



December 10, 2010

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 Ponchatoula Chamber of Commerce and the City of Ponchatoula commissioned the BRC and the Louisiana Small Business Development Center in July 2010 to conduct a demographic and commerce analysis of the City of Ponchatoula. 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 fluid and cursive, with a prominent loop at the end.

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

PONCHATOULA COMMERCE STUDY

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

December 2010

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Southeastern Louisiana
University Business
Research Center and
College of Business



Louisiana
Small Business
Development Center

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EXECUTIVE SUMMARY

Ponchatoula has changed over the last century from a center for logging and agriculture to a bedroom community for petrochemical plant workers to a tourist destination.

Ponchatoula had a 2009 estimated population of 6,375, while a surrounding trade area based on the Reilly model includes approximately 16,000 residents. The city and trade area have both experienced strong population growth (+ 21 percent) over the last decade, particularly among adults 25-34 years of age. Ponchatoula's estimated median age in 2010 is 32.3, compared to 34.7 for its trade area, 35.7 for Louisiana, and 37.0 for the U.S.

The education levels attained by Ponchatoula residents increased significantly from 1990 to 2010, with the percentage of residents having less than a high school diploma declining from 38.8 percent in 1990 to an estimated 20.9 percent in 2010, and the percentage of residents with *more* than a high school education increasing from 29.5 percent to 47.9 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 having a bachelor's degree.

The estimated 2010 median income for the trade area (\$43,650) is approximately equal to that of Louisiana (\$43,387) and higher than that for the city (\$33,230). The median income for the city grew at a faster rate from 1999-2010, however, increasing 46.7 percent compared to 28.7 percent for the trade area.

The two largest industries by employment for both city and trade area residents are *Health Care and Social Assistance* and *Retail Trade*, which each employ 16-17 percent of residents. The next three largest employment sectors, which each employ around nine percent of residents, are *Manufacturing*, *Construction*, and *Accommodation and Food Services*. Combined, these five industries employed 61 percent of city residents and 60 percent of trade area residents in 2008.

Approximately one-third of employed Ponchatoula and trade area residents work in *Sales and Office* positions.

Trade area households tend to spend much less than national averages on *Alcoholic Beverages*, *Education Expenses*, and *New and Rented Vehicles*. They spend more than national averages on *Boats and Recreational Vehicles*, *Used Vehicles*, and *Smoking Products and Supplies*.

Retail trade analysis of the estimated Ponchatoula trade area reveals 2009 surpluses in seven sectors and deficits in six. The largest surplus is in the *Gasoline Stations* sector (\$51 million), while the largest deficit is in *Food and Beverage Stores* (\$25 million).

INTRODUCTION

Growth in Ponchatoula's retail sector will have several benefits for the city and its citizens, including:

- More (and more stable) jobs for area residents
- More convenience, reduced travel time, and lower transportation costs for area shoppers
- Help build and maintain a dynamic and thriving community
- Provide adequate sales tax revenues for the City's operations and any desired infrastructure improvements.

In order to successfully design strategies and programs to support the growth of Ponchatoula's businesses, 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 Ponchatoula and to illustrate the recent trends of several important factors.

This analysis will contribute to informed decision-making as Ponchatoula's civic leaders and public officials seek to better serve the needs of area residents and grow local businesses in the process.

BACKGROUND AND DEMOGRAPHICS

The City of Ponchatoula, Louisiana was formally incorporated on February 12, 1861. The City's early commerce revolved around the harvest and manufacturing of forest products shipped primarily to New Orleans, approximately 50 miles to the southeast across Lake Ponchartrain (see Figure 1).

In the early and mid-twentieth century, produce farming increased in importance in the local economy, and Ponchatoula became nationally-known for its strawberries, shipped in large quantities northward on the Illinois Central rail line that ran through the town on its way from New Orleans to Chicago.

As the timber and farming industries declined after World War II, Ponchatoula became more of a "bedroom community" for employees of the numerous petrochemical plants located along the Mississippi River.

Toward the end of the twentieth century and to the present, Ponchatoula has grown as a tourism destination. The Ponchatoula Strawberry Festival, held each April, is believed to be the second largest festival in Louisiana (after New Orleans' Mardi Gras), and Ponchatoula's historic downtown and numerous antique shops have become popular shopping attractions.

Figure 1. Location of Ponchatoula, Louisiana



0 5 10 20 Miles



This report analyzes the demographics and commerce for both the City of Ponchatoula and its larger "trade area" (Figure 2) where the majority of customers of Ponchatoula businesses are believed to reside. The process involved in estimating the boundaries of the trade area is discussed in a later section of this report.

Figure 2. Estimated Ponchatoula Trade Area



Population

Ponchatoula's population declined from an estimated 5,653 in 1990 to 5,275 in 2000 (adjusted Census estimates), before climbing over the last decade to an estimated 6,375 in 2009, an increase of 20.9 percent since 2000 (see Figure 3). (Note that the x-axis in Figure 3 is not to scale.)

The largest single-year increase was from 2005-2006 (+6.6 percent), largely caused by the influx of new residents from south of Lake Pontchartrain following Hurricane Katrina. Average annual growth between 2001 and 2005 was 1.7 percent, and 1.5 percent from 2007-2009.

The trade area's estimated population increased 20 percent from 1990 to 2000 and 21 percent from 2000 to 2010, growing from 11,175 in 1990 to 16,233 in 2010. (Annual population estimates for the trade area from 2001-2009 were not available.)

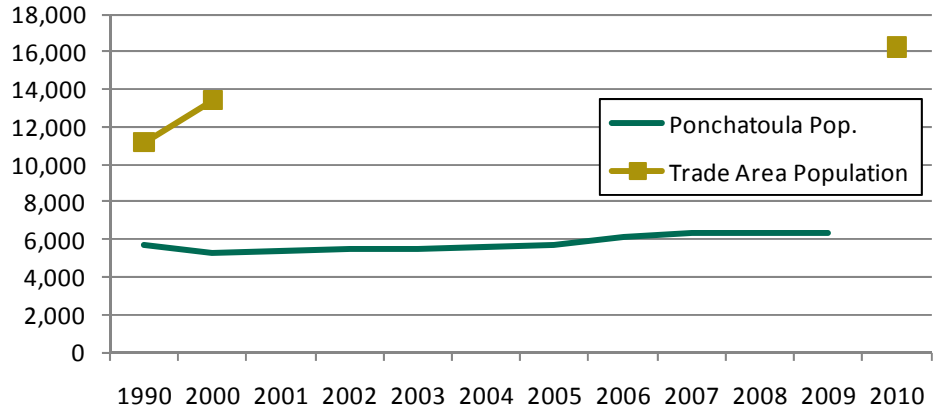
When Ponchatoula's 2000 and 2010 populations are analyzed by age category (Figure 4), the largest numeric growth occurred among 25-34 year olds, which grew from 621 to 921 (+48.3 percent, and up from 12.0 percent to 15.2 percent of the population). The greatest percentage increase was among 55-64 year olds, which added 217 individuals (up 53.1 percent, and from 7.9 to 10.3 percent of the city's population). The number of 35-44 year olds declined by 13.3 percent, from 14.9 to 11.1 percent of Ponchatoula's population, and was the only age bracket to show an actual decline in the number of individuals from 2000 to 2010 (-103). (Note: The 2010 population numbers are *estimates*. Actual 2010 Census counts will not be available until 2011.)

The population of Ponchatoula's trade area showed similar changes from 2000 to 2010, except the changes were somewhat more pronounced.

The number of 25-34 year olds and 55-64 year olds increased by 54.9 and 59.0 percent, respectively, while the population of 35-44 year olds declined by 16.8 percent. As shown in Figure 5, the percentage of the population of the trade area made up of 25-34 year olds increased from 11.9 to 15.2 percent, the percentage of 55-64 year olds increased from 8.4 to 11.1 percent, and the percentage of 35-44 year olds declined from 16.4 to 11.3 percent.

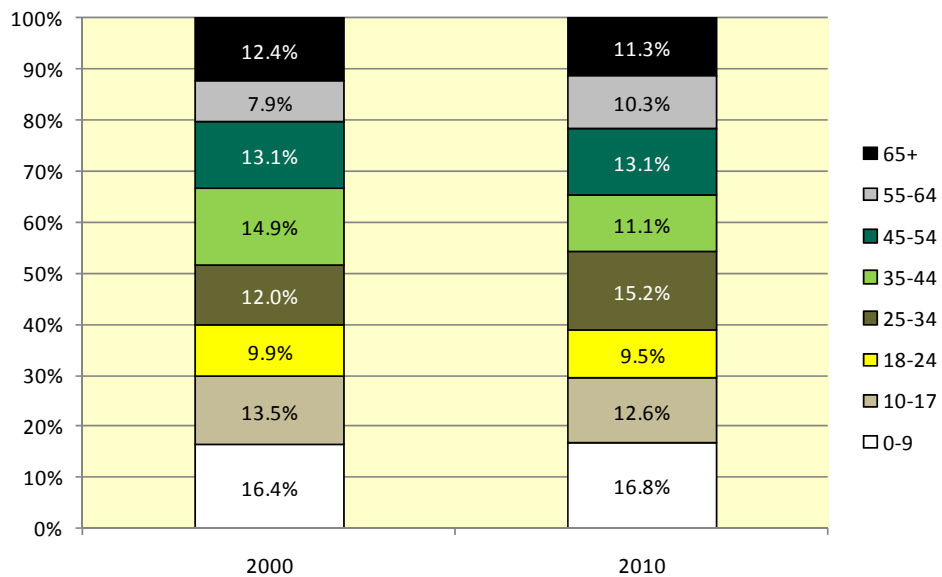
Ponchatoula's estimated median age in 2010 is 32.3, compared to 33.7 for the trade area, 35.7 for Louisiana, and 37.0 for the U.S.

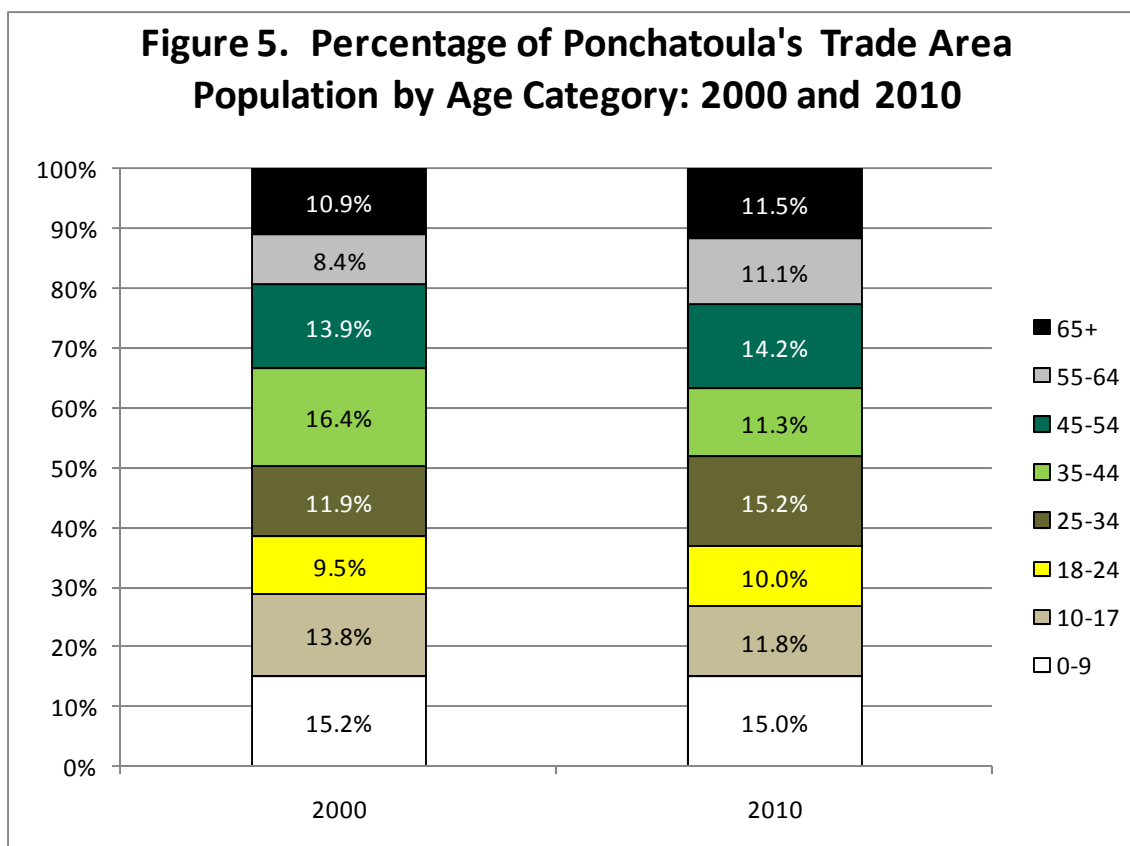
Figure 3. Ponchatoula and Trade Area Populations



Sources: Ponchatoula - U.S. Census Bureau estimates.
Trade Area - Claritas, Inc. estimates.

