-448	\$ 11,682,628	\$ 3,191,887	\$ 8,490,741
Clothing Stores-4481	\$ 8,459,462	\$ 1,653,153	\$ 6,806,309
Men's Clothing Stores-44811	\$ 496,998	\$ -	\$ 496,998
Women's Clothing Stores-44812	\$ 2,086,404	\$ 1,603,363	\$ 483,041

Table 10. RMP Opportunity Gap – Retail Stores 2012 Demand and Supply based on Bogalusa’s Trade area (continued)			
	Trade area Demand (Consumer Exp.)	Trade area Supply (Retail Sales)	Opportunity Gap/ Surplus
Children’s, Infant’s Clothing Stores-44813	\$ 582,158	\$ -	\$ 582,158
Family Clothing Stores-44814	\$ 4,536,233	\$ -	\$ 4,536,233
Clothing Accessories Stores-44815	\$ 190,467	\$ -	\$ 190,467
Other Clothing Stores-44819	\$ 567,202	\$ 49,790	\$ 517,412
Shoe Stores-4482	\$ 1,872,790	\$ 627,489	\$ 1,245,301
Jewelry, Luggage, Leather Goods Stores-4483	\$ 1,350,376	\$ 911,245	\$ 439,131
Jewelry Stores-44831	\$ 1,220,682	\$ 911,245	\$ 309,437
Luggage and Leather Goods Stores-44832	\$ 129,695	\$ -	\$ 129,695
Sporting Goods, Hobby, Book, Music Stores-451	\$ 4,666,720	\$ 597,631	\$ 4,069,089
Sporting Goods, Hobby, Musical Inst Stores-4511	\$ 3,415,302	\$ 597,631	\$ 2,817,671
Sporting Goods Stores-45111	\$ 1,734,565	\$ 467,132	\$ 1,267,433
Hobby, Toys and Games Stores-45112	\$ 1,160,922	\$ -	\$ 1,160,922
Sew/Needlework/Piece Goods Stores-45113	\$ 236,425	\$ -	\$ 236,425
Musical Instrument and Supplies Stores-45114	\$ 283,390	\$ 130,499	\$ 152,891
Book, Periodical and Music Stores-4512	\$ 1,251,418	\$ -	\$ 1,251,418
Book Stores and News Dealers-45121	\$ 821,234	\$ -	\$ 821,234
Book Stores-451211	\$ 761,259	\$ -	\$ 761,259
News Dealers and Newsstands-451212	\$ 59,975	\$ -	\$ 59,975
Prerecorded Tapes, CDs, Record Stores-45122	\$ 430,184	\$ -	\$ 430,184
General Merchandise Stores-452	\$ 37,190,902	\$ 47,899,578	\$ (10,708,676)
Department Stores Excl Leased Depts-4521	\$ 17,422,984	\$ 29,781,897	\$ (12,358,913)
Other General Merchandise Stores-4529	\$ 19,767,918	\$ 18,117,681	\$ 1,650,237
Miscellaneous Store Retailers-453	\$ 7,312,955	\$ 2,195,358	\$ 5,117,597
Florists-4531	\$ 479,019	\$ 230,698	\$ 248,321
Office Supplies, Stationery, Gift Stores-4532	\$ 2,517,558	\$ 485,950	\$ 2,031,608
Office Supplies and Stationery Stores-45321	\$ 1,380,637	\$ 224,366	\$ 1,156,271
Gift, Novelty and Souvenir Stores-45322	\$ 1,136,921	\$ 261,584	\$ 875,337
Used Merchandise Stores-4533	\$ 522,067	\$ 67,426	\$ 454,641
Other Miscellaneous Store Retailers-4539	\$ 3,794,310	\$ 1,411,284	\$ 2,383,026
Non-Store Retailers-454	\$ 20,325,721	\$ 9,983,330	\$ 10,342,391
Foodservice and Drinking Places-722	\$ 25,454,166	\$ 10,911,238	\$ 14,542,928
Full-Service Restaurants-7221	\$ 11,336,972	\$ 6,180,792	\$ 5,156,180
Limited-Service Eating Places-7222	\$ 10,695,556	\$ 4,297,361	\$ 6,398,195
Special Foodservices-7223	\$ 2,106,367	\$ -	\$ 2,106,367
Drinking Places -Alcoholic Beverages-7224	\$ 1,315,270	\$ 433,085	\$ 882,185

