
Northshore Commerce Study

An Overview of
Demographics,
Employment, and
Business Activity of the
Northshore Region of
Louisiana

September 2008



Southeastern Louisiana
University
Business Research Center
& College of Business

Herb Holloway
Dr. Abul Jamal
William Joubert



September 23, 2008

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 following study was conducted using generally accepted research methods, models and techniques.

The research, results and report are copyrighted ©, but may be reproduced and distributed through any means, provided the report is reproduced in its entirety with the Southeastern Louisiana University name and logo attached. The information gathered and/or study results are for informational purposes only, and are not intended to be used for investment or lending decisions. Research and results of this study do not represent any form of endorsement by Southeastern Louisiana University.

Sincerely,

A handwritten signature in black ink that reads 'William Joubert'. The signature is written in a cursive style with a prominent loop at the end.

William Joubert
Director
Business Research Center

Table of Contents

- Index of Figures..... iv
- Index of Tables..... iv
- Executive Summary v
- Background and Demographics 1
 - Population..... 1
 - Population Distribution by Age and Gender 2
 - Education Levels of Northshore Residents 3
 - Household and Per Capita Income 4
- Employment, Occupations, and Earnings 5
 - Employment 5
 - Occupation Types Held by Northshore Residents 5
 - Earnings per Job 6
 - Employment of Northshore Residents by Industry Sector 7
- Commuting Patterns 8
- Consumer Spending Patterns 12
- Retail Trade Analysis..... 16
- Conclusions..... 19

Index of Figures

<u>Figure</u>	<u>Title</u>	<u>Page</u>
Figure 1	Northshore Region of Louisiana.....	1
Figure 2	Population Distribution of Northshore Parishes (2007).....	2
Figure 3	Population Pyramid for the Northshore (2007 estimates).....	3
Figure 4	Population Pyramid for Louisiana (2007 estimates).....	3
Figure 5	Educational Attainment of Northshore Residents vs. Louisiana/U.S. (2007 estimates).....	4
Figure 6	Percentage of Northshore Residents Holding Various Types of Occupations (2007 estimates).....	6
Figure 7	Percentage of Northshore Jobs Held by Wages Received (2004- 2006).....	7
Figure 8	Commute Shed – Where Northshore Residents are Employed.....	9
Figure 9	Labor Shed – Where Northshore Employees Live.....	9
Figure 10	Northshore Retail Trade Analysis.....	19

Index of Tables

<u>Table</u>	<u>Title</u>	<u>Page</u>
Table 1	Estimated Income Levels -- Northshore vs. Louisiana vs. U.S. (2007).....	4
Table 2	Employment Status of Estimated Population age 16+ (2007).....	5
Table 3	Employment of Northshore Residents by Industry Sector (2002, 2006).....	8
Table 4	Commuting Matrix for Residents and Employees of the Northshore Parishes (2006).....	11
Table 5	Commuting and Employment Statistics of Northshore Parishes (2006).....	11
Table 6	Estimated Annual Expenditures by Northshore Households (2008).....	13
Table 7	Categories Where Northshore Residents Spend the LEAST Compared to National Averages.....	15
Table 8	Categories Where Northshore Residents Spend the MOST Compared to National Averages.....	16
Table 9	RMP Opportunity Gap Analysis for the Northshore (2008): 3-digit Sector Summary.....	18
Table 10	RMP Opportunity Gap – Retail Stores 2008: Northshore Region....	20

Executive Summary

The Northshore region of Louisiana is made up of Livingston, St. Helena, St. Tammany, Tangipahoa, and Washington Parishes in southeastern Louisiana. Combined, the five parishes account for approximately 8% of the land area and 12% of the population of the State of Louisiana.

The region's population increased from 438,121 in 2000 to 485,418 in 2005, an average annual growth rate of 2.07%. Following Hurricane Katrina in August of 2005, the region's population grew 4.12% from 2005 to 2006, ranging from 0.25% in Washington Parish to 6.49% in Tangipahoa Parish. Population growth returned to a more normal rate of 1.73% in 2007.

Northshore residents tend to be slightly younger and somewhat more educated than Louisiana residents in general, with an average age of 35.1 (vs. 35.4 for Louisiana) and 78.0% of residents holding a high school diploma (vs. 75.3% for the state).

Household incomes are higher in the Northshore region than the state as a whole, with a 2007 estimated median household income of \$46,656, approximately 15.6% higher than the state median household income of \$40,371.

For 2007, an estimated 61.7% of Northshore residents were in the labor force, compared to 60.0% for the state. The region's 2007 unemployment rate was almost a full percentage point below that of the state (3.3% vs. 4.2% for Louisiana).

More than one-fourth (26.8%) of employed Northshore residents held *Sales and Office* occupations in 2007, and another 19% were employed in *Professional and Related Occupations*. Combined, these two occupation types account for almost half (45.8%) of all employed individuals who live on the Northshore.

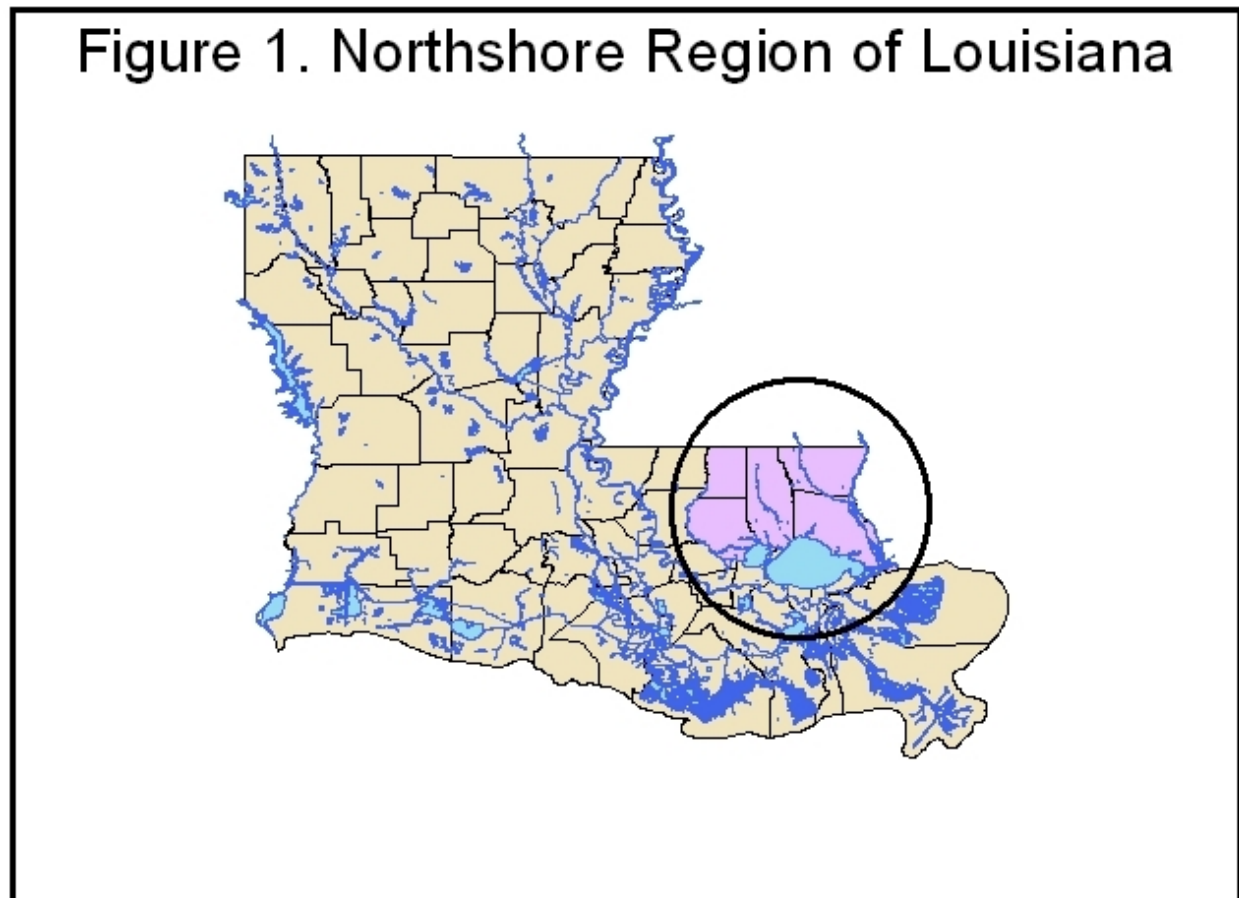
Leading Northshore industries by employment in 2006 were *Retail Trade* and *Health Care and Social Assistance*, which accounted for 14.6% and 13.7%, respectively, of positions held by Northshore residents. Employment in these two industries was significantly higher than the next highest industry – construction – which employed 9.6% of residents.