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





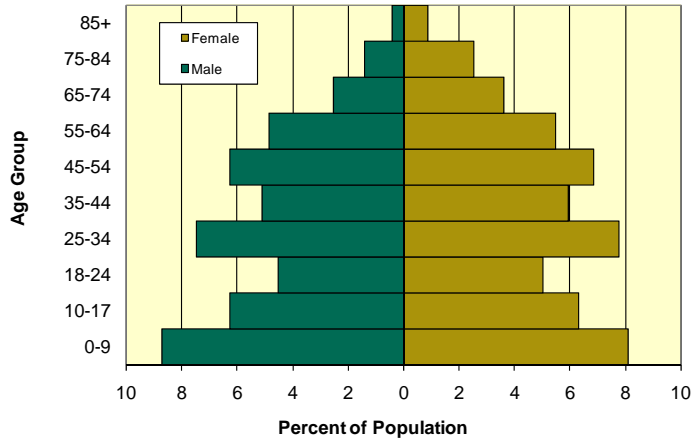
Ponchatoula and its trade area's population distribution by age and gender can be compared to each other and those of Louisiana and the United States by comparing Figures 6-9. Ponchatoula has higher percentages of children age 0-9, youth age 10-17, and young adults age 25-34 than the state or nation, almost equal percentages of women age 75-84, and lower percentages of all of the other age and gender categories.

The trade area has slightly higher percentages than Louisiana or the U.S. in all categories age 34 and under except for males age 18-24, where it is somewhat lower. The trade area has slightly lower percentages than the state or nation for all categories age 35 and over, except for females age 45-54, where it is slightly higher.

Educational Attainment of Ponchatoula Residents

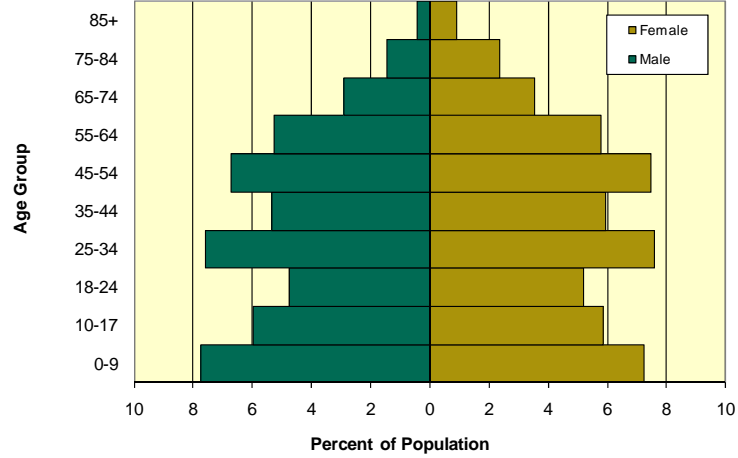
The education levels attained by Ponchatoula residents increased significantly from 1990 to 2010, with the percentage of residents having less than a high school diploma declining from 38.8 percent in 1990 to an estimated 20.9 percent in 2010, and the percentage of residents with *more* than a high school education increasing from 29.5 percent to 47.9 percent over the same period (see Figure 10).

Figure 6. Population Pyramid for PONCHATOULA (2010 estimates)



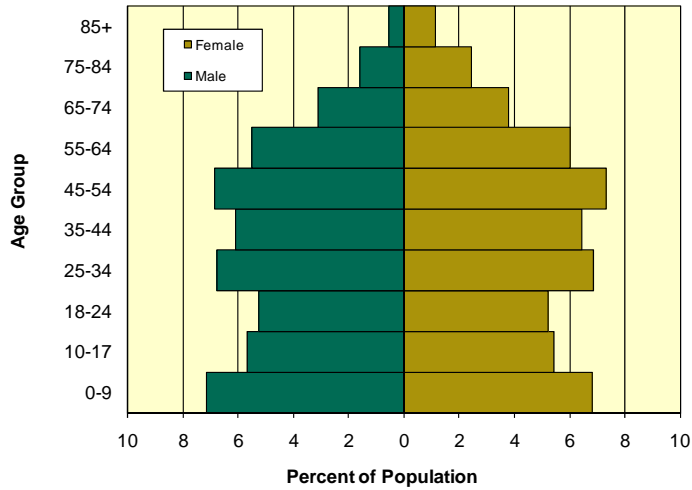
Source: Claritas Incorporated

Figure 7. Population Pyramid for TRADE AREA (2010 estimates)



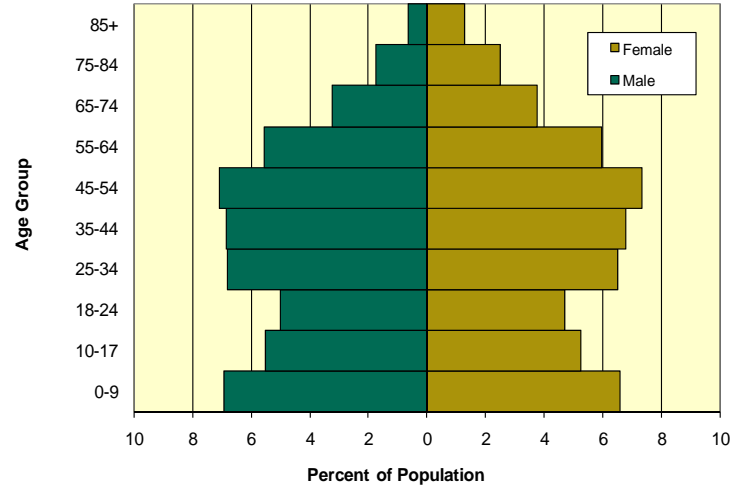
Source: Claritas Incorporated

Figure 8. Population Pyramid for LOUISIANA (2010 estimates)

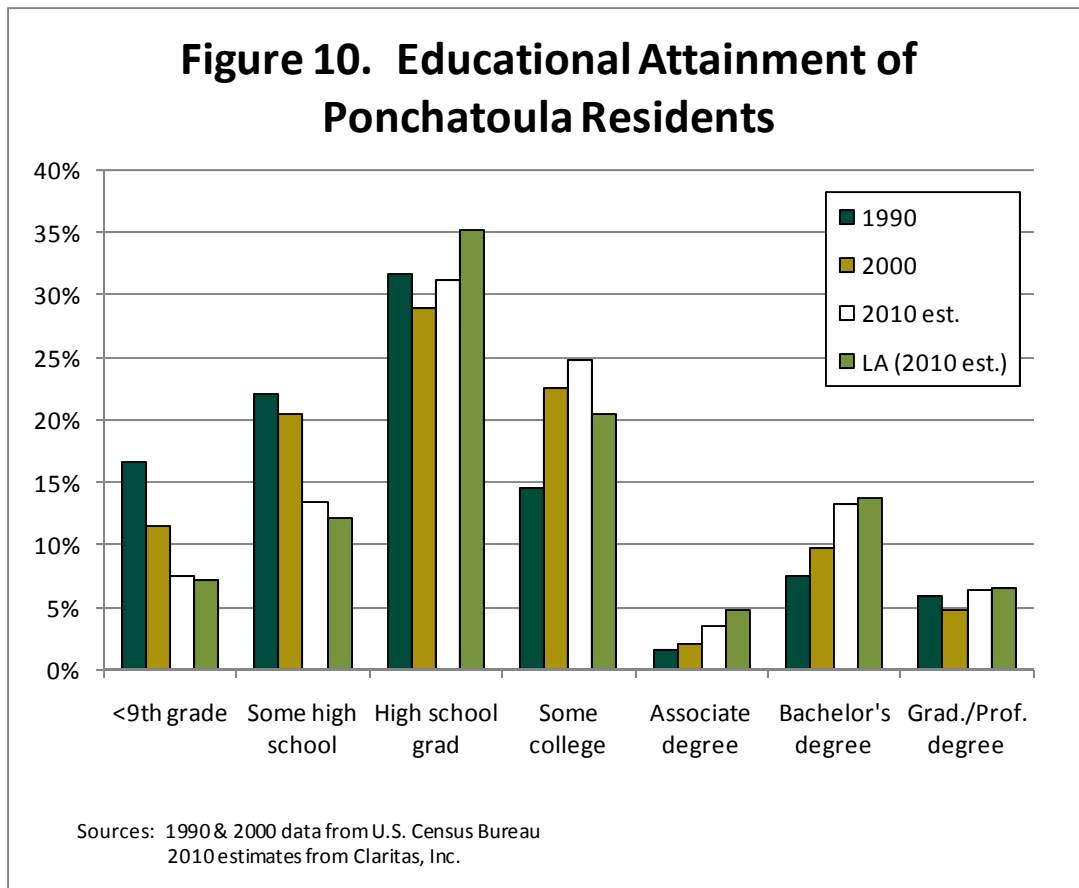


Source: Claritas Incorporated

Figure 9. Population Pyramid for the UNITED STATES (2010 estimates)



Source: Claritas Incorporated



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 of residents having less than a high school diploma and a higher percentage having a bachelor's degree.

Table 1. Educational attainment of Ponchatoula and trade area residents: 2010 estimates. (Source: Claritas, Inc.)

<u>Education Level Attained</u>	<u>Ponchatoula</u>	<u>Trade Area</u>
Less than 9th grade	7.5%	5.2%
Some high school	13.4%	10.7%
High school graduate	31.2%	34.4%
Some college	24.8%	23.0%
Associate degree	3.5%	3.8%
Bachelor's degree	13.2%	16.5%
Graduate/Professional degree	<u>6.4%</u>	<u>6.4%</u>
	100.0%	100.0%

Family and Household Incomes

Based on data from the U.S. Census Bureau and Claritas, Inc., 27.9 percent of families in Ponchatoula and 15.3 percent of families in the trade area had incomes below the poverty level in 1999 (Table 2). By 2010, Claritas estimates that the Ponchatoula percentage was down to 22.4 percent, while the trade area percentage increased slightly to 15.8 percent.

Table 2. Percentage of families with incomes below the Federally-established poverty level		
	<u>1999</u>	<u>2010</u>
<u>Ponchatoula</u>		
Percentage of families with incomes < the poverty level	27.9%	22.4%
<u>Trade Area</u>		
Percentage of families with incomes < the poverty level	15.3%	15.8%
Sources: Ponchatoula 1999 data – U.S. Census Bureau Ponchatoula 2010 and all Trade Area estimates – Claritas, Inc.		

Households in the trade area have a higher median income than those in the City of Ponchatoula alone (Figure 11). In 1999, the median household income in Ponchatoula (\$22,653) was only two-thirds (66.8 percent) that of the trade area (\$33,926).

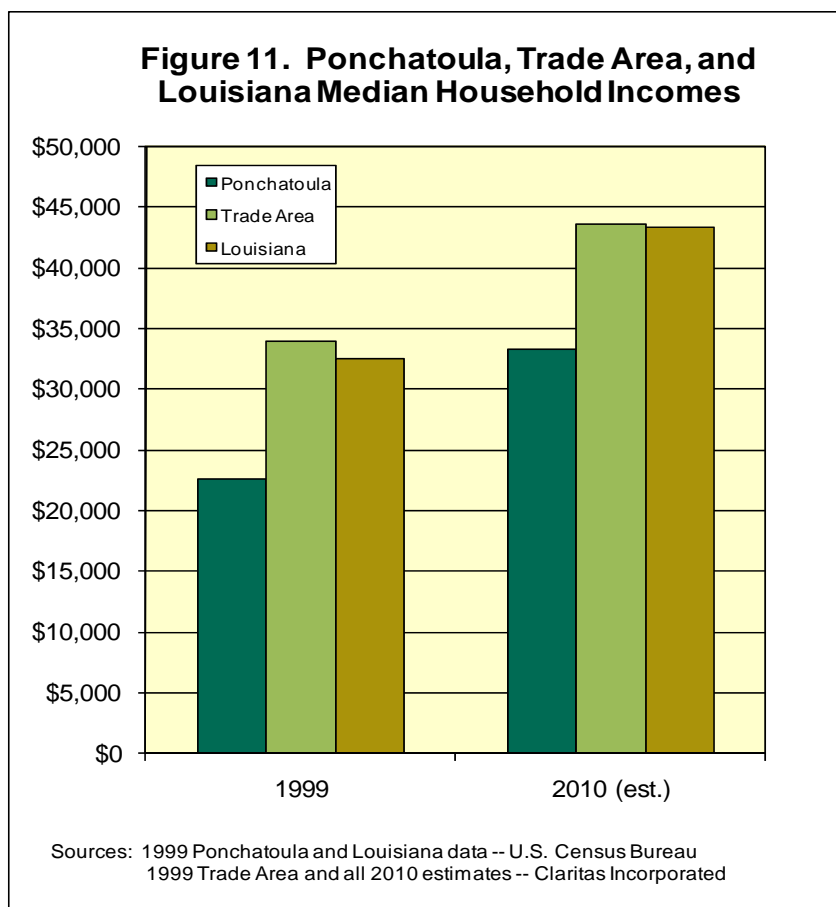
Between 1999 and 2010, Claritas estimates that the median income in Ponchatoula grew by 46.7 percent to \$33,230, while the median income in the trade area increased by 28.7 percent to \$43,650. Because incomes in the city grew at a faster rate than in the trade area, by 2010 the estimated median household income in Ponchatoula had grown to 76.1 percent of that in the trade area.

As shown in Figure 11, the median household income in the trade area is very similar to that of the State of Louisiana, although the trade area lost some ground relative to state incomes from 1999 to 2010. The median income in the state grew by 33.2 percent during this period, compared to the 28.7 percent growth mentioned earlier for the trade area.