Source: Claritas Incorporated. Claritas' RMP data is derived from two major sources of information. The demand data is derived from the Consumer Expenditure Survey (CE Survey), which is fielded by the U.S. Bureau of Labor Statistics (BLS). The supply data is derived from the Census of Retail Trade (CRT), which is made available by the U.S. Census Bureau. The difference between demand and supply represents the opportunity gap or surplus available for each retail outlet in the specified reporting geography. When the demand is greater than (less than) the supply, there is an opportunity gap (surplus) for that retail outlet. For example, a positive value signifies an opportunity gap, while a negative value signifies a surplus.

**Figure 28. Bogalusa Trade Area
Retail Trade Analysis (3-digit NAICS codes)**

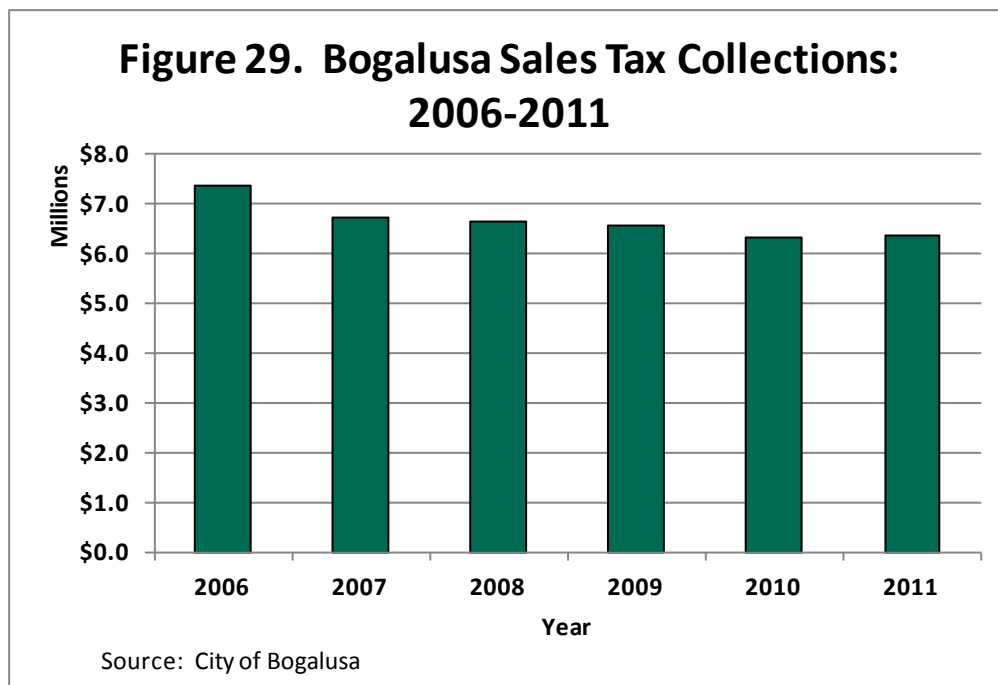


Source: Claritas Inc. RMP Opportunity Gap Report (2012)

BOGALUSA SALES TAX COLLECTIONS

Over the last six years, Bogalusa's annual sales tax collections have ranged from a high of approximately \$7.35 million in 2006, in the rebuilding period following Hurricane Katrina, to a low of approximately \$6.32 million in 2010 (Figure 29). Sales tax collections rebounded slightly in 2011 to \$6.35 million, an increase of 0.5 percent over 2010.