Approximately half of employed Northshore residents work on the Northshore, filling 73.4% of Northshore positions. The other half of Northshore residents commute to jobs outside of the region.

A retail trade analysis of the Northshore region for 2008 indicated total consumer expenditures of \$8.3 billion and total retail sales of \$7.1 billion, yielding a retail "opportunity gap" of \$1.2 billion. Two sectors showed surpluses (*Gasoline Stations* and *General Merchandise Stores*) and eleven had deficits (opportunity gaps), ranging from \$8,951,543 (*Electronics and Appliance Stores*) to \$440,327,167 (*Food and Beverage Stores*).

Background and Demographics

The Northshore region of Louisiana consists of five parishes in southeastern Louisiana, bordered on the east and north by the state of Mississippi and on the south by Lakes Pontchartrain and Maurepas (see **Figure 1**). Combined, the five parishes comprise a land area of 3,371 square miles and had an estimated 2007 population of 514,143, representing approximately 8% of the land area and 12% of the population of the State of Louisiana. (All statistics are from the U.S. Census Bureau.)

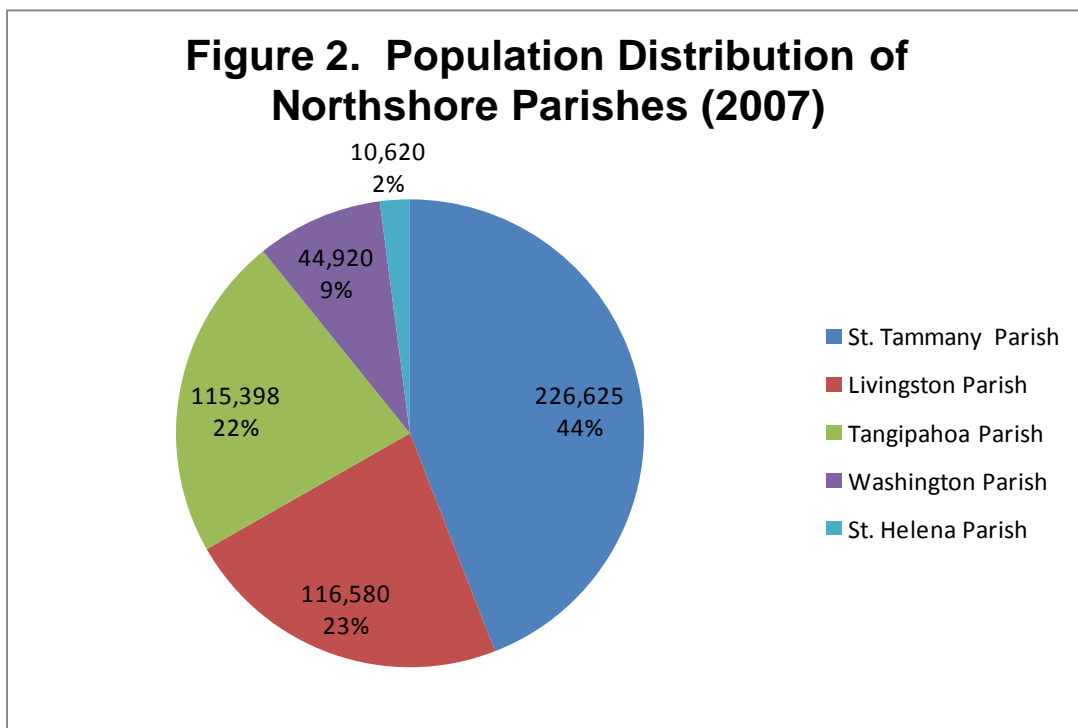


Population

The population of the Northshore region has grown significantly faster than the state as a whole over the last 50 years, increasing 188% since 1960 compared to 32% for the state. Livingston, St. Tammany, and Tangipahoa Parishes ranked 1st, 3rd, and 5th, respectively, among all parishes in rate of population growth for the period 1991-2000, and 3rd, 1st, and 7th, respectively, for the period 2001-2005.

Hurricane Katrina, in late August of 2005, had immediate and dramatic impacts on the populations of several Northshore parishes. Tangipahoa Parish’s population grew by 6.5% in 2006, almost six times the parish’s 2000-2005 annual average growth rate. Livingston and St. Helena Parishes also experienced population spikes in 2006 of 5.4% and 5.1%, respectively. While Louisiana’s population declined by 5.6% in 2006, the population of the Northshore region increased by 4.1%.

As shown in **Figure 2**, approximately 44% of Northshore residents live in St. Tammany Parish. Livingston and Tangipahoa Parishes each have approximately half as many residents as St. Tammany, with 23% and 22%, respectively, of the region’s population. Combined, these three parishes account for 89% of the region’s residents, with the remaining 11% living in Washington (9%) or St. Helena (2%) Parishes.



Population Distribution by Age and Gender

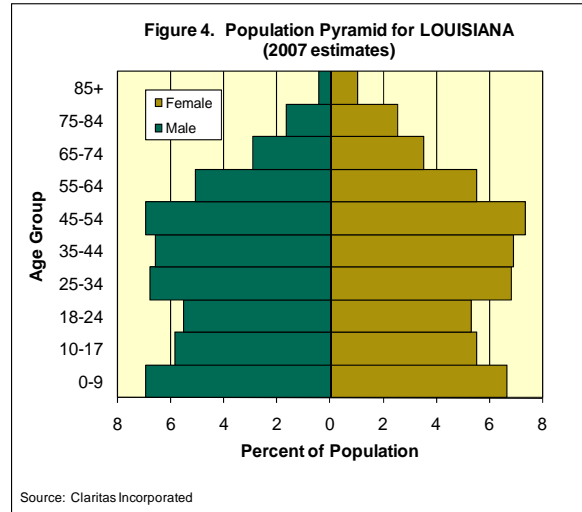
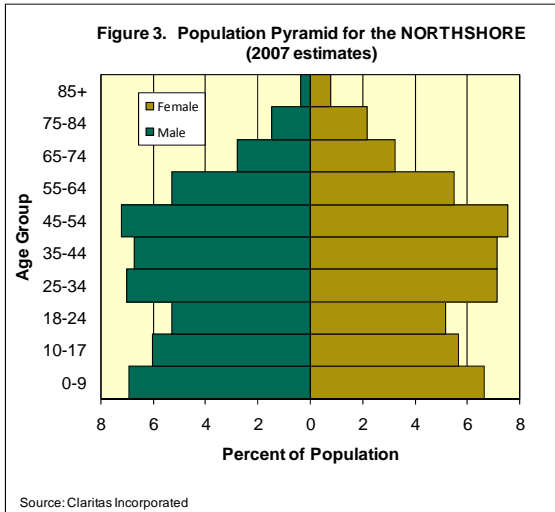
Figure 3 illustrates the population distribution of the Northshore by age and gender.