Figure 12 illustrates the distribution of estimated household incomes for Ponchatoula and the trade area in 2010. A little more than half (52.2 percent) of Ponchatoula households had estimated household incomes below \$35,000 in 2010, compared to 41.7 percent in the trade area. Most of this difference comes from the “< \$15,000” category, which includes 27.5 percent of city households compared to 18.8 percent of trade area households.

The trade area has smaller percentages of households in the three lowest income brackets, and larger percentages in the five higher income brackets.

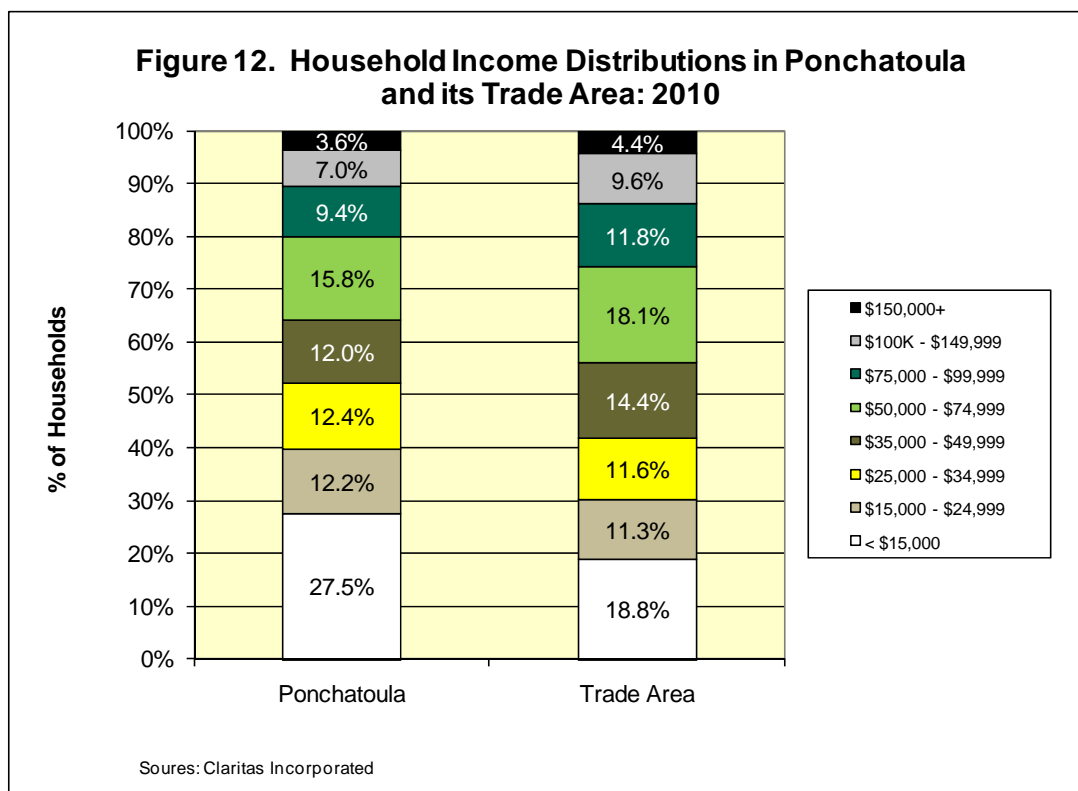
Approximately 11.6 percent of Ponchatoula households have incomes of \$75,000 or more, compared to 14.0 percent in the trade area.



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 Ponchatoula in 2007 was West Pine Street (LA Highway 22) near Berryland Shopping Center, which recorded an average daily traffic count of 26,729 (Figure 13). The second and third ranked locations were also along LA Highway 22, with 22,770 vehicles being counted where LA 22 crosses 7th Street and 20,829 near 4th Street.

The location showing the greatest actual increase in traffic from 2004 to 2007 was on LA Highway 22 just west of I-55, which increased by 4,304 vehicles (+35.2 percent). The only recording station which showed a decline from 2004 to 2007 was the previously mentioned location where LA Highway 22 crosses 7th Street, which was down approximately 700 vehicles/day (-3.1 percent).



EMPLOYMENT, EARNINGS, and COMMUTING PATTERNS

Employment by Industry

Figure 14 illustrates the percentage of Ponchatoula and trade area residents employed in various industries in 2008 (including residents who commute to jobs outside the area). The percentages by industry for the City of Ponchatoula and the trade area are very similar.

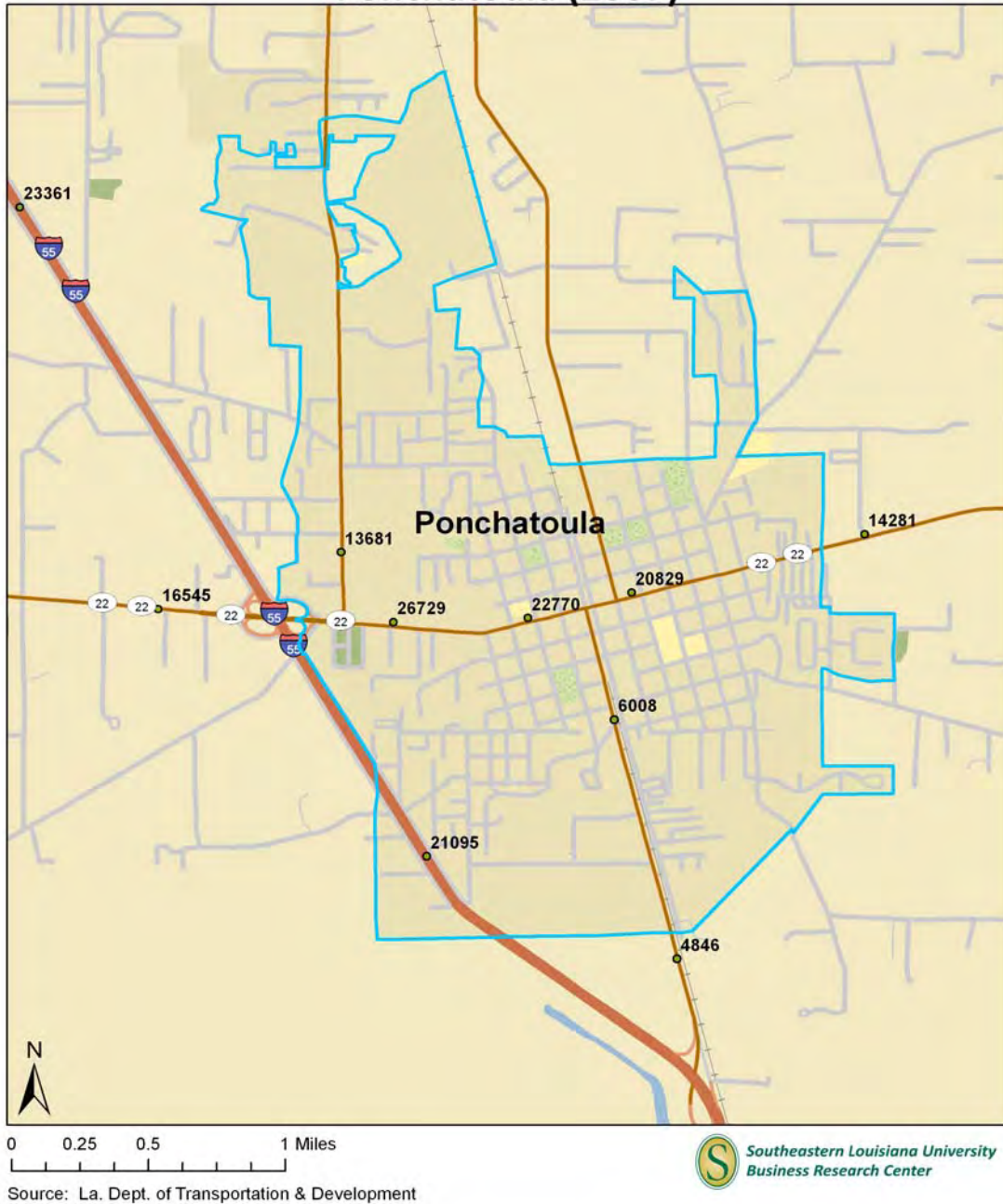
The two largest industries by employment for both city and trade area residents are *Health Care and Social Assistance* and *Retail Trade*, which each employ 16-17 percent of residents. The next three largest employment sectors, which each employ around nine percent of residents, are *Manufacturing*, *Construction*, and *Accommodation and Food Services*. Combined, these five industries employed 61 percent of city residents and 60 percent of trade area residents in 2008.

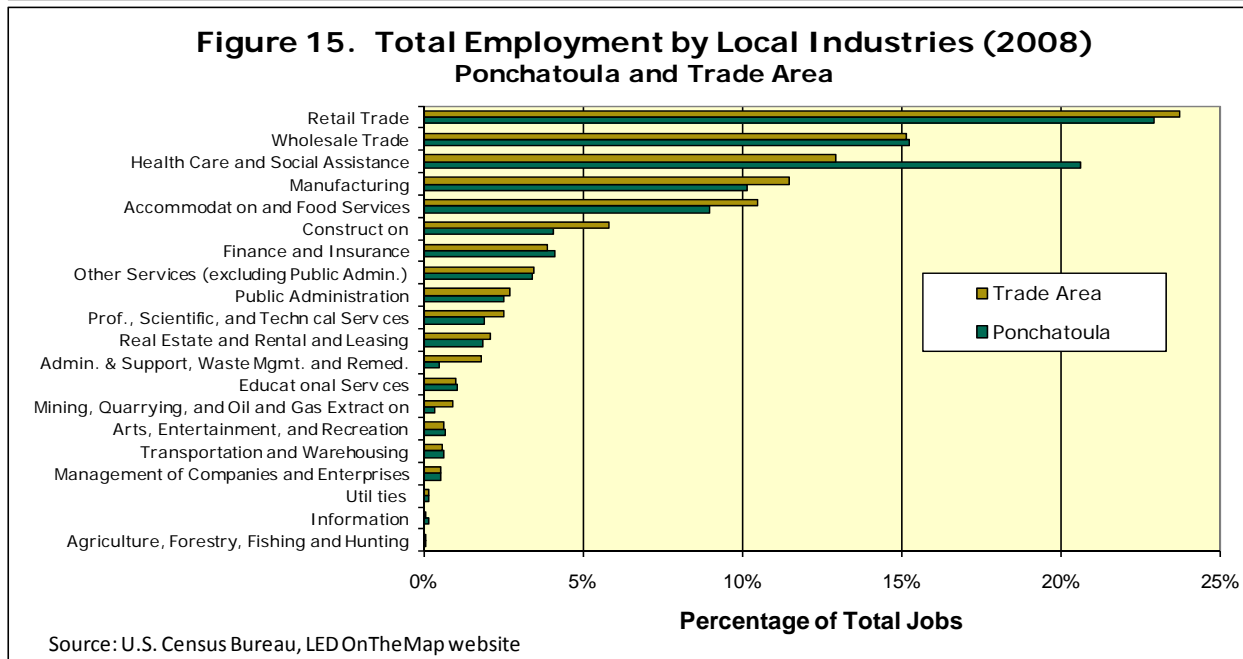
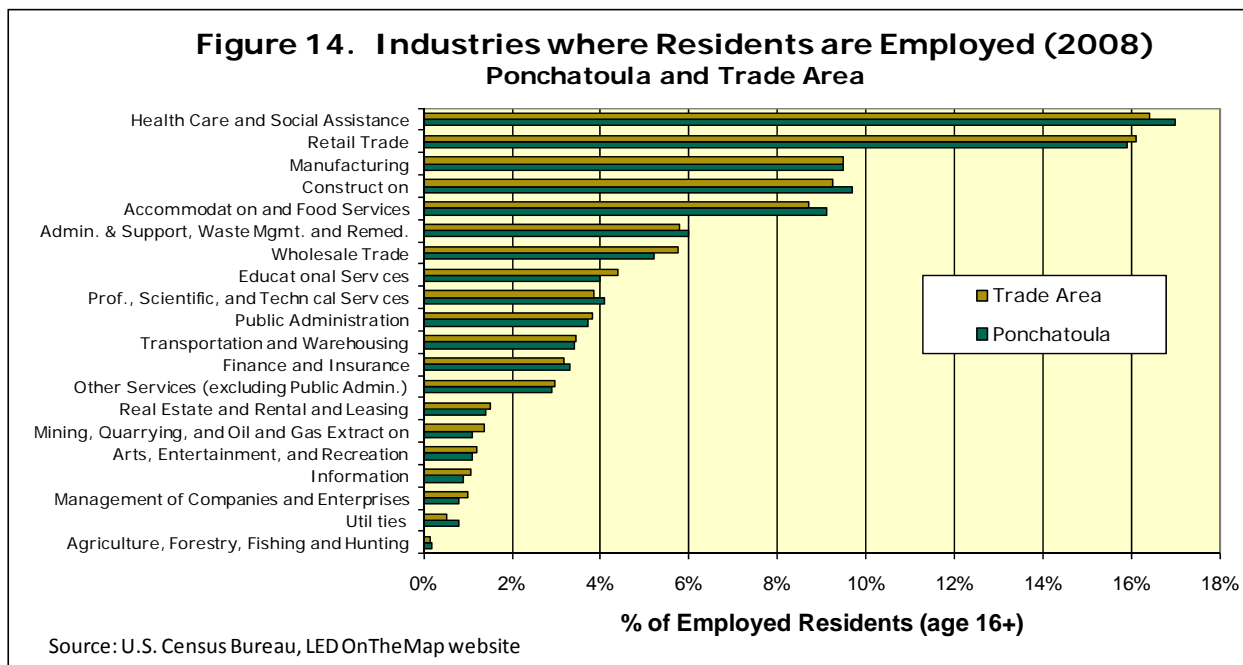
Figure 15 displays the percentage of jobs based in the city and trade area, (including jobs held by employees who commute in from outside the area).