At a city tax rate of 5.163 percent, these tax collections equate to total estimated retail sales of \$142.4 million in 2006, \$122.5 million in 2010, and \$123.1 million in 2011.



CONCLUSIONS

The City of Bogalusa is surrounded by rich expanses of undeveloped lands and natural resources, providing both space and raw materials for industry and recreational opportunities for commerce and leisure.

From a development perspective, Bogalusa faces both challenges and advantages due to its location. Its distance from interstate highways and population centers are viewed by some business owners as a detriment, but those distances also contribute to a small-town atmosphere and lower cost of living that many find attractive.

The city, parish, and local civic groups have worked in recent years to enhance the quality of life for area residents, creating or improving area attractions such as the Museums at Cassidy Park, the Avenue B Sports Complex, and the Poole's Bluff Recreation Area.

The city and surrounding area have an estimated 6,600 employed residents who currently commute outside of the area for their employment, offering a ready supply of workers for new businesses if competitive wages and benefits are offered. Because of its comparatively low cost of living, Bogalusa employees are also willing and able to work for somewhat lower wages than in other parts of Louisiana or the nation.

Bogalusa's civic, community, and business leaders must be innovative and responsive to resident's needs in order to compete with the larger industrial and retail centers in the Northshore region. But with effective leadership, Bogalusa can leverage its assets and resources to both build on its heritage and create new opportunities for growth.

APPENDICES

Appendix 1

50 Heartland Communities



Segment Code.....50
 Segment Name *Heartland Communities*
 LifeMode Summary Group L5 *Senior Styles*
 Urbanization Summary Group ... U9 *Small Towns*

Demographic

Settled and close-knit, residents of *Heartland Communities* have a median age of 42.4 years. Approximately half of the residents have already retired, many in the same towns where they have lived and worked their whole lives. Nearly half are aged 55 years or older. Although married-couple families comprise nearly half of the household types and almost one-third are singles who live alone, other family types and shared housing are also represented. Children are found in 30 percent of the households. Diversity is minimal; nearly 9 in 10 residents are white.

Socioeconomic

The median household income is \$35,701. Two-thirds of the households earn wage and salary income, and 39 percent receive Social Security benefits. Because of low home value, their median net worth is \$49,675. Employed residents work in occupations ranging from management positions to unskilled labor jobs; approximately 40 percent are employed in service industries. The percentage of the population aged 25 years or older that has completed high school is higher than the U.S. level; the percentage that has attended college is far lower than the U.S. figure.

Residential

Home to six million people, *Heartland Communities* neighborhoods are found primarily in small towns scattered across the Midwest and South. Low-density neighborhoods dominate, with older homes in urban clusters and rural, nonfarm areas. More than half of the housing units were built before 1960. Homeownership is at 71 percent; the median home value is \$79,488, less than half of the U.S. median. More than three-fourths of the housing is single-family dwellings.

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Preferences

Heartland Communities residents invest time and money in their cherished homes and communities. They take pride in their gardening skills and in growing their own vegetables. Many homes own a riding lawn mower to keep up their relatively large lots. Residents tackle home improvement projects such as exterior painting and faucet replacement and shop at Ace Hardware or Lowe's. Many residents order items from catalogs, QVC, and Avon sales representatives. They also shop at Wal-Mart or Kmart and buy groceries at Wal-Mart Supercenters. Favorite restaurants include Golden Corral and Cracker Barrel. The residents in this segment rarely travel by plane.

Heartland Communities residents have a distinctly country lifestyle. They go hunting and fishing. They also read gardening, fishing, and hunting magazines and listen to country music and auto racing on the radio. Reading two or more Sunday newspapers is important to them. Some join fraternal orders or religious clubs and even get involved with local politics. Many *Heartland Communities* households subscribe to cable and usually watch news programs and movies on TV.