Figure 4 illustrates the population distribution of Louisiana for comparison.

The distributions are very similar, but the Northshore is somewhat “younger” than the state as a whole, with 10.8% of the population age 65 and over, compared to 12.1% for the state (and 12.7% for the nation). Most of this difference comes from a smaller proportion of females age 65 and over (6.1%) than the state (7.1%).

Conversely, the Northshore has a proportion of residents aged 18-64 that is one percent higher than the state (63.9% vs. 62.9%).

According to Claritas Incorporated, the 2007 estimated median age of Northshore residents was 35.1 years, compared to 35.4 for Louisiana and 36.5 for the U.S.

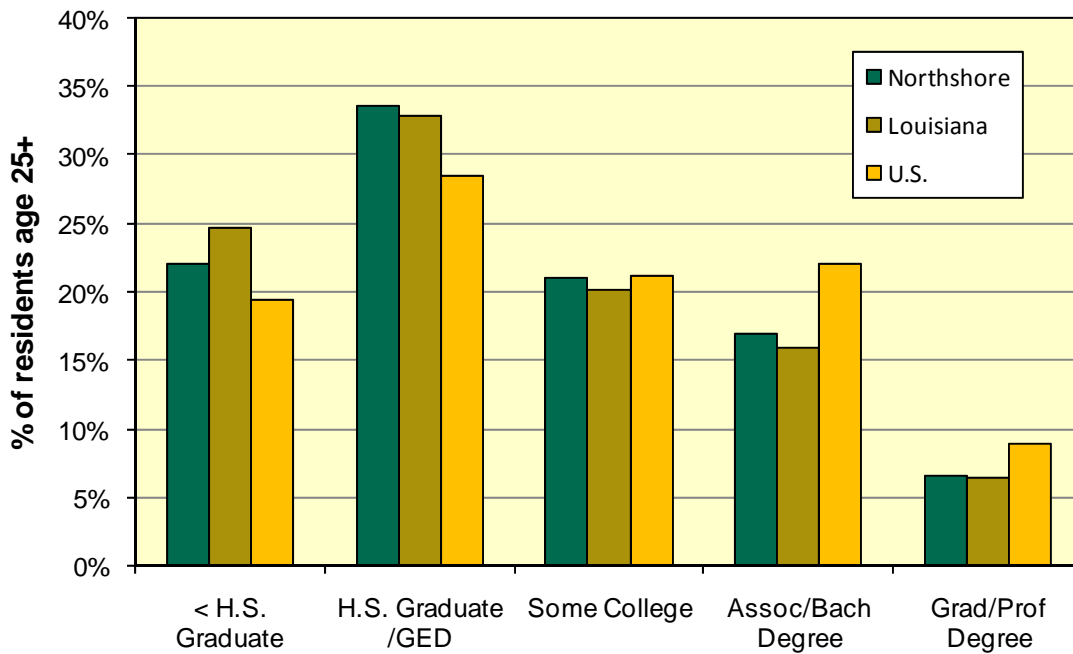


Education Levels of Northshore Residents

Northshore residents tend to have education levels slightly higher than Louisiana residents in general, but somewhat lower than U.S. residents overall (see **Figure 5**). Seventy-eight percent (78.0%) of Northshore residents have a high school diploma or higher level of education, compared to 75.3% of Louisiana residents and 80.6% of U.S. residents.

Summing together associate, bachelor's, and graduate/professional degrees, 23.4% of Northshore residents hold some type of college degree, versus 22.3% and 31.0% for the state and nation, respectively.

Figure 5. Educational Attainment of Northshore Residents vs. Louisiana/U.S. (2007 estimates)



Source: Claritas Incorporated

Household and Per Capita Income

As shown in **Table 1**, estimated average and median incomes for the Northshore region fall in between those for the state and the nation. Northshore incomes are 11% - 16% higher than equivalent Louisiana measures, and 5% - 10% below those for the U.S.

Table 1. Estimated Income Levels -- Northshore vs. Louisiana vs. U.S. (2007)	Northshore	Louisiana	U.S.
Estimated Average Household Income	\$61,750	\$54,547	\$66,670
Estimated Median Household Income	\$46,656	\$40,371	\$49,314
Estimated Per Capita Income	\$23,024	\$20,825	\$25,495

Source: Claritas Incorporated

Employment, Occupations, and Earnings

Employment

The five Northshore parishes contained an estimated labor force (age 16+) of 249,972 in 2007 (**Table 2**), approximately 12.3% of the total labor force of Louisiana. Both the unemployment rate (3.3%) and percentage of residents not in the labor force (38.3%) were lower in the Northshore region than in the state as a whole.

Table 2. Employment Status of Estimated Population age 16+ (2007)				
	Northshore		Louisiana	
	Number	%	Number	%
Employed: Armed Forces	1,280	0.3%	18,332	0.5%
Employed: Civilian	235,371	58.1%	1,869,198	55.3%
Unemployed	<u>13,321</u>	<u>3.3%</u>	<u>140,155</u>	<u>4.2%</u>
Total labor force	249,972	61.7%	2,027,685	60.0%
Not in labor force	<u>155,320</u>	<u>38.3%</u>	<u>1,350,564</u>	<u>40.0%</u>
Total Est. Population age 16+	405,292	100.0%	3,378,249	100.0%