The top five industries for employment in the trade area are *Retail Trade*, *Wholesale Trade*, *Health Care and Social Assistance*, *Manufacturing*, and *Accommodation and Food Services*. The top five industries for employment in the City of Ponchatoula are the same, but they fall

in a different order, with *Wholesale Trade* and *Health Care and Social Assistance* swapping second and third place.

**Figure 13. Average Daily Traffic Counts:
Ponchatoula (2007)**





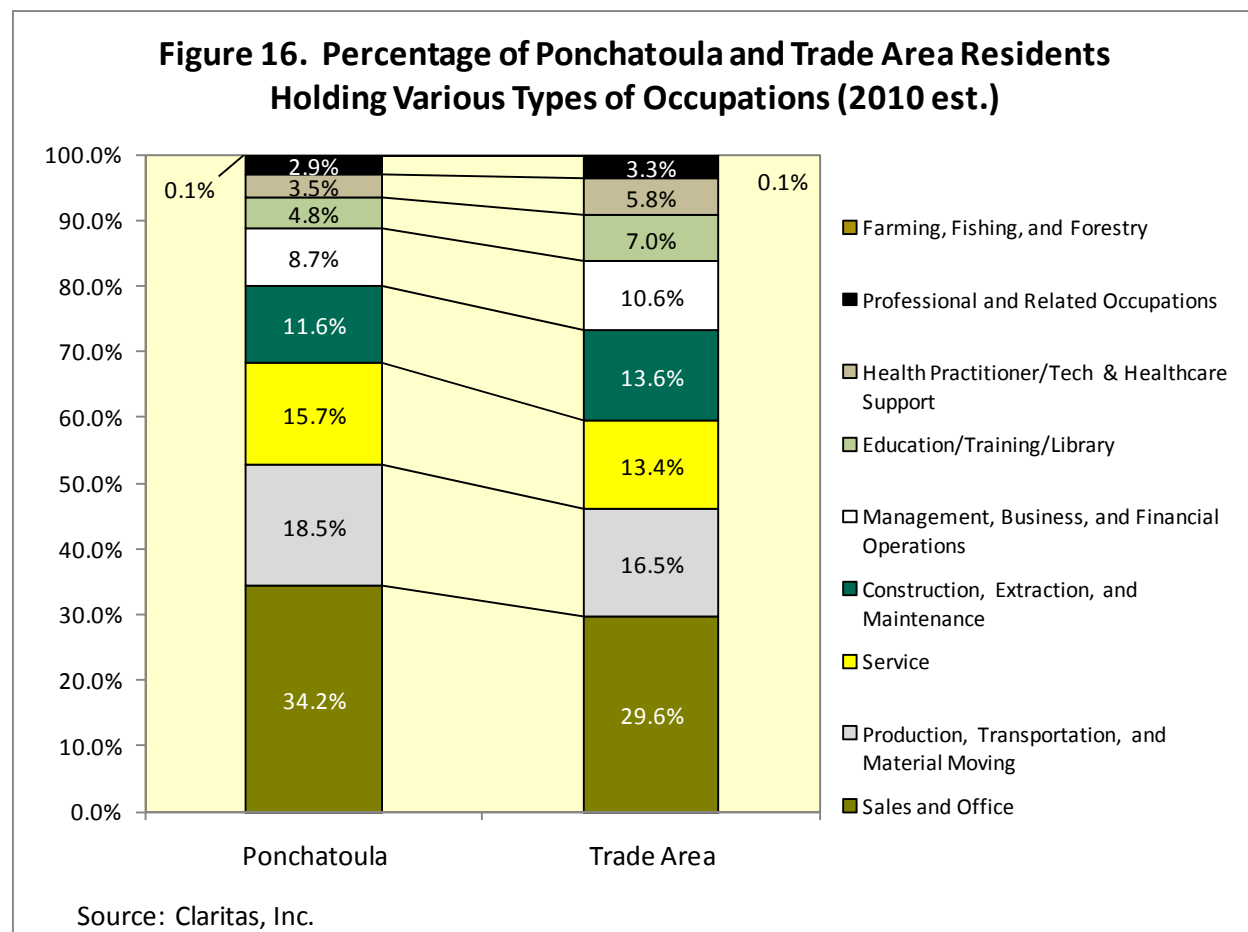
The City of Ponchatoula has a higher number and percentage of *Health Care and Social Assistance* jobs than the trade area (20.6 percent vs. 13.0 percent) because the northernmost part of the city, where many health care jobs are located, is not included in the trade area. (The influence of the large retail sector in Hammond pushes the trade area boundary south of the northern city limit of Ponchatoula. See later section addressing the derivation of the trade area boundaries.)

The trade area has noticeably higher percentages of jobs (greater than 1.0 percent difference) in Construction (+1.8 percent), Accommodation and Food Services (+1.5 percent), Manufacturing (+1.3 percent), and Administration & Support, Waste Management, and Remediation (+1.3 percent).

Occupations Held by Residents

Approximately one-third of Ponchatoula and trade area residents are employed in *Sales and Office* positions (Figure 16). The next four largest occupational groups are *Production, Transportation, and Material Moving* (18.5 and 16.5 percent in the city and trade area, respectively), *Service* (15.7 and 13.4 percent), *Construction, Extraction, and Maintenance* (11.6 and 13.6 percent), and *Management, Business, and Financial Operations* (8.7 and 10.6 percent).

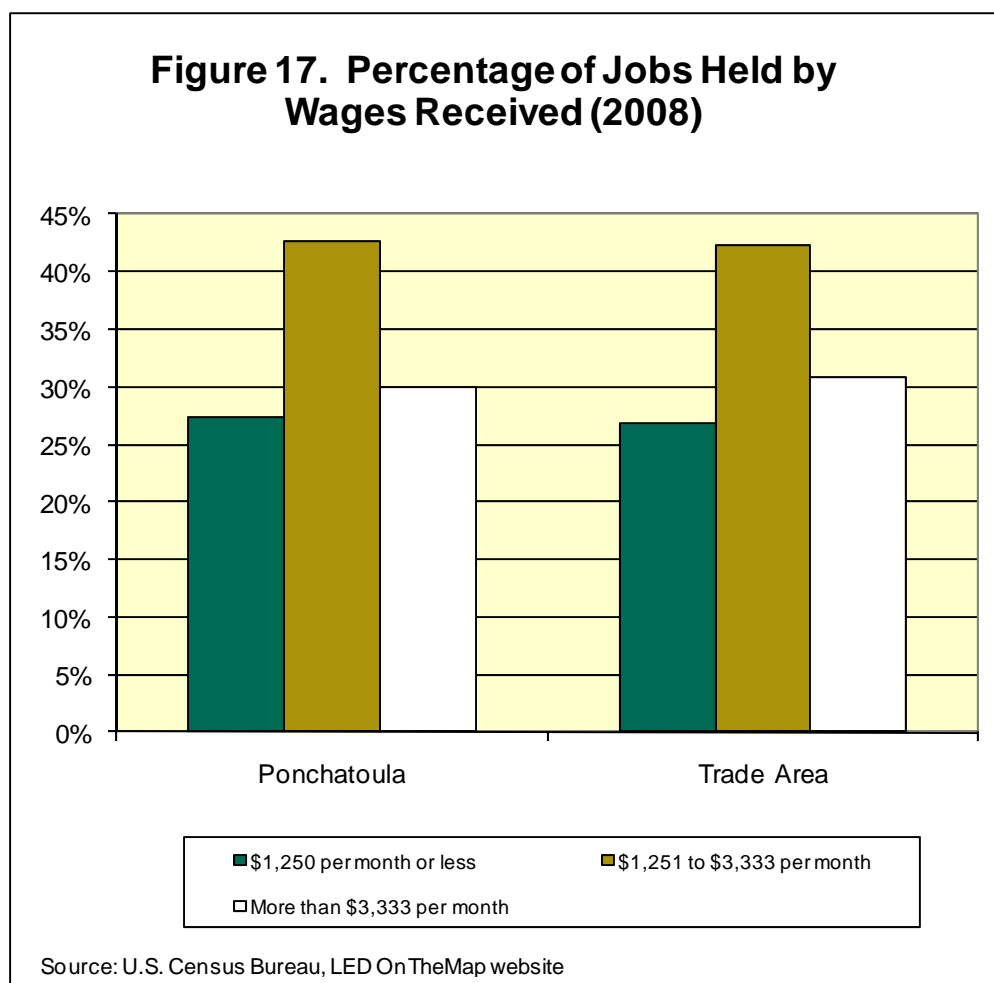
These five largest occupational groups include 88.7 and 83.7 percent of employed city and trade area residents, respectively.



Earnings per Job

As shown in Figure 17, the distribution of earnings per job in 2008 was very similar for residents of Ponchatoula and the trade area. The trade area has approximately 0.5 percent fewer residents in the low and middle earnings brackets and about 1.0 percent more in the high earnings bracket.

Approximately 27 percent of employed residents earn \$1,250 or less per month (\$15,000 or less per year), 42 – 43 percent earned between \$1,251 and \$3,333 per month (\$15,001 - \$40,000 per year), and 30 – 31 percent earned more than \$3,333 per month (\$40,001+ per year).



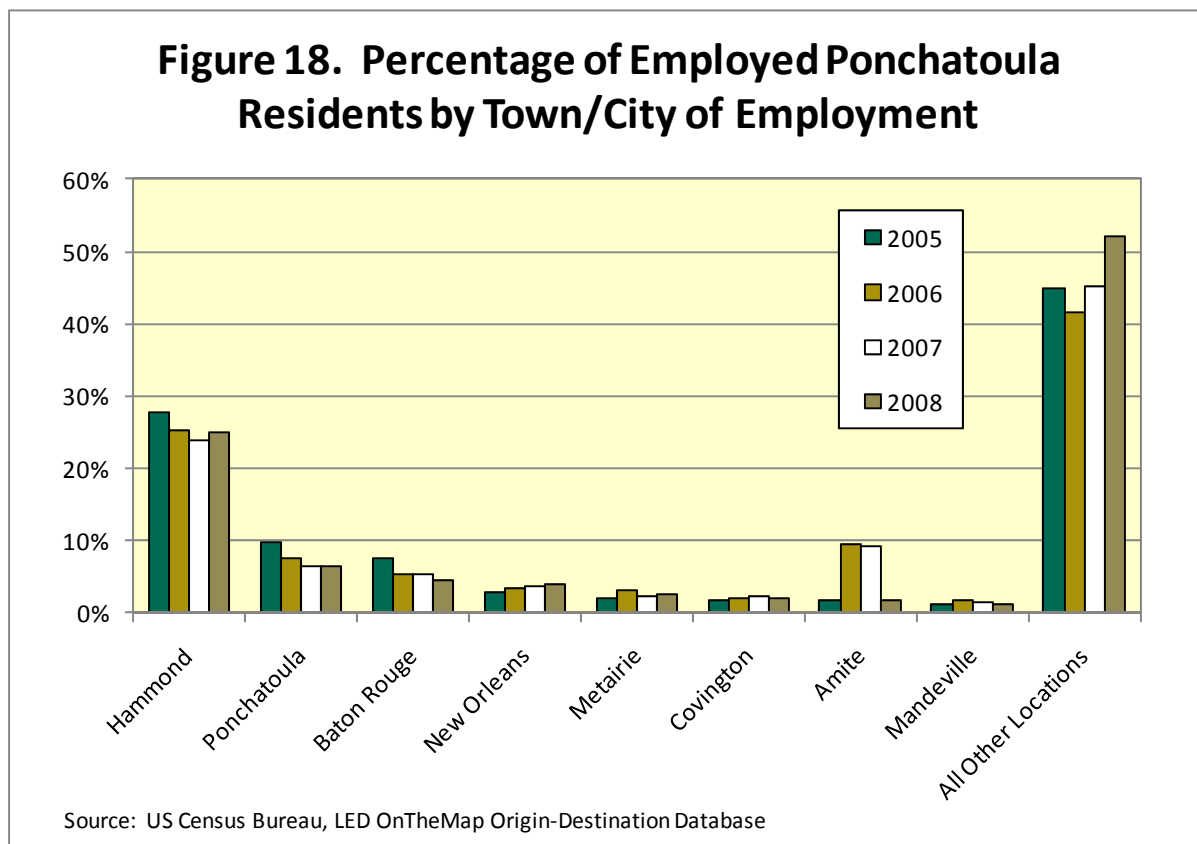
Commute Shed (where Ponchatoula and trade area residents work)

Based on responses to the 2000 Census, Claritas, Inc. estimates that the average travel time to work for Ponchatoula and trade area residents in 2010 is 30 minutes and 33 minutes, respectively.

Approximately one-fourth of employed Ponchatoula residents worked in Hammond from 2005-2008 (Figure 18), the largest percentage of any town or city. The percentage who worked in Ponchatoula declined from 9.9 percent in 2005 (pre-Katrina) to 6.4 percent in 2008. The estimated percentage who worked in Amite fluctuated wildly between 1.8 and 9.5 percent, apparently due to sampling errors or classification changes.

