

Downtown Lewisburg Retail Market Assessment (2005)

DOWNTOWN LEWISBURG RETAIL TRADE AREA

For the purposes of this report, Lewisburg is defined as that area within the 17837 zip code. This zip code area includes Lewisburg Borough, Kelly Township, East Buffalo Township and eastern Buffalo Township. The Susquehanna Valley region is a predominantly rural area with small-town urban pockets. Shopping allegiances are formed dependent upon where people live and work. In Lewisburg's case, shopping patterns follow zip code lines closely.

According to the 2004 Claritas Site Report, a total of 204 retail trade businesses exist in the 17837 zip code. The following shows the breakdown by business category:

- Dining and Drinking – 51
- Furniture and Home Furnishings – 24
- Automobile and Gas – 21
- Unprepared Food – 20
- Home Improvement – 12
- Apparel – 7
- General Merchandise – 3
- Miscellaneous Retail - 66

A strong cluster of 69 specialty retail businesses currently exists in downtown Lewisburg. The following shows the breakdown by business category:

- Dining and Drinking – 18
- Furniture and Home Furnishings – 13
- Automobile and Gas – 0
- Unprepared Food – 3
- Home Improvement – 1
- Apparel – 7
- General Merchandise – 0
- Miscellaneous Retail - 27

Just over a third of the county's retail trade businesses are located in downtown Lewisburg. A proportionate number of the county's Dining or Drinking, Furniture and Home Furnishings*, and Unprepared Food businesses are located in downtown Lewisburg. Downtown Lewisburg hosts significantly fewer Home Improvement, and no General Merchandise and Automobile and Gas businesses but significantly more Apparel and Miscellaneous Retail businesses than the zip code area overall.

DEMOGRAPHICS AND TRENDS

Growth and decline comparisons are made between 2000 Census data and current data projections as of February 22, 2005.

Population

The estimated population for the area in 2004 is 19,437 residents. The following shows a comparison of various population figures of the Lewisburg trade area compared to those of the nation as a whole:

	17837	USA
Pop. Growth 2000-2004	1.07%	4.1%
Expected Pop. Growth 2005-2009	1.89%	4.8%
Male	53%	49%
Female	47%	51%
Median Age 2004	34.8	36
Expected Median Age 2009	34	36.7
Age 0 - 4	3.8%	6.8%
Age 5 - 19	21.8%	21.7%
Age 20 - 44	37.4%	36.9%
Age 45 - 64	20.9%	22.1%
Age 65 +	16.1%	12.4%
Married	47%	52%
Rural	69%	25%
Urban	31%	75%
Travel < 10 mins to work	5.64%	14.4%
Travel 10 - 29 mins to work	53.2%	51.1%

Income

The following shows the various income figures for the Lewisburg trade area compared to those of the nation as a whole. Expected growth rates are shown in parentheses.

	17837	USA
Per Capita Income	\$21,135	\$24,092
Median Household Income	\$45,084	\$44,389
Expected Median Household Income 2009	\$50,224 (11.4%)	N/A
Average Household Income	\$60,850	\$63,301
Expected Average Household Income 2009	\$68,026 (11.8%)	\$71,530 (13%)

Housing

The number of area households estimated for 2004 is 6,114. The following is a comparison of housing figures for the trade area and those of the nation as a whole:

	17837	USA
Expected Change Number Households	- 2.6%	5.0%
Percent Owner Occupied Homes	65.5%	66.5%
Majority of Home Building	Pre-1940 (28.2%)	1970 - 1979 (17.4%)
Median House Value	\$99,900	

Employment

There are approximately 14,750 persons employed in the 1,017 total area businesses. The following shows the breakdown of the largest employment segments in the area compared to that of the nation as a whole:

	17837	USA
Professional and Related Occupations	28.2%	20.2%
Sales and Office	20.1%	26.7%
Production, Transportation, and Material Moving	16.2%	14.5%
Service	15.3%	14.8%
Management, Business and Financial Operations	13.1 %	13.6%
Construction, Extraction, and Maintenance	6.0%	9.5%
Farming, Fishing, and Forestry	1.1%	0.7%

Education

The following shows the estimated percentages of the population over 25 years of age holding bachelors and masters, professional, or doctorate degrees in the trade area compared to those of the nation as a whole:

	17837	USA
Bachelors	14.6%	15.7%
Masters, Professional, or Doctorate	12.4 %	8.9%

PRIZM NE Lifestage Groups

Claritas' PRIZM groups identify consumers by shared purchasing tendencies and projected preferences. There are three major demographic categories, each of which includes multiple groups with different characteristics. The most prevalent groups in the area are described below.

Younger Years

Most likely due to the presence of Bucknell University, 21.8% of the area population is made up of young adults earning relatively low incomes from part-time jobs. As consumers, this group is likely to spend on outdoor sports, entertainment, fast food, and inexpensive cars.

Another 12.9% of the population consists of childless singles and couples in their thirties and forties. This group is the wealthiest of the *Younger Years* segment, often making six figure salaries, and is typically interested in the latest technology, financial products, aerobic exercise, and travel.

Family Life

In this segment, the largest group consists of middle and working class families with more than one child. Making up 4.48% of the area population, this group lives in modestly priced homes and is highly interested in sports, electronic toys, groceries, and televised media.