Appendix 2

62 Modest Income Homes

Segment Code.....62
 Segment Name *Modest Income Homes*
 LifeMode Summary GroupL3 *Metropolis*
 Urbanization Summary Group ...U6 *Urban Outskirts II*



Demographic

Eighty-four percent of the residents in *Modest Income Homes* neighborhoods are black. Single-person and single-parent household types are predominant; however, a higher-than-average proportion of other family households is also present. The median age of 35.7 years is slightly younger than the national median of 36.8 years. Many adult children still live at home. More than one-fourth are aged 65 years or older and have retired. Many are caregivers for their grandchildren, demonstrating strong family ties in these neighborhoods.

Socioeconomic

Most of the retirees in *Modest Income Homes* rely on Social Security benefits for support. Slightly more employed residents work part-time than full-time, mainly in service and blue-collar occupations. The median household income is \$21,374; the median net worth is \$13,098. The unemployment rate is 23.1 percent. Thirteen percent of households receive Supplemental Security Income, and 10 percent receive public assistance. With little savings, home equity contributes the lion's share to a household's net worth in these neighborhoods. More than 60 percent of residents aged 25 years and older have graduated from high school. Eight percent hold a bachelor's or graduate degree, and 28 percent have attended college.

Residential

Most *Modest Income Homes* neighborhoods are in older suburbs of Southern metropolitan areas, with a smaller concentration in the Midwest. More than two-thirds of the housing is single-family dwellings; 15 percent are duplexes. Homeowners and renters are almost evenly divided. Seventy-one percent of the households own at least one vehicle. Because demand for housing is low, home prices are very moderate; the median home value is \$53,765.

Preferences

Residents are big fans of daytime and primetime TV. They go to the movies occasionally and also like to watch movies on TV channels such as the Lifetime Movie Network and The Movie Channel. They also watch football and basketball games on TV. They listen to urban radio. The Internet is the least effective way to reach these folks.

To save money, they shop at discount stores, limit their long-distance telephone calls, and restrict nonessential services such as Internet access and fitness center memberships. When they participate in physical activities, they might play basketball. Most drive used, domestic sedans.



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Appendix 3

46 Rooted Rural

Segment Code.....46
 Segment Name *Rooted Rural*
 LifeMode Summary Group L12 *American Quilt*
 Urbanization Summary Group ... U11 *Rural II*



Demographic

The population of the *Rooted Rural* segment is slightly older, with a median age of 42.3 years; 50 percent are older than age 55. Married-couple families dominate these rural neighborhoods; however, 23 percent are singles who live alone. More of the married-couple families are empty-nesters than those who have children. There is little ethnic diversity in the *Rooted Rural* segment; almost 90 percent of the residents are white.

Socioeconomic

The median household income for this segment is \$38,234; the median net worth is \$62,041. The labor force participation of 56 percent is below the national level. One-third of the households receive Social Security benefits. Although the agricultural industry is more prominent in this market than at the U.S. level, many employed residents work in the service and manufacturing industry sectors. More than three in four people aged 25 or more have graduated from high school; 12 percent hold a bachelor's or graduate degree.

Residential

Although *Rooted Rural* neighborhoods are located in rural areas throughout the country, more than three-fifths of the households are found in the South. Housing types include single-family dwellings (70 percent of households) and mobile homes (26 percent). Homeownership is at 82 percent; the median home value is \$96,569. Most of the housing units were built after 1970. A higher proportion of seasonal housing contributes to higher vacancy rates in these neighborhoods. Local residents tend to move infrequently.

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Preferences

Rooted Rural residents are do-it-yourselfers. These settled families take pride in their homes and keep busy with home improvement and remodeling projects. They also take pride in their gardens, regularly buying lawn and garden insecticides, flower and vegetable seeds, and plants. Typical of their rural lifestyle, many have a lawn or garden tractor and ATVs and own an assortment of tools. They prefer domestic vehicles; most households own or lease a truck. Typically, a household member handles vehicle maintenance. Many homes have pets.