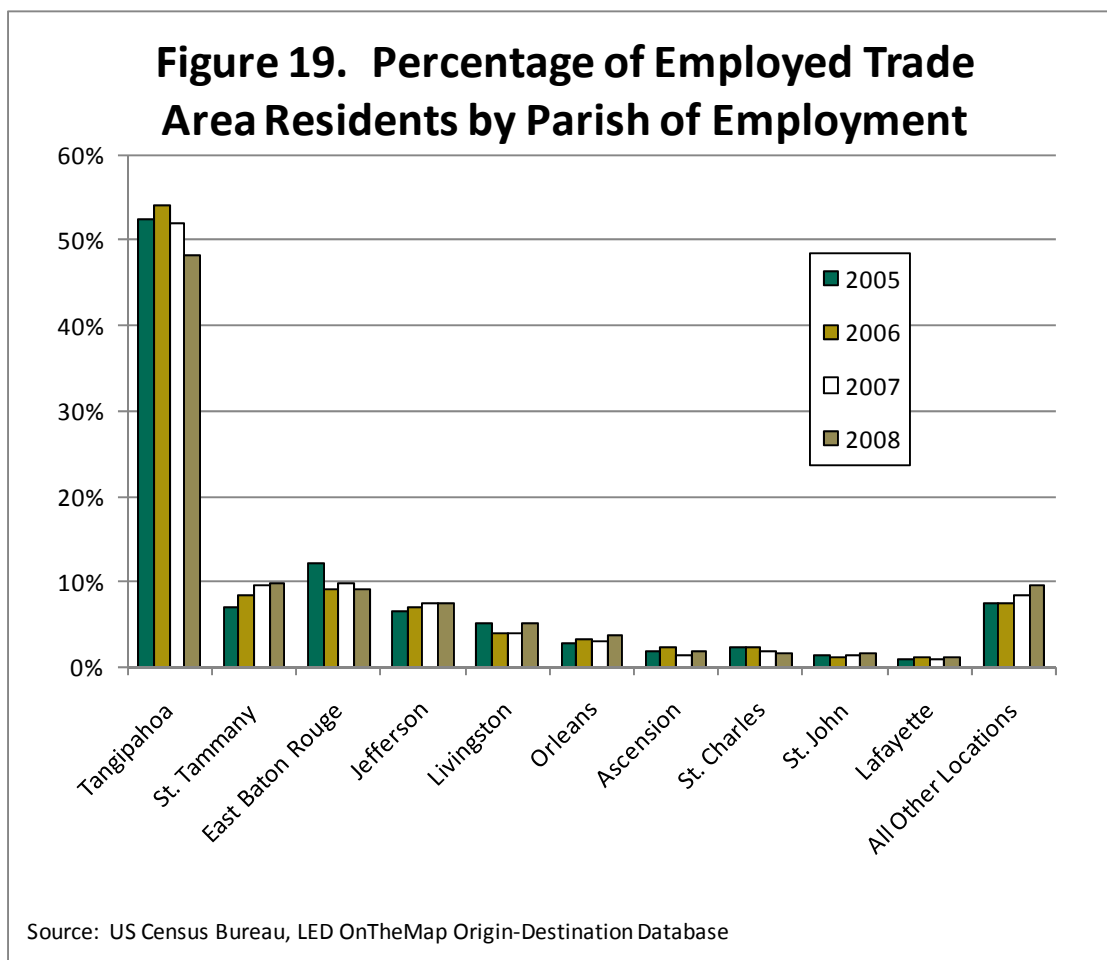
The percentage of Ponchatoula residents who commute to Baton Rouge declined from 7.6 percent in 2005 to 4.6 percent in 2008, while the percentage commuting to New Orleans increased from 2.8 to 4.0 percent.

The commuting pattern for trade area residents is very similar, except that the Town of Livingston shows up as the place of employment for approximately 1.5 percent of employed trade area residents.



When analyzed by parish of employment, similar patterns exist for employed Ponchatoula and trade area residents, so only trade area residents are illustrated in Figure 19.

The percentage of employed trade area residents who work within Tangipahoa Parish declined from 52.4 percent in 2005 to 48.3 percent in 2008. The percentage employed in East Baton Rouge Parish declined from 12.2 to 9.2 percent over the same period, while the percentage employed in St. Tammany, Jefferson, and Orleans parishes all grew to varying degrees.

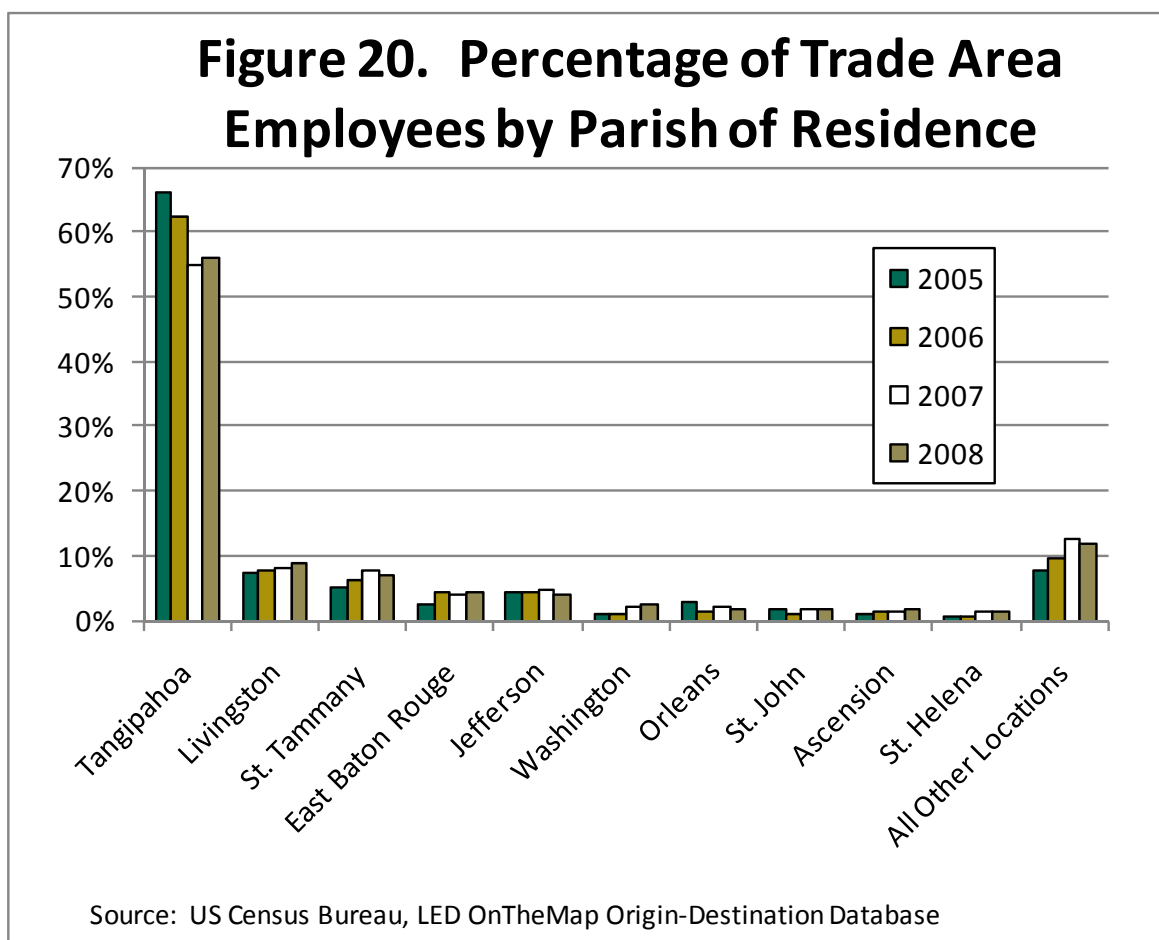


Labor Shed (where Ponchatoula and trade area employees live)

Based on U.S. Census Bureau data, approximately 9 – 10 percent of Ponchatoula and trade area employees were residents of Hammond in 2008, down from 11 – 11.5 percent in 2005. The percentage of employees that lived in Ponchatoula also declined over that period, from 10.1 percent in 2005 to approximately 6.5 – 6.6 percent in 2008. No other communities were the place of residence of more than 2.0 percent of employees.

When analyzed by parish of residence of employees, the city and trade area showed very similar patterns. The parish of residence of trade area employees is illustrated in Figure 20.

The percentage of trade area employees who live in Tangipahoa Parish has declined from approximately 66 percent in 2005 to approximately 56 percent in 2008. Offsetting this decline, the percentage of employees who reside in Livingston, St. Tammany, East Baton Rouge, and Washington parishes have each increased from 1.3 to 1.6 percent over this same period, and the percentage from "All Other Locations" has increased from 7.6 to 11.8 percent.

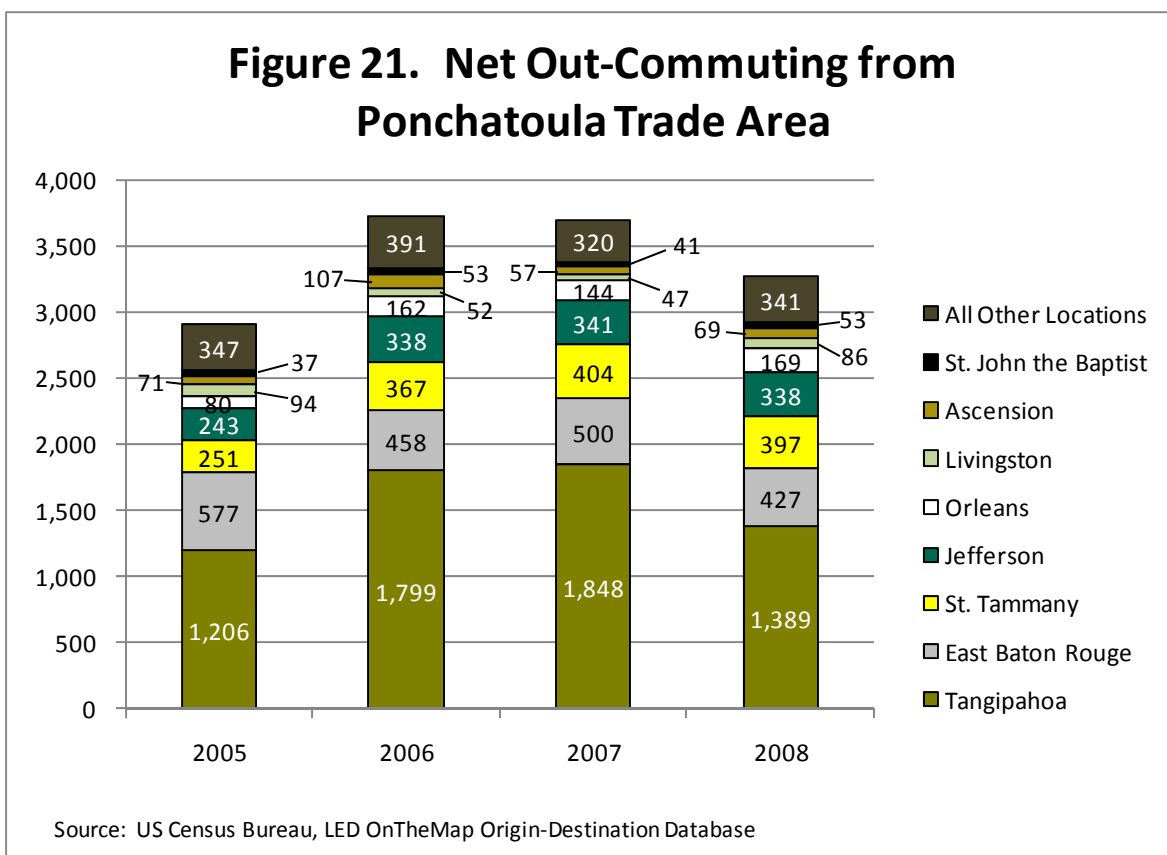


Net Out-In Commuting by Parish

Because there are more employees in the trade area (~6,000 in 2008) than there are jobs (~2,500 in 2008), there are more employees leaving the area to work than there are employees coming into the trade area from outside for jobs.

Figure 21 illustrates the net “out-commuting” by parish for the trade area for the period 2005-2008, i.e. the difference in the number of employees leaving the area to work in other parishes versus the number coming in from those parishes to work in the trade area.

A net of approximately 1,200 – 1,800 employees left the trade area to work in other parts of Tangipahoa Parish from 2005-2008. Among other parishes, East Baton Rouge employs the most net trade area residents by a fairly small margin over St. Tammany, whose net commuting grew by 58 percent from 2005-2008 (from 251 to 397). St. Tammany Parish is followed by Jefferson Parish, whose net commuting grew by 39 percent (from 243 to 338) over the same period. In contrast, net commuting to East Baton Rouge Parish declined by 26 percent (from 577 to 427) over the four-year period.



On average over the period 2005-2008, approximately 3,400 more employees left the trade area for their jobs than came in to work from outside the area. This illustrates a readily available labor supply for businesses in Ponchatoula 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 3 lists the Tapestry[®] market segments that ESRI has determined are represented in the Ponchatoula and trade area markets, and the estimated number and percentage of total households characterized by each segment.