Mature Years

This segment makes up the majority of the consumer groups in this area. The largest of these groups at 21.7% of the population consists of working-class persons over 55 years of age. They typically have a high rate of homeownership and pursue sedate lifestyles. They generally enjoy reading, travel, going out to eat, and home-base hobbies like gardening and collecting.

The second largest group of this segment, making up 16.7% of the population, includes those that are over 65 years old and have household incomes under \$25,000. Many have modest educational achievement and live in apartments or small homes. They spend a lot of time watching TV and on activities such as gardening, sewing, and woodworking.

Another group is made up of upper-middle-class individuals that are over 55 years old and have no children. They make up 10.7% of the area population and enjoy much of the same activities as the largest group of this segment.

There is a small percentage of the population, 5.3%, made up of affluent couples that have "empty-nested." They typically live in large homes and spend lavishly on things like travel, exercise equipment, business media, and cultural events.

RETAIL TRADE AREA DEMAND

Retail Performance

The per capita income of \$21,135 of the area population (19,437 residents) results in an estimated total income of \$446,688,225 million for the Lewisburg trade area in 2004.

Residents of the trade area spent a total of \$293,154,000 in 2004, of which approximately \$231,688,000 was spent on retail goods and services. Hence, by dividing these figures by the current population, total spending per capita is \$15,082, of which \$11,920 is spent on retail goods and services. These figures are expected to rise 16% by the year 2009.

Total retail trade potential for business within the trade area is estimated at \$181.5 million. Estimates of retail trade potential in the categories represented by these businesses are as follows:

- Automotive Dealers - \$30.7 million
- Eating and Drinking - \$27.5 million
- Food stores - \$25.2 million
- Gasoline Service - \$18.7 million
- Home Improvement - \$13.8 million
- Hardware, Lumber, and Garden - \$12.0 million
- General Merchandise - \$11.8 million
- Drug and Proprietary - \$9.3 million
- Apparel and Accessories - \$2.8 million
- Furniture and Home Furnishings* - \$2.2 million

According to the 2005 Lewisburg Downtown Zip Code Survey, 26% of downtown Lewisburg's customers travel distances greater than 30 miles to shop there. This number is up from 18% in 2004 and 14% in 2002. The 2005 survey showed approximately 40% of downtown's customer base resides in Lewisburg. Assuming this figure is similar for the entire Lewisburg trade area, multiplying it by the total retail trade potential of Lewisburg businesses shows that approximately \$72.6 million or 31% of total retail spending by these consumers may take place in local retailers.

Opportunities for Growth

By comparing total consumer spending to the current retail trade potential of the Lewisburg trade area, this report can identify possibilities for new business opportunities.

Perhaps the largest potential lies in the market for apparel. The local population spent approximately \$26,738,000 on apparel in 2004. This figure is expected to rise by 14% over the next five years. Currently the estimated trade potential for apparel in the area is \$2,783,506. While there are already 7 apparel retailers in the area, the difference between total spending on these goods and the potential sales of these stores certainly indicates an opportunity for more of these stores to enter the market. It is clear that local consumers' tastes and preferences are not being met by the existing retailers and they are forced to purchase these items elsewhere.

Another area that should be considered is that of home appliances, radios, and TVs. Spending on these items reached \$17,653,000 in 2004 and is also expected to grow 14% over the next five years. With a current trade potential of \$1,841,415 in the area, there is substantial room for more retailers in this category.

The retail trade potential for the Lewisburg area has increased from \$129 million to \$181.5 million (40.6%)

Most notable increases:

Eating and Drinking - \$18 million to \$27.5 million (53%)

Food Stores - \$19 million to \$25.2 million (32.6%)
Home Improvement - \$9 million to \$13.8 million (53.3%)
General Merchandise - \$8 million to \$11.8 million (47.5%)

Notable stagnant categories:

Apparel and Accessories - \$2 million to \$2.8 million
Furniture and Home Furnishings - \$4 million to \$2.2 million

Future Action

The area retail surplus supports the committee's estimate that the Lewisburg zip code area is a regional center for retail goods and services. Future work will determine the extent that visitor and employee expenditures influence actual retail sales, how marketing efforts can best position Lewisburg as a regional retail center and the effect of the Route 15 bypass on the central business district and the region.

Since a strong retail sales cluster exists in downtown Lewisburg, the LEWISBURG DOWNTOWN PARTNERSHIP will make every effort to attract additional retail businesses to downtown and to encourage retail use where feasible on first floor business locations in the downtown. Retail sales demand and potential will be analyzed by retail sales categories to determine where gaps occur in the market (retail gap analysis). Future business recruiting efforts will be based on filling those gaps.

While the trade area meets demand, downtown Lewisburg is only one retail center within that area. Marketing and promotion efforts in the future will be based on working cooperatively and competing fairly with other retail goods and service providers in the area.

Notes

* The Home Furnishings retail category includes home appliances and galleries in this report. Demographic data has been compiled from 2000 US Census and 2004 Claritas, Inc. reports.

This data is produced by the Lewisburg Downtown Partnership, 111 Market Street, Lewisburg. 570-523-1743. www.lewisburgpa.com

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