When families eat out, they prefer Ryan's Family Steakhouse, but they generally prepare meals at home with fresh vegetables from their gardens. Many homes own a separate freezer to store their produce. They shop for groceries and buy their favorite Folger's coffee at Winn-Dixie, Piggly Wiggly, or a Wal-Mart Supercenter.

They hunt, fish, ride horseback, attend country music concerts, and go to car races. They read hunting and fishing magazines and listen to country music and auto racing on the radio. Many have a satellite dish so they can watch rodeo/bull riding, truck and tractor pulls, reality TV, auto racing, and fishing programs as well as a variety of shows on CMT.

Appendix 4

56 Rural Bypasses

Segment Code.....56
 Segment Name*Rural Bypasses*
 LifeMode Summary GroupL11 *Factories and Farms*
 Urbanization Summary Group ...U11 *Rural II*



Demographic

The age and household composition of the *Rural Bypasses* market is very similar to U.S. distributions. Half of the households consist of married-couple families, 15 percent are single-parent families, and 7 percent are other family types. One-fourth of the households consist of a single person. The median age for this segment is 38 years, near the U.S. median of 36.9 years. Fifty-seven percent of the residents are white; 37 percent are black.

Socioeconomic

The median household income is \$28,595. Wages and salaries provide the primary sources of income; however, many depend upon Social Security, Supplemental Security Income, and public assistance for support. Because of low home values and household debt, the median net worth of \$22,550 is below the median household income. Overall, two in three residents aged 25 years and older have graduated from high school; the population with a bachelor's degree is one-third that of the U.S. level. Employed residents work in a variety of occupations, with a slightly higher percentage in blue-collar occupations. Higher-than-average proportions of employed residents work in the agricultural, mining, manufacturing, and construction industry sectors. Compared to U.S. levels, the labor force participation rate of 50 percent is low and the unemployment rate of 14.5 percent is high.

Residential

Open space, undeveloped land, and farmland are found in *Rural Bypasses* neighborhoods, located almost entirely in the South. Families live in small towns along country back roads. Residents enjoy the open air in these sparsely populated neighborhoods. Most houses are modest, single-family dwellings; 32 percent are mobile homes. Homeownership is at 76 percent; the median home value is \$64,229, one of the three lowest of the Tapestry segments. Most housing in this market was built after 1969. The vacancy rate of 16 percent is high.

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Preferences

Typical of their country lifestyle, *Rural Bypasses* residents prefer to drive trucks and SUVs and listen to country radio. To save money, they eat at home and maintain their homes and gardens themselves. In areas with no cable access, some residents install satellite dishes to watch TV. They frequently watch sports on TV, particularly NASCAR, auto racing, college football games, and fishing programs. They read fishing and hunting magazines. Conservative with their long-distance calls, resident demand for cost-effective cellular services is growing. They shop at discount stores, preferably at Wal-Mart. They also order from catalogs and from their Avon representatives. They shop at home improvement stores such as Lowe's and fill prescriptions at the local Wal-Mart Pharmacy instead of regular pharmacies. This is the top Tapestry segment to own and/or buy new motorcycles.



Appendix 5

51 Metro City Edge

Segment Code.....51
 Segment Name *Metro City Edge*
 LifeMode Summary Group L3 *Metropolis*
 Urbanization Summary Group ... U6 *Urban Outskirts II*



Demographic

Married couples, single parents, and multigenerational families are the household types found in *Metro City Edge* neighborhoods. Grandparents are caregivers in 4 percent of these households, twice the U.S. rate. The median age of this segment is 29.3 years because of the children, including adult children who still live at home. The average family size of 3.5 is slightly higher than the U.S. average. Seventy-four percent of the residents are black; 16 percent are white; and 4 percent are American Indian—four times the U.S. level.