Table 3. ESRI Tapestry[®] segments represented in the Ponchatoula and trade area markets. Source: ESRI Business Analyst software (2009 estimates)

Tapestry [®] Segment	Ponchatoula		Ponchatoula Trade area	
	# of Households	% of Households	# of Households	% of Households
Midland Crowd (Segment 26)	113	4.6%	2,003	34.1%
Rural Bypasses (Segment 56)	1,147	46.4%	1,476	25.1%
Green Acres (Segment 17)	-0-	0.0%	954	16.2%
Great Expectations (Segment 48)	724	29.3%	927	15.8%
Midlife Junction (Segment 33)	490	19.8%	444	7.6%
Rooted Rural (Segment 46)	-0-	0.0%	72	1.2%
Totals	2,474	100.0%	5,876	100.0%

ESRI's descriptions of the six market segments shown in Table 3 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 U.S.

Table 4 illustrates the estimated annual spending per household in Ponchatoula and the trade area, and shows the Market Index for each category for the two local areas compared to the U.S. average.

If Ponchatoula 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, i.e. 72 for Ponchatoula residents and 86 for trade area residents. Obviously they don't, so categories with an index less than the overall index are categories where residents spend proportionately less than the national average; the categories with an index higher than the overall index are those where local residents spend proportionately more.

Table 5 lists the 10 categories or sub-categories where Ponchatoula and trade area households spend the least relative to national averages. Table 6 shows the 10 categories or sub-categories where local residents spend the most compared to national averages.

Among the categories where local residents spend proportionately low amounts are education expenses such as *Room and Board* and *Tuition/School Supplies*, *Alcoholic Beverages*, *Travel*, *New Autos/Trucks/Vans*, and *Rented Vehicles* (see Table 5). The bottom 10 categories are very similar for Ponchatoula and trade area residents, with the primary difference being the inclusion of *Reading Materials* on the city resident list and *Fish and Seafood* on the trade area list.

As shown in Table 6, Ponchatoula and trade area residents differ somewhat 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*, *Boy's Apparel*, *Used Vehicles*, *Prescription Drugs*, *Footwear (excluding infants)*, and *Diesel Fuel*.

Trade area residents also spend relatively large amounts on *Boats and Recreational Vehicle Purchases*, *Motor Oil*, *Housekeeping Supplies*, and *Prepared Foods*, while the top 10 for city residents includes *Girl's Apparel*, *Meats, Fats and Oils*, and *Fuels and Utilities*.

Category	Average Ponchatoula Household	Market Index to U.S.	Average Trade Area Household	Market Index to U.S.
FOOD AT HOME	\$ 4,652	82	\$ 5,133	91
Bakery Products	\$ 435	82	\$ 485	91
Cereal Products	\$ 227	84	\$ 241	89
Dairy Products	\$ 472	79	\$ 533	89
Fresh Milk and Cream	\$ 135	89	\$ 149	97
Other Dairy Products	\$ 284	74	\$ 332	87
Eggs	\$ 53	87	\$ 53	88
Fats and Oils	\$ 49	89	\$ 53	96
Fish and Seafood	\$ 85	64	\$ 94	71
Fruits and Vegetables	\$ 490	69	\$ 557	78
Juices	\$ 121	68	\$ 128	72
Meats (All)	\$ 986	90	\$ 1,039	94
Nonalcoholic Beverages	\$ 544	88	\$ 598	96
Prepared Foods	\$ 956	87	\$ 1,075	98
Sugar and Other Sweets	\$ 287	80	\$ 332	92
FOOD AWAY FROM HOME & ALCOHOL				
Alcoholic Beverages	\$ 557	55	\$ 698	69
Alcoholic Beverages at Home	\$ 494	57	\$ 617	71
Alcoholic Bvgs. away from Home	\$ 63	45	\$ 81	58
Total Food away from Home	\$ 1,910	67	\$ 2,322	82
Lunch	\$ 517	71	\$ 619	85
Dinner	\$ 722	62	\$ 898	78
Breakfast and Brunch	\$ 164	69	\$ 195	82
DAY CARE, EDUC. & CONTRIBUTIONS				
All Day Care	\$ 268	78	\$ 302	88
Contributions (All)	\$ 838	59	\$ 1,030	73
Education	\$ 856	47	\$ 1,143	63
Room and Board	\$ 38	30	\$ 76	59
Tuition/School Supplies	\$ 818	48	\$ 1,067	63
HEALTHCARE				
Medical Services	\$ 1,606	74	\$ 1,895	87
Prescription Drugs	\$ 2,247	93	\$ 2,486	102
Medical Supplies	\$ 121	65	\$ 150	81
HOUSEHOLD FURN. & APPLIANCES				
Total Furniture	\$ 469	67	\$ 593	84
Bedroom Furniture	\$ 134	73	\$ 160	87
Living/Dining Room Furniture	\$ 211	66	\$ 269	84
Other Furniture	\$ 117	63	\$ 155	83
Total Household Textiles	\$ 384	70	\$ 478	88
Domestic Textiles	\$ 275	73	\$ 335	89
Window and Furniture Covers	\$ 110	64	\$ 143	84
Major Appliances	\$ 190	76	\$ 236	95
Misc Household Equipment	\$ 314	69	\$ 410	90
Small Appliances/Housewares	\$ 382	65	\$ 490	83

Table 4. Estimated annual expenditures (2009) in Ponchatoula and the trade area (continued)

HOUSING RELATED & PERSONAL				
Total Housing Expenses	\$ 3,663	88	\$ 3,973	95
Fuels and Utilities	\$ 1,976	89	\$ 2,147	97
Telephone Service	\$ 964	86	\$ 1,041	93
Household Repairs	\$ 353	75	\$ 452	96
Household Services	\$ 331	55	\$ 395	65
Housekeeping Supplies	\$ 315	88	\$ 354	99
Personal Expenses and Services	\$ 1,090	67	\$ 1,316	81
PERSONAL CARE & SMOKING PRODUCTS				
Personal Care Products and Services	\$ 715	67	\$ 858	80
Personal Care Services	\$ 274	58	\$ 331	71
Smoking Products/Supplies	\$ 918	103	\$ 1,011	114
PET EXPENSES	\$ 386	72	\$ 506	94
SPORTS & ENTERTAINMENT				
Photographic Equipment	\$ 62	59	\$ 88	83
Reading Materials	\$ 232	54	\$ 325	76
Sports and Recreation	\$ 921	62	\$ 1,193	80
Sports Equipment	\$ 645	77	\$ 802	96
Travel	\$ 885	46	\$ 1,263	65
TV, Radio and Sound Equipment	\$ 494	67	\$ 605	82
Computers, Software & Accessories	\$ 351	65	\$ 447	83
TRANSPORTATION & AUTO EXPENSES				
Automotive Maintenance/Repair/Other	\$ 1,366	69	\$ 1,651	83
Gasoline	\$ 1,494	83	\$ 1,698	95
Diesel Fuel	\$ 13	89	\$ 14	99
Motor Oil	\$ 38	87	\$ 44	101
Vehicle Purchases & Leases	\$ 3,386	71	\$ 4,169	87
New Autos/Trucks/Vans	\$ 1,128	46	\$ 1,570	64
Used Vehicles	\$ 1,945	99	\$ 2,203	112
Boats and Recreational Vehicle Purchase	\$ 313	89	\$ 396	112
Rented Vehicles	\$ 115	50	\$ 142	62
TOTAL APPAREL	\$ 2,844	74	\$ 3,340	87
Women's Apparel	\$ 941	75	\$ 1,150	91
Men's Apparel	\$ 534	66	\$ 668	83
Girl's Apparel	\$ 260	93	\$ 270	97
Boy's Apparel	\$ 198	100	\$ 201	101
Infant's Apparel	\$ 99	88	\$ 104	93
Footwear (excl. Infants)	\$ 439	89	\$ 485	98
Other Apparel Prods/Services	\$ 374	54	\$ 462	67
TOTAL SPECIFIED CONSUMER EXPENDITURES	\$ 34,837	72	\$ 41,284	86
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 5. Categories where local residents spend the LEAST compared to the national average			
Ponchatoula		Trade area	
Category or Sub-category	Category Market Index	Category or Sub-category	Category Market Index
Room and Board (Education)	30	Alcoholic Beverages away from Home	58
Alcoholic Beverages away from Home	45	Room and Board (Education)	59
Travel	46	Rented Vehicles	62
New Autos/Trucks/Vans	46	Tuition/School Supplies	63
Tuition/School Supplies	48	New Autos/Trucks/Vans	64
Rented Vehicles	50	Travel	65
Reading Materials	54	Household Services	65
Other Apparel Prods/Services	54	Other Apparel Prods/Services	67
Household Services	55	Alcoholic Beverages (Total)	69
Alcoholic Beverages at Home	57	Fish and Seafood	71
Source: Claritas Incorporated			

Table 6. Categories where local residents spend the MOST compared to the national average			
Ponchatoula		Trade area	
Category or Sub-category	Category Market Index	Category or Sub-category	Category Market Index
Fuels and Utilities (Home)	89	Prepared Foods	98
Diesel Fuel	89	Footwear (excl. Infants)	98
Footwear (excl. Infants)	89	Diesel Fuel	99
Fats and Oils	89	Housekeeping Supplies	99
Meats (All)	90	Motor Oil	101
Prescription Drugs	93	Boy's Apparel	101
Girl's Apparel	93	Prescription Drugs	102
Used Vehicles	99	Boats and Recreational Vehicle Purchase	112
Boy's Apparel	100	Used Vehicles	112
Smoking Prods/Supplies	103	Smoking Prods/Supplies	114
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 4, 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 Ponchatoula, the decision was made to base the demand and supply measurements on Ponchatoula'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 Ponchatoula 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:

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

Communities used to calculate the Reilly breakpoints were Albany, Baton Rouge, Denham Springs, Hammond, Kenner/Metairie, Laplace, Livingston, Mandeville/Covington, Springfield, and Walker.

Based on the total retail sales in a polygon surrounding each of these communities and their travel distance from Ponchatoula, the trade area for Ponchatoula drawn using the calculated breakpoints is shown in Figure 2.

The Ponchatoula trade area's retail trade balance was analyzed using Claritas Incorporated's RMP (Retail Market Power) Opportunity Gap report (Table 7).

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 22.

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

<u>Sector</u>	<u>Demand-Supply</u>
Gasoline Stations	(\$51,071,014)
Motor Vehicle and Parts Dealers	(\$15,259,074)
Health and Personal Care Stores	(\$12,683,050)
Building Material, Garden Equipment Stores	(\$7,892,485)
General Merchandise Stores	(\$6,993,323)
Foodservice and Drinking Places	(\$4,937,045)
Miscellaneous Store Retailers	(\$1,312,407)

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

Ponchatoula's location next to Interstate 55 has an impact on some of these categories, especially the *Gasoline Stations* and *Foodservice and Drinking Places* sectors.

There may still be opportunities for growth in these seven 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 six sectors show retail leakages ranging from approximately \$3 million to over \$25 million, totaling \$57.5 million of sales lost to businesses outside the area.

<u>Sector</u>	<u>Demand-Supply</u>
Food and Beverage Stores	\$ 25,170,346
Non-Store Retailers	\$ 13,970,166
Clothing and Clothing Accessories Stores	\$ 7,512,241
Furniture and Home Furnishings Stores	\$ 4,037,605
Electronics and Appliance Stores	\$ 3,944,667
Sporting Goods, Hobby, Book, Music Stores	\$ 2,906,183

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

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 7), within the *Health and Personal Care Stores* sector, which in sum has a surplus of almost \$13 million, the sub-sectors of *Cosmetic, Beauty Supplies, and Perfume Stores* and *Optical Goods Stores* both show deficits.

In the *Miscellaneous Store Retailers* sector, which has a surplus of \$1.3 million, the *Office Supplies, Stationery, Gift Stores* sub-sector has a deficit of \$1.8 million.

Outside and extenuating factors also have to be considered when analyzing opportunities. For some major purchases, 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 to compete with.

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 Ponchatoula in some of the sectors that show opportunity gaps.