Source: Claritas Incorporated

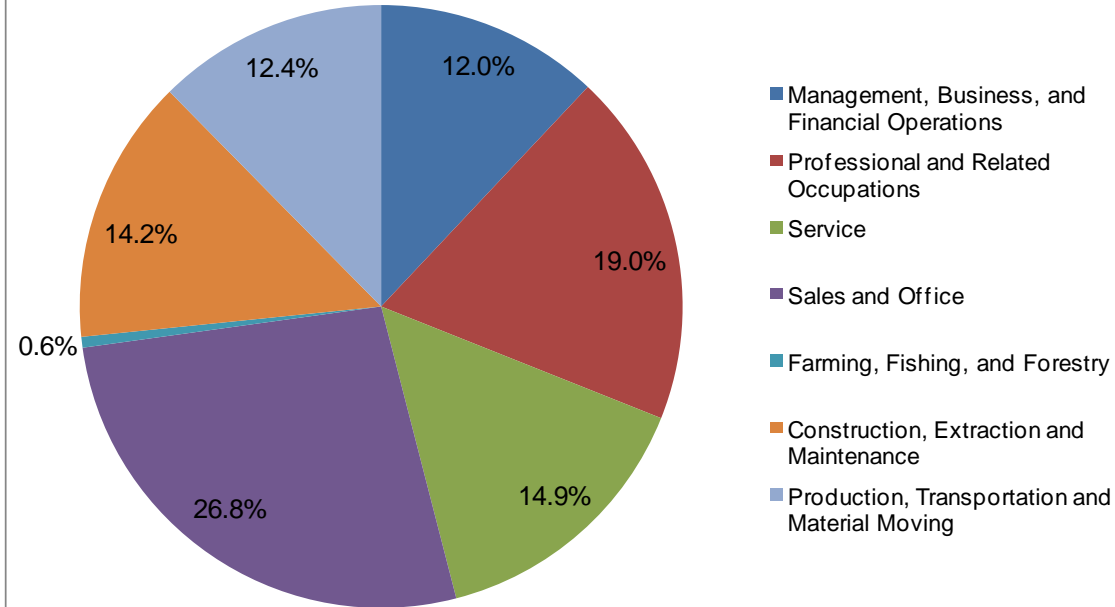
Occupation Types Held by Northshore Residents

More than 1 in 4 (26.8%) Northshore civilian employees (age 16+) held *Sales and Office* positions in 2007 (**Figure 6**), and almost 1 in 5 (19%) were employed in *Professional and Related Occupations*.

The next two most common occupation types were *Service* (14.9%) and *Construction, Extraction, and Maintenance* (14.2%) positions. *Production, Transportation, and Material Moving* and *Management, Business, and Financial Operations* had very similar shares of positions at 12.4% and 12.0%, respectively, and *Farming, Fishing, and Forestry* jobs made up the remaining 0.6%.

The proportions of occupation types among Northshore residents differed slightly from the state's proportions, with higher percentages of *Construction, Extraction, and Maintenance* jobs (14.2% vs. 12.0%) and *Management, Business, and Financial Operations* positions (12.0% vs. 11.0%). The Northshore had lower proportions of residents employed in *Production, Transportation, and Material Moving* (12.4% vs. 14.2%) and *Service* occupations (14.9% vs. 16.1%) than the state.

Figure 6. Percentage of Northshore Residents Holding Various Types of Occupations (2007 est.)



Source: Claritas Incorporated

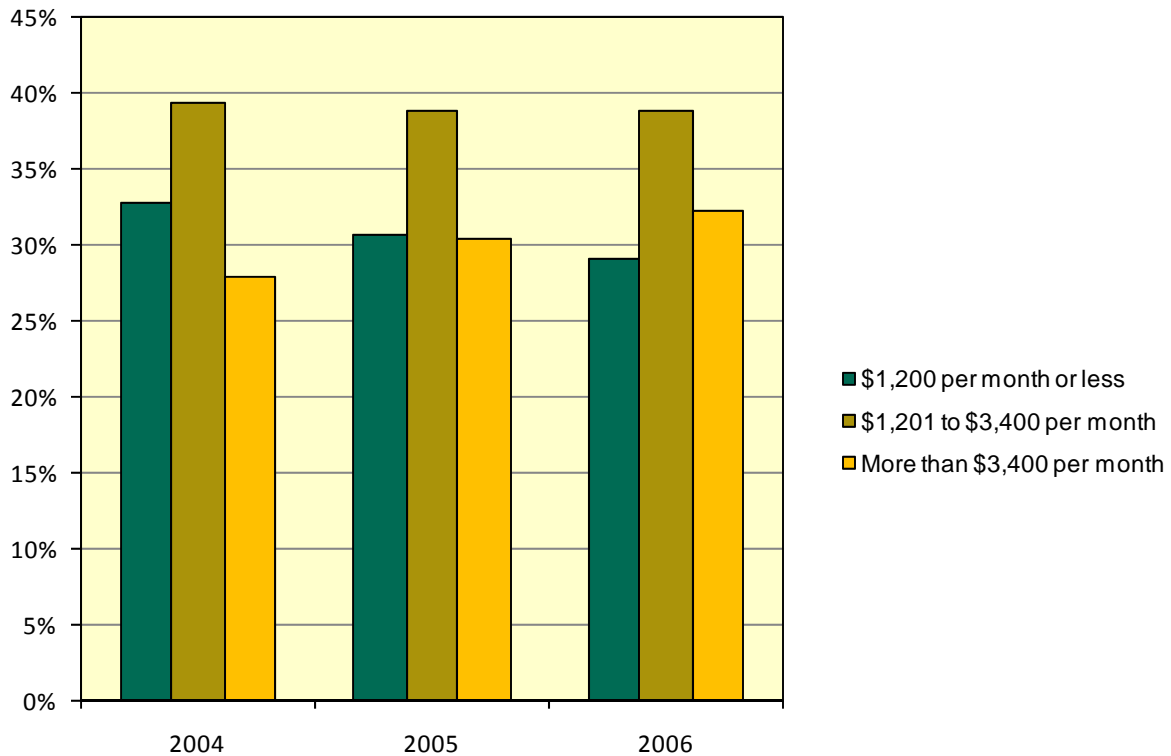
Earnings per Job

The U.S. Census Bureau divides jobs into three categories based on wages received (see **Figure 7**) -- \$1,200 per month or less, \$1,201 to \$3,400 per month, and more than \$3,400 per month. On an annual basis, these categories equate to \$14,400 or less, \$14,401 to \$40,800, and \$40,801 or more.

The percentage of Northshore jobs in the middle category -- \$1,201 to \$3,400 per month -- was almost constant, at approximately 39%, for the three latest years available (2004 to 2006).

The percentage of Northshore jobs in the lowest wage category -- \$1,200 per month or less -- declined from 32.8% in 2006 to 29.1% in 2006. Offsetting this approximately 4% decline in the proportion of lower paying jobs was an equivalent increase in the percentage of highest paying jobs -- more than \$3,400 per month -- from 27.9% in 2004 to 32.2% in 2006.

Figure 7. Percentage of Northshore Jobs Held by Wages Received (2004-2006)



Source: U.S. Census Bureau

Employment of Northshore Residents by Industry Sector

Retail Trade and *Health Care and Social Assistance* are the top two industries by employment in the Northshore region, employing 14.6% and 13.7%, respectively, of Northshore residents age 16+ in 2006 (see **Table 3**).

The next three Northshore industries with the most employment are *Construction* (9.6%), *Accommodation and Food Services* (8.7%), and *Manufacturing* (8.6%).

These top five industries employed 55.2% of Northshore residents in 2006.

Compared to 2002 data, *Administration & Support, Waste Management and Remediation* showed the largest increase in share of employment in 2006 (+1.0%) and *Manufacturing* had the largest decrease (-1.4%).