Socioeconomic

The median household income for this segment is \$32,275; the median net worth is \$14,682. Although 78 percent of households derive income from wages and salaries, 9 percent receive public assistance and 9 percent receive Supplemental Security Income. Nearly half of employed residents work in service industries. Unemployment is more than double the U.S. level. One in ten residents aged 25 years or older have a bachelor's or graduate degree; four in ten have attended college.

Residential

Metro City Edge residents live in older suburban neighborhoods of large metropolitan cities, primarily in the Midwest and South. Sixty-eight percent live in single-family homes; 14 percent live in buildings with two to four units. The homeownership rate is 53 percent; the median home value is \$71,710. Although home prices are relatively inexpensive, many families are young, unsettled, and still renting. Seventy percent of the housing units were built before 1970.

Preferences

Metro City Edge residents must spend their money wisely to ensure the welfare of their children. They tend to shop for groceries at Piggly-Wiggly, Kroger, and Aldi but will go to superstores and wholesalers for bulk purchases of household and children's items. Some will have their vehicles serviced at auto parts chains. They eat at fast-food or family-style restaurants such as Old Country Buffet or Ryan's.

They watch sitcoms, movies, news programs, courtroom shows, and sports such as pro wrestling on TV. Accessing the Internet at home isn't important. They go to the movies and professional football games and play basketball. They read music and baby magazines and listen to urban and contemporary hit radio.



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Appendix 6

29 Rustbelt Retirees

Segment Code.....29
 Segment Name *Rustbelt Retirees*
 LifeMode Summary Group L5 *Senior Styles*
 Urbanization Summary Group ... U8 *Suburban Periphery II*



Demographic

Most of the households in these neighborhoods are married couples with no children or singles who live alone. Twenty percent are married couples with children. The median age is 45.2 years; more than one-third of the householders are aged 65 years or older. Seventeen percent are veterans. These neighborhoods are not ethnically diverse.

Socioeconomic

Although many residents still work, the labor force participation rate is 58 percent. Most households derive income from wages. However, 45 percent of households earn income from interest, dividends, and rental properties; 40 percent draw Social Security benefits; and 28 percent receive retirement income. The median household income is \$52,728, just below that of the U.S. median. The median net worth is \$135,486, slightly above the U.S. value. Overall, 86 percent of residents aged 25 years and older have graduated from high school, approximately 50 percent have attended college, and 20 percent hold a bachelor's or graduate degree.

Residential

Most *Rustbelt Retirees* neighborhoods can be found in older, industrial northeastern cities, especially in Pennsylvania, and other states surrounding the Great Lakes; 67 percent of the households are located in the Northeast and Midwest. Twenty-eight percent are in the South. Eighty-four percent of the housing is single-family homes with a median home value of \$120,952; three-fourths were built before 1970. Unlike many retirees, these residents are content to stay put and live in the same house for years.

Preferences

These hardworking folks are settled; many have lived in the same house for years. Loyal to country and community, they tend to be politically conservative. They participate in public activities and fund-raising, visit elected officials, and work for political parties or candidates. They belong to fraternal organizations, unions, and veterans' clubs. Practical people who take pride in their homes and gardens, *Rustbelt Retirees* buy home furnishings and work on remodeling projects to update their houses. They watch their pennies, use coupons, and look for bargains at discount stores and warehouse clubs. They own savings bonds and certificates of deposit and hold life insurance policies.

They eat out at family restaurants such as Perkins and Friendly's and watch rented movies on DVD instead of going to the theater. They also go bowling, play cards and bingo, gamble in Atlantic City, and go to horse races. They watch home improvement shows, sports events, news programs, game shows, and old reruns on TV. Favorite channels include Home & Garden Television, the Hallmark Channel, and the Weather Channel. They listen to country, oldies, and sports radio and peruse the daily newspaper.



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