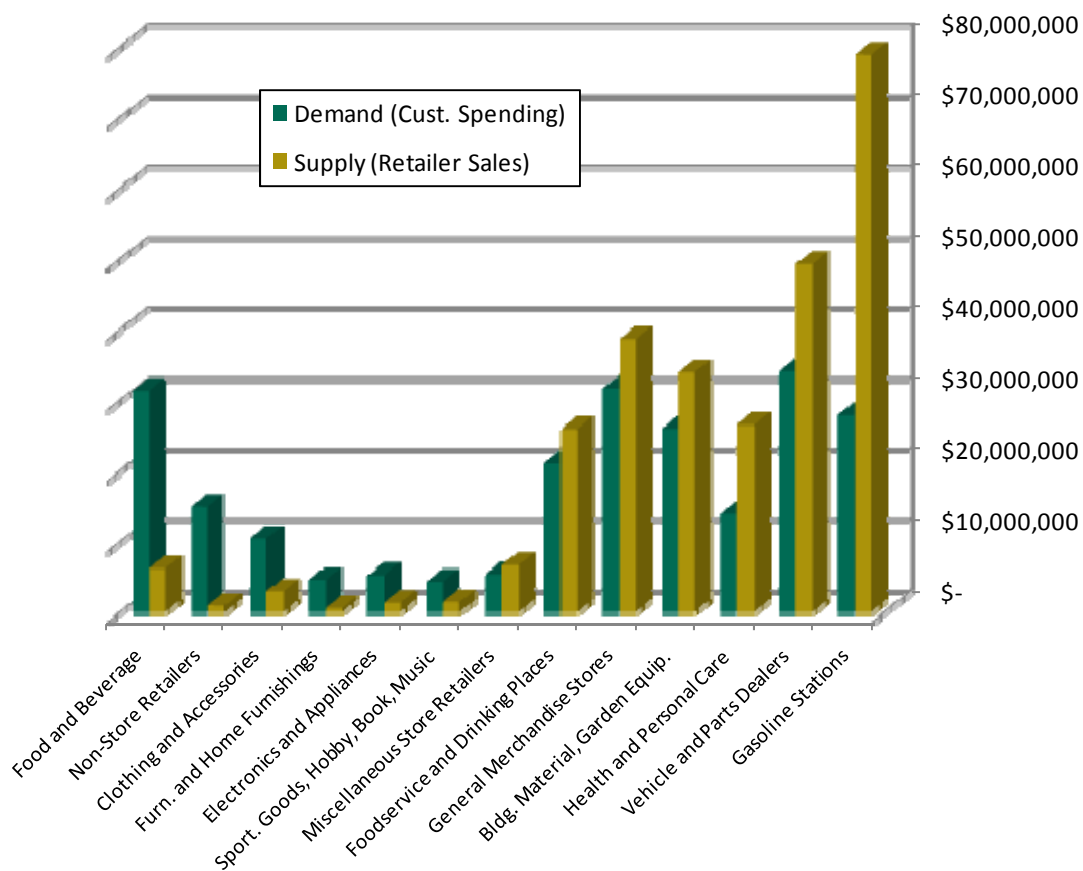
Therefore, Table 7 should be analyzed carefully for insight into the particular types of businesses that could be targeted for growth or expansion, but it should be considered as only one piece of information that can contribute to an informed decision.

	Trade Area Demand (Consumer Exp.)	Trade Area Supply (Retail Sales)	Opportunity Gap/ Surplus
Total Retail Sales Including Eating and Drinking Places	\$ 231,699,150	\$ 274,306,440	\$ (42,607,290)
Motor Vehicle and Parts Dealers-441	\$ 34,086,770	\$ 49,345,844	\$ (15,259,074)
Automotive Dealers-4411	\$ 28,276,459	\$ 37,630,567	\$ (9,354,108)
Other Motor Vehicle Dealers-4412	\$ 2,524,883	\$ 7,054,718	\$ (4,529,835)
Automotive Parts/Accessories, Tire Stores-4413	\$ 3,285,428	\$ 4,660,559	\$ (1,375,131)
Furniture and Home Furnishings Stores-442	\$ 4,669,133	\$ 631,528	\$ 4,037,605
Furniture Stores-4421	\$ 2,486,645	\$ 286,510	\$ 2,200,135
Home Furnishing Stores-4422	\$ 2,182,488	\$ 345,018	\$ 1,837,470
Electronics and Appliance Stores-443	\$ 5,358,060	\$ 1,413,393	\$ 3,944,667
Appliances, TVs, Electronics Stores-44311	\$ 4,043,673	\$ 846,777	\$ 3,196,896
Household Appliances Stores-443111	\$ 996,299	\$ -	\$ 996,299
Radio, Television, Electronics Stores-443112	\$ 3,047,374	\$ 846,777	\$ 2,200,597
Computer and Software Stores-44312	\$ 1,097,748	\$ 566,615	\$ 531,133
Camera and Photo. Equipment Stores-44313	\$ 216,639	\$ -	\$ 216,639
Building Material, Garden Equip Stores -444	\$ 26,073,831	\$ 33,966,316	\$ (7,892,485)
Building Material and Supply Dealers-4441	\$ 24,101,859	\$ 33,851,411	\$ (9,749,552)
Home Centers-44411	\$ 9,841,362	\$ 7,300,569	\$ 2,540,793
Paint and Wallpaper Stores-44412	\$ 520,131	\$ -	\$ 520,131
Hardware Stores-44413	\$ 2,065,721	\$ 540,529	\$ 1,525,192
Other Building Materials Dealers-44419	\$ 11,674,644	\$ 26,010,313	\$ (14,335,669)
Building Materials, Lumberyards-444191	\$ 4,574,474	\$ 10,175,618	\$ (5,601,144)
Lawn, Garden Equip., Supplies Stores-4442	\$ 1,971,971	\$ 114,905	\$ 1,857,066
Outdoor Power Equipment Stores-44421	\$ 294,870	\$ -	\$ 294,870
Nursery and Garden Centers-44422	\$ 1,677,101	\$ 114,905	\$ 1,562,196
Food and Beverage Stores-445	\$ 31,443,199	\$ 6,272,853	\$ 25,170,346
Grocery Stores-4451	\$ 28,988,866	\$ 5,802,249	\$ 23,186,617
Supermarkets, Groc. (Ex Conv) Stores-44511	\$ 27,526,665	\$ 5,018,816	\$ 22,507,849
Convenience Stores-44512	\$ 1,462,201	\$ 783,433	\$ 678,768
Specialty Food Stores-4452	\$ 849,968	\$ 470,604	\$ 379,364
Beer, Wine and Liquor Stores-4453	\$ 1,604,365	\$ -	\$ 1,604,365
Health and Personal Care Stores-446	\$ 13,907,184	\$ 26,590,234	\$ (12,683,050)
Pharmacies and Drug Stores-44611	\$ 12,068,588	\$ 26,184,882	\$ (14,116,294)
Cosmetic, Beauty Supplies, Perfume Stores-44612	\$ 508,389	\$ -	\$ 508,389
Optical Goods Stores-44613	\$ 432,533	\$ 75,108	\$ 357,425
Other Health and Personal Care Stores-44619	\$ 897,673	\$ 330,244	\$ 567,429
Gasoline Stations-447	\$ 27,929,900	\$ 79,001,014	\$ (51,071,114)
Gasoline Stations With Conv. Stores-44711	\$ 21,044,903	\$ 28,349,799	\$ (7,304,896)
Other Gasoline Stations-44719	\$ 6,884,997	\$ 50,651,215	\$ (43,766,218)
Clothing and Clothing Accessories Stores-448	\$ 10,565,682	\$ 3,053,441	\$ 7,512,241
Clothing Stores-4481	\$ 7,651,798	\$ 2,997,692	\$ 4,654,106
Men's Clothing Stores-44811	\$ 452,718	\$ 236	\$ 452,482
Women's Clothing Stores-44812	\$ 1,919,198	\$ 17,556	\$ 1,901,642

	Trade area Demand (Consumer Exp.)	Trade area Supply (Retail Sales)	Opportunity Gap/ Surplus
Children’s, Infant’s Clothing Stores-44813	\$ 479,201	\$ 378	\$ 478,823
Family Clothing Stores-44814	\$ 4,107,858	\$ 2,979,374	\$ 1,128,484
Clothing Accessories Stores-44815	\$ 179,202	\$ -	\$ 179,202
Other Clothing Stores-44819	\$ 513,621	\$ 147	\$ 513,474
Shoe Stores-4482	\$ 1,620,392	\$ -	\$ 1,620,392
Jewelry, Luggage, Leather Goods Stores-4483	\$ 1,293,491	\$ 55,749	\$ 1,237,742
Jewelry Stores-44831	\$ 1,174,853	\$ -	\$ 1,174,853
Luggage and Leather Goods Stores-44832	\$ 118,638	\$ 55,749	\$ 62,889
Sporting Goods, Hobby, Book, Music Stores-451	\$ 4,416,104	\$ 1,509,921	\$ 2,906,183
Sporting Goods, Hobby, Musical Inst Stores-4511	\$ 3,168,466	\$ 679,718	\$ 2,488,748
Sporting Goods Stores-45111	\$ 1,631,826	\$ 677,848	\$ 953,978
Hobby, Toys and Games Stores-45112	\$ 1,020,670	\$ 1,799	\$ 1,018,871
Sew/Needlework/Piece Goods Stores-45113	\$ 249,246	\$ 71	\$ 249,175
Musical Instrument and Supplies Stores-45114	\$ 266,724	\$ -	\$ 266,724
Book, Periodical and Music Stores-4512	\$ 1,247,638	\$ 830,203	\$ 417,435
Book Stores and News Dealers-45121	\$ 850,883	\$ 2,976	\$ 847,907
Book Stores-451211	\$ 800,640	\$ 2,976	\$ 797,664
News Dealers and Newsstands-451212	\$ 50,243	\$ -	\$ 50,243
Prerecorded Tapes, CDs, Record Stores-45122	\$ 396,755	\$ 827,227	\$ (430,472)
General Merchandise Stores-452	\$ 31,762,521	\$ 38,755,844	\$ (6,993,323)
Department Stores Excl Leased Depts-4521	\$ 15,348,572	\$ 1,400,918	\$ 13,947,654
Other General Merchandise Stores-4529	\$ 16,413,949	\$ 37,354,926	\$ (20,940,977)
Miscellaneous Store Retailers-453	\$ 5,441,772	\$ 6,754,179	\$ (1,312,407)
Florists-4531	\$ 422,484	\$ 136,723	\$ 285,761
Office Supplies, Stationery, Gift Stores-4532	\$ 2,300,365	\$ 538,984	\$ 1,761,381
Office Supplies and Stationery Stores-45321	\$ 1,297,319	\$ -	\$ 1,297,319
Gift, Novelty and Souvenir Stores-45322	\$ 1,003,047	\$ 538,984	\$ 464,063
Used Merchandise Stores-4533	\$ 494,678	\$ 687,850	\$ (193,172)
Other Miscellaneous Store Retailers-4539	\$ 2,224,245	\$ 5,390,623	\$ (3,166,378)
Non-Store Retailers-454	\$ 14,961,435	\$ 991,269	\$ 13,970,166
Foodservice and Drinking Places-722	\$ 21,083,560	\$ 26,020,605	\$ (4,937,045)
Full-Service Restaurants-7221	\$ 9,302,788	\$ 8,697,148	\$ 605,640
Limited-Service Eating Places-7222	\$ 9,146,753	\$ 12,366,706	\$ (3,219,953)
Special Foodservices-7223	\$ 1,830,985	\$ 4,460,027	\$ (2,629,042)
Drinking Places -Alcoholic Beverages-7224	\$ 803,034	\$ 496,723	\$ 306,311

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 22. Ponchatoula Trade Area
Retail Trade Analysis (3-digit NAICS codes)**

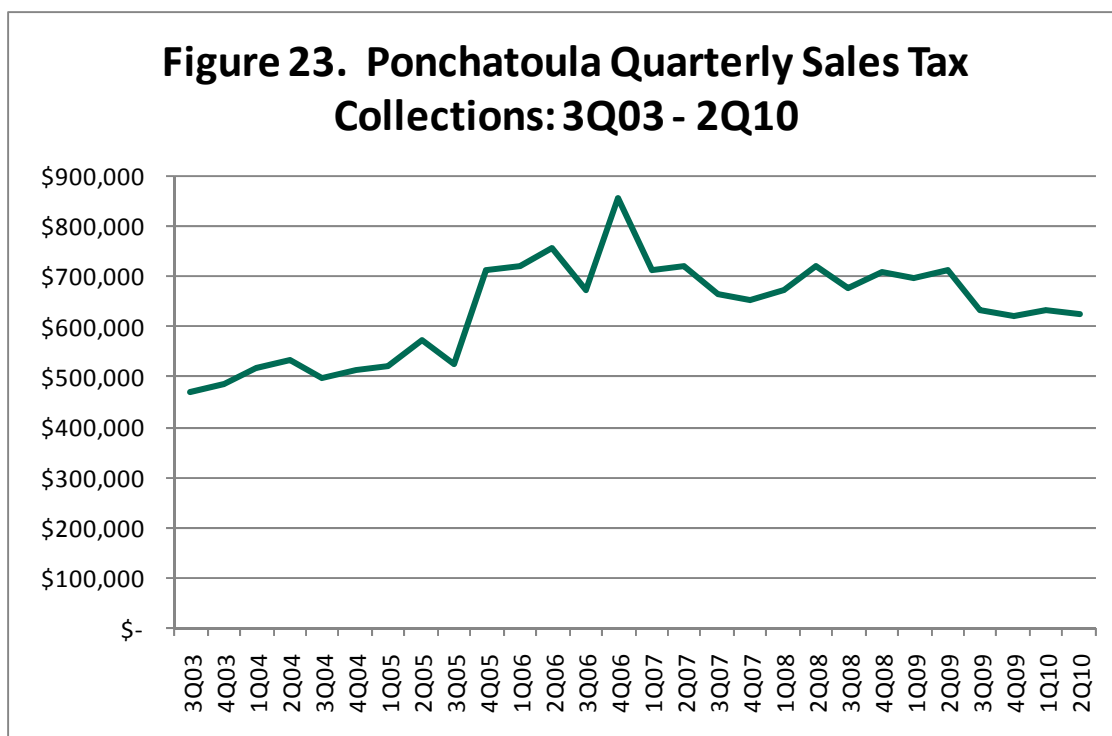


Source: Claritas Inc. RMP Opportunity Gap Report (2009)

PONCHATOULA SALES TAX COLLECTIONS

Since June 2003, Ponchatoula's sales taxes generated (2 percent of taxable sales) have ranged from a low of approximately \$109,000 in August 2005 in the aftermath of Hurricane Katrina to approximately \$336,000 in October 2006. These tax levels equate to total estimated retail sales of \$5.5 million to \$16.9 million per month.