	2002	2006	Change
Retail Trade	14.4%	14.6%	0.2%
Health Care and Social Assistance	13.5%	13.7%	0.2%
Construction	9.3%	9.6%	0.3%
Accommodation and Food Services	8.4%	8.7%	0.3%
Manufacturing	10.0%	8.6%	-1.4%
Educational Services	7.1%	7.4%	0.3%
Professional, Scientific, and Technical Services	4.4%	4.9%	0.5%
Admin. & Support, Waste Management and Remediation	3.9%	4.9%	1.0%
Wholesale Trade	5.2%	4.7%	-0.5%
Public Administration	5.2%	4.5%	-0.7%
Finance and Insurance	3.8%	4.0%	0.2%
Transportation and Warehousing	3.2%	3.4%	0.2%
Other Services (excluding Public Administration)	2.9%	2.8%	-0.1%
Information	1.5%	1.7%	0.2%
Real Estate and Rental and Leasing	1.6%	1.6%	0.0%
Management of Companies and Enterprises	1.4%	1.4%	0.0%
Mining, Quarrying, and Oil and Gas Extraction	1.5%	1.3%	-0.2%
Arts, Entertainment, and Recreation	1.3%	1.2%	-0.1%
Utilities	0.9%	0.7%	-0.2%
Agriculture, Forestry, Fishing and Hunting	0.5%	0.4%	-0.1%

Source: U.S. Census Bureau

Commuting Patterns

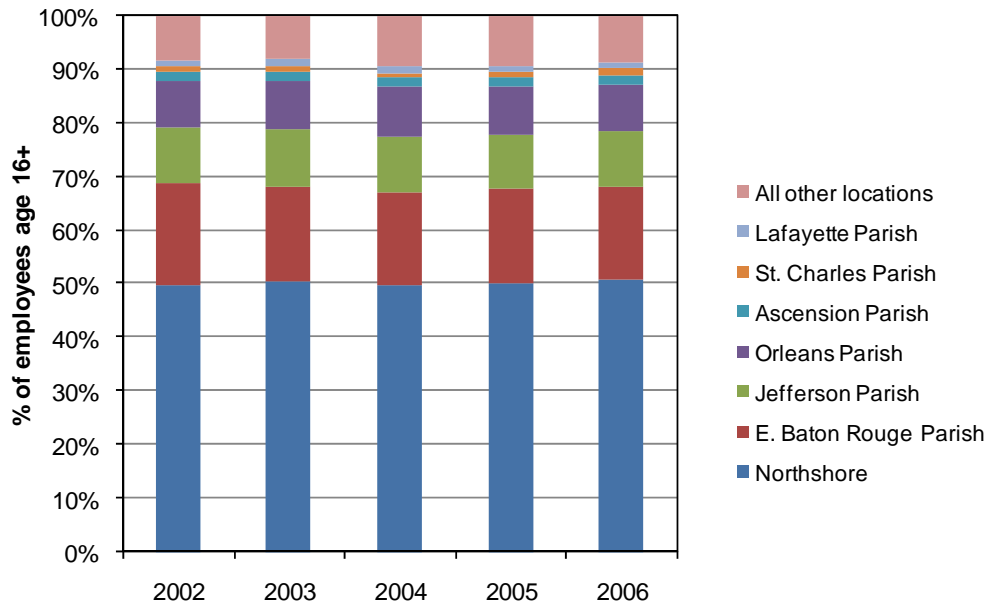
Approximately half of employed Northshore residents (age 16+) work in the Northshore area, and the percentage may be increasing slightly (**Figure 8**). The next largest share of Northshore workers commute to East Baton Rouge Parish, but this percentage has declined from 19.0% in 2002 to 17.2% in 2006.

The only other parishes to which over 2% of Northshore employees commute are Jefferson and Orleans Parishes, which accounted for 10.5% and 8.6% of workers, respectively, in 2006. Less than 1% of employed Northshore residents worked outside of Louisiana in 2006. On the flip side, almost three-fourths (73.4%) of Northshore employees reside on the Northshore (**Figure 9**). Approximately 6% live in East Baton Rouge Parish, and approximately 5% in Jefferson Parish.

The only significant change in labor shed percentages over the last five years was a decline in the percentage of workers from Orleans Parish, from 3.6% - 3.8% pre-Katrina to 2.0% in 2006.

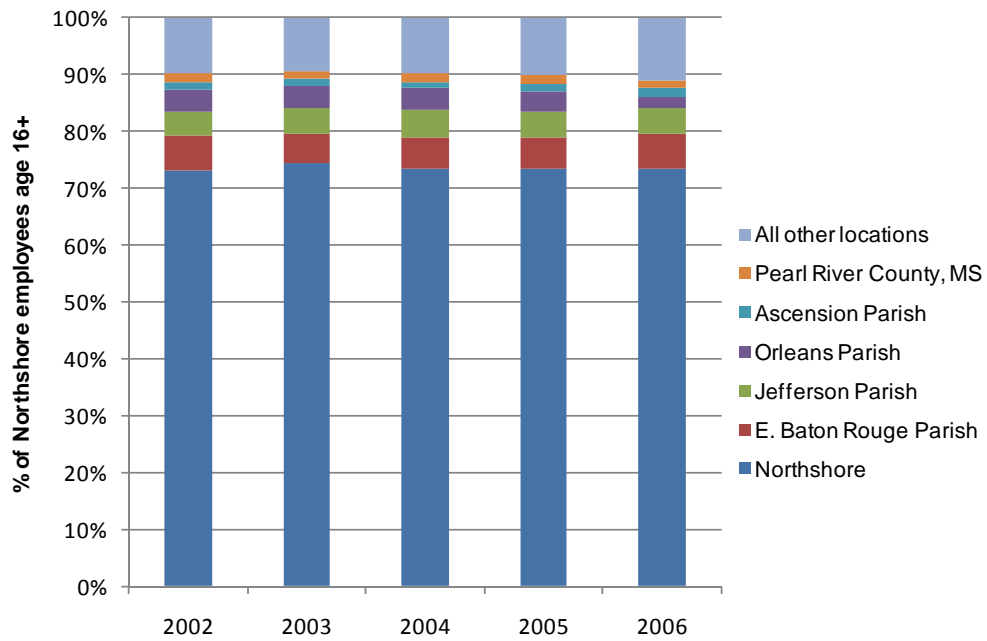
Approximately 4% of Northshore employees live outside Louisiana (primarily in Mississippi).

Figure 8. Commute Shed -- Where Northshore Residents are Employed



Source: US Census Bureau, LED Origin-Destination Data Base

Figure 9. Labor Shed -- Where Northshore Employees Live



Source: US Census Bureau, LED Origin-Destination Data Base

Table 4 is a commuting matrix which illustrates the flow of workers within the five Northshore parishes and between the Northshore parishes and selected outside locations. The rows (down the left side) indicate the location of residence, and the columns (across the top) reflect the place of employment.

The commuting matrix illustrates several interesting facts, such as:

- More than twice as many employed Livingston Parish residents work in East Baton Rouge Parish (22,284) as work in Livingston Parish (10,476).
- The number of St. Helena residents employed in St. Helena Parish (353) is less than both the number employed in Tangipahoa Parish (617) and the number of Tangipahoa residents employed in St. Helena Parish (445).
- While 23,535 St. Tammany Parish residents commuted to Jefferson or Orleans Parish in 2006, over 6,000 Jefferson and Orleans Parish residents commuted to St. Tammany Parish.

Table 5 summarizes some of the statistics from Table 4 to illustrate the varying proportions of residents of the various Northshore parishes that commute to jobs outside their home parish and the degree to which businesses in those parishes rely on outside workers commuting into the parish.