As shown in Figure 23, quarterly sales taxes submissions peaked in the fourth quarter of 2006 at approximately \$850,000 before declining to around \$700,000 per quarter from 2007 through the first half of 2009. In the third quarter of 2009 taxes generated declined to approximately \$620,000 - \$630,000 per quarter, where they have held steady for the last year.



CONCLUSIONS

The City of Ponchatoula and the surrounding area have undergone strong population growth over the last decade, with notable increases in the estimated proportion of young adults aged 25-34.

The city is located in a favorable location for transportation access by both rail and highway, and enjoys convenient proximity to travelers using I-55 on their way to and from New Orleans.

Retail activity (as determined by sales tax collections) peaked sharply following Hurricane Katrina before declining in 2007 and the third quarter of 2009. Sales tax collections remain above their pre-Katrina levels, however.

Ponchatoula has transitioned from a logging camp to a farming community to a bedroom community and tourist destination over the last century. There appears to be ample opportunity for continued growth and prosperity if the city adapts and responds to future economic and social change.

Appendix 1

26 Midland Crowd

Segment Code..... 26
 Segment Name..... *Midland Crowd*
 LifeMode Group L12 *American Quilt*
 Urbanization Group..... U10 *Rural I*



Demographic

The approximately 11.6 million people in *Midland Crowd* neighborhoods represent the largest market of Community Tapestry, nearly 4 percent of the U.S. population, and it is still growing. Since 2000, the population growth has been 2.34 percent annually. The median age of 36.9 years parallels that of the U.S. median. More than half of the households (62 percent) are composed of married-couple families, half of whom have children. One-fifth of households are occupied by those who live alone. Most residents are white.

Socioeconomic

With more than 4.2 million households, *Midland Crowd* has the highest count of all the Community Tapestry markets, with an annual household growth of 2.6 percent since 2000. The median household income is \$49,748, slightly lower than the U.S. median. Households derive primary income from wages and salaries, although the percentage of households that receive income from self-employment ventures is slightly higher than the national level. The median net worth is \$86,362, somewhat below the U.S. median. Half of the employed residents work in white-collar occupations. Approximately 30 percent of *Midland Crowd* residents aged 25 years and older have attended college; 15 percent hold a bachelor's or graduate degree.

Residential

Midland Crowd residents live in housing developments in rural areas throughout the United States (more village or town than farm), mainly in the South. Three-fourths of the housing was built after 1969. Homeownership is at 84 percent; the median home value is \$137,727. Two-thirds of the households are single-family structures; 28 percent are mobile homes. One-fourth of the households own three or more vehicles.

Preferences

Midland Crowd is a somewhat politically conservative market. The rural location and their traditional lifestyle dictate the consumer preferences of these residents. How they take care of their homes, lawns, and vehicles demonstrates their do-it-yourself mentality. Households typically own or lease a truck; many own a used motorcycle. Hunting, fishing, and woodworking are favorite pursuits. Generally, households have pets, especially birds and dogs. Recent purchases include used vehicles, household furniture, and giant-screen TVs. Their department store of choice is Belk. When eating takeout, they often choose a fast-food restaurant and use the drive-through window.

Many households have a satellite dish. Favorite stations include CMT and Outdoor Life Network. In addition to watching rodeo/bull riding, truck and tractor pulls/mud racing, and fishing programs on TV, residents watch a variety of news programs. Fitting right in with their rural surroundings, they prefer to listen to country music on the radio and read fishing and hunting magazines.



Appendix 2

56 Rural Bypasses

Segment Code..... 56
 Segment Name..... *Rural Bypasses*
 LifeMode Group L11 *Factories and Farms*
 Urbanization 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 families. One-fourth of the households consist of a single person. The median age for this segment is 37.8 years, near the U.S. median. Fifty-eight percent of the residents are white; 36 percent are black.

Socioeconomic

The median household income for this market is \$28,087. Households derive income primarily from wages and salaries, but dependence on Social Security benefits, Supplemental Security Income, and public assistance income is above average. Because of low home values and household debt, the median net worth of \$27,541 is below the median household income. Overall, 61 percent of residents aged 25 years and older have graduated from high school. Only 8 percent hold a bachelor's or graduate degree. 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. The labor force participation rate of 49 percent is low; the unemployment rate of 11 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. Population density is only 29 people per square mile. Most houses are modest, single-family dwellings; 32 percent are mobile homes. Homeownership is at 78 percent and the median home value is \$68,228. This median is one of the lowest three home values among all the Community Tapestry segments. Most housing in this market was built after 1969. The vacancy rate of 16 percent is high.

Preferences

Typical of their country lifestyle, *Rural Bypasses* residents prefer trucks to sedans and gospel to urban radio. To save money, households eat at home instead of dining out and maintain their homes and gardens on their own. Most neighborhoods have access to cable and will subscribe to limited channels. They regularly watch sports on TV, in particular, NASCAR racing, football, and fishing programs. They read fishing and hunting magazines. Because individuals are conservative with long-distance calls, demand is growing for cost-effective cellular service. Similar to many other markets, they shop at discount stores, preferring to shop at Wal-Mart. They also order items from catalogs and from in-home Avon sales representatives. Residents shop at home improvement chains such as Lowe's and fill their prescriptions at the Wal-Mart Pharmacy instead of using regular pharmacies.



Appendix 3

17 Green Acres

Segment Code..... 17
 Segment Name..... *Green Acres*
 LifeMode Group L2 *Upscale Avenues*
 Urbanization Group..... U10 *Rural I*



Demographic

Married couples, with and without children, comprise 71 percent of the households in *Green Acres*. Many families are comprised of blue-collar baby boomers, many with children aged 6–17 years. With more than 10 million people, *Green Acres* represents the third largest population of all the Community Tapestry markets, currently more than 3 percent of the U.S. population, and growing by 1.6 percent annually. The median age is 40.6 years. This segment is not ethnically diverse; 93 percent of the residents are white.

Socioeconomic

Green Acres residents are educated and hardworking; more than half who are aged 25 years and older hold a degree or attended college. Labor force participation is approximately 69 percent, with higher employment concentrations in the manufacturing, construction, health care, and retail trade industry sectors. Seventeen percent of households derive income from self-employment ventures. Occupation distributions are similar to the United States. The median household income is \$63,922, and the median net worth is \$163,372.

Residential

Green Acres neighborhoods are located throughout the country but mainly in the Midwest and South. The highest state concentrations are found in Michigan, Ohio, and Pennsylvania. A little bit country, *Green Acres* residents live in pastoral settings of developing suburban fringe areas. Homeownership is at 88 percent. Eighty-seven percent of the household inventory is dominated by single-family dwellings. These newer homes carry a median value of \$205,460. Typical of rural residents, *Green Acres* households own multiple vehicles: 78 percent own two or more vehicles.

Preferences

Country living describes the lifestyle of *Green Acres* residents. Pet dogs or cats are considered part of the family. These do-it-yourselfers maintain and remodel their homes; projects include painting, installing carpet or insulation, or adding a deck or patio. They own all the necessary power tools, including routers, welders, sanders, and various saws, to finish their projects. Residents maintain their lawns, flower gardens, and vegetable gardens, again with the right tools. They own riding lawn mowers, garden tillers, tractors, and even separate home freezers for the harvest. Fitting in with the do-it-yourself mode, it is not surprising that *Green Acres* is the top market for owning a sewing machine. A favorite pastime is using their ice cream maker to produce homemade ice cream. They prefer motorcycles and full-size pickup trucks.

For exercise, *Green Acres* residents ride their mountain bikes and participate in water sports such as waterskiing, canoeing, and kayaking. Other activities include bird-watching, power boating, target shooting, hunting, and attending auto racing events. They prefer to listen to college football, auto racing, and news-talk programs on the radio and read fishing, hunting, and motorcycle magazines. Accommodating the country lifestyle, many households watch TV by satellite dish instead of cable. Events they enjoy watching on TV include alpine skiing, ski jumping, motorcycle racing, equestrian events, and bicycle racing. A favorite station is the Speed Channel.

Appendix 4

48 Great Expectations

Segment Code..... 48
 Segment Name..... *Great Expectations*
 LifeMode Group *L7 High Hopes*
 Urbanization Group..... *U5 Urban Outskirts I*



Demographic

Young singles who live alone and married-couple families dominate the *Great Expectations* market, although all household types are represented. The median age is 33.2 years. Some residents are just beginning their careers or family lives. This segment has a higher proportion of residents in their 20s and a higher proportion of householders younger than 35 years old, compared to the U.S. proportions. The ethnic diversity and racial composition of this segment are similar to the U.S. levels.

Socioeconomic

The median household income of \$37,684 and the median net worth of \$43,152 are low compared to the U.S. values. Approximately 29 percent of residents aged 25 years and older have attended college (slightly above the U.S. average), but only 16 percent hold a bachelor's or graduate degree (somewhat below the U.S. average). Seven percent are enrolled in college or graduate school. The higher proportion of younger residents improves the 68 percent labor force participation rate. The manufacturing, retail, and service industry sectors are the primary employers in this market.

Residential

Great Expectations neighborhoods are located throughout the country, with higher proportions in the Midwest and South. Half of the householders own their homes; the other half rent. More than half of the households are single-family dwellings; approximately 40 percent are apartments in low- or mid-rise buildings. The median home value of \$114,837 is approximately three-fifths that of the U.S. median. Most of the housing units in these older suburban neighborhoods were built before 1960.

Preferences

Great Expectations homeowners are not afraid to tackle smaller maintenance and remodeling projects, but they also enjoy a young and active lifestyle. They go out to dinner, to the movies, to bars, and to nightclubs. They enjoy roller-skating; roller-blading; playing Frisbee, chess, and pool; watching foreign films on DVD; and attending auto races. They read music magazines and listen to rock music on the radio. Residents watch courtroom dramas, reality shows, sitcoms, news programs, and dramas on TV. They occasionally take advantage of the convenience of fast-food restaurants. Little traveling is done in this market. Still focused on starting a career, many are not preparing for retirement by investing for the future. Residents shop at major discount and department stores, and also order frequently from catalogs.



Appendix 5

33 Midlife Junction

Segment Code..... 33
 Segment Name..... *Midlife Junction*
 LifeMode Group L10 *Traditional Living*
 Urbanization Group..... U8 *Suburban Periphery II*



Demographic

Midlife Junction residents are phasing out of their child-rearing years. The median age is 41.1 years; nearly one-fifth of residents are aged 65 years or older. Households in this market include a variety of family types as well as singles who live alone or share housing. Nearly half of the households are composed of married-couple families; 31 percent are single-person households. Most of these residents are white.

Socioeconomic

Most *Midlife Junction* residents are still working, although at 61 percent, the labor force participation rate is slightly below average. One-third of the households are now drawing Social Security benefits. Both the median household income of \$47,683 and the median net worth of \$106,734 are slightly below the U.S. medians. Educational attainment levels are comparable to U.S. levels.

Residential

Midlife Junction communities are found in suburbs across the country, more in the South and Midwest than in the Northeast and West. Homeownership is at 67 percent, near the U.S. rate. Nearly two-thirds of the households are single-family structures; most of the remainder are apartments in multiunit buildings. The median home value of \$153,336 is somewhat lower than the U.S. median.

Preferences

As *Midlife Junction* residents pass from child rearing into retirement, they live quiet, settled lives. They have been planning and saving for their retirement, owning certificates of deposit and participating in IRA or 401(k) plans. They spend their money carefully and do not succumb to fads. Mindful of their expenses, they always search for bargains.

Midlife Junction residents enjoy dining out at full-service restaurants, particularly on weekends, and also take advantage of the convenience of fast-food restaurants. They favor domestic cars, and prefer to shop by mail or phone from catalogs such as L.L. Bean and Lands' End. They are comfortable shopping by phone or over the Internet. Comfortable with computer technology, they use e-mail to communicate with friends and families. Residents enjoy practicing yoga, attending country music concerts and auto races, refinishing furniture, reading romance novels, and watching classic movies on DVD.



Appendix 6

46 Rooted Rural

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



Demographic

The population of the *Rooted Rural* segment is slightly older, with a median age of 41.9 years. Married-couple families dominate these rural neighborhoods; however, 23 percent of households are occupied by singles who live alone. More of the married-couple families are empty-nesters than those who have children. Householders in this market are older; 45 percent are aged 55 years or older. There is little ethnic diversity in the *Rooted Rural* segment; 88 percent of the residents are white.

Socioeconomic

The median household income for this segment is \$37,509; the median net worth is \$57,839. The labor force participation of 57 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. Overall, 73 percent of residents have graduated from high school. Only 11 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 84 percent; the median home value is \$105,419. 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.

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 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 Shoney's, but they generally prepare meals at home with freshly grown vegetables from their gardens. Many homes own a separate freezer to store their produce. *Rooted Rural* residents prefer to shop for groceries at IGA or a Wal-Mart Supercenter, where they purchase their favorite blend of Folgers coffee. For convenience, many order apparel and other items from catalogs.

Rooted Rural residents enjoy hunting, fishing, target shooting, boating, attending country music concerts, and going to auto races. They read hunting and fishing magazines and listen to country music and auto racing on the radio. Many households have a satellite dish. Residents prefer to watch rodeo/bull riding, truck and tractor pulls, horse racing, auto racing, and fishing programs as well as a variety of news shows on TV. Favorite stations include Outdoor Life Network and CMT.



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