As shown in Table 5, Livingston and St. Helena Parishes have the highest rates of employed residents commuting to jobs outside their home parish, at 78.3% and 83.6%, respectively. Tangipahoa Parish is the only Northshore parish where a majority of employed residents (54.9%) work in their home parish.

Only slightly over one-fourth (26.6%) of St. Helena Parish jobs are held by parish residents, while three-fourths (75.4%) of Washington Parish jobs are held by Washington Parish residents.

Tables 4 and 5 illustrate the substantial number of commuters traveling out of and into the Northshore region on a regular basis. As 2007 and 2008 data become available, it will be interesting to see if recent higher fuel prices affect these commuting patterns.

Table 4. Commuting Matrix for Residents and Employees of the Northshore Parishes (2006)

Work in:	Living.	St. Helena	St. Tamm.	Tangi.	Wash.	EBR	Jeff.	Orleans	Ascension	Lafayette	St. Charles	All Other	Totals
Live in:													
Livingston	10,476	149	684	2,483	18	22,284	1,903	1,135	2,329	721	503	5,583	48,268
St. Helena	175	353	31	617	4	408	70	51	43	63	22	315	2,152
St. Tamm.	284	40	37,444	2,560	634	4,446	12,048	11,487	312	846	631	5,726	76,458
Tangipahoa	1,306	445	3,171	23,418	285	4,045	3,236	1,506	527	446	1,066	3,176	42,627
Washington	75	15	2,064	738	7,783	1,127	2,438	1,886	247	180	164	1,317	18,034
EBR	3,496	94	2,331	1,805	123								
Jefferson	322	19	4,247	1,435	113								
Orleans	90	19	1,877	541	64								
Ascension	756	11	530	392	29								
Terrebonne	94	1	586	269	14								
Mississippi	142	96	2,603	1,006	909								
All other locations	2,382	83	4,456	3,180	340								
Totals	19,598	1,325	60,024	38,444	10,316								

Source: US Census Bureau, LED Origin-Destination Data Base

Table 5. Commuting and Employment Statistics of Northshore Parishes (2006)

	% of employed parish residents working in home parish	% of employed residents who commute outside the parish	% of parish jobs held by parish residents	Ratio of employed parish residents to number of jobs in the parish
Livingston Parish	21.7%	78.3%	53.5%	2.46
St. Helena Parish	16.4%	83.6%	26.6%	1.62
St. Tammany Parish	49.0%	51.0%	62.4%	1.27
Tangipahoa Parish	54.9%	45.1%	60.9%	1.11
Washington Parish	43.2%	56.8%	75.4%	1.75

Source: US Census Bureau, LED Origin-Destination Data Base

Consumer Spending Patterns

Various regions and cultures have socioeconomic variables, cultural values and traditions, and other factors that influence their spending on various categories of consumer goods. Claritas Incorporated develops 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. This data can be compared to national averages using a Market Index to illustrate how local spending patterns differ from the U.S.

Table 6 illustrates the estimated annual spending per household in the Northshore region and shows the Market Index for each category for the region compared to the U.S. If Northshore 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 (95). Obviously they don't, so categories with an index less than 95 are those where residents spend proportionately less than the national average, and those categories where local residents spend proportionately more have indexes higher than the overall index of 95.

Table 7 lists the ten categories or sub-categories where residents spend the least relative to national averages, and **Table 8** shows the eleven categories or sub-categories where they spend the most compared to national averages. The category where Northshore residents spend the least compared to national norms is *Rented Vehicles* (Table 7). Conversely, area residents spend the most (relative to national averages) on *Smoking Products/Supplies* (Table 8).

Table 6. Estimated Annual Expenditures by Northshore Households (2008)

Category	Average Northshore Household	Market Index vs. U.S. Average
APPAREL		
Total Apparel	\$4,333	93
Women's Apparel	\$1,249	96
Men's Apparel	\$889	96
Girl's Apparel	\$309	101
Boy's Apparel	\$247	103
Infant's Apparel	\$108	98
Footwear (excluding Infants)	\$498	101
Other Apparel Products/Services	\$1,034	80
ENTERTAINMENT		
Sports and Recreation	\$1,501	99
TV, Radio and Sound Equipment	\$1,902	94
Reading Materials	\$412	79
Travel	\$1,318	81
Photographic Equipment	\$99	93
FOOD AT HOME		
Total Food at Home	\$6,134	97
Cereal Products	\$270	93
Bakery Products	\$607	95
Fish and Seafood	\$117	83
Meats (All)	\$1,203	102
Dairy Products	\$646	95
Fresh Milk and Cream	\$165	98
Eggs	\$60	93
Other Dairy Products	\$421	95
Fruits and Vegetables	\$679	90
Juices	\$163	83
Sugar and Other Sweets	\$365	97
Fats and Oils	\$58	98
Nonalcoholic Beverages	\$707	98
Prepared Foods	\$1,318	102
HEALTH CARE		
Total Health Care	\$4,446	104
Medical Services	\$1,832	96
Prescription Drugs	\$2,476	111
Medical Supplies	\$137	87

Table 6. Estimated Annual Expenditures (2008) by Northshore Households (cont.)		
Category	Average Northshore Household	Market Index vs. U.S. Average
HOUSEHOLD EQUIPMENT		
Total Household Textiles	\$566	95
Domestic Textiles	\$257	94
Window and Furniture Covers	\$309	96
Total Furniture	\$783	97
Bedroom Furniture	\$215	97
Living/Dining Room Furniture	\$344	97
Other Furniture	\$223	98
Major Appliances	\$334	103
Small Appliances/Housewares	\$575	86
Misc. Household Equipment	\$497	99
MISC PERSONAL ITEMS		
Personal Care Products and Services	\$994	93
Personal Expenses and Services	\$1,550	92
Smoking Products/Supplies	\$980	116
MISCELLANEOUS ITEMS		
Total Education	\$1,351	81
Room and Board	\$102	88
Tuition/School Supplies	\$1,249	80
Pet Expenses	\$550	105
Day Care	\$301	96
Contributions (All)	\$1,598	85
OTHER MISC EXPENSES		
Housekeeping Supplies	\$367	101
Total Food away from Home	\$4,428	88
Breakfast and Brunch	\$383	89
Dinner	\$1,215	85
Lunch	\$1,271	89
Snacks and Non Alcoholic Beverages	\$609	93
Catered Affairs	\$67	86
Food and Non-alcoholic Beverages on Trips	\$882	89
Total Alcoholic Beverages	\$1,222	87
Alcoholic Beverages at Home	\$839	89
Alcoholic Beverages away from Home	\$383	82

Category	Average Northshore Household	Market Index vs. U.S. Average
SHELTER AND RELATED EXPENSES		
Household Services	\$486	84
Household Repairs	\$1,227	106
Telephone Service	\$1,099	101
TRANSPORTATION EXPENSES		
Total Transportation Expenses	\$7,404	99
New Autos/Trucks/Vans	\$2,640	89
Used Vehicles	\$2,063	112
Boats and Outboard Motor, Etc	\$321	110
Towing Charges	\$8	102
Gasoline	\$2,197	101
Diesel Fuel	\$15	94
Rented Vehicles	\$160	75
Automotive Maintenance/Repair/Other	\$1,816	96
Total Specified Consumer Expenditures	\$48,271	95
Source: Claritas Incorporated		

Category/Sub-category	Market Index vs. U.S. Average
Rented Vehicles	75
Reading Materials	79
Other Apparel Products/Services	80
Tuition/School Supplies	80
Travel	81
Alcoholic Beverages away from Home	82
Juices	83
Fish and Seafood	83
Household Services	84
Food Away from Home: Dinner	85

Table 8. Categories Where Northshore Residents Spend the MOST Compared to National Averages	
Category/Sub-category	Market Index vs. U.S. Average
Smoking Products/Supplies	116
Used Vehicles	112
Prescription Drugs	111
Boats and Outboard Motors, Etc	110
Household Repairs	106
Pet Expenses	105
Major Appliances	103
Boy's Apparel	103
Prepared Foods	102
Meats (All)	102
Towing Charges	102

Retail Trade Analysis

Using the known population (or number of households) of an area and the per capita (per household) expenditures (as detailed in Table 6), 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.

The Northshore region's retail trade was analyzed using Claritas Incorporated's RMP (Retail Market Power) Opportunity Gap report. 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 more and more 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 Northshore's retail supply and demand in these 13 major categories is illustrated in **Table 9** and **Figure 10**.

Retail supply exceeds demand in the Northshore in only two sectors – *Gasoline Stations* and *General Merchandise Stores*. These are the sectors where Northshore businesses are "pulling in" retail dollars from consumers who live outside the Northshore. (With major interstates crossing through the Northshore, substantial gasoline sales to outside consumers would be expected.)

Retail supply is more than 95% of retail demand in three sectors – *Foodservice and Drinking Places*, *Motor Vehicle and Parts Dealers*, and *Electronics and Appliance Stores*. Northshore businesses are essentially meeting the demand of Northshore consumers in these sectors, so expansion will require increasing the demand from Northshore consumers or drawing in consumers from outside the region.

For the remaining eight sectors, Northshore retail sales equal from 15.8% (*Non-store Retailers*) to 89.3% (*Building Material, Garden Equipment Stores*) of Northshore consumer expenditures. *Non-store Retailers* includes catalog and internet mail-order businesses, which means businesses in this category would be competing nationally (or globally). The other seven categories which have an opportunity gap represent possible opportunities for new businesses or expansions of existing ones, if those businesses are able to capture the expenditures that Northshore consumers are now spending outside the area.

However, the analysis must go deeper than the 3-digit level, because hidden in the 3-digit summations are vastly disparate retail trade balances for more specific sub-sectors within the same sector.

As shown in the complete Opportunity Gap report (**Table 10**), within the *General Merchandise Stores* sector, which has a surplus of \$166 million in sum, is the sub-sector of *Department Stores*, which has a leakage of \$133 million. When summed into the sector total, this leakage is more than offset by the \$299 million surplus of the *Other General Merchandise Stores* sub-sector. (Note also that the *Other General Merchandise Stores* sub-sector includes the *Warehouse Clubs and Super Stores* 5-digit sector, which has a surplus of over \$316 million. Given the volume of groceries sold by *Warehouse Clubs and Super Stores*, this surplus probably should be netted out against the leakage amount for *Food and Beverage Stores*.)

Therefore, Table 10 should be analyzed carefully for insight into the particular types of businesses that could be targeted for growth or expansion.

The substantial number of Northshore residents who commute to work outside the region is one factor which encourages expenditures outside of the area, and must be taken into account in formulating any business plans or strategies. The increasing cost of fuel may lead to changes in commuting patterns in the near future. If businesses relocate to the Northshore to be closer to their employees, this may enhance retail growth on the Northshore. Conversely, if employees move out of the Northshore to be closer to their places of work, their retail expenditures will be lost.

Sector	Demand (Consumer Expenditures)	Supply (Retail Sales)	Opportunity Gap (Leakage) or Surplus	Supply/ Demand
Motor Vehicle and Parts Dealers	\$1,646,218,710	\$1,590,056,970	\$56,161,740	96.6%
Furniture and Home Furnishings	\$204,897,720	\$116,010,978	\$88,886,742	56.6%
Electronics and Appliance Stores	\$184,018,640	\$175,067,097	\$8,951,543	95.1%
Build. Material, Garden Equip Stores	\$969,529,148	\$865,969,094	\$103,560,054	89.3%
Food and Beverage Stores	\$997,186,105	\$556,858,938	\$440,327,167	55.8%
Health and Personal Care Stores	\$439,239,749	\$330,442,013	\$108,797,736	75.2%
Gasoline Stations	\$923,730,114	\$1,121,707,017	-\$197,976,903	121.4%
Clothing and Accessories Stores	\$377,423,475	\$224,369,378	\$153,054,097	59.4%
Sport. Goods, Hobby, Book, Music	\$149,819,832	\$71,727,999	\$78,091,833	47.9%
General Merchandise Stores	\$998,714,771	\$1,164,558,443	-\$165,843,672	116.6%
Miscellaneous Store Retailers	\$210,038,476	\$162,032,779	\$48,005,697	77.1%
Non-Store Retailers	\$510,978,121	\$80,905,431	\$430,072,690	15.8%
Foodservice and Drinking Places	<u>\$697,048,978</u>	<u>\$687,632,974</u>	<u>\$9,416,004</u>	<u>98.6%</u>
Totals	\$8,308,843,839	\$7,147,339,111	\$1,161,504,728	86.0%

Source: Claritas Incorporated

Figure 10. Northshore Retail Trade Analysis

Source: Claritas Incorporated RMP Opportunity Gap Analysis (2008) -- (Summarized to 3-digit NAICS sectors)



Conclusions

The Northshore region has many attributes which make it appealing for future business development and economic growth.

The region includes three of the fastest growing parishes in the state, has education levels and household incomes above Louisiana averages, and is well served by transportation infrastructure.

Eight of thirteen business sectors are currently being supplied at 90% or less of regional demand levels, indicating areas of opportunity for new and expanded businesses. And with half of employed Northshore residents commuting outside the region for their jobs, there is an in-place labor force that could meet the workforce needs of these new and expanded Northshore businesses if competitive wages are offered.

Table 10. RMP Opportunity Gap – Retail Stores 2008: Northshore Region

	Demand (Consumer Expend.)	Supply (Retail Sales)	Opportunity Gap/Surplus
Total Retail Sales Incl Eating and Drinking Places	\$8,308,843,839	\$7,147,339,111	\$1,161,504,728
Motor Vehicle and Parts Dealers-441	\$1,646,218,710	\$1,590,056,970	\$56,161,740
Automotive Dealers-4411	\$1,424,150,159	\$1,327,502,971	\$96,647,188
Other Motor Vehicle Dealers-4412	\$101,525,596	\$101,821,986	-\$296,390
Automotive Parts/Accsrs, Tire Stores-4413	\$120,542,955	\$160,732,013	-\$40,189,058
Furniture and Home Furnishings Stores-442	\$204,897,720	\$116,010,978	\$88,886,742
Furniture Stores-4421	\$111,586,623	\$56,529,969	\$55,056,654
Home Furnishing Stores-4422	\$93,311,097	\$59,481,009	\$33,830,088
Electronics and Appliance Stores-443	\$184,018,640	\$175,067,097	\$8,951,543
Appliances, TVs, Electronics Stores-44311	\$138,854,420	\$156,105,006	-\$17,250,586
Household Appliances Stores-443111	\$31,838,026	\$45,108,998	-\$13,270,972
Radio, Television, Electronics Stores-443112	\$107,016,394	\$110,996,008	-\$3,979,614
Computer and Software Stores-44312	\$38,097,947	\$18,711,090	\$19,386,857
Camera and Photo. Equipment Stores-44313	\$7,066,273	\$251,001	\$6,815,272
Building Material, Garden Equip Stores -444	\$969,529,148	\$865,969,094	\$103,560,054
Building Material and Supply Dealers-4441	\$894,540,426	\$803,710,106	\$90,830,320
Home Centers-44411	\$348,965,767	\$396,833,996	-\$47,868,229
Paint and Wallpaper Stores-44412	\$19,795,385	\$3,996,075	\$15,799,310
Hardware Stores-44413	\$68,908,541	\$32,313,010	\$36,595,531
Other Building Materials Dealers-44419	\$456,870,733	\$370,567,025	\$86,303,708
Building Materials, Lumberyards-444191	\$153,151,366	\$126,367,492	\$26,783,874
Lawn, Garden Equipment, Supplies Stores-4442	\$74,988,722	\$62,258,988	\$12,729,734
Outdoor Power Equipment Stores-44421	\$11,797,871	\$567,998	\$11,229,873
Nursery and Garden Centers-44422	\$63,190,851	\$61,690,990	\$1,499,861
Food and Beverage Stores-445	\$997,186,105	\$556,858,938	\$440,327,167
Grocery Stores-4451	\$911,306,307	\$532,817,963	\$378,488,344
Supermarkets, Groc (Ex Conv) Stores-44511	\$865,434,191	\$492,363,994	\$373,070,197
Convenience Stores-44512	\$45,872,116	\$40,453,969	\$5,418,147
Specialty Food Stores-4452	\$28,163,563	\$15,752,967	\$12,410,596
Beer, Wine and Liquor Stores-4453	\$57,716,235	\$8,288,008	\$49,428,227
Health and Personal Care Stores-446	\$439,239,749	\$330,442,013	\$108,797,736
Pharmacies and Drug Stores-44611	\$383,768,978	\$312,380,986	\$71,387,992
Cosmetics, Beauty, Perfume Stores-44612	\$15,259,414	\$4,453,007	\$10,806,407
Optical Goods Stores-44613	\$13,076,105	\$4,618,001	\$8,458,104
Other Health and Personal Care Stores-44619	\$27,135,252	\$8,990,019	\$18,145,233
Gasoline Stations-447	\$923,730,114	\$1,121,707,017	-\$197,976,903
Gasoline Stations With Conv Stores-44711	\$696,199,080	\$852,108,027	-\$155,908,947
Other Gasoline Stations-44719	\$227,531,034	\$269,598,990	-\$42,067,956
Clothing and Clothing Accessories Stores-448	\$377,423,475	\$224,369,378	\$153,054,097
Clothing Stores-4481	\$274,687,383	\$164,179,504	\$110,507,879
Men's Clothing Stores-44811	\$17,939,175	\$6,024,026	\$11,915,149
Women's Clothing Stores-44812	\$68,960,768	\$35,747,006	\$33,213,762
Children's, Infant's Clothing Stores-44813	\$16,106,608	\$4,780,341	\$11,326,267
Family Clothing Stores-44814	\$148,035,553	\$97,759,561	\$50,275,992
Clothing Accessories Stores-44815	\$6,008,233	\$1,544,578	\$4,463,655

Table 10. RMP Opportunity Gap – Retail Stores 2008: Northshore Region (cont.)

	Demand (Consumer Expend.)	Supply (Retail Sales)	Opportunity Gap/Surplus
Other Clothing Stores-44819	\$17,637,046	\$18,323,992	-\$686,946
Shoe Stores-4482	\$51,812,126	\$31,439,994	\$20,372,132
Jewelry, Luggage, Leather Goods Stores-4483	\$50,923,966	\$28,749,880	\$22,174,086
Jewelry Stores-44831	\$46,863,215	\$27,721,798	\$19,141,417
Luggage and Leather Goods Stores-44832	\$4,060,751	\$1,028,082	\$3,032,669
Sporting Goods, Hobby, Book, Music Stores-451	\$149,819,832	\$71,727,999	\$78,091,833
Sport. Goods, Hobby, Musical Inst Stores-4511	\$109,153,505	\$46,161,001	\$62,992,504
Sporting Goods Stores-45111	\$57,994,839	\$13,991,986	\$44,002,853
Hobby, Toys and Games Stores-45112	\$34,243,311	\$23,873,985	\$10,369,326
Sew/Needlework/Piece Goods Stores-45113	\$8,008,872	\$4,261,036	\$3,747,836
Musical Instrument and Sply. Stores-45114	\$8,906,483	\$4,033,994	\$4,872,489
Book, Periodical and Music Stores-4512	\$40,666,327	\$25,566,998	\$15,099,329
Book Stores and News Dealers-45121	\$28,373,248	\$18,322,000	\$10,051,248
Book Stores-451211	\$26,879,591	\$18,322,000	\$8,557,591
News Dealers and Newsstands-451212	\$1,493,657	\$0	\$1,493,657
Prerec. Tapes, CDs, Record Stores-45122	\$12,293,079	\$7,244,998	\$5,048,081
General Merchandise Stores-452	\$998,714,771	\$1,164,558,443	-\$165,843,672
Department Stores Excl Leased Depts-4521	\$475,696,784	\$342,547,977	\$133,148,807
Other General Merchandise Stores-4529	\$523,017,987	\$822,010,466	-\$298,992,479
Warehouse Clubs and Super Stores-45291	\$449,596,794	\$766,119,472	-\$316,522,678
All Other General Merchandise Stores-45299	\$73,421,193	\$55,890,994	\$17,530,199
Miscellaneous Store Retailers-453	\$210,038,476	\$162,032,779	\$48,005,697
Florists-4531	\$15,119,952	\$13,976,772	\$1,143,180
Office Supplies, Stationery, Gift Stores-4532	\$81,415,740	\$49,957,986	\$31,457,754
Office Supplies and Stationery Stores-45321	\$46,425,677	\$31,342,993	\$15,082,684
Gift, Novelty and Souvenir Stores-45322	\$34,990,063	\$18,614,993	\$16,375,070
Used Merchandise Stores-4533	\$17,308,117	\$7,414,010	\$9,894,107
Other Miscellaneous Store Retailers-4539	\$96,194,667	\$90,684,011	\$5,510,656
Non-Store Retailers-454	\$510,978,121	\$80,905,431	\$430,072,690
Electronic Shopping, Mail-Order Houses-4541	\$363,287,750	\$11,600,425	\$351,687,325
Vending Machine Operators-4542	\$20,060,004	\$5,213,000	\$14,847,004
Direct Selling Establishments-4543	\$127,630,367	\$64,092,006	\$63,538,361
Foodservice and Drinking Places-722	\$697,048,978	\$687,632,974	\$9,416,004
Full-Service Restaurants-7221	\$319,607,896	\$301,497,992	\$18,109,904
Limited-Service Eating Places-7222	\$286,321,016	\$334,055,995	-\$47,734,979
Special Foodservices-7223	\$59,069,527	\$34,873,000	\$24,196,527
Drinking Places -Alcoholic Beverages-7224	\$32,050,539	\$17,205,987	\$14,844,552

Source: Claritas Incorporated